
Indonesia sold huge volumes of steam coal to China

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Reuters reported that Indonesian miners have already sold about 20 million tonnes of thermal coal to Chinese buyers for delivery in 2010, and total exports to China could far exceed the volume that will be recorded this year.

Continued strength in Chinese imports, coupled with an expected rise in Indian demand, could mean that South Korean utilities could be caught short of supplies if they continued to avoid annual contracts and instead focus on spot tenders to secure their fuel needs.

Sources from the top five coal producers in Indonesia, such as Bumi Resources, PT Adaro Energy and PT Kideco said the total volume of thermal coal sold to China for 2010 delivery has reached at least 15 million tonnes on par with the total volume China has imported from Indonesia from January to September this year.

A source from one of the largest Indonesian coal firms said "Chinese buyers have been very eager to sign 2010 term supply contracts. We've done some deals and the prices they've agreed to are pretty good."

The firm's total thermal coal sales to China for 2010 have so far reached 7 million tonnes, with bituminous coal prices averaging at \$66 a tonne FOB based on 5,500 kilo calories per kilogram and sub bituminous coal inked at about USD 56 basis 5,000 kilocalories per kilogram.

Another large producer said the firm had agreed to contract 4 million tonnes of sub bituminous coal to China for 2010 up from the 3.5 million tonnes it will ship in 2009, but prices have not yet been agreed.

He said that "Chinese buyers are looking to lock in more tonnage but quite frankly, we've already sold out for our 2010 supplies. We don't have any more coal to sell."

(Sourced from Reuters)

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