



NEWSLETTER

SEPTEMBER 2023



ITL

PT. INTERNASIONAL TOTAL SERVICE & LOGISTICS

Your Reliable Integrated Logistic Partner

Prosperity Tower, 11/F #AJ

District 8 SCBD Lot 28

Jl. Jend. Sudirman Kav. 52-53, Jakarta Selatan 12190

Tel. +6221 5011 2120 (hunting) Fax. +6221 5011 2121

E-mail : agency@itlid.com(coal), agency2@itlid.com(non-coal)

www.itlid.com

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

Logistic Information

1.701

BDI

(Per 29st Sep)

Bunker Price

Bunker Price

FO380

MGO

Singapore

per 29st Sep

585.00

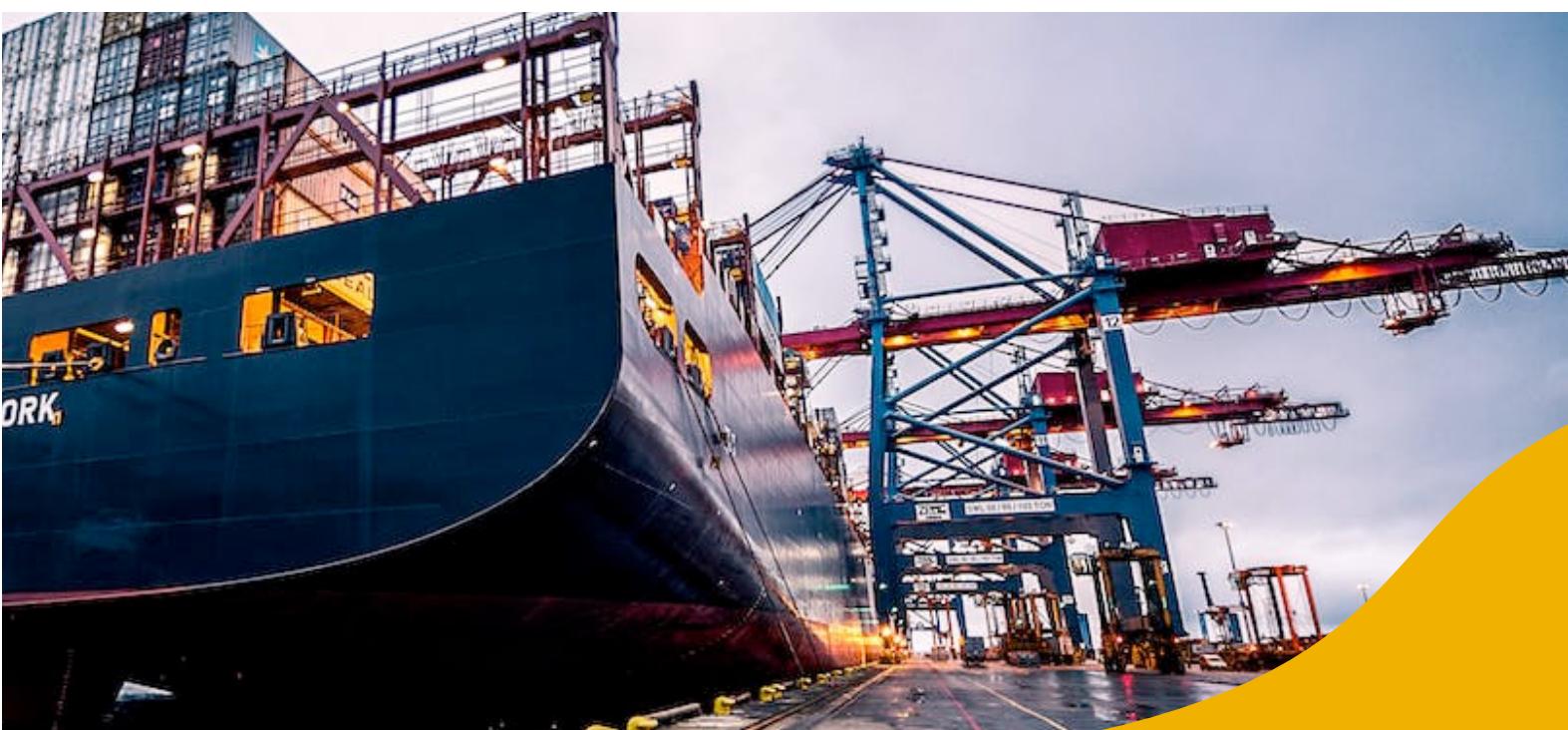
944.00

* Inclusive VAT, Income tax & PBBKB.

Currency exchange Rate (USD)

Buy : IDR 15,441

Sell : IDR 15,596





Weather Forecast



Area	Weather	Winds	Swell
Samarinda	Chance of Rain 34°/23°C	23 - 26 km/h	0.7 - 0.9 m
Banjarmasin	Chance of Rain 38°/24°C	21 - 24 km/h	0.6 - 0.8 m
Balikpapan	Chance of Rain 32°/24°C	25 - 28 km/h	0.8 - 1.1 m
Tarakan	Chance of Rain 32°/24°C	18 - 25 km/h	0.5 - 0.7 m
Muara Satui	Chance of Rain 36°/22°C	21 - 24 km/h	0.6 - 0.7 m

Congestion Information (Aug - Sept)

PORT	PORT STAY	TOTAL STAY
ADANG BAY	1.67	5.35
ASAM-ASAM	5	17
BALIKPAPAN	1.56	3.37
BCT	2.56	2.96
BONTANG	5.67	7.08
BENGKULU	1	6
BUNATI	3.97	8.57
IBT	3	6
KALIORANG	2.6	7.67
MUARA PANTAI	2.15	7.15
M SANGKULIRANG	0.16	2.74
MUARA SATUI	0.67	8
PALEMBANG	3.18	8.36
SAMARINDA	2.88	6.95
TABONEO	1.85	5.23
TARAHAN	2.22	4.11
TARAKAN	2.32	8.05
TBCT	4	5.6
TG BARA	7	8
TG PEMANCINGAN	2.57	6.71

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	179.90
September	104.81	65.79	49.42	150.03	319.22	133.13
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 India output up 11.3% in

Source: thehindubusinessline.com

Coal India Ltd (CIL) produced about 333 million tonnes (MT) of coal in the first-half of the current financial year, registering a strong 11.3 per cent annual growth. This was nearly 34 MTs higher than that in the same period in FY 2023. All CIL's producing subsidiaries have reported growth, the coal miner said in an official statement.

The output for September 2023 was 51.4 MT, a 5.8 MT jump (12.6 per cent growth). CIL produced 45.7 MT during the same month last year.

According to the company, though power demand has hit an unprecedented high in the past two months with the mercury rising, there was no drop in CIL's supplies to the power sector. Supplies to the power sector rose to 294.8 MT in the first half of FY 2024. The supplies were 1.8 MT more than the 293 MT demand projected for this period.

"Compared to last fiscal's high base in the same period, the volume increase was 9.7 MT or 3.4 per cent growth. This could have been higher if the logistics were eased out and intake not regulated by a few consumers," it said.

"We were given a supply target of 610 MT to the power sector for the entire FY2024. This is about 4 per cent higher than the record level of 586.6 MT that was supplied in FY2023. We met the pro-rated demand of coal-fired plants till September-end and expect to meet the annual demand as well," said a senior CIL official.

CIL's total supplies shot up to 360.7 MTs during H1 of FY 2024, ahead by 28.6 MT with 8.6 per cent growth, compared to 332 MT in the same period a year ago. Logging double digit growth of 12.6 per cent in September 2023, coal supply at 55 MT increased by 6.1 MT compared to that in the same month a year ago.

After meeting the the power sector's requirement, CIL's supplies to the non-power sector during the first six months of FY 2024 peaked at 65.7 MT, clocking 40 per cent growth. The increase in absolute terms was nearly 19 MT, compared to 46.8 MT during the first-half of FY 2023.

As of September-end FY 2024, coal stocks at CIL's pitheads was 41.6 mt.

UK down to last coal plant as households are urged to save energy this winter

Source: thehindubusinessline.com



With coal-fired plants almost gone, households will again be asked to save energy in return for savings on bills

Just one coal-fired power plant remains operating in the UK ahead of winter, with National Grid again planning to encourage households to save energy during the coldest months.

Northern Ireland's Kilroot Power Plant, operated by EP UK Investments, closed its last remaining coal unit last weekend.

This leaves Uniper's Ratcliffe-on-Soar plant in Nottinghamshire as the only operating coal power station in the UK.

For now, Uniper has agreements for three of its four coal units at Ratcliffe to continue operating until October 2024 — with expectations the plant will then be wound down in line with government policy.

The units are operating on the open market, and are chiefly responsible for the 1.3 per cent of coal generation in the UK's energy mix today.

This follows National Grid's electricity system operator (ESO) publishing its winter energy outlook last week, confident that there will be sufficient supplies to meet demand over the coming months.

This winter, ESO is predicting a capacity margin of 7.4 per cent — roughly 4.4GW — which is higher than last winter's 3.7GW and broadly in line with previous winters.

A combination of factors have influenced the slightly higher margins for this winter, including more generation available alongside higher levels of battery storage. However, the ESO has warned it cannot “completely discount risks” following Russia’s invasion of Ukraine and a Kremlin-backed supply squeeze on the continent’s gas flows. To ensure the network is prepared for a “wide range of eventualities”, households will be asked to save energy this winter once again to ward off potential supply shortages in exchange for savings on bills.

This is known as the ‘demand flexibility service’, with both saving sessions in January this year providing customers with millions of pounds in savings.

A total 1.6m homes and businesses took part — saving 3.3GWh of electricity, sufficient to power nearly 10m homes.

The ESO has also confirmed the UK will not have five coal units on standby this winter, with EDF and Drax also winding down their coal operations.

Last winter, the former department of Business, Energy and Industrial Strategy asked the ESO to sign contracts with additional coal generation units.

The ESO warmed up two coal units in March to help meet demand after several earlier requests last winter, which were then pulled as generation came back online.

Craig Dyke, the ESO’s head of national control, argued that its report illustrates “the different position we find ourselves in”, compared with a year ago.

He said: “The energy markets across Europe have responded, bolstering gas and electricity storage and supplies ahead of this winter. Whilst this is reflected in slightly higher operational margins for this winter, we and the rest of the energy industry will as always continue to prepare for a range of potential eventualities, so that we are fully prepared for any changes in circumstances this winter.”

Thermal coal trade remains profitable in Asia despite global resistance: industry

Source: spglobal.com

Thermal coal remains one of the most profitable commodities to trade in Asia despite the lack of optimal bank funding and backlash from several quarters of the world to end its usage due to high emissions of CO2 and other air pollutants, multiple traders and miners told S&P Global Commodity Insights.

At least a dozen traders S&P Global met at the Coaltrans conference at Bali in the week to Sept. 30 said that while the lack of funding from global banks has been an impediment for small miners, particularly in Asia, the cash-rich nature of the coal business has and will

keep it afloat for years to come.

Even as multiple traders are involved in transactions, right from the time a coal cargo leaves a mine till it reaches end-users in other countries, the commission per ton earned by each trader translates into a reasonable amount, given the volume traded and the size of the shipment.

For 4,200 kcal/kg GAR coal originating from Indonesia, the most liquid grade of coal in Asia, if the landed cost in another country is \$50/mt on a Supramax with 50,000 mt of volume, the commission for one set of trader ranges between 25-50 cents/mt, sources said. This comes to \$12,500-\$25,000 commission per shipment, or Rupees 1 million-2 million, approximately.

Platts, part of S&P Global Commodity Insights, assessed FOB Kalimantan 4,200 kcal/kg GAR coal at \$57.50/mt Sept. 29, while FOB Kalimantan 5,000 kcal/kg GAR was assessed at \$77/mt.

"Depending on the supply and demand situation, the trader margin goes up like it happened after the Russia-Ukraine war when supply was extremely tight and demand was strong," a trader from a large trading group, with operations in Indonesia, Singapore and India, said.

Miners continue to profit

While the production cost for 4,200 kcal/kg GAR coal ranges anywhere between \$30-\$35/mt, miners have refrained from selling it below \$50/mt, given other costs involved like taxes and royalties to be paid to the government, sources said.

However, minimum margins still range between 25%-40% per metric ton of coal sold overseas, an official from one of the top thermal coal miners in Indonesia said, adding that for high-CV coal, margins are higher, but volumes are slightly lower.

The price of 4,200 kcal/kg GAR coal ranged \$80-\$90/mt in January, before it fell to \$72-\$75/mt in April and \$50-\$57/mt in September, according to Platts assessments by S&P Global.

An official from the sales department of an Indonesian miner said producers price their product keeping in mind the margins traders will keep for selling. "Because government regulations are so stringent for mining companies of all commodities, it's important to keep profitability at the top ... of the chain, otherwise producers won't survive," he said. Multiple environmental agencies, banks, NGOs, human rights organizations and civil society groups have been for years campaigning against the usage of thermal coal for power generation as well as in the non-power sector like cement, steel and other metals.

While the US and large parts of Europe have managed to keep coal's share in the energy mix below 35%, overall dependence of coal in Asia is still over 70%.

Meanwhile, net profits of top miners soared in 2022 as global thermal coal prices surged due to the Russia-Ukraine conflict disrupting trade flows, with Europe seeking the fuel from Asia due to sanctions on Russia.

Indonesia's Bumi Resources reported a net profit of \$525.3 million in 2022, soaring 213% on the year, Adaro reported a profit of \$2.8 billion, up from \$1.02 billion a year ago, while Glencore's net profit rose 248% to a record \$17.3 billion last year, primarily on the back of high coal prices.

Indonesia preparing to announce early retirement of coal at Cop28

Finance Minister says more investments are needed for the country's green transition

Source: thenationalnews.com

Indonesia's Finance Minister Sri Mulyani Indrawati on Thursday said that her country was gearing up to make an announcement at Cop28 in Dubai about retiring early from coal, as the Asian nation struggles to attract enough private capital for its green transition.

Speaking at a conference in Berlin, Ms Mulyani said that she would "push very hard" for this.

"It's already in the pipeline. We are preparing and are going to announce it," she said. "If it fails, it's something beyond me."

Indonesia had previously indicated that it may actively start phasing out coal in 2040 at the earliest. Bringing this milestone forward by 10 years may accelerate the unlocking of a \$20 billion package promised last year by western countries to accelerate the country's green transition.

Analysts told The National that such signalling from Indonesia, the world's largest thermal coal exporter and one of the fastest growing economies in the world, may also have a ripple effect on other countries such as South Africa and Vietnam, which have signed on to a similar scheme known as the Just Energy Transition Partnership.

But Ms Mulyani warned that this may require western donors to finance coal plants during a transition phase, including possibly compensating coal operators, even though they normally favour investing in renewable energies such as wind and solar farms.

"They are not going to say OK, because climate change is good, I'm going to forego my 10 years of revenue. It won't work that way," said Ms Mulyani, who was a panellist at the Berlin Global Dialogue organised by German business school ESMT.

"We have to calculate [...] who will compensate, who will pay and then what kind of risk this kind of situation is."

She called for a discussion between the Global South and the Global North on a so-called taxonomy to better define the green transition, as western investors fear being “punished” for financing a coal retirement plan.

Speaking on the same panel, Bernard Mensah, president of International for Bank of America, echoed Ms Mulyani’s views: “There are a lot of nitty-gritty things that need to happen in the finance space, taxonomy, some accounting standards. It may be boring but it crowds in the capital that’s needed.”

The finance sector is under intense scrutiny over its investment in fossil fuels such as coal.

An investigation published this week by a number of outlets, including The Guardian, showed that European banks helped fossil fuel firms raise more than \$1 trillion from global bond markets.

Earlier this month, environmental groups submitted a formal complaint to the World Bank over European banks’ provision of financial support for two coal-fired power plants in Indonesia.

Indonesia, which recently started trading carbon dioxide emission credits and has set a target of reaching carbon neutrality by 2060, is lobbying hard for more flexible financing.

Transitioning away from coal, which in some provinces employs more than 10 per cent of the population, is expected to have deep social consequences.

But Indonesia has so far received only a fraction of the \$20 billion promised last year due to disagreements over what it is allowed to spend the money on, said Henning Gloystein, director for energy, climate and resources at political risk consultancy Eurasia.

“Europeans would say: use it for wind farms and solar panels,” Mr Gloystein told The National.

“Indonesia would say: maybe we’ll use it for carbon capture technology or compensation for coal operators. You need to define this process.”

Indonesian officials have previously complained about the slow pace of implementation of the JETP. Septian Hario Seto, Indonesia’s deputy minister of investment at the Co-ordinating Ministry for Maritime and Investment Affairs, told Reuters earlier this week that western countries are not ready to fund it.

Mr Septian said that the coalition of western countries led by the US and Japan have told Indonesia they were more interested in financing commercial renewable projects, which he said it did not need.

South Africa was the first country to reach a deal under JETP, securing a \$8.5 billion financing pledge in 2021, while Vietnam secured \$15.5 billion in a deal struck in late 2022.

Yet Ms Mulyani's comments in Berlin seem to hint at Indonesia inching towards an agreement to be made public at the next UN international climate negotiations, scheduled for late November.

"There will probably be an announcement to actively start phasing out coal fired generation from 2030 onwards," said Mr Gloystein. He added that this would represent a "huge achievement".

"If \$20 billion can be released, that would be fantastic," he said. "Then there would be no stopping other countries receiving it as well."

To accelerate such financing, there needs to be a "better dialogue" about how transitioning towards clean energies may require financing polluting industries during the transitional period, economist Vera Songwe told The National.



Charles Michel, President of the European Council, left, and Sri Mulyani Indrawati, Indonesia's finance minister, at the Berlin Global Dialogue. Bloomberg

"We must explain that it's a continuum," said Ms Songwe, who heads the board of the UN-designed Liquidity and Sustainability Facility.

"People are more excited about funding renewable energy. Nobody wants to fund the dirty. But it's mission critical to fund the dirty to get to the clean."

Recovering from Coal's Collapse

Source: gsas.harvard.edu

As a young woman growing up in southern Indiana, Eleanor Krause traveled each weekend to the Red River Gorge in eastern Kentucky, a haven for rock climbers like her. She grew to love the natural beauty of the site, nestled on the outer reaches of Appalachia—coal-mining country. She loved the people there too.

When Krause went to college at the University of Vermont to study environmental policy, however, she found many who didn't share her affection. She was startled by the disregard that her classmates and friends had for eastern Kentucky, viewing it merely as a casualty of the coal industry's environmental impacts.

"Their perspective was, 'Oh, those coal miners are the ones causing climate change. We need to just ban coal mining,'" she recalls. "And I had this sort of revelation. I realized that I wanted to think about the way that energy and environmental policy impacted the people of Appalachia."

Returning to the Red River Gorge after college, Krause immersed herself in the local community, working with climbing and conservation organizations. She got her master's degree in public administration with a focus on environmental and economic policy but wanted to make a greater contribution to research in the field. Today, as a PhD student at the Harvard Kenneth C. Griffin Graduate School of Arts and Sciences (Harvard Griffin GSAS), her work both lays bare the impact that the decline of the coal industry has had on Appalachian communities and points to ways that policy-makers can better mitigate the impact on the people who live there.

Losing the War

The trajectory of coal mining over the past 60 years is interwoven with the story of poverty and struggle in America's heartland. In 1964, President Lyndon Johnson stood on the steps of a cabin in Inez, Kentucky, and declared "unconditional war on poverty." At the time, over 60 percent of Martin County, where Inez is located, lived in poverty and more than half of county earnings came from the coal industry.

Fast-forward to the present: Mining jobs in Martin County have dwindled to only 5 percent of total employment, and the poverty rate has swollen to double the national average.

The lack of human capital, entrepreneurs, and institutional capacity, compounded by historical shocks, seems to create an impasse [for Appalachian communities in transitioning away from fossil fuel industries].

—Eleanor Krause

Krause's dissertation, titled "Job Loss, Selective Migration, and the Accumulation of Disadvantage: Evidence from Appalachia's Coal Country," spotlights the economic and social fallout of this decline. She looks back to the early 1980s when macroeconomic factors—particularly the decline in oil prices—led to a 70 percent reduction in coal employment over a decade. The primary focus of her research, though, is the years between 2007 and 2017, a time marked by a rapid reduction in the demand for coal. In Appalachia, employment plummeted by 50 percent between 2011 and 2016 alone, a seismic shock that caught many off guard.

Contrary to some prevailing narratives, Krause's research underscores that coal's decline wasn't primarily triggered by the shift to cleaner energy sources. She says the causes had more to do with economic forces like the advent of cheap natural gas from hydraulic fracturing. Looking to the future, however, she acknowledges that "increased environmental regulations and policies necessary to fight climate change could continue to drive down demand for coal, increasing the challenges faced by these communities—as well as others built on fossil fuels and energy-intensive industries."

Krause identifies a distressing pattern. Communities that have experienced significant selective migration or "brain drain," where college-educated adults leave due to economic circumstances, are disproportionately burdened by contemporary coal shocks. Her research indicates that the effect of the 2007–2017 coal shock on population, employment, and earnings declines is between two and five times as large in places with a greater history of selective migration, and the increase in government transfers per capita is about five times as large.

Krause admits that the implications of her research are sobering. There are few examples of communities "successfully" transitioning away from coal-centered economies. "The lack of human capital, entrepreneurs, and institutional capacity, compounded by historical shocks, seems to create an impasse."

Gordon Hanson, Harvard Kennedy School's Peter Wertheim Professor in Urban Policy and one of Krause's faculty advisors, says that her research sounds an important note of caution regarding the transition to a clean energy economy.

"Communities specialized in fossil fuel-related industries are likely to have a very hard time transitioning to a new set of economic activities," he says. "We need to be thinking hard about how we help these communities make that change, as we strive to forestall a climate disaster for the world as a whole."

Hope for the Heartland?

In her ongoing research, Krause is analyzing policies like those codified in the federal Inflation Reduction Act of 2022, highlighting the need for a more targeted approach

to economic recovery in Appalachia. “While federal assistance provides a lifeline through transfer payments such as unemployment insurance and Medicaid, the emphasis on investing in human capital remains insufficient,” she says. “My policy recommendation would be to focus on that piece of the equation.”

Central to that recommendation is the bolstering of educational opportunities, especially in areas where community colleges are scarce, and broadband internet access, which could offer access both to education and employment opportunities. “Broadband could also encourage a lot of highly skilled individuals to work remotely in a lot of these communities,” Krause suggests.

Eleanor Krause’s research . . . shows us how a shock in one generation can reverberate through the next—an exodus of skilled people now can leave communities short of entrepreneurs and business leaders later.

—Professor Edward Glaeser

Edward Glaeser, the Fred and Eleanor Glimp Professor of Economics and the chair of Harvard’s Department of Economics, calls Krause’s work “important and innovative” and says it sheds light on the economy of one of America’s most troubled regions. “Eleanor Krause’s research helps us to understand why America’s eastern heartland has suffered for so long,” he says. “It shows us how a shock in one generation can reverberate through the next—an exodus of skilled people now can leave communities short of entrepreneurs and business leaders later.”

By encouraging policymakers to reevaluate their strategies for aiding communities hit hardest by the coal industry’s decline, Krause’s research serves as a call to action. The throughline of her story—from the hills of eastern Kentucky to the campus of Harvard Griffin GSAS—is a commitment to those often overlooked by broader narratives.

Through personal connection and academic rigor, Krause hopes not only to unearth the untold story of Appalachia’s decline but also to help inspire a new, more hopeful chapter.

“I hope that my work serves to catalyze a broader research agenda around the unique challenges faced by communities often overlooked by economists and policymakers,” she says. “Anticipated shifts in our economic and energy landscape ahead threaten to disrupt the livelihoods of individuals and communities well beyond Appalachia’s coal country. We will need to do a lot more work to ensure that these shifts do not push already disadvantaged regions into deeper distress.”

ITL Vessel Line Up

JUL	AUG	SEP	Total Vessel
557	523	501	1581

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)	437	34%
2	India	201	14%
3	Indonesia	166	12%
4	Philippines	142	10%
5	Korea	82	5%
6	Japan	71	5%
7	Malaysia	61	4%
8	Thailand	52	4%
9	Taiwan	41	3%
10	Bangladesh	36	3%
11	Vietnam	35	3%
12	Singapore	21	1%
13	Others	30	2%

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

PORT WISE			
No	Port	Shipments	Percentage
1	Taboneo	295	19%
2	Samarinda	217	14%
3	Palembang	139	9%
4	BCT	121	8%
5	Bunati	110	8%
6	Adang Bay	102	6%
7	Tarakan	94	6%
8	Muara Pantai	76	5%
9	Kaliorang	61	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	Asam - Asam	12	1%
18	IBT	10	1%

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



PT. INTERNASIONAL TOTAL SERVICE & LOGISTICS

Your Reliable Integrated Logistic Partner

www.itlid.com

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