NEWSLETTER

JULY 2023

PT. INTERNASIONAL TOTAL SERVICE & LOGISTICS
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COAL GETTING • TRUCKING • STOCKPILE • BARGING • FLOATING CRANE • SHIPPING

Logistic Information

967

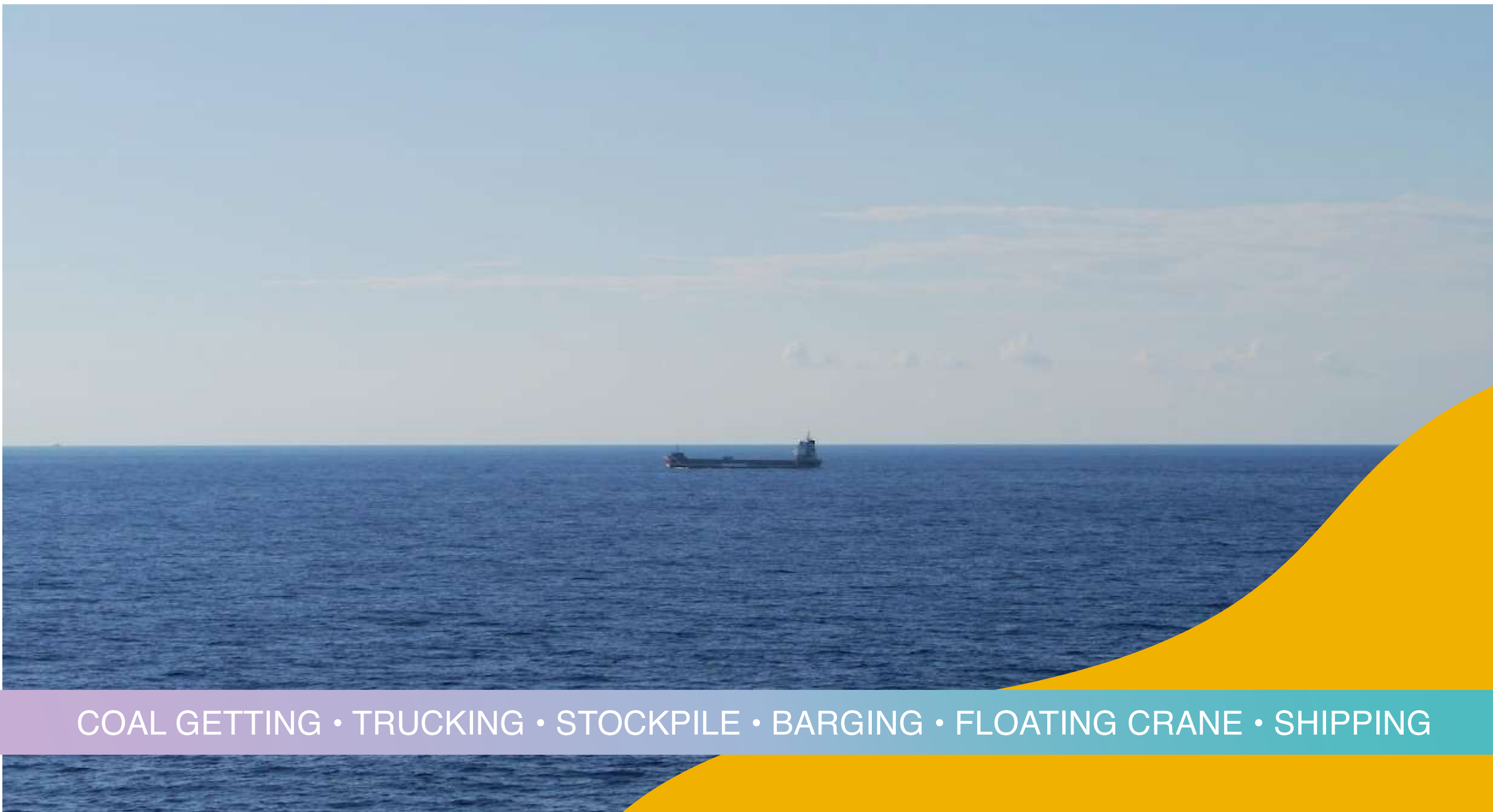
BDI
(Per 24st Jul)

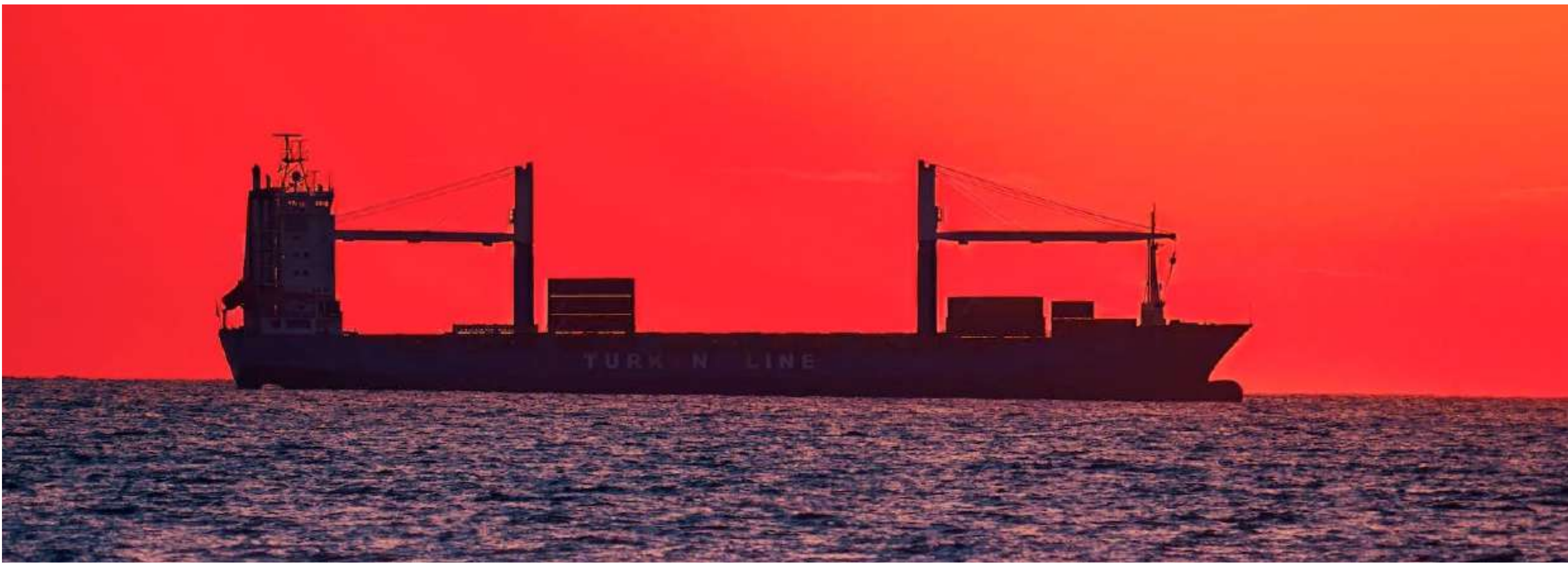
Bunker Price

Bunker Price	Singapore *per 24st Jul*
FO380	517.50
MGO	808.50

** Inclusive VAT, Income tax & PBBKB.*

Currency exchange Rate (USD)	
Buy : IDR 14,952	Sell : IDR 15,103





Weather Forecast

Area	Weather	Winds	Swell
Samarinda	Chance of Rain 33°/22°C	23 – 26 km/h	0.7 – 0.9 m
Banjarmasin	Chance of Rain 33°/22°C	21 - 24 km/h	0.6 – 0.8 m
Balikpapan	Chance of Rain 31°/26°C	25 – 28 km/h	0.8 – 1.1 m
Tarakan	Chance of Rain 32°/27°C	18 - 25 km/h	0.5 – 0.7 m
Muara Satui	Chance of Rain 33°/21°C	121 - 24 km/h	0.6 – 0.7 m

Congestion Information *(June - July)*

PORT	PORT STAY	TOTAL STAY
ADANG BAY	1.4	4.48
BALIKPAPAN	1.76	4
BCT	2.95	2.64
BUNATI	0.92	5.31
IBT	0	1
JAMBI	9	9
KALIORANG	1	5.25
MUARA PANTAI	1.76	6.31
M SANGKULIRANG	0.06	3.5
MUARA SATUI	1.75	5
PALEMBANG	3.1	7.19
SAMARINDA	1.55	4.86
TABONEO	1.13	4.82
TARAHAN	1.68	3.32
TARAKAN	2.22	6.67
TG PETANG	0	4

Indonesia and Global Coal News

Indonesian Government's Benchmark Thermal Coal Price (HBA)

Month	2018	2019	2020	2021	2022	2023
January	95.54	92.41	65.93	75.84	158.50	305.21
February	95.54	91.80	66.89	87.79	188.38	277.05
March	100.69	90.57	67.08	84.49	203.69	283.08
April	94.75	88.85	65.77	86.68	288.40	265.62
May	89.53	81.86	61.11	89.74	275.64	206.16
June	96.61	81.48	52.98	100.33	323.91	191.26
July	104.65	71.92	52.16	115.35	319.00	191.60
August	107.83	72.67	50.34	130.99	321.59	
September	104.81	65.79	49.42	150.03	319.22	
October	100.89	64.80	51.00	161.63	330.97	
November	97.90	66.27	55.71	215.01	308.20	
December	92.51	66.30	59.65	159.79	281.48	

in USD/ton
Source: Ministry of Energy and Mineral Resources

Coal supply for thermal power plants to increase by 10-15%

Source: vnanet.vn

The Vietnam Coal and Mineral Industries Group (Vinacomin) and Dong Bac Corporation strive to supply about 48.35 million tonnes of coal for thermal power plants, an increase of about 10-15% compared to 2022.

Hanoi (VNS/VNA) – The Vietnam Coal and Mineral Industries Group (Vinacomin) and Dong Bac Corporation strive to supply about 48.35 million tonnes of coal for thermal power plants, an increase of about 10-15% compared to 2022.

That volume will contribute to stabilising the supply of coal for the production of electricity.

Vinacomin expects to supply 39.7 million tonnes of coal for the electricity industry in 2023, an increase of more than 1.2 million tonnes compared to the total volume at signed contracts at the beginning of this year.

In the first six months of 2023, Vinacomin is estimated to provide about 21 million tonnes of coal for the thermal power plants, up 15% over the same period in 2022.

In May alone, TKV made additional deliveries of about 300,000 tonnes of coal for the thermal power plants of the Vietnam Electricity (EVN).

Besides the volume of signed contracts, in June and July, Vinacomin estimates it will supplement plants with an average of 10,000 tonnes per month each.

Dong Bac Corporation under the Ministry of National Defence has directed its member companies to increase coal production to supplement the power sector.

The corporation reported that it expected to sell over 5.7 million tonnes of coal in the first six months of the year, reaching 57% of the year plan.

n June alone, the corporation delivered nearly one million tonnes of coal to thermal power plants, the highest level ever.

The corporation plans to provide 8.65 million tonnes of coal for the thermal power plants in 2023, an increase of about 800,000 tonnes compared to the contracts signed at the beginning of the year.
Due to a lack of water at hydropower reservoirs, hydroelectricity plants have had to operate in moderation, leading to a lack of electricity. To deal with this situation, the thermal power plants nationwide and, in particular, the northern region of the country, are operating at full capacity while implementing alternating power cuts.

To avoid power cuts in the hot summer months of June, July, and August, the Prime Minister requested coal exploiters and DongBac Corporation to ensure enough coal supply for electricity production.
Thermal power plants need to strengthen efficiency and minimise halting of operations for repair and maintenance, except for cases of force majeure, and to urgently fix problems to operate at maximum capacity.

Quang Ninh is now a thermal power centre in the North with seven thermal power plants operating at full capacity to meet increasing electricity demand.
Those thermal power plants produced a total of 16.7 billion kWh in the first five months, equal to 15% of the total electricity output of the country and 35% of the electricity produced by coal-fired power plants nationwide. All electricity output is supplied to the national grid./.

Indian banks wary of financing coal projects

Source: www.mining-technology.com

India is in parallel pushing schemes and policies to boost investment in the renewable energy sector, raising questions about the long-term viability of coal.
As of 2022–23, India generates 73% of its power from coal, which is expected to go down to 55% as the share of renewables increases. Credit: Dexter Fernandes on Unsplash.

Indian banks are now reluctant to finance newly auctioned mines, despite the country requiring coal to meet growing energy demands.

In the past three years, 87 mines have been auctioned to private companies as part of India's Unleashing Coal strategy. Of those, only four are operational, and the rest await financing, an official from the coal ministry told Reuters.

The bankers are wary for two reasons. First, India is in parallel pushing schemes and policies to boost investment in the renewable energy sector, raising questions about the long-term viability of coal. Second, global investors now demand that lenders reduce their exposure to fossil fuels.

In 2020, for the first time, the Indian Government opened coal deposits to the commercial sector. The move was seen as a step towards energy self-sufficiency and criticised for derailment from climate commitments.

As global investors align their portfolios to environmental, social and governance goals, coal is increasingly considered risky. In 2022, India's central bank cautioned other banks to reduce their exposure to fossil fuels and move investments to green finance. Yet, only one private bank, The Federal Bank headquartered in Kerala, has excluded coal from its list for loans.

Bankers also have legal reasons to tread safely in the coal territory. In 2014, illegal coal block allocations led the Supreme Court of India to declare 194 allocations of coal mining rights made between 1993 and 2011 as illegal and arbitrary.

Moreover, the Indian Government, in April, set an ambitious target of having 500GW of installed renewable energy by 2030, which includes the installation of 280GW of solar power and 140GW of wind power.

"There is a gap of 200 million tonnes in the domestic coal capacity and consumption. We're filling that gap from coal imports currently. These mines are important," a coal ministry official told Reuters.

As of 2022–23, India generates 73% of its power from coal, which is expected to go down to 55% as the share of renewables increases. However, the rate of migration to other sources is not rapid enough.

India's public bank, the State Bank of India, remains a key funder of coal projects even though its funding towards coal has dropped to Rs50bn ($610m) from Rs78bn.

Ambitious solar project to join string of coal plants in Pakistan's Thar districts

Source: dawn.com

UK-based Oracle Power tells The Third Pole about a new solar project in the Thar desert as locals express scepticism about tall promises.

Millions of solar panels are set to be mounted upon swathes of soil in Block VI of Tharparkar district's coalfields in Pakistan — news that is making waves locally. Located 380 kilometres east of Karachi in Sindh province, these coalfields are divided into 14 blocks, but so far work has only begun in blocks I and II.

"It will be the largest [single solar plant in Pakistan] by a single entity," says Naheed Memon, chief executive officer of the UK-based Oracle Power, the mining company behind this much-touted one gigawatt (GW) project.
If completed, the project could significantly help Pakistan to achieve its goal of deriving 60 per cent of its energy from renewable sources by 2030. However, this particular solar project is being built in the shadow of ongoing coal projects in the Thar desert. In fact, Oracle Power is developing both solar and coal in the province.

Thar's coalfields cover an area of 9,100 square kilometres and contain over 175 billion tonnes of lignite — a poor-quality and commonly more polluting type of coal. These lignite reserves are among the largest in the world.
'Greening' the coalfields
The solar project's pre-feasibility study was completed by PowerChina, a Fortune 500-listed construction group. According to an agreement signed between Oracle and PowerChina in April 2023, the companies will work together in conducting the project's necessary surveys; it also allows PowerChina to help arrange project finance. Elsewhere, the agreement includes references to a green hydrogen production facility being jointly pursued, 250km away from Block VI.

The agreement details Oracle's initial technical plan for the 1GW solar project, which proposes that it be developed on the "peripheral land of the mining area, occupying less than 25pc of the Thar Block VI, and generating power from the Thar desert from a completely renewable source". It also says the solar plant will be "deployed outside the potential built up and impact area of any coal-related project in the future".
"Solar in Thar is an important initiative," says Cheng Qiang, a spokesperson for PowerChina. The company has completed one solar and 23 wind projects in Pakistan.

"We want to generate renewable power in the desert for other mining operations as well as the railway line that is in the pipeline; our solar project will offset carbon emissions from the coal that is being mined and used to fire the two power plants [in Block 2]," Cheng added.

We asked Azhar Lashari, research and advocacy coordinator at the Policy Research Institute for Equitable Development, to put PowerChina's carbon offsetting claims into perspective: "The narrative of 'offsetting carbon emissions' is controversial. It is nothing but continuing 'business as usual' and 'greenwashing' on the part of banks, companies and corporations like Oracle and PowerChina. How can a solar project neutralise the carbon emissions?"

With a 30-year mining lease of Block VI, Oracle Power has wanted to set up a 1,320 MW coal plant since 2016, when this was included in a list of energy projects under the China Pakistan Economic Corridor (CPEC). But this particular project has so far stalled due to financial hurdles.

Oracle's Memon is adamant that the company is not turning its back on coal: "We are not abandoning hydrocarbons and our coal project is under development. We will complete it and are working with private investors." Memon does concede, however, that financing continues to be a stumbling block.

The CEO also says that "dirty fuel cannot be eliminated completely" and that it "will be a gradual transition over the next few decades". In the interim, she says, Pakistan is in "critical need of cheap, local, indigenous fuel-based power as base load, be it coal, oil or gas".

Doing solar right in Pakistan's Thar

"[Thar solar] will be an excellent opportunity for Oracle to diversify from its fossil-based portfolio," says Haneea Isaad, an energy finance analyst at the Institute for Energy Economics and Financial Analysis. She also says that solar will be valued by local communities and could increase the productive use of energy in the region.

But the 1GW solar project also brings with it the risk of negatively impacting local communities. The project will use a large area of land (around a quarter of Block VI's leased 66.1 sq km) to put up around 1.52 million solar photo-voltaic panels. Despite Oracle's agreement with PowerChina, stating that the project will be developed on "unutilised land", Memon concedes that the solar project may mean relocating some villages.

"Resettlement will be done in line with the government's directions," she says, with provision of "all the necessities of life, like drinking water, shelter for animals and fodder". In some cases, Memon says low-cost housing will be considered.

Memon claims she does not know which villages could be relocated; Lashari finds this hard to believe: “Memon must know the number of villages and the population that will be displaced, because displacement and relocation is inevitable since this involves massive land acquisition.”

Lashari adds that displacement involves both physical dislocation and livelihood disruptions: “When [the communities’] land is taken away, some lose their only means of livelihood and some the only occupation they know. They also lose the nearby grazing ground for their livestock. Often the pittance some get in the form of compensation is unwisely invested and so they are poorer off than they were before.”

According to Akram Ali Lanjo, a shopkeeper in the Thar village of Kharo Jani, the local community’s most pressing need is drinking water for households and livestock. These desert families rely on groundwater, which has turned ‘very salty’. Lanjo told us: “If anyone can turn our salty water to sweet, our woes will be addressed to a large degree.”

Lanjo also says that, while the villagers have nothing against the development itself, they would never part with their ancestral lands: “We can lease it out, but never sell it. And we do not want to be displaced.”

Lanjo cites the example of the Sehri Dars village, which was “decimated”. Its residents were relocated to a new village with the same name, built by the Sindh Engro Coal Mining Company. Both Lanjo and Lashari claim that the displaced villagers are unhappy in their new location.

As for concerns around water scarcity, Memon had this to say of the project: “There will be zero consumption of water for the cleaning of solar panels, as we will bring in state-of-the-art automatic cleaning robotic technology, which will keep the solar panels clean and in optimum form for maximum power generation.”

Sindh govt ambitions

Oracle is currently looking to bring in international financiers to invest in its Thar solar project, as the Sindh government does not have a direct incentive for such projects. Nonetheless, it is keen to get the project off the ground.

Imtiaz Ali Shah, director of renewable energy at the Sindh government’s energy department told The Third Pole, “We will facilitate and support this attractive green energy project in every way, but the company needs to come up with a solid purchase agreement, their guarantors, a final study and a firm strategy.”

However, Shah acknowledges that more needs to be done for those areas that are not on the national grid, or those facing power outages: "Tharparkar district is one of the remotest and least-developed. If all the power produced by Oracle's solar project is used there, I would consider it a big success as it will better the lives of the locals."

Shah also hopes that the project will provide livelihood for the locals. Parasram Archand, a 22-year-old teacher in a private primary school in Kharo Jan, doubts this claim, because most of the local villagers are uneducated. "But they can do labour [at the site]," counters Lanjo, who himself remained in formal education until he was 13.

"We would ensure most labour is local," adds Memon, "especially during the construction when the company would need up to 2,500 people. [This] will be reduced along the way to 700 to 1,000 during operation and maintenance."

Lanjo admits to feeling hopeful when a team from the city first visited the village some months ago and talked of the potential for a solar plant. On the other hand, he remains sceptical: "People from different companies come, do surveys, make tall promises, and never return."

Coal giants Indonesia, Australia seek venues to cooperate on EVs, batteries

Source: trtworld.com

Indonesian leader Widodo offered Indonesia's president has urged Australia to help it ramp up electric vehicle production, as the two coal powerhouses wrapped up bilateral

discussions focused heavily on clean energy.
President Joko Widodo met Australian Prime Minister Anthony Albanese in Sydney on Tuesday, where the pair also discussed growing tensions in the Asia-Pacific region.
Indonesia and Australia are the world's two biggest thermal coal exporters but are anxious to shed their economic reliance on polluting fossil fuels.
Both leaders agreed clean energy technologies should become a joint priority.
"Indonesia and Australia must build a more substantive and strategic economic cooperation through the joint production of EV batteries," Widodo said following the meeting.
Key components in batteries
Widodo's government has grand ambitions for Indonesia to increase electric vehicle production, making better use of its vast natural deposits of cobalt and nickel.
To do so it would need to secure a reliable pipeline of Australian lithium, another key component in rechargeable batteries.
Australia supplies almost half of the world's lithium, the vast majority of which is currently shipped off to be processed in China.
"There is a lot that Australia can offer Indonesia and the region in the energy transition, including the global move towards electric vehicles," said Albanese.
"We are rich in all of the components and the expertise needed for renewable energy."
both Jakarta and Canberra to build strategic economic cooperation through the joint production of EV batteries.

SA can boost coal exports if Chinese supplier restored

Source: Reuters.com

South Africa could boost coal shipments to ports after last year's record decline if it secured locomotives that were idled following a dispute with a key Chinese supplier, South Africa's state-owned rail and ports operator said yesterday.

Transnet Freight Rail CEO Sizakele Mzimela said resolving an impasse with China's CRRC E-Loco could help it ramp up shipments to about 81 million metric tons of the fuel to ports.

South Africa's shipments fell to about 50 million metric tons last year, the lowest on record, as a workers' strike, floods, cable thefts and vandalism of vital infrastructure plagued Transnet's operations.

The lack of locomotives means Transnet is failing to move 18.5 million metric tons of coal per year, Mzimela said.

This has forced producers such as Thungela Resources, the nation's largest shipper of thermal coal, and Exxaro Resources to stockpile the fuel at their mines.

More on this
Mining CEOs are optimistic Eskom is on the right path
Transnet chooses Philippines-based operator as partner for upgrade of key Durban container terminal
State employees arrested in connection with R6-million land grant fraud
"If we're able to find a solution with CRRC, we know that they have the ability to bring back those locomotives as quickly as possible," Mzimela said at a mining conference in Johannesburg.

Transnet aims to rail about 60 million metric tons this year and could raise capacity to 74 million metric tons by March 2024 and ultimately 81 million metric tons in 2026 if the Chinese locomotive deal is restored.
An agreement with CRRC could help Transnet secure 159 locomotives that are currently being idled within six months, she said.
Transnet clashed with CRRC after the South African company cancelled supply of 1,064 locomotives from four suppliers, including CRRC, saying the R54.4 billion contract was unlawful.
CRRC hit back by withholding locomotives and spare parts, hobbling Transnet's capacity to haul bulk commodities to ports.
Transnet and CRRC have since agreed to resolve their dispute, but the Chinese company need to reach agreement with South Africa's central bank and tax authorities to be able to operate in the country, Mzimela said.

ITL Vessel Line Up

MAY	JUN	JUL	Total Vessel
603	591	416	1610

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)	547	34%
2	India	231	14%
3	Indonesia	186	12%
4	Philippines	162	10%
5	Korea	88	5%
6	Japan	74	5%
7	Malaysia	65	4%
8	Thailand	59	4%
9	Taiwan	48	3%
10	Bangladesh	46	3%
11	Vietnam	45	3%
12	Singapore	24	1%
13	Others	35	2%

**Others: Myanmar, Srilanka, New Zealand, Spain, Rusia, Hawaii.*

PORT WISE			
No	Port	Shipments	Percentage
1	Taboneo	311	19%
2	Samarinda	232	14%
3	Palembang	149	9%
4	BCT	131	8%
5	Bunati	130	8%
6	Adang Bay	102	6%
7	Tarakan	100	6%
8	Muara Pantai	86	5%
9	Kaliorang	63	4%
10	Muara Sangkulirang	51	3%
11	Balikpapan	46	3%
12	Tarahan	43	3%
13	Kota Baru	35	2%
14	Tg. Pemancingan	28	2%
15	Muara Satui	14	1%
16	NPLCT	14	1%
17	IBT	12	Below 1%
18	Asam - Asam	10	Below 1%

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