



# NEWSLETTER

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## OCTOBER 2023



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## Logistic Information

1.459

BDI  
(Per 31st Oct)

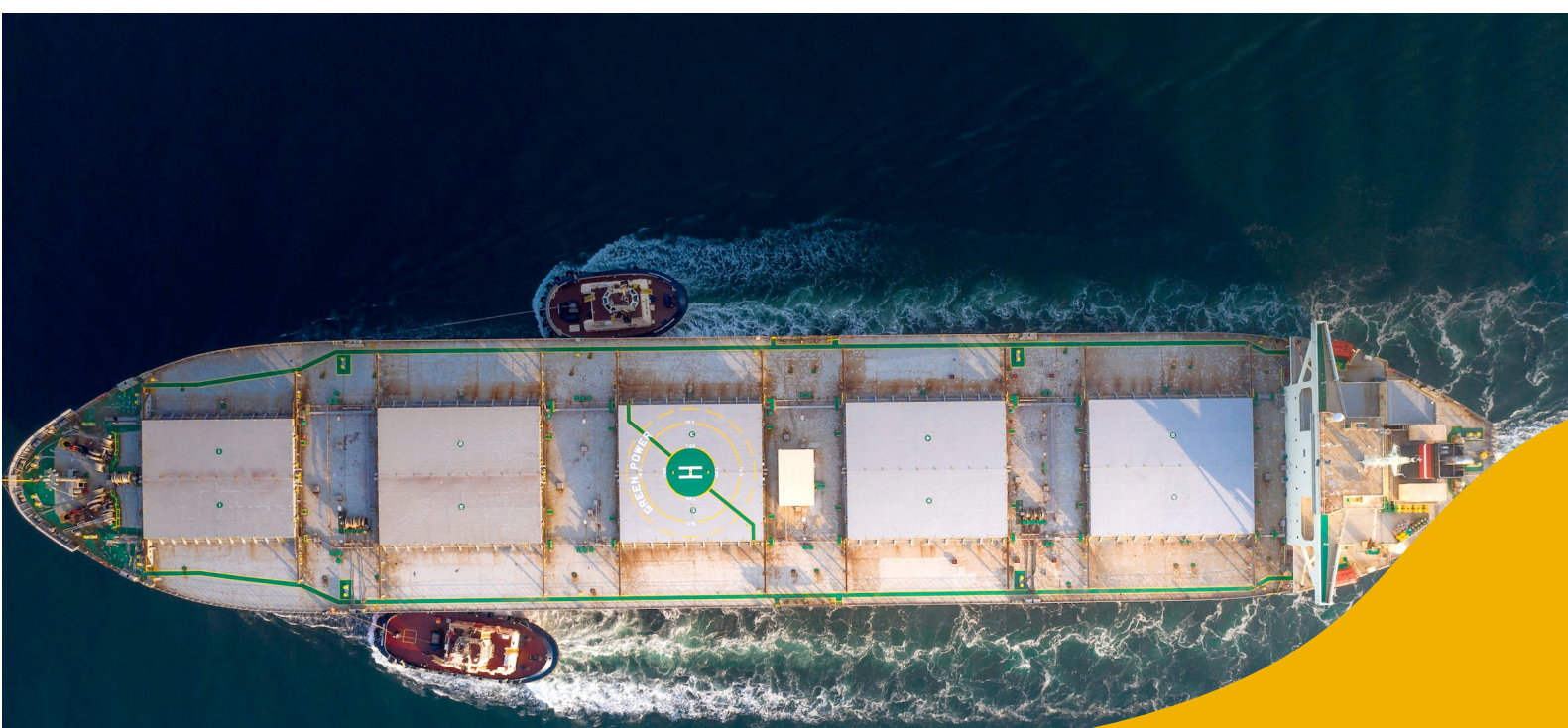
### Bunker Price

Bunker Price	Singapore <i>per 31st Oct</i>
FO380	472.00
MGO	853.00

\* Inclusive VAT, Income tax & PBBKB.

### Currency exchange Rate (USD)

Buy	: IDR 15,775	Sell	: IDR 16,075
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## Weather Forecast



Area	Weather	Winds	Swell
Samarinda	Chance of Rain 33°/24°C	8 - 14 km/h	0.1 - 0.2 m
Banjarmasin	Chance of Rain 36°/24°C	14 - 13 km/h	0.2 - 0.4 m
Balikpapan	Chance of Rain 33°/26°C	8 - 10 km/h	0.2- 0.3 m
Tarakan	Chance of Rain 32°/26°C	10 - 14 km/h	0.1 - 0.2 m
Muara Satui	Chance of storm 35°/24°C	9 - 14 km/h	0.2 - 0.5 m

## Congestion Information (Sept- Oct)

PORT	PORT STAY	TOTAL STAY
ADANG BAY	2,26	5,26
BALIKPAPAN	1,53	3,16
BCT	2,91	3,38
BONTANG	5,57	7,14
BUNATI	3,74	9,09
KALIORANG	2,32	7,17
BUNATI	3.97	8.57
KALIORANG	2,32	7,17
MUARA PANTAI	2.6	7.67
MUARA PANTAI	2,94	7,56
M SANGKULIRANG	0,39	5,48
MUARA SATUI	2	6,33
PALEMBANG	2,86	9,29
SAMARINDA	6,84	9,7
TABONEO	4,03	8,18
TARAHAN	2,33	4,25
TARAKAN	4,22	8,78
TG PEMANCINGAN	2	5,5



# 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	123.96
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



# Asean energy transition faces financing challenges

Source: [Argusmedia.com](https://argusmedia.com)

Southeast Asian countries need much more funding to meet their energy transition goals, and blended financing is key, speakers at the Singapore International Energy Week conference said.

But the region faces significant challenges in achieving the right mix of public and private financing.

Financing for decarbonisation projects in southeast Asia takes three forms, said senior research fellow at the Energy Studies Institute of the National University of Singapore, Kim Jeong Won. The first is bilateral or multilateral official development assistance (ODA), or international public climate finance. The second is domestic public or private climate finance, which entails government expenditure and financial products such as green bonds and loans. The third is private investment consisting of foreign direct investment or domestic investment.

Asean has received \$2.24bn worth of ODA between 2012-21 for renewable energy generation projects, said Kim. Indonesia and Vietnam received the bulk of these investments, with shares of 44pc and 34pc respectively. Green bonds and loans for Asean members totalled \$12.8bn in 2022, with cumulative amounts between 2016 and 2022 reaching \$50.6bn. Almost 80pc of these funds have gone into green building and energy.

According to renewable energy agency Irena's calculations, global investments in energy technologies reached \$1.3 trillion in 2022, but additional investments of \$4.4 trillion/yr are required to further develop renewable energy technologies to meet Paris climate agreement targets, and in southeast Asia, this amounts to \$6 trillion by 2050, director of external relations at the Energy Market Authority of Singapore, Jonathan Goh said.

Developing economies in southeast Asia hence require substantial amounts of private investment to reach their energy transition goals. Blended financing could allow for this if ODA, government funding and private sector financing is structured in a way that supports private sector investment in the renewables sector, said Jennifer Tay, Asia-Pacific infrastructure leader at PwC Singapore.

## Private capital still elusive

But receiving private investment is currently challenging, as many energy transition projects on the table still have not crossed the threshold for bankability, which means that private capital cannot come in, said managing director of the Monetary Authority of Singapore, Ravi Menon.

Many coal-fired power plants in Europe are ageing, making them easier to phase out. In comparison, in Asean, "we have a very young fleet of coal-fired power plants, and whereas a lot of private capital [has gone into] renewable energy... almost no capital, except for the Energy Transition Mechanism by the ADB, is going to the coal phase-out," Tay said, reiterating that for developing countries, energy security will take priority, and the most economically viable and affordable option will be chosen to drive economic growth.

Blended finance is hence essential "because it encapsulates the way public-private partnerships can work," said Menon. ODA is important in areas that are not receiving private sector funding, so that "the project gets off the ground before private sector money wants to come in," according to Tay. ODA also helps to de-risk projects as "you need a layer of concessionary capital to reduce the overall cost of capital, so that private capital can come in," Menon said.

But ODA money in the renewable energy generation sector in Asean will likely not increase, said Kim, as these funds are not intended only for this region. Multilateral ODAs will likely prioritise less developed countries outside of Asean, she added.

This was echoed by senior energy specialist at the Asian Development Bank (ADB), Architrandi Priambodo, who said that while the ADB provides financing for developing member countries, "what we see in Asean, because many of the countries have already reached [upper or middle level] income, for us as a multilateral development bank, it's more difficult to [provide] concessional financing for those types of countries".

But support can be provided in other ways, said Priambodo, using the example of the ADB's Energy Transition Mechanism, where public and private investments from governments, multilateral banks, philanthropies and long-term investors can help to retire coal power assets on an earlier schedule than if they were to remain with current owners. Power purchase agreements for coal-fired power still have a few years left on them before they expire, "so if there is no incentive to restructure these PPAs, the coal-fired power plants will continue to operate", Priambodo said.

Critical to financial firms' ability to support the transition away from coal and other fossil fuels are clearer government-set sectoral pathways, said Menon, providing Malaysia's energy transition roadmap as an example. Pathways set out by the IEA, for example, are also important "because financial institutions need to refer to them and determine whether [they are] on a pathway that is consistent with net zero, otherwise there is reputational risk and there's project risk". In the managed phase-out of coal, for instance, "you need clarity about [whether] when the coal plant is retired early, no new coal plants will be built," he added.

## Survey system glitch threatens Indonesian coal supply

Source: [argusmedia.com](https://argusmedia.com)

Indonesian thermal coal supplies have come under pressure as the integrated system for tracking shipment reports submitted by surveyors faces disruptions.

A number of surveyors — entities that survey coal cargoes for quality and quantity — have been logged out of the government's marketing verification module (MVP) system, affecting the issuance of survey reports known as Laporan Surveyor (LS) and verification reports called Laporan Hasil Verifikasi (LHV). This has affected barging and vessel loading operations since 23 October as surveyors have been unable to issue the reports, market participants said.

The latest disruption follows a similar issue earlier this month and comes as surveyors did not comply with an advisory issued by the country's energy ministry (ESDM). The ministry on 9 October asked surveyors to carry out the technical verification of coal cargoes and finalise transactions within 10 days of the planned shipment dates by coal producers. The ESDM initially gave surveyors until 20 October to comply with the directions as in some cases data tracking back to 2019 were to be input in the system. But Indonesia's key surveyors did not comply with the directions on time, leading to the revocation of rights to access the system, market participants added.

The impact on coal volumes could not be immediately ascertained as the issue still persists, with discussions continuing between surveyors and the ESDM. One of the main surveyors may have regained the access to the government system, indicating that the issue might be resolved soon. Indonesia exported 335mn t of coal in January-August, up from 295mn t a year earlier. The shipments averaged 42mn t/month, and roughly 1.4mn t/a day.

The disruption has created confusion with respect to potential demurrages and penalties owing to the extended loading periods, another market participant said, adding that some buyers might seek replacement cargoes from origins including the Philippines.



The latest issue underscores the problem Indonesia is facing in modernising and integrating the processes involved in exports of coal. The country has integrated its systems for recording coal production, barging, survey and royalty payment among other steps as part of its move to streamline its processes. But the recent disruptions to the system have affected barging, loading of coal, and have weighed on overall availability of spot cargoes in the market. The pressure on supplies comes as several producers were still waiting for a government decision on their revised work plan (RKAB) for the year. Indonesia recently launched an E-RKAB work plan system to facilitate revised RKAB approvals. But some participants were wary about the efficiency of the RKAB approval processes after experiencing significant hiccups in the production tracking and royalty payment systems.

Seaborne coal supplies from Indonesia have also faced issues from changes in weather conditions and accidents in recent months. Persistent dry weather in South Sumatra province has exacerbated dust pollution, disrupting coal supply in the region. A major Indonesian low-calorific value (CV) coal producer issued a force majeure last month, after a truck accident occurred on a coal-hauling road in east Kalimantan.

## Cheap electricity and jobs keep Serbia tied to coal

Source: [today.rtl.lu](https://today.rtl.lu)



Serbia depends on coal for some 70 percent of its power / © AFP

The Kolubara coal mine in Serbia never closes -- 24 hours a day, 365 days per year, excavators work around the clock gnawing away at the soil to extract the fossil fuel. Although most of the world is shifting away from using coal because of accompanying pollution, Serbia continues to rely on it, depending on coal for some 70 percent of its power.

The fuel ensures low electricity prices and provides thousands of jobs in the poor Balkan nation.

Aside from coal, a quarter of Serbia's power comes from hydroelectric power stations, with the remaining fraction from renewable energy sources.

The coal extracted at Kolubara reportedly powers enough stations to produce half of the country's electricity, with more than 11,000 workers employed to extract between 26 million and 27 million tonnes of coal every year.

Electricity prices are significantly lower in Serbia than in much of Europe -- in June, a kWh was 0.096 euros, a third of the average of 0.289 in the European Union.

Serbian populist president Aleksandar Vucic often mentions the low electricity prices during his speeches.

However, Serbia has been under pressure from the International Monetary Fund (IMF) to raise prices and has had three tariff hikes this year.

"Ongoing electricity and gas tariff hikes have helped to reduce fiscal subsidies and will be critical for financing essential energy investments over coming years," the IMF said in a press release in June.

- 'Divine gift' -

Moving away from fossil fuels is due to be a key discussion topic at the 2023 United Nations Climate Change Conference (COP28) in Dubai next month.

But in places such as Serbia, which have relied on coal for decades and have limited resources for the investment required to switch to greener alternatives, weaning off the power source still seems like a distant project.



Serbian populist President Aleksandar Vucic often mentions the low electricity prices during his speeches / © AFP

"For years, coal has been considered a kind of divine gift in our energy production," Hristina Vojvodic of the Renewables and Environmental Regulatory Institute (RERI) told AFP.

Serbia adopted the emissions reduction plan (NERP) in 2020 and vowed to

"decarbonise" completely by 2050. But coal's share in power generation has not changed much since.

"The country has no real intention of getting out of coal. There are plans and strategies being drawn up, but when it comes to getting out of coal, the decisions aren't there," Vojvodic said.

She said that Serbia also promised to reduce the use of coal by up to a quarter by 2030.

"That could mean five percent. It could mean 20 percent. We don't know anything about it," said the lawyer, whose institute last year succeeded in having a Belgrade court recognise the harmful role of thermal power stations on health.

The court also ordered EPS, the state-owned electricity company, to reduce its sulphur dioxide (SO<sub>2</sub>) emissions because of the threat they pose to health and the environment.

- Pollution -

In 2022, SO<sub>2</sub> emissions from coal were five to six times higher than the allowed limit for all thermal power stations in the country, depending on the source.

"We have nothing against switching to green energies, which are better for health and the environment, and which would also provide better working conditions for miners," said Vladimir Radosavljevic, vice-president of the United Trade Unions of Serbia -- Sloga, which is responsible for the industry sector.

But "the energy sector employs a large number of people here, especially in the big mines, and abandoning coal mining would lead to a lot of redundancies", he said.

Serbian president Vucic said in 2021 that the country "will not run from" its thermal capacities and promised the miners that they would have jobs for at least the next three decades.

For the time being, there are no redundancies in sight, and Serbia is due to open a new unit at its Kostolac coal-fired power station in the coming months, thanks to Chinese funding, as well as an extension to the Drmno coal mine.

It is not clear when the new block -- dubbed "B3" -- will open.

But Vojvodic said her organisation learned that tests have been under way since January.

"We became aware of this a few days ago -- residents called to tell us they were extremely worried because they could see black smoke coming out of the chimney. We asked for documents, and we discovered that tests were being carried out."

B3 is equipped with a desulphurisation unit -- but "the figures speak for themselves: even with it, emissions are higher" than Serbia's commitments, she says.

In Kolubara, there is talk of possibly moving the mine and the infrastructure around it.

"To be honest, we don't know whether Serbia is planning to expand its mines any further," said Vojvodic.

"The Ministry of Construction is planning new facilities, the Ministry of Mines and Energy says it's not possible, and the Ministry of the Environment has nothing to say. So we don't know what the plans are."

## Coal free by 2070? India's push toward renewables won't stop coal reliance for the next two decades

Source: [CNBC.com](https://www.cnbc.com)

There's little doubt that India has made progress in its transition to renewable energy. The country's leaders have been optimistic about its path to net zero, making bold claims that 50% of its power generation will come from renewables by 2030, and 100% by 2070.

However, coal production continues to soar and reliance on the fossil fuel won't end any time soon as India struggles to find other ways to cool homes down and keep the lights on.

"India will not be able to survive completely without coal and there is no alternative for India in the coming 10 to 20 years," said Anil Kumar Jha, former chairman and managing director of Coal India — the world's largest coal producer.

"If you are hungry and don't have cake to eat, will you eat bread or die hungry? That is presently what India is doing," Jha told CNBC. "We don't have an alternative to generate that amount of electricity, and will have to depend on coal."

Fossil fuels, mainly coal, continue to make up 75% of India's power supply, making it "the only fuel that India has in relative abundance," said Neshwin Rodrigues, electricity policy analyst at Ember, a global energy think tank.

A man rides a motorcycle along a road past the National Thermal Power Corporation plant in Dadri on April 6, 2022.

Effects from climate change have triggered more than 700 heat waves in India over the past five decades, driving up



electricity demand as more households purchase air conditioners.

"India is presently witnessing a rapid surge in electricity demand, driven by the electrification of numerous households, the burgeoning economy, and the increasing adoption of electric vehicles, infrastructure development, and cooling systems," said Sooraj Narayan, Wood Mackenzie's senior research analyst of power and renewables in Asia Pacific.

"This heightened power demand necessitates a reliable, cost-effective, and consistent power generation source, which coal currently fulfills," he highlighted.



Data from the International Energy Agency showed that electricity consumption in India from air conditioners increased by 21% between 2019 and 2022.

Nearly 10% of the country's electricity demand comes from space cooling and this will increase ninefold by 2050, the IEA said.

Simultaneously, India's coal consumption has rapidly increased.

The country's coal production rose to 893 million tons in 2022 to 2023, a 14% growth from 778 million tons in 2021 to 2022, according to data from the Ministry of Coal.

Jha estimated coal production could reach 1,335 million tons in 2031 to 2032.

This raises the question about whether India will be able to reach its 2030 target of achieving 50% of its energy requirements from non-fossil fuel sources. As of now, energy analysts don't think it's achievable.

"Coal remains a reliable fallback option for India to ensure consistent and dependable power generation, especially as it strives to meet the demands of a rapidly growing population and economy," Narayan pointed out.

This could be the norm for India until after 2030 — when coal demand is expected to peak, according to Sumant Sinha, founder of Indian renewable energy firm ReNew Power.

"What we cannot afford as a country is essentially to shortchange our growth on account of a lack of power capabilities. Whether we like it or not, coal will continue to have a role to play in India," Sinha told CNBC's "Squawk Box Asia" on last week.

Despite being able to produce cheap wind and solar energy, only 22% of India's power generation is met by renewables.

All the analysts who spoke to CNBC agreed the country's solar, wind and hydro energy capabilities are still unreliable as they are dependent on weather conditions and the climate.

"Renewable sources like solar and wind are inherently variable, relying on natural factors such as sunlight, wind and water availability. This variability makes them less dependable for meeting the nation's burgeoning power demand," Wood Mackenzie's Narayan said.

The South Asian nation currently has around 180 gigawatts of installed renewable energy, and hydropower makes up half of that mix. However, more advanced infrastructure is needed to ensure it serves as a reliable alternative to coal in the future.

India experienced the driest August in more than a century when it received 36% less rainfall. Coal reliance that month grew by 13% compared to the year before.

"While India seeks to leverage hydropower to balance its grid, this source of renewable energy is not without its complexities," Narayan said, explaining that projects are often delayed.

“The construction of dams and run-of-river projects for hydropower often encounters prolonged delays, extensive gestation periods, and is contingent on variable rainfall patterns.”

Solar and wind energy face the same hurdles as underdeveloped power grids curtail progress in the sector.

“India’s existing grid infrastructure is not fully equipped to handle the integration of variable renewable energy sources like solar and wind,” according to Narayan.

Investment is key

Ramping up investments — particularly in battery storage — may be the most significant way for India to meet its net-zero transition goals.

India currently has around 180 gigawatts of installed renewable energy and aims to reach 500 gigawatts by 2030, according to government agency Invest India.

“Grid-scale battery storage is costly, with supply chain disruptions further driving up prices due to events like the Covid-19 pandemic and geopolitical conflicts. These complexities render it challenging to rely solely on renewables for consistent and dependable power generation,” Narayan said.



Water being released from the Madupetty dam and hydro power station in Kerala, India.

Another issue is that renewables are a frontloaded investment where “all your investments happen on the day of installation. You pay for everything upfront,” said Rodrigues from Ember.

“The problem with that is that you require a lot of financing capacity, and there is limited financing capacity in India,” he added, warning that India’s net-zero goals cannot be met without foreign investments.

“Going forward, we need to find ways to first phase down coal, then we can talk about completely phasing it out.”

## ITL Vessel Line Up

JUL	AUG	SEP	Total Vessel
632	508	508	1648

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)	530	34%
2	India	230	14%
3	Indonesia	168	12%
4	Philippines	146	10%
5	Korea	87	5%
6	Japan	62	5%
7	Malaysia	57	4%
8	Bangladesh	42	4%
9	Thailand	32	3%
10	Taiwan	52	3%
11	Vietnam	28	3%
12	Singapore	15	1%
13	Others	30	2%

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

PORT WISE			
No	Port	Shipments	Percentage
1	Taboneo	286	19%
2	Samarinda	255	14%
3	Palembang	158	9%
4	BCT	145	8%
5	Bunati	198	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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