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REDIRECTED

The government of Indonesia decided to develop an alternative power plant because of the delay of the development of PLTU of Batang in Central Java due to remaining 29 hectares of land area that cannot be acquired. Coordinating Minister of Economy Chairul Tanjung said, the project of alternative PLTU also with capacity of 2x1.000 MW can be started at end year 2014. "The location cannot be disclosed yet," he said.

THREAT TO REVOKE PERMIT

Director General of Mineral and Coal R. Sukyar confirmed that his directorate would revoke the permit of mining undertakings (IUP) if the status has yet to be clean and clear until the deadline in December 2014.

MINING PNBP RISES

State's non-tax revenue (PNBP) from the mining sector in May 2014 reached Rp14 trillion, higher than the revenue in the same period last year at Rp9 trillion. Director General of Mineral and Coal R.Sukyar said the achievement of revenue was only from coal commodities.

POLICY ON COAL DISTRIBUTION

The government of Indonesia plans to make a policy on coal in order to optimize the distribution of revenues to the State while to make effort to prevent illegal exports from the country. Among other is to give recommendation on registered exporter for any company that will be allowed to export its production of coal. It was said by the Secretary to Director General of Mineral and Coal, Paul Lubis.

POWER CAPACITY INCREASES

President Director of PT PLN Nur Pamudji said his company will increase the capacity of the existing power plants to a total capacity equal to that of PLTU of Batang at 2X1,000 MW, of which the development has so far been hindered. The total fund required for the capacity increase is Rp20 trillion.

HUGE POTENTIAL

Head of Energy and Mineral Resources Research and Development Agency Sutijastoto said, Indonesia's power potentials from coal-fired, hydro and geothermal power plants are still huge. If maximized, Indonesia's economy will be encouraged to grow. However, the constraints in obtaining permits for the use of the energy sources have caused the utilization not to be maximal.

LOW-CALORIE COAL

The government of Indonesia will develop mine-mouth coal-fired power plants (PLTUs) 8, 9 and 10 in South Sumatra with total capacity of 3,000 MW. The tender of PLTU 8 of South Sumatra was won by PT Bukit Asam Tbk (PTBA). The coal for this project worth US\$1.6 billion is of the quality of 4,200 kcal / kg, said PTBA's Corporate Secretary Joko Pramono.

PRODUCTION REACHED 10.15 MILLION TONS

As of May 2014 PT Berau Coal Energy Tbk managed to produce 10.15 million tons of coal and booked US\$579 million of revenues. The Company is optimistic to produce 26 million tons by end year 2014, up from 23.5 million tons last year. Assuming the average selling price at US\$55-US\$ 56 per ton it is predictable that the revenues can come to US\$1.4 billion this year.

PRODUCTION RESTRICTION

Ministry of Energy and Mineral Resources will very likely restrict the maximum production of coal to 425 million tons per year, of which will be included in the roadmap of national coal production for the period of years 2015 - 2030. It was informed by Secretary to Director General of Mineral and Coal Paul Lubis.

TO DEVELOP PLTU

President Director of PT Berau Coal Energy Tbk Amir Sambodo said his company plans to develop a 2x100 MW coal-fired power plant (PLTU) around the company's mine site next year. The project is estimated to invest US\$170-US \$ 180 million.

MAKING PROFIT

In the first half of the year 2014 PT Bumi Resources Tbk recorded a profit of US \$130.098 million. In the first half of the year 2013 the company suffered from a loss of US \$269.73 million. Achievement in making the profit was buttressed by profit from disposal of investment of its subsidiary worth US \$754.607 million. It was reported by the company.

PROFIT AT US\$11.3 MILLION

Although the revenues decreased to US\$303.3 million, PT Delta Dunia Makmur Tbk managed to book a net profit of US\$11.3 million in the first half of the year 2014, rising from a loss of US\$5 million in the same period last year. It was said by the company's Director for Corporate Affairs, Pardede.

PRESSURE AGAINST QUALITY OF CREDITS

The declining coal prices will give pressures against the quality of credits of a number of companies for the next 18 months. "Mining companies that are in high liquidity will be in stronger position to deal with such conditions," said Brian Grieser, a Senior Analyst at Moody's Investors Service.

Three Power plants to be developed

Export Credit Agency intends to finance three projects of gas-fired power plants (PLTGs) in addition to PLTGs of Muara Karang, Tanjung Priok and Grati. The power plants will be developed by PT PLN in anticipation to the delay of the development of PLTU of Batang with capacity of 2 x 1,000 MW in Central Java. It was said by PLN's President Director Murtaqi Syamsuddin.

5-PERCENT SHARE OFFERED

India's Tata Power Co. has offered a 5-percent share at PT Kaltim Prima Coal (KPC) to Bakrie Group. The company will also sell a 30-percent share at an energy company affiliated with KPC to the Group of Bakrie. It was revealed by KPC.

TO SUPPORT LAW ON MINING AND COAL

Foreign Minister of Japan HE Fumiyo Kishida called on President-elect Joko Widodo to renegotiate the Law on Mineral and Coal. However, Jokowi asserted that he would adhere to the Constitution and the Law. It was reported by the press about the results of the meeting of them in the City Hall of Jakarta on Tuesday, Aug 12.

EYING MINE IN JAMBI

PT Indonesia Coal Resources plans to acquire a coal mine in Jambi this year. As currently reported, ICR—a subsidiary of PT Aneka Tambang Tbk—has already owned a coal mine in Sarolangun of Jambi. The mine was acquired in January 2011 for Rp92.5 billion.