

HD THERMAL COAL-Prices decline in reaction to China import ban

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- * ARA coal for October down \$1.55 at \$73.95/tonne
- * Australia Newcastle contracts down

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* China to restrict imports of some coal types from Jan. 2015

LONDON, Sept 16 (Reuters) - Thermal **coal** prices fell on Tuesday in reaction to a **Chinese** ban on the import and local **sale** of heavy-polluting **coal** types from January next year.

European **coal** cargoes for delivery in October to Amsterdam, Rotterdam and Antwerp (ARA) traded at \$73.95 a tonne at 1427 GMT on the GLOBALcoal platform, down \$1.55 from the previous settlement, while December cargoes inched down 25 cents to \$74.85 per tonne.

Australian cargoes for delivery in October from the port of Newcastle, an Asian benchmark, edged down by 20 cents to \$66.00 a tonne, while December cargoes were 15 cents lower at \$66.10.

Traders have recently been selling **coal** in anticipation of the **Chinese** ban.

This week, China said it will ban the import and local sale of coal with high-ash and sulphur content starting from January to tackle air pollution, with tough requirements in major coastal cities set to hit Australian miners.

China is the world's top coal importer, accounting for around a quarter of Australia's coal exports.

Under the new regulations, the government has set different levels of requirements on **coal** grades for **mining**, local sales and imports.

The most stringent requirements are for cities in the southern Pearl River Delta, the eastern Yangtze River Delta and northern cities Beijing, Tianjin and Hebei. These will be banned from burning **coal** that has more than 16 percent ash and 1 percent sulphur.

Larger mines that would not meet restrictions on ash content include BHP Billiton's Mount Arthur operations, which produce about 16 million tonnes a year, Glencore's Mangoola mine, Rio Tinto's Hunter Valley operations and Bengalla mine, though it is not clear how much of that goes to China.

China will also implement a blanket ban on domestic mining, sale, transportation and imports of coal with ash and sulphur content exceeding 40 percent and 3 percent respectively.

"The stricter local controls remain a concern, as they supplant the looser national limits for those important regions," said a bank active in **coal** markets.

(Reporting by Nina Chestney; Editing by Pravin Char)

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