

China's Energy Diplomacy to Coal Imports from Indonesia After Restricting Coal Import from Australia in 2019

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Article History

Received 5 June 2023
Accepted 2 August 2023
Available 31 August 2023

Abstract

This study aims to analyze China's energy diplomacy regarding coal imports from Indonesia after restricting coal imports from Australia in 2019. After China limits coal imports from Australia in 2019, the supply of Chinese coal imports will decrease. This makes China need to increase its coal imports from other countries, one of which is Indonesia. Indonesia is one of the largest coal-exporting countries in the world. This can be used by China to meet its coal import needs. The author uses three indicators of Wang & Xu's energy diplomacy, namely dialogue between countries related to energy, government involvement in energy partnerships, and public energy diplomacy activities. The author uses qualitative research methods and internet-based research as data collection techniques. The findings in this study are: First, the dialogue between China and Indonesia, namely the meeting on 10 April 2019, the cooperation agreement on 24 May 2019 and 25 November 2020. Second, the Chinese government was involved in carrying out a cooperation agreement with Indonesia. Third, two Chinese non-state actors, namely CNCA and CCTDA.

Keywords:

China, coal, energy diplomacy, Indonesia

1. Introduction

Coal is the primary source of energy for China. China's total main energy consumption in 2019 was coal 58%, petroleum 19%, natural gas 8%, and renewable 15% (Hove et al., 2021). The use of each energy source will increase in line with the increasing demand for energy in China to generate electricity. It can be seen that China is still very dependent on using coal as a power plant in the country; using coal as China's primary energy source is inseparable from the presence of large coal reserves in China. Based on data from the BP Statistical Review of World Energy (BP, 2021), China's coal reserves were 143.2 billion tonnes in 2020. China's coal reserves are 13% of all world coal reserves. As one of the countries with the most coal reserves in the world, China uses coal as energy to generate electricity, making it the world's largest coal-producing and consuming country.

China's coal production from 2016 to 2021 has increased. China's coal production increased from 2016 to 2021 by 1.469 billion tonnes or 60%. In 2016, China's coal production was 2.456 billion tonnes (IEA, 2018). Meanwhile, in 2021, China's coal production was 3.925 billion tonnes (IEA, 2021). Like coal production, China's coal consumption increased from 2016 to 2021. The increase in Chinese coal consumption from 2016 to 2021 was 1.387 billion tonnes or 50%. In 2016, China's coal consumption was 2.743 billion tonnes (IEA, 2018). In 2021, China's coal consumption was 4.130 billion tonnes (IEA, 2021). Because China's coal consumption is more significant than its coal production, this requires China to import coal from other countries to meet its coal needs. From 2016 to 2021, China's coal imports increased. China's coal imports from 2016 to 2021 amounted to 81 billion tonnes, or 43%. In

2016, China's coal imports amounted to 186 million tonnes (IEA, 2018). In 2021, China's coal imports amounted to 267 million tonnes (IEA, 2021).

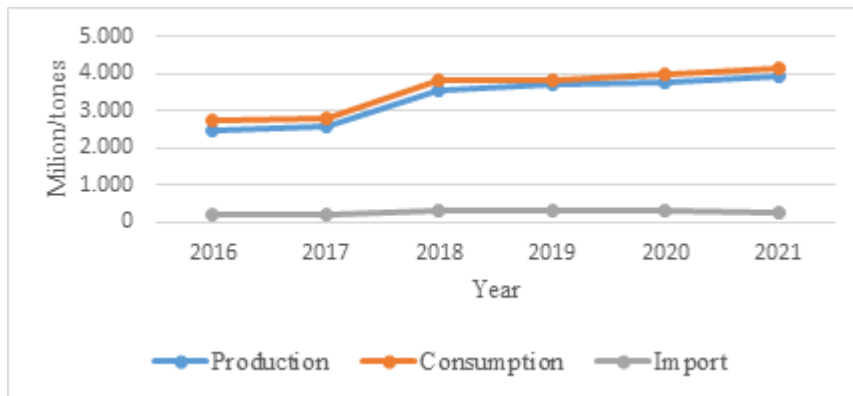


Figure 1. Coal production, consumption, and import in 2016–2021.

Due to the difference between China's coal production and coal consumption, China needs to import coal. Considering that China's coal consumption continues to increase, the increase in coal production is still unable to meet the country's coal demand. China imports coal from various countries, such as Australia and Indonesia, which are China's largest coal importers (IEA, 2019). However, China and Australia are experiencing problems. China imposes restrictions on coal imports from Australia. China imposed restrictions on coal imports from Australia in February 2019. Chinese customs at Dalian port have placed restrictions on coal imports from Australia. In addition to limiting coal imports from Australia, China imposed an extension of time for coal imports from Australia, which had been in Chinese ports for 40 days (Reuters, 2019). Coal is one of Australia's main export commodities to China. The restrictions on coal imports carried out by China will have an impact on Australia. China is the main destination for Australian coal exports. Australia lost its main market share, which could give Australia more profit. With the imposition of import restrictions by China, Australian coal exports to China will decrease (Laurenceson et al., 2020). China has become a country that needs coal because China has started reducing coal imports from Australia since 2019, so China needs to find a substitute for coal imports from Australia (Reuters, 2019). China must seek additional domestic coal supply by importing coal from other countries, including Indonesia. China and Indonesia have long collaborated, especially in the economic field related to trade (Priyandita, 2019).

Indonesia is one of the countries that have the most coal in the world. In terms of production, Indonesian coal production has increased from 2016 to 2021. During these three years, Indonesian coal production increased by 35% or around 158 million tonnes. In 2016, Indonesian coal production was 456 million tonnes, while in 2021, Indonesian coal production was 614 million tonnes (Kementerian ESDM, 2022). Of the coal production, Indonesia only consumes about 20% of its coal production. In 2016, Indonesia's coal consumption was 91 million tonnes, or around 20% of its coal production of 456 million tonnes (Kementerian ESDM, 2022). Whereas in 2021, Indonesia's coal consumption was 133 million tonnes or around 21% of its coal production of 614 million tonnes (Kementerian ESDM, 2022). This production shows that Indonesia's coal consumption has increased by 46% or as much as 42 million tonnes during these three years. In addition to consumer needs, Indonesia also exports its coal. Indonesia's coal exports from 2016 to 2021 have increased by 19% or as much as 70 million tonnes. In 2016, Indonesia's coal exports were 365 million tonnes, and in 2021, Indonesia's coal exports were 435 million tonnes (Kementerian ESDM, 2022).

Large coal reserves in Indonesia have made China import coal from Indonesia. China's coal imports from 2016 to 2018 did not change much. China's coal imports from 2016 to 2018 increased by 19% or 10 million tonnes. In 2016, Chinese coal imports from Indonesia amounted to 54 million tonnes, and in 2018, as many as 63 million tonnes (Kementerian ESDM, 2020). Coal imports from Indonesia can help China meet its coal needs by around 25%.

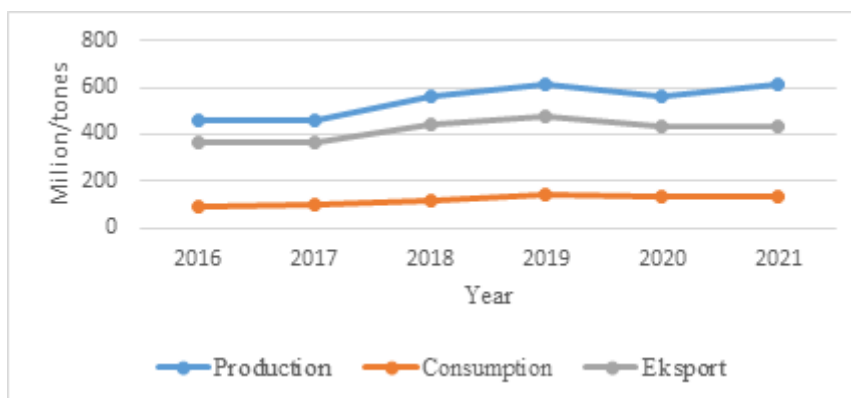


Figure 2. Indonesia coal production, consumption, and export in 2016–2021.

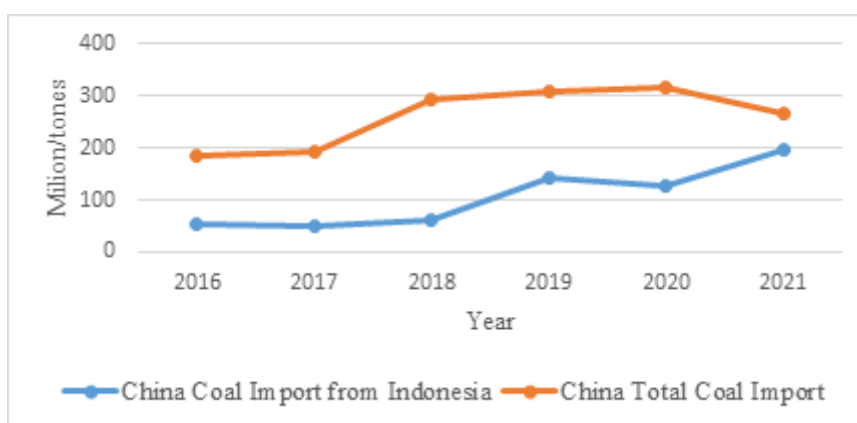


Figure 3. China's coal imports from Indonesia and China's total coal imports in 2016–2021.

It can be said that China's coal demand has increased. Even though China is the largest coal-producing country in the world, China still imports coal to meet its energy needs. China imports coal from various countries, such as Australia, Indonesia, and Russia. However, problems between China and Australia made China reduce its coal imports from Australia. Reducing coal imports from Australia has been carried out since 2019. Due to the reduction in coal imports from Australia, China has been required to import more coal from other countries as a substitute for coal imports from Australia—one of the countries targeted for Chinese coal imports in Indonesia. Therefore, the question in this research is how is China's energy diplomacy related to coal imports from Indonesia after restricting coal imports from Australia in 2019?

This article discusses China's energy diplomacy regarding coal imports from Indonesia. The author uses three indicators from the concept of energy diplomacy put forward by Wang & Zu because this research only looks at bilateral relations between China and Indonesia. The three indicators of energy diplomacy are dialogue related to energy between countries, direct government involvement in energy partnerships, and public energy diplomacy activities.

2. Method

This study describes the energy diplomacy that China has carried out in importing coal from Indonesia. That way, the research method used is qualitative. The data used in this research are secondary data obtained from internet sources. Therefore, the data collection technique used in this study is internet-based research. Internet-based research is a data collection technique that uses the internet network to access a web page. In this study, the authors collected various data from journal articles, government reports, and news articles used to complete this research. The data used by the author is from the last ten years. There are several keywords that the author uses in conducting searches on internet sites,

including energy diplomacy, Chinese energy diplomacy, Chinese and Indonesian coal cooperation, Chinese coal imports, and restrictions on Chinese coal imports from Australia. Many journal articles come out after entering these keywords on the search site. In this case, the author reads the title and abstract and looks at the year of publication of the journal article. That way, the authors can collect journal articles, and these data are used in this study. The data obtained from journal articles are more related to energy diplomacy and China's energy diplomacy. Government reports, the authors chose government reports from the search results such as the Ministry of Energy and Mineral Resources, Ministry of Foreign Affairs, IEA, APBI, CNCA, CCTD, and reports from the Chinese government. After that, the author analyzes the data by reading government reports relating to Chinese coal mining (production, consumption, and imports), Indonesian coal mining (production, consumption, and exports), Chinese and Indonesian coal cooperation, and restrictions on Chinese coal imports from Australia. In this way, the authors obtained these data from government reports used in this study. In news article, the authors use data sourced from news articles such as the BBC, Reuters, Statista, and Republika related to Chinese coal mining (production, consumption, and import), Indonesian coal mining (production, consumption, and export), restrictions on Chinese coal imports from Australia. This way, the authors obtain these data from the news articles used in this study.

In this study, the authors use two theories, namely bilateral cooperation and energy diplomacy. First, bilateral cooperation. Bilateral cooperation is a cooperative relationship carried out by two countries. This cooperation can be seen from the interdependence between one country and another. It is important to have good relations between the two countries to be able to maintain this bilateral cooperation. The cooperative relations between countries are not limited geographically; as long as these two countries need each other, cooperation can be carried out (Amalia, 2018). There are several factors that lead to bilateral cooperation, namely: First, the inability of a country to meet the needs of its people due to limited natural resources. Second, the inability of a country to meet all the needs of the people in the country is due to the lack of quality human resources it has. Third, the inability of the state to be able to resolve a conflict that occurred in the country. Fourth, there is a desire from a country to be with other countries. Fifth, there is a desire from the state to increase the wealth and welfare of its people. Sixth, there is the desire of the state to accelerate development in the country (Munatama & Zhaidah, 2023).

Second, energy diplomacy. Energy diplomacy is a form of diplomacy that aims to build cooperative relations between countries to maintain the country's energy supply. For the country's energy consumers, energy diplomacy becomes an instrument for securing access to the energy market so that it can be secure and energy can be maintained. In contrast to energy-producing countries, energy diplomacy becomes an instrument for producing countries to improve their energy trade relations with other countries. For energy transit countries, energy diplomacy is used as a link between consuming countries and producing countries (Bertrand, 2010). Energy diplomacy can be used by a country to increase its power so that it can secure access to energy sources and energy markets. Energy diplomacy is also in line with the national interest of a country to maintain stability, energy security, and develop the national economy (Bovan et al., 2019).

Wang & Xu explained that there are six energy diplomacy activities (Wang & Xu, 2022). Firstly, dialogue related to energy between countries. Dialogue between energy-related countries is an integral part of conducting energy diplomacy. With this dialogue, the state can ensure it secures its energy supply. This energy dialogue is carried out among producing countries or between consuming countries but producing and consuming countries can be involved in a dialogue. This dialogue can be carried out bilaterally or multilaterally. In addition, this dialogue can be carried out in a government-sponsored forum involving other actors, such as energy companies. The objectives of conducting this energy dialogue include coordinating energy strategies and policies, increasing countries' understanding of energy, removing political and economic barriers, determining the direction of energy cooperation between countries, and providing political guarantees to facilitate large-scale projects.

Secondly, direct government involvement in energy partnerships. In energy diplomacy, the government is essential in establishing energy cooperation with its partner countries. The government's involvement

in energy diplomacy focuses on negotiations around international partnerships, removing political barriers, political commitments to large-scale energy projects, setting guidelines in negotiations, helping energy companies to build energy cooperation with partner countries, and state leaders or those involved in the government structure of the country participated in witnessing the signing of the energy cooperation.

Thirdly, government measures to influence international energy relations. In international relations between countries, energy diplomacy is widely used by leading countries worldwide to carry out diplomatic activities related to energy that can benefit their countries. In this case, the government's primary focus on international energy relations revolves around climate change and domestic policies. The main goals for the government to influence international energy relations through its domestic policies include developing a national energy strategy, adjusting fiscal policies, establishing laws related to resource exploration, and creating interests in various sectors.

Fourthly, energy competition between countries. Competition for energy resources has become very intense between nations, especially among the big ones. In energy competition between countries, each country not only uses energy to do business, but they also use political, economic, and even military power to achieve their energy interests and other interests. Often, states use their military might to protect their energy resources and energy transport networks.

Fifthly, energy activities of international organizations specialize in coordinating international energy activities between countries because cooperation and competition significantly impact the international energy market. Currently, there are dozens of international energy institutions in the world, the most influential of which are the IEA, OPEC (Organization of Petroleum Exporting Countries), the International Energy Forum, the Energy Charter Treaty Organization, the World Energy Council, and the World Petroleum Congress.

And lastly, public energy diplomacy activities. Public energy diplomacy refers to non-state actors such as energy companies, energy associations, and other non-state actors. The involvement of non-state actors in energy diplomacy is to assist the government in increasing mutual trust with destination countries so that energy cooperation can run well. In public energy diplomacy, energy associations have a role in helping the government to carry out energy cooperation with destination countries. Internally, the purpose of forming an energy association is to protect member companies' interests and serve as a bridge of communication between companies and the government. Externally, energy associations will mutually coordinate with member companies to take joint actions, represent companies in negotiations with foreign partners, and cooperate with the government in carrying out its energy cooperation with partner countries.

Qinhua explained that regarding China's energy diplomacy, China has several strategies used to implement its energy diplomacy. In carrying out its energy diplomacy, China does not only focus on building energy cooperation through bilateral cooperation. In addition, China also supports its national energy companies to get involved in strengthening China's energy cooperation with other countries (Qinhua, 2007). According to Liang et al., China's energy diplomacy focuses on two activities based on the current energy and economic situation: first, the diversification of energy-importing countries. Verification of energy-importing countries is one way for China to maintain its energy supply. This needs to be done by China, considering the frequent occurrence of a problem that can disrupt China's energy supply. Sometimes, these problems can arise from the existence of domestic and foreign policies. Second, adjust domestic energy and develop energy technology. Given that China still uses fossil energy as the main source of its energy supply, China needs to reduce the use of fossil energy so that carbon emissions do not increase and develop technologies to reduce carbon emissions produced from the fossil energy used (Liang et al., 2023).

3. Results and Discussions

Coal Mining in China

China is one of the countries experiencing economic growth so fast in the last few decades. China's economic growth began under Deng Xiaoping's leadership. At that time, China started to open up to the international world and carry out economic liberalization. Since the leadership of Deng Xiaoping to Xi Jinping, China has succeeded in increasing the economy of his country. In fact, China is one of the countries with the largest economy in the world after the United States (Fania & Ardiyanti, 2019). Behind the upgrade, China's economy is so fast that China is running a variety of industries to improve the country's economy. In running its industry, China requires a lot of energy sources. One of the most used energy sources by China is coal (Zhang et al., 2017).

Coal is the main source of energy for China. Total energy consumption in China in 2019, coal 58%, petroleum 19%, natural gas 8%, and renewable energy 15% (Hove et al., 2021). The use of each source of energy will increase along with the increase in energy needs in China to generate electric power. It can be seen that China is still very dependent on the use of coal as a generator of electricity in the country. The use of coal as the main supply of energy sources in China is inseparable from the existence of large coal reserves in China. Based on data from the BP Statistical Review of World Energy (BP, 2021), China's coal was 143.2 billion tons of coal in 2020. Coal reserves are owned by China as much as 13% of all world coal reserves. As one of the countries that has the most coal reserves in the world, China utilizes coal as energy for electricity generation in their country. This matter makes China the largest coal-producing and consuming country in the world. There are four provinces that produce the most coal in China, namely Inner Mongolia, Shanxi, Shaanxi, and Xinjiang. The four provinces became the largest coal contributor in China. China managed to capitalize on the four provinces to meet the need for coal in China. The four provinces can meet China's coal demand by 75% in 2018 (IEA, 2019).

Some of China's largest coal import countries include Australia, Indonesia, and Russia. In 2017, China's coal imports from Australia amounted to 95 million tonnes (IEA, 2019). Coal imports from Australia can meet China's 49% of the 193 million tonnes of Chinese coal imports from Indonesia, 51 million tonnes (Kementerian ESDM, 2020). Coal imports from Indonesia can meet China's 26% of 193 million tonnes of coal imports. China's coal imports from Russia amounted to 15 million tonnes (IEA, 2019). Coal imports from Russia can meet China's 8% of 193 million tonnes of coal imports. In 2018, Chinese coal imports from Australia were 106 million tonnes (IEA, 2020). Coal imports from Australia can meet China's coal imports of 36% of 291 million tonnes (IEA, 2020). China's coal imports from Indonesia amounted to 63 million tonnes (Kementerian ESDM, 2020). Coal imports from Indonesia can meet China's coal imports of 22% of 291 million tonnes. China's coal imports from Russia amounted to 28 million tonnes (IEA, 2020). Coal imports from Russia can meet China's coal imports of 10% of 291 million tonnes (IEA, 2020). Since China began to reduce coal imports from Australia, China's coal imports from Australia from 2017 to 2021 have decreased. In 2017, China's coal imports from Australia were 95 million tonnes, and in 2021, China's coal imports from Australia were 15 million tonnes. Meanwhile, Chinese coal imports from Indonesia have increased from 2017 to 2021. In 2017, Chinese coal imports from Indonesia amounted to 51 million tonnes, and in 2021, Chinese coal imports from Indonesia amounted to 196 million tonnes. Similar to Indonesia, China's coal imports from Russia have increased. In 2017, China's coal imports from Russia amounted to 15 million tonnes, and in 2021, Chinese coal imports from Russia amounted to 66 million tonnes.

Related to the encouragement from the international community to discuss the increase in global warming, every country needs to reduce carbon emissions in the country, especially for industrialized countries. China is an industrialized country and still uses coal as its energy source. This large use of coal makes China the largest carbon-emitting country in the world. China aims to achieve net-zero carbon emissions by 2060 and peak carbon emissions before 2030. To achieve this goal, China will reduce the use of coal as an energy source (Gosens et al., 2021). At the end of September 2020, President Xi Jinping addressed the United Nations General Assembly meeting regarding China's efforts to reduce carbon emissions in China. Peak carbon emissions before 2030 and carbon neutralization in 2060. This

is the first time President Xi Jinping has made a speech regarding reducing carbon emissions in his country (Green, 2020). Considering that China has a goal of achieving zero carbon emissions by 2060 and peak carbon emissions before 2030, this will make China reduce its consumption of coal as a source of energy generation in the country. This makes China need to be able to improve its country's energy security before achieving this goal by utilizing domestic coal production and developing renewable energy (Liang et al., 2023).

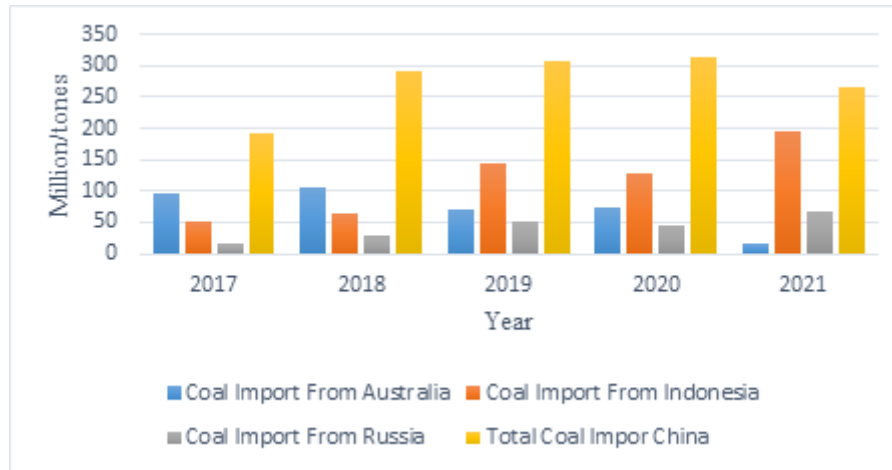


Figure 4. China coal imports from Australia, Indonesia and Russia in 2017–2021.

Excessive use of fossil energy can produce a lot of carbon emissions. China is a country that contributes the most carbon emissions in the world because China's energy source is still dominated by coal as a generator of electricity. In this case, China participates in reducing carbon emissions in the country so that global warming does not increase. Because coal is still the main energy source for China, China needs to use technology that can reduce carbon emissions produced from coal. Clean coal technology is a technology that can facilitate the use of coal in factories so as to produce less carbon emissions. In recent years, China has made progress regarding the development of clean coal technology. The use of clean coal technology will help China continue to be able to use coal as an energy source, along with reducing coal use in the future (Chang et al., 2016).

China Restricts Coal Imports from Australia

China imposes restrictions on coal imports from Australia. China imposed restrictions on coal imports from Australia in February 2019. Chinese customs at Dalian port have placed restrictions on coal imports from Australia. In addition to limiting coal imports from Australia, China imposed an extension of time for coal imports from Australia, which had been in Chinese ports for 40 days (Reuters, 2019). Coal is one of Australia's main export commodities to China. The restrictions on coal imports carried out by China will have an impact on Australia. China is the main destination for Australian coal exports. Australia lost its main market share, which could give Australia more profit. With the imposition of import restrictions by China, Australian coal exports to China will decrease (Laurenceson et al., 2020). On 21 February 2019, Chinese Foreign Ministry spokesman Geng Shuang held a regular press conference regarding China restricting coal imports from Australia. China limits coal imports from Australia because China needs to assess the safety and quality of imported coal. China did this to comply with regulations made by China. In addition, it can better protect the interests of China's domestic producers and the environment. This restriction by China is standard because China needs to improve its security regarding coal imports from Australia following regulations in force in China (Embassy of the People's Republic of China in the Commonwealth of Australia, 2019).

Huawei is one of the leading telecommunication companies that has a 5G network. Huawei is not only developing 5G networks in China, Huawei is also developing 5G networks in other countries, one of which is Australia. However, Huawei's 5G network development in Australia is not going well. In

August 2018, Australia implemented a ban regarding the development of Huawei's 5G network. This ban was imposed because Huawei could threaten national security. Australia considers that the development of Huawei's 5G network in Australia can be used by China to spy on Australian security. Because Chinese intelligence agencies can cooperate with these companies for the benefit of the state (BBC, 2018).

Australia's involvement in the South China Sea is one of the reasons that worsened relations between China and Australia. Australia's involvement in the South China Sea follows the steps of its ally, namely the United States, which is involved in the South China Sea. The existence of Australia in the South China Sea to help countries involved in disputes with China in the South China Sea. This is done so that China is not too aggressive in controlling the South China Sea (Kassam, 2020).

China Coal Import from Indonesia in 2019–2022

Relations between China and Indonesia began in 1950. This can be seen from Indonesia's recognition of China's sovereignty on 15 January 1950. The two countries began to draw up a memorandum of cooperation between Indonesia and China. However, the relationship between the two countries was broken when the G30S PKI incident occurred. Indonesia considers China to be involved in the G30S PKI incident. However, over time, the two countries began to improve their relationship. This can be seen on 8 August 1990, Indonesia and China signed a "Memorandum of Understanding Between the Government of the Republic of Indonesia and the Government of the People's Republic of China on the Resumption of Diplomatic Relations". In this way, relations between Indonesia and China began to improve and cooperate in various sectors, one of which was the energy sector (Sukma, 2009). Indonesia and China agreed to form the first energy cooperation forum. Indonesia and China signed the Indonesia-China Energy Forum (ICEF) through a Memorandum of Understanding (MoU) on 24 March 2002 in Beijing, China. This agreement is an important part for the two countries because it is a meeting forum to see opportunities for cooperation and investment in the mining sector (Sinaga, 2013).

Indonesia is one of the countries that has the most coal reserves in the world. In 2020, Indonesia will have coal reserves of 38.84 billion tonnes. It can be assumed that the coal will run out in the next 65 years if Indonesia's average coal production is 600 million tons and no new coal reserves are found (Priyadi, 2021). This makes Indonesia one of the most coal-producing and exporting countries in the world. With the restrictions on coal imports from Australia being carried out by China, China needs to increase coal imports from other countries, one of which is Indonesia. China needs to import coal from Indonesia because Indonesia has more coal exports than Indonesia, and several Chinese coal import countries, such as Russia, Mongolia, and the United States. In addition, China and Indonesia have even more close relations in cooperating in the economic sector, both in investment and trading. To meet its coal needs through coal imports, China needs to make efforts regarding coal imports from Indonesia. This was done by China to secure its coal supply from Indonesia. There are several related collaborations between China and Indonesia in coal export and import activities after restrictions on coal imports from Australia.

On 28 April 2022, the Chinese government also made a policy regarding coal import tariffs to zero percent. The Chinese Ministry of Finance said that China will implement a zero percent import tariff policy from 1 May 2022 to 31 March 2023. The coal import tariff policy before this implementation was around 3% to 6%. The existence of a zero percent import tariff policy can help China maintain its country's energy security due to higher energy price spikes globally and fears of disruption to energy supply (Asmarini, 2022). In February 2019, China placed restrictions on coal imports from Australia. This import restriction affected China's coal supply (Laurenceson et al., 2020). Previously, Australia was one of China's largest coal-importing countries. With restrictions on coal imports from Australia, China needs to look for additional supplies of coal imports from other countries. One of the importing countries for coal to China besides Australia is Indonesia (Priyandita, 2019). After restricting coal imports from Australia, China conducted several dialogues with Indonesia to increase the supply of coal imports from Indonesia. First, on 10 April 2019, the China National Coal Association (CNCA) invited Indonesian delegates to Shanghai. This meeting was held at Pacific Hall, 4th Floor of Hongqiao Jin

Jiang Hotel Shanghai. There were around 25 representatives from the CNCA, including Ms. Su Chuanrong (Executive Director General of CNCA & Secretary General of the Technology Committee of World Coal Association (WCA), Mr. Yang Xianfeng (President of China Coal Transportation and Distribution Association (CCTDA), Mr. Zhao Jianguo (Executive Director of China International Coal Trade Commission (CICTC). In addition, several representatives from large power companies in China, including China Huaneng Group, Datang Power Fuel, and Guangdong Power Industry Fuel.

Meanwhile, representatives from Indonesia consist of the Indonesian Coal Mining Association (APBI), the Ministry of Trade, and staff from the Indonesian Embassy (KBRI) in China. Several points were discussed at the meeting, including (APBI, 2019): First, the CNCA appreciated the arrival of APBI to China and was grateful that APBI invited CNCA to visit Indonesia. CNCA will visit Jakarta on 23–26 May 2019. This visit has an agenda, among others, to finalize a Memorandum of Understanding (MoU) with APBI and CNCA, offering cooperation in developing clean coal technology with APBI and investment in value-added coal. Second, the CNCA and several representatives from the coal-fired power plant are responding positively to the opportunity to import coal from Indonesia, which is still suitable for the next few decades. Third, the Ministry of Trade will prepare draft regulations in 2019. For importers or exporters, it is necessary to cooperate with national shipping companies in exporting coal. The government will try so that coal exports do not experience obstacles and exporters and importers do not feel burdened by the additional costs imposed.

Second, on 24 May 2019, the Indonesian Coal Mining Association (APBI) and the China National Coal Association (CNCA) collaborated to increase trade and investment between Indonesia and China by signing the MoU. This signing was carried out to maintain coal cooperation relations between Indonesia and China. The signing was carried out by APBI Chairman Pandu Sjahrir and CNCA Vice President Xie Hongxu on 24 May 2019 at the APBI Secretariat office in Jakarta. In addition, this signing was witnessed by PRC Ambassador to Indonesia Xiao Qian, Deputy Head of Indonesian Representative in Beijing Listyowati, Indonesian Trade Attaché for Beijing, Marina Novira Anggraini, representatives from several coal associations, and media crew (Kemlu, 2019). This cooperation agreement aims to build cooperation in coal mining and utilization, exchange of personnel between the two parties, and environmental technology development. Indonesia and China will continue to increase their support for the safety and health of mining workers, develop clean coal technology, and increase the added value of coal (Pratiwi, 2019).

Third, on 25 November 2020, carrying out the "China-Indonesia Coal Procurement Matchmaking Meeting," which was held virtually, the Chinese delegation who took part in the event was in Guangxi, while the Indonesian delegation was in Jakarta. This event is an agreement to sign cooperation in increasing coal exports from Indonesia to China between APBI and China Coal Transportation and Distribution (CCTDA). Both parties gave opening remarks at the event. The first remarks were made by the Chinese Minister of Trade Peng Gang, then the Indonesian Coordinating Minister for Maritime Affairs Luhut Binsar Panjaitan. In addition, each of the ambassadors also witnessed the event: the PRC Ambassador to Indonesia, Xiao Qian, and the Indonesian Ambassador to PRC and Mongolia, Djauhari Oratmangun. APBI Chairman Pandu Patria Sjahrir and Liang Jia Kun from CCTDA signed this collaboration. This agreement can maintain the supply of coal exports and imports, facilitate coal producers in Indonesia with buyers in China, and increase bilateral trade between China and Indonesia (APBI, 2020).

After carrying out a cooperation agreement between China and Indonesia regarding coal trading, there was an increase in Chinese coal imports from Indonesia. In 2018, Chinese coal imports from Indonesia amounted to 63 million tonnes (Kementerian ESDM, 2020). However, after restrictions on coal imports from Australia and China entered into a cooperation agreement with Indonesia, China's coal imports in 2019 amounted to 144 million tonnes (Kementerian ESDM, 2020). These coal imports can meet China's 47% of 308 million tonnes (IEA, 2020). In 2020, Chinese coal imports from Indonesia decreased by 12% to 127 million tonnes (Kementerian ESDM, 2020). Even though there has been a decline in coal imports from Indonesia, at least coal imports from Indonesia have fulfilled China's coal imports of 40% of 314 million tonnes (IEA, 2021). In 2021, Chinese coal imports from Indonesia will increase 2020 by

54% to 196 million tonnes (Statista, 2022). Coal imports in 2021 can meet China's coal imports of 58% of 338 million tonnes (IEA, 2022). However, in 2022, Chinese coal imports from Indonesia will decrease from 13% in 2021 to 170 million tonnes (Dry Bulk Market, 2022). China's coal imports in 2022 can meet China's coal import needs of 60% of 285 million tonnes (IEA, 2022). Overall, China's coal imports from 2019 to 2022 increased by 18%; in 2019, it was 144 million tonnes, and in 2022 it was 170 million tonnes. In 2020, China's coal imports from Indonesia were the lowest from 2019 to 2022, 127 million tonnes. In 2021, China's coal imports from Indonesia will be the highest from 2019 to 2022, namely 196 million tonnes. With the cooperation agreement between China and Indonesia, China can meet its coal import needs after restrictions on coal imports from Australia in 2019.

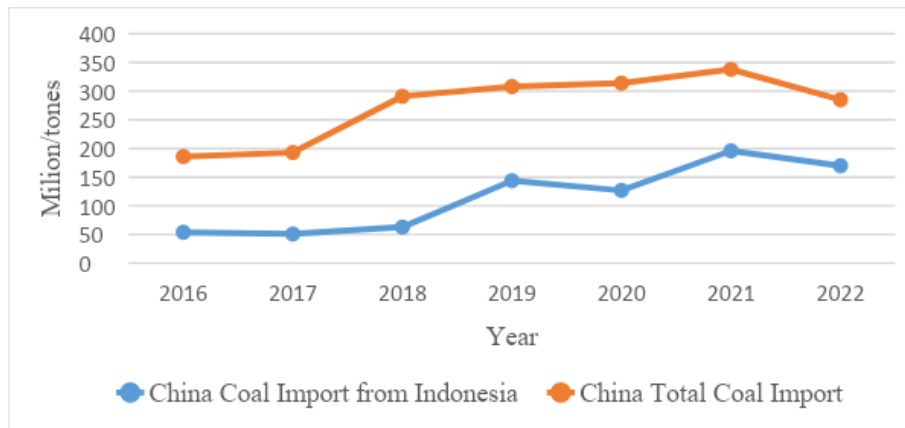


Figure 4. China coal imports from Australia, Indonesia and Russia in 2017–2021.

Analysis Theory of Energy Diplomacy in This Case

After the relationship between China and Indonesia has improved, the two countries have a lot of cooperation, one of which is in the mining sector. This bilateral cooperation is carried out because of the mutual dependence between the two countries. Indonesia has abundant natural resources. Meanwhile, even though China has natural resources, China is still unable to meet the needs of all the people, especially in the mining sector. In 2019, China began reducing coal imports from Australia. This reduction in coal imports has an effect on China's coal consumption needs, so China needs to increase coal imports from other countries, one of which is Indonesia. In this case, China and Indonesia have formed a mining cooperation forum for a long time. This will make it easier for the two countries to enter into a coal cooperation agreement so that China can continue to increase its coal imports from Indonesia. Qinhua explained that regarding China's energy diplomacy, China has several strategies used to implement its energy diplomacy. In carrying out its energy diplomacy, China does not only focus on building energy cooperation through bilateral cooperation. In addition, China also supports its national energy companies to get involved in strengthening China's energy cooperation with other countries (Qinhua, 2007).

- **Dialogue Related to Energy Between Countries**

First, China invited Indonesia to hold a meeting in China on 10 April 2019. The event was held at the Shanghai Hotel. The meeting between China and Indonesia discussed the development of coal cooperation, especially on coal export and import activities. This meeting was the beginning for China to be able to increase coal imports from Indonesia. Given Indonesia is, one of the largest coal exporting countries in the world. Through this meeting, China will visit Indonesia to discuss coal cooperation. The visit was carried out on 23–26 May 2019. As for the agenda, the visit was to carry out the signing of the MoU between the CNCA as a Chinese representative and APBI as an Indonesian representative. Besides that, cooperation will help Indonesia regarding the development of clean coal technology, increase the added value of coal, and so on (APBI, 2019).

Second, China and Indonesia are cooperating on trade coal through the signing of the MoU on 24 May 2019. After the visit that was conducted by Indonesia to China on 10 April 2019, China is now making a visit to Indonesia on 23–26 May 2019, as agreed at the meeting before (Ministry of Foreign Affairs, 2019). The objectives of the signing of this MoU include building coal mining and utilization cooperation, expert exchange coal mining between the two countries, developing technology environment, increasing support for worker safety and health mines, developing clean coal technologies, and increasing value-added coal (Pratiwi, 2019).

Third, China and Indonesia held the “China-Indonesia Coal Procurement Matchmaking Meeting” which was held virtually on 25 November 2020. The Chinese delegates who took part in this event were in Guangxi, while the Indonesian delegation who took part in this event was in Jakarta. The purpose of carrying out this event is to sign related cooperation increasing Chinese coal imports from Indonesia and helping the process between buyers from China and coal producers in Indonesia. This was done by CCTDA as representatives of China, with APBI as representatives of Indonesia (APBI, 2020).

- Direct Government Involvement in Energy Partnership

The role of the government is significant in establishing cooperation between countries, especially cooperation related to energy. Through the three dialogues that have been carried out, the Chinese government has played a role in the dialogue. First, the dialogue with China invited Indonesia to meet in China on 10 April 2019. In this first dialogue, the Chinese government invited delegates from Indonesia (APBI, Ministry of Trade, and Indonesian Embassy staff in China) to meet with the CNCA. During this meeting, the Chinese government supported the CNCA in cooperating with Indonesia regarding the coal trade. Through this meeting, an MoU will be signed between CNCA and APBI when CNCA visits Indonesia on 23–26 May 2019. This meeting is a momentum for China to increase its coal imports from Indonesia because Indonesia is one of the most exporting countries in the world (APBI, 2019).

Second, the dialogue between China and Indonesia carried out the "China-Indonesia Coal Procurement Matchmaking Meeting," held virtually on 25 November 2020. In this third dialogue, the Chinese government supported the CCTDA in holding meetings with Indonesian delegates (APBI, Coordinating Minister Indonesian Maritime Sector Luhut Binsar Panjaitan) virtually through the "China-Indonesia Coal Procurement Matchmaking Meeting" forum. The Chinese delegation is in Guangxi, and the Indonesian delegation is in Jakarta. Liang Jia Kun carried out the signing of this cooperation from CCTDA and Pandu Patria Sjahrir from APBI. In addition, the Chinese government, represented by the Chinese Minister of Trade Peng Gang and PRC Ambassador to Indonesia Xiao Qian, witnessed the signing of the cooperation between CCTDA and APBI. This collaboration can help maintain the supply of imported Chinese coal, help buyers from China with coal producers in Indonesia, and increase bilateral trade between China and Indonesia (APBI, 2020).

- Public Energy Diplomacy Activities

The Chinese energy association is essential in the Chinese government establishing coal cooperation with Indonesia. The Chinese energy associations cooperating with Indonesia regarding the coal trade are the China National Coal Association (CNCA) and the China Coal Transportation and Distribution Association (CCTDA). CNCA is the largest coal association in China. CNCA was formed in 1998 and has more than 1100 members of various coal companies engaged in coal production, sales, infrastructure, geological exploration, and technology. The CNCA helps China to carry out coal industry cooperation with destination countries, promote coal industry technology, and recommend policies to be taken by the government regarding the coal industry (CNCA, 2022). CCTDA is an association engaged in the transportation and distribution of coal in China. CCTDA was established in August 1998 and consists of national coal transportation and distribution companies, research institutes, and

local organizations engaged in the coal sector. CCTDA can help companies and governments strengthen the coordination of coal transportation and distribution (CCTDA, 2022).

Through the three dialogues that have been carried out, the energy association has a role in helping China secure its coal import supply from Indonesia to meet China's coal import needs. First, the dialogue with China invited Indonesia to meet in China on 10 April 2019. In this first dialogue, the CNCA, as the representative from China, played an essential role in holding meetings with Indonesian delegates. From the CNCA, there were around 25 people, including Ms. Su Chuanrong (Executive Director General of CNCA & Secretary General of the Technology Committee of WCA, Mr. Yang Xianfeng (President of CCTDA, Mr. Zhao Jianguo, Executive Director of CICTC). Meanwhile, the Indonesian side comprises APBI, the Ministry of Trade, and staff from the Indonesian Embassy in China. This meeting is a momentum for CNCA to be able to cooperate with Indonesia regarding coal trade after restricting coal imports from Australia. Through this meeting, CNCA will visit Indonesia on 23–26 May 2019. This visit is for signing an MoU between CNCA and APBI (APBI, 2019).

4. Conclusions

Bilateral cooperation between China and Indonesia in the energy sector shows that these two countries need each other. In this study, China needs additional coal imports from Indonesia because Indonesia has a lot of coal in the country. China needs to increase its coal demand troops in the country. On the other hand, Indonesia will benefit because coal exports to China are increasing. China's energy diplomacy in importing coal from Indonesia can be seen from: First, dialogue between countries related to energy. There are three energy dialogues conducted by China and Indonesia, namely the Dialogue on China inviting Indonesia to hold a meeting in China on 10 April 2019, the Dialogue on China and Indonesia cooperating on coal trade through the signing of the MoU on 24 May 2019, and the Dialogue on China and Indonesia held the "China-Indonesia Coal Procurement Matchmaking Meeting" which was held virtually on 25 November 2020. Second, the government's direct involvement in energy partnerships. The Chinese government is also involved, including The Chinese government invites delegates from Indonesia (APBI, Ministry of Trade, Indonesian Embassy staff in China) to hold a meeting with the CNCA, and The Chinese government supports CCTDA to enter into a coal cooperation agreement with APBI virtually through the "China-Indonesia Coal Procurement Matchmaking Meeting" forum. Third, public energy diplomacy activities. Through the three dialogues that were carried out, Chinese non-state actors also played a role. In the first dialogue, CNCA, as a representative from China, played an essential role in holding meetings with Indonesian delegates. In the second dialogue, CNCA played an essential role as China's representative because CNCA signed an MoU with APBI on 24 May 2019. In the third dialogue, CCTDA entered into a cooperation agreement with APBI on 25 November 2020.

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