Polish coal industry restructuring plans

remarks on the situation in the Czech Republic

15-16 March 2015, Katowice

Vladimír BUDINSKÝ, Vice President
remarks on the situation in the Czech Republic

Hard coal production, long term development (in Mt/y)

Decline and the stabilization at 8.5 Mt/y
remarks on the situation in the Czech Republic

Brown coal production, long term development (in Mt/y)

Sharp decline, the stabilization and slow decline to 38 Mt/y
OKD owner is planning to decrease costs by 80 million Euro in the year 2015

OKD is planning to increase productivity to 2018 from 622 t/ employee to 800 t/employee

Paskov Mine – will be in production after 2017

OKD has now 11.000 employees and other 3000 subcontractors

OKD will reduce staff by 1600 people - 300 finishes end of April, - 500 till end of 2015, - 800 subcontractors in 2015

NWR decreased in 2014 profit loss by Euro 893 million to Euro 21 million

Revenue in 2014 decreased by 20 % to Euro 676 million
remarks on the situation in the Czech Republic

Situation in Czech brown coal coal industry

The Centrum deep mine, part of Sev-en
Situation in Czech brown coal coal industry

Mining limits – the decision prolonged to H2 – 2015

- Bilina Mine – no conflict, ČSA Mine – relocation of 2000 people

Payments from extraction activities

- Ministry of Finance proposed ten times higher concession fees and royalties
- Following exciting discussions (mining companies, unions, municipalities), we now have a bill to amend the Czech Mining Act, containing the following proposals:

Concession fees for mining areas have to increase 10times:

CZK 1,000 /€ 36/ per hectare (active mining) CZK 300 /€10.8/ per hectare (other areas)

Royalties - increase, on average two times:

Calculation formula: tons times a fixed rate for minerals extracted

New approach to the brown coal produced in surface mines where the rate is related to the calorific value and has been proposed at CZK 1.18/GJ (i.e. € 0.04)
remarks on the situation in the Czech Republic

Source: Eurostat database nrg_105a last update 29.04.2014 (*includes peat)

15-16 March 2015,
European Energy
Resources Reserves

Hard coal – Poland

Brown coal - Germany

Source: Coal industry across Europe, EURACOAL, 2013
Thank you!

Vladimír BUDINSKÝ, Vice President
European Association for Coal and Lignite AISBL
168 avenue de Tervueren, boîte 11
1150 Brussels
Belgium
budinsky@sdas.cz
www.euracoal.org
the voice of coal in Europe

głos węgla w Europie