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EXTENSION OF OPERATING PERMIT

In addition to the discussion or discourse on the possibility of allowing the export of raw materials of minerals, Indonesian Minister of Energy and Mineral Resources Sudirman Said said that the target of discussion on the revision of the Mining Law will also include a mechanism on how to extend the operational permits of all the mining companies in Indonesia and also on how to solve the obstacles of programs in the downstream sector and the management of environment.

DOMESTIC CONTENT AT 62 PERCENT

Director General of Minerals and Coal Bambang Gatot said this year the Ministry of Energy and Mineral Resources is targeting the mining sector to use the domestic component (TKDN) on a level of 62 percent. This policy is aimed to reduce the dependency on import while increasing the use of industrial products of the country.

40-PERCENT DECREASE OF COAL RESERVES

Data from the Agency of Geology under the Ministry of Energy and Mineral Resources (ESDM) showed that the proven coal reserves in Indonesia in the year 2014 came to approximately 32.3 billion tons. To date the coal reserves have declined by about 29 to 40 percent due to weakening price of the commodity.

ELECTRIFICATION IN KALBAR AT 57 PERCENT

Almost all the areas of West Kalimantan (Kalbar) have coal resources; among others are Senaning, Melawi, Kapuas Hulu, Sanggau and Sintang. However, Regional Secretary of the Provincial Government of West Kalimantan M Zeet Hamdy Assovie said the current electrification of the province is only at 53-57 percent.

TO CREATE A MINING SUPERVISORY UNIT

West Sumatra's provincial government will create a Regional Technical Services Unit of Mining Supervision in every regency and municipality following the withdrawal of authority to issue mining permit from the local government of Regency/ Municipality to Provincial Government. It was said by Division Head of Energy and Mineral Resources of West Sumatra Marzuki Mahdi.

MINING PBB RISES

The Government of Indonesia through the Ministry of Finance has raised the tax of land and building (PBB) in the mining sector. The rise of PBB is regulated under Director General's Regulation Number Per-47/PJ/2015 on Procedure to Impose Taxation of Land and Building in the Sector of Mineral and Coal Mining. It was reported by the press.

NECESSARY TO GUARANTEE THE SUPPLIES

Chairman of APBI-ICMA Pandu P Sjahrir said any long-term power project needs a guarantee about the sufficient supplies of coal. Currently the domestic demand of coal is at 80-90 million tons per year. "It has yet to be enough," Sjahrir said.

TO SUPPLY COAL FROM INDONESIA

The Secretary General of the Ministry of Water and Resources of Pakistan, Muhammad Younus Dagha, said the country will need a coal supply from Indonesia at 15-20 million tons a year when the power plant of Jamshoro is to start operating. He invites Indonesia to develop the coal reserve in Thar.

TO DETERMINE PRICE ON A LONG-TERM BASIS

Chairman of the Indonesian Coal Mining Association (APBI-ICMA) Pandu P Sjahrir said his association has called on the government of Indonesia to create a system on how to determine a coal price on a long-term basis. It is intended to provide assurance about the coal supply in regard of preventing a power crisis in the country.

1.3 MILLION OF WORKERS LAID OFF

China announced it would lay off 1.3 million workers in the coal industry due to overcapacity. "It is really a hard task, but we are still confident," said China's Minister of Human Resources and Social Welfare Yin Weimin recently.

MANAGED TO MAKE A NET INCOME OF RP2.04 TRILLION

PT Bukit Asam Tbk booked a net income (profit) of Rp2,04 trillion during the year 2015. It slightly rose from the net income in the previous year at Rp2.02 trillion. "It could be managed because of the effort to shorten the route of transport from the mine site, lower the stripping ratio, and increase the use of its own coal-fired power plant (PLTU)," said Corporate Secretary Joko Pramono.

TOO BIG PRESSURE FROM PRICE

Analyst of PT KDB Daewoo Securities Indonesia Andrew Argado said, State-owned Enterprises (SOEs) of mining commodities will encounter similar problems this year when compared to the problems in the previous years. "Price pressure of the commodity is too big for Antam and Bukit Asam. However, Bukit Asam has so far been benefited from the standby buyers," said Andrew.

TO QUIT MINING SECTOR

PT United Tractors Tbk decided to quit the mining sector due to continual decreases of prices of the commodities towards such a currently low level of price. President Director of United Tractors Gidion Hasan said his company will focus on the sectors of construction and infrastructures

COAL DEMAND RISES 6.3 PERCENT

Korea Institute of Energy and Economy estimated that the coal demand will increase by 6.3 percent to 140 million tons in the year 2016. This year in Korea nine new power plants with total capacities of 7.7 GW are to be operational. About 40 percent of the power plants in South Korea were fuelled by coal last year.

AS PREDICTED THE PRICE WILL INCREASE

The price of coal is predicted to rise soon. The base price has been exceeded. "I'm sure the price will go up soon," said Exxaro's Finance Director Wim de Klerk. "Coal market seems to be improving. The supply has been reduced. At Richard's Bay seaport of coal export such an indication could be evident. Last February I saw several large ships awaiting the cargoes," said chief executive of Glencore Ivan Glasenberg.

COAL SUPPLY REDUCED

The reduction of coal supply for metal processing has so far made the price increase; it has never happened since October 2013. "The price is expected to rise a few dollars in the second quarter of this year following a report about the intention of China to reduce its coal supply due to high cost of mining," said Mark Levin, an analyst of coal of BB&T Capiral Markets.