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COAL PRODUCTION IN 2014

Indonesia's Ministry of Energy and Mineral Resources estimated that Indonesia's coal production in the year 2014 will reach 368 million tons. Approximately 25.9 percent, or 95.5 million tons of the production, will be allocated for domestic needs, the largest allocation to PT PLN at 57.4 million tons, followed by Independent Power Producers at 19.91 million tons and cement industry at 9.8 million tons.

28 M TONS OF COAL RESERVES

Data from Ministry of Energy and Mineral Resources showed that the availability of coal resources in Indonesia is about 168 billion tons and the reserves are 28 billion tons. Indonesia is the world's fifth-largest coal producer with production of about 400 million tons, of which about 80 percent are exported. Indonesia is also known as the largest exporter of thermal coal.

TO ISSUES 38 ET RECOMMENDATIONS

Ministry of Energy and Mineral Resources said it has published 38 recommendations for registered exporters (ET) to coal mining operators who are mostly the holders of PKP2Bs. Currently there are 116 coal mining companies that have applied for ET recommendations.

TO RELY ON COAL

Vice Minister of Energy and Mineral Resources Siswoutomo Susilo said Indonesia still relies on coal as a primary energy source in the next 10 years. Indonesia also will utilize technology that can turn coal into low-emission fuel.

COAL EXPORT RISES 17.19 PERCENT

Vice Minister of Trade and Commerce Bayu Krisnamurthi said, with the issuance of the policy on the export of coal and coal products (Ministerial Decree No. 39 / M-DAG / PER / 7/2014) which came into effect as of 1 September 2014, the value of coal exports in the year 2014 are expected to increase 17.19 percent (yoy) and the volume is expected to increase by 16.52 percent (yoy).

TO OPTIMIZE COAL

The government of Indonesia will focus on optimizing the supply of coal to power plants. "The need for electricity from the year 2012 to the year 2022 will be 59,000 MW. We will focus on the increase of coal supplies for power plants," said Director General of Electricity Jarman.

TO SUPPORT COAL UTILIZATION

Member of Commission VII of the House of Representatives Bobby Rizal called on the government to prioritize coal-fired power plants in overcoming the power crisis in the country. Bobby said the utilization of gas, especially petroleum, is getting expensive because the reserves are getting more limited.

34,000 MW IN FIVE YEARS

In the next five years President Director of PT PLN Nur Pamudji will target the development of power plants in collaboration between PLN and private entities with total capacity of 34,000 MW and investment of Rp900 trillion. If realized, PLN's electrification ratio will reach 100 percent.

SPECIAL SEAPORT OF COAL

The government plans to develop dozens of special coal seaports. Ministry of Energy and Mineral Resources was targeting the development of seaports of Balikpapan Bay, Adang Bay, Berau and Maliy, South Kalimantan, Tobaneo, Pulau Laut, Sungai Danau and Batu Licin. In Sumatra the seaports to be developed are in Aceh, Padang Bay, Riau Bay, Jambi Bay, Bengkulu Port, Tanjung Api-Api and Tarahan.

POWER GENERATION OF SUMATRA IN OCTOBER

As planned the development of a number of coal-fired power plants in Sumatra will begin in October this year. "Hopefully it can be realized so that the economic development can be accelerated in Sumatra," said Coordinating Minister of Economy Chairul Tanjung.

FUEL COMPOSITION FOR POWER GENERATION

Data from Directorate General of Electricity showed that the composition of fuels for power plants until the year 2022 will be as follows: 65.6 percent of coal, 16.6 percent of natural gas, 11 percent of geothermal, 5.1 percent of hydro, and 1.7 percent of other fuels.

THREATENED TO BE CLOSED

APBI-ICMA Chairman Bob Kamandanu deplored the government's decision to terminate the contracts of 17 PKP2Bs due to underpaid taxes and 23 PKP2Bs that have yet to pay their respective royalties at 13.5 percent. They are threatened to be closed if the deadline at end of October 2014 will not be fulfilled.

TO REVOKE 20 PERMITS OF MINING CONCESSIONS

From the year 2011 until now the Local Government of Kutai Regency in East Kalimantan has revoked no less than 20 mining concessions (KP) owned by mining companies. Some of them are coal mining companies. "Most of them are revoked because of environmental concerns," said Kutai's regent Rita Widayarsi.

TURNS TO COAL-FIRED POWER PLANTS

Japan has shut down 45 units of nuclear power plants and will develop more coal-fired power plants in the country. Japan imports coal from Indonesia at 60 million tons per year. It is estimated that Indonesia will increase the coal supplies of up to 100 million tons per year to Japan. "For China, we supply 100-200 million tons of coal," said Deputy Chairman of APBI-ICMA Herman Kasih.

TO RECORD A NET PROFIT

PT Delta Dunia Makmur Tbk was able to record a net profit of US\$11.33 million in the first six months of the year 2014, up from a loss of US\$5.82 million in the same period of the previous year. The management of the company reported that this year Delta's coal production is expected to fall 5-7 percent from the year 2013's projection of 34.5 million tons.

EXPANSION TO COAL CONVERSION

PT Sekawan Intipratama Tbk is entering a business of coal conversion into ethanol from a previous business line of diaper (nappy). The Company has acquired PT Indo Wana Bara in West Kutai Regency of East Kalimantan with 300,000 tons of coal reserves. It was informed by President Commissioner of Sekawan Rennie AR Latief.