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**Presented by Dr. Tom S. Witt, Bureau of Business and Economic Research, West Virginia University, at the West Virginia Energy Infrastructure Workshop on July 22, 2004 at Clarion Conference Center in Shepherdstown, WV. This meeting was a part of the Energy Roadmap Workshop Series commissioned by West Virginia Governor Bob Wise.**



# Economic Profile of the West Virginia Coal Industry

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July 22, 2004



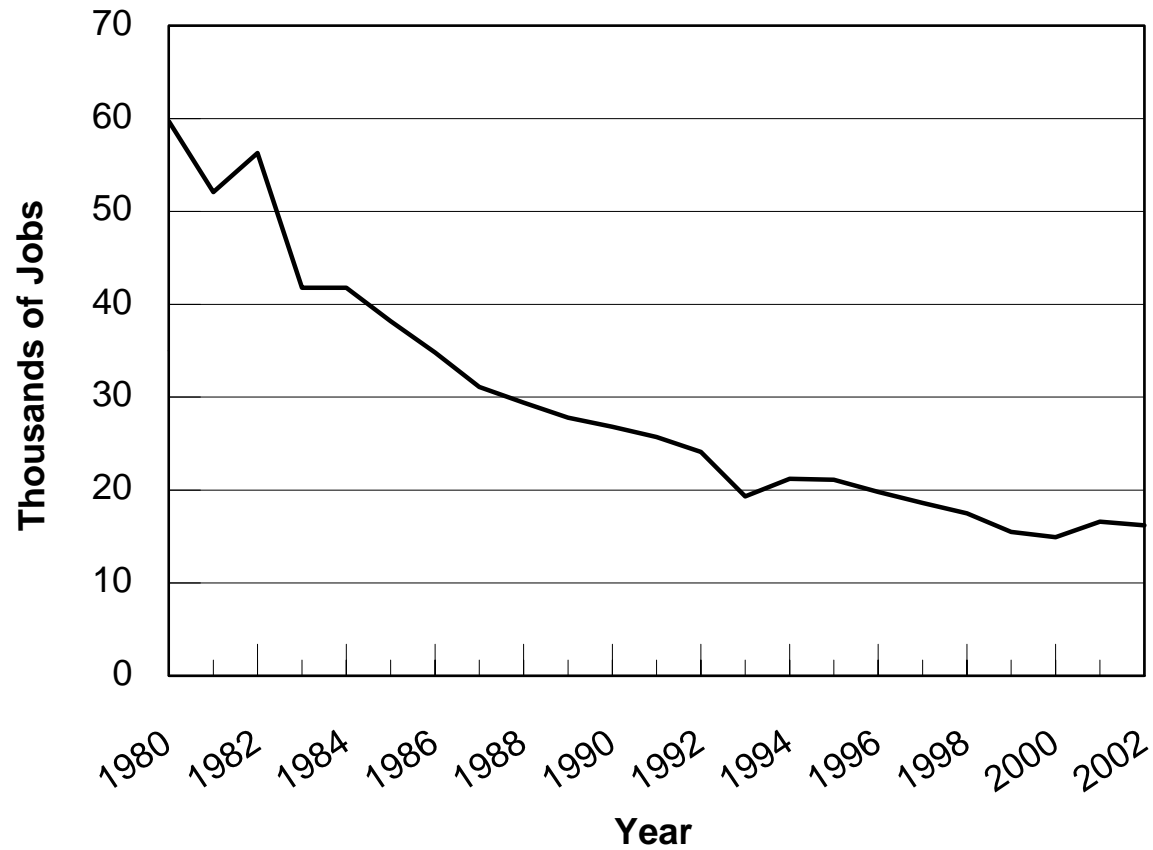
# NAICS Sector 2121 Coal Mining

- Mining bituminous coal, anthracite, and lignite by underground mining, auger mining, strip mining, culm bank mining, and other surface mining.
- Developing coal mine sites
- Beneficiating coal (e.g., cleaning, washing, screening, and sizing coal)



# WV Nonfarm Payroll Coal Mining Employment

Annual Averages

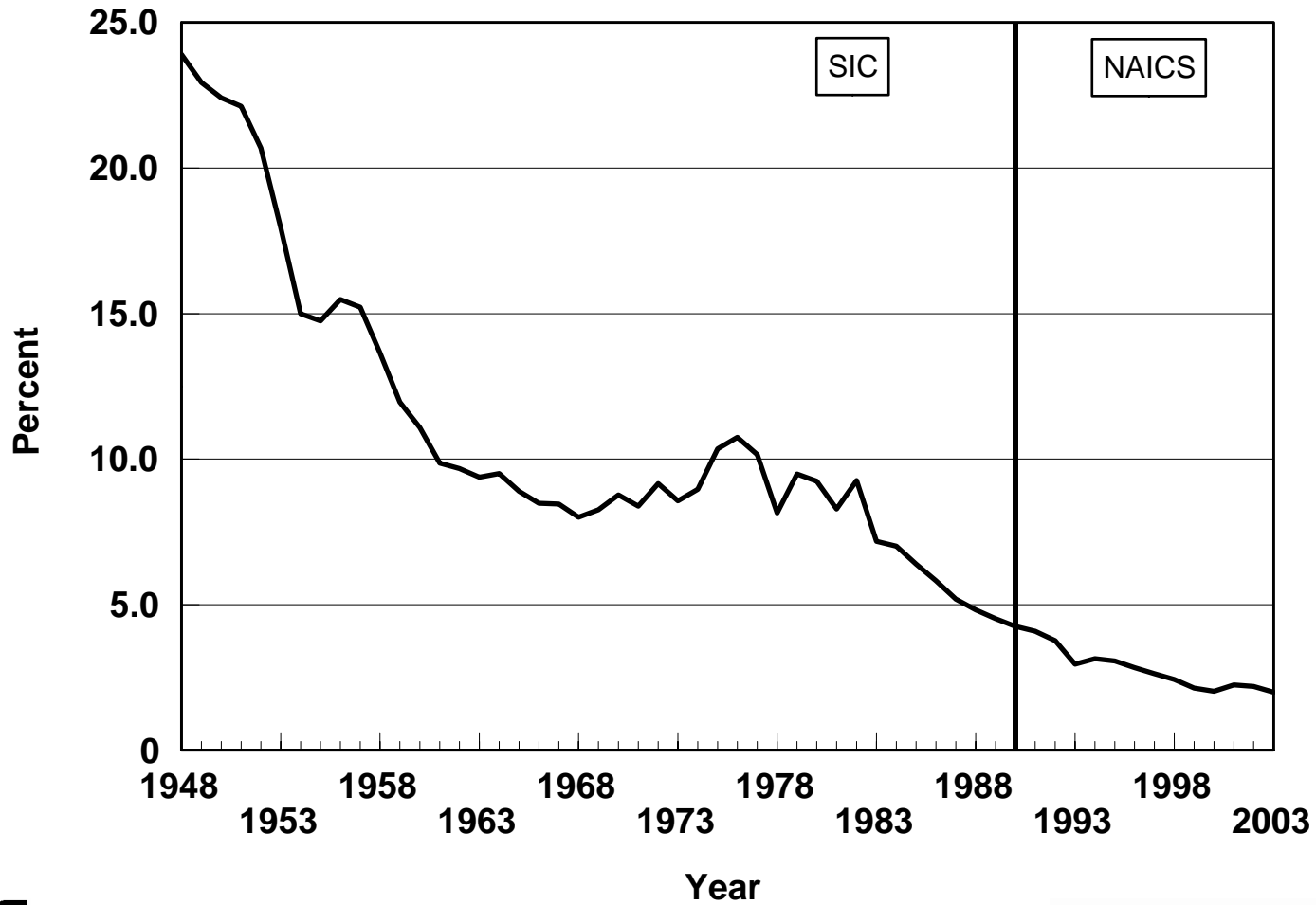


Source: WV BEP ([http://www.state.wv.us/bep/lmi/e&e/nf\\_hist.htm](http://www.state.wv.us/bep/lmi/e&e/nf_hist.htm))  
NAICS Basis



# W.Va. Coal Mining Employment

(Percent share of Total Nonfarm Payroll Employment)



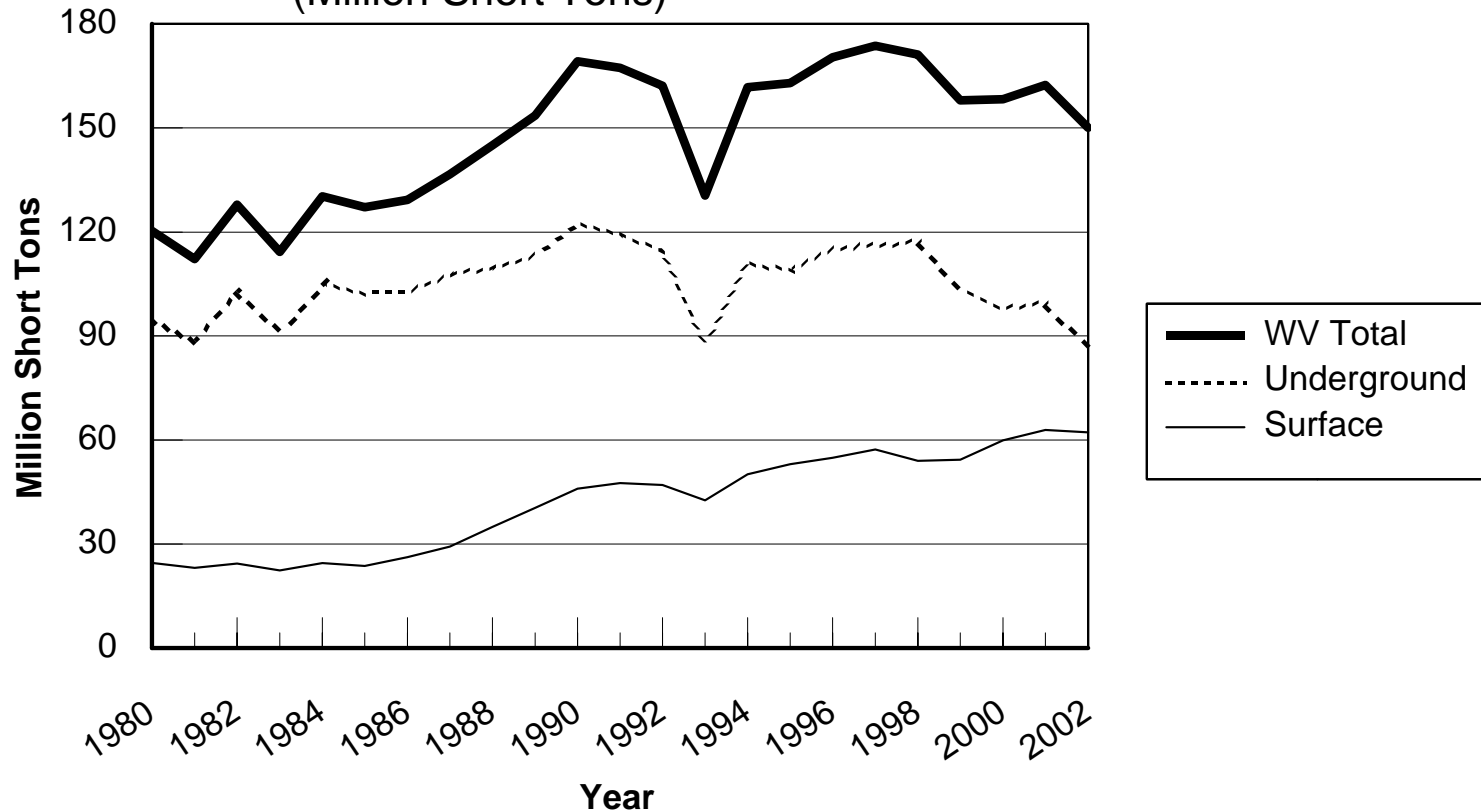
# Related Industries 2002

<b>Industry</b>	<b>Employment</b>	<b>Av. Ann. Wage</b>
Machinery Manufacturing	2,196	\$35,956
Railroad Transport (yr. 2001)	3,191	53,700
Truck Transport	8,244	29,026
Water Transport	607	43,521
Electric Power Gen, Trans and Distrib	4,983	63,019



# West Virginia Coal Production by Mine Type

(Million Short Tons)

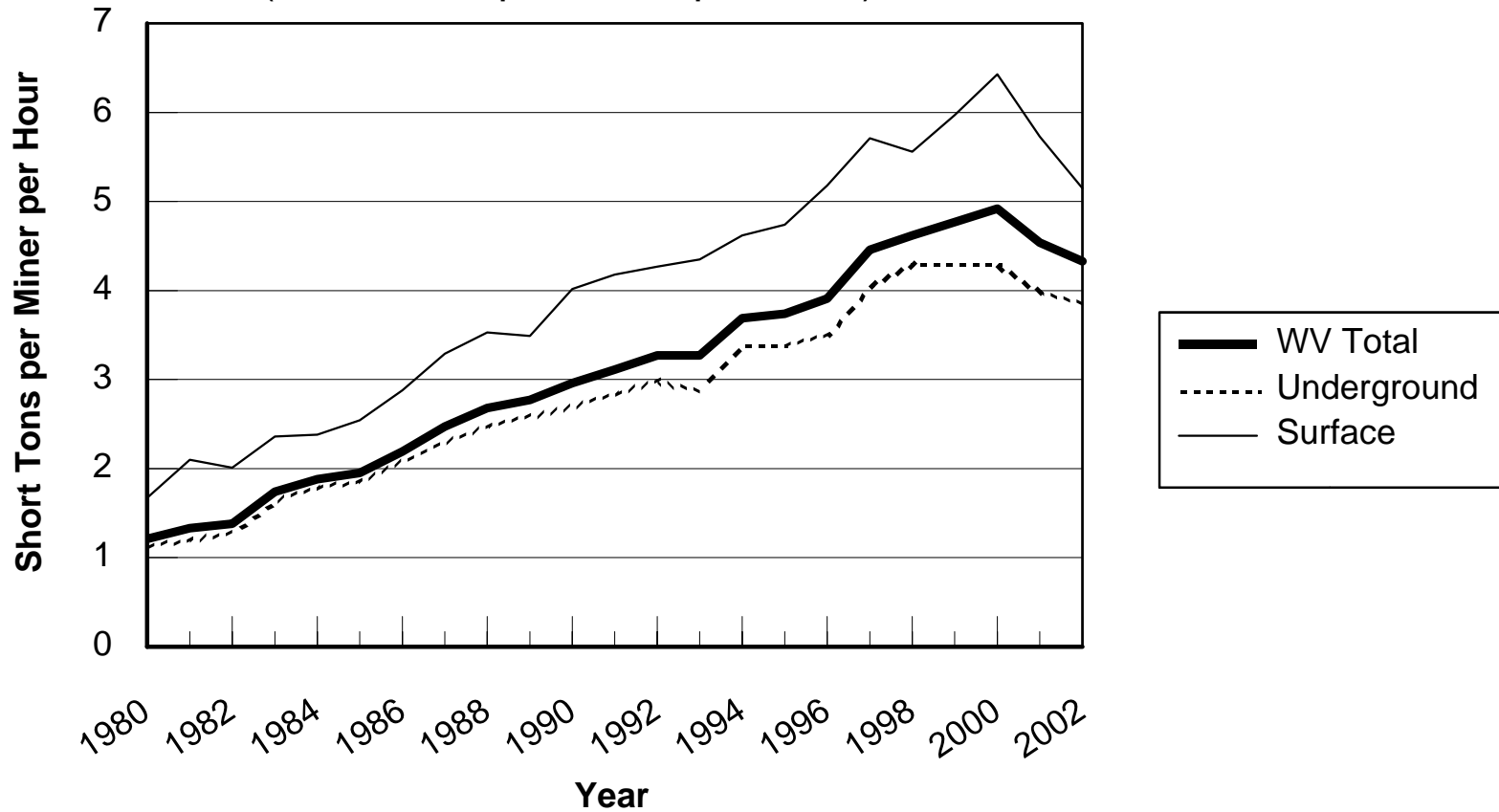


Source: EIA Coal Industry Annual / Coal Production  
Annual Coal Report 2002



# WV Coal Mining Productivity

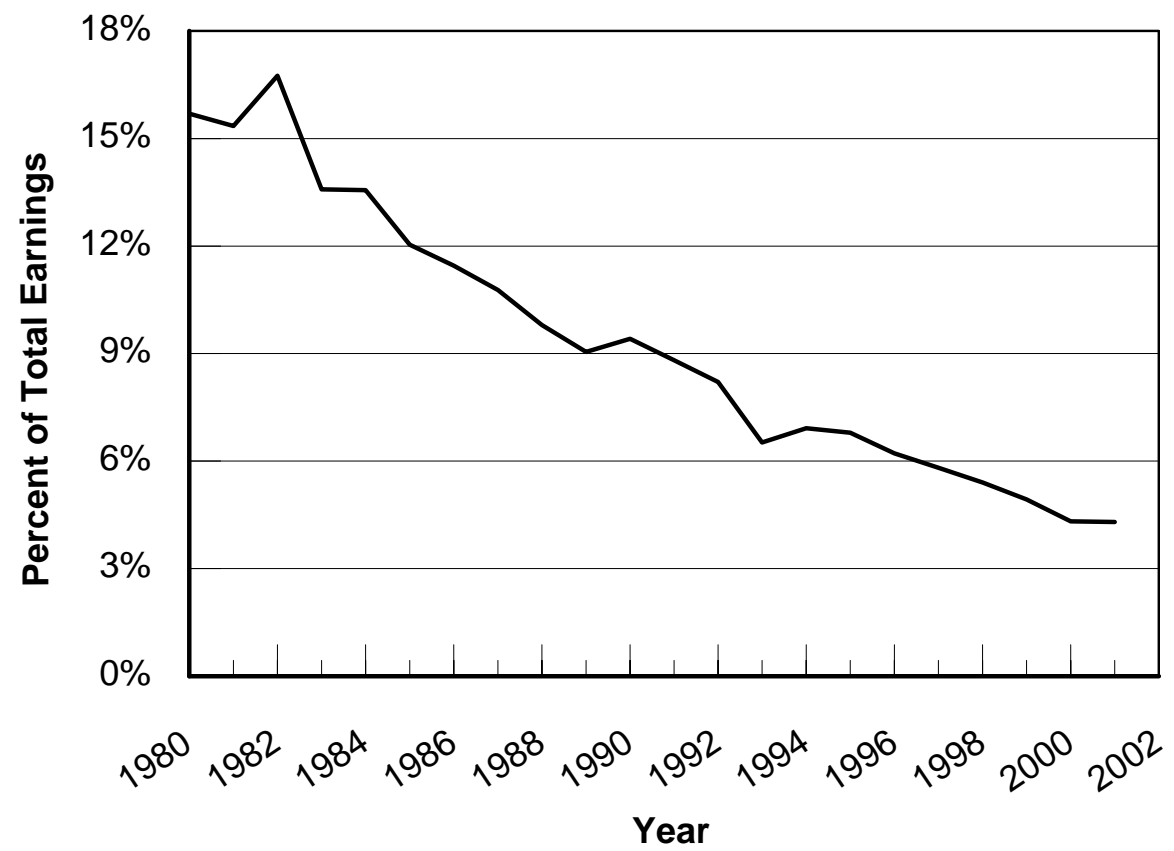
(Short Tons per Miner per Hour)



Source: EIA Coal Industry Annuals / Coal Production  
Annual Coal Report 2002



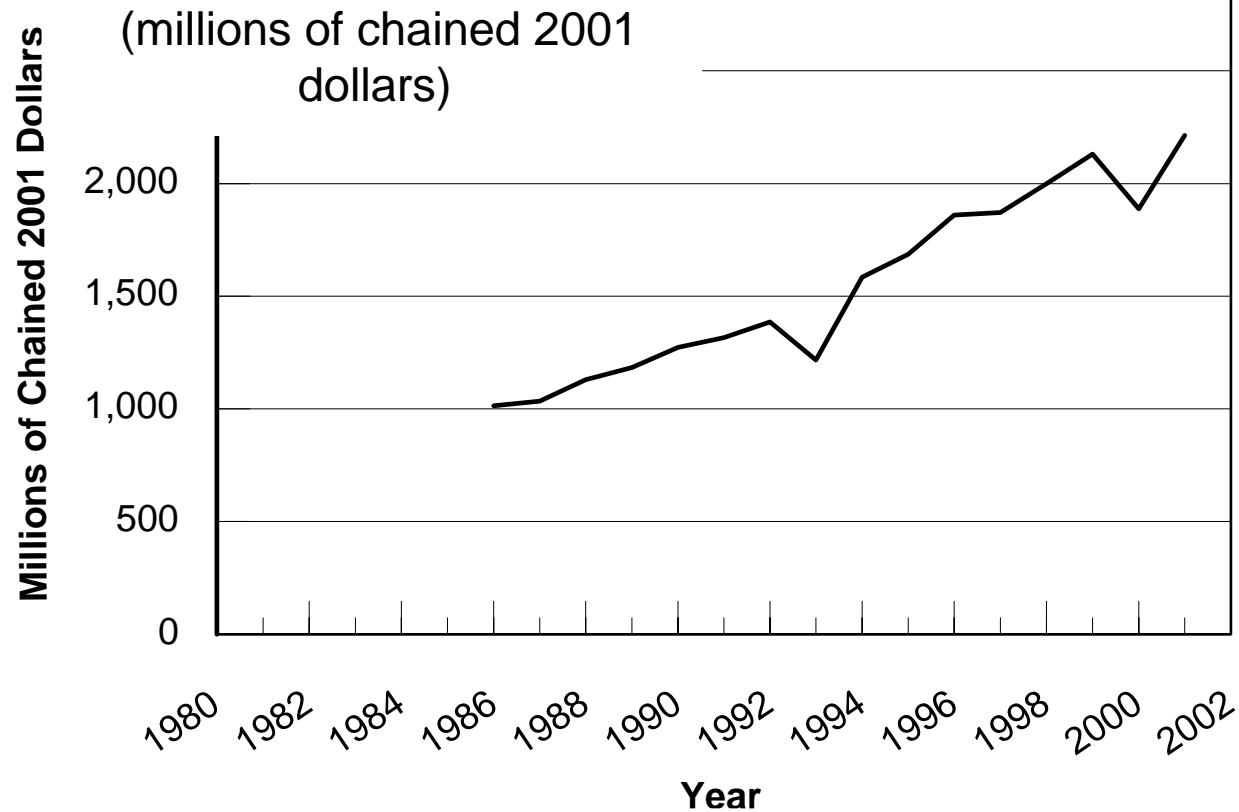
# WV Coal Mining Share of Total Earnings



Source: R.E.I.S. (1969-2001) Table CA05  
1980-2000 SIC  
2001 - NAICS



# WV Coal Mining Real Gross State Product



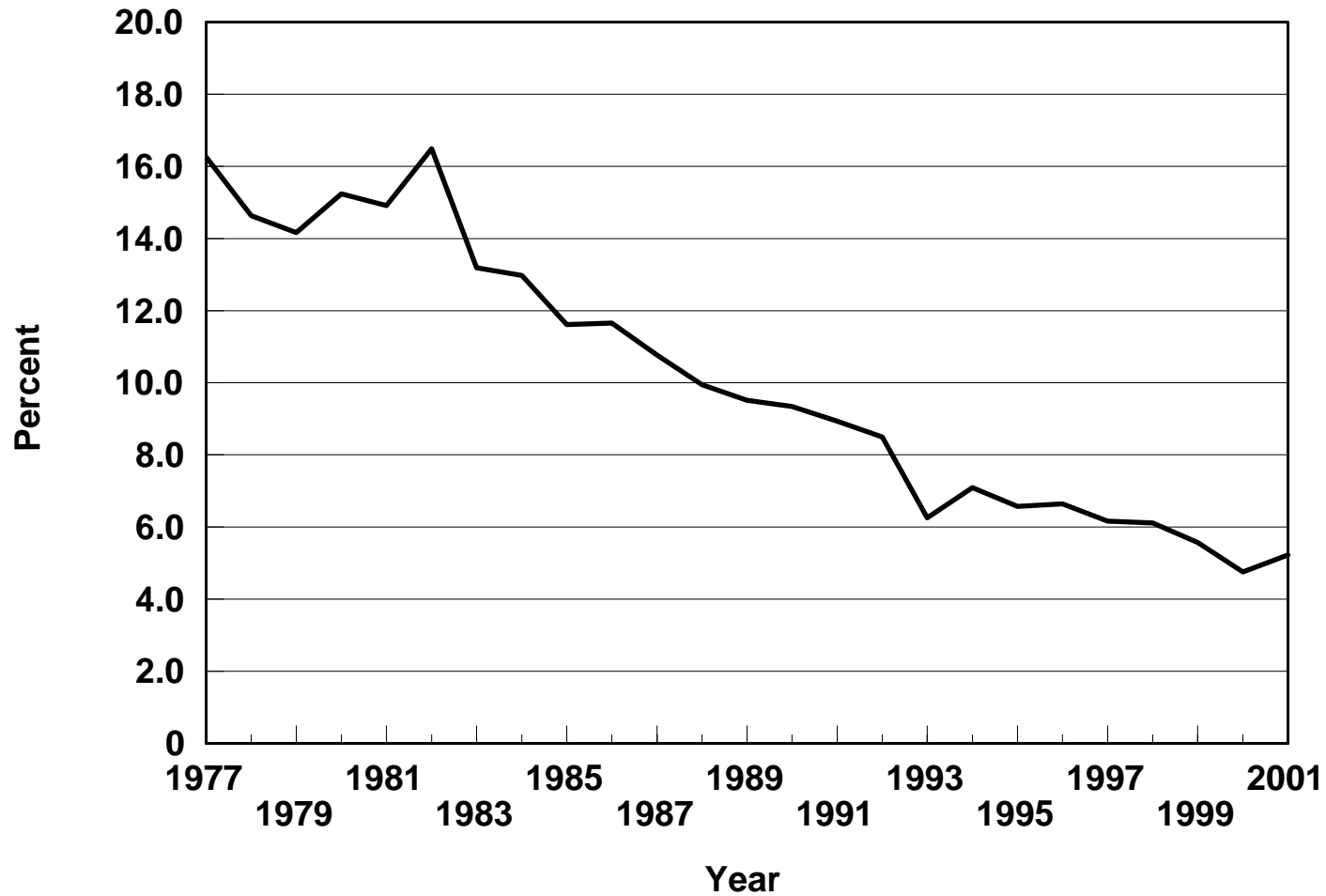
Source: BEA (<http://www.bea.doc.gov/bea/regional/gsp/>)

Note: GSP figures have been converted from chained 1996 dollars to chained 2001 dollars

SIC Basis



# W.Va. Coal Mining Share of Gross State Product\*

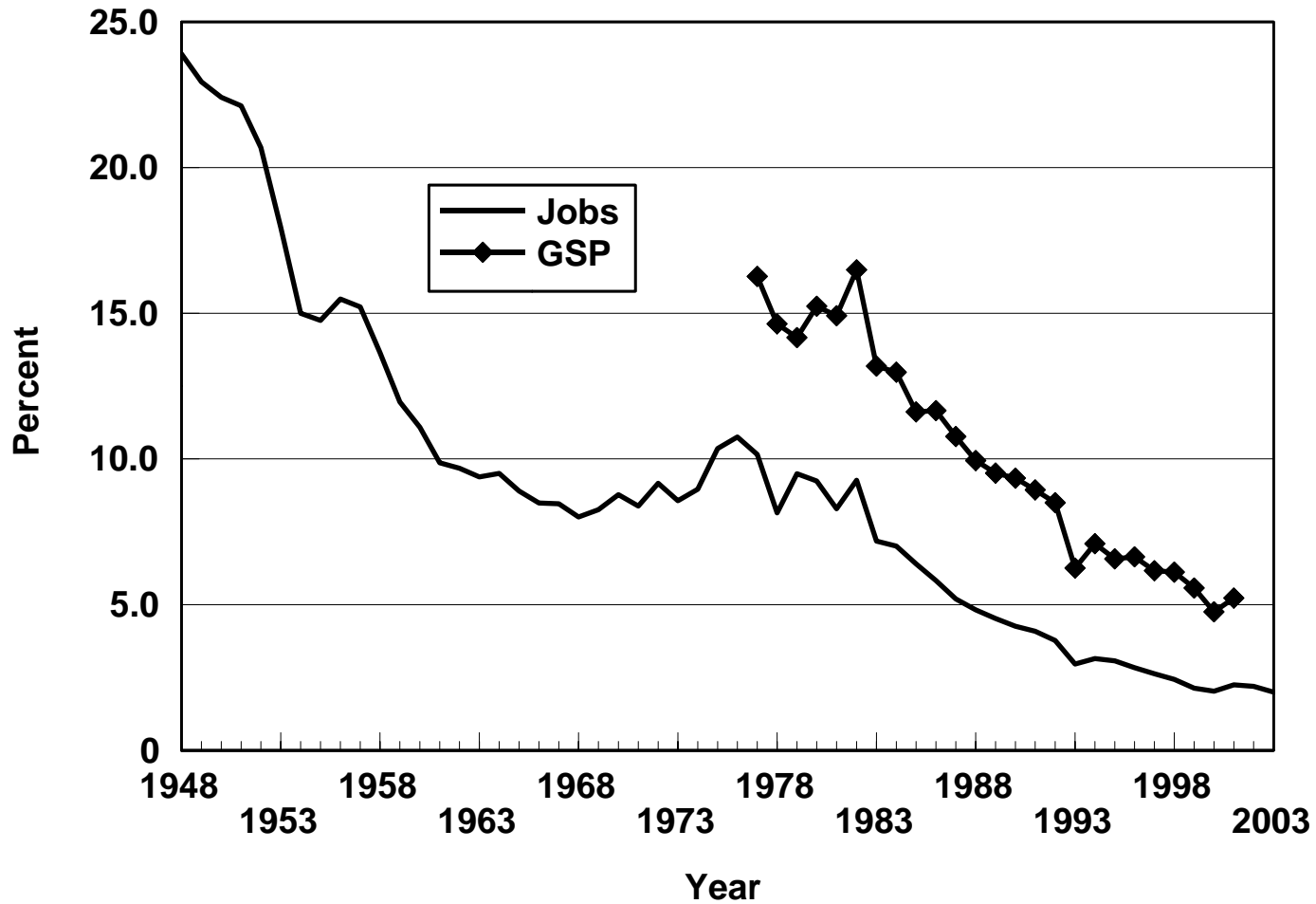


\* Coal mining on an SIC basis



# W.Va. Coal Mining

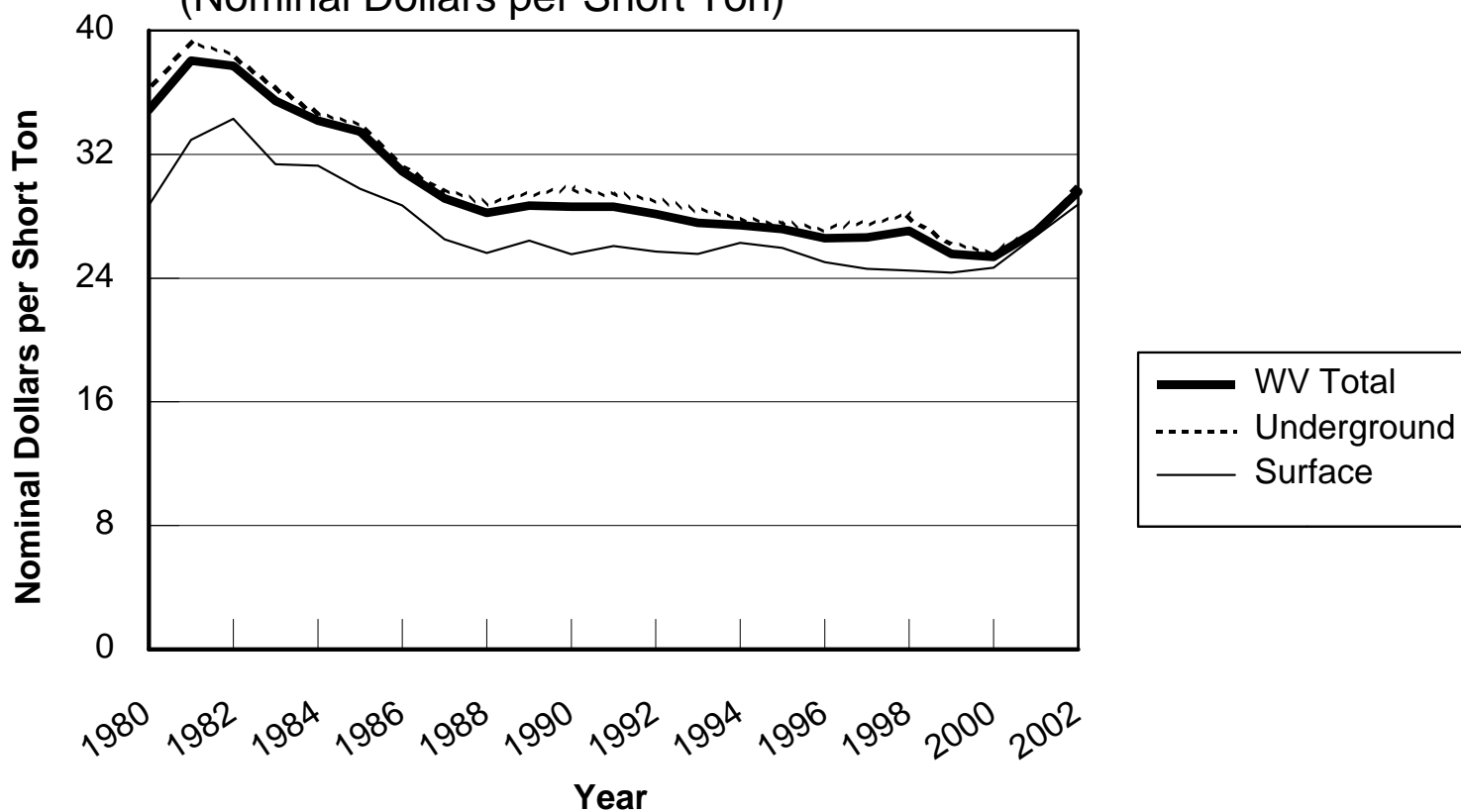
Jobs and Gross State Product as a Share of Total\*



\*Job data is SIC basis until 1989, NAICS basis thereafter.  
GSP data is SIC basis.

# Average Mine Price of West Virginia Coal

(Nominal Dollars per Short Ton)

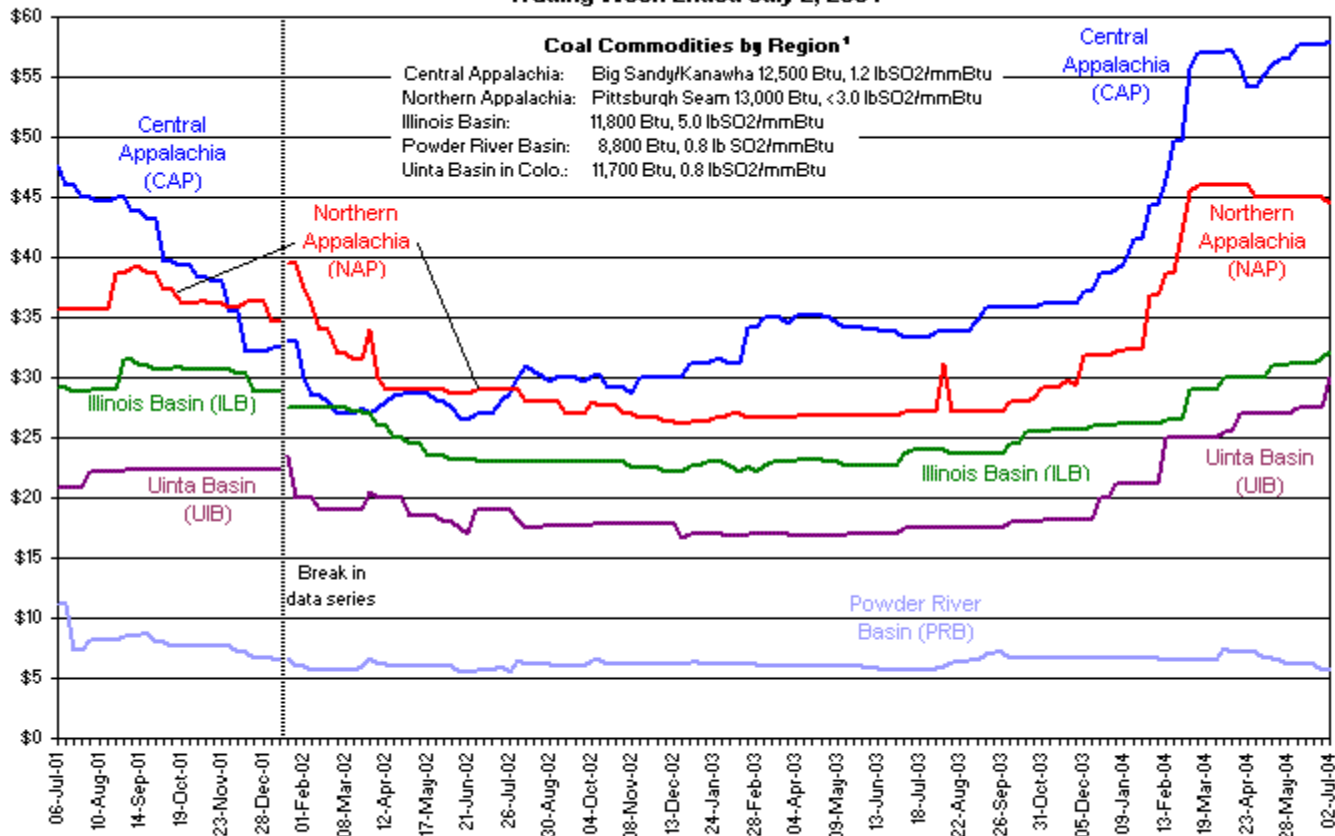


Source: Coal Industry Annuals / Coal Production  
Annual Coal Report 2002.



Dollars  
per Ton

### Average Weekly Coal Commodity Spot Prices Trading Week Ended July 2, 2004



<sup>1</sup>Prior to January 11, 2002, EIA averaged 12-month "forward" spot prices for several coal specifications; after that date, coal prices shown are for a relatively high-Btu coal selected in each region, for delivery in the "prompt" quarter. The "prompt quarter" is the next calendar quarter, with quarters shifting forward after the 15th of the month preceding each quarter's end.

Source: with permission, selected from listed prices in Platts Coal Outlook, "Weekly Price Survey."



# Economic Outlook for Coal

- Long-term Forecast Update 2004-addition of 2,000 jobs through 2005; however, long-term job outlook shows declines due to environmental and regulatory issues
- Consensus forecast calls for stable production at 140 million tons/year until 2010. Thereafter, declines to 130 million tons through 2020



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