

Investment

- Investment in the coal industry under this Government has amounted to more than £3 billion (£3152 million between 1979/80 and 1982/83). Under the last Government investment totalled less than £1.5 billion (£1473 between 1974/75 and 1978/79).
- The Coal Board's capital investment this year and next is running at over £800 million a year, before deficit grant.

Capacity

- Under Plan for Coal over 16 million tonnes of new high grade capacity has been completed, and over 26 million tonnes is under construction (totalling nearly 43 million tonnes).
- Plan for Coal assumed that on average 3-4 million tonnes of exhausted capacity would be closed every year. In fact closures have averaged just over 1 million tonnes a year.

Productivity

- Plan for Coal assumed that output per man shift would rise by 4 per cent a year. In fact it fell until 1978, and even now is not rising as fast as the Plan envisages. If the planned forecast had been achieved, output per man shift would now be more than 25 per cent higher than it is.

Subsidy

- Public money put into coal runs at about £1 billion a year. In 1982/83 about £520 million of that is outright grants - nearly £40 a week for every employee of the Board.

New Pits

- The Selby coalfield will start production in the next few weeks and is due for completion in 1988. Full output will be over 10 million tonnes a year , and the Board are confident it will achieve productive levels five times the present national average.

- 12 per cent of the Board's capacity accounted for almost 60 per cent of the Board's losses in 1981/82. We need new, efficient pits , not old, exhausted capacity.

11 May 1983



Coal
figures 14

NCB PERFORMANCE: KEY FACTS

provisional

	1979/80	1980/81	1981/82	1982/83	1983-84
NCB EFL £m	709	832	1117 ^(a)	962	1201 ^{m.}
EFR	654	884	1225	951	
Within which <u>total</u> grants £m	251	255	577	516	540
Loss before deficit grant £m	159.3	206.8	428.3	484	
Capital expenditure £m	661	807	819	862	800

Total output mt	123.3	126.6	124.3	120.9
Overall productivity (output per manshift) t	2.31	2.32	2.40	2.44
% increase year on year	3.12	0.43	3.44	1.67

Total inland disposals mt	122.6	113.0	110.8	113.5
Exports mt	2.5	4.7	9.4	7.1
Total disposals mt	125.1	117.7	120.2	120.6

GB Year end stocks mt	27.9	38.4	43.5	53.2
Of which distributed	15.8	17.5	18.6	28.1
Undistributed	12.1	20.9	24.9	25.1

Self financing ratio before grants %				(EST)
	- 11.23	- 11.47	- 36.77	- 37.61

Coal stocks at end of March 1983:

	mt
GB Total	53.18
of which distributed	28.11
undistributed	25.07

Source - April 1983 Energy Trends.

Note

a) Consistent with EFL after ASLEF costs of £121m.

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1 Pit Closures, 1974. to Date

<u>Year</u>	<u>Number of closures</u>	<u>Capacity closed</u> (million tonnes per annum)
1974/75	10	1.4
1975/76	5	0.4
1976/77	3	0.4
1977/78	5	0.6
1978/79	9	1.6
1979/80	5	0.8
1980/81	9	1.5
1981/82	10	1.9
1982/83	6	1.5
	<u>62</u>	<u>10.1</u>

Thus there were 32 closures between 1974/75 and 1978/79, 30 since 1979/80; but capacity closed totalled 4.4 million tonnes in 74/5 to 78/9, 5.7 million since 1979/80. Note that the definition of capacity used here refers to production in the last full year before closure. A higher average rate of reduction of capacity, about 2 million tonnes per year, is obtained if one takes account of reductions in production in the years before closure and also of partial closures and mergers: but it is not very meaningful to give this year by year.

Mr Mills (Deputy Chairman of NCB) has said the average rate of closures has been one to two million tonnes a year.

The total of closures is one higher than in yesterday's fact sheet because late yesterday the NCB reported that there had been a further closure (agreed locally with the unions some time ago): Marley Hill in Durham

2 There are currently 188 pits in operation and also 2 on a non-producing 'development only' basis - total 190.



3 Investment in the coal industry (out-turn prices)

	£ million	
1974/75	145	Total 1974/5 to 1978/9 <u>£1473 million</u>
1975/76	217	
1976/77	280	
1977/78	350	
1978/79	481	
1979/80	661	Total 1979/80 to 1982/83 <u>£3152 million</u>
1980/81	807	
1981/82	812	
1982/83 (est)	872	

4 Under Plan for Coal over 16 million tonnes of new high grade capacity has been completed and over 26 million tonnes is under construction (including the huge Selby project). Total nearly 43 million tonnes. Exact phasing of individual projects is a matter for NCB.

COAL 2

3 March 1983