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RTRS-INTERVIEW-UPDATE 1-Italy 2011 coal imports seen up 7 pct

- * **Steam coal imports stable at 17 mln t in 2011**
- * **2012 to be a difficult year, imports hopefully stable**
- * **Future import growth linked to power generation projects**

(Adds more comments, details)

By Svetlana Kovalyova

MILAN, Nov 21 (Reuters) - Italy, Europe's third-biggest coal buyer, is expected to raise imports by 7 percent this year, driven by demand from steel makers, a top industry official told Reuters on Monday.

"2011 has been a good year," Andrea Clavarino, chairman of Italy's coal operators body Assocarboni, said in a telephone interview. "We forecast an increase in imports to Italy by about 7 percent."

"In steam coal imports, we should be stable at about 17 million tonnes and we should be at about 7 million tonnes in coking coal and PCI (pulverised coal injection), some 27 percent higher than in 2010," Clavarino said.

Coal imports are expected to slow down sharply in the last quarter of this year hit by worsening economic situation in Italy and "2012 will be a difficult year," he said.

He said it was difficult to make forecasts for 2012 because of economic uncertainty in Italy where a new government is pushing ahead with austerity measures to stop the unfolding debt crisis but he hoped coal imports in Italy would be stable next year.

Italy's imports of steam coal for power generation rose 5 percent to 17.2 million tonnes in 2010 while imports of coking coal and PCI for steel-making surged 37 percent to 5.5 million tonnes thanks to the steel industry recovery after crisis, according to Assocarboni data.

FUTURE DEMAND GROWTH

Future growth of coal imports into Italy is linked to the country's rejection of nuclear energy and to new projects in power generation to use "clean coal" technology with lower emissions of CO2 and other gases, Clavarino said.

Such projects include construction of a new coal-fired plant with a 1,320 megawatt capacity in Saline Joniche in the south of Italy and of a new 460 MW coal-fired unit at Vado Ligure power station in the north.

They also include a conversion of a major power plant from oil to coal, planned by Italy's biggest utility Enel <ENEI.MI>. Such plant alone would consume about 4.2 million tonnes of coal a year.

Enel hopes to start in 2013 the conversion of its Porto Tolle plant whose capacity would be cut to 1,980 MW. Italy's top administrative court in May stopped Enel's Porto Tolle conversion plan opposed by environmentalists [ID:nLDE74G26F].

Earlier this year, Italians voted to reject a previous government's plan to restart nuclear energy already suspended after a 1987 referendum [ID:nLDE75C0AU], prompting analysts to forecast a rise in gas use for power generation. [ID:nLDE75E1FW]

In Europe, coal imports are expected to rise 3-5 percent in 2011, driven by increased imports into Germany, Clavarino said.

Italy which has scarce natural resources buys abroad almost all coal it needs, with about 80 percent of all coal imports coming from South Africa and Indonesia, he said.