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Russia Announces Plans for Coal-Digging Surge

Despite the climate crisis and environmental concerns, the country says it aims for a big dig of the carbon-rich rock. Much of it will be extracted in new Arctic fields.

By The Barents Observer

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Oliver Berg / DPA / TASS

"I would like to congratulate everyone whose life is connected with coal mining, with this key industry in our country's economy," President Vladimir Putin said this week while greeting the governors of Russia's main coal-extracting regions.

The meeting took place in the Kremlin on the eve of Miner's Day, the annual celebration devoted to workers in the coal mining industry. Government ministers and seven regional leaders were seated at the table were, among them Krasnoyarsk region governor Alexander Uss and Kemerovo region governor Sergei Tsivilev.

Coal mining has been a key industry in Russia for a long time. And its role will be no less significant in the future, the participants of the meeting said.

Big growth

Over the last 10 years, Russia has boosted its annual coal production by more than 30% to a total of 440 million tons, and the country is now the world's third-largest producer, Energy Minister Alexander Novak said.

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In the same period, investments in the industry have surged 150%. "This is, of course, a significant figure," Novak said.

The production is to continue upwards. According to a draft development program, annual coal production might reach as much as 670 million tons in the course of the next 15 years.

The government will assess the development program in September, the Kremlin said.

New projects

A series of new coal projects stand behind the growth figures. Almost half of Russia's current 58 coal mines in operation have opened in the course of the last 20 years. And several more are in the making, including in the Arctic.

In the Taymyr Peninsula, the large territory stretching into the far northern Kara Sea, there are plans for extractions of more than 25 million tons per year over the next five years.

The VostokCoal company is in the process of developing the first of its big number of licenses on the northeastern tip of the peninsula. The license areas of Severnaya Zvezda (Northern Star) company are located nearby. The two companies intend to build two major port terminals in the area for export of the coal.

The black rocks will ultimately play a crucial role in the ambitious development of the Northern Sea Route. President Putin has requested in his state six-year plan that shipping on the Arctic route is to reach 80 million tons per year by 2024.

Asian buyers

Russia sees the Asian market as the destination for its growing coal production.

"Our coal companies are now actively conquering the Asia-Pacific region [and] we see the potential for coal consumer growth exactly in this direction," Energy Minister Novak told President Putin.

Meanwhile, the European market is gradually shrinking as EU countries actively replace coal with alternative energy sources. Prices are dropping and Russian coal exports to the region are in decline. According to the Kommersant business daily, several Russian companies are now running into deficits because of faltering sales to Europe.

Harm to the environment

The Russian president told the ministers and regional governors that environmental concerns must be taken.

"Chasing millions of tons of extraction with harm to the environment is dangerous and consequently unacceptable," the president said.

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However, several Russian coal mining companies' operations pose have been found to have harmful effects on the environment.

In the Taymyr Peninsula, VostokCoal was recently fined 600 million rubles ($9.1 million) after environmental inspectors revealed that the company had seriously violated license obligations and inflicted harm on the vulnerable Arctic environment. Despite the violations and major fine, the company was still allowed to move into protected nature territories this summer.

The federal government ultimately decided to remove a piece of land from the great Arctic Natural Park in order to facilitate the construction of the Chaika coal terminal.

No climate discussions

The word "climate" was not mentioned once in the meeting on Russian coal developments.

Russia says it will ratify the Paris Agreement and curb emissions, but coal appears not to be part of the picture. Symptomatically, the 2009 Russian Climate Doctrine also does not specifically mention the word "coal."

According to Putin's special representative on climate issues Ruslan Edelgeriev, a new climate strategy for the period until 2050 is now in the making and will be presented in December. At a recent meeting of the country's inter-ministerial working group on climate change, Edelgeriev did not specify whether oil, gas and coal will be addressed in the new document.

Today, Russia remains heavily dependent on the industries that emit a large amount of carbon dioxide and little efforts to introduce a transition to clean energy are being made.

Symptomatically, the country's new Energy Doctrine that was adopted in May this year makes clear that Russia's position as an energy superpower is challenged by international efforts to combat climate change.

The document states that international climate efforts and the rapid shift to a "green economy" must be perceived as a foreign policy challenge. Likewise, it highlights that the growing share of alternative energy sources in the global fuel and energy balance is an issue of concern.

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