

Role for coal in Europe

The European Commission's focus on natural gas and renewable energy will make Europe uncompetitive compared to other regions of the world, Assocarboni, the Italian Coal Association, has warned.

Assocarboni says that the European Commission is underestimating the role that coal can play in Europe's energy mix and that replacing natural gas with coal will help to improve energy security and shelter consumers from price fluctuations.

It believes that coal has helped European utilities to keep their balance sheets healthy in 2013, and notes that the UK, Germany, Spain and Turkey all increased the proportion of coal in their energy mix this year.

According to Andrea Clavarino, Chairman of Assocarboni, European energy policy will force manufacturers to relocate to areas where electricity is cheaper - including China, India and the USA. "Less natural gas, which is expensive and carries significant implications in terms of security of supply, and more coal and renewables: this is the simple proposal that Assocarboni put forward in Italy," said Clavarino.

IEA data shows that world coal demand has increased by around 55 per cent in the last decade, and that coal will remain the fastest growing energy source, rising 2.6 per cent per year to 2018.

A recent Wood Mackenzie report also indicated that coal would overtake oil as the world's main source of energy supply by 2020.