

Two years after Law No. 4/2009 – what have we achieved and what needs to be done

Irwandy Arif
Association of Indonesian Mining Professional

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Political Front:

1. By increasing power and assertiveness of the People's Republic of China, they ever more intense interest in the region challenges the viability of ASEAN's longstanding vision of Southeast Asian security.
2. American, Japanese, Australian, and increasingly, Indian and South Korean approaches to Southeast Asia bear as much examination as do Chinese undertaking.
3. Implications of the inclusion of the United States in the East Asia Summit.

Political Front: Indonesia

1. Trends in parliamentary
2. Sub-national government (regional autonomy)
3. *Religious affairs*

Will have great bearing on Indonesia's immediate future

Source: ISEAS, 2010

Economic Front: Indonesia

1. Rapid recovery has been aided by improvements in the external demand.
2. Direct investment and portofolio flows have also returned.
3. *Stock markets have rallied, and the surge in capital inflows has caused national curencies to appreciate.*
4. *Uncertainty in the global market however remains a looming risk in the near future (ex flood in Australia, economy declined in some country in Europe, Tsunami in Japan, Libya trend ..).*
5. *Major impediment are sectoral laws and regulations sincronization.*

Economic growth are likely to moderate in 2011 and 2012

Sources: ISEAS 2010 and Personal

What have we achieved?

- 1. Instruments for preparing legislation have been completed:**
4 Peraturan Pemerintah, 5 Peraturan Menteri, 3 Keputusan Menteri , 1 Peraturan Direktur Jenderal Mineba, 1 Surat Edaran Dirjen Minerba dan 1 Surat Dirjen Minerba.
Waiting for Added Value Minister Bill
- 2. Transfer of more than 4000 KP into IUP out of 10000KP**
- 3. All companies (KK and PKP2B) have submitted long term plan (article 171 paragraph a).**

What needs to be done?

1. **Solution for pasal 169 ayat b dan pasal 171 ayat a in UU No 4 Tahun 2009**
2. Once the COW regime is ended, and changed to the License regime, the mining industry is subject to the prevailing laws and regulations.
The change requires general laws and regulations that could support investments in the mining industry

To accelerate and extend the Indonesian economic development 2011-2015, requires **SYSTEMATIC** and **ACCELERATED** effort in the aspects of:

1. **LAW**; Law enforcement and Synchronization of Sector Acts with amendment of article in Acts that prohibit the growth of mining industry. Sector Acts besides Minerba Acts should have part which accomodates Mining Sector
2. **SOCIAL, CULTURE and ENVIRONMENT**; we need: Community and Environment Empowerment, sustainable CSR Concept
3. **HUMAN RESOURCE**: Competence build up through Education and Certification for Competent Person and Certification for Professional Competence

4. **FINANCE:** Long term approach by government in connection with mining ownership, regulation on expenses for 'green field' to drive exploration and strategy on mining expenditure for production/ production increase.
5. **ECONOMY:** Towards added value for mining product, integrated concept for mining industry (mining integration-PLTU-value added process-connectivity with other sector), utilization of mining industry character which is 'price taker' for the increase of country and company income
6. **TECHNICAL:** Mapping of mineral and coal resources for completing 6 National Economic Corridor (determination of mine spreading and centre of production and process), Implementation of 'Good Mining Practice' to increase mining productivity and approach to bring mining companies which have not followed legislation under control.

The objectif of PERHAPI:

1. Strengthen the competence of members to build the Indonesian mining
2. Give inputs to establish the Indonesian mining policy
3. Become accelerator engine to speed up Indonesian economic by mediating government and industry

REFERENCES

1. ISEAS Institute of Southeast Asian Studies: “Regional Outlook Southeast Asia 2011-2012”, 2011.
2. PT. Inco Tbk
3. Perhapi

Thank you



PERHAPI FOR BETTER INDONESIA