

# Overview of the global electricity and coal market

## Global electricity consumption

Electricity is becoming increasingly important in life and the economy, especially with the spread of technologies based on it, such as electric vehicles and heat pumps.

According to the International Energy Community, global electricity demand will increase by 2.2% in 2023, reaching around 28,000 TWh, slightly lower than the 2.4% growth recorded in 2022. This growth is split across several regions, with the largest share of growth coming from China, followed by significant contributions from India and Southeast Asia<sup>2</sup>.

2023 was marked by the persistent impact of the energy crisis, exacerbated by the conflict in Ukraine and heightened geopolitical tensions due to the war between Israel and Palestine, which had a significant impact on the global economy<sup>3</sup>.

High inflation, higher interest rates and increased debt obligations have created severe economic constraints at a global level. Supply chain issues and rising costs continued to exacerbate the situation in the energy sector. In addition, it is worth noting that the summer of 2023 was one of the hottest summers on record, which also impacted electricity consumption<sup>4</sup>.

Emerging markets showed a marked increase in electricity demand, supported by economic development and the electrification of residential and transportation sectors. The main growth drivers were also energy-intensive data centers and technologies such as artificial intelligence and cryptocurrencies, whose demand is expected to double by 2026. Meanwhile, developed economies showed a decline in demand: in Europe due to the recession and lower manufacturing activity, in the US due to mild weather, and in Japan due to energy conservation measures and a slowdown in production despite a hot summer.

### Forecast for the future period:

Electricity demand growth is forecast to accelerate to a higher level of 3.4%, with an expected total of around 30,700 TWh. This growth largely continues the trend established in 2023, with China, India and South East Asia making significant contributions to this increase. The distribution of electricity consumption growth among these regions indicates changing global consumption trends, emphasizing the important role of emerging markets in the international energy sphere.

<sup>2</sup> [Electricity 2024.](#)

<sup>3</sup> [Highlights of global energy market in 2023.](#)

<sup>4</sup> [2023 Summer Reliability Assessment.](#)

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## Coal market

Coal is the largest source of electricity and the power generation industry is the largest consumer of coal, accounting for two-thirds of the market.

In 2023, the global coal market saw a balancing trend. Coal prices fell early in the year, as a result of a marked increase in coal production in China and India. This increase in production helped to increase coal supply globally, stabilizing market prices<sup>5</sup>.

China dominates the coal market with more than 55% of global demand and more than half of global production, although production growth slowed in 2023. India also plays a significant role, occupying more than 10% of global coal demand. In turn, developing and rising economies account for 15% of global demand, although their share has shown a declining trend in recent years<sup>6</sup>.

Coal demand in developed economies has fallen by almost half over the same period. The United States accounts for about 5% of global coal consumption and the European Union about 3%.

### Forecast for the future period:

No significant changes are foreseen in the thermal coal market and there are no preconditions for short-ages. This will remain unchanged provided that China maintains a stable high coal production and imports.

<sup>5</sup> [Coal 2023. Analysis and forecast to 2026.](#)

<sup>6</sup> [Accelerating Just Transitions for the Coal Sector.](#)

