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## COAL DMO AT 92.31 MILLION TONS

Government decided to impose a policy on domestic market obligation of coal this year at 92.31 million tons, or 23.4% of the predicted total production at 394.37 million tons this year. A total of 74 million tons will be allocated for power plants, 10.54 million tons for cement mills, and the rest for the industries of textile, metallurgy, paper and fertilizer. The policy is stipulated under Ministerial Decree of EMR No.2805 K/ 30/ MEM/ 2015.

## THREAT TO REVOKE IUPS

Director General of Mineral and Coal Mining (Minerba) Bambang Gatot Ariyono affirmed that the government would revoke the permits of mining undertakings (IUPS) in Maluku, Papua and West Papua that overlap with the permits in others sectors. Data in the year 2014 from Directorate General of Mineral mention revealed that 126 permit holders in those three provinces have yet to fulfil their administrative requirements to obtain IUPS such as the possession of NPWPs and other documents.

## ISSUANCE OF MINING PERMITS

Executive Director of Indonesian Resources Studies (IRESS) Marwan Batubara called on the central government not to allow local governments (Pemda) to issue permits of coal mining undertakings. He said, it is important that the local governments are not easily allowed to provide private companies the permits of coal mining undertakings.

## REVIEW ROYALTY INCREASE

Ministry of Energy and Mineral Resources (MEMR) will review a plan to increase the rates of royalties for companies as the holders of permits of mining undertakings (IUPS). Dadan Kusdiana, the Head of Telecommunications of ESDM, said that the government will seek other ways to achieve a target of non-tax revenues (PNBP) in the mineral and coal sectors.

## IMMEDIATELY CONCLUDE THE CONTRACT AMENDMENT

Executive Director of APBI-ICMA Suhala Supriatna urged the government to finalize the process of contract amendment of PKP2Bs. Otherwise it will be difficult for coal companies to operate. Ministry of Energy and Mineral Resources had previously targeted that amendment of contracts with 12 companies as the holders of PKP2B Generation II could be concluded in April 2015. So far it has yet to be realized.

## 10 COMPANIES REDUCE PRODUCTIONS

Director of Coal Mining Undertakings under ESDM Adhi Wibowo said that about 10 companies as the holders of PKP2Bs will reduce their respective productions in the year 2015. The reduction of production will certainly not affect the target of State's revenues from mining sector, but there will be an effect to the quota of domestic market obligation (DMO).

## CNC TO PREVENT ILLEGAL MINING

The government's efforts to enforce the status of Clean and Clear (CnC) for every mining permit is considered as a right step to prevent smuggling and illegal mining whereas the government is making efforts to boost State's revenues. It was revealed by the National Coordinator of Publish What You Pay Indonesia Maryati Abdullah.

## TO REGULATE THE TRANSFER OF QUOTA OF DMO

Director General of Minerals and Coal Bambang Gatot Ariyono said the Ministry of Energy and Mineral Resources will regulate the transfer of quota of domestic market obligation (DMO) of coal producers. "The formula of calculation has been made available. But, we will find another option. Our intention is good, but it has been manipulated," said Bambang.

## RESPONDING TO DECLINING PRICE

Director General of Minerals and Coal Bambang Gatot Ariyono said his quarter will conduct an internal consolidation by taking strategic steps in regard of declining price of coal. The low price is caused by abundant supplies of coal in the markets and low oil price.

## PRODUCTION DECREASES 11.5%

The volume of coal production from January to April 2015 was only 130 million tons, down 11.56 percent from the same period in the year 2014 at 147 million tons. Director of Coal Mining Undertakings under ESDM Adhi Wibowo said 106 million tons were exported and 24 million tons were sold in domestic markets.

## TO BUY ELECTRICITY FROM MALAYSIA

West Kalimantan's Governor Cornelis is complaining about the slow progress of development of power plant in the province. Currently the available power capacity is only able to meet the needs of power supplies for local residents. The provincial government has to take an initiative to purchase electricity from Malaysia.

## TO DEVELOP COAL GASIFICATION

President Director & CEO of PT Matsui Indonesia Yukio Takebe said his quarter will increase its investment in Indonesia for coal gasification development in order to increase the added value of mining commodities. Such a plan was expressed by Yukio when meeting with Minister of Industry Saleh Husin in Jakarta recently.

## SPECIAL TEAM FOR CONTRACT AMENDMENT

To be more focused, Chairman of Working Group of Mining Policy of Perhapi Budi Santoso called on Director General of Mineral and Coal to create a special team for the amendment of Contracts of Work (COWs) and Agreements of Coal Mining Undertakings (PKP2B). Out of the total 34 COWs and 73 PKP2Bs only PT Vale Indonesia TBK has already agreed to sign the amendment.

## ENTHUSIASTIC TO DEVELOP PLTUS

Five groups of large companies plan to develop coal-fired power plants (PLTUs) with total capacities of 2,370 MW by investing US\$3.3 billion. As reported by the press, the groups of companies are AKR Group, Sinar Mas Group, Asahi Glass Company Group, Bosowa Group, and Barito Group.

## STRATEGIC SOURCE OF ENERGY

Coal will become a strategic source of energy that dominates the life of a great number of people. Therefore, more and more power plants will use coal. The Government has planned to develop 35,000-MW power plants. Out of the total capacities, 25,000 MW will be generated from coal-fired power plants. It was reported by the press.