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Oil & Gas Regulation

Oil & Gas Industry

The Jakarta Post (p.2), 15
October 2021

Oil output could plummet 87% by 2040: Board

The National Energy Board (DEN) predicts a drastic decline in domestic oil output over the coming two decades, with current production already far below the targeted 1 million barrels of oil per day (bopd). DEN secretary-general Djoko Siswanto predicted that oil production would drop to only 300,000 bopd in 2030 and 119,000 bopd in 2040 without regulations and incentives to encourage more exploration, enhanced oil recovery (EOR) and the acquisition of oil fields abroad. “Efforts to increase oil production need to be carried out quickly,” he said during an online webinar on Tuesday, adding that progress toward achieving the 1 million bopd target was hindered by conflicts of interest within organization units, slowing down the procurement of drilling rigs, the implementation of EOR and the acquisition of permits from regional administrations.

Petromindo.com, 15
October 2021

SKK still evaluating Saka’s South Sesulu PoD

Upstream oil, gas authority SKK Migas is still evaluating a plan of development (PoD) submitted by Saka Energi for the SIS-A field in South Sesulu PSC offshore East Kalimantan. SKK Migas Chief of Representative for Kalimantan and Sulawesi Region Azhari Idris told Petromindo.Com on Thursday that the PoD is currently under evaluation by Technology and Field Development Division. He did not give a timeline when the PoD will be approved by SKK Migas, adding that the PoD will also need approval from the Minister of Energy and Mineral Resources (MEMR) as according to regulation, the first PoD from an oil, gas block requires approval from MEMR.

Petromindo.com, 14
October 2021

NYK appoints Indonesian seafarer as captain of LNG carrier

NYK Shipmanagement Pte. Ltd has on October 8, 2021 appointed Indonesia seafarer Asep Dadang Kurniawan as the first Indonesian captain of an NYK LNG carrier, parent company Japanese shipping firm NYK Line announced on Thursday. Captain Asep Dadang Kurniawan has been a member of the NYK Group since 2002 and initially served on container ships and chemical tankers. From 2008, he transitioned to LNG carriers, eventually becoming an experienced navigator. He is now being appointed to the position of captain

	<p>of an LNG carrier that provides transportation services for the Tangguh LNG project.</p>
<p>Petromindo.com, 14 October 2021</p>	<p>GTSI unit bags LNG shipping contract from BP Berau</p> <p>IDX-listed LNG tanker operator PT GTS Internasional Tbk (GTSI) announced Thursday that its subsidiary PT Hikmah Sarana Bahari had on 4 October signed an LNG shipping contract with BP Berau Ltd, operator of the Tangguh LNG plant in West Papua Province. GTSI said in a statement that the type of contract is time charter for LNG shipping from Tangguh LNG terminal to several LNG discharging ports in Indonesia. It added that the contract value is US\$4.1 million with duration of 92 days.</p>
<p>Petromindo.com 14 October 2021, Investor Daily (p.10) 15 October 2021</p>	<p>Elnusa teams up with Korean firm to tap offshore decommissioning opportunity</p> <p>IDX-listed oil, gas services company PT Elnusa Tbk on Wednesday signed a Memorandum of Understanding (MoU) with South Korean firm Samin MTS to collaborate on a joint study of the Underwater Cutting System Development Project and the Development of Decommissioning Technology. The signing was carried out at the 2021 Korea-Indonesia Offshore Congress (KIOC) and witnessed directly by the coordinating minister for Maritime Affairs of the Republic of Indonesia Luhut Binsar Pandjaitan and South Korean Maritime Affairs and Fisheries Minister Moon Seong Hyeok. Both parties agreed to follow up on joint research by participating in decommissioning projects held in Indonesia by applying the results of joint research that had been carried out. One of the decommissioning projects in question is the Abandonment and Site Restoration (ASR) Project and it may also be applied to other decommissioning projects. Later the results of the Cutting Tool System research will be carried out by Elnusa's subsidiary, Elnusa Construction Fabrication.</p>
<p>Bisnis Indonesia (p.4), 15 October 2021</p>	<p>Industry Requires Incentives</p> <p>The Indonesian Chamber of Commerce and Industry (Kadin Indonesia) is pushing the government to provide incentives to the manufacturing industry to ease efforts in expanding the use of clean energy. Kadin Indonesia Deputy Chairman for Industrial Affairs Bobby Gafur Umar said the carbon tax that will be applied starting 1 April 2022 will have an impact on operational costs and reduce competitiveness. "There must be a shift (to clean energy), but it won't come without conditions. The government plays a crucial role and we're waiting," he told Bisnis, Thursday (14/10).</p>
<p>Kompas (p.11), 15 October 2021</p>	<p>Operator Named Suspect in Illegal Oil Mining</p> <p>The Musi Banyuasin Police Department named excavator operator NE (46) a suspect in the case of the explosion of three illegal oil wells in V Hamlet, Keban I Village, Musi Banyuasin Regency, South Sumatra Province. He was apprehended when he was caught covering the well that caused the explosion. Musi Banyuasin Police Chief Sr. Comr. Adjunct Alamsyah Pelupessy Thursday (14/10/2021) said NF was named as a witness because</p>

	<p>he was at the scene when the illegal oil wells exploded. He was covering one of the wells with an excavator.</p>
<p>Kontan (p.12), 15 October 2021</p>	<p>Boosting the Use of Local Products</p> <p>Local content in oil and gas infrastructure plays a huge role in meeting the goal of producing one million barrels a day of crude oil by the year 2030. Upstream Oil and Gas Regulatory Special Task Force (SKK Migas) Acting Deputy of Procurement Control Rudi Satwiko said there are local companies that are now capable of producing upstream oil and gas equipment, such as types of vessels, EPCs and rigs. “There is a rig producer in Bogor that has even exported their products,” he said during the National Capacity Preparedness 2021 forum, Thursday (14/10).</p>
<p>Kontan (p.12), 15 October 2021</p>	<p>Energy Minister’s Performance After Two Years</p> <p>Arifin Tasrif will be serving the state as the Energy and Mineral Resources (ESDM) Minister for exactly two years on 23 October 2021. Indonesia is still encountering a number of challenges in energy development. Oil and Gas Companies Association (Aspermigas) Executive Director Moshe Rizal said the ministry has made numerous efforts, especially efforts to improve the upstream oil and gas investment climate, in the past two years. However, these efforts have been hindered by global conditions like the Covid-19 pandemic and other factors.</p>
<p>Petromindo.com, 15 October 2021</p>	<p>Indika eyes solar power projects amid growing renewables demand</p> <p>IDX-listed energy company PT Indika Energy Tbk through its joint venture subsidiary PT Empat Mitra Indika Tenaga Surya (EMITS) is looking to participate in tender for the development of solar power generation projects in the commercial and industrial sectors amid growing demand for power supply from green sources. “EMITS can participate in renewable energy tenders for commercial and industrial markets. Our focus is commercial and industrial markets,” Ricky Fernando, Head of Corporate Communications, PT Indika Energy Tbk, said to petromindo.com on Thursday. EMIT is a joint venture between Indika (51% interest) and Fourth Partner Energy, India’s leading solar energy solutions and services platform, targeted at commercial and industrial businesses.</p>
<p>Petromindo.com, 14 October 2021</p>	<p>Ministry: 187 units of battery charging station have been built as per September</p> <p>The Ministry of Energy and Mineral Resources said that as per end September 2021, a total of 187 units of EV battery charging station (or SPKLU) have been set up in 155 locations as the country moves forward to expand the use of EVs. Meanwhile, the number of battery swap station (or SPBKLU) has reached 153 units in 86 locations. “As per September 2021, there are already 187 units of charging station in 155 locations,” said Director General of Electricity at the ministry, Rida Mulyana on Wednesday. The realized number of SPKLU is still far below the government’s target of 572 units for this year. But Rida said that things “continue to move</p>

	<p>forward.” “It’s a waiting (game) business. The buyers of EV are waiting for the development of (more) SPKLU, while SPKLU developers (are) waiting for people to buy (more) EVs,” he said.</p>
<p>Bisnis Indonesia (p.4), 15 October 2021</p>	<p>PLN Ready to Work On Stalled Power Plant Projects</p> <p>PLN announced it is ready to continue working on a stalled power plant projects. The company aims to operate all of these stalled projects by the year 2029 while still taking into account the demand growth for electricity. PLN Director of Commerce and Customer Management Bob Saril said some projects were stalled due to demand in their respective areas. “It is an adjustment of supply and demand. Our demand has not been growing according to expectations,” he said.</p>
<p>Investor Daily (p.10), 15 October 2021</p>	<p>Government Must Ensure Renewable Energy Projects Operate On Schedule</p> <p>The launch of the 2021 – 2030 general electricity procurement plan (RUPTL), which is dominated by renewable energy projects, is a positive step towards decarbonization in the power sector. However, the government must ensure these renewable energy projects operate on time according to the schedule in the RUPTL. Institute for Essential Services Reform (IESR) Executive Director Fabby Tumiwa said the portion of renewable energy in the 2021 – 2030 RUPTL was increased to achieve the 23% energy mix target by 2025 and lower greenhouse gas emissions. In addition, green energy is also aimed at ensuring affordable and reliable power after PLN stops operating coal plants after 2025.</p>
<p>The Jakarta Post (p.1), 15 October 2021</p>	<p>BASF, VW look at RI battery investments</p> <p>On a roadshow in Europe, the government has secured interest from a major carmaker and the world’s largest chemical producer to invest in Indonesia’s nickel and cobalt industries, which will supply materials for electric vehicle (EV) batteries. In Germany, Indonesian Investment Minister Bahlil Lahadalia met with representatives of carmaker Volkswagen (VW) in Wolfsburg and from BASF in Frankfurt. The Investment Ministry reported Monday that VW was interested in investing in the country’s nickel industry and in learning how it could source materials from the country for its battery plants in Europe in the future. BASF, meanwhile, is looking to team up with Paris-based mining firm Eramet to extract and process nickel and cobalt in Central Halmahera, North Maluku. The envisioned plant was estimated to have an annual production capacity of 42,000 metric tons of nickel and 5,000 metric tons of cobalt. The investment plan also includes the development of a base metal refinery.</p>
<p>Kontan (p.5), 15 October 2021</p>	<p>Energy Crisis in Europe Soars Gas Price 105%</p> <p>Gas price has doubled over that at the beginning of the year driven by dwindling supply, where Bloomberg notes gas prices on Nymex rose 105% year to date on Thursday (14/10). Gas price for November delivery contract rose to US\$ 5.73 per mmbtu, after it hits the highest level of US\$ 6.31 per mmbtu on October 5. ICDX Research and Development Girta Yoga says the</p>

	<p>increasing price trend this year has been triggered by the depletion of gas supply in Europe as it is entering winter.</p>
<p>Bisnis Indonesia (p.3), 15 October 2021</p>	<p>Electric Vehicles' Vision amid Electricity Crisis</p> <p>A study says that the global electric vehicle population would reach 56 million units by 2040. An important factor driving the popularity of electric vehicles is the big narrative that this type of vehicle is environmentally friendly because of their zero emissions. Furthermore, there is the Paris Agreement which requires each country to reduce carbon emissions. However, the electricity crisis has recently hit the UK and other European countries. This scarcity prompts European countries to look back at coal as a source of power generation. The target to make electrification as a single solution actually threatens the main vision of electric vehicles to create a greener environment.</p>
<p>Bisnis Indonesia (p.T1), 15 October 2021</p>	<p>Oil Prices Strengthen Again</p> <p>World oil prices strengthened again on Thursday (14/10) following high global demand that did not match an increase in production. On Thursday (14/10) trading at 15:20 Western Indonesia Time (WIB), Brent oil rose 0.96% to a level of US\$83.97 per barrel. Meanwhile, West Texas Intermediate oil rose 0.90% to US\$81.16 per barrel.</p>
<p>Bisnis Indonesia (p.12), 15 October 2021</p>	<p>EU Cuts Tax Rates</p> <p>The European Union submitted a proposal on reducing tax rates on member countries as an effort to reduce the burden on society and industry players, in line with the energy crisis that hit the region. The rally in the prices of natural gas, electricity and emissions harms various parties, starting from the German chemical user industry to Spanish household groups, amid efforts to recover the economy from the Covid-19 pandemic. The scope of the proposal includes short-term tax cuts for residents and assistance to industries to cope with rising production costs.</p>

Finance & Economy

The Jakarta Post (p.1), 15 October 2021

Bali tourism reopens to eerie hush

The world-famous resort island of Bali took its first step to welcome back international visitors on Thursday, but the tourism-dependent province will likely have to wait some more until the global fanfare arrives in earnest. I Gusti Ngurah Rai International Airport seemed as quiet as the private getaways that the tropical island has to offer, with vacant reception desks and flight information screens still switched off. Rows of chairs and beach-style daybeds, which dotted the international arrivals terminal in anticipation of weary holiday goers, remain unused. On the first day of its reopening, the top tourist destination would not see any incoming flights or travelers to help revive its economy after over a year of travel restrictions. "We've been notified of the reopening for international travelers, but there haven't been any scheduled landings," said airport spokesman Taufan Yudhistira on

	<p>Thursday. Airport authorities, he said, were still awaiting a ministerial regulation that governs international flight access to Bali.</p>
<p>Kontan (p.2), 15 October 2021</p>	<p>Energy Crisis in China and India Can Stimulate Exports</p> <p>The recent energy crisis has boosted export performance and triggered Indonesia's trade balance surplus in the past months, driven by a higher export rates over imports. The local coal industry could take advantage of the current coal shortage in China and India that has disrupted electricity production and manufacturing performance. Bank Permata economist Josua Pardede estimates September's trade balance surplus at US\$ 3.89 billion, driven by solid export performance and increased prices for export commodities, especially coal and CPO.</p>
<p>Media Indonesia (p.11), 15 October 2021</p>	<p>IMF Praises Carbon Tax Initiative</p> <p>International Monetary Fund (IMF) praises the government's carbon tax initiative to encourage the green economy in facing the climate crisis. IMF Managing Director, Kristalina Georgieva, Wednesday (13/10), gives four recommendations for Indonesia and Asean countries to drive a green economy, preparing incentives that support the transition to low-carbon economy, investing in green infrastructure or green mobility, seeking a fair middle ground for sectors that produce high carbon, and adapting to all lines of the green economy. Kristalina also expects the government to raise the carbon tax rate to the proper rate to show a signal of solid transformation.</p>
<p>Bisnis Indonesia (p.11), 15 October 2021</p>	<p>Carbon Tax to Trigger Double Taxation</p> <p>Carbon tax scheme stipulated by the Taxation Regulations Harmonization Law has the potential to cause double taxation in the future. This is due to the characteristic of carbon emissions that are also classified as excisable goods. Carbon emissions are currently classified as taxable goods.</p>
<p>Kompas (p.9), 15 October 2021</p>	<p>Food and Energy Issues Weakens Economic Growth</p> <p>International Monetary Fund (IMF) lowers this year's global economic growth projection from 6% to 5.9% in October World Economic Outlook as the soaring food price and energy crisis have affected the current global condition, while Indonesia's economic growth fell from 3.9% to 3.2%. IMF Chief Economist Gita Gopinath says the increasing food prices mostly occur the low-income countries, causing food insecurity, adding to the burden on poor households, and posing risks of social insecurity. The IMF expects each country to optimize the pandemic handling, including the financial management, economic recovery, and inflation management aspects.</p>

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