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10,000 MW IN EVERY THREE YEARS

Vice-President elect Jusuf Kalla said the government must develop power generation, including PLTUs, with total capacities of 10,000 MW in every three years to prevent power crisis in the country. "If the capacities are greater, it will be of no problem. If surplus, just make it as a backup; Singapore has a 120-percent power backup, we just have a 30-percent backup," said Jusuf Kalla.

171 IUPS REVOKED

Directorate General of Mineral and Coal recorded that until September 2014 there had been at least 171 permits of mining undertakings (IUPs) of coal having been revoked. The operations spread across three provinces, namely Jambi (152 IUPs), South Sumatra (17 IUPs), and West Kalimantan (2 IUPs).

122 COMPANIES OBTAIN EXPORT DOCUMENTS

Indonesia's Director General of Mineral and Coal R. Sukhyar said up to 24 September 2014 the Ministry of Energy and Mineral Resources has issued export documents as evidences of recommendations to 122 coal companies. They are 69 holders of IUPs, 24 holders of IUPs production-operations and the rest are the holders of IUPs transportation.

10,391 HA OF LAND RELINQUISHED

PT Berau Coal finally signed MoU on the amendment of PKP2B and the company was willing to relinquish a 10,391-ha area so that its total area becomes 108 009 ha. It was said by the Director of Coal Undertakings of the Directorate General of Mineral and Coal, Bambang Tjahjono.

DOMESTIC MARKET NEEDS 95 MILLION TONS

Bank Indonesia recorded, the national coal demand is expected to remain steady at 95 million tons in the year 2014. Most of the needs at 82.4 percent go to power plants owned by both the State and the private sector.

TO DEVELOP OWN POWER PLANTS

The owners of large factories in Indonesia begin to plan the development of their own power plants in order to be more efficient. Among others are those of chemical industry in Cilegon with capacity of 300 MW, the industry in North Jakarta with capacity of 1000 MW, and the industry in Central Java with capacity of 400 MW. Head of Commercial Division of PT PLN Benny Marbun said, it will have an impact on the sales of electricity from PLN to the industries, which is expected to fall 80-90 percent.

AMENDED MOU SIGNED

PT Adaro Energy Tbk has signed a Memorandum of Understanding on PKP2B amendment. President Director Garibaldi Thohir said the MoU includes the size of area of PKP2B, the continuation of mining operations, the State revenues, the obligations of domestic processing, the obligation of divestment, and the use of local labor, goods and services in the country.

NEW SUBSIDIARY

PT Bukit Asam Tbk established a new subsidiary that is engaged in mining-support services. The subsidiary is PT Bukit Multi Investama. It was established on September 9, 2014. It was reported by Bukit Asam's Corporate Secretary Joko Pramono.

NINE POWER PLANTS INAUGURATED

Indonesian Coordinating Minister of Economy Chairul Tanjung recently inaugurated the operations of nine power plants in Aceh, Riau Islands, West Sumatra, Lampung, West Java, East Java, South Sulawesi, Southeast Sulawesi and NTB, with total power capacities of 1,983 MW and total investment of US\$1,569 billion.

CONFIRMATION BY DIRECTOR GENERAL OF COAL AND MINERALS

Director General of Mineral and Coal R Sukhyar made confirmation about the national coal allocation. "The government will prioritize the use of coal in the country. If there is a surplus, it will be exported. In case of emergency, the first priority is for the country."

EXPORT CONTROL BECOMES EFFECTIVE

As of October 1, 2014 the government has imposed a policy on the Export of Coal and Coal Products (Ministerial Decree of Trade No. 49 / M-DAG / PER / 8/2014). Ministry of Energy and Mineral Resources will be in charge of providing recommendations to the Ministry of Commerce in determining on whether or not an exporter has right to the export of the commodity.

24 TARIFFS UNDER EXPORT TRADE SYSTEM

Under Ministerial Decree of Trade No. 49 Year 2014 is stated that mining products as regulated in the trade system of exports shall be subject to 24 tariffs (HS) for the commodities such as coal anthracite, bituminous, lignite, coke, gas, coal, and other derivative products.

FOR EXPORT MARKETS

PT Bumi Resources Tbk released that most of its production is destined for export markets. The data of sales in the first half 2013 revealed that the largest sale went to China at 27 percent, India at 20 percent, Japan at 17 percent, Malaysia at 6 percent and Taiwan at 4 percent. Sales to domestic market were 16 percent of the total sales in the first half 2014.

ILLEGAL MINING RAMPANT

APBI-ICMA Chairman Bob Kamandanu admitted that to date there have been a lot of illegal mining, especially coal, throughout the country. Bob said the government regulation that requires the payment of royalties in advance before exporting can indeed reduce the number of illegal mines in the country.

ECOTOURISM AT COAL CANAL

In a release PT Antang Gunung Meratus disclosed that the company has made its canals covering an area of 90 ha for the development of Ecotourism Bakantan in South Kalimantan. The canals will be used for coal transportation of the company following the ban on the use of roads.

THE BIGGEST CONTRIBUTOR

East Kalimantan and South Kalimantan provinces are still the largest contributors to the national coal production. Head of the Representative Office of Bank Indonesia in East Kalimantan Ameriza M Moesa said, the portion of coal production of East Kalimantan has been in an increasing trend since the past three years to 54 percent, while the share from South Kalimantan tends to shrink.