



**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**DAILY NEWS**

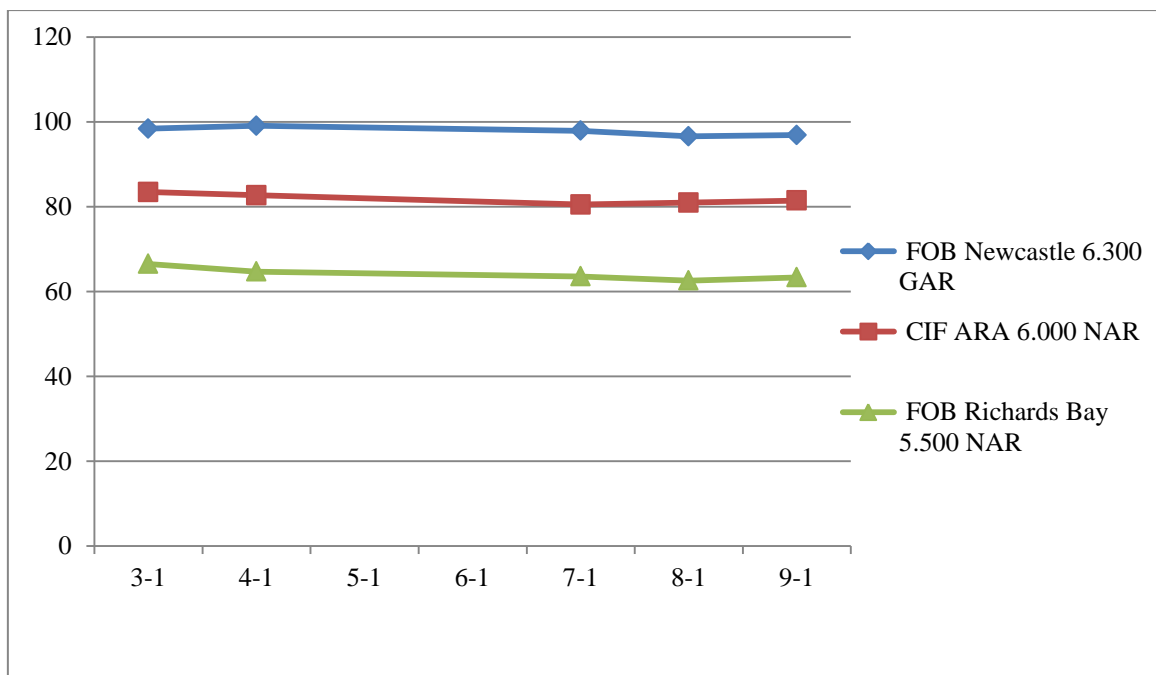
Date 14/01/2019

**INTERNATIONAL COAL PRICE ASSESSMENTS**

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.90	+0.30	N/A	N/A
CIF ARA 6,000 NAR	81.45	+0.50	N/A	N/A
FOB Richards Bay 5,500 NAR	63.35	+0.75	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	68.40	+0.10
FOB Kalimantan 5,000 GAR	N/A	N/A	46.90	+0.20

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	38.70	+0.10	263.19	-0.32
PCC7 (CFR South China 4,700 NAR)	54.35	+0.10	369.63	-0.72
PCC8 (CFR South China 5,500 NAR)	71.00	+0.00	482.86	-1.84

**DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019**



(Source: Platts Coal Trader International – Date 9/1/2019)

## **NEWS**

### **China To Only Approve New Solar Projects If They Are As Cheap As Coal**

China will only approve new solar and wind power capacity if it matches the country's coal benchmark on price, Forbes' John Parnell report, adding a project approved last month became the first to produce solar at a cost as low as coal-fired power plants. The requirement for price matching with coal is part of a new set of conditions drafted by China's National Development and Reform Commission, which will be in effect until 2020 in a bid to handle all the problems resulting from the fast growth in solar and wind capacity installation in recent years, such as energy waste because of grid logjams. In 2017, Parnell notes, 6 percent of solar power output and 12 percent of wind power produced in China was wasted, and although in 2018 the waste was reduced, it still remains problematic.

The quick growth in solar in particular also put a strain on Beijing's wallet because of the generous feed-in subsidies for new installations. In 2017, these hit US\$15.6 billion (100 billion yuan) and the government has still not paid these in full. At the rate of new solar capacity approvals from the last few years, subsidy costs would have reached US\$39 billion by 2020, according to Wood Mac estimates. The government solved this problem inelegantly but efficiently last year when it announced in June that no more solar power project construction permits will be issued until the end of the year, prompting analysts to cut their capacity addition forecasts by between 5 GW and 17 GW. But there is also another reason for the new project approval conditions, according to Forbes' Parnell: Beijing is reportedly annoyed by the fact that Chinese companies are building solar projects abroad that produce electricity much more cheaply than the installations at home. So, now the authorities will require that solar and wind companies not only guarantee they will produce electricity cheaply but also that it will not overburden the grid.

(Source: [www.oilprice.com](http://www.oilprice.com))

### **China's 2018 coal imports at four-year high despite curbs**

China's coal imports rose to 281.5 million tonnes in 2018, the highest annual figure in four years, customs data showed on Monday, despite a government push to cap shipments at last year's level. Coal imports were 3.4 percent above 2017, data from the General Administration of Customs showed, even as December's imports tumbled nearly 47 percent to 10.23 million tonnes. Traders and utilities cut back sharply on purchases at the end of the year following government signals, with utilities sitting on record coal stocks, pushing down domestic prices. Utilities had been told they needed to keep imports in 2018 below the prior year's level, amid abundant domestic supplies and slowing electricity demand growth. China has also switched another 3.29 million households to gas heating this winter, according to Reuters calculations, more than last year, as Beijing continues to push the use of cleaner fuels to curb pollution. Traders expect imports of coal, used in China for power generation, heating and steelmaking, to remain low in January as the country continues to curb imports in order to boost domestic coal prices.

(Source: [www.reuters.com](http://www.reuters.com))

### **PLN plans to acquire more coal mines**

PLN is planning to ensure long-term supplies for its coal-fired power plants by acquiring two coal mining sites in Kalimantan and Sumatra during mid-year. "Currently, we are still examining the two coal mines. Hopefully, the acquisition would be done by mid-year," PLN president director Sofyan Basir said as quoted by *kontan.co.id*. He declined to mention the names of the owners and the production capacity of the mines on both islands. The acquisition of the mines is vital to the sole electricity off-taker in the country, which is struggling to ease its financial burdens amid rebounding coal prices, among other issues. In the long run, PLN will only need to calculate coal production costs as it will no longer be affected by uncertain global commodity prices.

This year, Sofyan said, PLN set a target to secure 100 million tons of coal, a slight increase from its target last year of 94 million tons. He said the acquisition would help the company guarantee its coal supply. "By acquiring them, we hope at least 30 percent of our total coal supply would be

sourced from our mines, while the rest would be from private miners,” Sofyan added. The government seeks to generate 35 gigawatts this year as it aims to increase the electrification ratio to 99 percent in the archipelago. (das/dmr)

(Source: [www.thejakartapost.com](http://www.thejakartapost.com) )

### **INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS**

<b>Size</b>	<b>From</b>	<b>To</b>	<b>Freight rates</b>	<i>Unit: USD/ton</i> <b>Change</b>
<b>Capesize</b> (150.000 tons)	Australia	China	7.70	-0.15
	Queensland	Japan	8.60	-0.15
	New South Wales	South Korea	9.45	-0.15
<b>Panamax</b> (70.000 tons)	Richards Bay	India West	12.00	-0.30
	Kalimantan	India West	8.00	-0.10
	Richards Bay	India East	12.20	-0.30
	Kalimantan	India East	6.65	-0.10
	Australia	China	10.80	-0.10
	Australia	India	12.10	-0.10

(Source: *Platts Coal Trader International* – Date 09/1/2019)