

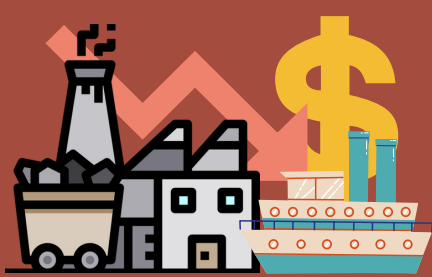
INDONESIA COAL EXPORT BAN

Indonesia is the world's largest exporter of coal. In 2021, the country exported 441.5 million tonnes of coal equal to 31 percent of global coal exports.

In 2022, the Indonesian government temporarily banned coal exports.

1 PROBLEM FROM THE EXPORT BAN

DOMESTIC LEVEL



- As coal companies cannot sell coal abroad, they are shedding money
- bulk carrier shipping companies will lose income from not having coal companies using cargo ships.

INTERNATIONAL LEVEL



- A certain amount of upward pressure on coal prices
- Pressure on economies throughout Asia as 75 percent of its annual coal yield to Asia.

2 CAUSES OF THE EXPORT BAN

Avoid risks of domestic shortage for the power sector and potential blackouts.

Coal mines failed to comply with the DMO agreement, causing a shortage of coal in the country, resulting in a ban on coal exports.



The Indonesian government wants to prepare enough coal for domestic use to generate electricity.

Coal in the country is in short supply.

Indonesia has a Domestic Market Regulation (DMO) policy where coal mines are required to supply 25% of their annual production to Perusahaan Listrik Negara (PLN), a state-owned power generation company that is currently in short supply in the country.

While the price is higher because of a ban on coal export, the quantity is absolutely lower

