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| TAJUK ARTIKEL | EMISSIONS, TRADE FLOW IMPACT THE G7 COAL VOW |
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WASHINGTON: The energy ministers of the Group of Seven (G7) major democracies vowed this week to end coal use in power generation within around a decade, marking a further high-profile pledge to accelerate the energy transition away from fossil fuels.

Below is a breakdown of how this decision may impact global coal markets and power sector emissions:

G7 member coal use

The G7 member nations are Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, and collectively they are expected to account for around 44% of global gross domestic product in 2024, according to International Monetary Fund data.

As the G7 is made up of advanced economies, their power generation systems are generally more developed and less concentrated than the global average.

For the G7 bloc as a whole, five separate sources of power account for 10% of more of their total electricity generation: hydro, nuclear, coal, natural gas and renewables.

Globally, only hydro, gas and coal account for a 10% share or more of electricity generation.

Coal was the fourth-largest source of electricity generation in the G7 in 2023, accounting for an average of 15% of the group's electricity last year, according to energy think tank Ember.

That compares to 34% for natural gas, 18% from nuclear, 18% from renewables and 11% from hydro dams.

The global average for coal-fired electricity generation in 2023 was 37%, or more than twice the G7 average.

In absolute generation terms, the G7 nations produced 1,115 terawatt hours (TWh) of electricity from coal in 2023, compared to 10,093 TWh of electricity produced from coal globally.

That 11% share of global coal-fired electricity output is down from a 26.5% share in 2013 and 44% in 2003, and reveals that G7 countries have already made deep cuts to coal use amid intensifying pressure to decarbonise power systems.

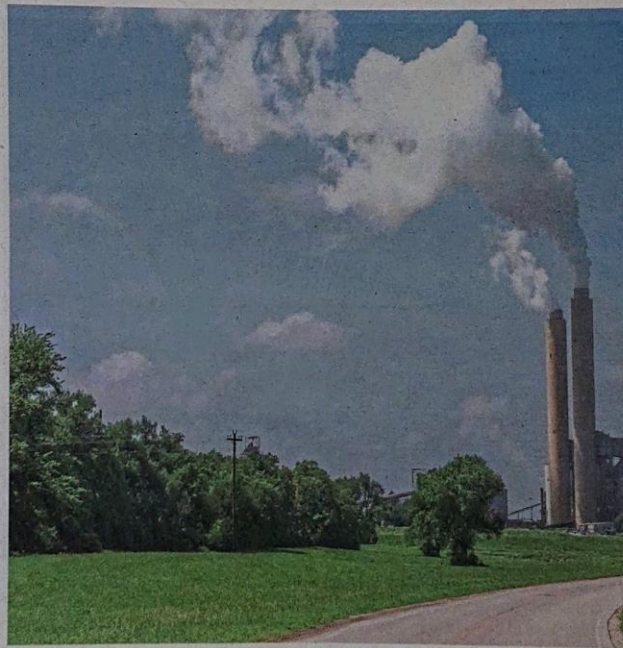
G7 nations have made similarly steep reductions to their collective coal-fired emissions.

In 2023, G7 nations discharged around 1.035 billion tonnes of carbon dioxide and equivalent gases from coal-fired generation, according to Ember, which is the lowest total on record.

That tally represents a 10.8% share of the

Emissions, trade flow impact the G7 coal vow

Advanced economies pledge to speed up sustainability



Green challenge: Emissions fume at the coal-fuelled Oak Grove Power Plant in Robertson County, Texas. Coal only accounted for 16% of electricity output in the United States last year. — AFP

global total, and compares to 2.2 billion tonnes in 2013 and 2.6 billion in 2003.

Wide range

Among the G7 countries, there is wide variance in coal dependence.

The least reliant on coal is France, which primarily uses nuclear power for electricity generation and sourced only a fraction of a percent from coal in 2023.

The United Kingdom generated only around 1.1% of electricity from coal in 2023, while coal only accounted for 4.9% of

electricity output in Italy and 5.6% in Canada.

However, coal-fired plants generated around 29% of electricity in Japan, 25% in Germany and 16% in the United States last year, Ember data shows.

That enduring reliance on coal to generate a double-digit share of electricity in three of the world's largest manufacturing economies reveals the G7 group still faces a significant challenge in fulfilling their collective pledge of eliminating the fuel from their power mix over the coming years.

Indeed, statements accompanying the G7

pledge included caveats on the timing of the coal phase out in each country, providing wiggle room for Japan and Germany in particular to chart their own coal reduction courses within broader net-zero emissions pathways.

Trade flow impact

In addition to the emissions impact, climate trackers will also be following the consequences of the G7 coal cuts on the international trade of thermal coal.

Some of the G7 coal users, especially the United States and Germany, are largely self-sufficient in their coal needs due to large local coal mining industries that feed most of their power use needs.

But Japan is almost entirely reliant on fuel imports, and as a result was the third-largest global importer of thermal coal in 2023, according to Kpler.

Japan imported just over 110 million tonnes of thermal coal last year, compared to around 330 million tonnes imported by China and 170 million tonnes by India.

If Japan complies with the G7 pledge to phase out coal use by the middle of the next decade, that will result in significant changes to global coal flows over that period, with repercussions for Japan's top current suppliers Australia, Indonesia, Russia and Canada.

Some fast-growing economies elsewhere, including India, the Philippines and Vietnam, may snap up some of the reduced volumes bought by G7 nations over the near term.

But in the longer run those and other nations plan to sharply increase clean power generation and cut back on fossil fuel use.

That suggests the pledge made by the G7 to cut coal use over the next decade could be followed by other nations in due course, resulting in a more comprehensive reduction in coal use over the following decades.

— Reuters