



# ***THE GATHERING STORM***

## **ANODE COKE SUPPLY-DEMAND OUTLOOK TO 2025**

*The most definitive long-term study of petcoke supply and demand available.*

***2ND EDITION - 2018 UPDATE***



**Turner, Mason & Company**  
CONSULTING ENGINEERS

## ALLIANCE ANODE COKE STUDY

A study into the long-term sustainable supply of petroleum coke of a grade and quality suitable for the manufacture of sacrificial anodes used in the electrolysis of primary aluminum.

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## FOREWORD TO 2<sup>ND</sup> EDITION

The authors are pleased to present this latest edition to the landmark study from 2015.

In the short time since we published the study, several events have occurred to alter the landscape. The International Maritime Organization (IMO) has set the standards for the introduction of low Sulfur bunker fuel. China has implemented some initiatives to reduce aluminum production. While reduced metal output also reduces demand for anode coke, the changes to the IMO regulations are likely to have a bigger and more sustained impact on anode coke supply.

The most important event since 2015 however, has been that shortages of anode coke have already started occurring. In 2017, prices of anode coke rose from roughly \$200/t when our first report came out, to as much as \$340 by the end of 2017. Anode coke prices are cyclical, but the recent prices are now outside the normal cycle. The problem becomes worse when looking at calcined petroleum coke (CPC) or anodes – the downstream markets for green anode grade coke. In those markets, the shortage of anode coke is only half the problem – processing factories in China have been ordered to close as part of that country’s push to improve its air quality.

It could therefore be said that the situation has changed sufficiently to warrant a review of the data and a revision of the text. It is the authors’ view however, that in fact not much has changed at all. It only looks more certain that a shortage of anode coke will be with us before the end of this decade. Our revisions and updates to the data served to quantitatively confirm this.

In fact, the authors’ purpose in revisiting the study is not so much to update the data, though that’s important. Instead, our purpose in revising the study is to place a greater focus on the solutions available to those affected by a shortage of anode coke.

It is not enough to simply point to the problem. No matter how convincing the data may be, the question is always, “What can be done about it?” The first edition of this report included a number of strategies, tactics and ideas for dealing with a shortage of anode coke. In this edition, and in our efforts to inform the industry of the looming problem, we are seeking to bring solutions to our readers.

The issue of anode coke shortages is a complex one, caused by a combination of factors, and with varying impacts in different parts of the world. This is also true of many of the solutions available – it requires a multitude of skills, experience and contacts to make solutions possible. Refer to the contacts page for information on how to reach out to the authors – we believe we can help.