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HD **Miners shrug off ban**
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RESOURCES AUSTRALIAN **coal** miners have played down the impact of proposed **Chinese** measures to ban imports of low-quality **coal**, with Whitehaven saying the rules will ultimately benefit the local sector.

Australia's **coal** industry is poring over the finer points of a **Chinese** Government draft that from next year would ban the import and local **sale** of **coal** with high impurities.

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The crackdown comes as **Chinese** authorities move to tackle air pollution. **China** accounts for a quarter of Australia's exports of thermal **coal**, which is used in **energy** production. It bought about 50 **million** tonnes last year.

Of concern to miners are plans to ban the import into **China**'s three biggest economic regions of **coal** with ash content greater than 16 per cent and sulphur content greater than 1 per cent.

The regions cover Beijing, Shanghai and Guangzhou, which account for 42 per cent of **China**'s thermal **coal** imports, according to investment bank Citi.

Energy research group Wood Mackenzie has estimated that no local thermal **coal** exports would currently meet the new conditions — a claim disputed by **mining** lobby group Minerals Council of Australia.

Morgan Stanley says about 40 per cent of thermal **coal** exports could run foul of the new regulations but notes only a proportion of these shipments go to **China**. Rio Tinto yesterday said the new rules would have "little if any impact" on the **company**. BHP Billiton said it did not expect any impact on its business.

The State Government, which is trying to develop a brown **coal** export industry, said the ash and sulphur content of the state's **coal** was far below any of the proposed requirements. Analysts also say miners can reduce **coal**'s ash content by washing or blending it with higher grades, although this can be expensive for a sector already struggling with low prices.

Just how far-ranging the ban will be is yet to be clarified. Whitehaven **Coal** chief Paul Flynn said local **coal** producers would, in the long run, benefit from the new rules as Australia's **coal** was of higher quality than international rivals.

Whitehaven shares closed 2.5 per cent lower at \$1.775. Rio Tinto shares climbed 0.4 per cent to \$62.03.john.dagge@news.com.au

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