



NEWSLETTER

SEPTEMBER 2022



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COAL GETTING • TRUCKING • STOCKPILE • BARGING • FLOATING CRANE • SHIPPING

Logistic Information



▼
BDI
(Per 16st Sept)

Bunker Price

Bunker Price	Singapore <i>per 16st Sept</i>
FO380	411.50
MGO	936.00

** Inclusive VAT, Income tax & PBBKB.*

Currency exchange Rate (USD)

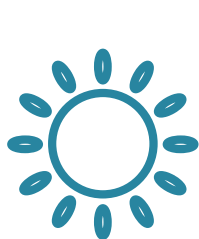
Buy	: IDR 14.824	Sell	: IDR 14.973
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Weather Forecast



Area	Weather	Winds	Swell
Samarinda	Chance of Storm 34°/23°C	8 - 14 km/h	0.2 - 0.3 m
Banjarmasin	Chance of Rain 33°/23°C	12 - 16 km/h	0.4 - 0.6 m
Balikpapan	Chance of Rain 31°/26°C	5 - 21 km/h	0.4 - 0.9 m
Tarakan	Chance of Storm 31°/26°C	8 - 13 km/h	0.1 - 0.2 m
Muara Satui	Chance of Rain 33°/23°C	12 - 16 km/h	0.4 - 0.6 m

Congestion Information *(August-September)*

PORT	PORT STAY	TOTAL STAY
ADANG BAY	2.4	5.04
ASAM-ASAM	1	7
BCT	1.14	1.61
BALIKPAPAN	2.15	3.31
BONTANG	8	10
BUNATI	0.5	5
IBT	2.17	4.33
JAMBI	1	5
KALIORANG	1.8	4.2
M PANTAI	1	4.67
M SANGKULIRANG	2	7
PALEMBANG	2.33	9.33
SAMARINDA	1.62	6
TABONEO	2.03	5.46
TARAHAN	0.5	2
TARAKAN	0	2

Indonesia and Global Coal News

Indonesian Government's Benchmark Thermal Coal Price (HBA)

Month	2017	2018	2019	2020	2021	2022
January	86.23	95.54	92.41	65.93	75.84	158.50
February	86.23	95.54	91.80	66.89	87.79	188.38
March	83.32	100.69	90.57	67.08	84.49	203.69
April	82.51	94.75	88.85	65.77	86.68	288.40
May	83.81	89.53	81.86	61.11	89.74	275.64
June	75.46	96.61	81.48	52.98	100.33	323.91
July	78.95	104.65	71.92	52.16	115.35	319.00
August	83.97	107.83	72.67	50.34	130.99	321.59
September	92.03	104.81	65.79	49.42	150.03	
October	93.99	100.89	64.80	51.00	161.63	
November	94.8	97.90	66.27	55.71	215.01	
December	94.04	92.51	66.30	59.65	159.79	

in USD/ton

Source: Ministry of Energy and Mineral Resources



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Coal is making a comeback in energy-hungry Europe, sending prices soaring. 2 analysts lay out what's going on.

Source: markets.businessinsider.com



A coal mine in Siberia. Christian Thiele/picture alliance via Getty Images

- **Coal is making a comeback as Europe races to find alternatives to Russian natural gas.**
- **The price of coal is 5 times higher than normal as countries try to secure energy supply for winter.**
- **Surging natural gas prices and a hydropower crunch are other factors, 2 top energy analysts explain.**

Coal is re-emerging as a key source of energy for European countries racing to replace increasingly scarce natural gas as Moscow shuts off key pipeline flows.

Europe is caught in a worsening energy crisis as Russia uses its energy exports to retaliate against sanctions. So countries like Germany are turning to coal to secure energy supplies before winter hits.

Power generation using coal has shot up over 20% in France, Germany, Italy, Netherlands, Spain and the UK together since last year, Rystad Energy data shows. European countries have increased coal consumption this year.

"Coal is definitely making a comeback, with skyrocketing natural gas prices and drought," Ole Hvalbye, an analyst at Swedish bank SEB, told Insider. "Now it is all about surviving the winter."

Here, analysts lay out the factors shaping the appetite and market for coal — and whether they mean soaring prices for the fossil fuel will keep climbing.

Soaring natural gas prices

Moscow's drumbeat of disruptions to flows has sent European natural gas prices up 300% this year, and to record highs in August.

That has prompted power companies in Austria, the Netherlands and Italy to eye the use of coal again. German utility giant Uniper has revived a mothballed coal-fueled plant until April 2023.

"Coal has been the cheaper option for power generation for most of 2022 and has also been given a boost by the tight supply situation for gas in Europe," Rystad Energy analyst Fabian Rønningen told Insider.

Given current prices, coal is expected to be the more competitive option for the next two-and-a-half years, he added.

Global coal prices hit their highest level since 2008 as the energy crisis worsened last week, and European coal prices alone have risen about 150% since the start of the year. Hvalbye said Europe's loss of Russian natural gas volumes is cascading into global energy markets.

"Other fossil fuels such as oil and coal are flowing from the global markets to Europe due to ridiculously high prices there," he said.

"As a result, European and Australian coal prices are now roughly five times higher than the normal level."

Winter is coming

The pressure is on EU governments to secure energy supplies for the colder months, when households and businesses use more power.

"We see a very tough winter ahead. Q4-22 and Q1-23 will be difficult, and Europe will likely be in need of all the other alternatives they can get their hands on, heading into this storm," Hvalbye said.

Making the situation worse is the EU's ban on Russian coal imports, which took effect in August. The bloc gets almost half its coal from Russia, with the majority going to Germany and the Netherlands, according to Commerzbank.

Those countries will see no alternative but to turn to imports from the likes of the US, Australia and South Africa.

But finding sellers elsewhere to fill the gap could be tricky. The global coal market is very tight right now, according to Rønningen.

"We know it's quite slow to ramp up production, especially in countries like Australia or Indonesia," he said.

A hydropower crunch

Extreme summer heatwaves in Europe have lowered levels in water reservoirs, causing a shortfall of hydropower, heightening coal's appeal.

Norway, a top supplier of electricity to Europe, plans to slash those exports to allow its hydropower reservoirs to refill. Seven European countries cut total hydroelectric production by over 18% this year, Rystad data shows.

"Going forward, with insane natural gas prices and tight power output from hydroelectricity, the increasing demand for coal is likely to be sustained," Hvalbye said. But the drought also brought water in the River Rhine to crisis levels, hitting a key route for shipping coal across Europe. Germany's government is worried it could cause a coal shortage this winter.

How long will it last?

Hvalbye said SEB sees a high likelihood of coal prices staying elevated, as it doesn't see the Russian squeeze ending soon.

But Rønningen believes the EU will accelerate its development of renewable energy, and that will lead to a drop in coal in Europe by 2024 at the latest.

"In the short term, we are seeing a comeback of coal. Longer term, not so much," he said.

Vietnam targets higher coal imports as domestic demand climbs

Source : spglobal.com

Imports to rise over 2025-2035 as power demand soars

Volume to gradually decline by 2045

Draft strategy under consultation until Sept. 3

Vietnam has forecast a substantial increase in coal imports over the next 12-15 years, particularly from the power sector, on rising domestic demand, according to a draft strategy for the coal industry from the Ministry of Industry and Trade, or MoIT.

Under the proposed strategy posted Aug. 15, Vietnam will import 50 million-83 million mt/year coal over 2025 to 2035. The volume will gradually decline to about 32 million-35 million mt/year by 2045 to meet the government's 2050 net-zero pledge announced at the UN Climate Change Conference.

The draft strategy for the coal sector's development until 2030 and a vision through 2045 is currently available for comments until Sept. 3 and will be followed by a central government approval.

Vietnam imported 36.4 million mt coal in 2021, down 33.6% from 2020, according to the country's customs data. The MoIT said Vietnam's domestic coal consumption rose to 53.52 million mt in 2021 mainly from the power sector, from 27.8 million mt in 2011 and 38.77 million mt in 2015.

The country's coal demand is expected to reach a peak of 125 million-127 million mt in 2030, from about 94 million-97 million mt in 2025, aided by consumption from the power generation, cement, metallurgy, and chemical industries.

Coal demand is estimated to decline to 73 million-76 million mt/year by 2045, in line with the country's plan to meet emissions reduction targets.

The ministry in the draft strategy said that by 2030 about 85%-90% (39 million-42 million mt) of commercial coal will be allocated for power production to ensure national energy security.

Domestic production is expected to be about 47 million mt/year until 2030 and drop to 45 million mt/year over 2031-2045 due to energy transition.

State-owned Vinacomin and Northeast Corp. currently make up about 95% of the country's domestic coal production, with the remainder coming from PT Vietmindu, a joint venture between Indonesia and Vietnam.

Vietnam aims to launch a pilot project to produce coal from its Red River basin in the northern region by 2040, with a plan to commercially produce 1 million mt/year volume by 2045. The basin is estimated to have a potential reserve of 41.91 billion mt.

Vietnam also plans to export about 2 million mt/year of high-quality coal until 2030 that will double to 4 million mt/year by 2045.

Indonesian coal miners pump up production, eye European winter

Source : asia.nikkei.com

JAKARTA -- Indonesian coal miners are racing to boost production amid record prices and rising demand from Europe ahead of winter following a ban on the fuel from Russia. Miners in Indonesia -- the world's largest exporter of thermal coal -- do not typically ship to Europe, with China, India and some other Asian nations remaining their top export destinations. But the European Union prohibition on coal from Russia, which took effect in August, and that country's shutdown of some gas supplies to the continent amid the war in Ukraine have left European buyers scrambling for coal from as far away as Indonesia and Australia.

"Demand for Indonesian coal is increasing significantly due to this geopolitical issue," Pandu Sjahrir, chairman of the Indonesian Coal Mining Association, told Nikkei Asia in an interview on Tuesday. "Germany is a good example. They're asking a lot from Indonesia. Essentially, by next year Germany will potentially be the second- or third-largest importer" of Indonesian coal, after China and India.

Bukit Asam, also known as PTBA, is one of the local miners that have begun shipping coal to Europe. Rafli Yandra, director of business development at the state-owned company, said it exported 147,000 tonnes of the fuel to Italy from March to July.

"For other European countries like Germany and Poland, PTBA is currently in the process of [negotiating] to penetrate these markets at better prices," Yandra told reporters on Tuesday.

Bukit Asam produced 15.9 million tonnes of coal between January and June, up 20% from the same period of 2021.

Bumi Resources, Indonesia's largest coal producer by volume, is also working to increase production this year to up to 83 million tonnes, 6% more than last year. The company has received inquiries and is in discussions to ship coal to countries such as Germany, Poland and Italy, according to Dileep Srivastava, independent director and corporate secretary at Bumi.

"We have begun some small quantity" of shipments to Europe," he told Nikkei, "but can step up once output normalizes" after heavy rains subside.

Mahardika Putranto, head of investor relations at Adaro Energy, said it is targeting an increase in coal production to 58 million tonnes to 60 million tonnes in 2022, up 10% to 14% from last year. He did not share specific plans for Europe-bound exports.

Benchmark Newcastle coal futures skyrocketed to a record high of around \$460 per tonne in early September, triple the price at the beginning of the year, amid rising demand and tight supplies due to the Russia-Ukraine war and wet weather in Australia, another top coal producer.

Indonesian coal miners are enjoying all-time high profits due to soaring coal prices. PTBA posted net income of 6.2 trillion rupiah (\$415 million) in the first half of the year, up 246% from the same period in 2021, while Adaro's jumped sevenfold to \$1.2 billion and Bayan Resources' expanded nearly threefold to \$970 million.

Share prices also have surged year to date, PTBA's by 63%, Adaro's by 69% and Bayan Resources' by 150%.

Fears are growing in European countries ahead of the northern hemisphere winter over the need to find substitutes for gas to meet home heating requirements. The irony of the situation given the EU is a vocal proponent of reducing reliance on fossil fuels to meet carbon emission reduction goals is not lost on Sjahrir.

"The one who's been pushing this entire agenda of energy transition and zero carbon, they will be one of the biggest coal buyers in the world because they cannot take the gas from Russia," he said.

In Indonesia, the miners' situation is being complicated by their so-called domestic market obligation (DMO) to sell at least 25% of their output at fixed rates far below current market prices. The DMO will prevent them from taking optimal advantage of further price rallies that are expected as winter approaches Europe.

In December, state utility Perusahaan Listrik Negara ran short on coal after miners failed to comply with the DMO. This prompted the government to slap a temporary blanket ban on exports of the commodity in January and more recently to revoke over 2,000 mining permits.

India narrows thermal coal imports gap with top buyer China

Source : Reuters.com

NEW DELHI/SINGAPORE, Sept 14 (Reuters) - India is fast catching up with China in its thermal coal imports, as the world's two biggest overseas buyers of the power generation fuel adjust purchases to align them with the varying trajectories of their economic growth.

India, widely seen as one of the last remaining major growth markets for the fuel, has stepped up buying from Indonesia and Russia after the invasion of Ukraine, which Moscow calls a special operation.

India's thermal coal imports are expected to rise 7% on year to 158 million in 2022, and a further 3% to 163 million tonnes in 2023, consultancy Wood Mackenzie said.

In contrast, shipments of the fuel resource into China, the world's biggest importer, could fall to 182 million tonnes in 2022 and 176 million tonnes in 2023, from 246 million tonnes in 2021, Woodmacsaid

Coronavirus lockdowns stifled demand for the fuel in China while a steep rise in electricity demand triggered a spike in India's imports.

India's economy recovered from weak consumer demand to grow at the fastest pace in a year in the June quarter. On the other hand, China narrowly avoided contracting in the second quarter and has grown at a tepid 2.5% this year due to COVID-19 lockdowns in many parts of the country.

Indian thermal coal imports grew about 12% in the eight months ended August 2022 to 114.2 million tonnes, according to Indian consultancy Coalmint. China's overseas purchases of the fuel resource in the first seven months of 2022 fell 26% from a year earlier to 106.36 million tonnes, government data showed.

Analysts at Indian consultancies CRISIL and ICRA expect India's coal imports for the year ended March 2023 to rise 16%-20%.

Russia displaced the United States to become India's fourth largest supplier of seaborne coal in 2022. The share of Russian supplies of thermal coal to China also increased, according to government data.

"We observe a shift away from South African imports towards stronger imports from Russia gaining momentum and this is driven by the large discount for Russian coal," Jake Horslen, analyst at consultancy Energy Aspects said.

"This mid-to-high calorific value coal demand in India is for more industrial uses, like sponge iron production."

India's thermal coal imports have risen 28% in the six months since Russia sent tens of thousands of troops into Ukraine, Coalmint data showed. Indonesian supplies to India

have risen 43.6% in 2022, at the expense of supplies from Australia, which fell 28.5%, and South African supplies, which declined by a fifth.

DOMESTIC OUTPUT

Indian imports have primarily been driven by a surge in electricity demand, which is seen growing at the fastest pace this year in at least four decades.

While increasing electricity use has resulted in more imports by utilities, it has also pushed state-run Coal India (COAL.NS) to boost supplies to power plants at the expense of the non-power sector, government data showed.

"Logistical bottlenecks in transport and priority supply to the power segment has led the non-power sector to continue dependence on imports," said Hetal Gandhi, director at CRISIL Research.

Chinese imports were lower due to a higher domestic output, lower power demand and Beijing's price cap on domestic thermal coal, which made imports far more expensive than coal produced locally.

While India's overall thermal coal imports will be higher in 2022, shipments during the last quarter are expected to be lower compared with the second and third quarters.

"We are now seeing a reversal in import trends, with August 2022 imports declining sequentially over July 2022," said Ritabrata Ghosh, an analyst at ICRA.

"As the domestic coal production picks up post the monsoon, the supply tightness is expected to somewhat improve," Ghosh said

Greece will keep coal-fired plants running for longer amid gas crisis

Source : reuters.com



A conveyor belt transfers lignite in the open-pit mine field of Megalopolis, Greece June 9, 2022. Picture taken June 9, 2022. REUTERS/Costas Baltas

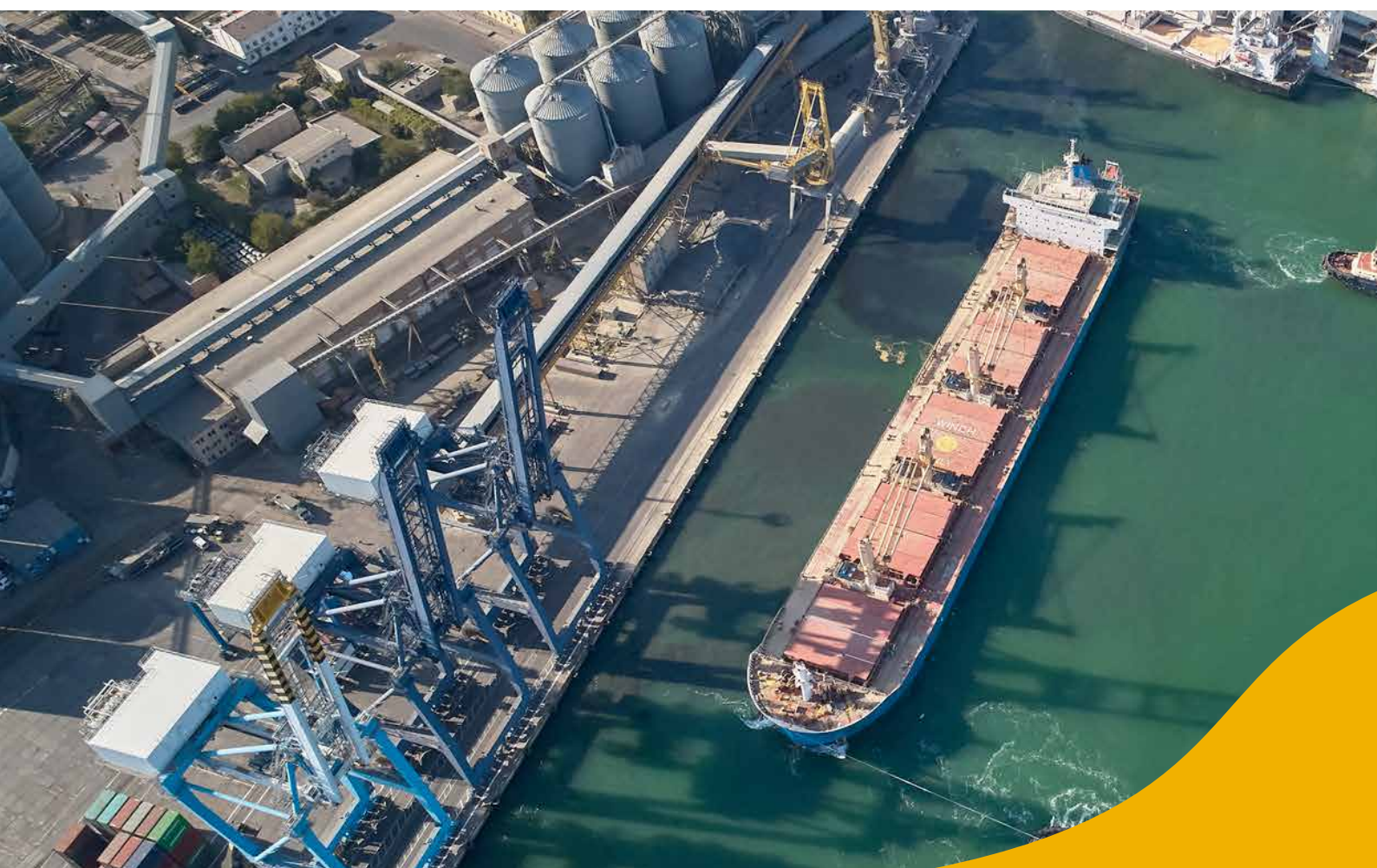
MILAN, Sept 5 (Reuters) - Greece will keep seven coal-fired plants running for longer than previously planned as European countries adjust to a cut in gas flows coming from Russia, the chief executive of the Greek gas grid operator DESFA said on Monday.

"In the short term some European countries will have a delay in their decarbonisation (plan), but this could also be an opportunity ... allowing to avoid an intermediate phase towards hydrogen," DESFA CEO Maria Rita Galli said, speaking at the Gastech conference in Milan.

Galli said a previous plan to phase out the seven coal-fired power plans in Greece would be delayed amid the energy crisis engulfing Europe and soaring gas prices.

Galli added that Greece was in talks with Italy to get some space from Rome where Greek operators could store gas so as to comply with a Europe-wide requirement to have fuel stocks available before the winter.

"I think Athens and Rome are close to a deal on gas storage," Galli said.



ITL Vessel Line Up

Jun	Jul	Aug	Total Vessel
583	593	537	1713

PLEASE NOTE THAT THE ABOVE DATA IS NOT COMPLETED LINE UP OF TBCT, IBT, NPLCT.

COUNTRY WISE			
No	Country	Shipments	Percentage
1	China (Incl. HK)	599	35%
2	India	267	16%
3	Indonesia	176	10%
4	Philippines	114	7%
5	Korea	94	5%
6	Malaysia	93	5%
7	Japan	76	4%
8	Taiwan	67	4%
9	Thailand	59	3%
10	Singapore	36	2%
11	Bangladesh	35	2%
12	Vietnam	31	2%
13	Pakistan	22	1%
14	Others	44	1%

*Others: Myanmar, Sri Lanka, New Zealand, Spain, Russia, Hawaii.

PORT WISE			
No	Port	Shipments	Percentage
1	Taboneo	430	23%
2	Samarinda	284	16%
3	Bunati	197	11%
4	Palembang	159	9%
5	Adang Bay	129	7%
6	BCT	118	6%
7	Muara Pantai	97	5%
8	Tarakan	77	4%
9	Kaliorang	60	3%
10	Tg. Pemancingan	55	3%
11	Muara Sangkurilang	54	3%
12	Kota Baru	49	2%
13	Balikpapan	43	2%
14	Tarahan	27	1%
15	IBT	20	1%
16	Asam - Asam	16	Below 1%
17	NPLCT	13	Below 1%
18	Muara Satui	3	Below 1%
19	Tg. Sabau	1	Below 1%

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