

Questions remain over General Electric's coal exit

GE's failed coal venture a cautionary tale for others

Tuesday 22 September, 2020: As the largest manufacturer of thermal turbines outside China, GE's coal power exit is another nail in the coffin for the ailing sector.

However, major questions remain unanswered, particularly regarding GE's pipeline of coal power projects, which at last count was 18 coal-fired proposed power stations in 16 countries.

"GE's announcement is good news for the climate and for the company's bottom line," said Market Forces Executive Director Julien Vincent.

"The big question now is what happens to the raft of projects GE has on its books. Before GE gets too many plaudits for its move, there needs to be clarity on these 18 planned coal-fired power stations which are the equivalent of more than doubling Texas' coal power capacity, and would add another 2.5 billion tonnes of carbon dioxide to the atmosphere¹."

A list of proposed coal power projects that would use GE's equipment at the time of the company's announcement can be found [here](#).

GE's shift marks a pivot from a reckless financial gamble which backfired. Between 2016-18 GE's market capitalisation dropped by 74%, with revenues for the companies' coal power business down 22% in 2018. In 2018 and 2019, the power segment reported negative cash flows of US\$2.3 and US\$1.5 billion respectively.

It also shines a spotlight on the remaining handful of companies still in the coal power business, such as Germany's Siemens, Japan's Toshiba and Korea's Doosan, which recently received a US\$3bn bail out from the Korean Government.

Focus is also on Samsung C&T, which faces a major international campaign over its potential involvement in the proposed Vung Ang 2 coal plant in Vietnam. According to recent

¹ Calculated as of January 2020

information, [GE is the Engineering, Procurement and Construction \(EPC\) partner in the controversial deal](#) but Samsung C&T is currently considering the project.

“GE’s catastrophic foray into coal power should be a clear warning to others,” said Vincent. “Companies such as Samsung C&T should be wary of stepping in to pick up GE’s trash in projects such as Vung Ang 2. These projects have proven, time and again, to be bad news, not just for the climate, but for companies’ bottom line and brand.”

In March, an international coalition launched a [major new campaign](#) to end its efforts to expand the global coal industry and align its business with the goals of the Paris climate agreement. [The coalition of 65 environmental groups from 16 countries urged GE to stop supplying equipment to build coal-fired stations in their countries.](#)

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