



FC Key Messages & Collateral 2026

About FutureCoal

The Journey

- In November 2023, after nearly 40 years, the World Coal Association evolved into FutureCoal: The Global Alliance for Sustainable Coal.
- **Coal's Resurgence:** In 2019 the World Coal Association (WCA) developed the *Evolving Coal* 2020-2025 Strategy and supporting narrative to respond and speak up on behalf of coal's significant attributes and contribution to both economic and environmental international ambitions.
- ***Evolving Coal:*** For over four years, the *Evolving Coal* Strategy emphasised the importance of energy security, affordability, and reliability. It educated on the numerous industries reliant on coal and advocated for respecting the sovereign rights of nations, especially those with coal-based economies, while embracing all fuels and technologies.
- **New Coal:** The global coal value chain is rapidly evolving to meet the world's changing demands. By strategically deploying coal abatement technologies, the industry has a unique opportunity to usher in a new era of sustainability and innovation.
- **FutureCoal:** In November 2023, after almost four decades, the World Coal Association underwent a transformation, becoming 'FutureCoal: The Global Alliance for Sustainable Coal'. This transformation aims to open new avenues of collaboration and unite stakeholders across the global coal and coal-allied sectors. Anchored by the Sustainable Coal Stewardship (SCS) philosophy provides a pathway to maximise the value extracted from each tonne of coal economically and environmentally.

Who is FutureCoal

- **Advocacy:** FutureCoal stands as a unified voice, advocating for the interests of the responsible global coal value chain, ensuring equitable representation, transparency and fostering collaboration for sustainable coal practices.
- **Representation:** FutureCoal is the world's only multi-lateral, neutral, and progressive organisation representing the entire coal value chain, including thermal, metallurgical, renewable supply chains and coal innovation sectors with corporate members and national industry partners based in major coal economies and markets.
- **Education:** FutureCoal educates on coal's critical role and its ongoing contribution to improving global lives and livelihoods. We recognize that, as part of an integrated coal value chain, we must support both national and international economic and environmental goals.
- **Collaboration:** FutureCoal provides a robust and transparent global platform for collaboration, uniting stakeholders across the entire coal value chain. From thermal and metallurgical sectors to renewable supply chains and coal innovation, we foster cooperation among diverse industry players worldwide.

Sustainable Coal Stewardship



- FutureCoal is underpinned by our Sustainable Coal Stewardship philosophy.
- Sustainable Coal Stewardship (SCS) provides a pathway which supports extracting more value per tonne of coal. Value is determined and measured in both economic, social, and environmental benefits.
- SCS describes an intent, approach and a broader definition of the abatement opportunities that the coal value chain offers as it seeks to modernise and transform coal and allied businesses to meet and advance the needs of global society.
- SCS legitimatises coal by establishing a coal ecosystem focused on increasing efficiency, process improvements, health and safety, emissions reduction through carbon abatement, waste management and recycling, land rehabilitation, technology advancement, and innovation. This approach will empower local communities, ensure the continued operations of our Members businesses while fostering sustainable development.

Energy Security

- **Coal is the backbone of electricity:** Coal powers ~33% of global electricity today and is forecast to remain the single largest source through 2040. [Source](#)
- **Asia drives demand:** ASEAN is emerging as the engine of global thermal coal demand, with consumption projected to grow 17% from 520 Mt in 2025 to 640 Mt by 2030, led by Indonesia, Vietnam and the Philippines. [Source](#)
- **Growth in emerging regions:** The IEA forecasts coal demand will rise by 57% in sub-Saharan Africa and 18% in Central and Southern Asia between 2020 and 2040. [Source](#)
- **Reserves for the long term:** Coal has the world's largest proven reserves, lasting 139 years—nearly three times longer than oil (53 years) or gas (48 years).
- **Energy security at risk:** Overreliance on renewables has driven up costs, with Germany's Energiewende causing price spikes and the UK's wind strike prices increasing 70% in 2023 and 11% in 2025.
- **Balancing the energy trilemma:** Coal remains central to delivering secure, affordable, and sustainable energy for communities worldwide.

Emerging Markets Need Energy Realism

- **Coal is indispensable:** Coal remains a cornerstone energy source for more than 100 countries, powering electricity, heat, and industry.
- **Energy affordability:** Coal-producing nations like India, South Africa, Kazakhstan, and Mongolia deliver cheaper electricity at around \$0.10/kWh, while non-coal economies such as Germany, Denmark, Barbados, and the UK face tariffs exceeding £0.30/kWh.
- **True cost of transition:** McKinsey estimates the global energy transition will cost USD 275 trillion—2.7 times the combined GDP of all countries—with a USD 4 trillion annual funding gap despite record renewable investments.
- **South Africa's case:** The country's Just Energy Transition Investment Plan (JET-IP) alone requires USD 98 billion between 2023–2027, underscoring the scale of financial challenges facing emerging economies. The funding is not a grant but seeks private sector as well as public financing that will still require repayment. These risks could place South Africa in a debt trap for technologies that create a fragile and expensive-to-run electricity system, and worse if lending rates increase.

Renewables Cannot Do it Alone

- **FC supports all fuels and technologies:** At FutureCoal, we support all fuels and technologies that contribute to secure, affordable, and sustainable energy. Many of our members operate across coal and renewables, recognising that real-world energy systems depend on integration, not ideology.
- **Coal is essential to renewables:** Every megawatt (MW) of power capacity requires over 100 tonnes of steel. Based on today's global reliance on blast

furnace production, producing that steel typically requires around 80 tonnes of coking coal per MW (including using steel from non-coal sources).

- **Complements renewables:** Recent events in Spain and Portugal show us that renewables cannot supply the needs of a major economy alone. Coal complements all forms of energy, and work effectively alongside renewables to provide reliable, affordable, and stable energy 24/7.
- **True cost comparisons:** Replacing 1 GW of coal requires 3–5 GW of wind or solar plus costly storage, and these replacements can still fail nationwide during periods of peak demand. A well-maintained and modernised coal plant can remain productive for decades. It can run on strategic fuel stocks during periods of high demand or supply disruptions, making them a reliable foundation for integrated energy systems.

Finance and Investment

- **Economic Growth:** Replacing subcritical coal plants with ultra-supercritical plants could inject over USD 1.5 trillion into the global economy. In contrast, replacing coal with alternative energy would cost an additional USD 2.7 trillion due to shortfalls in output.
- **Rising global investment:** Coal investment is increasing, up 6% in 2024 and projected to rise another 4% in 2025, reaching USD 135 billion.
- **Financing momentum:** From 2022–2024, commercial banks channelled USD 385 billion into coal activities, led by China (USD 248B) and India (USD 1B in gasification).
- **Concentrated support:** 92% of coal financing between 2022–2024 came from just five regions — China, the US, Japan, Europe, and Canada.
- **Leading financiers:** China's CITIC, ICBC, Merchants Bank, Everbright, and Industrial Bank are the top financiers, with Bank of America, JPMorgan Chase, Mizuho, Barclays, and Scotiabank also backing coal.
- **Project cancellations:** Around USD 30 billion in coal projects have been shelved in the past decade, often due to regulation, activism, or market conditions — not financing restrictions.
- **Shared reality:** Coal is not unique. Other critical commodities like copper, cobalt, and nickel also face funding challenges, market shifts, and activist pressure.
- **LCOE vs. VALCOE:** LCOE (Levelised Cost of Energy) is incomplete because it only measures generation costs. It ignores the real costs of ensuring reliability, resilience, and system stability in high-renewable grids. VALCOE (Value-Adjusted LCOE) provides a more accurate measure by including integration costs, consumer impacts, and reliability factors, giving policymakers and investors the full picture.
- **Coal remains cost-competitive:** New coal plants deliver electricity at \$50–70/MWh—far below official GenCost estimates of \$102–164/MWh and even lower than Australia's 2024 wholesale market average of \$120/MWh. [Source](#)

Development and Communities

- **Millions of livelihoods supported:** Over 8.4 million jobs across the coal value chain sustain communities worldwide. With the right investment, Sustainable Coal Stewardship (SCS) can secure these jobs and create new opportunities in advanced technologies and industries.
- **Lifting people out of poverty:** Coal has helped lift 800 million people out of poverty in China alone since the 1970s, driving nearly 80% of global poverty reduction.
- **Energy access for billions:** Coal will remain critical to ensuring 1.5 billion people at risk of energy poverty gain access to affordable, reliable energy.

Innovation and Technology

- **Unrealised potential:** More than 1,030 GW of coal plants worldwide could be upgraded or retrofitted with advanced efficiency or carbon capture technologies, cutting emissions while securing power systems.