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## MEETINGS IN MARATHON

Ministry of Energy and Mineral Resources through Directorate General of Mineral and Coal will continue holding meetings in marathon in order to revise Law on Mineral and Coal. It is an attempt to improve the governance of coal mining in Indonesia, and any of the constraints under the previous law will likely be resolved soon.

## TARGET OF PNBP TOO HIGH

The target of State's non-tax revenue (PNBP) from mineral and coal mining sector at Rp41.59 trillion as determined by People's House of Representatives (DPR) is considered too high. Director General of Mineral and Coal Bambang Gatot Ariyono proposed that the target of PNBP from mining sector should be lowered under the revised State's Budget of Revenues and Expenditures (APBN-P) of the year 2016.

## TO REMAIN OPTIMISTIC FOR RECOVERY

Mineral and coal sector has so far been in a period of difficulty because the commodity prices still hover at US\$50 per ton. Nevertheless, the government of Indonesia remains optimistic that this sector will be recovering. Director General of Minerals and Coal Bambang Gatot Ariyono said the government's project of 35,000-MW power generation will become a key for the recovery of mining industry that will continue growing even in a difficult situation.

## QUESTIONING THE SEAPORT OF CIREBON

The Executive Board of the Indonesian Association of Young Entrepreneurs (BPC-HIPMI) of Cirebon Regency called on the central and local governments to conduct comprehensive and fundamental studies before deciding to stop the loading and unloading of coal at the seaport of Cirebon in West Java.

## 1,500 PROBLEMATIC PERMITS RESOLVED

The Corruption Eradication Committee (KPK) in February called 12 provincial governors, Minister of Home Affairs and Minister of Energy and Mineral Resources to discuss about the problematic permits of mining operations in the country. KPK's official Laode M. Syarif said in 27 provinces there are approximately 5,000 problematic mining permits. Of the total of the problematic permits, 1500 have so far been resolved.

## PRODUCTION TARGET DOWN

With the reduction of a mine in Tandung Mayang of Bontang, East Kalimantan, PT Indo Tambangraya Megah Tbk is targeting to produce 26.9 million tons of coal this year. Finance Director of the company Edward Manurung said the target is lower than the target last year at 28.5 million tons. Meanwhile, the target of sales is at 28.5 million tons, up 0.3 percent from last year's target at 28.2 million tons.

## PLTU IN THE SITE OF PT TIMAH

PT Timah Tbk plans to develop a 2x150-MW coal-fired power plant (PLTU) worth Rp1 trillion in the near future. The location will be in an area of coal mining concession of the company in the sub-district of Gunung Megang of Muara Enim in South Sumatra. PT Timah has a 51-percent share and the remaining 49-percent share will be owned by PT Adhi Karya Tbk.

## NO SUBSIDIES

Indonesian Minister of Energy and Mineral Resources Sudirman Said said that the government will not subsidize coal used as the fuel for coal-fired power plant (PLTU). What is needed is only about regulation and negotiation facilities between coal producers and power producers.

## DISCUSSION AMONG STAKEHOLDERS

As reported, Indonesian Ministry of Energy and Mineral Resources (ESDM) will hold discussions among coal producers by involving the Indonesian association of coal producers, the owners of power plants, and PT PLN to find a solution so that all parties will not suffer from losses and they have to receive appropriate and economic prices.

## SOUTH KALIMANTAN'S COAL EXPORT DECLINES

South Kalimantan's coal export again declined to 126,800 tons in January-December 2015 from the same period in the previous year at 140,500 tons, down about 9.80 percent. It was said by Head of Foreign Trade of the Division of Trade and Industry of the Provincial Government of South Kalimantan Gusti Yasni Iqbal.

## TO CUT DEBTS

PT Adaro Energy Tbk starts to cut its debts. During the year 2015 the company managed to repay US\$625 million of its debts. President Director of Adaro Garibaldi Thohir said, 25 percent of the company's net debts had been cut year on year (yoy) up to US\$865 million.

## NET PROFIT UP 9.52 PERCENT

The net profit of PT Samindo Resources Tbk rose 9.52 percent from US\$22.58 million to US\$24.73 million. Last year the company's revenue shrank 11.43 percent from US\$254.43 million to US\$228.33 million, but the company was able to reduce 61.51 percent of the cost of revenues from US\$216.52 to US\$134.06 million. It was reported by the press.

## REVENUES CORRECTED AT 15.14 PERCENT

Seven of 21 coal mining companies that had been registered on the stock exchange reported their financial performances of the year 2015. The press reported, any of the issuers suffered from a fall of revenues from coal mining averagely at 15.14 percent and the net profit attributable to the holdings decreased 26.19 percent year-on-year.

## TO BE GRATEFUL

President Director of Baramulti Suksessarana Henry Angkasa said, coal mining companies that can withstand against the pressures of low commodity prices should be grateful. Not a few coal mining companies have so far been closed down and they move to another sector of businesses.

## PRICES REMAIN LOW

Oil and coal are currently in oversupplies. Bloomberg revealed, there is a possibility that the prices of oil, natural gas and coal will remain low. Moreover, the policies on coal made by a number of countries in an effort to accelerate the reduction of CO2 emissions have also been of high pressures.