

**HD** RPT-UPDATE 1-**China** to ban imports of high ash, high sulphur **coal** from 2015  
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(Repeats story first published late Monday; no change to text)

By Fayen Wong

SHANGHAI, Sept 15 (Reuters) -

**China** will ban the import and local **sale** of **coal** with high ash and sulphur content starting from 2015 in a bid to tackle air pollution, with tough requirements in major coastal cities set to hit Australian miners the hardest.

**China** imported about 54 **million** tonnes of Australian thermal **coal** and another 13 **million** tonnes from South Africa in 2013 - most of which would not meet the proposed restrictions on ash and sulphur content.

The policy, previously reported by Reuters, comes as prices on the GlobalCOAL Newcastle index slump to a five-year low amid a supply glut and slowing demand from **China**, the world's top importer.

Under the new regulations, to come into effect in January, the government has set different level 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 three northern cities including Beijing, Tianjin and Hebei. These will be banned from burning **coal** that has more than 16 percent ash and 1 percent sulphur, according to a statement published on the National Development and Reform Commission website.

Since the coastal regions such as Guangdong and Zhejiang province are some of **China's** top **coal** importers, the regulations are set to block a sizeable amount of imports.

"**Coal** that does not meet these requirements must not be imported, sold nor transported for long distances," the NDRC said, adding that the customs authority will check the quality of **coal** imports.

The government 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.

For **coal** that will be transported for more than 600 kilometres from their production site or receiving ports, the minimum **energy** requirement was set at 3,940 kcal/kg, with a maximum ash and sulphur content of 20 percent and 1 percent respectively.

When the regulation is implemented, Australian and South African **coal** with a heating value of 5,500 kcal/kg will be worst hit, since their ash content hovers around 23-25 percent and they contain sulphur of 0.8-1.0 percent, traders have said.

Top steam **coal** exporter Indonesia, which largely ships fuel

with low heating value, sulphur and ash content, will be the least affected.

"This new law will hit Australian exporters the hardest. But the 2015 rollout has offered some relief to miners and traders because it gives them some time to come up with a plan to reduce their ash content," said a Shanghai-based **coal** trader.

Below is a table summarising the latest regulation:

BAN ON OUTPUT, SALES, TRANSPORT AND IMPORTS OF ALL COALS

SPECIFICATION	LIGNITE	OTHER COALS
<b>Energy</b>	NA	N. A
Ash	□ 30 pct	□ 40 pct
Sulphur	□ 1.5 pct	□ 3 pct
Moisture	N. A	N. A

RESTRICTIONS ON **COAL** TRANSPORTED MORE THAN 600km

SPECIFICATION	LIGNITE	OTHER COALS
<b>Energy</b> ( NAR)	3,941 kcal/kg	4,300 kcal/kg

Ash	□ 20 pct	□ 30 pct
Sulphur	□ 1 pct	□ 2 pct

RESTRICTIONS ON **COAL** USE IN COASTAL AREAS, NORTHERN CITIES

SPECIFICATION	
<b>Energy</b> ( NAR)	N. A

Ash	□ 16 pct
Sulphur	□ 1 pct

For more details, click on:

<http://www.sdpc.gov.cn/gzdt/201409/W020140915620478165053.pdf>

( Reporting by Fayen Wong; Editing by Michael Urquhart)

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