



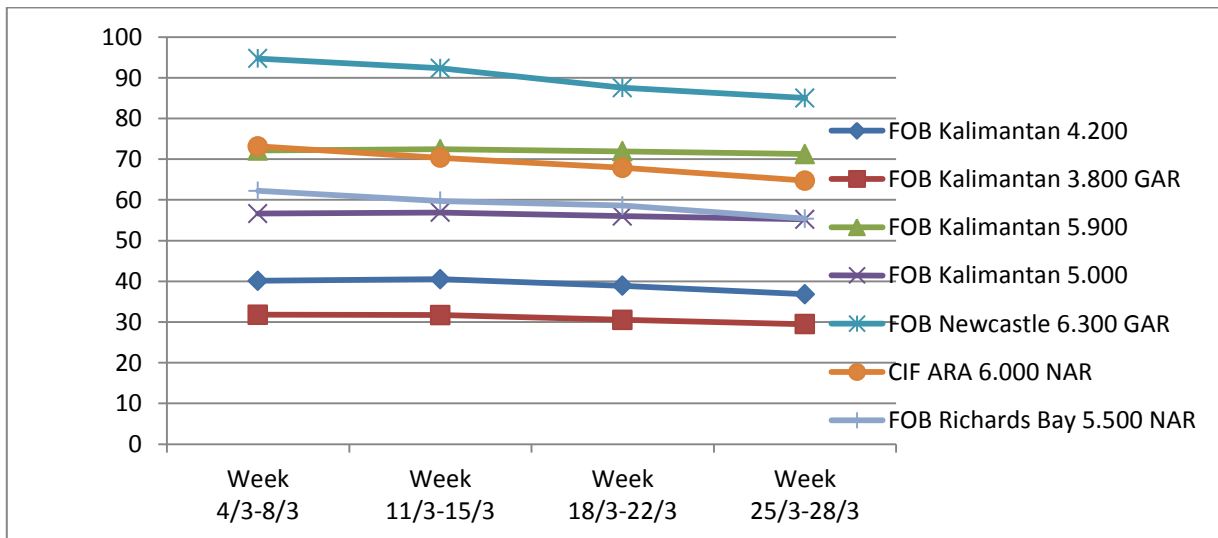
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**MONTHLY NEWS – MARCH**  
 (From 04/3 – 29/3/2019)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

Price index	Week 4/3-8/3	Week 11/3-15/3	Week 18/3-22/3	Week 25/3-28/3
FOB Kalimantan 4,200 GAR	40,1	40,50	38,88	36,8
FOB Kalimantan 3,800 GAR	31,8	31,70	30,53	29,45
FOB Kalimantan 5,900 GAR	72,13	72,42	71,9	71,25
FOB Kalimantan 5,000 GAR	56,63	56,92	56	55,2
FOB Newcastle 6,300 GAR	94,73	92,3	87,51	85
CIF ARA 6,000 NAR	73,12	70,35	67,86	64,72
FOB Richards Bay 5,500 NAR	62,19	59,75	58,6	55,37
NEWC (FOB Newcastle 6000 NAR)	96,70	93,25	90,51	89,17

*Unit: USD/ton*



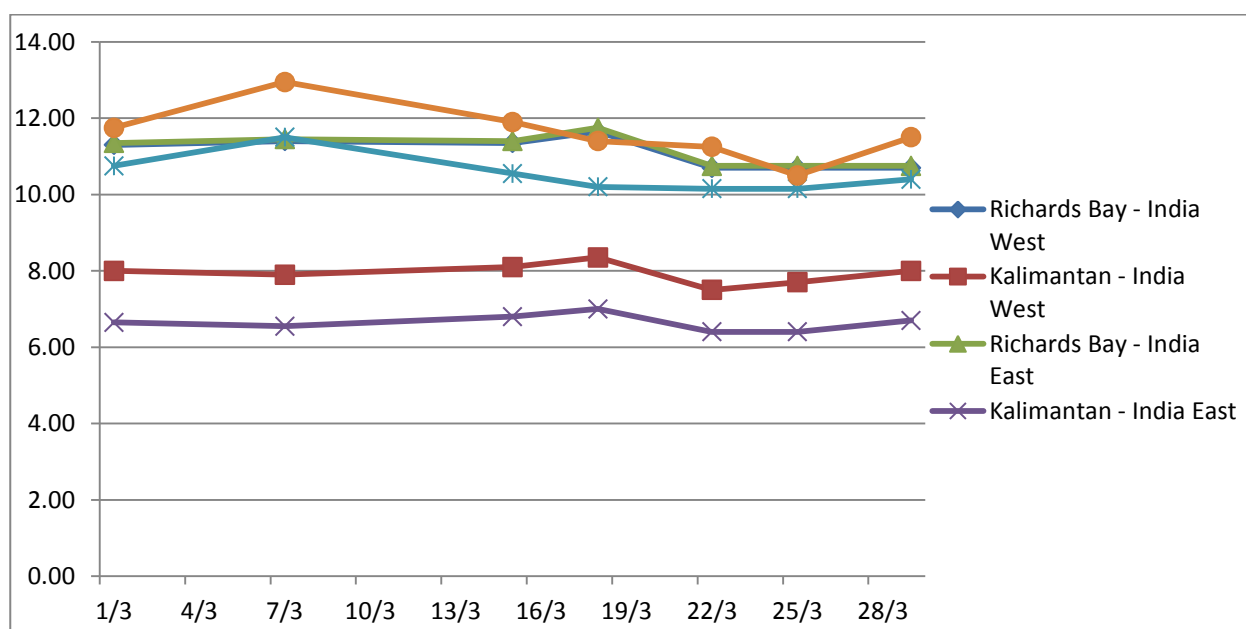
**Chart 1: Average coal price March (2019)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Month – March	1/3	7/3	15/3	18/3	22/3	25/3	29/3
<b>Capesize (150,000 tons)</b>								
1	Australia – China	5.85	5.70	7.35	7.15	6.10	6.10	6.10
2	Queensland – Japan	6.40	6.25	8.15	7.95	6.70	6.70	6.70
3	New South Wales - South Korea	7.25	7.10	9	8.80	7.55	7.55	7.55
<b>Panamax (70,000 tons)</b>								
1	Richards Bay - India West	11.30	11.40	11.35	11.65	10.70	10.70	10.70
2	Kalimantan - India West	8.00	7.90	8.10	8.35	7.50	7.70	8.00
3	Richards Bay - India East	11.35	11.45	11.40	11.75	10.75	10.75	10.75
4	Kalimantan - India East	6.65	6.55	6.80	7	6.40	6.40	6.70
5	Australia - China	10.75	11.50	10.55	10.20	10.15	10.15	10.40
6	Australia - India	11.75	12.95	11.90	11.40	11.25	10.50	11.50



**Chart 2: International spot dry bulk freight in March**

(Source: Platts Coal Trader International)

## II. NEWS

### South Africa Feb coal exports recover 40% to 6.82 million mt: customs

South African thermal coal exports in February recovered from January's multi-month low volume, rising to 6.82 million mt, up 40% on the month and 10% from the year-ago month, according to the latest customs data. This month-on-month recovery in volume was unsurprisingly linked to Indian demand, as export volumes to India surged 93% on the month to 2.89 million mt, also up 12% from the year-ago month. Weak pricing for South African thermal coal during the period could have likely encouraged an increase in demand from opportunistic buyer sin the typically price-sensitive Indian market, according to S&P Global Platts analytics.

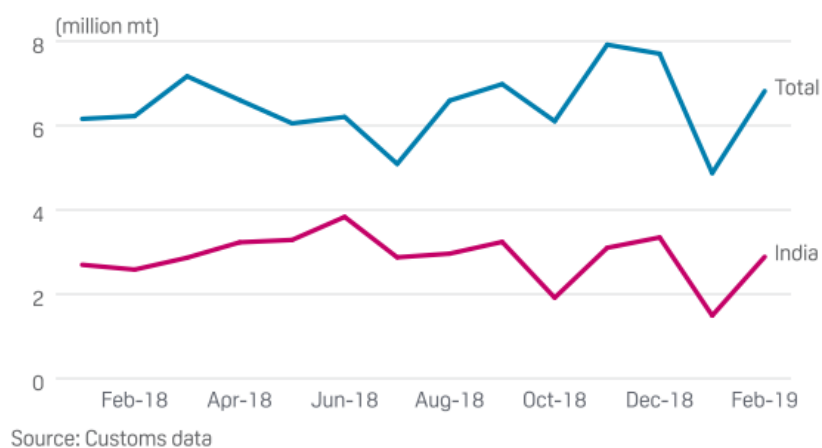
Exports to Pakistan were 1.2 million mt, up 41% on the month and 38% from the year-ago month, while exports to South Korea were 467,231 mt, up 26% on the month but down 36% from the year-ago month. It was the fifth straight month of year-on-year declines for South Korea. Exports to Europe were relative stable in February. Volumes to Spain were 312,939 mt,

down 11% on the month with no volumes registered in the year-ago month. Exports to the Netherlands were 167,827 mt, up 42% on the month and 3% from the year-ago month.

### SOUTH AFRICA FEBRUARY COAL EXPORTS

Origin	Volume (mt)	% change on month	% change on year
India	2,887,279	93.49	11.8
Pakistan	1,195,235	40.6	37.91
South Korea	467,231	26.25	-36.05
Netherlands	167,827	42.4	2.65
Spain	312,939	-11.04	n/a
<b>Total</b>	<b>6,819,243</b>	<b>39.97</b>	<b>9.56</b>

### SOUTH AFRICA THERMAL COAL EXPORTS



### Vietnam's Fast-Growing Economy Signals Need To Expand Coal Sector

Bullish forecasts on Vietnam's fast-expanding economy until 2030 has driven the government to find ways to boost the coal sector as it is expected that the country will see increased demand for energy. A joint report by the Danish Energy Agency and the Vietnamese government, titled Vietnam Energy Outlook Report 2017, suggested that demand for electricity in the country will grow by eight percent year-on-year until 2035. This has opened discussions on ways to boost coal businesses.

According to Vietnam Insider, coal share saw a hike of 14 percent to 35 percent of the country's total energy supply from 2000 to 2015. Analysts pointed out that these figures indicate substantial use of coal in the country. With the economy predicted to grow within the ranges of 6.5 percent and 7.5 percent annually until 2030, industry analysts are expecting to see increased coal usage in Vietnam in the near future. It is also expected that coal will be integrated further into energy mixes in the coming years.

To help address the need for more energy, the Vietnamese government has planned expansion of 32 coal-fired plants by next year. For long-term expansion, the government is planning to increase the number of plants at 51 by the year 2030. While Vietnam is aimed at increasing coal usage by the next 10 years, it has also announced plans to set up four gas-fired energy plants. Last month, the Ninh Thuan provincial government announced its meeting with Thailand's Gulf Energy Development over the said project. While Gulf Energy has yet to confirm the reported collaboration, Vietnam's deputy minister of Industry and Trade expressed eagerness for the project that could cut the country's coal use. "This LNG project will help replace some of the

existing coal-fired power. We will definitely need to import LNG for these new plants," he said. If the joint venture with Thailand pushes through, Vietnam will join piling Asian ranks of countries that provide liquefied natural gas (LNG) not just domestically but all over the world.

Meanwhile, energy sector specialists recommended that Vietnam should focus on exploring renewable energy sources to supply the increasing demand for power and electricity. Plans for increased coal use have been stepped up but there is also a huge need to increase renewable energy usage. CEO of Trung Nam Group, Nguyen Tam Tien, said during the weekend's international conference on renewable energy that "Vietnam's long-term energy strategy" will largely involve wind and solar power. He said the generation of renewable power has increased significantly over the past few years.

### **Clearance delays for Indonesian coal at northeastern China ports**

The Chinese authorities' efforts at controlling the volume of seaborne thermal coal imported into China has led to delays at certain ports in the northeast of China for Indonesian cargoes, market sources said Thursday. A market source told S&P Global Platts on the sidelines of an industry gathering in Shanghai that China's custom clearance process has lengthened for a few Indonesian shipments at one of China's northeastern ports. He did not disclose the number of shipments impacted by this, but said the cargoes had arrived in February and were only able to complete the custom clearance process last week. Another trader added that northeastern ports such as Dalian and Dandong are slowing the import process for seaborne cargoes, including that of Indonesian cargoes. However, several other traders said that clearance delays for Indonesian cargoes were not widely experienced by other buyers. "For us, the unloading just took about three days, and custom clearance about two weeks at the south China port," one trader said.

Currently, market sources have reported of delays at most Chinese ports for Australian thermal coal, lasting up to a lengthy two months before obtaining clearance at the customs. With the curbs on Australian thermal coal, Chinese market sources said there will be more room for Indonesian imports into China, but they expect continued scrutiny from authorities as China seeks to keep imports in check. "Though there're no official directives on monthly quotas, we're likely to see some form of delays for Indonesian cargoes too if ports see import volumes going up too much in a certain month compared with a year ago," a south China trader said.

*(Source: Platts Coal Trader International)*