

## Study on Business Potential and Major Players of COAL INDUSTRY in Indonesia, 2016 - 2020 and Calculation of Coal Mining Investment

Phenomenon of declining coal price in the last several years has made this excellent business to plummet badly. Presently, lots of coal mining companies like not to be in operation rather than they have to spend a great deal of cost and energy since the obtained margin is very thin. According to Director General of Minerba of Ministry of ESDM that from 3,000 coal mining permits only some 20% has still be in operation or approximately 600 companies. If the price condition keeps on continuing, total companies which cease their operation will increase

During its prosperity period, the coal price sale reference (HBA) reached over US\$ 125 per metric ton. This HBA was commenced in early 2006 until mid 2012. With such high price, it is normal if most of Indonesian conglomerates were very interested in investing their capital in coal mining. Unfortunately, entering 2013 the coal price in international markets dropped and until 2015 the coal price fell down to nadir point. Many coal mining companies ceased their exploitation and share prices of coal mining companies collapsed. Even, some of them gave up or bankrupted.

In this condition, why CDMI as a leading consultant company dares to issue a study on coal, whether coal industry especially in Indonesia will die slowly. Of course not. As long as the government still tries to keep opening domestic markets, it is believed that this business will still exist. Based on a survey of CDMI that Indonesian coal consumption in 2004 -

2015 had fluctuated but tended to increase. During that period, the average domestic coal consumption amounted to 66,234,460 tons per annum with average growth rate of 5,898,927 tons per annum or 10.71%. In line with the program of electric power of 35,000 megawatt, the demand for coal in 2016 is estimated to reach more than 100 million tons.

Based on a survey of CDMI that amid coal business condition at present, there are still several companies which will enter into coal industry. Therefore, this book is equipped with investment calculation to open a new coal mining. Moreover, this book discusses the influence of heavy equipment industry which is also hit hard in line with the declining coal price.

This book is only available at CDMI and it can be directly ordered in our Marketing Division with Mrs. Tina by phones (021) 3193 0108, 3193 0109, 3193 0070 or Fax (021) 3193 0102 or e-mail: marketing@cdmione.com at a price of US\$ 700 for Indonesian Edition and US\$ 750 for English Edition.

Having submitted this offer, we thank you for your cooperation and look forward to hearing your response promptly.

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**P.T. CDMI**

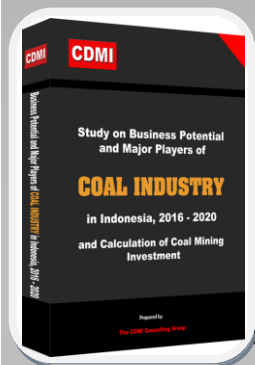
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