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Indonesia: Coal pulls rug from under LNG

Indonesia has postponed its latest plans to import LNG starting in 2019, as a rise in coal-fired power dents the growth of gas demand. As a result, the world's fifth-largest LNG exporter is not expected to import LNG until mid-2025 – if at all – but the government's erratic policy-making leaves the outlook uncertain.

The government previously forecast LNG demand would surge by 2020, as new gas-fired power plants were planned across the archipelago. But national power producer PLN is prioritising coal, which is plentiful in Indonesia, as it is cheaper than LNG.

With the exception of Singapore and Thailand, the story is the same across southeast Asia. While concerns are expressed about harmful emissions, relatively cheaper coal continues to dominate the power mix, as cost often trumps the environment.



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