



Glencore hits at anti-coal policies of global leaders

JAMIE SMYTH — SYDNEY

Glencore has criticised global leaders for neglecting investment in “clean coal” technologies and adopting “populist policies” that ignore the world’s reliance on the fuel.

The world’s biggest supplier of seaborne thermal coal said yesterday that global carbon dioxide emissions could have been cut by 2bn tonnes over a decade if all power stations built between 2000 and 2010 had used the best technology available.

“As a first step there needs to be an acknowledgment that coal is not going to be wished away. In fact, coal use is going to continue to increase,” said Peter Freyberg, head of Glencore Coal.

“There has been significant populist policy over the past decade. This populist policy avoids talking about coal,” he said.

Mr Freyberg said leaders must adopt a policy at the Paris climate-change talks this year that recognises the

world’s global energy needs.

The use of coal has come under attack from environmental campaigners, who claim it should be phased out to lessen climate change. The fuel has been the target of an aggressive divestment campaign, with Norway’s parliament scheduled to vote as early as today to direct its \$900bn sovereign wealth fund to sell a portion of its coal assets.

Gas producers such as Royal Dutch Shell, BP and Total have also turned on coal, arguing that natural gas should begin to replace use of a commodity producing twice the CO₂ emissions.

Daniel Morgan, UBS commodities analyst, said: “There are environmental issues, there is a lot of supply and there is gas: the extraction costs of gas are coming down a lot so gas globally is probably the biggest threat to thermal coal.”

The intervention by the London-listed commodity trader and mining house comes as a growing number of analysts warn thermal coal is in structural decline owing to changes in policy in China, the world’s biggest importer.

China’s coal imports fell 11 per cent in 2014 from the previous year, the first time imports had declined for more than a decade. Coal-fuelled power stations are running at about half capacity, which has dented demand and pushed coal prices down 60 per cent since their peak in 2011.

Mr Freyberg told Melbourne Mining Club that Glencore was bullish on the long-term outlook for thermal coal.

“Coal is still the most abundant, most economic and the most reliable means of delivering access to energy and supporting a rise in living standards in many developing economies,” he said.

Mr Freyberg said that coal was needed to provide cheap energy to lift people out of poverty.



Peso: 11%