Innovatie Attaché China

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Mining industry in China

Summary
China is world’s largest producer for coal, gold and most rare earth minerals. Besides the production, China is world’s leading consumer of most mining products. This report highlights key players in China, the role of the government, relevant developments and opportunities for Dutch organizations. Furthermore, this report provides a list of events related to the mining industry in China.

Full message

In total there are more than 10,000 (mostly coal) mines in China, producing a large amount of the world’s supply. China is world’s largest producer for coal, gold and most rare earth minerals. Besides the production, China is world’s leading consumer of most mining products, particularly for commodities like thermal coal and iron ore, approximately 49% and 58% of global total respectively.

Key players in China

The mining industry in China is a fragmented industry, in which many companies operate in the same area. The top is represented by large state-owned firms, which extract and process resources on a provincial or regional scale. Most of the companies are also involved in varies other business activities related to their mining operations. Below are some of the mining companies, divided per resource:

Coal
- The biggest coal mining company by extraction volume is Shenhua Group.
- The second biggest coal mining firm is China Coal Energy

Copper
- The largest copper mining is Jianxi Copper Company. It is also one of the largest gold and silver mining.

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- Tongling Non-Ferrous Metals Group is ranked second in the copper mining industry.
- Other players are Yunnan Copper, Daye Non-ferrous Metals and Jinchuan,

**Gold**
- The biggest gold producer is Zijin Mining. Besides, it is the second biggest copper producer and a large producer for iron ore and silver.
- Other players are China National Gold (CNGGC) and Shandong Gold Mining

**Bauxite**
- Aluminium Corporation of China (also known as Chalco) is China’s largest bauxite mining in China.
- Other companies active in bauxite mining, are Henan Shenhuo, Qingtongxia Aluminium, Lanzhou Aluminium and Shanxian Jinjiang Mining.

Please note that above list is not complete.

Besides companies, the China University of Mining & Technology relates to the mining industry in China. This university is a national key university and has a worldwide reputation in coal mining technology and researching. The main campus is located in Xuzhou, Jiangsu province, and another campus is located in Beijing.

The China Academy of Machinery Science & Technology provides research and development services for the mining industry. It offers services for machinery manufacturing, automobile, aerospace, environmental protection, chemical engineering and construction fields.

- **Role of the government**

The mine industry is dominated by State-Owned Enterprises via which the government influences policies. Chinese government organizations related to the mine industry are:
- The People’s Republic of China National Development and Reform Commission
- Ministry of Science and Technology of the People’s Republic of China
- Ministry of Industry and Information Technology of the People's Republic of China
- Ministry of Land and Resources of the People’s Republic of China
- Ministry of Commerce of the People’s Republic of China
- State-owned Assets Supervision and Administration Commission
- State Administration of Quality and Technical Supervision
- National Energy Administration
- State Administration of Coal Mine Safety

Furthermore, various industry association are active in China, such as,
- China Occupational Safety and Health Association
- China Coal Miner Pneumoconiosis Prevention and Treatment Foundation
- China Association of Work Safety
- China Coal Transportation & Sale Society
- China Coal Processing & Utilization Association
- China Coal Economic Research Association
- China National Coal Machinery Industry Association
- China Mining Association
- China Machinery Industry Federation
- China Construction Machinery Association

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- China Electrical Equipment Industry Association
- China Council for the Promotion of International Trade Machinery Sub-Council

**Relevant development/ actuality**

Although mining is an important industry for China, the government aims at closing a part of it. China recently announced that they will shut down more than 1,000 coal mines, with a total production of 60 million tonnes in Guizhou, Yunnan, Heilongjiang and Jiangxi provinces, as parts of efforts to trim production capacity. In 2015, China reached its target by controlling the total number of coalmines within 10,000 and will continue its efforts to reduce outdated capacity this year. Goal of the plan is to develop western regions, protecting the environment, and improving energy efficiency. Besides closing mines, China plans to stop approving coalmines for the next three years. The country produced 3.7 million tonnes coal in 2015 and has an estimated capacity surplus of 2 billion tonnes per annum.

**Opportunities for Dutch companies and knowledge institutes**

In various subsectors related to mining, foreign investments is encouraged, while in others it is restricted or even prohibited. Foreign investment is encouraged for prospecting, exploitation, utilization and/or beneficiation of coal-bed gas and iron ores and manganese ores. Secondly, it is encourages for the development and application of new technologies for improving the utilization of tailings and the comprehensive utilization of recovery technology of the mine ecology. Thirdly, prospecting and exploitation of unconventional natural gas resources such as shale gas and submarine natural gas hydrate is a subsector in which China encourages foreign investments.

**Activities**

Throughout the year there are various exhibition and fairs related to the mining industry in China, such as:
- World Aluminium Conference 2016, May 9-11, Shanghai
- China International Mining Expo 2016, May 23-25, Beijing
- China Gold Congress and Expo 2016, July 26-28, Beijing
- International Field Exploration and Development Conference 2016, August 11-12, Beijing
- China Mining Conference and Exhibition 2016, September 24-27, Tianjin
- International Non-Ferrous Metals Expo of China 2016, October 10-12, Shanghai
- Sustainable Industrial Processing Summit & Exhibition 2016, November 6-10, Hainan
- Bauma China 2016, November 22-25, Shanghai
- International Symposium on Digital Rock Physics and Applications 2017, March 30-31, Beijing
- China Coal & Mining Expo 2017

**Sources, further reading**

1. [http://www.mining.com](http://www.mining.com)
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8. [http://www.reuters.com/article/us-china-energy-coal-idUSKCN0VV0U5](http://www.reuters.com/article/us-china-energy-coal-idUSKCN0VV0U5)