

The Jakarta Post, Jakarta: Business Nanggroe Aceh Darussalam-based State fertilizer producer PT Pupuk Iskandar Muda (PIM) says it has secured gas supplies for the next 20 years starting next year, which will enable the company to utilize its production capacity to the maximum.

"Starting 2011, PIM will have a sufficient gas supply as well as other fertilizer companies in Aceh. We can revive the industrial zone just like what was done in the past," PIM president director Mashudianto said on the sidelines of an MoU between state insurance company PT Jasindo and 19 state firms in Jakarta.

PIM has been suffering from a gas shortage after ExxonMobil earlier cut and stopped gas supply as its gas production was only just enough to meet its contract for liquefied natural gas (LNG) to be exported to Japan and Korea.

Mashudianto said that PIM had succeeded in ensuring gas supply from Bontang gas field for 2011 and 2012. "We have secured 11 cargoes of gas for 2011 and another 12 cargoes for 2012, so that our two factories will operate at full capacity," he said. According to Mashudianto, for 2013 PIM has also resumed its contract with PT Medco Energi International, an operator for Blok A gas field in East Aceh. "We have signed a contract with Medco in December 2007 for the next nine years.

Block A is expected to produce in 2013," he said, adding that for the first four years, Medco would distribute 110 MMSCFD and 60 MMSCFD for the remaining five years. Meanwhile, in 2015 the company said it was optimistic it could obtain more gas from Arun terminal, which will be distributed for domestic consumption.

However, Mashudianto acknowledged that this year PIM only operates one factory, PIM I, as the company only obtains 6 cargoes of gas from Arun and Bontang gas field. "Currently the PIM condition has improved, as we operate one factory at full capacity. In the last three years, we produced only 25 percent from the total capacity of PIM I factory," he said, adding that PIM I had a 570,000 ton capacity.

Currently, Aceh has two fertilizer companies; PIM and Asean Aceh Fertilizer companies, located in North Aceh. While PIM is not going strong, AAF has been closed since 2001 due to a raw material supply problem.

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