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COAL INDUSTRY

As evident from Figure 1, Coal has continued to produce over half of the nation’s electrical power. The U.S. produces 1,131.5 million short tons and consumes all but 144 million. The US contributes to approximately a fifth of the world production and consumption, but this is expected to decrease as Asia’s capacity continues to spike (Figure 2). China leads the world’s coal market, doubling both U.S. Coal production and consumption while India, Australia and Russia each contribute some 400 million short tons. An important statistic to notice is that Australia’s demand for coal is not even half of its production capability. Australia is a key exporter to Asia’s thriving demand and is thus an excellent investment location for companies such as Peabody Energy Corp. Japan, for example, has ceased to produce any coal while its consumption has reached approximately 205 million short tons. South Korea is in a similar situation, only producing 3 million and consuming nearly 100 million short tons. Figures 3, 4, 5 are regional depictions of the World’s Coal industry.

Figure 1

Share of Electric Power Sector Net Generation by Energy Source, 2005 vs. 2006 (percent)

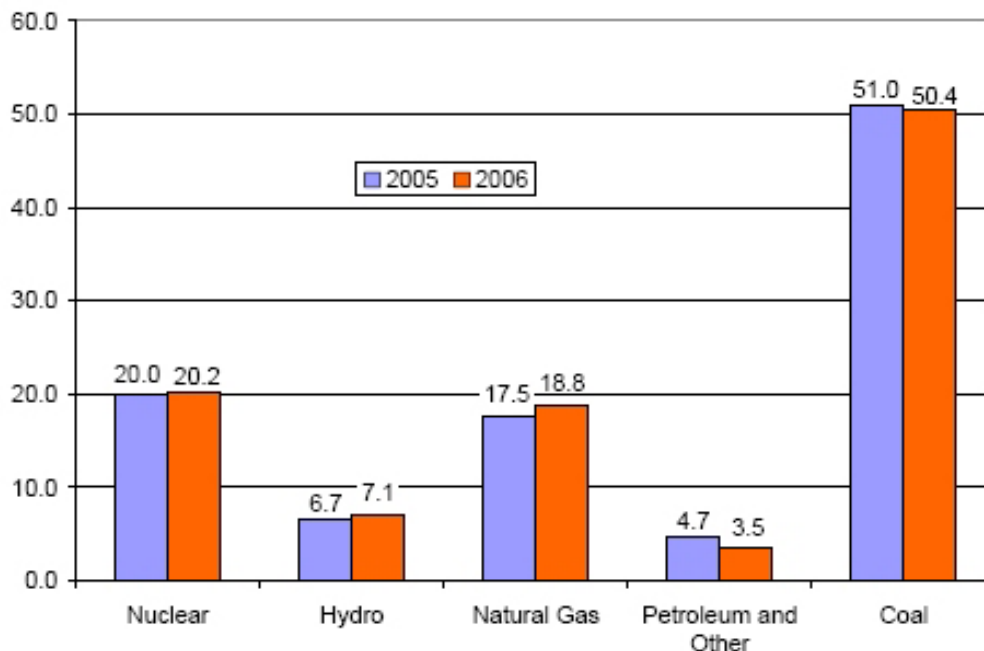


Figure 2

U.S. Coal Export and Imports, 1997-2006 (Million Short Tons)

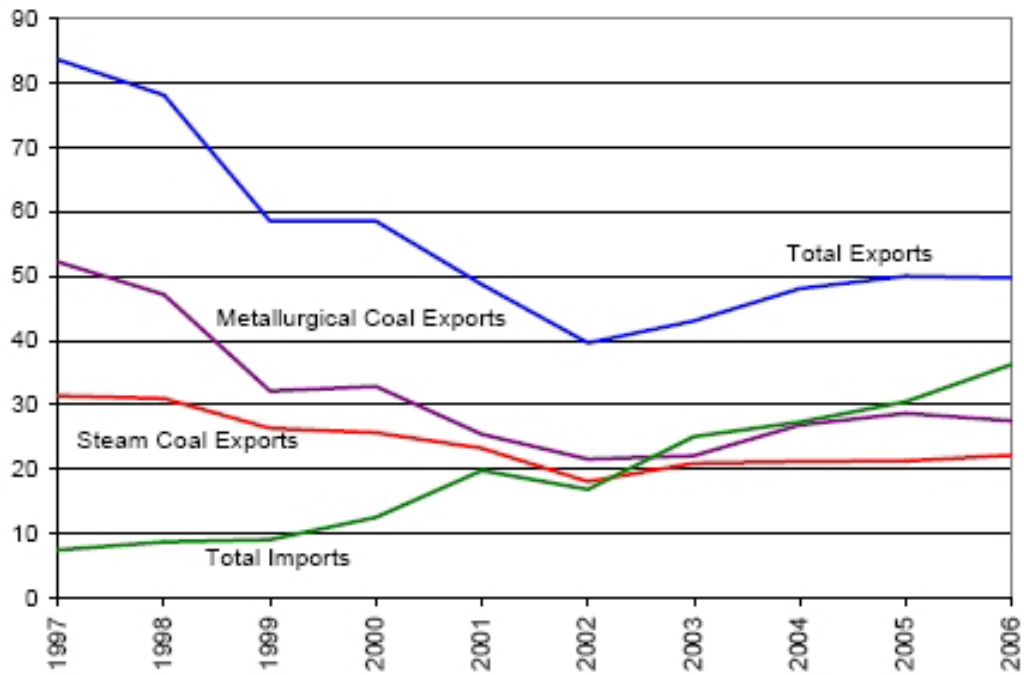


Figure 3

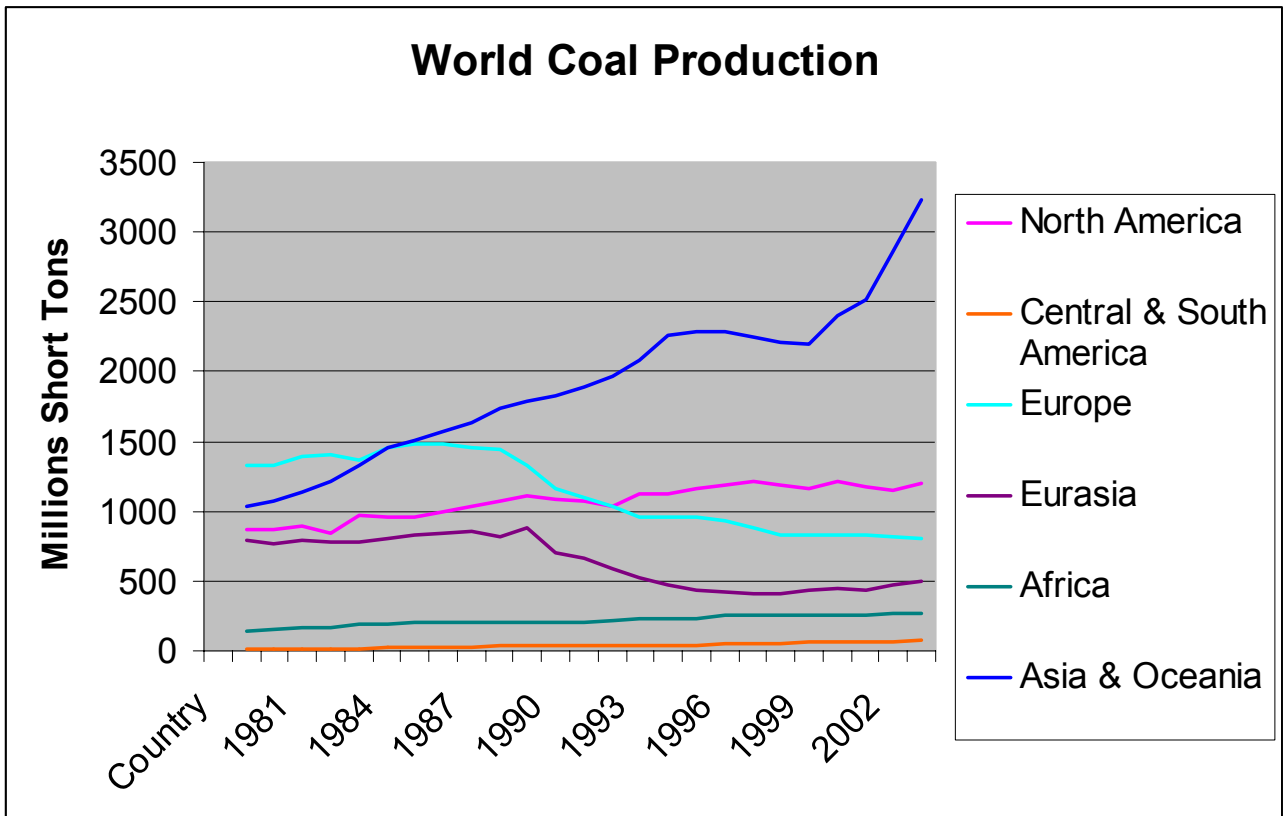


Figure 4

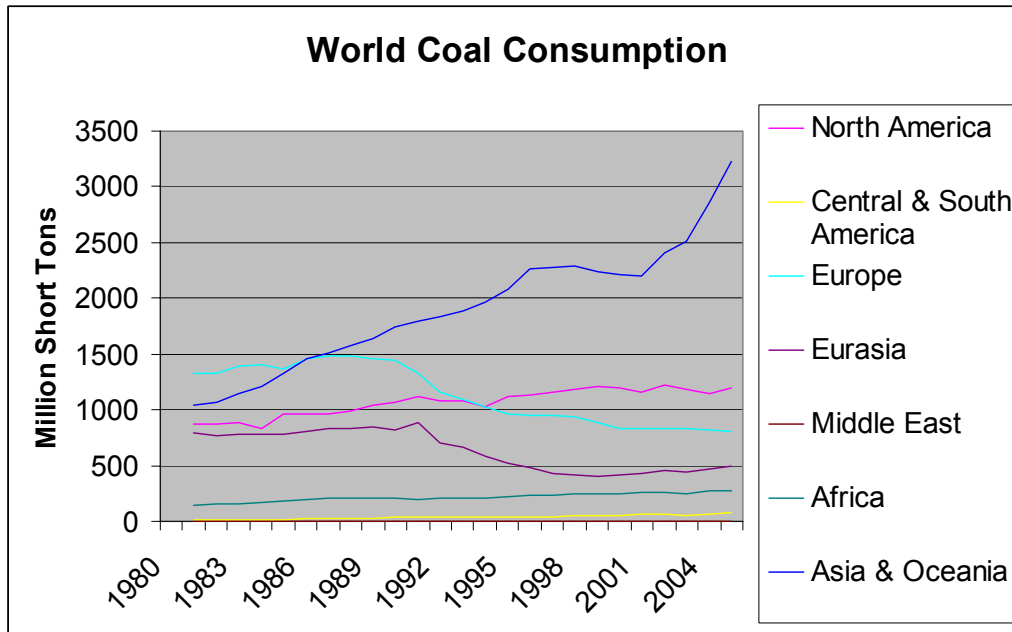
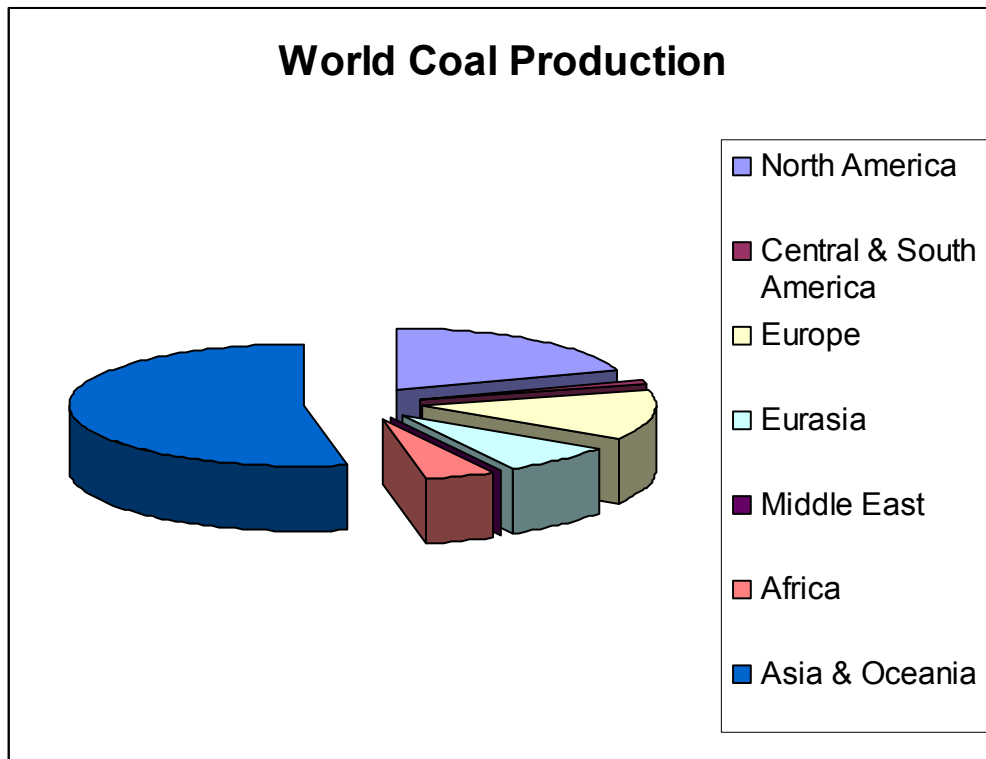


Figure 5



Sources:

- Energy Information Administration
- U.S. Department of Commerce