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Canada's Coal Mining Industry

- Canada has over 6 billion tonnes of recoverable coal reserves – enough to sustain one-hundred years of coal production at current rates. Additional coal reserves of 193 billion tonnes are estimated.
- Of the recoverable reserves roughly 53% represents bituminous coal and 47% sub-bituminous and lignite coal.
- Canada has 23 producing coal mines across Canada. 10 produce metallurgical coal and 13 produce thermal coal. In 2010, coal production reached almost 68 million tonnes. Alberta was the largest coal producer with 30 million tonnes followed by British Columbia at 27 million tonnes and Saskatchewan at 10 million tonnes.
- Approximately 40% of Canada's fuel-generated electricity comes from coal. This represents about 13% of all electricity consumed in Canada.
- The majority of Canada's metallurgical coal is exported to Asian markets including Japan (27%), South Korea (24%) and China (10%). In contrast, 95% of Canada's thermal coal exports is shipped to the U.S.

Economic Highlights

- Coal mining is an important contributor to Canada's GDP – contributing an estimated about \$5.2 billion in direct and indirect impacts in 2011.
- It is estimated that over 42,000 people are directly and indirectly employed by the coal industry. Coal employment has been rising steadily since 2004. In 2010, coal accounted for 14% of total mining employment.
- Average coal industry salaries are more than double the average national wage. From 2001 to 2010, salaries in the mining industry increased by 37%.
- Canada's coal sector has experienced strong rates of growth in revenue and capital investment in recent years. The demand for metallurgical coal in Asian markets coupled with rising energy prices has results in the total value of the sector's output growing at an average annual rate of close to 15% over the past 10 years. Capital investments in the sector have grown at an average rate of almost 20% per year over the same time period.
- Due to the economic recession, capital investments in the coal industry totaled \$422 million in 2009. However, capital expenditures rebounded strongly in 2010 and 2011 at \$770 million and \$1 billion respectively.
- Coal exports have been growing at an average annual rate of 16% during the last decade. Cumulatively, the coal sector increased its exports from 2001 to 2010 by over 300%, showing that the demand for Canadian coal from foreign markets is strong and growing.
- Prices for both metallurgical and thermal coal have increased at a strong pace over the past decade continuing above historic price levels even during the recession.

About the Report

- The Coal Association of Canada engaged PricewaterhouseCoopers LLP (PwC) to quantify the economic contributions of Canada's coal mining industry to the national economy.
- The economic impact analysis of the Canadian coal industry is based on a confidential survey of the industry conducted between April and May 2012.
- Along with information from coal companies, information from Statistics Canada and Natural Resources Canada were used to estimate industry impacts.

For more information:

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