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AGREEMENT OF POWER PURCHASES OF 5,900 MW SIGNED

During a period from January to September 2015 a power purchasing agreement with a total generating capacity of 5,900 MW as part of the government's 35,000-MW power project was signed. It was revealed by Ministry of Energy and Mineral Resources.

OBLIGATION TO DIVEST

Indonesian Director General of Minerals and Coal Bambang Gatot said the divestment in the mining sector has been effective since October 2015, and it is obligatory for foreign-investment companies that have already been productive for minimum five years to divest their shares.

RP22.6 TRILLION FROM PNBPN IN ARREARS

Indonesian Ministry of Energy and Mineral Resources managed to obtain Rp22.6 trillion from the payments in arrears of State's non-tax revenues (PNBN). The amount, said Director under the Ministry of Energy and Mineral Resources (MEMR) Sri Rahardjo, is part of 2,000 payments in arrears of non taxes from mining companies.

161 IUPS REVOKED BY LOCAL GOVERNMENTS

Indonesian Ministry of Energy and Mineral Resources declared 161 permits of coal and mining undertakings (IUPS) have been revoked by the local governments in Indonesia. The IUPS that have been revoked are of non-clean and clear status (CnC).

RP41.5 TRILLION FROM COAL SECTOR

State's Non-Tax Revenues from coal sector in the year 2016 will come to Rp41.5 trillion. The low price of coal has so far been lowering the State' revenues. It was said by Directorate General of Mineral and Coal.

REVISION OF HBA FORMULA

The revision of formula of Coal Reference Price (HBA) has so far been protracting. It should have been revised in September, but in October there has yet to be any decision. "In October the formula of HBA still refers to the current formula," said Director of Coal Business Development under MEMR Adhi Wibowo.

REVISION OF KEPDIRJEN

Indonesian Ministry of Energy and Mineral Resources has concluded the revision of the Decision of Director General (Kepdirjen) of Mineral and Coal No.579.k/32/DJB/2015 concerning the cost of production for the sake of the determination of Coal Reference Price. The Kepdirjen will be signed next week, said Director General of Minerals and Coal Bambang Gatot.

FOCUS ON RENEWABLE ENERGY

The coal price is projected to continue declining. It is because of China that will focus on the use of renewable energy sources. "The demands from India and Japan also decreased significantly," said Pefindo's analyst Guntur Tri Hariyanto

HINDERED BY EXPORT DUTY

Indonesian Ministry of Energy and Mineral Resources recorded that there are still 10 holders of PKP2Bs who have yet to sign the amendment of their contracts. The target of completion of the amendment of 20 PKP2Bs of Generation III should be in October 2015. "There is still a problematic issue namely export duty," said Director General of Minerals and Coal Bambang Gatot.

SURVIVING IN DIFFICULT SITUATION

President Director of PT Adaro Energy Tbk Garibaldi Thohir said his company will continue to develop non-mining businesses in order to survive in hard times. The company will enter the business in the power sector of the country.

IMPORT DOWN 37 PERCENT

In July 2015 China's coal import was only 93 million tons, down 37 percent when compared to that in July 2014. The country will continue replacing the use of coal of more than 300 million metric tons per year by the year 2020. Therefore, Andri Hardianto, Research and Analyst of PT Fortis Asia Futures, estimated that the coal price until the end of this year tends to be stagnant

PROMPTLY ISSUE THE FORMULA OF HBA

The Association of Energy and Coal Suppliers in Indonesia urged the government to immediately issue the latest formula of coal reference price (HBA) in Indonesia. "The bottom price should have been pegged so that the price can no longer go down. Moreover, the majority of members of Apebindo has so far supplied coal to domestic markets—not for export," said Eka Wahyu Kasih, the Secretary General of Apebindo.

POTENTIAL INCREASE OF CONSUMPTION

New Hope Corp's Managing Director Shane Stephan said the coal consumption in Asia is still potential to rise. "In such a condition the price will rise in the medium term. Moreover, the coal export of Indonesia as the world's largest exporter has so far been decreasing. When the demand slowly rises, the global supply will potentially shrink," he said.

COAL SEAPORT IN EAST KALIMANTAN

Coal seaport belonging to PT Nuansacipta Coal Investment (NCI) and MNC Infrastruktur Utama (MNCIU) was recently inaugurated. It is located in the village of Bantuas of Palaran Subdistrict in Samarinda of East Kalimantan. The area of seaport is 35 hectares and its capacity is 100,000 tons of coal per month, which will be later on increased to 250,000 tons. MNC Group's CEO Hary Tanoesoedibjo expected that the seaport can create a number of jobs.

FOCUS ON POWER DISTRIBUTION

National Energy Board (DEN)'s member Dalimi Rinaldi reminded the government not to be ambitious to develop the power generation with total capacity of 35,000 MW. The Government should also focus on the distribution of electricity in the country.

PLTU TO RESCUE PROVINCE

Chairman of the Indonesian Association of Employers (Apindo) of the Province of East Kalimantan (Kaltim) Slamet Brotosiswoyo said the development of coal-fired power plant (PLTU) can be one of the solutions to rescue the province including Samarinda so that it can revive from the collapse in coal business.

5,000 WORKERS LAID OFF

The Association of Energy and Coal Suppliers in Indonesia (Apebindo) predicted that no less than five thousand workers have been laid off due to falling price of coal. Secretary General of Apebindo Eka Wahyu Kasih estimated that currently 50 percent of coal companies in Indonesia have reduced or stopped their productions.