

Stronger Growth in China's Coal-Derived Electricity Production

As we have been highlighting in our Weekly China Reports during the last few months, it has been China's consumer sector that was first hit by significant headwinds and only later have industrial sectors started to be significantly affected. However, electricity generation is one segment that has been resilient recently. Government data released last week showed that China produced 554.3 billion kilowatt hours of electricity last month. This is 21.3 billion kilowatt hours (4%) more than was produced in October and 34.7 billion kilowatt hours (7%) more than was produced in November 2017. The 7% year-on-year growth seen last month marks the strongest growth seen since August. Even stronger has been November's growth in coal-derived electricity production. China produced 405.1 billion kilowatt hours of coal-derived electricity last month. This is 42.2 billion kilowatt hours (12%) more than was produced in October and 28.9 billion kilowatt hours (8%) more than was produced in November 2017. The strength in China's overall electricity production and coal-derived electricity production remains a positive factor for the dry bulk shipping market.

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