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## Back to coal to beat energy crisis

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## As Iran conflict squeezes LNG supplies, Asia faces risks in power shift

**Thailand** ASIAN countries are turning to coal as the West Asia conflict disrupts oil and gas shipments.

The continent is exposed because it relies on imported fuel, much of it passing through the Strait of Hormuz – a chokepoint for about a fifth of global oil and natural gas trade.

LNG is a natural gas cooled to liquid form for easy storage and transport. It has been promoted as a bridge fuel in the shift from oil and coal to cleaner energy sources.

The United States has sought to expand exports of LNG across Asia. It burns cleaner than coal, but still emits climate change causing gases, especially methane.

The conflict has countries shifting back to coal to cover LNG shortfalls. India is burning more coal to meet higher summer demand. South Korea has lifted caps on electricity from coal. Indonesia is prioritising using its domestic supply. Thailand, the Philippines and Vietnam are boosting coal-fired power.

Burning more coal risks worsening smog in major cities, slowing the transition to renewable energy and increasing the region's planet-warming emissions.

Coal is a short-term fix, experts say, while renewables are the

long-term solution. Continued reliance on coal exposes Asia to future shocks, said Julia Skorupska of the global coalition Powering Past Coal Alliance.

Coal is integral to Asia's emergency energy plans. Its wide availability in Asia makes it the default backup when renewables or gas fall short, said Sandeep Pai, an energy expert at Duke University.

**China**, the top coal consumer and producer, has built record coal power generating capacity since 2021 to improve its energy security. Its national policy calls for continued use of coal, even as its vast clean energy capacity offers some relief.

**India**, the second-largest coal consumer and producer, is bracing for a scorching summer and will rely more on coal to meet peak demand of 270 gigawatts – nearly twice the electricity Spain can produce. It has enough coal for about three months, with some stockpiles earmarked for small businesses.

Two Indian liquefied petroleum gas (LPG) shipments totalling more than 92,700 tonnes recently made it through the Strait of Hormuz. Such imports will likely be directed to industries such as fertiliser production rather than power generation, Pai said.

Coal advocates such as Michelle



Manook of FutureCoal said the shortfall would be worse without coal and future use should be strategic.

"The lesson has to be diversity," she said.

Pauline Heinrichs, who studies climate and energy at King's College London, points to China's boosting use of coal to offset hydropower shortfalls due to droughts, worsening emissions that contribute to climate change.

Adding to the vulnerability for import-dependent countries, Indonesia, the world's largest exporter, is prioritising domestic use over exports. That could tighten regional supplies and push global prices higher, said Putra Adhiguna of the Energy Shift Institute.

Coal prices are set globally, leaving importers exposed to swings and disruptions. More coal does not guarantee cheap or reliable power, said Russell Marsh of E3G.

**Vietnam** is already facing that volatility. It increased imports

after weather-related shortages, but supplies from Indonesia are now uncertain so it's considering importing coal from the United States and Laos, according to energy market tracker Argus Media.

The main price for coal used in Asia, called Newcastle coal from Australia, has risen 13% since the conflict began.

Higher prices will also hurt South-East Asia, the world's third largest coal-consuming region, including Vietnam, the Philippines and Thailand, which are boosting coal power.

More coal use now will slow and possibly undermine long-term efforts to phase out coal-fired power.

**Indonesia** was already struggling to meet targets to retire coal plants early, with financing delays even before the Iran war.

Coal power in Indonesia was 48% more expensive in 2024 than in 2020 due to ageing plants and higher costs, according to the US-based Institute for Energy Economics and Financial Analysis or IEEFA.

**South Korea** has pledged to retire most coal plants by 2040 and halve its emissions by 2035. But it is allowing more use of coal when air pollution is low and LNG in short supply.

For countries with limited coal,

like **Thailand**, the impact on electricity prices would be minimal, as coal accounts for too small a share of capacity, said Jitsai Santaputra of The Lantau Group.

Domestic coal makes up less than 10% of the Thai energy mix.

Burning coal produces fine particles that lodge deep in the lungs and bloodstream, raising the risk of heart disease, stroke, lung cancer and chronic respiratory disease, according to the World Health Organisation.

It's a problem across Asia, especially during seasons when farmers are burning their fields.

All 1.4 billion Indians breathe air with concentrations of these particles the World Health Organisation (WHO) considers unsafe, according to a report by the Energy Policy Institute of Chicago.

The government has now paused air-quality rules, allowing restaurants to burn coal to ease a gas shortage.

Vietnam also faces severe air pollution, with PM2.5 far above WHO limits. It is promoting electric bikes and has targets to cut coal use.

Lan Nguyen, a shopowner in Hanoi, said she knows coal is essential for electricity right now, but worries for her asthmatic son's health.

"I worry for my son's lungs every day," she said. — AP