



NEWSLETTER

AUGUST 2023



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Logistic Information

1086

BDI
(Per 31st Aug)

Bunker Price

Bunker Price	Singapore <i>per 31st Aug</i>
FO380	585.00
MGO	944.00

** Inclusive VAT, Income tax & PBBKB.*

Currency exchange Rate (USD)

Buy	: IDR 15,160	Sell	: IDR 15,313
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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 36°/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°/26°C	18 - 25 km/h	0.5 - 0.7 m
Muara Satui	Chance of Rain 33°/22°C	21 - 24 km/h	0.6 - 0.7 m

Congestion Information (July - August)

PORT	PORT STAY	TOTAL STAY
ADANG BAY	1,14	4,61
BALIKPAPAN	2,25	4,43
BCT	3,38	3,9
BONTANG	4,64	5,91
BUNATI	1,34	6,08
IBT	2,33	5
JAMBI	0	9
KALIORANG	2,3	7,2
MUARA PANTAI	1,67	6,05
M SANGKULIRANG	0,23	3,72
MUARA SATUI	0,57	4,86
PALEMBANG	1,82	6,94
SAMARINDA	1,42	5,04
TABONEO	2,21	6,07
TARAHAN	1,71	3,36
TARAKAN	1,91	6,95
TBCT	4,71	5,57
TG BARA	5,36	10,26
TG PEMANCINGAN	1	4
TG SABAU	1	6
TG PETANG	1	6

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	
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



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Coal miners forced to insure themselves amid climate concerns

Source: reuters.com



Load and haul operations at Thungela's thermal coal mining operation, Isibonelo Colliery (formerly Anglo American), in Mpumalanga Province, South Africa, in March 2019 Hanoi (VNS/VNA) – The Vietnam

Some coal producers are having to set aside tens of millions of dollars to cover their own risks as they are cut adrift by insurers, making it more difficult and costly to do business amid a surge in demand for the fossil fuel.

Dozens of insurers have announced restrictions on their cover for the coal industry, particularly for new projects, in response to pressure from shareholders, governments and environmental groups who want to limit coal's contribution to global warming. This follows similar moves by banks to restrict their coal financing activities.

Coal miners need extensive insurance, including for operations, property, equipment and environmental liability. Three insurance brokers said it can now take months and dozens of inquiries to find such coverage for a coal client.

Reuters spoke to five coal mining executives who said the industry is increasingly moving toward self-insurance and self-finance, as the difficulty of securing coverage from insurers makes loans more expensive or unavailable.

Some miners, including South Africa's Seriti Resources and Thungela Resources, are already setting aside capital to self-insure and only buying insurance to protect against larger and less frequent losses.

While Seriti has said it is not struggling to get funding from banks, securing insurance cover has become more challenging, according to its chief financial officer Doug Gain.

"In recognition of ESG and related factors shrinking the availability of thermal coal insurance capacity globally, Seriti has embarked on a journey toward increased



self-insurance," Gain said via email. He did not elaborate on the cost for Seriti, which supplies many of South Africa's coal power stations. Many coal producers are finding workarounds and production continues to rise. The International Energy Agency (IEA) forecasts 2023 global supplies will surpass last year's record of 8.6 billion tons, after the energy crisis triggered by Russia's invasion of Ukraine forced many countries to use coal to keep the lights on.

But the need to earmark funds for self-insurance ties up money on the balance sheets of coal companies and could leave them vulnerable to large costs when something goes wrong, industry analysts say.

A technician prepares a machine for the incoming shift in an underground production section of Thungela's Greenside Colliery in Mpumalanga, South Africa, in June 2019. | ANGLO AMERICAN / VIA REUTERS

Three analysts said that coal companies have been able to absorb any increase in costs due to record profits last year, but may find it harder in leaner times, as the issues with insurance ultimately push up the cost of production.

"Financing becomes impossible without insurance," said Liberum equity analyst Ben Davis. "For existing producers at the moment, this is not a massive issue because they can still set funds aside, given sustained coal prices. But there are going to be tougher times ahead for the ones that don't set the money aside," he added.

The dwindling supply of insurance for coal producers has led to premiums rising nearly three times as much as an industry benchmark, data from brokerage Willis Towers Watson shows.

Thermal coal insurance rates rose more than 20% last year, it said, above the 7.3% rise in the benchmark Marsh Global Insurance Market Index.

Whitehaven Coal, Australia's top independent coal miner, has seen its insurance costs roughly double over the last two years, said a person familiar with the company who asked not to be identified because the information is financially sensitive. Whitehaven declined

to comment.

Take cover

Seriti is using self-insurance to cover damage to some assets while retaining some cover from the insurance industry, such as flood damage or underground fire damage, a spokesperson said.

To reduce the cost of insurance cover, Seriti is increasing the retention of capital in its own insurance unit so that only excess layers of risk need to be insured by third parties.

"We expect the availability of insurance capacity for thermal coal assets to continue to shrink over time and the capacity will likely be extremely limited by circa 2030," Gain said. In the case of Thungela — a company spun off from Anglo American — it set aside 1.2 billion South African rands (\$67 million) to self-insure some of its risk last year, while still sourcing its catastrophic risk cover, including events like mine collapses or natural disasters, from the insurance market. Thungela said it intends to become fully self-insured in future, without specifying the time frame.

Forty-five insurance companies have introduced restrictions now on cover for the coal industry, including Allianz, Swiss Re and Munich Re, according to the Insure Our Future environmental pressure group.

Some insurers still have relatively large fossil fuel businesses, with Bermuda's AEGIS, China's PICC, Russia's SOGAZ, Switzerland's Chubb and Germany's Allianz the top five by gross premiums in 2022, according to data exclusively provided by Insuramore, which produces insurance rankings and analysis.

Dragline operations at Thungela's thermal coal mining operation in Mpumalanga Province, South Africa, in March 2019 | ANGLO AMERICAN / VIA REUTERS

AEGIS said in an email that its coal business represents a small portion of its total and was decreasing, while Allianz said it will phase out coal-based business by 2040.

Chubb, which says it does not insure new risks for miners generating more than 30% of their revenue from coal, declined to comment. China's PICC and Russia's SOGAZ did not respond to a request for comment.

Some coal producers have set up their own separate company to deal with their insurance — called a captive — which can be covered by a combination of their own funds, individual insurance companies and a group of insurance companies working together to share the risk with so-called reinsurance.

Insurance companies can be active in both primary insurance and reinsurance, and have differing commitments on ESG for different parts of their business.

"The majority of the reinsurance market remains open to the ongoing operations of coal companies but not their new projects," said Insure Our Future coordinator Peter Bosshard.

Mutual insurance fraud

In Australia, coal companies have explored setting up a mutual insurance fund they would all pay into as a form of self-insurance, but talks have stalled with a lack of government support, people familiar with the matter said.

"Establishing a mutual fund for the coal industry is a matter for the coal industry," a spokesperson for the Australian Department of Treasury said. "Any financial support or guarantee for a mutual fund would involve a decision of government." The spokesperson did not say whether the government had been approached by companies about the fund. Nombasa Tsengwa, Chief Executive Officer at South African coal miner Exxaro Resources, said insurers in some countries and regions, including in Asia, were more willing to do business than elsewhere.

"What we have also noticed is that there are other jurisdictions that are interested in absorbing the risk of coal businesses," Tsengwa said, referring to more stringent regulations in Europe. "I'm talking about going beyond your normal U.K.-based markets and looking into Asia for funders and insurance cover," she added.

Coal prices hit record highs in September last year as European countries scrambled to replace Russian gas, sending coal miners' profits soaring. But prices have since fallen and analysts say the need by producers to meet more of their own financing and insurance requirements could exacerbate the impact of weaker prices on profits.

Thungela and Exxaro saw their profits fall by 75% and 29% respectively in the first half on weaker prices. Major diversified miner Glencore said its industrial assets' profit fell by 51% in the first half due to lower prices, particularly in coal, and inflationary costs.

Captive coal-fired power plants hinder Indonesia energy transition deal

Source: [mongabay.com](https://www.mongabay.com)

- A \$20 billion climate financing deal between Indonesia and a group of industrialized nations led by the U.S. and Japan has hit a snag due to captive coal-fired power plants.
- Indonesia was supposed to launch an investment plan on Aug. 16 that underpins the deal, called the Just Energy Transition Partnership (JETP), but the launch was delayed to late 2023 because emissions from captive coal plants that are in the pipeline haven't been included in the plan.
- Indonesia will use the money from the JETP deal to cap its emissions from the power sector at 290 million metric tons of CO₂ by 2030, down from 357 million metric tons of CO₂ that are estimated to be released under a business-as-usual scenario.
- When emissions from upcoming captive coal plants are accounted for, the 2030 baseline emissions increased significantly, making it more difficult for Indonesia to hit the

target.

JAKARTA — Indonesia's deal with industrialized countries for the latter to channel \$20 billion in funding to help speed up the former's energy transition is hitting a snag due to captive coal-fired power plants.

Indonesia is among the world's biggest consumers of coal, the single largest energy source of planet-heating carbon dioxide.

Last year, Indonesia burned more coal than any other year, putting the country on track to become one of the largest carbon emitters from fossil fuel in the world.

Therefore, to mitigate global warming, Indonesia has a plan to accelerate the retirement of its existing coal-fired power plants and to develop renewable energy.

Last year, a coalition of industrialized nations led by the U.S. and Japan signed a deal with Indonesia to help the country in its energy transition.

Under the deal, called the Just Energy Transition Partnerships (JETP), the G7 group of industrialized countries, plus Denmark and Norway as well as private financial institutions, pledged to channel \$20 billion to Indonesia.

Indonesia is the second country in the world to have the JETP deal after South Africa. Therefore, analysts hope the Southeast Asian country could be a model to get other developing countries off coal power.

Before the money can start pouring in, Indonesia needs to come up with a plan for how it will spend the \$20 billion.

In February, the Indonesian government established a secretariat to formulate the document, called the comprehensive investment and policy plan.

The JETP secretariat was scheduled to finish drafting the investment plan and release it to the public Aug. 16.

The secretariat has submitted a draft of the plan to the government and the JETP partners, but the comprehensive strategy will not be made public until late this year.

In a statement, the secretariat said it had to go back to the drawing board because unspecified "additional data" need to be included in its analysis.

These "additional data" are related to emissions from the country's captive coal-power plants and mineral processing infrastructure, according to the Institute for Essential Services Reform (IESR), a think tank that is part of the secretariat's technical working group. Under the JETP deal, Indonesia aims to cap its greenhouse gas (GHG) emissions from the power sector at 290 million metric tons by 2030, down from 357 million metric tons of CO₂ that are estimated to be released under a business-as-usual scenario.

This baseline value of 357 million metric tons comes from a calculation made by the International Energy Agency (IEA), which was requested by the Indonesian government to

develop a comprehensive road map for the country to reach net zero emissions by 2060. In the road map, which charts a path for the country's energy transition over the coming decades, the IEA used government data, which include data on captive coal power plants aimed at supplying industrial and commercial consumers without feeding into the grid. But the data used in the IEA report were not the most recent. Since the report was written, many captive coal plants have gone online, IESR executive director Fabby Tumiwa said. So when the JETP secretariat's technical working group calculated Indonesia's projected emissions in 2030 again using the latest data, which included the recent captive coal plants that went online, the projections were significantly higher than 357 million metric tons, he said.

"When [emissions from] all these [new captive coal plants] were calculated, we came up with a new emission baseline for 2030 that's much higher than the one calculated by the IEA in 2021," Fabby told Mongabay.

This increase in the 2030 baseline emissions makes it more difficult for Indonesia to hit the target to cap its power sector emissions at 290 million metric tons.

Coal on a barge near Tanjung Redeb, East Kalimantan. Image by Rhett A. Butler/Mongabay.

Captivated by captive coal

The JETP secretariat's working group also didn't consider the large number of captive coal plants that are expected to be built in the coming years, according to Raditya Yudha Wiranegara, a senior researcher at the IESR.

Indonesia had 18.8 gigawatts of coal power considered under construction by the end of 2022. Most of these new coal plants, 13 GW or 69%, will be captive plants.

This includes a \$2 billion plan by Indonesia's largest coal mining company, Adaro Energy, to build an aluminum smelter and captive coal plants on the island of Borneo.

An official familiar with the JETP discussion told Tempo that the industrialized countries took issue with the large number of captive coal plants planned to be built that will feed electricity into smelters in Indonesia.

Activists have pointed out that the new captive coal plants coming online will negate any effort by the government to cut the coal capacity in the grid as part of Indonesia's wider emissions reduction plan.

Raditya said the working group didn't consider the planned captive plants because it initially thought that the emission reduction target laid out in the JETP deal was only related to the phasing out of coal-fired power plants owned by the state utility, PLN.

"We just realized when we communicated with the Ministry of Energy and Mineral Resources that the emission reduction target isn't only related to the shuttering of state coal plants, but also captive power stations," he told Mongabay.

This realization came a month before the Aug. 16 deadline, Raditya said.

He said the error was caused by lack of communication between the JETP secretariat and the energy ministry.

“We didn’t involve the energy ministry from the beginning, and there’s a lack of communication with them as well,” Raditya said.

Aerial view of coal mining in Borneo, Indonesia. Image by Rhett A. Butler / Mongabay.
Licensing spree

There are many captive coal plants in the pipeline because the government has been issuing permits to build coal plants left and right in the past few years, according to Fabby.

“In the past two years alone, the government kept issuing permits [to build captive coal plants]. It never stopped,” he said.

This spree of permit issuance could happen despite a moratorium on new coal plants that the government announced in 2021.

This is because a 2022 regulation issued by President Joko Widodo stipulates that the coal moratorium contains loopholes.

The regulation still allows the development of new coal plants as long as they’re “integrated with industries that are built orientated to increase the added value of natural resources or are included in the national strategic projects that have a major contribution to job creation and/or national economic growth.”

This means that captive coal plants built for nickel and aluminum smelters fall under both categories as metal refining and being nationally strategic, and they can still be built.

Bhima Yudhistira, director of the Center of Economic and Law Studies (CELIOS), called the 2022 regulation “the root of the problem” as it means there’s no limit to the number of captive coal plants that can be built.

This explosion of new coal plant permits coincides with the government’s efforts to process mineral resources in the country as a way of profiting from the added value.

One such mineral the government is promoting heavily is nickel, of which Indonesia is the world’s top producer. The metal is a key element in the batteries that power EVs and energy storage systems, and the government is banking on its nickel reserves to become an EV powerhouse.

A recent report by CELIOS shows the coal plant building spree is very much tied to EV battery production, with most of the plants serving the steel and nickel processing industries on the islands of Sulawesi and Maluku. These in turn are funded mostly by Chinese companies.

“From the beginning, the government has said that energy transition shouldn’t disturb Indonesia’s economy and efforts to process mineral resources,” Fabby said.

These downstream mineral industries see coal as the most reliable and cheapest source of

energy.

Since factories and smelters operate 24 hours, they need a steady stream of power, known as base load, to prevent hiccups in daily operations.

Therefore, it wouldn't be easy to ask industries to not build captive coal plants or to shutter existing captive power stations, Raditya of the IESR said.

For one, these are plants that can't be shut down without shutting down the industries they power. Therefore, they will need renewable energy that could provide base load electricity to replace coal, Raditya said.

"But there might not be base load renewable energy, such as geothermal and hydro, available in their smelter areas," he said.

Other sources of renewable energy, like solar and wind, are known to have an intermittency problem, where they aren't sufficiently reliable to provide a steady supply of power.

But experts have pointed out that the problem of intermittency becomes less of a factor the more renewable capacity is built. And since solar prices have dropped significantly, operators can overbuild the system to provide enough energy even on cloudy days.

Singgih Widagdo, chairman of the Indonesian Mining and Energy Forum (IMEF), encouraged more industries to build renewable power stations for their factories and smelters rather than coal by working with international corporations with experience in the electricity sector.

"A few companies are opting for renewable energy captive power generation, but the capacity is not big yet," he said as quoted by The Jakarta Post.

The Cilacap coal-fired power plant in Indonesia is partially owned by a subsidiary of state-owned utility PLN. Image courtesy of Trend Asia.

Homework

With the new emission baseline in place, the working group is now charting pathways to achieve the JETP emission reduction goal to be included in the investment plan, Raditya said.

The plan will include details like what the capacity expansion of renewable energy will look like, what the potential solutions for the issue of captive coal plants are and how much investment is needed for each of the solutions.

Fabby said it's actually a good thing the public launch of the JETP investment plan is delayed, as it gives the secretariat more time to find solutions to the captive coal problem.

"The investment plan document will give indications on what we could do in the next three years, and these are very critical years for us to take concrete actions," he said.

To address the issue of captive coal, it is also important for the government to disclose the data so the public can scrutinize it, said Grita Anindarini, a program director at the

Indonesian Center for Environmental Law (ICEL).

“It’s important for the government to build a consolidated database for captive coal plants, and the public should be able to access this database as well,” she told Mongabay. While the JETP secretariat said the delayed investment plan launch is caused by technical issues, Luhut Binsar Pandjaitan, the coordinating minister in charge of investment as well as energy issues, put the blame on the group of industrialized nations that signed the JETP deal.

Luhut, one of the lead players in charge of the JETP program, questioned whether rich countries are truly committed to helping Indonesia stop its coal addiction.

He said it’s this lack of clarity in their commitment that has caused the launch of the investment plan to be postponed.

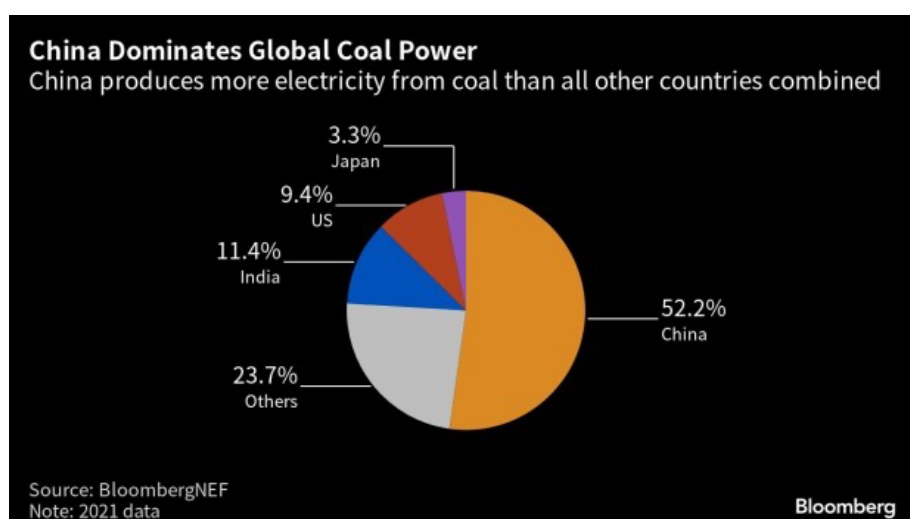
Luhut said preparations to start the JETP mechanism had been completed from the Indonesian side.

And now the ball is in the hands of industrialized countries.

“It’s been reported that we are the ones who regress [on JETP], but it’s actually them [industrialized countries] who’s not clear,” Luhut said Aug. 18, as quoted by kumparan.com.

China’s Coal Build-Out Raises Questions on Future Power Plans

Source: [bnnbloomberg.ca](https://www.bnnbloomberg.ca)



(Bloomberg) -- China is continuing to permit massive amounts of new coal power plants, raising questions about its promises to consign the fuel to a supporting source for renewables.

The dirtiest fossil fuel has long been China’s mainstay energy source, accounting for more

than 56% of total consumption. As the country has focused on meeting climate goals and installed record amounts of renewables, government officials have changed their terminology, increasingly referring to coal as having a “supporting” role to wind and solar.

The surge in new coal plant approvals, which began after power shortages last year, is raising questions about China’s commitment to that new role, Centre for Research on Energy and Clean Air and Global Energy Monitor analysts said in a joint report on Tuesday.

From January to June, China permitted 52 gigawatts of new coal capacity, bringing the total amount of plants approved or under construction to 243 gigawatts, the analysts said. That’s more than all the existing coal plants in the US, and would increase China’s capacity to burn the fuel by 23%.

Perhaps more concerning than the size of the fleet of polluting plants is their location, the researchers said. Most are being built in provinces that already have more than enough existing coal plants to meet demand peaks and balance out intermittent wind and solar generation.

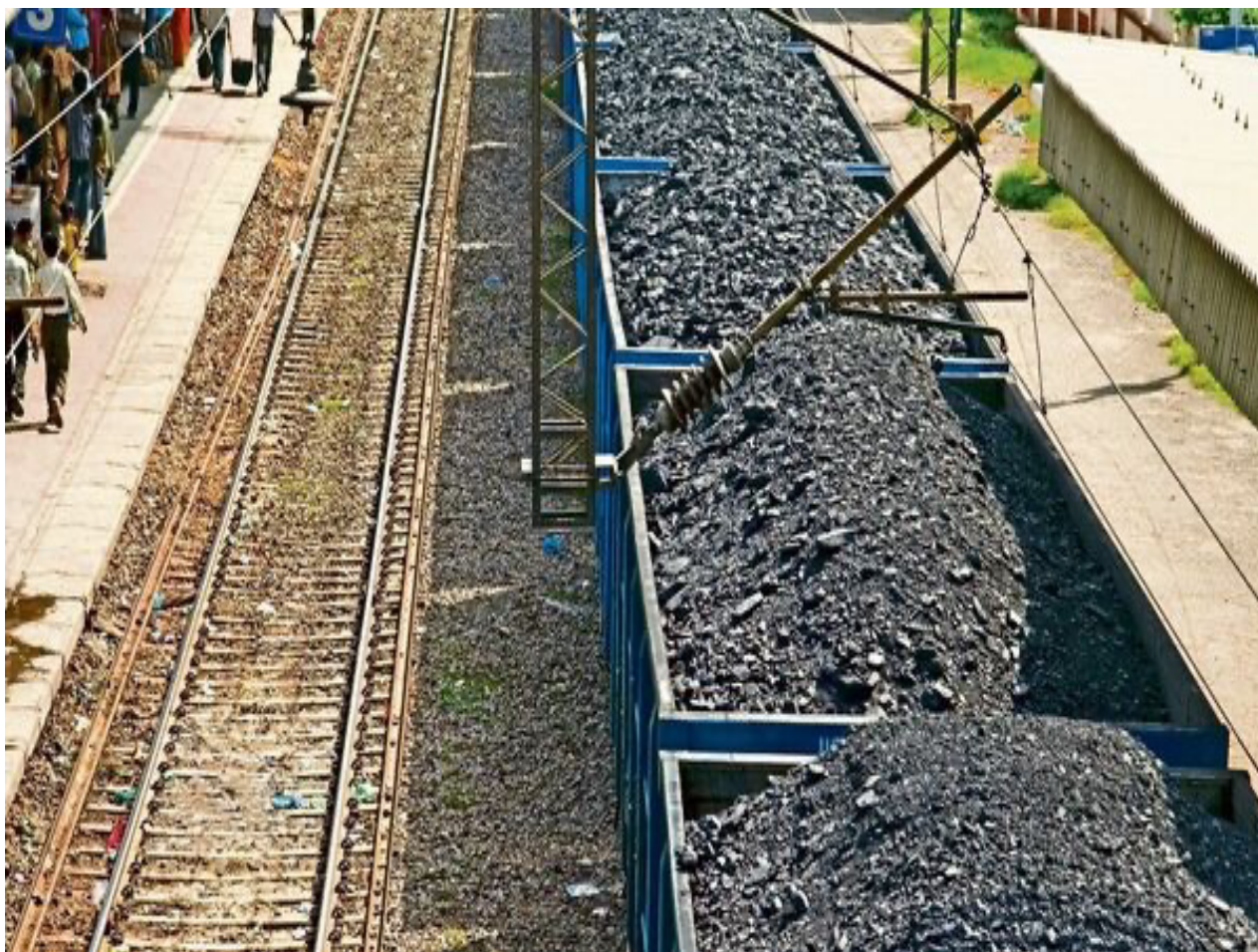
In the industrial powerhouse province of Guangdong, for example, the official five-year plan for energy development published in March 2022 called for strictly controlling new coal projects. But a revision published this May, after last year’s summer power shortages, instead aimed to commission 13 gigawatts of new coal plants by 2025.

“The changes to Guangdong’s energy plans make it clear that despite the rhetoric, the new wave of coal power projects is not supporting but hindering the uptake of clean energy,” the researchers said.

India’s coal stock above 88 million tonne, up 24.7% on year

Source: [Livemint.com](https://www.livemint.com)

As of 23 August, Coal India reported a stockpile of 46.13 million tonne, reflecting a growth rate of 45.5%



The coal industry has also ramped up production, which reached 340.31 million tonne, up 10.52% over the previous fiscal year.. (File Photo)

New Delhi: India's coal stockpile has surged to 88.01 million tonne as of 23 August, up 24.7% compared with the previous year, according to data released by the Ministry of Coal.

"This substantial growth in coal stock positions underscores the government's commitment to ensuring a robust and reliable supply of coal, which plays a pivotal role in India's energy landscape," the ministry said.

Coal India Limited (CIL), the state-owned mining giant, has also shown remarkable progress in managing its pithead coal stock. As of 23 August, CIL reported a stockpile of 46.13 million tonne, reflecting a growth rate of 45.5% compared to the 31.70 million tonne held on the same date in 2022. This achievement is a testament to CIL's effective stock management strategies and operational efficiency.

India's power sector continues to receive a steady supply of coal, with cumulative coal dispatches for the fiscal year 2023-24, as of 23 August, 2023, reaching 307.97 million

tonne. This figure represents a significant growth rate of 5.6% compared to the corresponding period in the previous fiscal year, indicating a successful effort to meet the energy needs of the nation.

The coal industry has also ramped up production, which reached 340.31 million tonne, up 10.52% over the previous fiscal year.

Simultaneously, overall coal dispatches have surged to 371.11 million tonne compared with 338.66 million tonne dispatched during the same time in the previous fiscal year.

Have Coal, Will Use It: Indonesia's Climate Stance Raises Questions

Source: [mongabay.com](https://www.mongabay.com)

- Experts have questioned Indonesia's climate commitments after recent pushback from top officials to calls to speed up the retirement of the country's coal-fired power plants.
- Indonesia also rejected a target to triple renewable energy capacity, even though the country's development of renewable energy remains sluggish.
- "If we have coal, then we should use it," the country's finance minister said recently, further fueling concerns that the country has little intention of transitioning away from fossil fuels to renewable energy.

JAKARTA — Recent statements by top Indonesian officials have climate activists questioning the country's commitment to transitioning away from fossil fuels and toward renewable energy.

At an event in Jakarta on July 21, Finance Minister Sri Mulyani Indrawati pushed back against calls by the international community for Indonesia to end its reliance on coal by retiring its coal-fired power plants.

"If we have coal, then we should use it. European countries, the U.S., and even Japan still use coal. Why, when Indonesia wants to use [coal], does it become an issue?" she said. That same week, at an energy summit of leaders of the G20 economies in India, Indonesia was among the countries that objected to a proposed road map to phase out the use of fossil fuels without the capture of emissions in the global energy mix.

Yudo Dwinanda Priaadi, an assistant to the energy minister, said Indonesia had objected because the country planned to use abatement and removal technologies to reduce carbon dioxide emissions from the burning of coal. He told The Jakarta Post that installing carbon capture and storage (CCS) technology at existing coal plants is the "easiest

thing to do” to cut emissions.

The push against phasing out fossil fuels is reportedly led by Saudi Arabia, the world’s second-largest oil producer. Saudi Arabia has opposed more ambitious language, particularly in reference to the phaseout of fossil fuels, in U.N. climate negotiations.

The G20 meeting not only failed to come into an agreement on speeding up the phaseout, but the final statement after the meeting didn’t even mention coal.

Heavy reliance on coal

Indonesia is the world’s third-largest coal producer and a major consumer of the fossil fuel, which accounts for 43% of the country’s energy mix. Last year, its coal consumption reached a record high, catapulting the country to become the world’s sixth-highest fossil CO2 emitter, behind Japan.

Coal burning is thought to be responsible for more than 0.3° Celsius of the 1°C (0.5° Fahrenheit out of 1.8°F) increase in global average temperatures since pre-industrial levels. This makes it the single largest source of global temperature rise.

Under the Paris Agreement, to which Indonesia is a signatory, countries have pledged to limit the global temperature rise to 1.5°C (2.7°F). A key part of that pledge for most countries, including Indonesia, is transitioning away from fossil fuels and toward clean energy. That includes retiring coal-fired power plants earlier than their expected operating age, and also speeding up the development of renewable energy.

But when the G7 group of richest countries proposed a goal of tripling renewable energy capacity by 2030 during the G20 meeting in India, Indonesia and other fossil fuel producers like Saudi Arabia, Russia and China rejected the proposal.

This marks a setback for Indonesia, given its announcements of more ambitious emissions reduction and coal phaseout goals, said Adila Isfandiari, a climate and energy campaigner at Greenpeace Indonesia.

In 2021, the government said it would start retiring coal-fired power plants for good, and in 2022 said it would decrease its carbon emissions by 32% in 2030, effectively setting itself a higher goal under the Paris Agreement.

The ultimate goal is to achieve net-zero emissions by 2060 or earlier.

To achieve these climate goals, Indonesia was able to secure a number of funding commitments from rich countries and banks. One of them is the Just Energy Transition Partnership (JETP), a funding scheme where the G7 countries plus Denmark and Norway have agreed to channel \$20 billion to fund Indonesia’s transition to clean energy and coal retirement. The JETP scheme was announced during last year’s G20 summit, which was hosted in Indonesia.

“The JETP agreement was a promising start as it showed goodwill during last year’s G20 summit,” Adila told Mongabay. “But why was there a setback at this year’s G20 meeting?”

We showed our spirit in energy transition [last year], but when we were offered a target [to phase out coal and triple renewable capacity], we rejected it.”

The JETP agreement is supposed to serve as a catalyst for future funding commitments to support Indonesia’s climate and energy transition agenda. But Indonesia’s stance at the recent G20 meeting as well as Finance Minister Sri’s statement could discourage other countries and financial institutions from investing in Indonesia’s climate programs, Adila said.

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“The JETP is a good precedent and if it succeeds, Indonesia will be able to tap into other sources of funding,” she said. “But if the JETP in Indonesia fails, then it will set a bad example for financing.”

Adila also said such statements from Indonesian officials demonstrate little sense of responsibility. While Indonesia is classified as a developing country, it’s still a member of G20 countries with the biggest economies, which together account for 80% of global emissions and gross domestic product, she noted.

‘Era of global boiling’

The recent developments by Indonesian officials come as global temperatures hit record highs, with this past July the hottest month on record. With heat waves sweeping the Northern Hemisphere and devastating wildfires in countries such as Greece, Italy and Algeria, “the era of global warming has ended” and “the era of global boiling has arrived,” United Nations Secretary-General António Guterres said.

“The consequences are clear and they are tragic: children swept away by monsoon rains; families running from the flames; workers collapsing in scorching heat,” he said.

Guterres called on world leaders, particularly those from the G20, to step up for climate action and climate justice as they are responsible for the majority of global emissions. He said G20 members must adopt more ambitious emissions reduction targets and for all countries to try to reach net zero by 2050.

But that call might be in vain if Indonesia’s stance is anything to go by, Adila said.

“Looking at the fact that the G20 is responsible for more than 70% of global emissions, Indonesia should realize that our responsibility to achieve the 1.5°C and net-zero emissions targets as a G20 member is huge,” she said. “So our target should be more ambitious because we know that energy contributes to emissions the most. With that big of a portion [of the G20], shouldn’t we take more responsibility? Our failure to take responsibility could jeopardize the 1.5°C and net-zero emissions targets.”

Yet by rejecting the G7 proposal during the G20 meeting in India, Indonesia failed to show climate leadership, according to Rere Jambore Christanto, an energy campaigner

at the Indonesian Forum for the Environment (Walhi).

He said Indonesia tends to point the finger at other countries when it comes to climate action like phasing out coal.

“If others don’t do it, then we don’t want to do it,” Rere told Mongabay. If all countries were to act this way, he said, “then there’s not a single country which would be willing to phase out coal without looking at what other countries are doing.”

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This attitude shouldn’t even be an issue, he added, given President Joko Widodo’s own unequivocal statements committing to phasing out coal and speeding up the development of renewables. At the online Leaders Summit on Climate Change that U.S. President Joe Biden hosted in 2021, Widodo said Indonesia was leading by example in addressing climate change.

And at an annual trade fair in Germany in April 2023, he reiterated Indonesia’s commitment to shut down all coal-fired power plants by 2050 and build more renewable energy. “We walk the talk, not only talk the talk,” Widodo said.

This doesn’t square with the finance minister’s recent statement, or with the glacial pace of renewable energy development in Indonesia, Rere said. Over the last five years, Indonesia has added just 400-500 megawatts of renewable energy per year, which in 2022 accounted for 12.3% of the total energy mix — far short of the 23% target by 2025.

“So we’re waiting for investment and for other countries to change, before we want to change ourselves,” Rere said.

Funding feud

Yudo from the energy ministry said Indonesia disagreed with the proposal to triple renewable capacity because this can only be achieved with financing support from developed countries.

Low-income and developing countries have long been calling for wealthy nations to mobilize funding to help them reduce their emissions and adapt to climate change. Studies show that historically rich countries are the ones most responsible for climate change, as they’ve been burning fossil fuels to develop their economies for much longer than developing nations — and yet it’s the latter that face disproportionate challenges when addressing climate risks.

A study recently published in the journal Nature Sustainability found that all the 39 high-emitting countries of the Global North had already blown through the carbon budget — the amount of CO₂ the world can release without overshooting the 1.5°C threshold — back in 1986.

As of 2019, the Global North countries, like the U.S., Canada, Europe, Australia, New Zealand, Japan and Israel, had already exceeded their 1.5°C carbon budget by more than 2.5

times.

On this count, these countries would owe a total of \$192 trillion, or \$6.2 trillion per year over 31 years, to the rest of the world to compensate for atmospheric appropriation. These figures don't include payments that rich countries may owe for the costs associated with decarbonizing or adapting to climate change.

The U.S., the European Union and the U.K. alone owe around two-thirds of the total financial compensation from overshooting countries.

To help developing countries combat climate change, rich nations pledged to collectively mobilize \$100 billion per year by 2020. The goal has been extended to 2025.

Yet even by this much lower accounting standard, these rich nations have still fallen short. In 2020, they provided only \$83.3 billion, according to the Organisation for Economic Co-operation and Development (OECD).

Indonesia's President Widodo is among the Global South leaders who have questioned the commitment of Global North countries to help with climate funding.

"I have to be honest, developing countries are doubtful of developed countries' funding commitments, which until now have not met their \$100 billion per year commitment," he said at a G7 meeting on climate in Japan in May.

As such, it would be unrealistic for a country like Indonesia to adopt the target to triple renewable energy capacity proposed by the G7 countries, Yudo said.

"If you back us up with the \$100 billion you promised, we would welcome the plan to accelerate [the energy transition]," he said. "But if you're only talking about targets without adequate financial resources, it's not that we don't agree, it's just less [feasible]."

The Indonesian government had previously said that to transition from fossil fuels to renewable energy and ensure affordable electricity prices, it would need at least \$1 trillion until 2060.

But experts say this lack of funding from rich countries should not be an excuse for Indonesia not being more ambitious in its climate actions. Grita Anindarini, a program director at the Indonesian Center for Environmental Law (ICEL), said that if the government could commit funds for carbon capture and storage technology that's still largely untested and unproven, then it doesn't lack funds for boosting renewables.

Under its "Long-Term Strategy for Low Carbon and Climate Resilience 2050," the government plans to retrofit three-quarters of all coal plants with carbon capture technology. The first such project, BP's Vorwata development, is touted as being able to capture and store 25 million metric tons of CO₂, at a cost of \$3 billion.

And if similar technology is to be installed across all state-owned coal power plants, it would cost the country \$700 billion.

“Instead of investing in CCS, why don’t we use the money to triple our renewable energy capacity?” Grita told Mongabay.

Adila of Greenpeace, meanwhile, pointed out that the Indonesian government is still allowing the construction of new coal-fired power plants, with a combined capacity of 13 gigawatts, that have already been tendered out. Crucially, a 2022 regulation issued by President Widodo greenlights the construction of what’s known as captive coal plants, which are built specifically to supply certain industries and not to feed into the grid.

“Sri Mulyani said that there’s no money to retire coal-fired power plants because it’s expensive. This begs a question. We know that coal retirement is expensive, so then why keep building new coal plants?” Adila said. “In order to build the new coal plants, we have to take loans. In order to retire them, we also have to take loans.”

More economists than climate experts

Adila said that while it’s true that developed nations have a moral obligation to provide climate funding to developing countries, Indonesia also needs to strengthen its climate policies and actions without waiting for help from the outside.

“How can we ask for money [from developed countries] when our policies are still very weak?” she said. “When Indonesia’s commitment to tackle climate change is still weak, and our policies contradict the energy transition path, we’re afraid we won’t be able to tap green funding at the global level. We might miss the opportunity.”

To strengthen climate policies, a sense of crisis needs to be instilled in political leaders and policymakers, according to Mahawan Karuniasa, a climate expert at the University of Indonesia.

In a 2020 interview with the BBC, President Widodo said his top priority was to boost economic growth, and that while issues such as the environment and human rights were important, he preferred to focus on one thing at a time.

“A sense of crisis hasn’t been integrated into the current political narratives,” Mahawan told Mongabay. “What’s needed to be done is building environmental perspective among the leaders so that they do not only think about politics and the economy.”

The same goes for the G20 forum, where climate concerns are largely crowded out by economic ones, he said. The Indonesian delegation to the G20, Mahawan said, had more economists than climate experts.

“That’s why there’s not enough sense of crisis,” he said.

ITL Vessel Line Up

JUN	JUL	AUG	Total Vessel
501	557	523	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%

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