



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

THREE POINTS OF REVISION OF MINING LAW

People's House of Representatives (DPR) is targeting that the discussion about the revision of Law on Mineral and Coal can be concluded at mid-year 2016, and there are at least three points of revision of the law as quoted from a statement by Vice Chairman of DPR Commission VII Fadel Muhammad. The three points are about a greater amount of State's revenues, opportunity for people to take part in mining activities, and the role of government as a regulator in governing the country's natural riches.

TO IMPROVE WORK SAFETY

Member of Local House of Representatives (DPRD) Commission I of East Kalimantan Rusianto called on mining companies to improve their programs on work safety in the fields. "The mining activity should not become a disaster for the workers of companies, or even for the local people," he said.

PESSIMISTIC IN THE FIRST QUARTER

National producers are pessimistic that the mining sector will improve in the first quarter of this year. It can be seen from the Business Tendency Index (ITB) as surveyed by Indonesian Central Bureau of Statistics (BPS) in the fourth quarter of the year 2015. It was said by BPS' Head Suryamin.

MARKETS REMAIN SLUGGISH

PT Adaro Energy Tbk (ADRO) is projecting that the coal market will not recover in the short term. Thus, the management of ADRO is targeting the same coal production this year at 52-54 million tons. It was informed by Mahardika Putranto, the Corporate Secretary.

TO INCREASE PRODUCTION

Commissioner of PT Resources Alam Indonesia Tbk Suria Martara Tjahaja said his company targeted the coal production at 4.2 million metric tons this year, up 31.25 percent from the production last year. The coal was produced by its subsidiary namely PT Insani Baraperkasa as the holder of PKP2B at the Block of Tani Bhakti and the Block of Separi in the Province of East Kalimantan.

TO PROPOSE EX-MINE PIT TO BECOME LANDFILL FOR GARBAGE.

The coal-mine pits that have been abandoned are proposed to become landfills of garbage (TPA). One of them is the ex-mine pit belonging to PT Bara Jaya Utama in Teluk Bayur, of which was proposed by Vice Chairman of DPR Commission II M Firmansyah when visiting the mining area of Bara Jaya together with other DPR members.

REVENUE TO FALL US\$638 MILLION

The decline of coal consumption also occurred in OECD, especially in the United States and Europe. Wyoming coal mine that produces 40 percent of US supply has to face a decline of revenue up to US\$638 million over the next three years. Coal contributes 14 percent of the country's gross domestic product, and Wyoming contributes 6 (six) percent.

COAL PRICE TO DECLINE 13 PERCENT

World Bank projected that coal price will fall 13 percent in the year 2016 to US\$50 per ton due to weak demand and over supply. Import demand from China will continue to fall, and it will be partially offset by the absorption from the markets of India and other developing countries.

PNBP PAYMENTS IN ARREARS TO BE REGULATED

Indonesian Director General of Minerals and Coal Bambang Gatot Ariyono said Ministry of Energy and Mineral Resources (MEMR) will set up a deadline for the repayments in arrears of State's non-tax revenues (PNBP) from the sector of mineral and coal mining and it will be regulated under a Ministerial Decree of Energy and Mineral Resources that is currently drafted.

PRODUCTION TARGET OF JAMBI AT 11.2 MILLION MT

Head of General Mining Department of Energy and Mineral Resources of Jambi province Abdul Salam is targeting this year's coal production at 11.2 million metric tons deriving from a total of 118 companies although the official permits had been granted only to 17 companies.

HEAVY EQUIPMENT SALES STAGNANT

President Director of PT United Tractors Tbk Gidion Hasan said his company's target of sales this year is stagnant at the projection of sales of 2,100 units of heavy equipment. The stagnant sales will cause a projection of low revenues by 10 percent.

THREE ECONOMIC ENGINES OF GROWTHS

Head of Corporate Communication Division of PT Adaro Energy Tbk Febrianti Nadira said the company continues to improve its three economic engines of growths namely coal mining, mining services and logistics, and also the electricity.

EXPANSION TO INFRASTRUCTURES

Finance Director of PT Intraco Penta Tbk Imam Liyanto said the company's strategy in facing the grim sector of mining is by way of expanding the sales of heavy equipment to the sector of infrastructures. As projected this sector will move up this year.

MAKING MOMENTUM PRICE AS A GOOD USE

Mathew Hodge, a mining analyst at Morningstar Inc in Sidney, said MACH Energy Australia Pty Ltd made the momentum of low price as a good use of acquiring the asset of Rio Tinto Group namely the coal mine of Mount Pleasant in Australia.

TO IMPORT UP TO 1.5 BILLION TONS

Andri Hardianto, a commodity market observer, said the government of India is targeting to import coal until the year 2025 for a total of 1.5 billion tons. Bloomberg Intelligence projected that India's import would reach only about 850 million tons.

HAMPERED BY RTRW

The project of PLTU Expansion of Cirebon with capacity of 1x1 000 MW as part of the government's power program of 35,000 MW, of which will be developed in the village of Kanci in Astanajapura Sub district in Cirebon of West Java, was hampered by the land spatial planning (RTRW). President Director of PT Cirebon Energy Prasarana (CEP) Heru Dewanto said the development of this new unit will use a super critical boiler technology. This is an advanced technology in the world that will be the first to be applied in Indonesia and it is more environmentally friendly.

CORRECTED 24.53 PERCENT

As reported by the press, the commodity price on the Bourse of Rotterdam for the contract of coal delivery in March 2016 was corrected (down) 24.53 percent to US\$44.15 per ton on a year-on-year basis.