

MINING

GOVERNMENT TO ENSURE MINERAL EXPORT BAN

JAKARTA, KOMPAS.

Government to ensure mineral export ban on 12th January 2014. The ban is a step to increase the value-added mineral.

Deputy Minister of Energy and Mineral Resources (ESDM) Susilo Siswoutomo in Jakarta on Monday (23/12), asserted that the government is committed to carry out the mandate of Law Nomor 4 Year 2009 concerning Mineral and Coal Mining (Minerba) consequently. So that, the liabilities mineral ore processing and refining will be remain conducted.

Seeing the development of the current situation of the mining industry, the government evaluates the preparation of policy implementation. This is because most of the mining companies forced to stop operating if the policy was implemented because there are no processing plants in the country that can absorb their minerals.

“We are currently discussing this issue inter-ministerial. How does the mechanism that not to against the law,” he said. If the mining companies are allowed to export mineral ores until the next few years or until the processing plant began operating, there should be a legal law applied. However, until now there is no way out.

The government is reviewing the rules of implementation of value added minerals. This is to follow the decision of the Supreme Court that has instructed the Minister of Energy and Mineral Resources Minister of Energy and Mineral Resources to revoke Regulation No. 7 of 2012 concerning the Added Value through Mining permit holders (IUP) at the request of bauxite mining employer in Central Kalimantan, Alias Wello.

Director General of Mineral and Coal, Ministry of Energy and Mineral Resources. R Sukhyar on Monday (23/12), in Jakarta, said the government will continue to implement the exports ban of raw mineral in accordance with the law on Mineral and Coal. It has also been agreed by the holders of mining business license (IUP).

“The government may not release the mineral ore exports by 2014, as this could destructive to the existing system. Government has commitment to implement the law. Moreover, employers have agreed to carry out the processing and refining in the country.

Sukhyar advised, after the cancellation of the Minister of Energy and Mineral Resources Regulation No. 7/2012 by the Supreme Court, the government summoned the mining employer. The result, both of government and employer agreed that the obligation mineral ore processing and refining will be executed on January 12, 2014 in accordance with the mandate of the Mining Law. So, there is no accelerated schedule as stated in the Minister of Energy and Mineral Resources No. 12/2012.

“The implementation of obligation processing and refining has been agreed, to be applied effectively in 2014. There are 213 Mining permit holders (IUP) have signed the agreement in the

integrity pact, said Sukhyar. In related to PT. Freeport Indonesia and PT. Newmont Nusa Tenggara (NTT), Sukhyar stated that, the Ministry of Energy and Mineral Resources has confirmed that both of companies that possess the work contracts, still can keep producing according to the capacity of the processing plant in the country. It means that the Freeport Indonesia will produce 30 percent of the current capacity and the NNT will produce 25 percent of capacity, their products will be processed by PT. Smelting Gresik.

"Presently, some processing plants or smelters have been operating in the trial phases, some have started to operate" Sukhyar said.

Detrimental For the Country

Separately, State House Commission VII member of the Golkar Party fraction, Satya W. Yudha said the government orders must be consistent with the Act. "We would not violate the Act. Relaxation is only possible through government regulation in lieu of Law (Perppu), the government later will need to propose and get approval in plenary session. Whilst this is not possible to be done before 12 January 2014," he said.

In the long term, if the government tolerates the export of mineral ores until several years in the future, it is detrimental to the country. Exporting the mineral ore will not add value for both of economic and human resource development, and there is no domino effect of the existence of the industry.

According to the Executive Director of the Institute of Mining and Energy Economics Studies (Refor - Miner Institute) Pri Agung Rakhmanto Mining Law from the beginning it has some fundamental flaws, especially related technical aspects and details, consequently the rules of legislation was ultimately not implemented enough.

Aside from that, the implementing regulations issued slowly and also too soft in technical terms or details. "So, it's not surprising that the application of the rules of the export ban of raw mineral also likely to be loosened" said Pri Agung.

" In this case, the government itself has yet to be ready to apply explicitly the ban export of raw minerals, either in regulation, details that related to technical matters, as well as to study the impact of economic, social and political " he said .