

CoalindoNews is published in 2007 by PT.Coalindo Energy and dedicated as complimentary for each subscriber of Indonesian Coal-price Index (ICI) . With regards to new ICI subscriber and trial issues , please contact : Telephone + 62-21-3001 2490 and + 62-21-3001 2488, Fax : + 62-21-3001 2491, Email : maydins @coalindoenergy.com & Website : www.coalindoenergy.com

EXPORT TO STRENGTHEN EXCHANGE RATES

Coal producers in Indonesia want to enjoy the incentives offered by the government of Joko Widodo and Jusuf Kalla. They said the export of coal will bring in foreign exchanges like US dollars that can strengthen the rate of Rupiah against any foreign exchange. It can be so because more than 80 percent of the national coal production has so far been sold for export.

SOUNDING FOR COOPERATION IN COAL PROCESSING

Indonesia's President Joko Widodo is sounding for the cooperation in technology of processing coal into gas and in power project during a meeting with Prime Minister of China Li Keqiang. It was reported in a press release from Indonesia's Ministry of Foreign Affairs at end March this year.

DEVELOP POWER PLANT OF SUMSEL-8

During a meeting with the representatives of China Huadian Hong Kong Company Limited Indonesia's President Joko Widodo called on the company to immediately start developing the new project of power plant of South Sumatra with capacity of 2x650 MW 8. The project is worth US\$2 billion.

EXPORT TO BE ALLOWED

Indonesian Minister of Energy and Mineral Resources Sudirman Said said the government of Indonesia will not stop the export of coal despite the increase of domestic consumption of coal. It is in considering that the coal commodities are also a source of State's revenues that can stimulate the growth of the country's economy.

PANDU SJAHRIR ELECTED CHAIRMAN OF APBI-ICMA

Pandu P Sjahrir was elected Chairman of the Indonesian Coal Mining Association (APBI-ICMA) for a period of the years 2015 - 2018. This Finance Director of PT Toba Bara Tbk emphasized the importance of the increase of investment in Indonesia especially during the decline of investment at 79 percent in the country's mining sector. He also promised to raise the number of members of the association, which now totals 160 companies.

SALES NOT TO DROP

Sales & Promotion Director of Hino Motors Sales Indonesia (HMSI) Santiko Wardoyo said, although the coal price was at US\$67.76 per ton in March, but HMSI did not lose its customers for the sales of Hino trucks. "Our company was not overly influenced by the declining price of mining commodity," said Santiko.

SALES DROP 20 PERCENT

The drop of price of mining commodity has pushed the sales of the units of heavy equipment and vehicles to decrease. Director and Chief Operating Officer of PT Trakindo Utama Ali R Alhabisy said the sales of heavy equipment decreased 20 percent from the years 2013 to 2014. However, this year the company targets the sales to increase to 2,500 units.

EXPANSION TO POWER PLANT

PT Indo Tambangraya Megah Tbk established two subsidiaries namely PT ITM Batubara and PT Indo Tambangraya Energy in order to expand its business to the sector of power generation such as the development of mine-mouth coal-fired power plant (PLTU) and conventional PLTU. It was said by the company's Director Leksono Poeranto.

HBA DROPS IN APRIL

In April 2015 Coal Reference Price (HBA) drops 5.09 percent to US\$64.48 per ton. As what has previously been predicted by Ministry of Energy and Mineral Resources last month, HBA in due course dropped on Thursday (April2).

350 HOLDERS OF IUPS ARE DEFICIENT IN TAX PAYMENTS

Director General of Mineral and Coal R Sukyar said 350 companies as the holders of permits of mining undertakings (IUPs) are in deficient in their respective payments of taxes and the lack of tax payments totals Rp97.72 billion. The companies are located in Aceh, North Sumatra, Riau and West Sumatra.

DELAY L/C BY END-YEAR 2015

Executive Director of the Indonesian Coal Mining Association (APBI-ICMA) Supriatna Suhala asked the central government of Indonesia to delay the implementation of the use of Letter of Credit (L/C) until the end of the year 2015. It is in considering that such a policy will perturb the national coal exports. About 50 percent of the national exports of coal have yet to apply the mechanism of L/C in the payment.

TAX HOLIDAY IS OUT OF PLACE

General Manager of Exploration of PT Bhakti Coal Resources Waskito Tanuwijoyo said, incentive such as tax holiday is inappropriate to be imposed on coal industry in considering that most of the investors are no longer new in the sector of industry. "We expect the export barriers are removed and the plan to raise the royalties and land rents can be suspended by the government so that the producers can boost the coal production in the country for export," he said.

TARAHAN TO OPERATE IN SECOND QUARTER

PT Bukit Asam Tbk informed that the seaport of Tarahan in Bandar Lampung is scheduled to be operational in the second quarter this year after having been renovated with an increase of capacity to 25 million tons. This seaport will be equipped with a new jetty with capacity of 210,000 DWT and a dock of 10,000 DWT.

PRODUCTION TARGET AT 29.5 MILLION TONS

PT Indo Tambangraya Megah Tbk made a net profit of US\$200 million in the year 2014 at coal selling price of US\$ 67.1 per ton. The company's Financial Director Edward Manurung said the volume of coal sales reached 29 million tons. In the year 2015 the production is targeted at 29.5 million tons.

IN PARTNERSHIP WITH TNI

In March 2015 PT PLN started to be in partnership with the Indonesian Armed Forces (TNI) for a period of 2 (two) years for the activities as follows: TNI is to usher the process of receiving and assaying coal and the course to train the officials who will assay the quantity and quality of coal that will be used as primary energy for PLN. It was said by PLN's President Director Sofyan Basir.

ONLY 155 LOCATIONS ARE READY

Director of PT PLN Nasri Sebayang said, out of 364 locations or sites for the development of 35,000-MW power plants, only 155 locations have been ready for development of the power plants with total capacities of 12,700 MW, or less than 40 percent of the total target of capacities.