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## **PAYMENT OF ROYALTIES IN ARREARS**

The Ministry of Energy and Mineral Resources said most of the delinquent royalties of 40 companies as PKP2B holders have been paid off. Secretary to Director General of Mineral and Coal Paul Lubis said in the beginning of this week the payments have come to US\$52.6 million and Rp30 billion.

## **ACCELERATED DEVELOPMENT OF TRANSMISSION**

State-owned Enterprises (SOEs) Minister Dahlan Iskan said PT PLN is currently accelerating the development of electricity transmission at the Indonesia-Malaysia border. The development of transmission is aimed to supply power from Sarawak of Malaysia to Pontianak of West Kalimantan. As projected the power can be supplied in June 2015.

## **EXPORT RESTRICTIONS**

Indonesia's East Kalimantan Governor Awang Farouk called on President-elect Joko Widodo to restrict coal exports from the country. "We have to manage our own coal production and we can really do it by ourselves. Let foreigners come to Indonesia and buy our coal products from the country," he said.

## **REALIZATION OF PRODUCTION**

Coal production until the end of this year will reach 400 million tons, and 90 million tons of the production will have been allocated for domestic markets in the country. Director General of Mineral and Coal R. Sukhyar said, Indonesian coal production reached 280 million tons in August 2014 and as many as 56 million tons of the production went to domestic markets.

## **292 IUPS REVOKED**

Based on data from the Directorate General of Mineral and Coal, as of September 2014 the local governments (Pemda) have revoked 292 permits of mining companies as follows: Pemda of Bangka Belitung revokes 8 IUPS, Pemda of Jambi revokes 152 IUPS, Pemda of South Sumatra revokes 17 IUPS, Pemda of West Kalimantan revokes 11 IUPS, Pemda of Central Sulawesi revokes 85 IUPS, Pemda of Southeast Sulawesi revokes 13 IUPS and Pemda of North Maluku revokes 6 IUPS.

## **STRICTLY SANCTIONED**

The government of Indonesia will strictly sanction coal mining companies if in due time they have yet to pay off their royalties in arrears; the sanctions can be in forms of defaults or revokes. It was said by Secretary to Director General of Mineral Paul Lubis.

## **5-YEAR CONTRACT**

Head of Coal Division of PT PLN Helmi Najamudin said, in the year 2015 PT Djakarta Lloyd will be awarded a contract of 5 (five) years to transport 550,000 tons of coal per year from PT Adaro and 350,000 tons of coal per year from PT Berau Coal.

## **NOT TO DISRUPT THE BUSINESS**

President Director of PT Adaro Energy Tbk Boy Garibaldi Thohir said the signing of MoU for the amendment of PKP2B will not disrupt the company's business plan. It is still consistent with the company's goal of creating value-added of coal industry on a nationwide basis.

## **COAL AS BACKBONE**

Coal will become a backbone of energy sources for power generation in Indonesia. It is in considering that the coal potential reserves of Indonesia come to 35 billion tons. "Indonesia has no choice except making coal as a backbone of energy sources for power generation," said Vice Minister of Energy and Mineral Resources Susilo Siswoutomo.

## **TARGET OF PRODUCTION ACHIEVED**

Director General of Mineral and Coal R Sukhyar ensured, despite a cut of budget the target of coal production approximately at 400 million tons can be achieved this year.

## **EXPORTS RISE 187 PERCENT**

Director General of Foreign Trade Partogi Pangaribuan said, in the period of years 2009-2013 the exports of coal products drastically rose 187 percent. Based on the data of recapitulation of report from surveyor, the total export in the year 2009 was 220 million tons, and at end year 2013 it rose to 413 million tons.

## **NEED OF 100 MILLION TONS**

PT PLN estimated the annual coal need for power sector by the year 2017 will reach 100 million tons. That is far greater than the need this year at only 74 million tons. Head of Coal Division of PLN said it is because of the increasing number of coal-fired power plants in the country.

## **CONSUMPTION TO REACH 72 MILLION TONS**

The consumption of coal until the end of August 2014 reached 50 million tons. As estimated by the end of the year the coal consumption for power plant will be 72 million tons. "There are 74 PLTUs and the need of coal this year comes to 72 million tons," said Head of Coal Division of PLN Helmi Najamudin.

## **62 PERCENT FUELED BY COAL**

Currently 62 percent of power supplies produced by PT PLN come from coal-fired power plants (PLTUs). The power supplies from PLTUs are cheaper than those of diesel-fueled power plants.

## **ACHIEVED AS TARGETED**

Director of Operations of PT Berau Coal Energy Tbk Arief Wiedhartono said Berau managed to produce 14 million tons of coal until the end of July 2014 as targeted by the company.

## **PROFIT PLUMMETS**

The declining coal prices this year have adversely affected the performance of Borneo Lumbung Energi & Metal. In the first nine months the company's profit fell 59.6 percent to US\$61.5 million. As revealed from the company's Q3 financial statement, by end of this year the company is targeting a production at 4.3 million tons.

## **BERAU AND PLTU**

President Director of Berau Coal Energy Tbk Amir Sambodo said, his company plans to develop a mine-mouth power plant with capacity of 2 x 100 MW in Sumatra by investing US\$180 million. The investment fund derived from the company's capital expenditure of next year.