Indonesia Towards Reference for World Tin Price

Jakarta, September 6, 2013 – As one of the biggest tin producers in the world, The Government of Indonesia is currently preparing Indonesian tin price to be as the reference for world tin prices. This was affirmed by the Indonesian Minister of Trade, Gita Wirjawan, today, Friday (9/6).

With regards to the new Ministry of Trade’s policy regarding the trade of tin, the Minister of Trade emphasized that basically the government wants transparency and crystallization of value for tin products produced in Indonesia. “With its existence as one of the world’s largest producers and exporters, Indonesia should not have to worry about supply,” the Minister affirmed.

The Head of The Commodity Futures Trading Regulatory Agency (CoFTRA) of the Ministry of Trade, Sutriono Edi, separately said that since the commencement of export trading of tin through an exchange market on 30 August 2013, the price of tin showed a tendency to increase as reflected in the transactions that occurred in the Exchange market. “Tin transactions in the Tin Exchange per 30 August 2013 was recorded to have reached USD 21,510/ton, while on 3 September 2013, it reached USD 21,500/ton; on 4 September 2013, it reached USD 21,545/ton; and on 5 September 2013 it reached USD 21,900/ton,” he explained.

The Head of CoFTRA explained that the price increase indicates a good price development because during the opening of trading on the exchange, the London Metal Exchange’s (LME’s) price of tin was at the range of USD 20,900-21,100. “This means that Indonesia’s tin prices have started to become a reference to the domestic and international tin traders,” said the Head of CoFTRA.

Dengan diterbitkannya Peraturan Menteri Perdagangan (Permendag) Nomor 32 Tahun 2013, maka terdapat lima kontrak timah batangan yang diperdagangkan, yaitu:

With the issuance of the Minister of Trade Regulation Number 32 Year 2013, there are five contracts of tin ingots that are traded, namely:

1. TINPB300 Contract with Stannum (Sn) content of 99.9% and Fe Impurity factor of 0,005% and Lead (Pb) Impurity factor of 0,030%;
2. TINPB200 Contract with Stannum (Sn) content of 99.9% and Fe Impurity factor of 0,005% and Lead (Pb) Impurity factor of 0,020%

3. TINPB100 Contract with Stannum (Sn) content of 99.9% and Fe Impurity factor of 0,005% and Lead (Pb) Impurity factor of 0,010%;

4. TINPB050 Contract with Stannum (Sn) content of 99.9% and Fe Impurity factor of 0,005% and Lead (Pb) Impurity factor of 0,005%; and

5. TIN4NINE Contract with Stannum (Sn) content of 99.9%.

The Head of CoFTRA added that the export trade of Tin through the Tin Exchange will boost the competitiveness of Indonesian tin commodity so that it can eventually be able to actualize the growth of tin exports that is more environmentally friendly.

“That is why Indonesian Tin Producers should emphasize high export value rather than high export volume with low prices bearing in mind that tin is a non-renewable natural resource with a very limited supply of reserves. Besides that, the over exploitation of tin can also have a negative impact on the environment by way of damaging the environment of the tin mining area,” explained the Head of CoFTRA.

Until now, there are 12 members of the Indonesia Tin Exchange, namely PT. Timah Tbk (State-Owned Enterprise); PT. Tambang Timah (State-Owned Enterprise); PT. Refined Bangka Tin; H.CO.,LTD. (Korea); PT. Inti Stania Prima; Daewoo International Corporation (Korea); Gold Matrix Resources (Singapore); Great Force Trading (Hong Kong); PT. Mitra Stania Prima; Noble Resources International Pvt.Ltd. (Singapore); Purple Products Pvt.Ltd (India) and Toyota Tsusho Corporation (Japan).

“The transparent transaction mechanism of the exchange and the ever increasing price of world tin are expected to attract members of other exchanges to also conduct their transactions through the Tin Exchange,” added the Head of CoFTRA.

According to the head of CoFTRA, PT. Timah, as the largest member of the Tin Exchange, has also encouraged their buyers who have not been registered as members to become members of the Tin Exchange. “Some additional buyers of PT. Timah have contacted the Indonesian Commodity and Derivatives Exchange to deal with the matter of obtaining their membership. At present, the Tin Exchange (ICDX) is in the process of adding members from both buyers and sellers,” the Head of CoFTRA added.

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