

Study on Problems and Countermeasures of Coal Export in Shanxi Province

Han Li, Feng Feng*

Department of Economic Management, Tianjin Agricultural University, Tianjin, 300384, China

Abstract: Shanxi, as a large coal province, coal reserves accounted for 30% of the country, the proven reserves of coal resources of 266.4 billion tons, ranking second in all provinces, coal output has reached 14 billion, both in reserves, output and sales are in the forefront of the country, but also for China's coal production and marketing has made remarkable contributions. Shanxi's coal, not only to meet the province's coal consumption, more than 70 percent is shipped outside the province or even foreign. Therefore, the study of Shanxi coal import and export situation, Shanxi economic restructuring and rapid economic development have a very important role.

Keywords: Coal export volume; Price, quality; Market

1. Introduction

Shanxi, as China's coal distribution of the main provinces, the main economic development depends on. Shanxi Province currently ranks second in the country in the total amount of detected coal storage. Over the past five thousand years, China has exported over 50 million tons of coal, and coal coke and anthracite account for more than 80 percent of its exports.

However, in the past two years, the coal industry in Shanxi has been hit by a cold snap. Moreover, based on the restrictions of the state on energy export, how to adjust the coal industry structure of Shanxi Province, improve the quality of coal export of Shanxi Province, and reproduce the glory of coal of Shanxi Province has become an urgent problem for us to solve.

2. Shanxi Province Coal Export Status

2.1. Coal export volume of Shanxi province

Shanxi coal exports in recent years in successive years decline. Exports in 2004 were 1227.430,000 tons, down to 3.2 million tons by 2009. 70,000 tons, or 79,000 tons in the most recent 2014 coal export report. Twenty thousand tons, a fifteenth of what it was ten years ago. Such an amazing drop. However, we should also see some reasons for the decline of Shanxi's coal export, among which are the international coal competition factors. From this, Shanxi coal export has very big pressure on the world.

2.2. Coal export price of Shanxi province

Although the export of coal is controlled by the state, the competition among coal enterprises is fierce on the basis of macro-control. The coal industry in Shanxi Province has experienced strong winds and big waves in the past

ten years. However, in the recent three years, the export price of coal has been declining year by year. Till the end of 2014, the price of Bohai rim thermal coal index 5500K closed at 525 yuan/ton, falling for three consecutive years. Since the end of 2011, coal export prices have fallen, and coal prices have halved in more than three years. Coal prices remain depressed in the second half of 2015.

2.3. Shanxi province export coal commodity structure

Shanxi has a variety of coal, including thermal coal, coking coal, anthracite, injection coal, metallurgical coal and so on five big kinds, including thermal coal, coking coal and anthracite coal accounts for large proportion, and coking coal and anthracite is also the best quality, the fine coal resources, in exports is also the most, probably accounted for more than eighty percent of exports. Shanxi Province exported anthracite 19 in 2014. 60,000 tons, accounting for 78% of the province's total coal exports; Coking coal exports are 150,000 tons, accounting for 21% of the province's total coal exports.

2.4. Shanxi province coal export geographical direction

Shanxi's biggest coal exporters are Japan, South Korea and India, with a small portion going to western developed countries such as Europe. In the first half of 2014, Shanxi Province exported 18 tons of coal to South Korea, according to the China coal industry website. 90,000 tons, accounting for 75.2% of the province's total exports. China exports 61,000 tons of coal to Japan, accounting for 22 percent of the province's total exports. That's more than 97 percent of Shanxi's coal exports.

3. Analysis of the Current Situation of the Impact of Coal Export Trade on Economy in Shanxi Province

3.1. The influence of coal export trade of Shanxi province on the industrial structure of Shanxi province

There is a close relationship between export trade and industrial structure. Different countries produce their own products according to their own domestic production characteristics and advantages. According to this mode of production can determine the country's domestic product structure. Each country can bring more opportunities and opportunities for its development by constantly optimizing its product structure. Trade between different countries can give full play to the country's relative advantages and make up for the country's relative disadvantages. The adjustment of industrial structure must suit the development requirement of our country, and we cannot blindly pursue high output and ignore the development of other aspects. Therefore, we must also choose the correct way of export trade.

3.2. The impact of coal export trade on employment in Shanxi province

Shanxi's coal export trade can directly or indirectly promote employment. Coal export enterprises and related coal production enterprises in Shanxi Province can bring a large number of jobs, which include related production and service positions. Since the reform and opening up and the accession to the world trade organization, the coal export trade of Shanxi Province has been on the rise. The increase of export trade has brought a large number of jobs, solved part of the employment problem, and thus promoted the economic development of Shanxi Province. However, with the advent of the financial crisis and other impacts, the coal export trade in Shanxi Province has decreased in terms of employment. Quite a few coal export enterprises have appeared crisis, and brought the phenomenon of staff laid off. The employment of coal export trade in Shanxi Province is unstable, which is closely related to the whole coal export trade industry. In addition, in the employment brought by the coal export trade, there are many labor workers with low labor quality. Improving the quality of workers is also the coal export trade industry in Shanxi Province must pay attention to the problem.

4. The Problems Faced by the Coal Export Industry in Shanxi Province

4.1. Coal enterprises have high production costs and high export prices

The export price of coal in Shanxi Province is relatively high in the world. Internal factors mainly refer to the

production cost of coal. Compared with some coal export developing countries, the cost is higher, the technology is backward, and the pollution is serious, making the internal price advantage of coal in Shanxi not obvious.

And external policy element namely the country's macroscopical adjusting control policy. For example, after 2005, the state began to implement the coal export quota system, began to collect coal export tax, cancel the tax rebate of coal export, and the implementation of these policies affected the export of coal in Shanxi.

4.2. Coal enterprises are inefficient and their production equipment obsolete

More and more coal is produced in Shanxi Province, the production equipment is updated slowly, and the overload operation reduces the coal efficiency. Moreover, most coal enterprises adopt the original mining method. Without professional knowledge training and only relying on brute force, such a primitive, non-mechanized production can only be exploited to the shallow coal seams, and the deep coal seams and marginal coal seams have to be abandoned, resulting in a serious waste of resources. In addition, coal recovery rate is very low. Most of the existing coal resources are not fully recycled.

4.3. The quality of coal export is low and the structure is unreasonable

Shanxi Province, as an old coal trading country, has long relied on raw coal for sales, with serious waste of resources, old mining and washing equipment, coal sales without secondary processing, low industrial chain and serious non-compliance with international standards in some regions. Moreover, most of the coal mined in Shanxi is coking coal, which belongs to the category of bituminous coal. There is a large amount of ash and sulfur in the coal, which is far from the anthracite coal required internationally

4.4. Coal export market narrow, flow to a single

According to the international coal supply and demand situation, Western Europe and East Asia are two mature coal import markets. Western Europe, dominated by the European Union, does not have better conditions to implement large-scale coal production due to its small and dense countries, and its own industrial development needs to import coal every year. In East Asia, mainly Japan and Asean countries, most of them are sub-developed or developing countries and coal is more in line with the needs of these countries. Such a huge international coal consumption market is the best choice for coal export of Shanxi Province. However, the coal export market of Shanxi is limited to Japan, South Korea and other Asian regions, which shows that the coal export market of Shanxi is too narrow and urgently needs to be developed.

5. The Countermeasure that Promotes Shanxi Province Coal to Develop

5.1. Implement specialization production, reduce coal export price

After a decade of rapid development in Shanxi's coal industry, many hidden problems have emerged, and the state has put forward corresponding solutions, namely, the implementation plan of tariffs in 2015. In this plan, China will reduce the export tariff rate of coal products from 10% to 3% from January 1, 2015. This is a good strategy to help coal enterprises out of difficulties and reduce overcapacity. However, the effect of implementation is closely related to the future trend of domestic coal prices. In the aspect of Shanxi coal export, enterprises should actively respond to measures to promote coal export and alleviate the current economic pressure within the province.

5.2. We will improve the quality of coal and export high-quality coal

Shanxi's coal mines range from state-owned, private and black. Therefore, the quality of coal in Shanxi Province needs to be strictly controlled. In the process of production, transportation and storage, management should be strengthened to ensure the maintenance of quality and prevent the decline of quality level. The company strives to meet the requirements of importing countries in terms of quality, particle size, shape and type of coal, increase the intensity of coal deep processing, and produce more refined coal and briquetting coal, so as to occupy a place in the international coal market and form the coal industry with shanxi characteristics.

5.3. Actively explore the international market

According to domestic and international authorities, the world coal market demand will not decline rapidly because of the use of new energy sources, but in the future for a period of stable development, including the western European market. Some mines in the ruhr region of Germany have already begun to shut down because of restrictions on heavy chemical companies in Western Europe, especially as coal production has dwindled. Therefore, Shanxi Province can expand coal export in western

European market on this opportunity. Therefore, Shanxi Province should further improve the quality and service of coal export, dare to compete with other big coal export countries, and improve the coal influence of Shanxi Province in the western European market

6. Conclusion

Shanxi, as a large coal production and marketing province, in the development of the coal industry, there are bitter and sweet, once the golden decade is still in my mind, but now meet industry downturn, but it is the emergence of this situation, let us face up to the coal industry, seriously think about Shanxi coal export way out. Now the state has begun to relax the coal policy a little bit, which requires us to actively change our own problems, so that the coal industry in Shanxi will have new development opportunities in the future.

References

- [1] Wu Rui. Research on current situation and optimization Suggestions of coal export in Shanxi Province. Economic and trade practice. 2017, (11)
- [2] He Huifang. Analysis on current situation and countermeasures of coal export in Shanxi Province. Shang. 2015, (46)
- [3] Zhang Hui. Analysis of adverse factors of shanxi coal export trade. Journal of taiyuan city vocational and technical college. 2017.
- [4] Liu Wenhui. Research on the crisis and countermeasures of shanxi coal industry from the perspective of sustainable development. Shanxi university. 2017.
- [5] Zhang Mengyao, sun zhenyuan, zhang yinyi. Impact of coal export trade on economy of Shanxi Province. Science and technology cooperation and economy. 2015, (23)
- [6] Pan Jiabin. Study on the impact of coal price fluctuations on economic growth in Shanxi Province. Liaoning university. 2016.
- [7] Li Li. Research on the industrial development model of China's typical coal economic zone -- taking Shanxi Province as an example. China university of geosciences. 2014.
- [8] Wei Yapeng. Challenges and opportunities of coal industry in shanxi under the background of sustainable development. Modern business. 2019, (1).
- [9] Li Ting. Current situation and effect evaluation of coal supply-side structural reform in Shanxi Province. China international finance and economics. 2018, (3).
- [10] Zhang Liping. Reflections on and countermeasures for shanxi's economic predicament in the new era. Journal of social sciences of Chinese universities. 2018.