EURACOAL
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AISBL

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WORLD COAL MARKET DEVELOPMENTS

Conflict and instability – the ongoing Russian war on Ukraine and unrest in the Middle East – have led to price shocks on oil and gas markets. In March, members of the International Energy Agency (IEA) reacted with a co-ordinated release of oil stocks which, with G7 support, was accelerated in October. Diesel fuel was prioritised as short supply pushed prices up in Europe and elsewhere. Higher fuel oil prices saw a sharp increase in freight rates on key coal trade routes, although with little impact on flows. In its *Electricity Mid-Year Update 2026*, the IEA forecasts global coal-fired generation will rise by 1.4% in 2026, reflecting gas-to-coal switching in response to high natural gas prices. Even so, the IEA expects renewable generation to overtake coal in 2026. Looking ahead to 2027, the IEA *Coal Mid-Year Update 2026* says coal demand could decline, but warns of "uncertainty, particularly given the fragile geopolitical context and the tangled links between major energy fuel and sources." Most agree that diversified energy supplies, including from indigenous sources, alongside a properly functioning market offer the best protection against any supply disruption.

Overall, global coal production is estimated to have fallen by 0.9% in the first half of 2026, following the previous, record year which ended with a well-supplied coal market and healthy stocks. In contrast and because of geopolitical developments, global coal consumption is set to increase by 1.2% in 2026 to reach 8.94 billion tonnes, reversing the IEA's previously forecasted decline. With China driving global coal market trends, it is noteworthy that higher oil prices have improved the economics of China's rising use of coal for chemicals and plastics production.

International **steam coal** trade grew to 546.4 Mt in the first half of 2026, a 2.8% year-on-year increase (see Table 2). Australian steam coal exports rose by 6.0% year-on-year to 99.8 Mt in the first half year with strong demand from Northeast Asia (Japan, Taiwan and South Korea) as utilities switched away from LNG towards coal for power generation. Nuclear outages in South Korea also favoured coal. According to the General Administration of Customs, China's imports of coal and lignite were 225.4 Mt from January to June 2026, up 1.7% year-on-year and reversing the decline of the first five months. Coal imports into Vietnam grew to 40.1 Mt (+6.0%) as coal demand for power generation in H1 2026 continued to outstrip domestic coal supply, despite government efforts to encourage production. Indonesian steam coal exports fell 5.7% year-on-year to 231.1 Mt in the first half year. South African steam coal exports rose by 13.1% to 35.7 Mt, supported by strong global coal demand, including from Northeast Asia and the EU, but moderated by weaker exports to India which fell by 30%. Similarly, Colombian steam coal exports rose by 9.5% year-on-year to 25.4 Mt in H1 2026 – including around 7 Mt (+8%) to Europe – despite blockades in June on trucks delivering coal to the Puerto Nuevo export terminal.

Demand for **coking coal** is expected to grow in 2026 – in H1 2026 international trade grew by 11.1% to 181.2 Mt (see Table 3). Early in the year, coking coal trade was affected by adverse weather at Australian mines. An accident at a mine in China saw domestic supply curtailed as safety inspections were carried out. International coking coal prices rose accordingly during H1 2026 as China turned to

imports, despite a weak steel sector; Chinese coke production increased in H1 2026. With softer demand from Northeast Asia, Indian coking coal demand will be the key driver of global coking coal demand and may soon overtake China as the world's largest importer of coking coal. Indonesian coking coal imports rose by 32% year-on-year in H1 2026; import volumes have more than tripled since 2022 and the country is now a major exporter of coke – it will likely overtake China to become the world's largest coke exporter this year. Mongolian overland coking coal exports rose by 38.6% year-on-year to 34.4 Mt in H1 2026. Output growth is set to continue as development of the Borteeg coal block began in mid-2026. However, the mining and transport of coal in Mongolia depends on the continued availability of diesel fuel from Russia.

China

Chinese coal production in the first half of 2026 fell by 1.6% to 2 365.1 Mt, according to the country's National Bureau of Statistics. On 22 May 2026, the social cost of coal mining was brought home by the terrible gas explosion at the Liushenyu mine in Shanxi where 82 men lost their lives. In a letter of condolence to the China National Coal Association, EURACOAL expressed its hope that the lessons learned could be quickly shared as reducing the perils of mining was a joint responsibility. Safety inspections and the suspension of coal mining at dozens of collieries led to a tight market.

Of note has been China's shift away from seaborne coal imports towards coal trucked or railed from Mongolia which grew 57.9% in H1 2026 to 59.8 Mt and could reach over 90 Mt of coking coal and steam coal in the next few years.

According to IEA estimates, Chinese electricity generation increased by 5.3% year-on-year in H1 2026 to 4 750 TWh, with solar, coal (+3%) and hydropower driving supply growth. Even so, coal-fired power generation slipped just below half of total generation for the first time.

Box 1 – Chinese coal industry development under the 15th Five-Year Plan

On 6 July 2026, the National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) jointly issued the Coal Industry Development 15th Five-Year Plan (NDRC Energy Notice No. [2026] 979, 10 August 2026). It begins with this statement: *"Coal is China's basic energy source, vital to the national economy and people's livelihood, and national energy security."* Under this guiding document, coal supply will tend to be concentrated at bigger, more efficient mines:

Consumption peak: The Chinese government has explicitly stated that coal consumption will reach its peak during the 15th Five-Year Plan period (2026-2030).

Westward shift: Continue advancing the construction of five major coal bases – Shanxi, western Inner Mongolia, eastern Inner Mongolia, northern Shaanxi, and Xinjiang – to supply over 80% of national output by 2030.

Capacity reserve: Build dispatchable reserve coal production capacity of over 100 Mtpa by 2030 to enhance supply flexibility and dampen coal price volatility.

Coal quality: Promote commercial coal standards and improve coal quality testing and inspection.

Coal methane: Increase pre-extraction from the surface and monitoring efforts. Strengthen the use of mine gas at all concentrations (>30% methane, 8% to 30%, <8% and ventilation air methane), and develop power generation, heating, and other utilisation technologies. An annex to the plan gives more details on the expansion of coalbed methane exploitation.

Synergistic development: Promote downstream technology deployment by establishing four major coal-to-oil and gas bases, alongside an expansion of the existing coal-to-chemicals sector, at Ordos in Inner Mongolia, Yulin in Shaanxi, Zhundong in Xinjiang, and Hami in Xinjiang.

Green infrastructure: New energy development in mining areas. Replacement of heavy trucks with electric and H_2-powered trucks at surface mines alongside new charging and refuelling infrastructure.

Strict market entry: Halt any new construction of coal mines with high gas and rock burst risks or extremely complex hydrogeological conditions where capacity is below 0.9 Mtpa. Halt any new high-risk mines whose first-level mining depth exceeds 1 000 metres. Allow only pilot mining to 1 200 metres, up to a maximum of 1 500 metres.

Intelligent development: The 15th Five-Year Plan will deeply implement the "AI+" initiative in coal mines and push towards intelligent mining at 75% of production capacity.

India

In India, coal production decreased by 2.4% year-on-year to 554.7 Mt in H1 2026, according to data from the Indian Ministry of Coal which includes output from captive and private coal mines as well as the state-owned coal mining companies. Coal India Limited is the largest producer, accounting for around three quarters of national production. Steam coal imports fell by 11% as high coal stocks at the start of 2026 depressed demand. Indian coal-fired power generation increased by 3.5% year-on-year in H1 2026 to 699 TWh, of which 16 TWh was at lignite-fired plants in Tamil Nadu and Rajasthan. Coal accounted for around 73% of total power generation. With its strong demand for iron and steel, India is driving growth in coking coal demand as most steel is produced via the blast furnace – basic oxygen furnace (BF-BOF) route rather than at electric-arc furnaces.

United States

In the US, coal production increased by 2.4% to 242.0 Mt year-on-year in H1 2026 according to the US Energy Information Administration. However, domestic coal demand fell, helping to support stock build and an 8.0% increase in coal exports which grew to 45.8 Mt.

Coal-fired power generation in the US remains under pressure from cheap natural gas and the expansion of renewables; coal power generation in H1 2026 was 314 TWh for an 11.3% share in total generation – a 14.4% year-on-year fall which is expected to persist for the whole year. Gas took a 38.4% share while solar PV generation grew 21.6% to take an 8.0% share of the 2 176 TWh total generation at utility-scale facilities.

Box 2 – US rolls back power plant carbon emission standards

In 2024, during the Biden administration, the US Environmental Protection Agency (EPA) issued standards under Section 111 of the Clean Air Act (CAA) to reduce carbon dioxide emissions from new gas-fired power plants and existing coal-fired power plants. These rules mandated that the largest coal plants must reduce emissions by 90% by 2032, requiring carbon capture technology to be retrofitted at existing plants. A lesser reduction target of 16% was set for plants that close before 2039 – a reduction that can be met by co-firing natural gas.

Under the Trump administration, the EPA finalised the rollback of these standards on 14 September 2026 having already been stripped, in February 2026, of its authority to regulate greenhouse gas emissions from the power sector under its *Endangerment Finding* of 2009. This finding followed a ruling of the US Supreme Court on 2 April 2007 that greenhouse gases should be considered air pollutants and could thus be regulated under the Clean Air Act. The CAA was originally passed in 1963 to control hazardous air pollutants or "air toxics".

Indonesia

In Indonesia, coal production grew by 2.6% to 367.1 Mt, ahead of the government's cap and despite an oversupply in 2025 that led to a fall in prices. The government has lowered its 2026 coal production target to 641 Mt, well below the previous year's total production of 790 Mt, creating uncertainty for producers and international buyers alike. The country is the largest coal exporter by tonnage: 231.1 Mt in H1 2026, this being 5.7% less than the same period of 2025. Weak demand

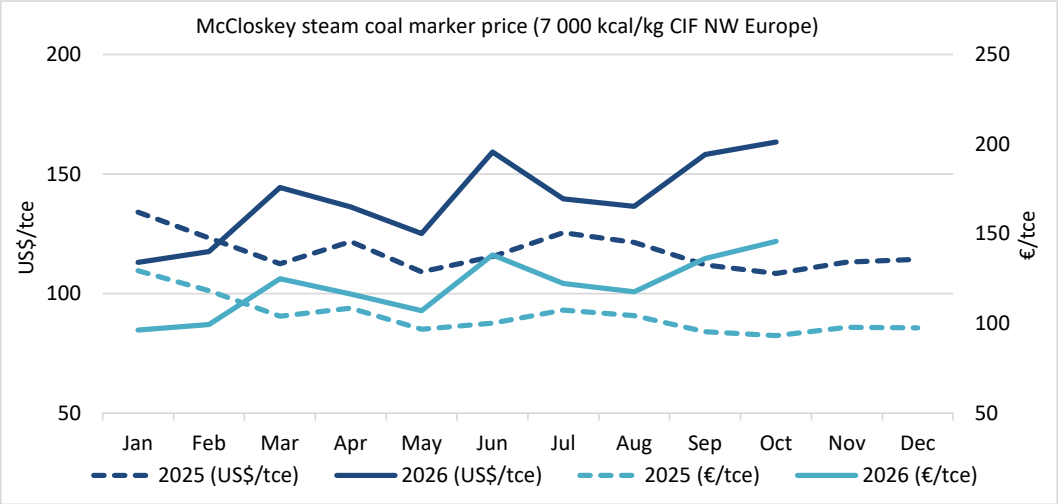
from Asia and higher domestic market obligations – which require coal to be sold domestically at regulated prices – and the centralisation of exports from September 2026 through a state-owned company (DSI – Danantara Sumberdaya Indonesia) have made producers cautious.

Russia

Production of coal in Russia totalled 212.0 Mt in H1 2026, 1.9% lower than the same period of 2025 according to data from the Russian Federal Statistics Service (Rosstat). Production included 98.5 Mt of steam coal (−5% year-on-year), 53.8 Mt of coking coal (+3.5%) and 10.1 Mt of anthracite with the remainder lignite. Around 70% of Russian production comes from surface mines so relies on diesel-engined trucks and machinery. Higher fuel costs and potential shortages are expected to put further pressure on the margins of Russian producers already under financial strain (see Box 1 in EURACOAL Market Report 2026 No.1). The outlook for Russian coal is uncertain in the face of trade sanctions, transport bottlenecks and weak profitability. That said, discounted Russian coal remains attractive to some Asian buyers. According to preliminary data, Russia's coal exports in H1 2026 were 107.1 Mt, 8.1% higher than H1 2025 and comprising 78.2 Mt of steam coal and 28.9 Mt of coking coal.

Coal Prices

By the end of 2025, the margins enjoyed by coal producers had been squeezed with falls in many coal price benchmarks. Improving market fundamentals, driven by global events, saw a price recovery in early 2026 supported by higher natural gas prices linked to instability in the Middle East, making coal more competitive for power generation and boosting demand.



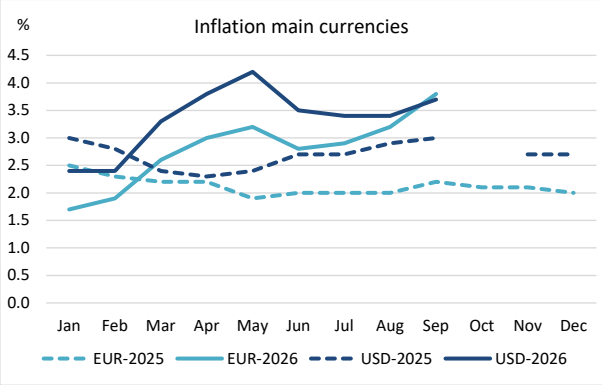
Source: ICE Futures Europe – API2 Rotterdam Coal Futures first weekly quotation of the month (basis 6 000 kcal/kg converted to 7 000 kcal/kg)

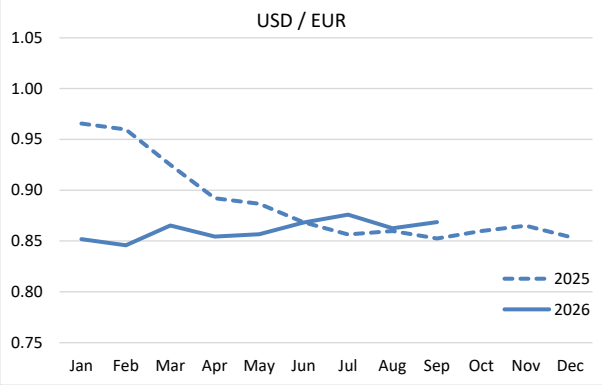
Export restrictions and regulatory uncertainty in Indonesia added to price pressures, particularly for low-calorific value coal, as did safety inspections following the mine accident in China in May. Supply disruptions at the Cerrejón mine in Colombia, which declared *force majeure* on 1 June 2026, contributed to a tighter Atlantic market where Türkiye has become the main demand driver. As a result, API 2 spot prices on a cost, insurance and freight (CIF) basis for steam coal deliveries to the ports of Amsterdam, Rotterdam and Antwerp (ARA) in Northwest Europe averaged 112 US$/t over the first half year, some 10% higher than H1 2025. Weekly steam coal prices at European ports were highest in early June, at 136 US$/t, but then cooled to reach a low of 117 US$/t in early August before rising again – but still far below the extraordinary highs observed during the 2022 energy crisis when prices exceeded 400 US$/t. Volatile TTF gas prices resulted in large swings in ARA coal prices, but coal prices did not rise to the same extent as oil and gas prices. By mid-2026, two other important steam coal benchmarks (Newcastle FOB 6 000 kcal/kg and South China CFR 5 500 kcal/kg) had also reached their highest levels since the start of 2024.

As global demand for seaborne steam coal is not expected to increase, and supply remains relatively balanced, the Australian government's *Resources and Energy Quarterly* forecasts spot steam coal prices will change little from the 107 US$/t (FOB Newcastle) seen in 2025, reaching 111 US$/t in 2030 (real prices expressed in 2026 US dollars).

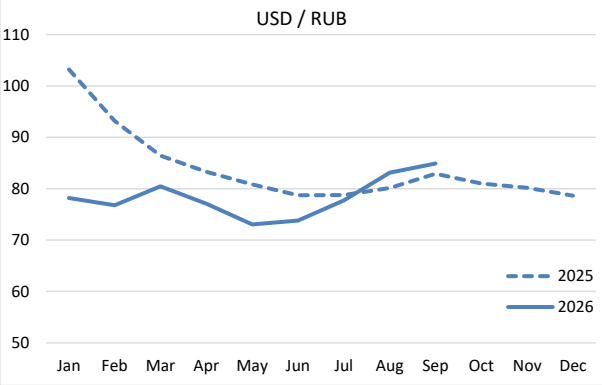
The coking coal market experienced a rise in prices to average around 236 US$/t during H1 2026 for Australian hard coking coal, although softened in July as output rose and India's imports fell back during the monsoon season. Buoyant Chinese demand for imports pushed prices to 283 US$/t in September – the highest since 2024. The Australian government forecasts prices to rise modestly from 190 US$/t in 2025 to 206 US$/t in 2030 in real terms, viewing the current hiatus as temporary.

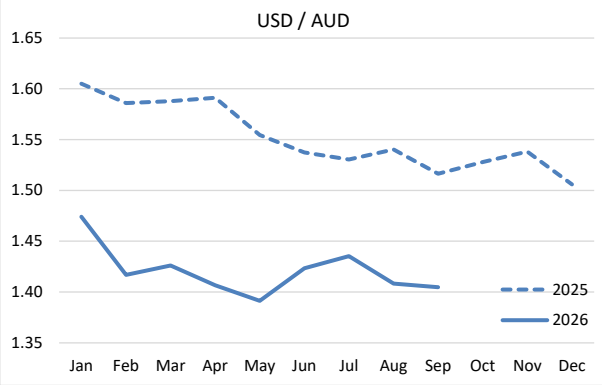
Price forecasts depend partly on inflation rates. The US consumer prices index (CPI) rose quickly after Operation Epic Fury began in the Middle East on 28 February, peaking at 4.2% in May as higher fuel costs fed through into the US economy. Note, there was no CPI print in October 2025 due to the failure of Congress to agree the federal budget which led to a government shutdown. Eurozone inflation followed a similar pattern and even overtook US inflation in September 2026, driven by the high cost of transport fuels. Coal is traded in US dollars which recovered slightly in 2026 against the major currencies after a period of weakness in 2025.





Sources for inflation: ECB; US Bureau of Labor Statistics

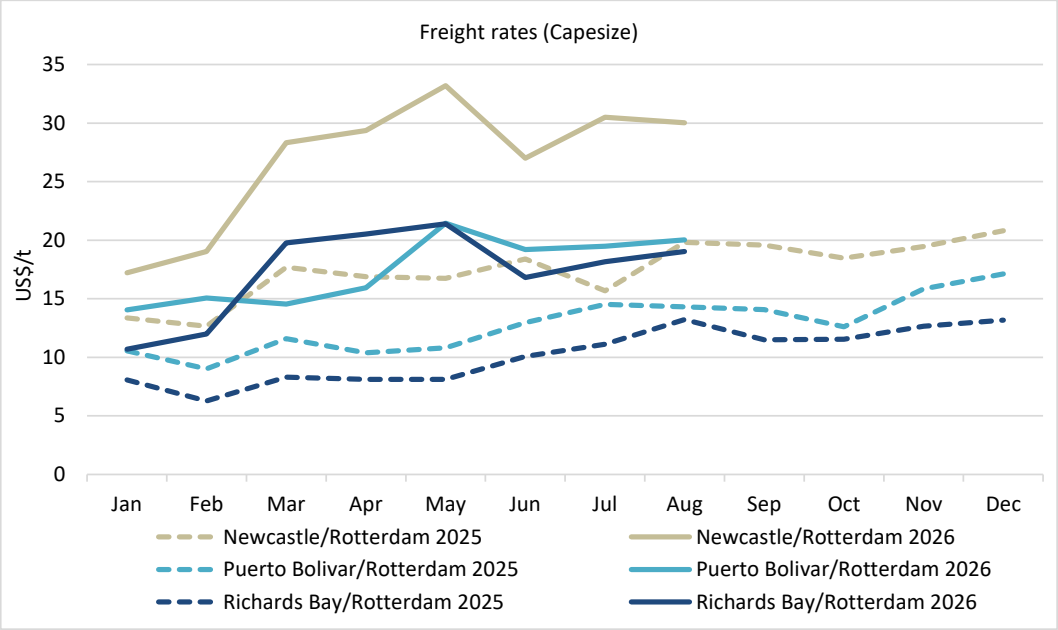




Sources for exchange rates: ECB, BoE and OECD

Freight Rates

In H1 2026, shipping rates averaged 16.71 US$/t on the Bolivar-Rotterdam route important to European steam coal buyer, a 54% year-on-year increase. The Richards Bay-Rotterdam route saw rates increase even more dramatically, by 107% to 16.86 US$/t on small volumes. European importers of coking coal from Australia paid higher shipping costs, averaging 25.69 US$/t over the first half year, a 61% increase on the same period of 2025. These significant hikes in shipping rates reflected the rising cost of bunker fuel, including very low sulphur fuel oil.



Sources: Argus Media group and Clarksons (monthly averages from daily and weekly data)

EU COAL MARKET[1]

	2026 (1-6) Mt	2025 (1-6) Mt
Hard coal imports	33.1	33.4
Hard coal production	21.2	21.0
Lignite production	89.5	94.4

Hard coal imports into the EU, at 33.1 Mt in H1 2026, were 1.1% lower than H1 2025 (see Table 6). Within that overall picture, Italy saw the largest absolute decrease in imports to 0.9 Mt, a drop of 0.8 Mt or 45.4%, while Poland's imports increased by 36.3% year-on-year to 4.2 Mt. Belgium, Czechia, France, Slovakia, Slovenia and Spain all saw their coal imports fall. Although its imports fell by 17.1% year-on-year, Türkiye remained Europe's largest coal importer with 16.3 Mt in H1 2026.

EU hard coal production rose slightly, by 0.9% in H1 2026 to 21.2 Mt compared with H1 2025, with an increased in Polish coal production offsetting the loss of Czech production (see Table 5). The last hard coal mine in the Czech Republic closed at the end of January 2026, ending two and a half centuries of underground coal mining in the Ostrava region.

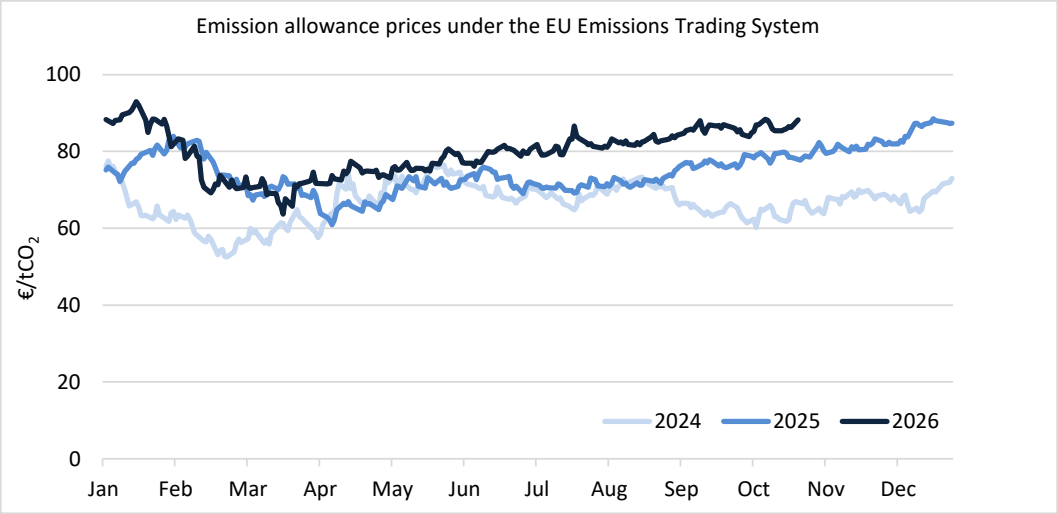
EU lignite production declined, by 5.2% to 89.5 Mt, with modest gains in Czechia, Hungary and Poland unable to offset bigger declines in Bulgaria, Germany and Romania (see Table 5). Greece is expected to end lignite production in 2026.

Total coal demand in the EU is now expected to reach 276 Mt in 2026 according to IEA forecasts. Higher fossil gas prices have reduced the expected decline from fuel switching in member states such as Germany and Poland. Even so, the rollout of renewables, growing nuclear availability in some countries, coal phase-out policies, and weakening industrial demand are all expected to reduce overall coal demand in the mid to long term.

[1] All European coal production and trade data come from EURACOAL members or government sources.

Carbon Prices

In H1 2026, EU Emissions Trading System (ETS) allowance (EUA) prices averaged 77.07 €/tCO_2e, ranging from a high of 92.94 €/tCO_2e in mid-January to a low of 63.65 €/tCO_2e in mid-March and ending the half year at 80.16 €/tCO_2e. Allowance prices where 6% higher than over the same period of 2025. EU carbon prices have continued to rise since then. Even, so, much higher gas prices favoured coal-fired power generation. Carbon costs under the EU ETS account for more than half of operating costs at lignite-fired plants in Bulgaria, Poland and Romania.



Source: Intercontinental Exchange

Hard Coal

Producer	2026 (1-6) Mt	2025 (1-6) Mt
Czechia	0.1	0.6
Poland	21.2	20.4
EU total	**21.2**	**21.0**

Czech Republic

The last Czech hard coal mine – OKD's ČSM Mine at Stonava in the Karviná coal basin of North Moravia – closed at the end of January 2026. As a result, hard coal production in the first half year was just 54 thousand tonnes, a 91% drop compared with H1 2025. Hard coal exports collapsed by 31.3% to 376 thousand tonnes and, alongside coke exports, will shortly cease completely. In H1 2026, 347 thousand tonnes (−4.2% y-o-y) of hard coal were delivered to Czech power plants.

Germany

Hard coal imports (excluding coke) into Germany in H1 2026 were 12.4 Mt, 1.7% lower than during the same period of 2025. Australia was the most important supplier of coking coal, while the US, Colombia and Australia accounted for the largest shares of steam coal imports. Russian imports fell sharply following the EU's import ban of August 2022, although small volumes of Russian coal continued to arrive from stocks held in other countries after that date. Coal deliveries for power generation grew by 9.8% in H1 2026, despite restrictions on coal transport by barge due to low water levels on the Rhine.

Poland

Total hard coal production in Poland of 21.2 Mt in the first half of 2026 was 3.7% above the same period of 2025. 14.9 Mt of steam coal (+2.1%) and 6.3 Mt of coking coal (+19.5%) were mined. From January to April, sales exceeded production, so stocks were drawn down. By June, monthly production was 3.4 Mt while sales were 3.0 Mt and stocks rebuilt to 3.1 Mt at month end – a much better position than summer 2022 when stocks fell to almost one million tonnes following the ban on Russian coal imports.

There are currently eighteen operating underground hard coal mines in Poland:

- 7 mines owned by Polish Mining Group (PGG – Polska Grupa Górnicza S.A.), the largest coal producer in the EU, primarily of steam coal;
- 4 mines owned by Jastrzębska Spółka Węglowa S.A. (JSW), primarily producing coking coal;
- 3 mines – Brzeszcze, Janina and Sobieski producing steam coal – part of the Southern Coal Company (PWK – Południowy Koncern Węglowy S.A.);
- 1 steam coal mine in the Lublin coal basin owned by Lubelski Węgiel "Bogdanka" S.A. which is controlled by Enea S.A., an energy utility company; and
- 3 mines owned by private companies: PG "SILESIA" Sp. z o.o., ZG "SILTECH" Sp. z o.o., and ZG EKO-PLUS Sp. z o.o. with a combined steam coal production capacity of *c.*1.1 Mtpa.

Direct employment in Polish hard coal mining was 66 417 at the end of June 2026, a reduction of 8.4% year-on-year as restructuring progressed, including the closure by Węglokoks Kraj S.A. of its KWK Bobrek mine in December 2025.

Coal imports into Poland rose in H1 2026. From January to June, 3.8 Mt of steam coal (+52.2% year-on-year) were imported plus 0.5 Mt of coking coal (−28.2%), giving a total of 4.2 Mt (+36.3%). Imports mostly came from Kazakhstan (according to customs forms) and Colombia, with smaller volumes from the US, the Czech Republic, and others.

Total Polish coal exports fell from 2.2 Mt in H1 2025 to 2.1 Mt in H1 2026: 0.5 Mt of steam coal and 1.6 Mt of coking coal, mostly to southern neighbours such as the Czech Republic and Slovakia with some to Germany.

Published as a draft in July 2025, the Polish *National Energy and Climate Plan* has two scenarios with different GHG emission reduction and renewables targets. In the case of coal, the WEM scenario (with existing measures) sees coal as a system stabiliser with *c.*34% of the generation mix in 2030, but the WAM scenario (with additional measures) would see a radical reduction in coal use in commercial power plants to *c.*22% of the generation mix by 2030 in favour of renewables and gas. Coal-fired units with a total capacity of 6-7 GW may then only be consuming 5-6 million tonnes of coal per year. By 2040, WEM forecasts 23.7 Mt of total hard coal production of which 9.58 Mt are steam coal, while WAM forecasts production of 16.1 Mt of which just 2.83 Mt are steam coal. In the latter scenario, only 0.3 Mt is consumed for electricity and heat in 2040; renewables (50%) and nuclear (23%) would then account for the largest shares of power generation.

A social agreement on the transformation of hard coal mining concluded in May 2021 between the government, coal companies, and trade unions introduced a 2049 deadline to phase out hard coal mining, a support system for coal mining companies, principles to minimise the socio-economic impacts of the transformation, a Silesian Transformation Fund, and certain employment guarantees and redundancy benefits.

Lignite

Producer	2026 (1-6) Mt	2025 (1-6) Mt
Bulgaria	6.9	9.1
Czechia	13.0	12.5
Germany	41.2	42.8
Greece	2.2	3.0 e
Hungary	1.1	1.1
Poland	19.5	19.0
Romania	4.8	5.9
Slovakia	0.0	0.0
Slovenia	0.7	0.9
Total	**89.5**	**94.4 e**

Bulgaria

Mini Maritsa Iztok EAD (MMI) operates power plants fuelled with lignite from mines having an annual output capacity of 35 Mtpa to supply fuel to the 3-GW Maritsa Iztok complex. In H1 2025, lignite production reached 6.9 Mt, 23.7% less than in H1 2025 but 29.4% higher than H1 2024 which had been a very difficult period for the company. These swings reflect a very competitive power market as many new solar PV projects come on stream, increasing solar capacity to 6.5 GW in early 2026. In April, IBEX power market prices went negative for the first time, highlighting why the UK owner of Maritsa Iztok 3 (a.k.a. Maritsa East 3) coal power plant, ContourGlobal Ltd., commissioned a standalone battery energy storage system of 202 MW / 500 MWh in January 2026. The project is one of a number with a total capacity of 2.5 GW to 4 GW supported by the EU Recovery and Resilience Facility (RRF). Given the attractive arbitrage opportunities, this storage capacity is helping to balance supply and demand not only on the Bulgarian power market, but also the interconnected Greek and Romanian markets. For now, Bulgarian households have regulated tariffs and are thus insulated from swings on the power market. A long-planned liberalisation could see the Bulgarian power market become even more competitive in the future.

Czech Republic

Lignite production, at 13.0 Mt in H1 2026, showed an increase of 3.9% compared with the same period of 2025 – a production plateau that is likely to continue towards the announced 2033 coal phase-out date given that there are no real alternatives. Deteriorating economics, ETS costs and uncertainty on power plant availability in 2026/27 all weighed on the sector, even though lignite remained a system-relevant source of dispatchable power. Employment in the lignite sector fell 10% in 2025 to 3 676 workers.

The ČSA mine is being wound down while the Vršany and Sokolov mines are in managed decline during the transition of heating plants. In November 2025, Sev.en announced the closures of Počerady, Chvaletice and Teplárna Kladno power plants due to poor economics. This was followed by a system adequacy assessment report by the Czech TSO (ČEPS) and the Energy Regulatory Office (ERÚ) in January 2026 which demanded the preservation of at least two units at Chvaletice. Then, in April 2026, Sev.en informed ČEPS of its decision to continue operating Počerady and Chvaletice until 31 March 2027 leaving the door open for their future.

Plans to build gas plants are awaiting a government decision on capacity payments, even though EU approval has been granted for such a system. This is expected at the beginning of November 2026. Potential investors must then apply for capacity payment contracts before any final investment decisions and construction, perhaps taking five years, meaning a continued role for Czech lignite.

Nearer term, repairs and unexpected outages at nuclear plants, as well as high gas prices and positive spreads, have driven Czech lignite demand. When the spread between power prices and EU ETS allowance prices was over 20 €/MWh, as has often been the case, then depreciated lignite plants have run profitably.

Elected in October 2025, the Czech government has expressed its opposition to ETS 1 and ETS 2 in their current forms because of their impact on industrial competitiveness, affordability and energy sovereignty. January 2026 saw fuel pragmatism take hold with coal and gas explicitly recognised by the government as necessary, alongside nuclear and renewables. Nevertheless, a coal exit by 2033 was still penned.

Looking to the future, in July 2024, Korea Hydro & Nuclear Power (KHNP) was selected for a new unit at Dukovany and an EPC contract signed in 2025 with commissioning of the first new unit optimistically slated for 2036. The "LEX Plyn" of 2025 will support and accelerate the permitting of new gas power plants, while modernisation of the electricity system will be assured with the "LEX OZE III". In August 2024, the majority state-owned ČES acquired a 55.21% share in GasNet – the Czech gas pipeline operator – and, as well as advancing the Dukovany project, signed an early-works contract in July 2025 with Rolls Royce for SMRs.

Germany

After a sluggish period, economic growth in Germany is expected to pick up moderately in 2026 and 2027, supported by increased public spending; according to the German Council of Economic Experts, GDP is expected to increase by 0.5% in 2026.

During the first six months of 2026, German lignite production totalled 41.2 Mt, a decline of 3.8% compared with the same period of 2025. At the monthly level, outputs in May and June were above the levels seen in the same months of 2025, reflecting lower solar PV and wind power generation. In July, the planned outage of a large lignite unit for major overhaul and the unplanned outage of another unit limited lignite generation.

Instead of operating at baseload, as was the tradition for decades, all German lignite plants now respond to weather and market signals. Even so, in 2025, the remaining lignite fleet recorded 1 000 full-load hours and around 5 000 operational hours, so were still used intensively for supply balancing. For LEAG, the next step is "0 MW operation" so that units on hot standby can be idled for a few hours and return when market prices rise above operating costs – mimicking gas plants. Technical changes, including auxiliary steam generators, will be required to give this additional flexibility.

In H1 2026, lignite-fired generation accounted for 14.7% of power generation, the largest conventional source and, together with hard coal, solid fossil fuels accounted for 21.6% of the mix. Natural gas-fired plants generated 13.3% of the 225 TWh total while renewables accounted for a record 62.0%, with onshore wind at 23.4% and solar PV at 19.8%. In the first half of 2026, total power generation grew by 7.9% year-on-year.

On the German-Luxembourg power market, the day ahead price from January to August 2026 averaged 102.98 €/MWh, around 16% higher than in the same period of 2025, driven by the higher fuel prices for gas plants which frequently set the price of marginal generation. Of note in August 2026 was an average price of 126.89 €/MWh, some 65% higher than August 2025, thanks to weak wind generation and strong power demand during the heat wave, with added volatility due to unexpected outages and wind forecasting errors. Despite these averages, intraday prices had wide spreads: around midday, high solar generation could push prices to zero or even negative, on 1 May 2026, for example. Following repeated extreme negative price events, the harmonised minimum clearing price was lowered from −500 €/MWh to −600 €/MWh. In autumn 2025, the day-ahead

market in Germany moved from hourly products, to 15-minute products, meaning smaller intraday and day-ahead price swings.

Some key legislative developments in Germany under the coalition government aim at a comprehensive reform package to assure security of supply during the energy transition:

- Electricity Security of Supply and Capacity Act (StromVKG): in July 2026, tendering for the flexible, gas-fired backup capacity urgently needed for the 2030 coal phase out in NRW began with bid closing dates in September and December for 9 GW of long-term capacity and a further 2 GW in 2027. A capacity market is scheduled to start in 2032 to ensure adequate firm capacity and system reliability as conventional generation is phased out.
- Renewable Energy Act 2027 (EEG): a reform of German renewables subsidy should be completed by October 2026 with the aim of greater market integration to achieve an 80% share in electricity generation by 2030 with an additional 10 GW/year of onshore wind power and 14 GW/year of ground-mounted solar PV, with lower subsidies.
- Grid Connection Package (NAP): also scheduled for October, this package should advance the transformation of the German grid with many measures to support renewables integration and reduce bottlenecks, including new connection procedures, digitalisation, construction subsidies, and redispatch reservation where there are capacity constraints.

As lignite mining in the Rhenish area approaches an end, construction has begun on the Rhine water transport pipeline (RWTL), a major new RWE project in North Rhine Westphalia to be completed by 2030 and eventually flood Hambach and Garzweiler mines. Official groundbreaking took place near Elsdorf on 17 March 2026 and construction of accesses to the distribution station at Grevenbroich-Allrath and the Rhine pumping station at Dormagen-Rheinfeld are underway. The 45-km pipeline has three sections, the biggest of which comprises three parallel 2.2-metre diameter pipes.

Greece

Lignite output in Greece declined by an estimated 28.0% in H1 2026 to 2.2 Mt. Power generation from lignite was little changed at 1.4 TWh, taking a 5.2% share in the half year – a fraction of a decade ago when lignite-fired power generation accounted for almost half of total Greek electricity generation (19.0 TWh in 2015). The Public Power Corporation S.A. (PPC) has invested heavily in renewables; by 2026 the company had installed 2.13 GW of solar PV at former lignite mines. Current targets will see Greek lignite production end in 2026, and all mining areas reclaimed by 2030-2032.

Hungary

Lignite is used mostly for power generation at the 880 MW Mátrai Erömü power plant owned by MVM Mátra Energia Zrt. In H1 2026, 1.1 Mt of lignite were mined, 3.3% more than in H1 2025. The role of lignite has changed radically over the past decade: in 2015, lignite-fired generation accounted for 21.5% of Hungary's total, in H1 2026, it was just 3.8% or 0.65 TWh of the 17.1 TWh total generation, with nuclear power accounting for 43.8%.

Poland

Lignite production in Poland over the first six months of 2026 was lower than over the same period of 2025 at 19.5 Mt (−2.7% year-on-year). Production at mines owned by PGE GiEK S.A. (Bełchatów and Turów) was stable, while production fell at PAK KWB Konin S.A. in line with plans for its closure. KWB Sieniawa produced a few hundred thousand tonnes.

The Polish power sector's fuel consumption mix over the January-June 2026 period was as follows: hard coal 52.8%, lignite 27.2%, fossil gas 13.6%, biogas/biomass 6.0% and other 0.4%. Overall, national power production grew by 5.7% to 93.4 TWh in the first six months of 2026. Hard coal-fired

generation increased significantly to 30.9 TWh (+11.8% year-on-year) for a 33.1% share according to data from the Agencja Rynku Energii S.A. (ARE). Lignite-fired power generation of 17.1 TWh (an 18.3% share) was little changed year-on-year (+0.2%). Despite high gas prices, gas-fired generation increased to 9.3 TWh (+13.9%) in the first six months, while RES decreased slightly to 29.2 TWh (−0.3%). Other sources accounted for 7.0 TWh. While hard coal and lignite are still Poland's main sources of electricity production, with a 51.4% share in the January to June period, RES have grown fast and had a 31.1% share in H1 2026.

Romania

In H1 2026, Romania mined 4.8 Mt of lignite, 18.5% less than in H1 2025. The state-owned Complexul Energetic Oltenia (CEO) operates the country's lignite mines and power plants. It has partnered with three private companies – OMV Petrom, Tinmar Energy and the aluminium company Alro S.A. – to build solar PV parks and gas-fired power plants to replace its lignite assets. State aid for this structural change and decarbonisation plan was granted by the European Commission in January 2022, but progress with the new projects has been slower than expected. Nevertheless, four solar PV projects are proceeding with support from the EU Modernisation Fund.

A five-year extension to the coal phase out in the National Recovery and Resilience Plan has been requested, to give time for new offshore gas projects to come online and new gas-fired power plants to be commissioned. For example, in central Romania at Minitia, Mass Group Holding is building a 1 700 MW gas-fired CCGT power plant that will replace old lignite units. However, there are question marks over the 850 MW Işalnița CCGT promoted by CEO and Alro S.A. Meanwhile, CEO will establish a legally separate lignite subsidiary for its heavily loss-making lignite mines and power plants.

Slovakia

Coal mining in Slovakia ceased at the end of 2023. The shaft at Nováky mine has been backfilled and reclamation works are well underway. District heating plants have largely been converted to fossil gas and woodchips – only one large coal plant remains at Žilina using brown coal from Czechia or Poland. In H1 2026, 1.1 Mt of coal was imported, mostly from Poland and Colombia, for use at the Košice steelworks and at Slovakia's cement works: Cemmac at Horné Srnie, Považská Cementáreň in Ladce, and a plant in Rohožník.

Slovenia

Lignite production declined by 24.0% in H1 2026 to 0.7 Mt. The planned production for 2026 is 1.6 Mt, falling to 1.2 Mt in 2027 and 1.1 Mt in 2028. In 2025, a new law on the transitional financing for an accelerated and fair exit from coal means that the 945 MW Šoštanj thermal power plant (TEŠ) together with the Velenje coal mine, which together provide the public utility service of heat supply to the Šaleška Valley, now sit under the 100% state-owned Slovenian Sovereign Holding Company (Slovenski državni holding d.d.) and so are no longer part of the HSE Group (Holding Slovenske elektrarne d.o.o.).

In H1 2026, lignite-fired generation of 0.79 TWh at TEŠ accounted for 11.4% of the country's total power generation of 6.9 TWh in a mix dominated by nuclear power (43.9%), hydro (22.0%) and solar PV (12.5%). There were minor shares of biomass and biogas, plus a very small share of wind power.

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TABLE 1

Evolution of world market prices for coal, freight and crude oil

McCloskey steam coal marker price (7 000 kcal/kg)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
steam coal	**2025**	134.02	123.21	112.49	121.72	109.10	115.48	125.46	121.43	112.02	108.47	113.14	114.35
(US$/tce CIF NW Europe)	**2026**	113.09	117.59	144.36	136.30	125.14	159.18	139.65	136.45	158.20	163.40		
steam coal	**2025**	129.39	118.25	104.04	108.57	96.73	100.28	107.45	104.40	95.49	93.26	97.88	97.65
(€/tce CIF NW Europe)	**2026**	96.34	99.44	124.90	116.44	107.20	138.20	122.32	117.70	137.41	145.76		

Source: ICE Futures Europe - API2 Rotterdam Coal Futures first weekly quotation of the month (basis 6 000 kcal/kg converted to 7 000 kcal/kg)

Freight rates (US$/t)

Richards Bay/Rotterdam	**2025**	8.05	6.26	8.31	8.11	8.12	10.07	11.13	13.21	11.49	11.53	12.66	13.16
(Capesize)	**2026**	10.69	12.00	19.77	20.51	21.39	16.82	18.16	19.05				
Queensland/Rotterdam	**2025**	13.35	12.65	17.69	16.88	16.75	18.39	15.69	19.82	19.59	18.47	19.46	20.81
(Capesize)	**2026**	17.22	19.04	28.33	29.38	33.19	27.01	30.50	30.02				
Puerto Bolivar/Rotterdam	**2025**	10.55	9.02	11.59	10.39	10.80	12.97	14.53	14.30	14.06	12.61	15.84	17.13
(Capesize)	**2026**	14.05	15.06	14.55	15.94	21.45	19.21	19.48	20.04				

Source: Argus Media group and Clarksons (monthly averages from daily and weekly data)

Currency rates

USD / EUR	**2025**	0.966	0.960	0.925	0.892	0.887	0.868	0.856	0.860	0.852	0.860	0.865	0.854
	2026	0.852	0.846	0.865	0.854	0.857	0.868	0.876	0.863	0.869			
USD / RUB	**2025**	103.2	93.2	86.4	83.3	80.8	78.7	78.8	80.1	82.9	81.0	80.2	78.6
	2026	78.2	76.8	80.5	77.1	73.1	73.8	77.7	83.1	84.9			
USD / AUD	**2025**	1.60	1.59	1.59	1.59	1.55	1.54	1.53	1.54	1.52	1.53	1.54	1.51
	2026	1.47	1.42	1.43	1.41	1.39	1.42	1.44	1.41	1.40			

Sources: ECB Euro foreign exchange reference rates; Bank of England database; OECD.Stat Monthly Monetary and Financial Statistics (MEI) dataset

Crude oil (US$/barrel)

crude oil	**2025**	79.38	76.81	74.00	68.98	63.62	69.73	70.97	69.85	70.61	65.33	64.56	61.70
	2026	62.31	67.90	116.36	109.06	114.55	89.75	82.99	86.44	110.59	112.31		

Source: OPEC Reference Basket (ORB) price

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International coal trade

TABLE 2

Steam coal				
exporting country	**2026 (1-6) Mt**	**YoY change *c.f.* 2025 Mt**	**%**	**2025 (1-6) Mt**
Australia	99.8	5.6	6.0%	94.2
Canada	3.0	0.9	42.5%	**2.1**
China	2.2	-0.4	-16.0%	**2.6**
Colombia	25.4	2.2	9.5%	23.2
Indonesia*	231.1	-13.9	-5.7%	245.0
Kazakhstan	14.4	0.6	4.0%	13.8
Mongolia	25.5	12.4	94.6%	13.1
Russia	78.2	2.8	3.7%	**75.4**
South Africa	35.7	4.1	13.1%	**31.5**
USA	21.2	0.8	3.7%	**20.4**
others	10.0 e			10.0 e
total	**546.4**	**15.0**	**2.8%**	**531.4**

n.b . steam coal data includes anthracite
* excluding lignite

revised 2025 figures shown in **bold**

Sources: see Table 3

TABLE 3

Coking coal				
exporting country	**2026 (1-6) Mt**	**YoY change *c.f.* 2025 Mt**	**%**	**2025 (1-6) Mt**
Australia	74.1	4.3	6.2%	69.8
Canada	13.1	-2.8	-17.7%	15.9
China	0.5	-0.1	-21.5%	0.7
Mongolia	34.4	9.6	38.6%	24.8
Mozambique	4.0	-0.1	-2.3%	4.1
Russia	28.9	5.2	21.9%	23.7
USA	24.7	2.6	12.0%	**22.0**
others	1.5 e			2.0 e
total	**181.2**	**18.1**	**11.1%**	**163.0**

revised 2025 figures shown in **bold**

Sources: DISR, Australia; Statistics Canada; General Administration of Customs, China; National Administrative Department of Statistics, Colombia; Statistics Indonesia; Mongolian Customs General Administration; Metals & Mining Intelligence (Russia); South African Revenue Service; US EIA; International Energy Agency; Argus Media group; BigMint; Sxcoal; VDKi; and own calculations.

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TABLE 4

European crude steel production

COUNTRY	2026 (1-6) Mt	YoY change *c.f.* 2025	2025 (1-6) Mt
Austria	3.8	5.8%	3.6
Belgium	3.6	2.7%	3.5
Bulgaria	0.3	-0.9%	0.3
Croatia	n.a.	:	n.a.
Czechia	1.3	-2.0%	1.3
Finland	2.0	5.5%	1.9
France	4.9	-7.2%	5.3
Germany	18.6	8.9%	**17.1**
Greece	0.8	12.6%	0.7
Hungary	n.a.	:	n.a.
Italy	11.5	3.5%	11.1
Luxembourg	0.9	-18.4%	1.1
Netherlands	3.1	-2.2%	3.2
Poland	3.5	-8.6%	3.8
Portugal	n.a.	:	n.a.
Romania	0.1	-78.4%	0.5
Slovakia	1.8	-10.9%	2.0
Slovenia	0.3	0.9%	0.3
Spain	5.5	-17.1%	6.6
Sweden	2.2	1.1%	2.2
unspecified	1.1	:	1.1
EU-27	**65.4**	**-0.3%**	**65.6**
Belarus	0.7		
Bosnia & Herzogovina	0.0		
Moldova			
North Macedonia			
Norway			
Serbia			
Switzerland			
Türkiye	19.8	8.1%	18.3
Ukraine	3.5	-3.8%	3.7
UK	1.2	-2.4%	1.3

Sources: World Steel Association, Eurofer and own estimates

revised 2025 figures shown in **bold**

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TABLE 5

Hard coal and lignite production and consumption

	Hard coal production			Hard coal deliveries for power generation	
COUNTRY	**2026 (1-6) Mt**	**YoY change *c.f.* 2025**	**2025 (1-6) Mt**	**2026 (1-6) Mt**	**2025 (1-6) Mt**
Czechia	0.1	-91.2%	0.6	0.3	0.4
Germany	0.0	:	0.0	5.8	5.2
Poland	21.2	3.7%	20.4	13.4	11.5
other EU	0.0	:	0.0	2.8 e	3.6 e
EU-27	**21.2**	**0.9%**	**21.0**	**22.3 e**	**20.7 e**
Norway	0.0	-100.0%	0.1	0.0	0.0
Türkiye	0.6	30.7%	0.5	8.8	11.7
Ukraine	n.a.	:	n.a.	n.a.	n.a.
UK	0.1 e	15.0%	0.1	0.0	0.0

	Lignite production			Lignite deliveries for power generation	
COUNTRY	**2026 (1-6) Mt**	**YoY change c.f. 2025**	**2025 (1-6) Mt**	**2026 (1-6) Mt**	**2025 (1-6) Mt**
Bulgaria	6.9	-23.7%	9.1	6.1	**8.0**
Czechia	13.0	3.9%	12.5	9.2	8.5
Germany	41.2	-3.8%	42.8	36.2	38.5
Greece	2.2	-28.0%	3.0 e	2.3 e	3.1 e
Hungary	1.1	3.3%	1.1	1.1	1.1
Poland	19.5	2.7%	19.0	19.6	18.7
Romania	4.8	-18.5%	5.9	5.0	6.1
Slovakia	0.0	:	0.0	0.1	0.1
Slovenia	0.7	-24.0%	0.9	0.6	0.9
EU-27	**89.5**	**-5.2%**	**94.4 e**	**80.1 e**	**85.0 e**
Bosnia and Herzogovina	4.8	-15.8%	5.7	4.2	4.9
Georgia	0.1	-7.6%	0.1	0.0	0.0
Kosovo	3.6	-2.0%	3.7	3.7	3.4
Montenegro	0.8	61.4%	0.5	0.7	0.4
North Macedonia	1.4	-21.7%	1.7	1.7	2.4
Serbia	14.9	-4.8%	15.7	15.1	16.1
Türkiye*	30.1	4.8%	28.7	22.7	22.9

* Asphaltite is included within lignite.

revised 2025 figures shown in **bold**

Sources: EURACOAL members, Eurostat, TurkStat & UK DESNZ

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TABLE 6

Hard coal imports

	Coking coal imports		Steam coal imports		Total hard coal imports		
COUNTRY	**2026 (1-6) Mt**	**2025 (1-6) Mt**	**2026 (1-6) Mt**	**2025 (1-6) Mt**	**2026 (1-6) Mt**	**YoY change *c.f.* 2025**	**2025 (1-6) Mt**
Austria	0.8	**0.6**	0.4	**0.6**	1.2	0.1%	1.2
Belgium	1.0	1.0	0.8	0.8	1.7	-5.4%	**1.8**
Bulgaria	0.1	0.0	0.2	0.1	0.2	50.4%	0.1
Croatia	-	-	0.2	0.0	0.2	410.0%	0.0
Czechia	0.8	0.9	0.5	0.6	1.3	-16.9%	1.5
Denmark	0.0	0.0	0.2	0.1	0.2	68.4%	0.1
Finland	0.0	0.0	0.7	0.5	0.7	41.1%	0.5
France	1.0	1.0	1.1	1.6	2.1	-19.3%	2.6
Germany	4.8	**5.3**	7.6	**7.3**	12.4	-1.7%	12.6
Greece	0.0	0.0	0.0	0.0	0.0	:	0.0
Hungary	-	-	0.0	0.0	0.0	-22.8%	0.0
Ireland	0.0	0.0	0.0	0.0	0.0	-17.0%	0.0
Italy	0.5	1.2	0.4	0.5	0.9	-45.4%	1.7
Netherlands	1.9	1.8	2.0	1.9	3.9	4.1%	3.7
Poland	0.5	0.6	3.8	2.5	4.2	36.3%	3.1
Portugal	-	-	0.0	0.0	0.0	-17.1%	0.0
Romania	-	-	0.1	0.1	0.1	6.1%	0.1
Slovakia	0.8	1.0	0.3	0.2	1.1	-13.4%	1.2
Slovenia	-	-	0.0	0.1	0.0	-94.3%	0.1
Spain	0.8	0.8	0.9	1.2	1.8	-8.9%	**1.9**
Sweden	0.3	0.5	0.6	0.4	1.0	5.7%	0.9
other	-	-	0.1	0.1	0.1	46.9%	0.1
EU-27	**13.2**	**14.7**	**19.9**	**18.7**	**33.1**	**-1.1%**	**33.4**
Bosnia and Herzogovina	0.1	0.3	-	-	0.1	-61.7%	0.3
Serbia	-	-	0.0	0.0	0.0	271.6%	0.0
Türkiye	2.5	2.3	13.8	17.4	16.3	-17.1%	**19.7**
Ukraine	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.
UK	0.1 e	0.1	0.4	0.7	0.5 e	-42.8%	0.9

revised 2025 figures shown in **bold**

Sources: EURACOAL members, national government statistics, Eurostat, IEA