

THE EXPORT OF U.S. COAL AND COAL TECHNOLOGIES

NOVEMBER 1993

PURPOSE

In 1992 the National Coal Council was requested by then Secretary of Energy James D. Watkins to do a follow-up to the National Coal Council's 1987 study, "Improving International Competitiveness of U.S. Coal and Coal Technologies."

This follow-up study was requested because many significant world economic and political events had occurred since the 1987 study that would affect exports. Thus, an updated report would be of value in properly focusing and promoting the United States export program.

FINDINGS

The major benefit from increasing exports of U.S. coal and coal use technology is the creation of new domestic jobs and income.

- The U.S. participation rate in the world coal export market declined from 25% in 1991 to 23% in 1992, representing, potentially, the equivalent of approximately 11,000 domestic coal-production related jobs.
- If U.S. coal producers are to maintain their 1992 world market participation rate (23%), they must increase exports by 1% per year to the year 2000, and by 2.7% per year from 2000 to 2005.
- The National Coal Council forecasts world steam and metallurgical coal imports in 1995 at 423 million tons and in 2005 at 545 million tons.
- The Pacific Rim importers offer significant market opportunities given the expanded completion of current and planned coal-fired electric generation consumption.

RECOMMENDATIONS

- Consideration should be given to the impact of government actions on the ability of U.S. coal and coal-use technology industries to compete worldwide.
- Concentrate efforts on target markets.
- Facilitate the establishment of industry/government teams to compete for export business.
- Sharply focus program objectives.
- Support U.S. companies faced with unfair business practices or barriers.
- The federal government should consider providing financial support where warranted by foreign competition.
- Comprehensive information on markets and available support mechanisms should be provided to U.S. companies.
- The need for coal and coal-use technologies should be demonstrated.
- The comparative advantages of U.S. coal-use technologies should be demonstrated.