

2022



INDONESIA MINING GUIDANCE



Directorate General of Mineral and Coal
Ministry of Energy and Mineral Resources



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Business Guidance
2022*

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REMARK

Dear readers,

Post to Covid-19 pandemic which has started to slowing down in 2021, the world's economy is recovering. The mineral and coal mining industry has been recovering also as shown by the increasing production and price of almost all mineral and coal mining commodities significantly compared to in 2020.

For the purpose of maintaining the mineral and coal mining business climate, Directorate General of Mineral and Coal will continue to promote the investment in mineral and coal subsector as the subsector runs several national priority programs. Therefore, the mineral and coal mining contributes to the national economy growth and plays a role in national economy transformation program.

In this opportunity, Directorate General of Mineral and Coal is inviting all stakeholders to maintain the mineral and coal mining business climate to encourage the enhancement of all aspects in the mining activity.

In the book of Indonesia Mining Guidance 2022, Directorate General of Mineral and Coal takes the theme of Enhancing ESG in Mining Industry. The Editorial Board sees ESG as a tool that is currently being used as an industrial reference that is environmentally friendly and investment friendly. The awareness on environment, community development and empowerment (social), and mining company management (governance) indeed has been implemented. However, the global demand to the company to meet the ESG requirement is in line with the existing policy on mineral and coal mining.

In this economic recovery post to Covid-19 pandemic, we are inviting all related stakeholders to promote the investment in mineral and coal subsector and we hope that the book of mineral and coal mining business guidance would open wider investment. This book is the sixth edition and has been continuously published since its first edition in 2017.

We have the expectation that the book of Indonesia Mining Guidance would serve as a strategic bridge to increase the mineral and coal investment in Indonesia

Thank you



A handwritten signature in green ink, consisting of stylized letters.

Jakarta, 2022
Director General of Mineral and Coal
Dr. Ir. Ridwan Djamaluddin, M.Sc

FOREWORD

Dear readers,

In order to support the national economy, the mineral and coal mining subsector has a strategic role that needs to be monitored from time to time as its contribution to the Non-tax State Revenue continues to increase. The multiplier effect to the economy from the mineral and coal mining industry is significantly encouraging the increase of local community's standard of living.

As a country with major resources and reserves of mineral and coal mining commodity, Indonesia has to be able to utilize the potential wisely. The government has always promoted the investment, uses the guideline as mandated in Article 33 of 1945 Constitution and is in favor of the environmental sustainability.

Therefore, Directorate General of Mineral and Coal has regularly published the book of Indonesia Mining Guidance since 2017. The book of Indonesia Mining Guidance is written comprehensively by presenting a complete and balanced data to provide a comprehensive overview to investor candidates on the latest mineral and coal policy, mineral and coal mining statistics, government's incentive, and investment procedure in mineral and coal subsector.

The Editorial Board engages various sectors to obtain accurate information to maintain the quality of the presented information. Each year the editorial board updates the data and information to present the latest condition and relevant situation in the book. In this opportunity, we would like to convey our greatest gratitude to government institutions for their contribution in the concept formulation, data collection, and compilation of the content in the book.

We do hope that the publication of this book would promote a growing investment climate in Indonesian mineral and coal mining and to serve maximum advantages for all stakeholders through a correct, proper, and environmentally friendly mining governance.

Thank you



Jakarta, 2022

Director of Mineral and Coal Development Program

Dr. Ing. Tri Winarno S.T., M.T.





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EXECUTIVE SUMMARY

In the last two years, the Covid-19 pandemic has brought significant changes in all aspects of life globally. However, in the midst of this challenging condition, the investment in mineral and coal subsector is stable. The mineral and coal production and sales show a growing trend.

The mineral and coal subsector has given significant contribution to the state revenue, economic growth in area surrounding the mining, and employment. The Government of Indonesia continues to encourage the investment in mineral and coal subsector. In policy side, the Law No.11 of 2020 on Jobs Creation (Omnibus Law) is passed to create positive impact to the Indonesia's economy, including to increase investment. The Law No.3 of 2020 on Mineral and Coal (Mining Law) is also passed with the same goal of the Omnibus Law in increasing the investment growth in mineral and coal subsector.

The book of Indonesia Mining Guidance is addressed to mineral and coal stakeholders, especially domestic and international investors. This book is presented in ten (10) chapters with the following summary.

Chapter 1 – Introduction, containing opening information on mineral and coal mining situation in Indonesia as well as investment climate.

Chapter 2 – Enhancing ESG in Mining Industry, containing presentation on the government's support to mineral and coal mining industry in implementing ESG.

Chapter 3 – Statistic Review, containing information on statistic which is relevant to mineral and coal investment opportunity in Indonesia. Information and analysis on statistic are including resources and reserves; production, domestic sales, and export; mineral and coal mining area; Indonesia mineral and coal production to the world; commodity price; contribution of Non-Tax State Revenue from mineral and coal mining; commodity price; contribution of Non-Tax State Revenue from mineral and coal subsector; and mineral and coal investment data.

Chapter 4 – Supporting Indicator to the Investment, containing a review on several important indicators in investment such as: politic and security stability; economic stability; employment; and overview of infrastructure development in Indonesia.

Chapter 5 – Fiscal Facility and Incentive, The Government of Indonesia is encouraging the increasing investment in mineral and coal mining by giving various fiscal facilities and incentives to mineral and coal mining investors in Indonesia.

Chapter 6 – Investment Procedure, presenting guidance of license procedure, investment procedure, and WIUP tender in Indonesia. Furthermore, it also presents checklist of requirements to ease investor candidates in preparing license requirement when investing.

Chapter 7 – Company Obligation, containing information on obligation for each company investing especially in mineral and coal mining sector, from general obligation to particular obligation for mineral and coal mining company.

Chapter 8 – Digitalization in Mineral and Coal Subsector, containing information on the existing digital system and application to ease all stakeholders to obtain information, proceed the license, and monitor the process transparently.

Chapter 9 – Mineral and Coal Investment Opportunity, presenting information on mineral and coal investment opportunities in Indonesia, especially in mineral, coal, and mining services.

Chapter 10 – Closing, presenting several important points in investing in mineral and coal as well as a review on important information in this book.

Please enjoy reading the book of Indonesia Mining Guidance. We hope that this book would be a source of beneficial information to all stakeholders, especially for domestic and international investors to provide the greatest benefit for the state and Indonesian people.

LIST OF DEFINITION

BBPJN	:	Balai Besar Pelaksanaan Jalan Nasional (National Road Implementation)	NSPK	:	<i>Norma, Standar, Prosedur dan Kriteria</i> (Norm, Standard, Procedure)
BBWS	:	Balai Besar Wilayah Sungai (River Basin Organization)	OSS	:	Online Single Submission
BKPM	:	Badan Koordinasi Penanaman Modal (Investment Coordinating Board)	P3B	:	<i>Perjanjian Penghindaran Pajak Berganda</i> (Double Tax Avoidance Agreement)
BO	:	Beneficial Ownership	PDB	:	<i>Produk Domestik Bruto</i> (Gross Domestic Product)
BPN	:	Badan Pertanahan Nasional (National Land Agency)	Permen ESDM	:	<i>Peraturan Menteri Energi dan Sumber Daya Mineral</i> (Minister of Energy and Mineral Resources Regulation)
BUMN	:	Badan Usaha Milik Negara (State Owned Enterprise)	PKP2B	:	<i>Perjanjian Karya Pengusahaan Pertambangan Batubara</i> (Coal Contract of Work/CCoW)
CD	:	Community Development	PLTU	:	<i>Pembangkit Listrik Tenaga Uap</i> (Steam Power Plant)
DER	:	Debt to Equity Ratio	PMA	:	<i>Penanaman Modal Asing</i> (Foreign Investment)
DPMPSTP	:	Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu (One Stop Investment and Integrated Services Office)	PNBP	:	<i>Penerimaan Negara Bukan Pajak</i> (Non-Tax State Revenue)
FATF	:	Financial Act Task Force	PNT	:	<i>Peningkatan Nilai Tambah</i> (Value-Added Increase)
HBA	:	<i>Harga Batubara Acuan</i> (Coal Reference Price)	Potput	:	<i>Potong pungut</i> (Deduction and Collection)
IPPKH	:	<i>Izin Pinjam Pakai Kawasan Hutan</i> (Leasehold of Forest Area License)	PP	:	<i>Peraturan Pemerintah</i> (Government Regulation)
IPR	:	<i>Izin Pertambangan Rakyat</i> (Artisanal Mining License)	PPKH	:	<i>Persetujuan Penggunaan Kawasan Hutan</i> (Approval for Forest Area Use)
IUJP	:	<i>Izin Usaha Jasa Pertambangan</i> (Business License for Mining Services)	RPJMN	:	<i>Rencana Program Jangka Menengah Nasional</i> (National Medium-Term Development Plan)
IUP	:	<i>Izin Usaha Pertambangan</i> (Mining Business License)	PPM	:	<i>Pengembangan dan Pemberdayaan Masyarakat</i> (Community Development and Empowerment)
IUP Daerah	:	<i>Izin Usaha Pertambangan Daerah</i> (Regional Mining Business License)	RKAB	:	<i>Rencana Kerja dan Anggaran Biaya</i> (Work Plan and Budget)
IUPK	:	<i>Izin Usaha Pertambangan Khusus</i> (Special Mining Business License)	RUMIJA	:	<i>Ruas Milik Jalan</i> (Right of Way)
IUPOP	:	<i>Izin Usaha Pertambangan Operasi Produksi</i> (Operation Production Mining Business License)	SDM	:	<i>Sumber Daya Manusia</i> (Human Resources)
K3	:	<i>Keselamatan dan Kesehatan Kerja</i> (Occupational Health and Safety)	SKT	:	<i>Surat Keterangan Terdaftar</i> (Certification of Registration)
KDI	:	<i>Kompensasi Data Informasi</i> (Information Data Compensation)	Smelter	:	<i>Fasilitas Pengolahan dan Pemurnian</i> (Processing and Refining Facility)
KK	:	<i>Kontrak Karya</i> (Contract of Work)			
Minepedia	:	Online catalog of construction tools and raw material			
NPWP	:	<i>Nomor Pokok Wajib Pajak</i> (Taxpayer Registration Number)			

SMKP	:	<i>Sistem Manajemen Keselamatan Pertambangan</i> (Mining Safety Management System)	UMSP	:	<i>Upah Minimum Sektoral Provinsi</i> (Sectoral Provincial Minimum Wage)
TKA	:	<i>Tenaga Kerja Asing</i> (Foreign Worker)	UU	:	<i>Undang-undang</i> (Law)
TKDN	:	<i>Tingkat Komponen Dalam Negeri</i> (Local Content)	WP	:	<i>Wilayah Pertambangan</i> (Mining Area)
TKI	:	<i>Tenaga Kerja Indonesia</i> (Indonesia Migrant Worker)	WPN	:	<i>Wilayah Pencadangan Negara</i> (State Reserve Area)
UM	:	<i>Upah Minimum</i> (Minimum Wage)	WPR	:	<i>Wilayah Pertambangan Rakyat</i> (People's Mining Area)
UMK	:	<i>Upah Minimum Kabupaten/Kota</i> (Regency/Municipal Minimum Wage)	WUP	:	<i>Wilayah Usaha Pertambangan</i> (Mining Business Area)
UMP	:	<i>Upah Minimum Provinsi</i> (Provincial Minimum Wage)			
UMSK	:	<i>Upah Minimum Sektoral Kabupaten/ Kota</i> (Sectoral Regency Minimum Wage)			



CHAPTER 1

INTRODUCTION





The year 2021 is a challenging period for industry along with the striking Covid-19 pandemic. The mineral and coal subsector also faced the same challenges. Moreover, the peak of Covid transmission with the delta variant occurred in the middle of 2021 so that the industry was again affected. Indonesia took the mitigation upon the peak of pandemic by intensifying the vaccination and implementing policy to reduce the transmission potential. This intervention is quite successful and it leads to the post pandemic recovery by the end of 2021.

Overall, along 2021, various achievement indicators in mineral and coal subsector show a good performance including the mineral and coal subsector investment.

In this book of Mining Guidance, the editorial board updates the latest data by involving various sectors based on the field and support to the investment.

In the National Medium Term Development Plan, the Government of Indonesia is prioritizing the ease of investment to promote a better economic growth in the future. A number of government's priority programs related to investment growth will create a better investment climate in Indonesia, especially in mineral and coal sector. In this case, the government is promoting the implementation of ESG in mining industry to increase the competitiveness and concern to the environment and social.



The investment opportunity in mineral and coal mining sector covers a wider business sector which includes all mining business chain, from exploration activity to mineral and coal mining product downstreaming. Investors have various interesting investment choices in mining main activity both in mining production and other activities such as contractor services and supporting services. For exploration specifically, the Government of Indonesia is opening an investment opportunity in greenfield area which is offered in a tender. The government also specifically promotes investment in downstream side supported by the ease of doing business and investment facility.

Therefore, we are inviting investors to enliven mineral and coal mining business in Indonesia in a equitably and mutually beneficial manners. In the midst of economic pressure due to the Covid-19 pandemic, we could survive through the implementation of Health Protocol (Wearing face mask, Washing hands, Physical distancing), 3T (Tracing, Tracking, and Treatment), and Health Protocol evaluation to avoid and control the spread of Covid-19. We believe that the mineral and coal mining business will be very promising in the future. All components are ready to welcome this recovery and will use this moment as an excellence in the future.

CHAPTER 2

ENHANCING ESG IN MINERAL AND COAL MINING INDUSTRY



The concern and conformity to the aspect of Environmental, Social, and Good Governance/ESG currently becomes a hot topic in investment development. PwC publication in 2022 entitled “A critical transition - Mine 2022” says that the income of the Top 40 Mining Companies in 2021 increases 32% compared to in 2020. It is influenced by the growing global market demand post to pandemic and the ESG implementation.

The ESG rating in the last several years has become one of the important trends in investment and business management. The paradigm of business as a profit maker locomotive is out of date since the world community is now demanding the company to be more proactive to contribute to the earth sustainability and green economy. ESG becomes the essence that company is not only profit oriented, but at the same time has major responsibility to the people and environment.

The ESG rating is one of the methodology to measure the operational standard of company's sustainability toward the long-term risk and positive impact of a business by using 3 main assessment criteria namely the Environmental, Social and Governance of a company.

The ESG concept, standard and criteria are also used by investors and banking to assess investment feasibility. In financial and banking industry, the sustainable finance becomes a new directive or guidance in the industry. ESG is one of the tools to harmonize the sustainable finance and banking with the supported industry. Thus, the implementation of ESG criteria in mineral and coal mining industry is also important to increase the credibility and competitiveness.

The criteria of environment, social and governance (ESG) is closely related to how to measure company's sustainability. The dimension of sustainability also uses ESG criteria as a reference to measure the positive and negative impact of the company toward sustainability. Therefore, the fulfilment of ESG criteria can be used as a reference to decide whether a company is already or not yet sustainable finance-friendly.

Environment

The aspect of environment includes the company's performance toward environment such as energy use, waste management, emission control, natural resources conservation, as well as protection of flora and fauna. The company's commitment to environmental preservation must be measurable as a form of corporate responsibility towards its responsibility to protect the environment. The presence of a company in a certain area must have a positive impact on the environment and not on the contrary that may have destructive and negative impact.

The company's effort in making positive impact to the environment proves that the business operation is carried with responsibility. In this case, the mineral and coal mining company's obligation to run the reclamation or post-mining program and to meet the environmental standard is in line with the spirit of ESG.

Social

The social aspect covers how the company makes a good social relationship both internally with its employees and externally. The company is demanded to give positive impact to the community, local people, buyer and other community entities which have direct or indirect relationship with the community.

In Indonesia's mineral and coal mining business, there is an obligation to carry the Community Development and Empowerment program comprehensively. This obligation is in line with the social criteria in ESG.

Governance

In governance, the company is required to run the business in a good, transparent and sustainable management. The governance includes the company's policy, standard, culture, information disclosure, audit, and conformity. The good governance will enhance the stakeholder's trust to the company.

In this case, the Ministry of Energy and Mineral Resources has taken initiative to enhance the company's governance and transparency through Extractive Industries Transparency Initiative (EITI) that is established based on Presidential Regulation Number 26 of 2010. The EITI becomes the formal ground toward the EITI implementation in Indonesia by prioritizing the principles of enhancing public welfare, good governance, transparency, sustainable development as well as the involvement of stakeholders such as government institution, NGOs, CSO and businesses based on the principles and criteria of EITI.

The recent policies have been in line with the ESG criteria. Therefore, the government continues to encourage the registered mining company as well as mineral and coal mining investor candidates to be proactive in harmonizing the company with the ESG standard. Besides meeting the obligation, ESG criteria is also aimed at increasing the competitiveness in global market and participating in SDGs achievement.

CHAPTER 3

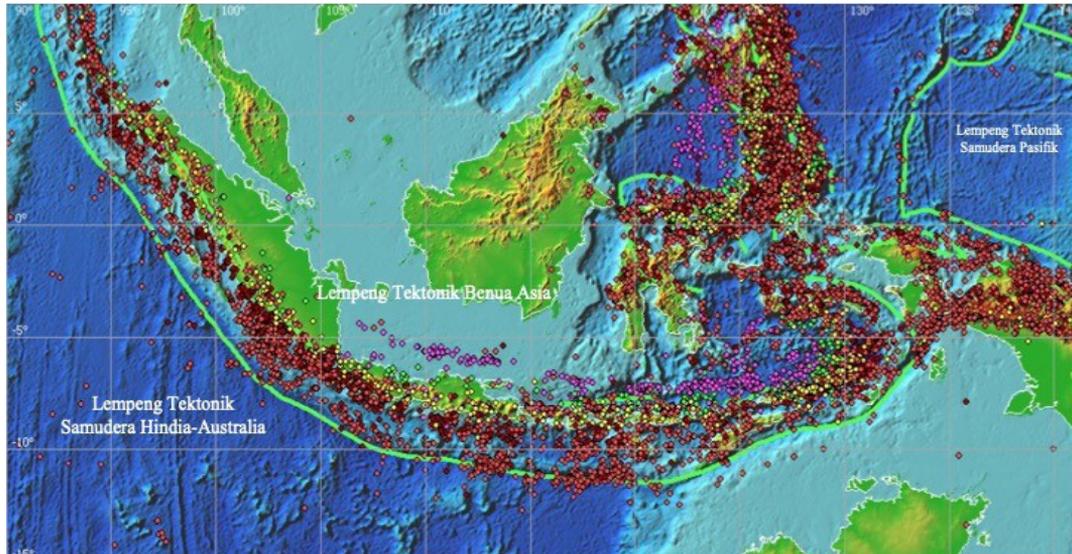
REVIEW AND STATISTIC OF MINERAL AND COAL MINING





Mineral and Coal Resources and Reserves

Indonesia lies between the world's ring of fire where three major plates meets, namely Indian-Australian Ocean tectonic plates, Asian Continent tectonic plates, and Pacific Ocean tectonic plates. Hence, Indonesia is one of the countries having the most volcanoes in the world. Not less than 127 active volcanoes are spread in all areas in Indonesia. This gives positive impact in very high mineralization



Picture 3.1. Distribution of Earthquake Hypocenter in Indonesia's Ring of Fire

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency

Indonesia has various minerals spread in all areas in the country. The western Indonesia is known as tin belt along the east coast of Sumatera to Bangka-Belitung. In eastern Indonesia, there is a copper belt as part of the copper belt from Papua New Guinea to Phillipine. Nickel resources are concentrated in South Sulawesi and Central Sulawesi. Bauxite is concentrated in West Kalimantan while iron ore is found in the coast in all areas in Indonesia. Meanwhile, the biggest coal resources are in the island of Sumatera especially in South Sumatera and in the Island of Kalimantan especially in the province of South Kalimantan, East Kalimantan and Central Kalimantan.

Indonesia has major coal potential since the geography of Indonesia highly supports it with its paleogeography and ancient climate. Indonesia is located on the equator with high rainfall throughout the year. This condition makes plants develop well so that the supply of organic material is abundant. In addition, the tectonic conditions also support the formation of extensive coal sedimentation.

Table 3.1. Mineral Resources and Reserves Balance 2021

No.	Commodity					Resources (ton)			
		Number of location		Data in 2021		Hypothetical		Predicted	
		2020	2021	New data	Latest data	Ore	Metal	Ore	Metal
1	Primary Gold	387	387	9	48	60,230,728	198	7,182,802,459	3,638
2	Alluvial Gold *)	89	90	1	0	410,886,135	74	811,620,666	33
3	Copper	100	103	3	14	273,355,127	790,271	8,593,704,727	28,326,841
4	Timah *)	358	391	35	180	100,793,919	6,909	2,329,927,837	666,049
5	Lead	46	47	1	6	12,629,825	229,844	1,449,525,418	37,115,659
6	Nickel	348	371	24	39	219,933,464	2,082,743	8,556,250,566	91,753,245
7	Primary iron	173	174	2	19	314,467,710	175,873,975	1,907,745,296	530,482,780
8	Iron sand	118	122	4	10	744,791,450	25,491,985	2,264,980,911	344,446,148
9	Manganese	114	120	6	4	2,845,838	1,013,756	96,576,182	45,162,032
10	Mercury	5	5	0	0	-	-	-	-
11	Antimony	3	3	0	0	-	-	-	-
12	Bauxite	182	182	1	33	-	-	2,307,954,001	319,076,707
13	Platina	4	4	0	0	250,000	0.01	30,000,000	1.20
14	Sediment Iron	6	6	0	0	743,155	92,956	5,202,186	3,601,615
15	Silver	217	219	2	17	502,206	206	3,217,177,183	54,140
16	Seng	29	31	2	1	12,818,900	1,695,252	1,394,671,470	18,940,222
17	Lateriron	128	138	11	18	112,713,437	20,047,966	3,423,231,034	498,180,134
18	Cobalt	81	84	3	10	-	-	1,409,758,580	3,198,470
19	Chromite	10	11	1	0	970,925	463,476	424,000	177,869
20	Placer Chromite *)	10	10	0	0	3,239,850	1,387,522	265,795	104,711
21	Molibdenum	7	7	0	0	-	-	2,744,124,333	270,482
22	Laterite Titan	19	19	0	0	9,957,120	70,370	302,945,251	2,598,980
23	Lacer Tiran	30	33	3	4	34,960,593	3,424,595	225,563,703	15,351,992
24	Vanadium	1	1	0	0	-	-	-	-
25	Monasite *)	48	48	0	0	-	-	6,925,308,651	182,138
26	Xenotim *)	5	5	0	0	-	-	6,466,257,914	20,734
Total		2,509	2,611	108	403				

*) Ore unit in m³**Bold** New/update data

Metal calculated from ore dry metric ton (dmt)

Source: Mineral, Coal and Geothermal Resources Center (2022)

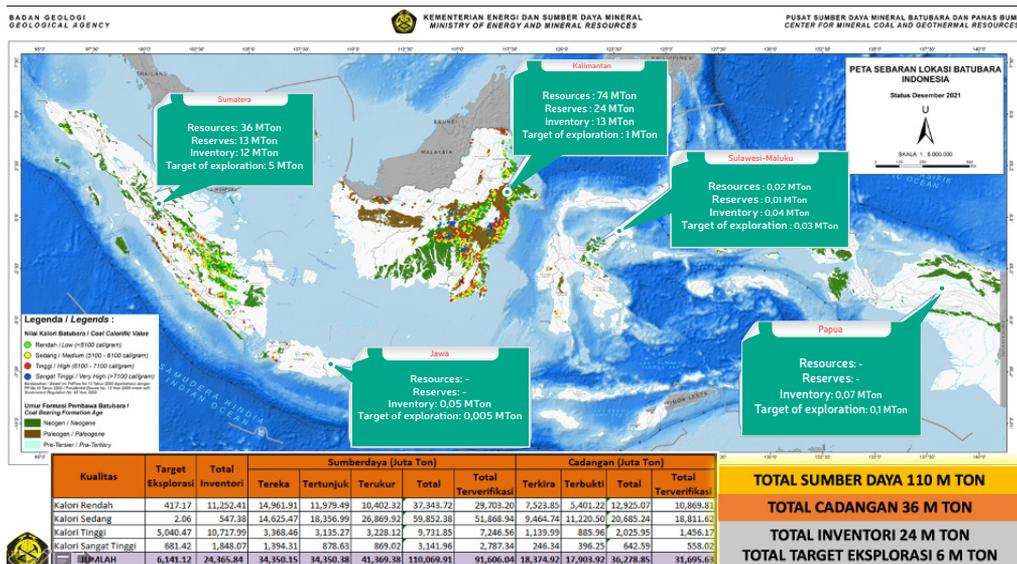
	Resources (ton)				Reserves (ton)			
	Pointed out		Measured		Estimated		Proven	
	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
	5,923,896,810	2,999	2,922,228,510	2,062	3,067,185,126	1,445	552,286,138	542
	255,582,367	204	565,589,575	118	52,645,632	115	13,080,507	35
	4,682,297,302	26,034,304	2,675,448,524	11,583,730	2,378,612,663	17,968,844	636,206,927	1,967,173
	1,665,786,897	617,315	3,173,953,778	1,123,516	5,586,609,343	1,175,383	1,253,734,016	990,522
	2,364,515,325	53,209,941	145,742,828	3,680,200	38,051,038	1,037,896	38,222,777	182,548
	5,571,608,396	51,103,672	3,557,890,545	34,957,685	3,743,629,534	40,995,747	1,499,908,885	16,116,216
	2,987,293,032	912,328,118	2,454,386,273	228,832,560	1,448,064,767	261,488,082	254,151,392	92,269,404
	797,532,364	256,709,311	877,781,492	289,540,342	859,501,736	339,540,356	357,002,712	136,592,239
	45,023,071	20,959,028	49,291,058	21,517,830	108,389,134	50,431,557	21,044,754	6,985/753
	32,250,169	43	4,713	33	-	-	-	-
	11,778,633	375,555	111,788	-	3,958,633	15,835	-	-
	2,334,777,970	402,906,786	1,989,406,268	372,202,626	2,293,077,615	359,753,118	927,781,395	160,721,984
	32,250,000	6.32	52,500,000	0.35	-	-	-	-
	623,437	78,553	-	-	-	-	-	-
	4,901,464,237	17,892	2,426,760,813	6,592	2,652,481,278	9,552	463,477,486	1,988
	2,323,056,513	42,223,470	54,095,853	2,371,361	33,305,962	1,212,421	35,336,220	1,573,390
	2,122,838,985	275,651,718	2,200,467,204	390,359,548	914,255,883	193,278,588	617,939,317	124,254,292
	807,036,400	3,176,278	1,066,757,999	1,071,695	442,886,385	227,463	239,526,400	257,071
	234,000	111,150	17,021,700	6,806,963	12,643,200	5,057,280	10,203,599	4,080,781
	3,638,236	576,895	891,813	371,716	3,552,165	137,971	-	-
	37,000,000	3,955	28,000,000	2,576	-	-	-	-
	800,079,040	4,040,520	238,661,015	3,333,109	171,180,556	1,048,774	34,680,228	242,927
	200,304,431	12,536,663	172,588,958	9,760,630	194,039,743	10,697,528	12,926,309	483,990
	183,793,000	1,249,792	47,008,000	324,355	133,447,186	907,441	28,182,330	194,458
	203,501	4,493	432,442	32	-	-	-	-
	-	-	-	-	-	-	0.09	0.06

The mineral and coal resources potential and location data is managed by Mineral and Geothermal Resources Center, Geological Agency. Every year, the resources and reserves data is updated. Geological Agency carries out data inventory continuously from exploration report data made by the government as well as from exploration and operation report data made by the business entity.

Coal

Geological Agency updates coal resources and reserves balance each year from the report made by the regional government, survey done by the Mineral, Coal and Geothermal Resources Center, as well as report made by the business entity (Coal PKP2B/ IUP). The resources data is from CnC (Clean and Clear) and Non-CnC IUP. Meanwhile, the reserves data is from CnC IUP.

Until the end of 2021, Indonesia coal resources reached 110 billion tons and coal reserves reached 25 billion tons. From production side, the total Indonesia coal inventory reached 24 billion tons with total exploration target of 6 billion tons.



Picture 3.2.

Distribution of Indonesia Coal Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center (2022)

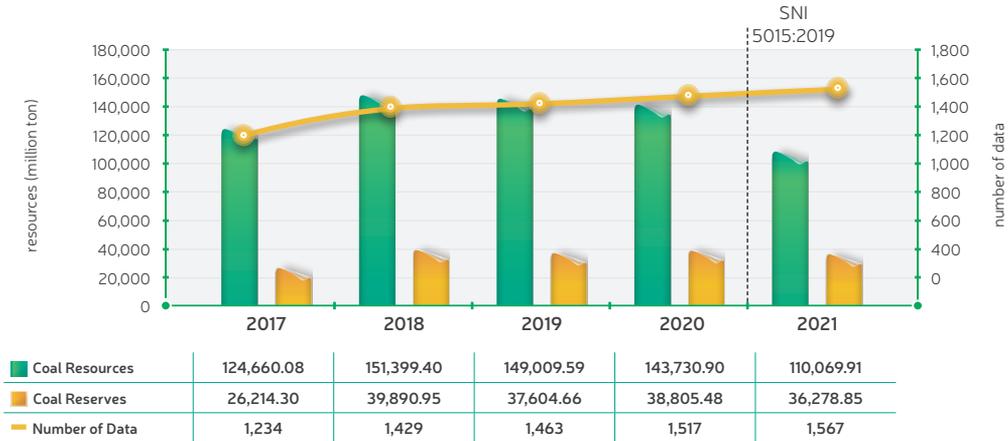
In Picture 3.2, it can be seen that most Indonesia coal resources and reserves are concentrated in Sumatera and Kalimantan island.

Table 3.2. Indonesia Coal Resources per Province, 2021

Province	Target of exploration	Total inventory	Resources (million ton)					Reserves (million ton)			
			Predicted	Pointed out	Measured	Total	Total (verified)	Estimated	Proven	Total	Total (verified)
Banten	5.47	52.18					-	-	-	-	-
Central Java		0.82	-	-	-	-	-	-	-	-	-
East Java		0.08	-	-	-	-	-	-	-	-	-
Aceh	1.155	87.83	275.46	421.87	325.59	1,022.925	803.794	337.85	201.49	539.342	428.646
North Sumatera		14.62	10.24	8.48	7.55	262.60	-	-	7.12	7.115	-
Riau	3.86	322.13	142.10	527.03	301.23	970.360	856.522	202.25	193.11	395.359	359.124
West Sumatera	1.19	156.38	79.75	72.55	105.20	257.510	39.867	35.08	28.95	64.031	23.627
Jambi	140.31	1,517.60	1,402.50	1,183.88	1,987.82	4,574.209	3,829.45	735.28	1,096.32	1,831.599	1,658.592
Bengkulu	36.86	208.61	140.27	113.69	174.61	428,562	363,579	49,686	75,01	124,694	103,300
South Sumatera	4,885.39	9,262.58	11,827.36	8,830.51	8,079.09	28,736.962	24,021.015	5,200.87	4,232.03	9,432.902	9,291.166
Lampung		106.95	149.60	134.20	29.60	313.400	-	109.800	-	109.800	-
West Kalimantan	2.26	386.24	1.107	53.03	14.57	78.662	1.460	0.430	-	0.430	0.430
Central Kalimantan	22.54	1,445.77	4,999.99	3,517.60	3,474.01	11,991.600	8,418.798	1,639.16	1,672.36	3,311.524	1,995.107
South Kalimantan	7.83	643.90	3,615.56	3,578.78	6,310.57	13,504.899	12,046.986	1,650.32	2,518.48	4,168.802	3,679.610
East Kalimantan	872.99	9,741.05	10,716.07	14,907.98	19,309.23	44,933.273	40,024.100	7,592.51	7,092.48	14,684.992	13,614.091
North Kalimantan	25.79	302.73	971.75	996.25	1,246.44	3,214.439	1,183.613	818.73	818.73	1,597.895	531.574
South Sulawesi	13.79	25.74	3.02	1.84	0.72	5.574	5.574	1.16	0.61	1.769	1.769
West Sulawesi	11.46	16.78	5.42	2.71	3.15	11.279	11.279	1.80	6.79	8.591	8.591
Central Sulawesi	0.52	1.98	-	-	-	-	-	-	-	-	-
Southeast Sulawesi	0.64		-	-	-	-	-	-	-	-	-
North Maluku	8.22		-	-	-	-	-	-	-	-	-
West Papua	93.66	40.51		-	-	-	-	-	-	-	-
Papua	7.20	31.36		-	-	-	-	-	-	-	-
Total Indonesia	6,141.12	24,365.84	34,350.15	34,350.38	41,369.38	110,069.91	91,606.04	18,374.92	17,903.92	36,278.85	31,695.63

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

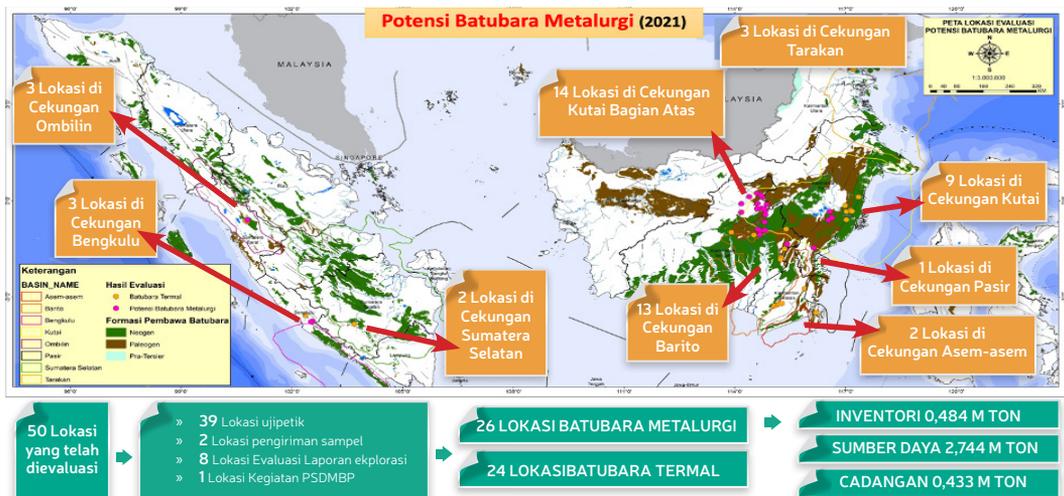
Coal Resources and Reserves 2017 – 2021



Picture 3.3. Coal Resources and Reserves 2017 – 2021

Sumber: Pusat Sumber Daya Mineral, Batubara, dan Panas Bumi - Badan Geologi (2022)

Despite that the distribution of Indonesia coal is dominated by low to medium rank coal, the high rank coal resources and reserves for metallurgy is also high. From the total 50 locations for test in Kalimantan and Sumatera, 26 location have been identified having metallurgical coal with 484 million tons of total inventory, 2.744 billion tons of resources and 433 million tons of reserves.



Picture 3.4. Distribution of Metallurgical Coal

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The identified metallurgical coal are hard coking coal, semi hard coking coal, semi soft coking coal, and PCI coal low volatile, based on market characteristics (ex. index platts).

Table 3.3. Metallurgical Coal Resources and Reserves Balance 2021

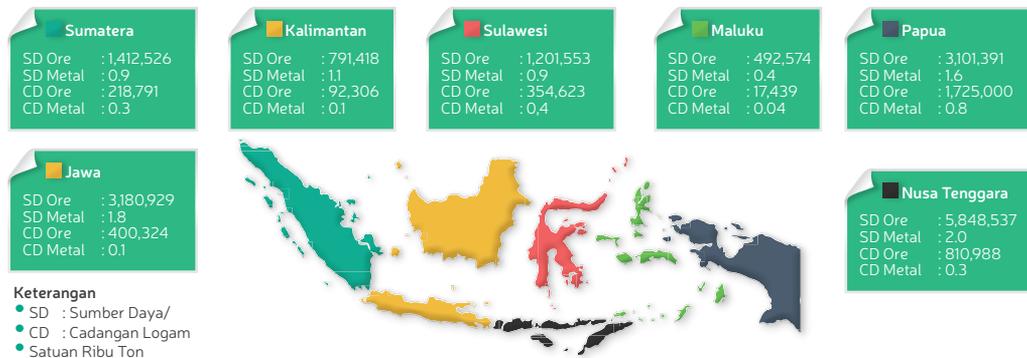
Island	Province	Total Inventory	Resources (million ton)				Reserves (million ton)		
			Predicted	Pointed Out	Measured	Total	Estimated	Proven	Total
Sumatera	Bengkulu	23.69	1.21	5.44	28.26	34.91	-	3.38	3.38
	West Sumatera	-	940	8.46	3.01	20.87	7.23	6.51	13.74
Kalimantan	Central Kalimantan	461.20	1,133.90	721.98	584.35	2,440.23	182.18	220.18	403.36
	East Kalimantan	-	134.71	85.51	28.56	248.78	9.86	4.86	14.43
Total Metalurgi Indonesia		484.89	1,279.23	821.39	644.18	2,744.79	198.97	234.93	933.90

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Gold

Gold metal mineral are found almost in all islands in Indonesia with the total 16 billion tons of gold ore resources and 3.6 billion tons of gold ore reserves. Nusa Tenggara, Java, Papua, Sumatera and Sulawesi are island having the biggest gold reserves.

Primary Gold Resources and Reserves



Resources (thousand tons)						Reserves (thousand tons)									
Hypothetical		Predicted		Pointed Out		Measured		Total		Estimated		Proven		Total	
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
60,231	0.2	7,182,801	3.6	5,923,897	3.0	2,922,229	2.1	16,028,927	8.7	3,067,185	1.4	552,286	0.5	3,619,471	2.0

Picture 3.5. Distribution of Gold Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Primary Gold Ore Resources and Reserves 2021

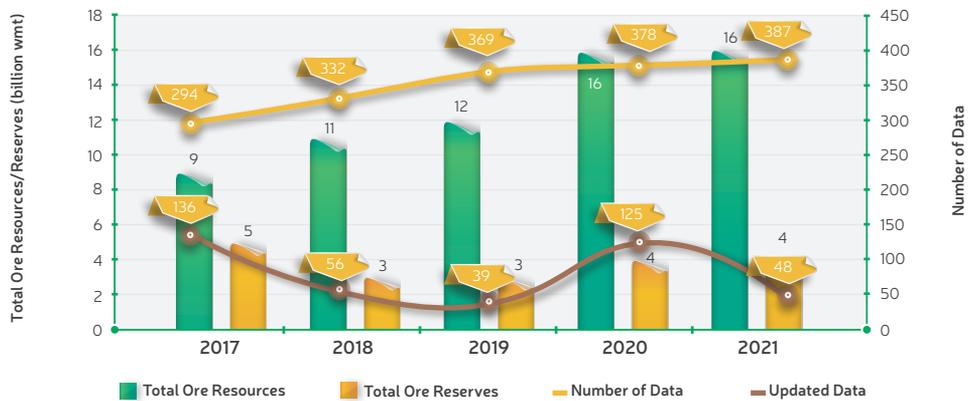


Picture 3.6. Primary Gold Ore Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

In the last five years, primary gold ore resources and reserves are increasing consistently.

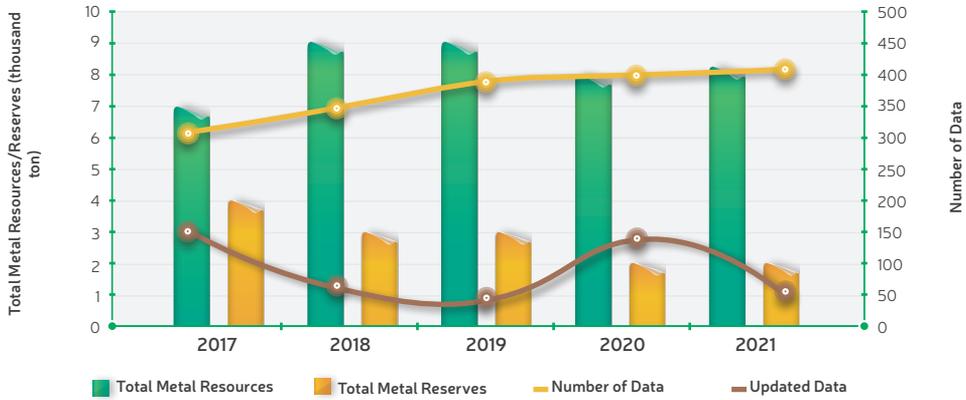
Total Primary Gold Ore Resources/Reserves 2017 – 2021



Picture 3.7. Total Primary Gold Ore Resources/Reserves 2017 – 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Total Gold Metal Resources/Reserves 2017 - 2021



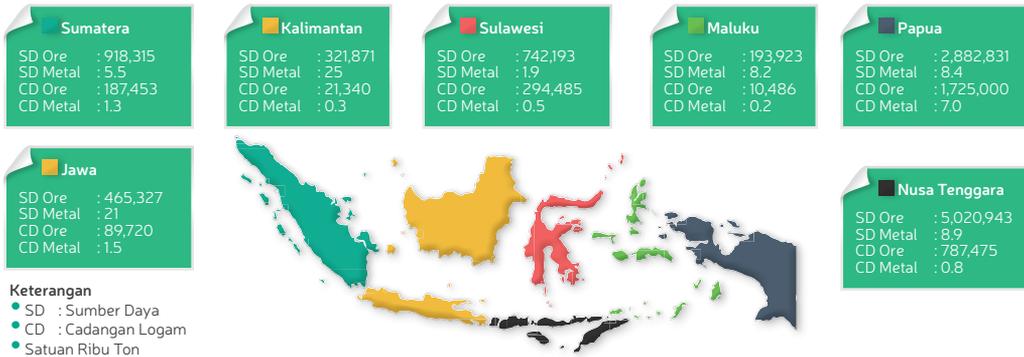
Picture 3.8. Total Sumber Daya/Cadangan Logam Emas 2017 - 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Silver

Silver resources and reserves are also found almost in all islands in Indonesia. In total, silver ore has 10.5 billion tons of resources and 3.1 billion tons of reserves. Nusa Tenggara and Papua are the two islands with the most silver resources and reserves.

Distribution of Silver Resources and Reserves



Resources (thousand tons)								Reserves (thousand tons)							
Hypothetical		Predicted		Pointed Out		Measured		Total		Estimated		Proven		Total	
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
502	0.2	3,217,177	54	4,901,464	18	2,426,761	6.6	10,545,402	78.6	2,652,481	9.6	463,477	2.0	3,115,959	11.54

Picture 3.9. Distribution of Silver Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Silver Ore and Metal Resources and Reserves 2021



Picture 3.10. Silver Ore and Metal Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The data of silver resources and reserves in the last five years (2017-2021) can be seen in the following chart.

Silver Ore Resources and Total Reserves 2017 - 2021



Picture 3.11. Silver Ore Resources and Total Reserves 2017 - 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Total Silver Metal Resources and Reserves 2017 - 2021



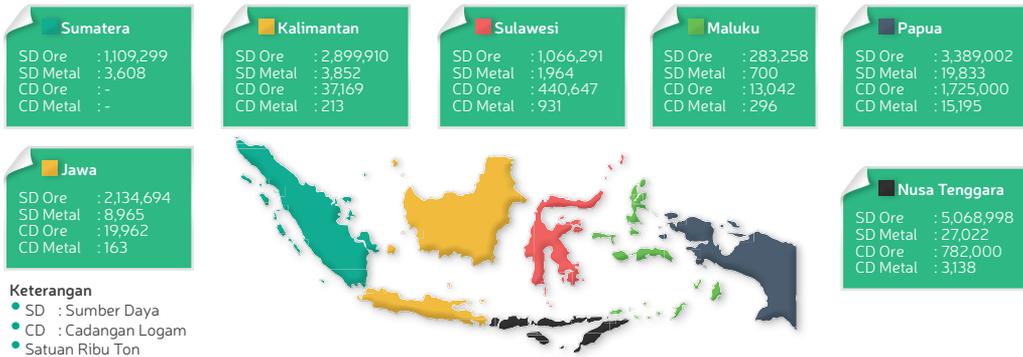
Picture 3.12. Total Silver Metal Resources and Reserves 2017 - 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Copper

Copper resources and reserves are spread evenly in all areas in Indonesia. Nusa Tenggara, Papua, Kalimantan and Jawa are islands having the most copper resources and reserves. In total, there are 15.9 billion tons of copper resources and 3.0 billion tons of copper reserves.

Distribution of Copper Resources and Reserves

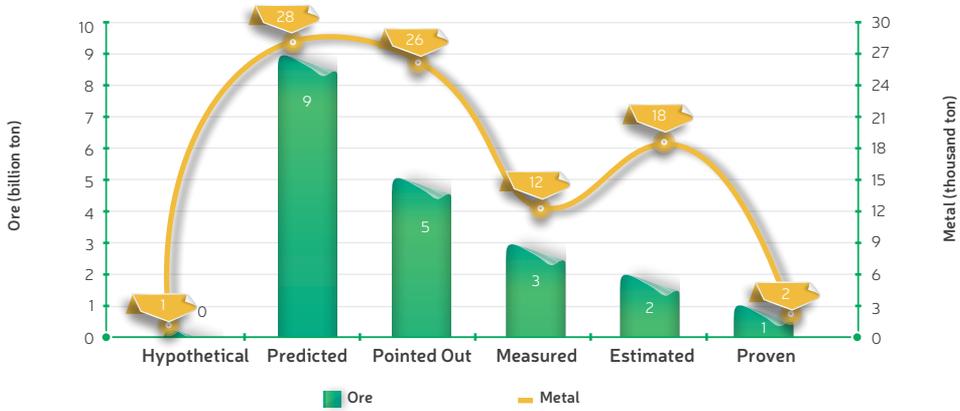


Resources (thousand tons)						Reserves (thousand tons)									
Hypothetical	Predicted		Pointed Out		Measured	Total		Estimated		Proven	Total				
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal				
273,355	790	8,593,705	28,327	4,682,297	26,034	2,675,449	11,584	15,951,451	65,945	2,378,613	17,969	639,207	1,967	3,017,820	19,936

Picture 3.13. Distribution of Copper Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Copper Ore/Metal Resources and Reserves 2021



Picture 3.14. Copper Ore/Metal Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The data of copper resources and reserves in the last five years (2017-2021) can be seen in the following chart.

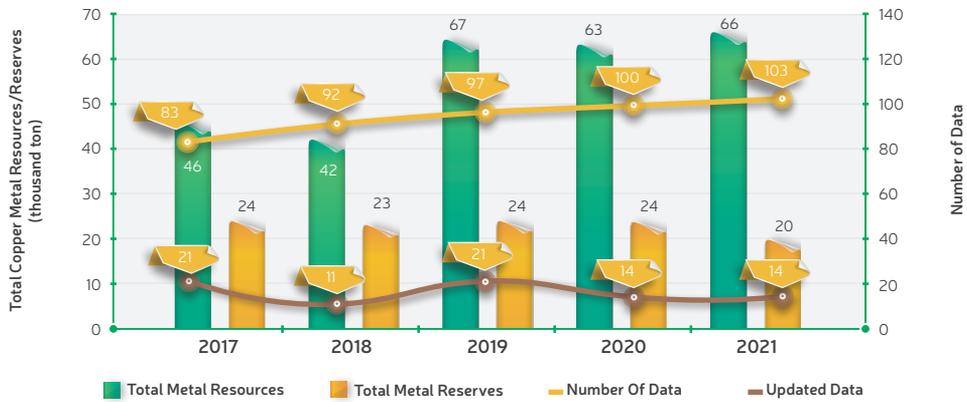
Total Copper Ore Resources and Reserves



Picture 3.15. Total Copper Ore Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Total Copper Metal Resources and Reserves 2017 – 2021



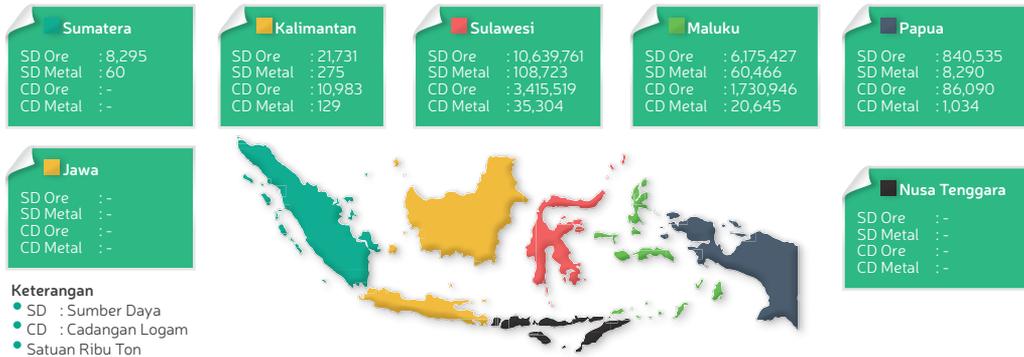
Picture 3.16. Total Copper Metal Resources and Reserves 2017 – 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Nickel

The nickel ore resources and reserves are relatively found in eastern part of Sulawesi (Central Sulawesi and South East Sulawesi) and North Maluku as well as northern coast of Papua.

Distribution of Nickel Resources and Reserves



Picture 3.17. Distribution of Nickel Resources and Reserves

Sumber: Pusat Sumber Daya Mineral, Batubara, dan Panas Bumi - Badan Geologi (2022)

Resources (thousand tons)										Reserves (thousand tons)					
Hypothetical		Predicted		Pointed Out		Measured		Total		Estimated		Proven		Total	
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
219,933	2,083	8,556,251	91,753	5,571,608	51,104	3,557,891	34,958	17,685,750	177,815	3,743,630	40,996	1,499,909	16,116	5,243,538	57,112

Nickel Ore/Metal Resources and Reserves 2021



Picture 3.18. Nickel Ore/Metal Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The data of nickel ore resources and reserves in the last five years is increasing along with the increasing data input for nickel ore resources and reserves.

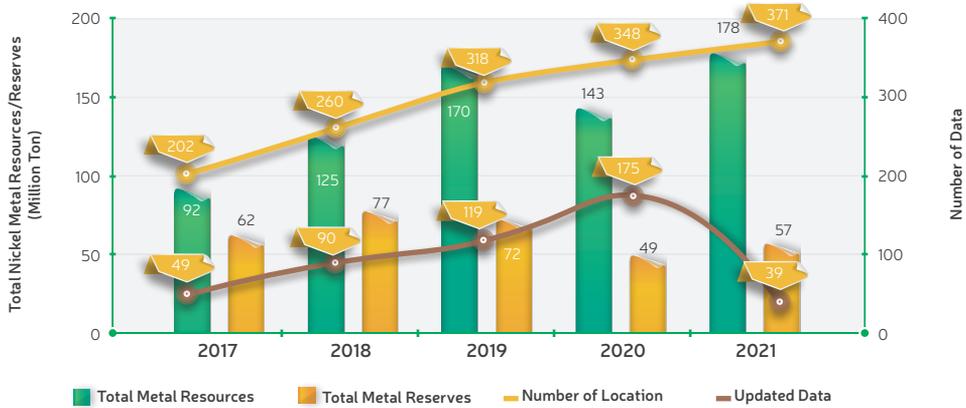
Total Nickel Ore Resources and Reserves 2017 -2021



Picture 3.19. Total Nickel Ore Resources and Reserves 2017 -2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Total Nickel Metal Resources and Reserves 2017 - 2021



Picture 3.20. Total Nickel Metal Resources and Reserves 2017 - 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Bauxite and Aluminum

Bauxite/aluminum resources and reserves are concentrated in Kalimantan and Sumatera.

Bauxite Resources and Reserves

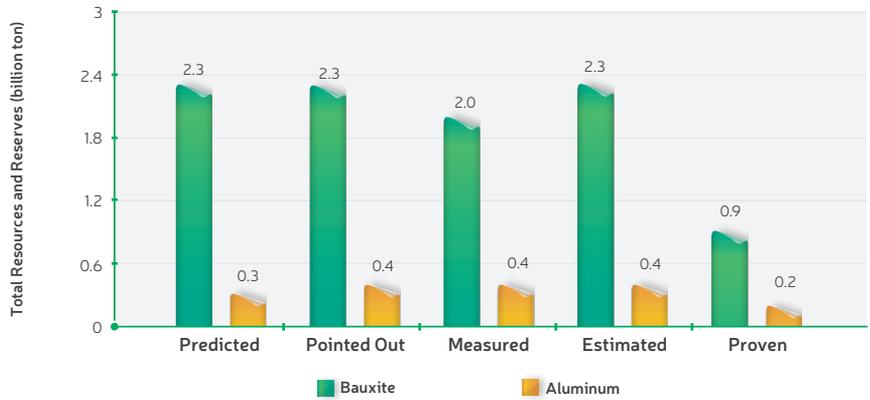


		Resources (thousand tons)								Reserves (thousand tons)					
Hypothetical		Predicted		Pointed Out		Measured		Total		Estimated		Proven		Total	
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
-	-	2,308	319	2,335	403	1,989	372	6,632	1,094	2,293	360	928	161	3,221	520

Picture 3.21. Bauxite Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Bauxite and Aluminum Resources and Reserves 2021



Picture 3.22. Bauxite and Aluminum Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The data of bauxite resources and reserves in the last five years is increasing along with the increasing data input for bauxite resources and reserves.

Total Bauxite/Aluminum Resources and Reserves 2017 – 2021



Picture 3.23. Total Bauxite/Aluminum Resources and Reserves 2017 – 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Tin

Tin is found mostly in Sumatera (especially Bangka-Belitung island) and Kalimantan.

Distribution of Tin Resources and Reserves



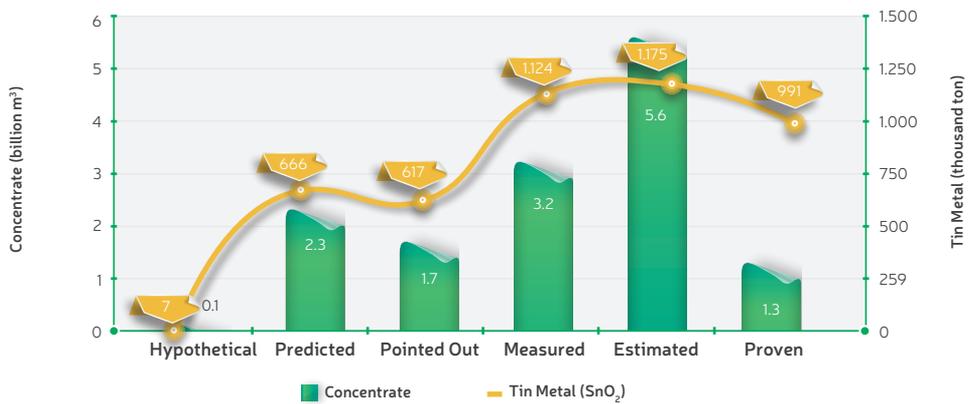
Resources (thousand tons)										Reserves (thousand tons)					
Hypothetical		Predicted		Pointed Out		Measured		Total		Estimated		Proven		Total	
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
100,794	7	2,329,928	666	1,655,787	617	3,173,954	1,124	7,159,669	2,407	5,586,609	1,175	1,253,734	991	6,840,343	2,166

*Bijih/Konsentrat dalam Ribu Ton m³

Picture 3.24. Distribution of Tin Resources and Reserves

Sumber: Pusat Sumber Daya Mineral, Batubara, dan Panas Bumi - Badan Geologi (2022)

Tin Resources and Reserves 2021

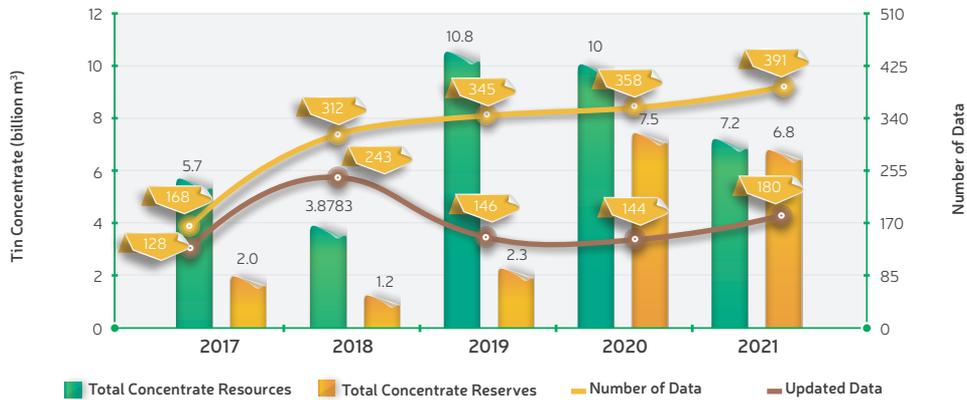


Picture 3.25. Tin Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The data of tin resources and reserves in the last five years (2017-2021) can be seen in the following chart.

Tin Concentrate Resources and Reserves 2017 - 2021

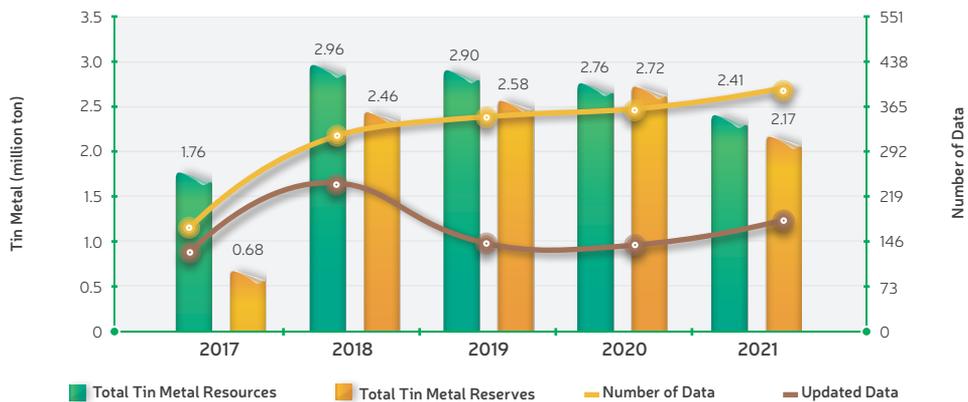


Picture 3.26.

Tin Concentrate Resources and Reserves 2017 - 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Tin Concentrate Resources and Reserves (SnO₂) 2017 - 2021



Picture 3.27.

Tin Concentrate Resources and Reserves 2017 - 2021

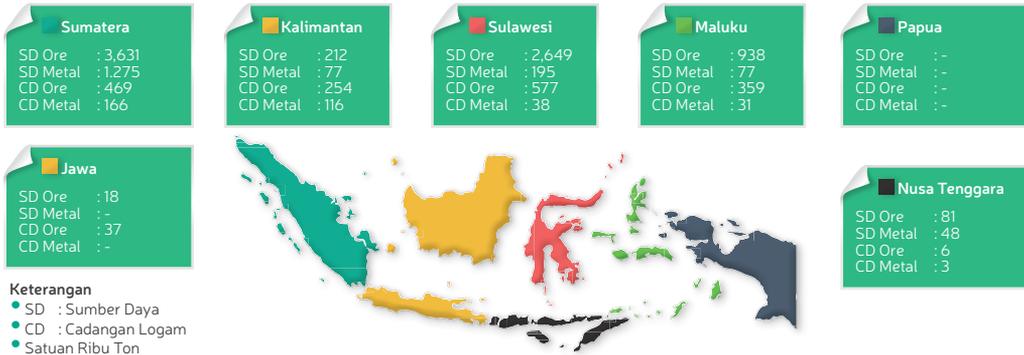
Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Iron

Primary Iron

The distribution of primary iron resources and reserves in Indonesia is mostly found in Sumatera and Sulawesi. However, the potential iron mining development is found almost in all areas in Indonesia.

Primary Iron Resources and Reserves

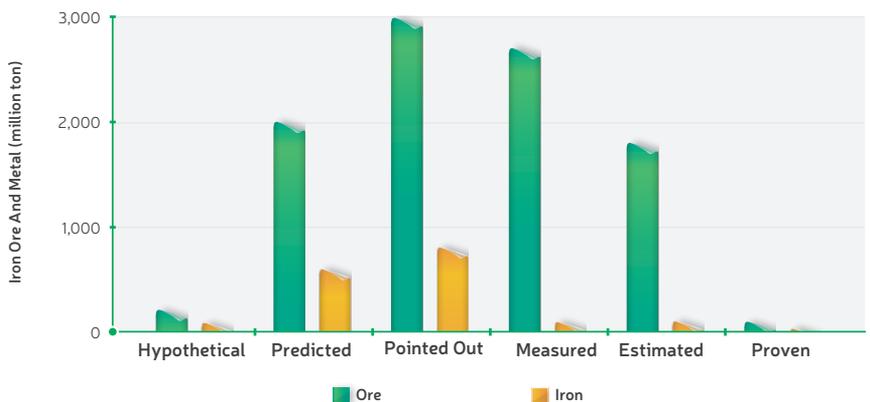


Resources (thousand tons)									Reserves (thousand tons)						
Hypothetical		Predicted		Pointed Out		Measured		Total	Estimated		Proven		Total		
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
314	176	1,908	530	2,987	912	2,454	229	7,349	1,672	1,448	261	254	92	1,702	354

Picture 3.28. Primary Iron Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Iron Ore/Metal Resources and Reserves 2021

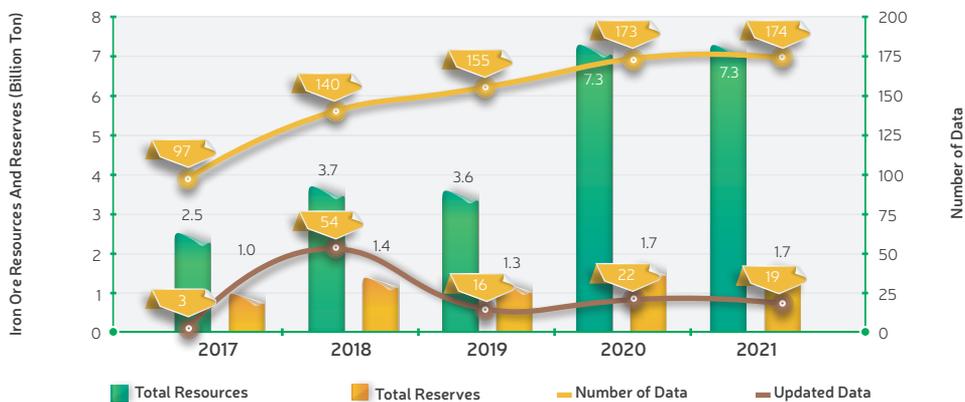


Picture 3.29. Iron Ore/Metal Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Iron ore resources and reserves data are significantly increasing in 2020.

Iron Ore Resources and Total Reserves 2017 – 2021



Picture 3.30. Iron Ore Resources and Total Reserves 2017 – 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Laterite Iron

Unlike primary iron, laterite iron resources and reserves are mostly found in Maluku and Sulawesi.

Laterite Iron Resources and Reserves

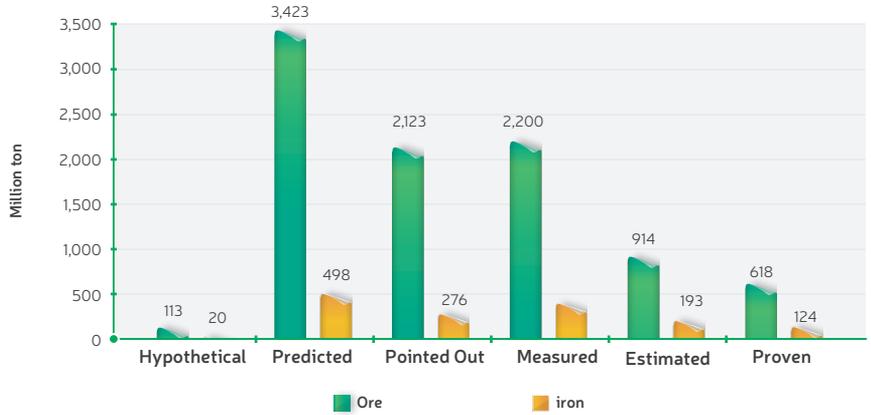


Resources (thousand tons)										Reserves (thousand tons)					
Hypothetical		Predicted		Pointed Out		Measured		Total		Estimated		Proven		Total	
Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal	Ore	Metal
113	20	3,423	498	2,123	276	2,200	390	7,747	1,164	914	193	618	124	1,532	318

Picture 3.31. Laterite Iron Resources and Reserves

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Laterite Iron Resources and Reserves 2021



Picture 3.32. Laterite Iron Resources and Reserves 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

The data of laterite resources and reserves in the last five years (2017-2021) can be seen in the following chart.

Total Laterite Iron Resources and Reserves 2017 – 2021



Picture 3.33. Total Laterite Iron Resources and Reserves 2017 – 2021

Source: Mineral, Coal and Geothermal Resources Center – Geological Agency (2022)

Production, Domestic, and Export

Indonesia is blessed with various mineral resources spread in all areas in Indonesia, from radio active mineral, metal mineral, non metallic mineral, to rocks. Indonesia has more than 100 minerals produced by the mineral mining business activities. From these types, only several minerals are included in the commodity which significantly contributes to the state revenue. The main mineral mining commodities are nickel, tin, copper, bauxite, gold, silver, copper, nickel, alumina, and tin. Meanwhile, most other mining commodities especially non metallic mineral and rocks are used to supply the manufacture industry and domestic infrastructure development.

Coal

In the last five years, the national coal production has been increasing especially in 2019 with 616.16 million tons production. In 2021, the national coal production increased 8.9% compared to the coal production in the previous year. The increasing national coal production in 2021 is mostly used for domestic consumption and DMO for power demand. The export also increased 4.0% or 30.17 million tons in 2021.



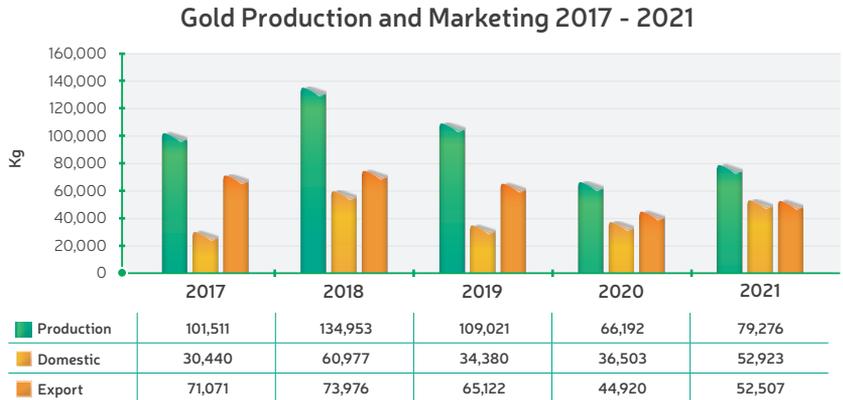
Picture 3.34.

Coal Production and Marketing 2017-2021

Source: Directorate General of Mineral and Coal (2022)

Gold

Gold production and sales in 2021 increased 19.8% from 66,192 kg into 79,276 kg compared to the production in 2020. Gold for domestic market and export in 2021 also increased compared to the previous year.



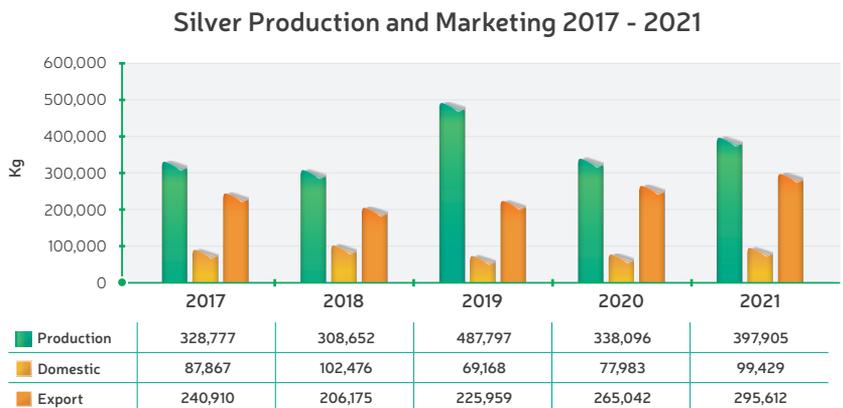
Picture 3.35.

Gold Production and Marketing 2017 - 2021

Source: Directorate General of Mineral and Coal (2022)

Silver

Silver production in 2021 increased 17.7% from 338,096 kg in 2020 into 397,905 kg in 2021. Silver domestic sales and export in 2021 also increased namely 27.5% for domestic sales and 11.5% for export. It shows that the market of silver is still attractive despite of the Covid-19 pandemic.



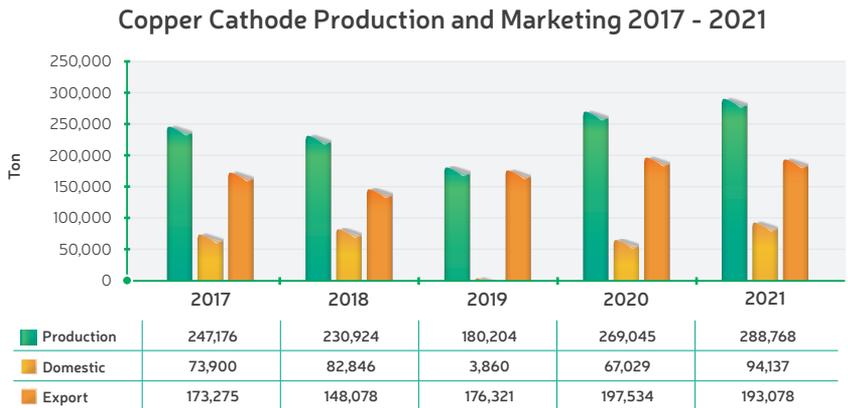
Picture 3.36.

Silver Production and Marketing 2017 - 2021

Source: Directorate General of Mineral and Coal (2022)

Copper

In the last three years, copper production continues to increase despite of the Covid-19 pandemic faced by the global world. The increasing copper production occurs along with the increasing copper price. Copper production increased by 7.3% while domestic sales also significantly increased by 40.4%.



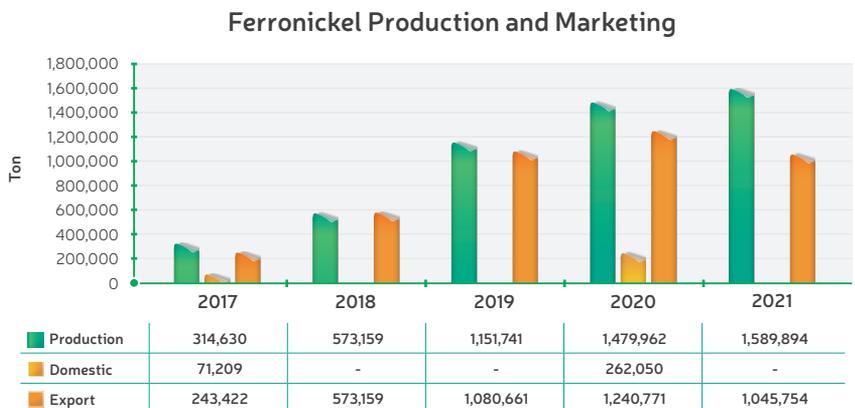
Picture 3.37.

Copper Cathode Production and Marketing 2017 - 2021

Source: Directorate General of Mineral and Coal (2022)

Nickel

Ferronickel production shows a consistent increase in the last five years (2017-2021) after the stagnation in production and sales. The main factor in the increasing production is the rising ferronickel price in international market. Besides that, in 2017, three new ferronickel producers have started their operation that it contributes to significant increase in ferronickel production. Despite of the Covid-19 pandemic, nickel production and sales increase significantly.



Picture 3.38.

Ferronickel Production and Marketing

Source: Directorate General of Mineral and Coal (2022)

Nickel Matte Production and Marketing

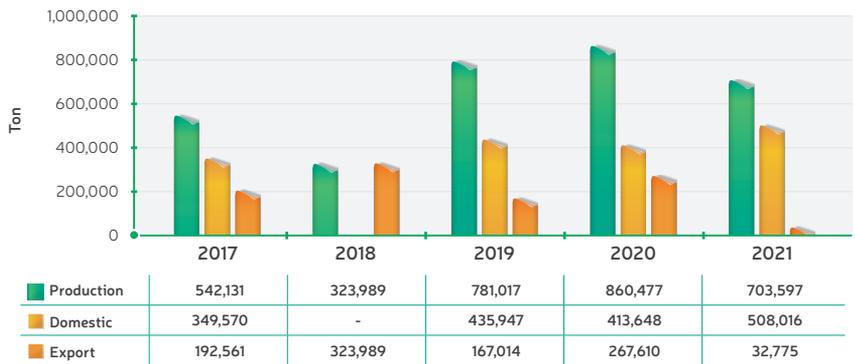


Picture 3.39.

Nickel Matte Production and Marketing

Source: Directorate General of Mineral and Coal (2022)

Nickel Pig Iron (NPI) Production and Marketing



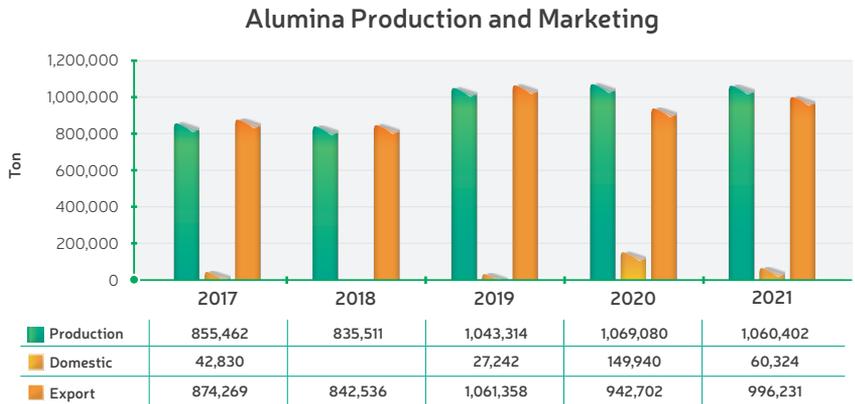
Picture 3.40.

Nickel Pig Iron (NPI) Production and Marketing

Source: Directorate General of Mineral and Coal (2022)

Alumina

Alumina production shows an increasing trend in the last five years. Alumina sales for domestic market also increases. It shows that alumina downstream industry in Indonesia is growing.



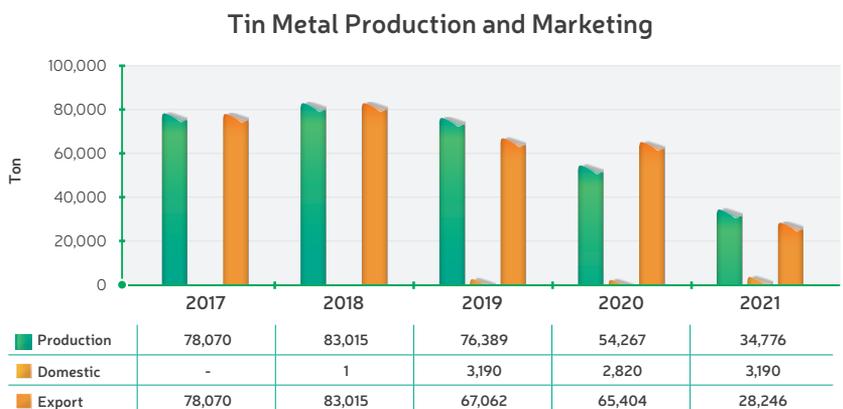
Picture 3.41.

Alumina Production and Marketing

Source: Directorate General of Mineral and Coal (2022)

Tin

In the last four years (2018-2021), tin metal production and sales shows a slight decline. It is influenced by tin metal price fluctuation in the world market and the effort of tin producing country to maintain the world tin metal price from significant decline. Compared to in 2020, tin metal production in 2021 experienced a decline by 35.9%. The export also declined by 56.8%. However, domestic sales increased by 13.1%.



Picture 3.42.

Tin Metal Production and Marketing

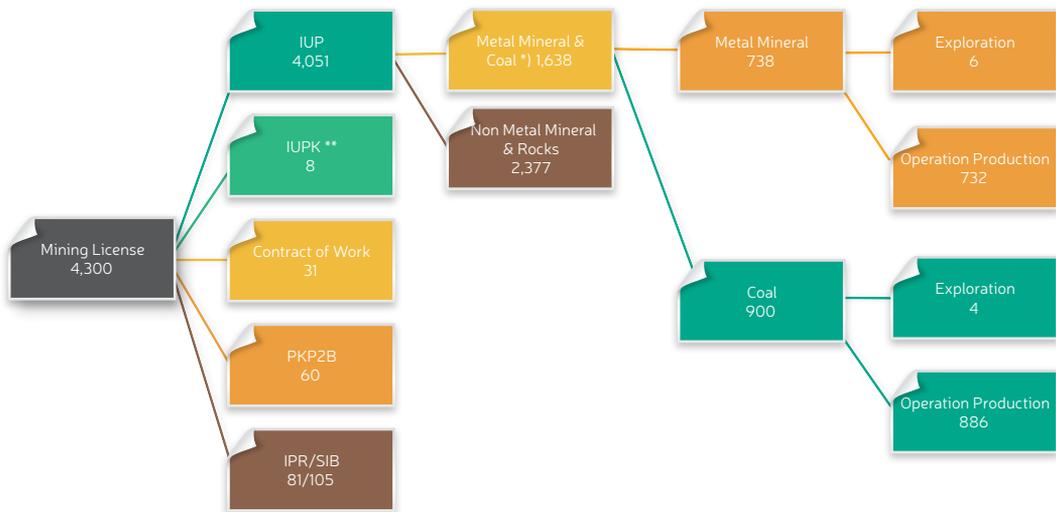
Source: Directorate General of Mineral and Coal (2022)

Mineral and Coal Mining Area

Mineral and coal mining business in Indonesia is obtained through Mining Business License (IUP). Based on Mining Law No.3 of 2020, IUP is grouped into:

1. IUP Exploration (Exploration Mining Business License);
2. IUPK Exploration (Exploration Special Mining Business License);
3. IUP Operation Production (Operation Production Mining Business License);
4. IUPK Operation Production (Operation Production-Special Mining Business License);
5. IUP Operation Production especially for Processing and/or Refining; and
6. IUJP (Business License for Mining Services)

Besides IUP, there is also Artisanal Mining License (IPR). Until October 2022, there were 4,300 national IUP and IPR.



Picture 3.43. Status of National IUP October 2022

Source: Directorate General of Mineral and Coal (2022)

Note:

*) Metal Mineral and Coal IUP that meets the requirement and recorded as valid in database.

***) IUPK:

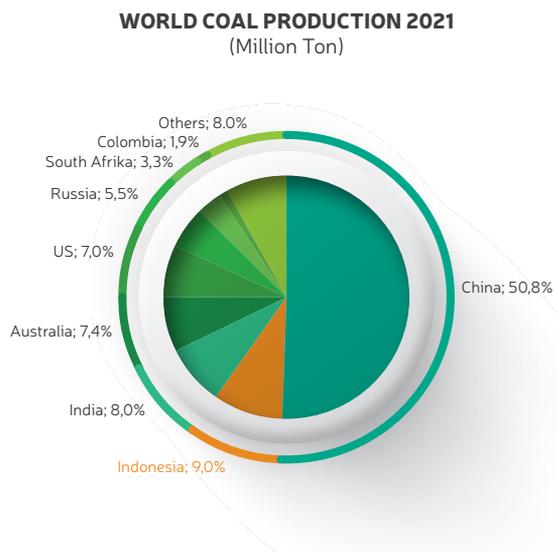
1. PT AMMAN Mineral Nusa Tenggara
2. PT Freeport Indonesia
3. PT Arutmin Indonesia
4. PT Kendilo Coal Indonesia
5. PT Tambang Matarape Sejahtera
6. PT Kaltim Prima Coal
7. PT Multi Harapan Utama
8. PT Tanito Harum
9. PT Adaro Indonesia

Mineral and Coal Production to the World

Indonesia plays an important role in the world mineral and coal production. Several Indonesia's main commodities which play a significant portion to the world production are nickel (30.4%) and tin (24.4%). The contribution of Indonesia's mineral and coal commodity production to the world is described below.

Coal

Overall, the world coal production in 2021 increased 5.4% compared to the global production in the previous year. This is influenced by the increasing world coal consumption of 6% compared to the coal consumption in the previous year. Along with China and India, Indonesia is the world biggest coal producer. With the rising coal production, these three countries also receive increasing contribution compared to the previous year. Indonesia's total coal production to the world (9.0%) is in the second place after China (50.8%).



Picture 3.44.

Indonesia Coal Production to the World 2021

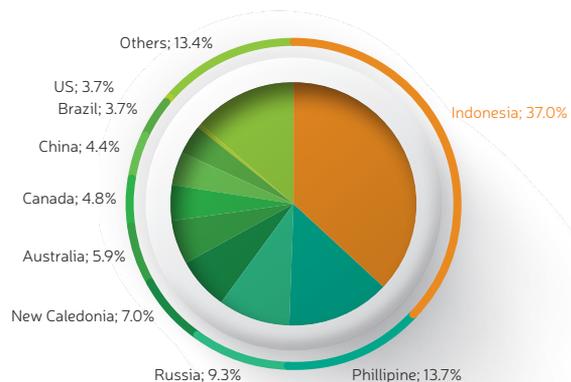
Source: BP Statistical Review of World Energy 2022



Nickel

Indonesia is still the biggest nickel producer in the world. Indonesia's nickel production contributes 37.0% in 2021. This share increased 6.6% compared to the production contribution in 2020. Overall, global nickel production increased from 2.5 million tons in 2020 into 2.7 million tons in 2021. With 37.0% contribution, Indonesia nickel production in 2021 reached 1 million tons. The increasing nickel consumption is influenced by the increasing nickel demand from electric vehicle industry, especially for the battery. In addition, the growing stainless steel industry also promotes the increasing nickel demand globally.

WORLD NICKEL PRODUCTION 2021
(Metric Tons of Nickel Content)



Picture 3.45.

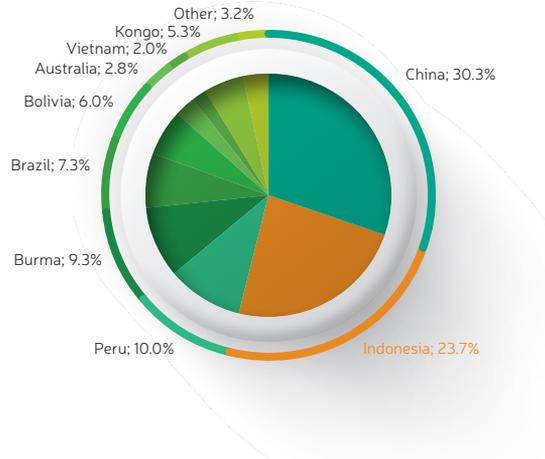
Indonesia Nickel Production to the World 2021

Source: USGS 2022

Tin

The world tin production in 2021 increased 13.6% compared to the production in 2020. Indonesia is the second biggest tin producer in the world after China (30.3%) with the contribution of 23.7%. From the total 300,000 tons of the world tin production in 2021, Indonesia produced 71,000 tons. This number increased compared to Indonesia tin production in 2020 of 53,000 tons. The increasing tin demand comes from battery industry, soldering material and chemical industry after the declining Covid-19 pandemic in the end of 2021.

WORLD TIN PRODUCTION 2021
(Metric Tons of Tin Content)



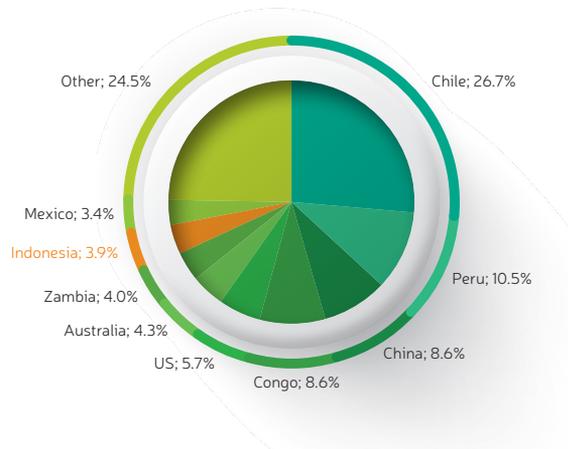
Picture 3.46. IndonesiaTinProductiontotheWorld2021

Source: USGS 2022

Copper

The world total copper production in 2021 increased 2.9% from 20.6 million metric tons in 2020 into 21.0 million metric tons in 2021. Indonesia is one of the world copper producers with the contribution of 3.9%. Indonesia's copper production contribution is not as big as the other copper producers. However, Indonesia's contribution is higher compared to the previous year.

WORLD COPPER PRODUCTION 2021
(1000 Metric Tons of Copper Content)



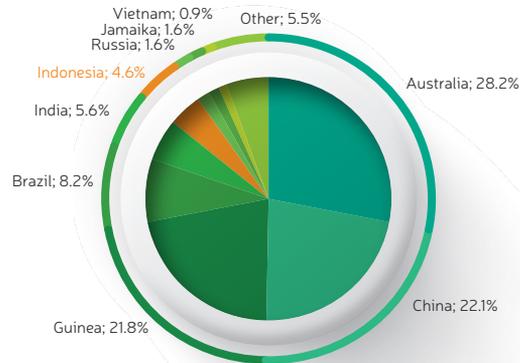
Picture 3.47. IndonesiaCopperProductiontotheWorld 2021

Source: USGS 2022

Bauxite

The global bauxite production increased from 10.5 million tons in 2020 into 12.0 million tons in 2021. Indonesia contributed 4.6% to the world bauxite production in 2021. In the midst of the increasing bauxite production in 2021, Indonesia's contribution in bauxite production declined from 5.3% in 2020 into 4.6% in 2021.

WORLD BAUXITE PRODUCTION 2021
(1000 Metric Dry Tons)



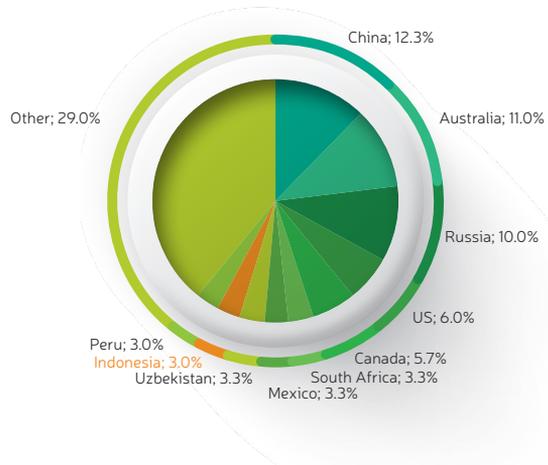
Picture 3.48. Indonesia Bauxite Production to the World 2021

Source: USGS 2022

Gold

The world total gold production in 2021 was relatively stable compared to the production in the previous year. However, Indonesia gold production increased with the contribution to the total production from 2.8% in 2020 to 3.0% in 2021.

WORLD GOLD PRODUCTION 2021
(Metric Tons of Gold Content)



Picture 3.49. Indonesia Gold Production to the World 2021

Source: USGS 2022

Commodity Price and Regulation on Price Stipulation

The base in calculating mineral and coal reference price refers to mineral and coal reference price stipulated by the Ministry of Energy and Mineral Resources. The reference price stipulation also refers to metal mineral and coal price publication from the world index. These are several reference price based on the commodity:

Table 3.4. Mining Commodity Price Stipulation Reference

No	Commodity	Reference Index
1.	Nickel, Cobalt, Lead, Zinc, Aluminum, and Copper	London Metal Exchange (LME)
2.	Gold and silver	London Billion Market Association (LBMA)
3.	Tin	Indonesia Commodity and Derivatives Exchange (ICDX)
4.	Manganese, Iron Ore, Chrome Ore, Ilmenite, and Titanium	Asian Metal
5.	Coal	Indonesia Coal Index (ICI), Newcastle Export Index (NEX), Globalcoal Newcastle Index (GCNC), Platt's 5900

The government issues regulation on metal and coal reference price monthly through Minister of Energy and Mineral Resources Decision that is available for download in https://www.minerba.esdm.go.id/harga_acuan/regulasi.

Table 3.5. Regulation on Mineral and Coal Reference Price 2021

No	Period	Number
1.	January 2021	Kepmen ESDM No 2.K/MB.01/MEM.B/2021
2.	February 2021	Kepmen ESDM No 24.K/HK.02/MEM.B/2021
3.	March 2021	Kepmen ESDM No 41.K/HK.02/MEM.B/2021
4.	April 2021	Kepmen ESDM No 68.K/HK.02/MEM.B/2021
5.	May 2021	Kepmen ESDM No 85.K/HK.02/MEM.B/2021
6.	June 2021	Kepmen ESDM No 106.K/HK.02/MEM.B/2021
7.	July 2021	Kepmen ESDM No 121.K/HK.02/MEM.B/2021
8.	August 2021	Kepmen ESDM No 140.K/HK.02/MEM.B/2021
9.	September 2021	Kepmen ESDM No. 165.K/HK.02/MEM.B/2021
10.	October 2021	Kepmen ESDM No 193.K/HK.02/MEM.B/2021
11.	November 2021	Kepmen ESDM No 218.K/HK.02/MEM.B/2021
12.	December 2021	Kepmen ESDM No 243.K/HK.02/MEM.B/2021

Source: Directorate General of Mineral and Coal (2022)

During the period of 2017-2021, Coal Price Reference experienced price fluctuation and was in the lowest level in 2020 due to the Covid-19 pandemic throughout 2020. However, in 2021 Coal Price Reference increased sharply up to 109% compared to the previous year. This increase was influenced by the world recovery post to the pandemic that led to the increasing coal demand while coal production was not yet able to address the disruption in production supply and higher natural gas price.

Besides coal, reference price of other mineral commodities also increased sharply compared to the price in 2020. It shows that the economic recovery post to Covid-19 pandemic gives positive impacts to the mineral commodity price.

Table 3.6. Mineral and Coal Average Reference Price

Commodity	Unit	2017	2018	2019	2020	2021	Up/Down (2020– 2021)
Coal	USD/ton	85.92	98.96	77.89	58.17	121.47	109%
Nickel	USD/dmt	11,526.65	13,198.53	13,558.71	13,466.20	18,049.17	34%
Cobalt	USD/dmt	60,235.06	74,582.53	35,714.36	31,640.77	47,218.28	49%
Lead	USD/dmt	2,437.68	2,304.17	2,002.90	1,811.87	2,168.91	20%
Zinc	USD/dmt	3,198.71	2,993.84	2,585.18	2,207.42	2,928.19	33%
Aluminum	USD/dmt	2,112.84	2,099.04	1,809.43	1,674.70	2,397.44	43%
Copper	USD/dmt	6,715.83	6,605.90	6,018.09	5,985.91	9,090.33	52%
Gold	USD/ounce	1,293.28	1,272.97	1,365.93	1,726.20	1,804.66	5%
Silver	USD/ounce	17.15	15.93	15.91	19.61	25.35	29%
Manganese	USD/dmt	4.42	6.02	5.07	4.11	3.96	-4%
Iron Ore	USD/dmt	0.91	0.82	1.20	1.48	2.49	69%
Chrome Ore	USD/dmt	3.02	3.83	3.61	2.41	3.17	32%
Limenite	USD/dmt	4.27	3.81	3.87	4.77	7.33	54%
Titanium	USD/dmt	10.37	10.17	9.68	9.83	12.21	24%

Source: Directorate General of Mineral and Coal (2022)

Coal

Coal Reference Price

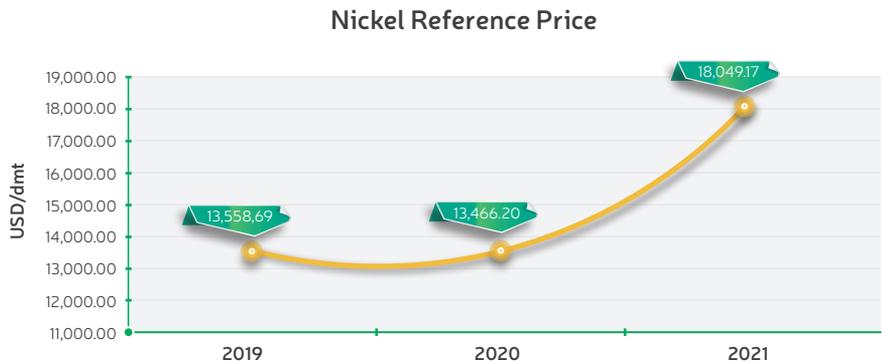


Picture 3.50. Coal Reference Price

Source: Directorate General of Mineral and Coal (2022)

Coal reference price increased sharply in 2021. It is the highest in the last five years. The global economic recovery post to Covid-19 pandemic and the increasing world gas price lead to the significant increase in global coal demand. At the same time, global coal production has not been able to meet the high demand that it leads to the increasing coal reference price.

Nickel

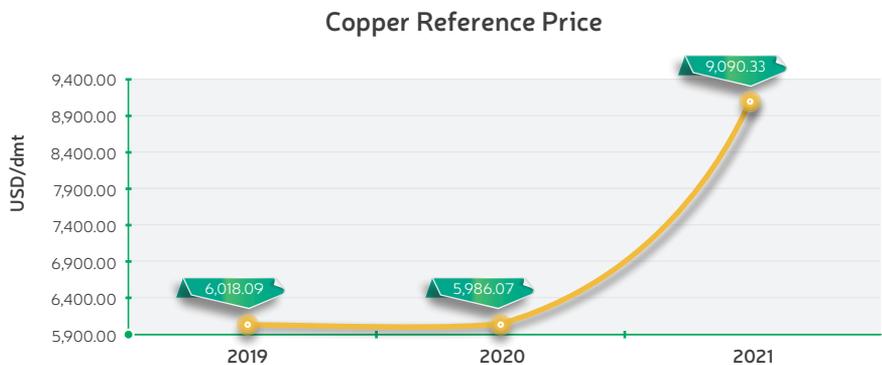


Picture 3.51. Nickel Reference Price

Source: Directorate General of Mineral and Coal (2021)

In 2018-2020, nickel price is relatively stable above USD13,200/dmt. Nickel price soared into USD18,050/dmt in 2021 or increased 34% compared to in 2020. The price surge is triggered by the increasing number of industry which needs nickel such as electric vehicle industry and stainless steel industry.

Copper

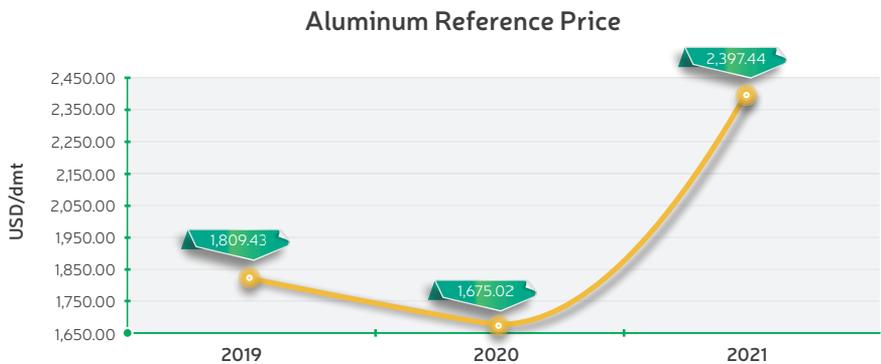


Picture 3.52. Copper Reference Price

Source: Directorate General of Mineral and Coal (2022)

Copper demand in the end of 2020 increased sharply and continued to increase along the year of 2021. It is influenced by the disruption in copper supply during the Covid-19 pandemic while copper demand especially from China is growing. Overall, copper average price in 2021 increased 52% compared to in 2020.

Aluminum

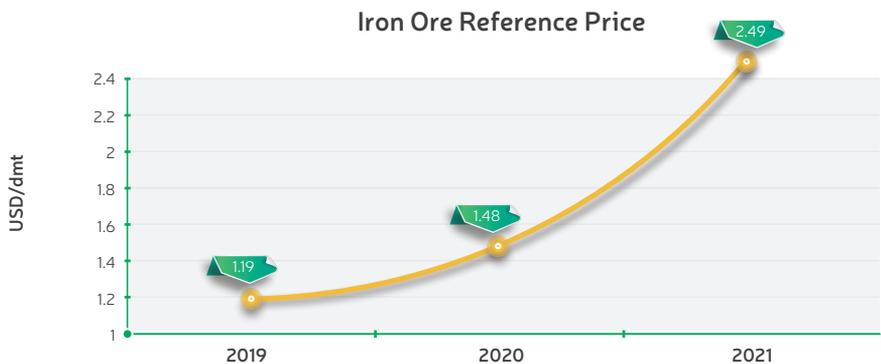


Picture 3.53. Aluminum Reference Price

Source: Directorate General of Mineral and Coal (2022)

Since the beginning of 2021, the world aluminum price continued to increase and was in the highest level in last decade. The increasing aluminum price was triggered by China's policy in reducing aluminum production to reduce carbon emission in its heavy industry. Meanwhile, aluminum global demand is still high. Aluminum reference price in 2021 increased 43% compared to in 2020.

Iron Ore

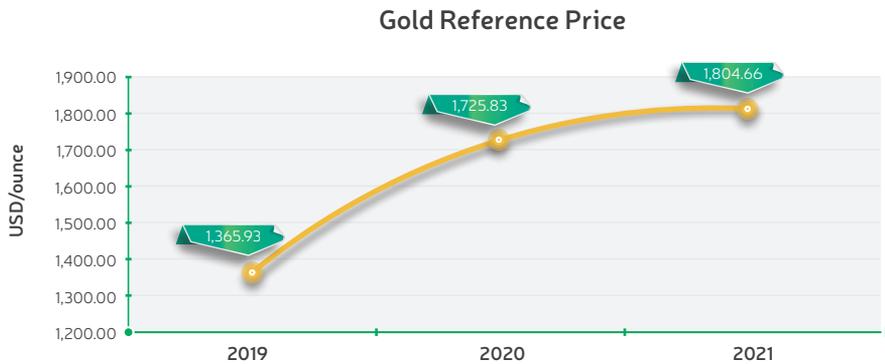


Picture 3.54. Iron Ore Reference Price

Source: Directorate General of Mineral and Coal (2022)

Iron also becomes one of mineral metal commodities with significant price increase along the year 2021 by 69% compared to in 2020. The price surge is influenced by the high global demand to iron along with the start of various projects post to Covid-19 pandemic. Meanwhile, iron supply could not meet the high iron demand.

Gold



Picture 3.55. Gold Reference Price

Source: Directorate General of Mineral and Coal (2022)

In the last three years, the gold price shows an increasing trend. The economic uncertainty due to Covid-19 pandemic has become the main factor in the increasing gold price in 2021.

Silver

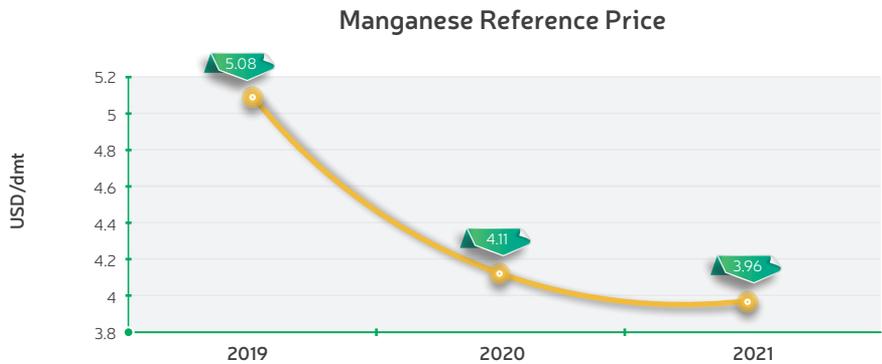


Picture 3.56. Silver Reference Price

Source: Directorate General of Mineral and Coal (2022)

The price of silver in the last three years has been increasing due to the high demand of silver globally. The price of silver in 2021 increased 29% compared to in 2020.

Manganese

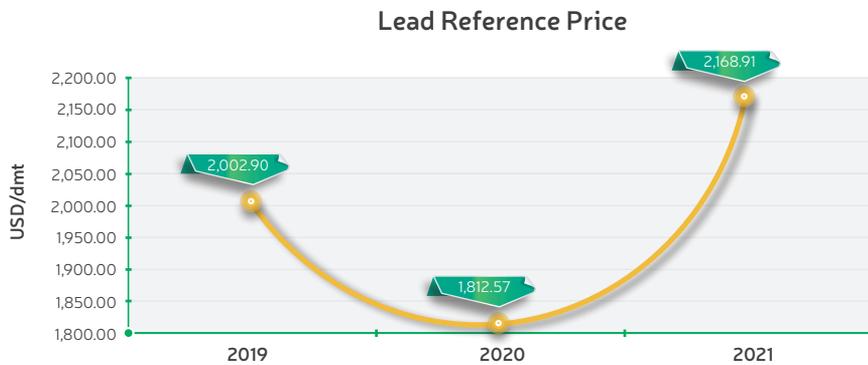


Picture 3.57. Manganese Reference Price

Source: Directorate General of Mineral and Coal (2022)

In the last three years, the price was declining. The declining manganese price in 2021 reached 4% compared to the previous year due to the worsening trade of manganese and Covid-19 pandemic.

Lead



Picture 3.58. Lead Reference Price

Source: Directorate General of Mineral and Coal (2022)

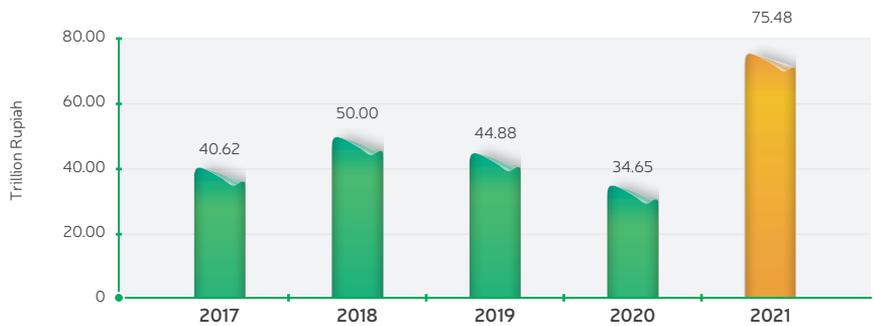
The declining lead price in 2020 occurred due to the pressure of war between US and China. However, the price of lead in 2021 increased 20% compared to the previous year along with the increasing lead demand during the Covid-19 pandemic recovery.

Contribution of Non-Tax State Revenue from Mineral and Coal Mining

Mineral and coal subsector gives a significant contribution to the state revenue. Each year, the state revenue from mineral and coal is increasing. In 2020, the Non-Tax State Revenue from mineral and coal subsector experience a decline compared to the previous years due to Covid-19 pandemic that worsen the industry, including coal mining. However, in 2021 the Non-Tax State Revenue from mineral and coal subsector increased significantly from IDR34.65 trillion in 2020 to IDR75.48 trillion in 2021 or increased 118%.

State Revenue from Mineral and Coal Subsector consists of Tax State Revenue and Non-Tax State Revenue. The Non-Tax State Revenue consists of three main groups namely: (1) Land rent (2) Royalty, and (3) Sales from Mining Product.

Non-Tax State Revenue from Mineral and Coal 2017-2021



Picture 3.59. Non-Tax State Revenue from Mineral and Coal

Source: Directorate General of Mineral and Coal (2022)

Table 3.7. State Revenue from Mineral and Coal Subsector

Description	(in billion rupiah)				
	2017	2018	2019	2020	2021
a. General Mining	23,762.2	30,311.74	26,284.9	21,180.0	44,340.4
Land rent	514.8	545.73	450.9	440.0	583.6
Royalty	23,247.4	29,766.01	25,834.0	20,740.0	43,756.8
b. Other Non-tax State Revenue					
Sales of Mining Products	16,856.2	19,313.68	18,581.0	13,470.0	30,608.7
Other revenues *)	-	377.56	7.1	0	535.04
Total Non-tax State Revenue from Mineral and Coal	40,618.5	50,002.9	44,873.0	34,650.-	75,484.1

Source: Directorate General of Mineral and Coal (2022)

Note:

*) Other revenues consist of

- Government Split from IUPK net profit;

- Lumpsum Payment; and
- Smelter Fine

Table 3.8. Coal Royalty Tariff Based on GR No. 26 of 2022

No.	Level of Category (Gross Air Received)	Coal Reference Price (HBA) (USD/ton)	Tariff (% from selling price)	
			Surface mining	Underground mining
1.	Calory ≤ 4,200 Kkal/Kg	HBA < 70	5%	4%
		70 < HBA < 90	6%	5%
		HBA > 90	8%	7%
2.	4,200 Kkal/Kg < Calory < 5,200 Kkal/Kg	HBA < 70	7%	6%
		70 < HBA < 90	8.5%	7.5%
		HBA > 90	10.5%	9.5%
3	> 5,200 Kkal/Kg	HBA < 70	9.5%	8.5%
		70 < HBA < 90	11.5%	10.5%
		HBA > 90	13.5%	12.5%

Table 3.9. Primary Mineral Royalty Rate Based on GR No. 26 of 2022

No.	Commodity	Unit	Tariff (% from selling price)
1.	Primary Gold	Ons	3.75%
	a. Price < USD 1,300/ons	Ons	4.00%
	b. USD 1.300/ons < Price < USD 1.400/ons	Ons	4.25%
	c. USD 1.400/ons < Price < USD 1.500/ons	Ons	4.50%
	d. USD 1.500/ons < Price < USD 1.600/ons	Ons	4.75%
	e. USD 1.600/ons < Price < USD 1.700/ons	Ons	5.00%
	f. USD 1.700/ons < Price < USD 1.800/ons	Ons	6.00%
	g. USD 1.800/ons < Price < USD 1.900/ons	Ons	8.00%
	h. USD 1.900/ons < Price < USD 2.000/ons	Ons	10.00%
	i. Price > USD 2.000/ons	Ons	3.25%
2.	Primary Silver	Ons	3.25%
3.	Copper Ore	Ton	5%
4.	Copper Concentrate	Ton	4%
5.	Tin Metal	Ton	3%
6.	Nickel ore	Ton	10%
7.	Nickel Pig Iron (NPI)	Ton	5%
8.	Nickel Matte	Ton	2%
9.	Iron ore	Ton	10%
10.	Iron sand	Ton	10%
11.	Bauxite	Ton	7%
12.	Manganese ore	Ton	10%

Revenue Sharing Fund, hereafter abbreviated as DBH, is the fund from the State Budget allocated for the Regional Government based on the Law No.1 of 2022 on Financial Relations of Central and Regional Government. The Revenue Sharing Fund is allocated based on percentage of mining activity in the region and surrounding area to finance regional need to carry out decentralization.

Types of Non-Tax State Revenue from mineral resources and coal are as follow:

Table 3.10. Types of Non-tax State Revenue from Mineral and Coal Resources

Types of Non-Tax State Revenue from General Mining	Business entity
Landrent/Deadrent	IUP, IUPK, PKP2B, and Contract of Work
Royalty	IUP, IUPK, PKP2B, and Contract of Work
Sales from Mining Products	PKP2B and IUPK

Source: Directorate General of Mineral and Coal (2022)

Types of Non-Tax State Revenue which can be included in revenue sharing are:

- **Land-rent** is fee to the State as the reward for General Survey, Exploration or Exploitation in working areas.
- **Exploration and Exploitation fee (royalty)** is production fee from mining business holder for conducting exploitation.

Table 3.11. Percentage of Revenue Sharing Fund Based on GR No.55 of 2005 on Balancing Fund

Types of Revenue	GR 55/2005			
	Central	Prov.	K/K	Other K/K
General Mining				
a. Land-rent	20	16	64	-
b. Royalty	20	16	32	32

Source: Directorate General of Mineral and Coal (2022)

The 80% (eighty percent) DBH General Mining as referred to in letter a of the above table derived from regency/municipal is divided into:

- 16% (sixteen percent) for concerned province; and
- 64% (sixty-four percent) for producing regency/municipal.

The 80% (eighty percent) DBH General Mining as referred in letter b derived from regency/municipal is divided into:

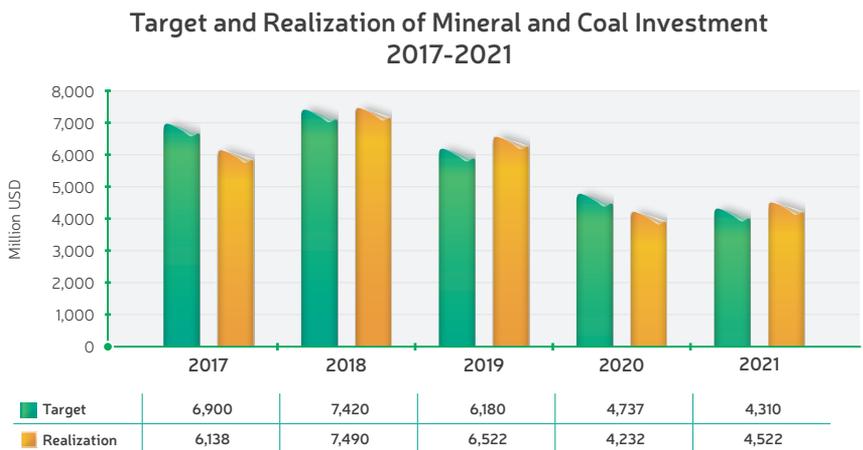
- a. 16% (sixteen percent) for concerned province;
- b. 32% (thirty-two percent) for producing regency/municipal; and
- c. 32% (thirty-two percent) for other regency/municipal in the concerned province.

The formulation of mineral and coal revenue plan is expected to assist the formulation of the government financial budget measurably and realistically. Furthermore, the formulation of revenue plan is also used as a reference to formulate profit sharing funds distribution to the regional government and budget ceiling of Directorate General of Mineral and Coal from central government-royalty split.

The Non-Tax State Revenue from Mineral and Coal is derived from PKP2B, KK, IUPK, and IUP (SOE IUP, Foreign Investment IUP, and Regional IUP).

Mineral and Coal Investment

The mineral and coal mining sector investment in the last five years has been fluctuating. The fluctuation in investment is mainly due to the coal mineral commodity price. The highest investment occurred in 2018 with the total of USD7.5 billion. It slightly declined in 2019 into USD6.5 billion. In 2020, it declined USD2.9 billion due to Covid-19 pandemic throughout 2020. Due to the ongoing Covid-19 pandemic in early 2021, the government revised the investment target. As the result, in 2021 the performance of mineral and coal subsector investment increased compared to the previous year and exceeded the target.



Picture 3.60.

Target and Realization of Mineral and Coal Investment

Source: Directorate General of Mineral and Coal (2022)



CHAPTER 4

SUPPORTING INDICATORS TO THE INVESTMENT



Indonesia's investment climate continues to revive post to Covid-19 pandemic. Despite that the investment growth was stagnant along with the striking Delta variant during the Covid-19 pandemic in the Quarter II 2021, overall the government was able to increase the investment in 2021. It is shown by the growing domestic investment by 15.2% compared to in 2020. The foreign investment in 2021 also increased 10.1% compared to the investment in the previous year.

Realization of Investment Fourth Quarter - 2021

	Year 2020				Year 2021				TW - IV 2021		Target 2021**	Realization ***
	TW - I	TW - II	TW - III	TW - IV	TW - I	TW - II	TW - III	TW - IV	Y-o-Y	Q-o-Q		
PMDN	112.7	94.3	102.9	103.6	108	106.2	113.5	119.3	15.2%	5.1%	430.2	103.9%
PMA	98	97.6	106.1	111.1	111.7	116.8	103.2	122.3	10.1%	18.5%	469.8	96.6%
Total	210.7	191.9	209.0	214.7	219.7	223.0	216.7	241.6	12.5%	11.5%	900.0	100.1%
	January - December 2020				January - December 2021				January - December 2021 Y-o-Y		TKI Fourth Quarter 2020: 294,780	
PMDN	413.5				447.0				8.1%		TKI Fourth Quarter 2021: 295,491	
PMA	412.8				454.0				10.0%		(0.24%, Y-o-Y)	
Total	826.3				901.0				9.0%			

¹ The realization in the January - December 2021 was a rounded number

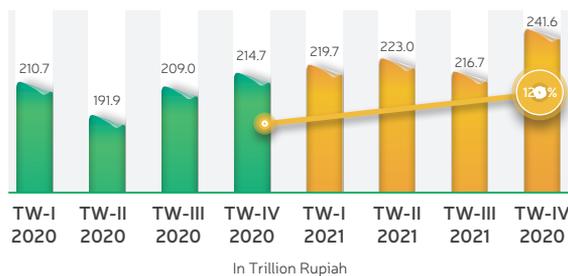
² Investment Realization Target 2021: Rp. 858,56 T (Renstra)

In accordance with the Regulation of the Head of BKPM Number 2 of 2020 concerning the Strategic Plan of BKPM for 2020 - 2024

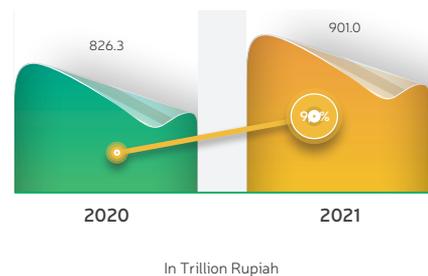
Adjustment target 2021: Rp. 900 T (President's directive)

³ Realization of the 2021 target according to the President's direction

Fourth Quarter Y-o-Y



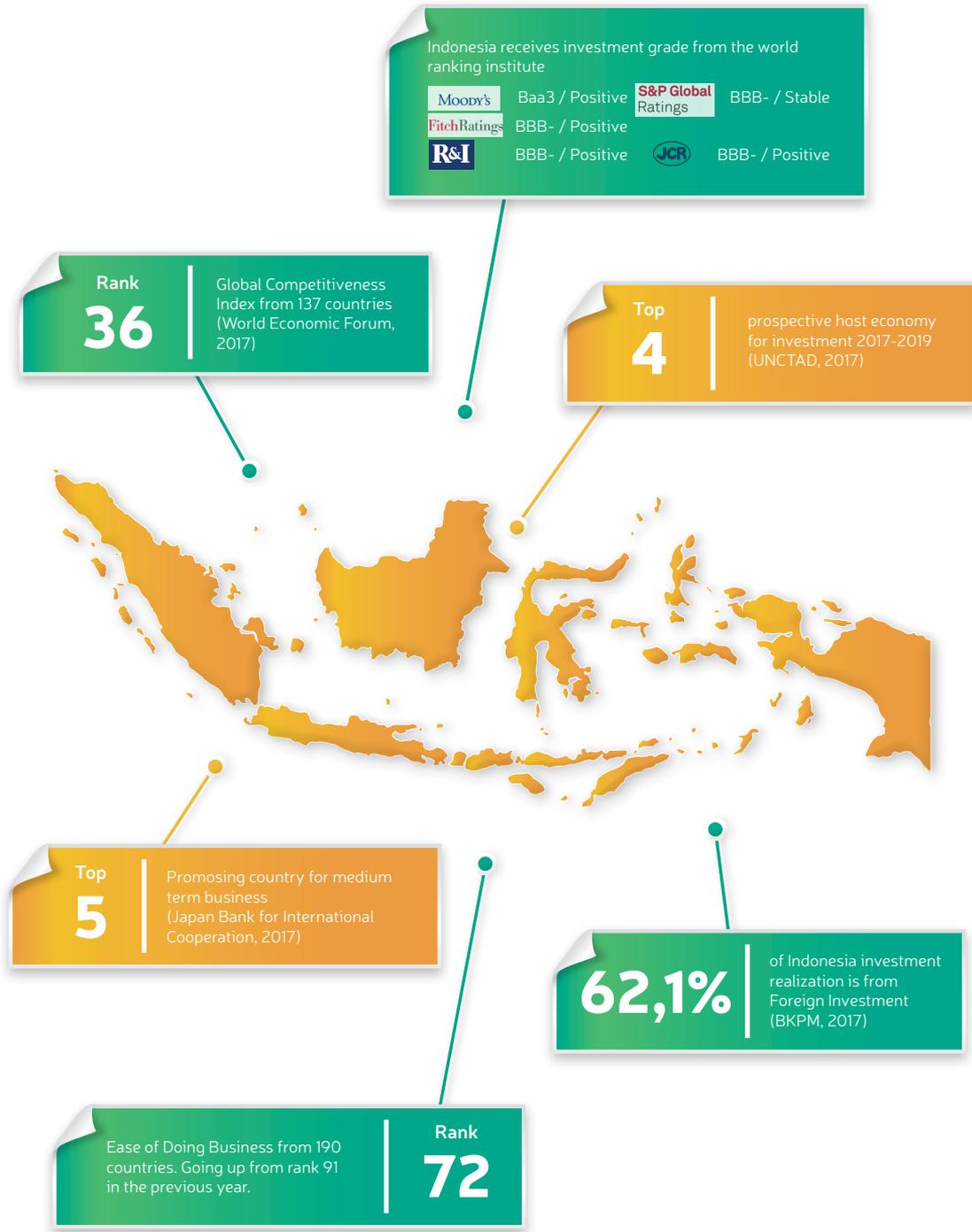
January - December Y-o-Y



Picture 4.1. Foreign Capital Investment in Indonesia in 2021

Source: Coordinating Board for Investment (BKPM) and Ministry of Trade (2022)

Based on Japan Bank for International Cooperation, Indonesia is among the top five country with promising medium term-business climate. From 173 countries, World Economic Forum puts Indonesia in the 36th position of most competitive country globally. These are several other important indicators on Indonesia competitiveness measured from its investment performance.



Picture 4.2. Indonesia Competitiveness Measured from Investment Performance

Source: Ministry of National Development Planning/Bappenas

Politics and Security Stability

Indonesia politics and security stability in 2021 was stable and under control. In the period of economic recovery post to Covid-19 pandemic, Indonesia politics and security situation in Indonesia was relatively stable. In addition, the index of democracy in 2021 increased from the previous year.

Based on Democracy Index published by The Economist Intelligence Unit (EIU), Indonesia average index is 6.71. From 0 to 10 scale, the higher score, the better democracy it has. This score increased from the index in 2020 of 6.30. From five indicators assessed by EIU in determining Democracy Index, Indonesia's score increased in three aspects namely government functionality from 7.50 to 7.86. Civil freedom increased from 5.59 to 6.18. Meanwhile, political participation increased sharply from 6.11 to 7.22. However, there are two aspects that experienced a stagnant compared to the last year's score. The electoral process and pluralism stayed in 7.92, while political culture indicator also stayed in 4.38.

In addition to stable political condition, the security in all areas in Indonesia is also conducive. There was no significant security incident which affected investment climate in Indonesia.

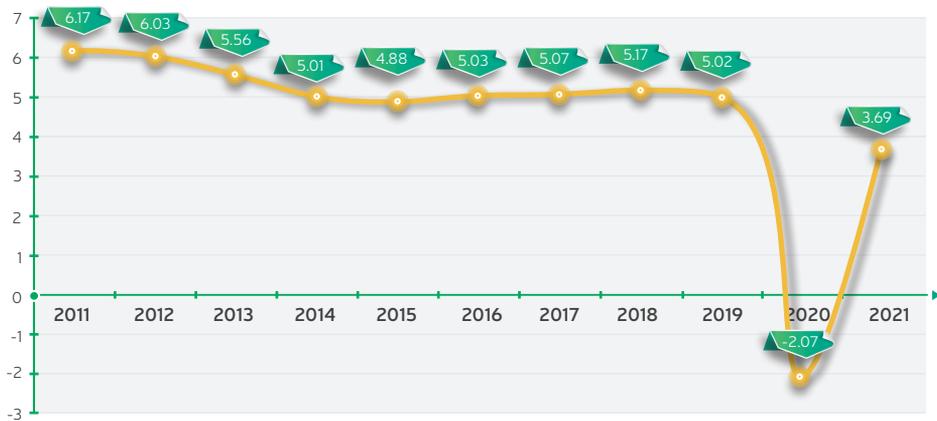
As a diverse and archipelagic country, Indonesia is able to protect the stability of its national security. In terms of investment climate, in the last five years, there has been no significant investment security incidents that may impact on investment security in Indonesia. Since 2016, the Investment Coordinating Board (BKPM) has been in cooperation with Indonesia National Police to ensure the investment protection and security for business sector.

Economic Stability

Indonesia economic condition in 2021 is recovering despite that the global economy is still influenced by the Covid-19 pandemic. The global economy recovery in 2021 continues to occur in the midst of financial market uncertainty. World economic growth in 2021 continues to increase with economic recovery in the Advanced Economies (AEs), especially the US, which is strongly supported by accelerated vaccinations and very large policy stimulus. Meanwhile, economic growth in Emerging Market and Developing Economies (EMDEs), except for China, generally continued to improve, but not as fast as the recovery process in AEs. Global financial market uncertainty continues in line with emerging risks, including the increased spread of the Delta variant of the Covid-19, market anticipation for the Fed's tapering policy, as well as concerns over inflationary pressures that will last longer due to supply chain disruptions and energy constraints. Overall, the world economy is forecasted to grow around 5.7% in 2021 and 4.4% in 2022, following a 3.1% contraction in 2020.

Indonesia's economy throughout 2021 grew by 3.69%. This growth was higher than in 2020 which had contracted 2.07 percent as a result of the Covid-19 pandemic that hit the whole world, including Indonesia.

Indonesia Economic Growth 2011 - 2021

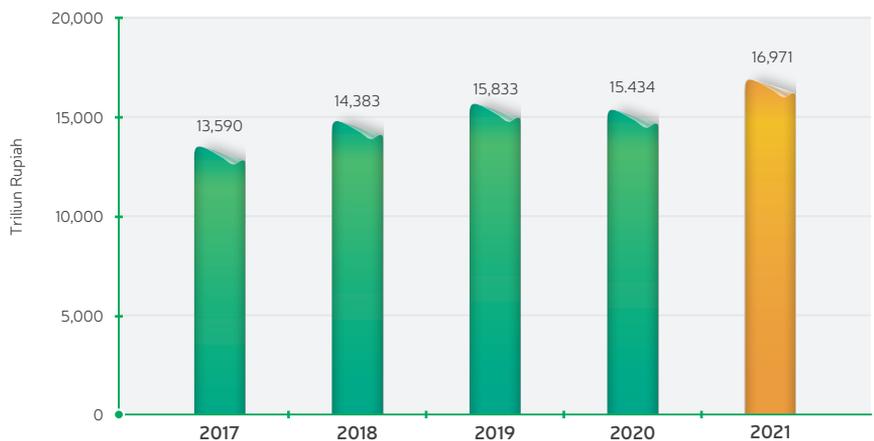


Picture 4.3. Indonesia Economic Growth 2011 - 2021

Source: Statistics Indonesia (2022)

In terms of Gross Domestic Product (GDP), the Indonesian economy is starting to recover with an increase in GDP from IDR 15,434.15 trillion in 2020 to IDR 16,970.79 trillion in 2021, an increase of 10%. Indonesia's GDP did experience a contraction in 2020 in connection with the Covid-19 pandemic and increased significantly in 2021.

Indonesia Domestic Product Growth

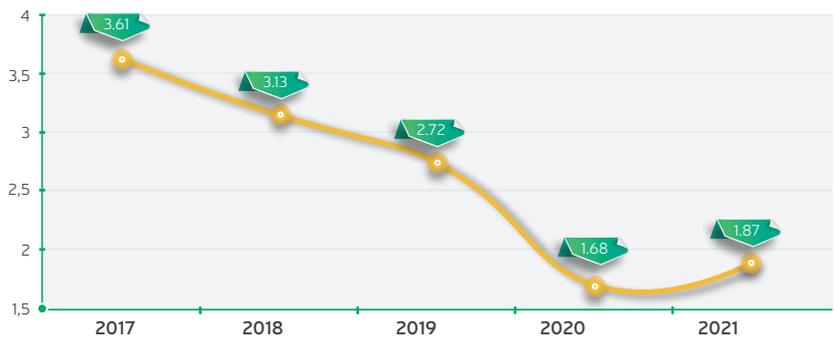


Picture 4.4. Indonesia GDP on Current Price

Data Source: Statistics Indonesia (2022)

In terms of inflation, it also shows that Indonesia's economic stability is maintained. In the period of 2017 to 2019, the national inflation rate is stable at around 3 percent. Then in 2020 the national inflation rate fell to 1.68 percent and slightly increased in 2021 to 1.87 percent. This is inseparable from the decline in public consumption during the Covid-19 pandemic. However, the overall inflation rate remains low and stable, which is very supportive of the stability of the Indonesian economy.

National Inflation Rate 2017-2021



Picture 4.5. National Inflation Rate

Data Source: Statistics Indonesia (2022)

Employment

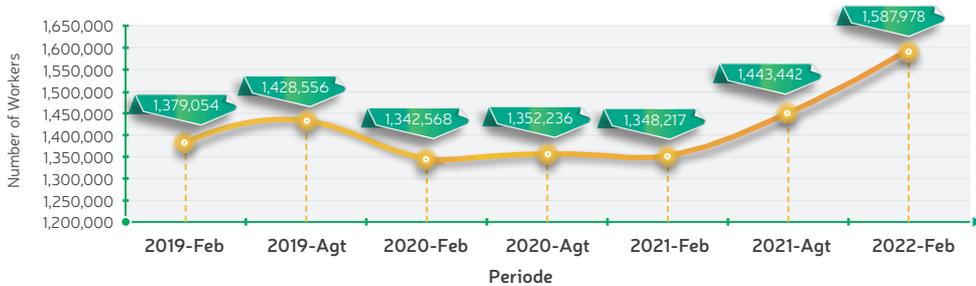
Employment in Indonesia shows an improving trend. It is shown by data of Open Unemployment Rate (TPT) in the last five years of about 5.6 percent. However, due to Covid-19 pandemic, the national Employment Rate (TKK) in August 2020 increased to 7.07 percent and declined to 6.49 percent in 2021.

In preparing qualified workers, the government carries out technical and substantial improvement. The employment programs that continue to be promoted are training and productivity, workforce placement, industrial relation, and employment supervision. It is done to improve workforce capacity with competitiveness and conducive industrial climate in facing flexible job market.

Indonesia will soon enter the demographic bonus period where 60 percent of its population is dominated by young and productive age. Statistics Indonesia releases population data from employment category based on The Labor Force Concept that divides population into (1) Working Age Population; and (2) Non Working Age Population. The Working Age Population in 2021 was 140.15 million or increased 1.93 million compared to in 2020. Based on gender, most working age population is dominated by female with 50.01% while male in working age population is 49.99%.

Based on the Ministry of Manpower data, the workers in mineral and coal mining subsector shows an increase. It shows that the mineral and coal mining industry becomes one of the essential economic drivers in Indonesia.

Workers in Mining and Quarrying Sector



Source BPS, National workforce survey in February and August 2019-2020, processed by pusdatiknaker

The calculation of the value in February and August 2019-2020 uses population projection weiger as the result of SUPAS 2015

The calculation of the values in February 2022 uses the interim population projection weiger SP2020

The number of worker on mining and quarrying sector increases in the last 4 years

Picture 4.6.

Workers in Mining and Quarrying Sector

Source: Ministry of Manpower (2022)

Based on business sector, most population in 2021 worked in Agriculture, Forestry and Fishery reaching 38.22 million people or 29.76% and it was dominated by male with 63.91%. Meanwhile, population working in mining and quarrying field reached 1.35 million people or 1.05% from the total working age population. This number is similar to the number in the previous year.

Table 3.12. Working Age Population According to 17 Working Fields and Gender

No.	17 Working Fields	Gender		Total
		Male	Female	
1	Agriculture, Forestry, and Fishery	24,428,631	13,795,740	38,224,371
2	Mining and Quarrying	1,236,325	115,911	1,352,236
3	Processing Industry	9,847,144	7,635,705	17,482,849
4	Electricity and Gas Procurement	263,950	39,601	303,551
5	Water, Waste Management, and Recycle Procurement	378,982	112,002	490,984
6	Construction	7,906,078	160,419	8,066,497
7	Wholesale and Retail; Car and Motorcycle Repair and Treatment	12,284,993	12,417,702	24,702,695
8	Transportation and Warehousing	5,347,575	244,366	5,591,941
9	Accommodation and Food and Beverage Supply	3,477,089	5,066,705	8,543,794
10	Information and Communication	616,875	316,398	933,273
11	Finance and Insurance	984,887	573,040	1,557,927

No.	17 Working Fields	Gender		Total
		Male	Female	
12	Real Estate	283,011	110,654	393,665
13	Company services	1,368,577	428,178	1,796,755
14	Government administration, Defence and Social Security	3,245,196	1,324,750	4,569,946
15	Education	2,284,509	3,744,101	6,028,610
16	Health and Social Activity	648,724	1,356,798	2,005,522
17	Other services	3,152,480	3,257,088	6,409,568
Total		77,755,026	50,699,158	128,454,184

Source: Ministry of Manpower (2022)

In 2021, Indonesia Human Development Index (HDI) was 72.29. It increased 0.35 point or 0.49% compared to in 2020. Indonesia HDI is formulated with three dimensions namely health dimension which is measured by life expectancy indicator; knowledge or education dimension which is measured by school length expectation and school length average; as well as proper life dimension with the approach of adjusted revenue per capita.

Human Development Index 2017-2021



Picture 4.7. Human Development Index

Data Source: Statistics Indonesia

Number of Labor in Mineral and Coal Mining Company

The mineral and coal mining company hires a high number of labor, both domestic and foreign workers. Until 2021, the number of workers in mineral and coal mining sector reached 189,859 people with the composition of 99.38% (188,673) of domestic worker (TKI) and 0.62% (1,186) of foreign worker (TKA).

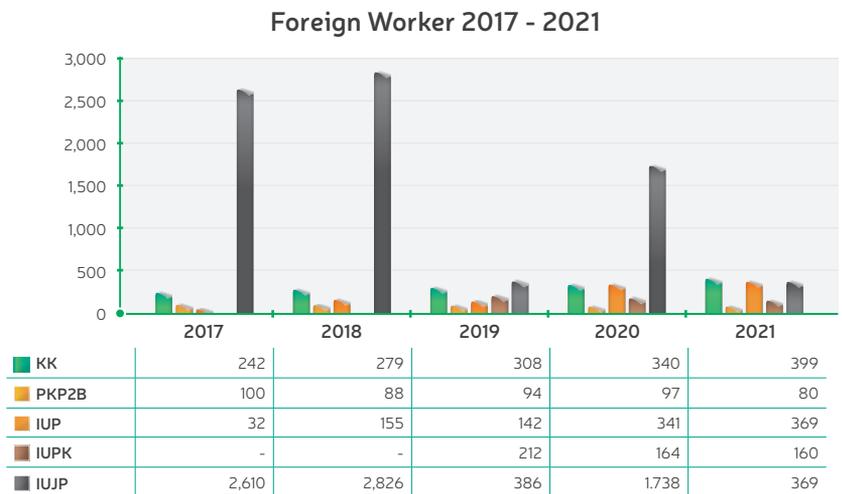
In 2017-2021, the number of labor in mineral and coal company has been fluctuating. The number of labor in 2017-2019 shows a decline. On the contrary, in the midst of Covid-19 pandemic the number of labor in 2020 and 2021 increased. It shows that mineral and coal subsector is one of the factors that enhances Indonesian economic security during the pandemic.

The labor distribution in 2021 is dominated by IUJP (74.4%) followed by IUP (8.2%), PKP2BB (7.7%), Contract of Work (5.5%) and IUPK (4.2%). This composition is relatively similar to the labor distribution in 2020.



Picture 4.8. Indonesian Worker 2017 - 2021

Source: Directorate General of Mineral and Coal (MODI – 2022)



Picture 4.9. Foreign Worker 2017 - 2021

Source: Directorate General of Mineral and Coal (MODI – 2022)

Effort to Improve Labor's Skill

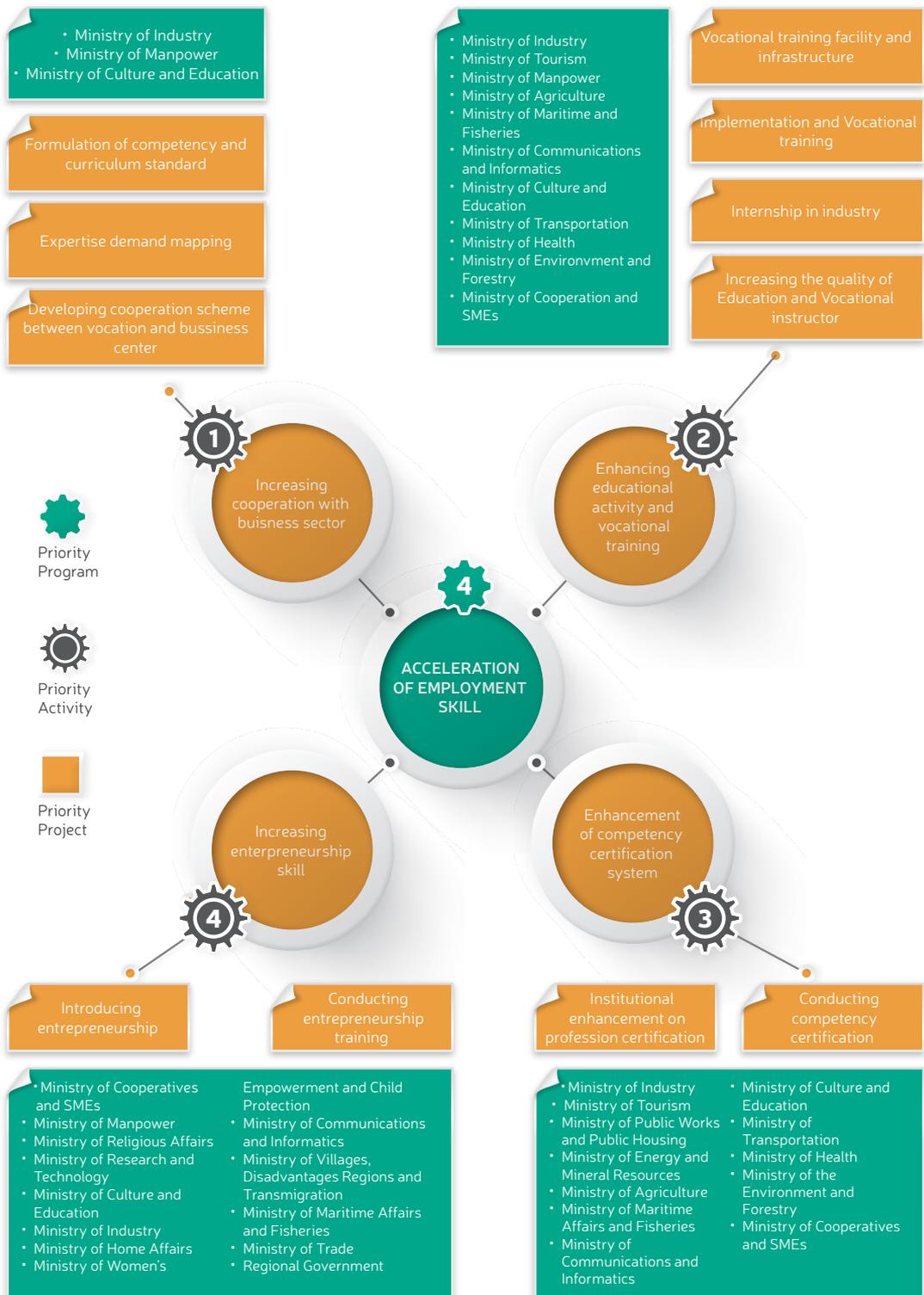
Indonesia is in its effort to encourage Indonesian labor to have high competitiveness in global and national labor market. In long term, the Government of Indonesia has nine priority agenda to touch upon a competitive and qualified employment development, including:

1. Enhancement of National Labor Plan;
2. Acceleration of Labor Competency Enhancement;
3. Acceleration of Profession Certification;
4. Expansion of Formal Employment Opportunity;
5. Enhancement of Productive Entrepreneurship;
6. Creation of Fair and Productive Industrial Relation;
7. Law Enforcement on Employment;
8. Enhancement of Migrant Worker Protection;
9. Simple, Transparent, and Accountable Employment Services.

In accelerating the enhancement of labor competency, profession certification, and creation of fair and productive industrial relation, the Government of Indonesia has made strategic policy as follow:

1. Creating an open job market for high value sectors (non agriculture);
2. Increasing the quality of education and training which is adaptive to technology, especially for milenial (vocational education) and softskills;
3. Developing vocational training centers (course/community center) for low educated group;
4. Developing an open job market information which is accesible in all areas and all labor potential demand;
5. Enhancing the relevance of education and work, both in curriculum, teacher/trainer, facility and infrastructure, learning method, and competency certification (SKKNI);
6. Enhancing the quality of Indonesian Migrant Workers in particular sector and skill and developing new market for Indonesian Migrant Workers abroad;
7. Enhancing the quantity and quality of industrial relation to create good employment climate; and
8. Enhancing the employment supervision capacity to create a good employment climate.

Furthermore, to accelerate the enhancement of Indonesia labor skill, the government implements four priority activities:



Picture 4.10.

Priority Activity on Workforce Proficiency Acceleration

Data Source: Ministry of National Development Planning /Bappenas

Policy on Payment of Wages

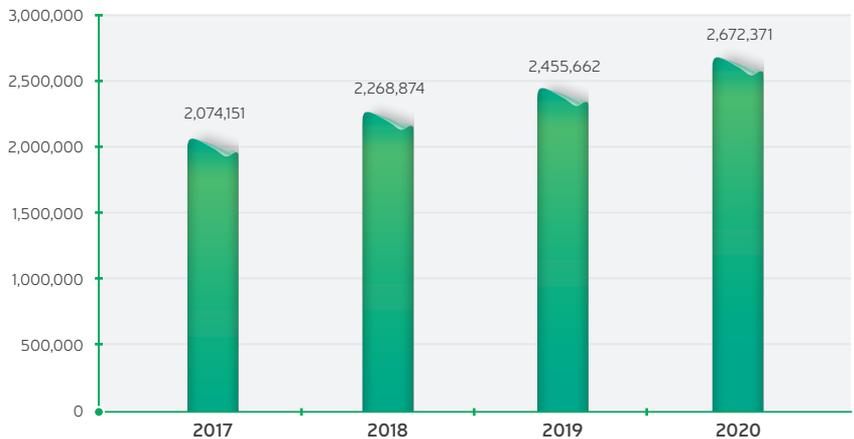
Investor candidates in mineral and coal mining sector in Indonesia should study the applicable policy on payment of wages in Indonesia. Indonesia implements policy on payment of wages which is directed to meet a decent income.

The policy on payment of wages in Indonesia is regulated in Law No.11 of 2020 on Jobs Creation (Omnibus Law). These are payment of wages policies as regulated in Article 88 of Manpower Law:

1. Minimum wages;
2. Structure and scale of wages;
3. Overtime pay;
4. Wages that are payable to the worker during his absence from work and/or for not doing the work due to certain reason;
5. The form and method of the payment of wages;
6. Things that can be calculated with wages; and
7. Wages as the basis for calculating or paying other rights and obligations.

The Omnibus Law also regulates the wages mechanism agreed by the company and labor. The payment of wages is not allowed to be lower than the provision regulated in Laws.

Average Regional Minimum Wage in (2017 - 2020)



Picture 4.11.

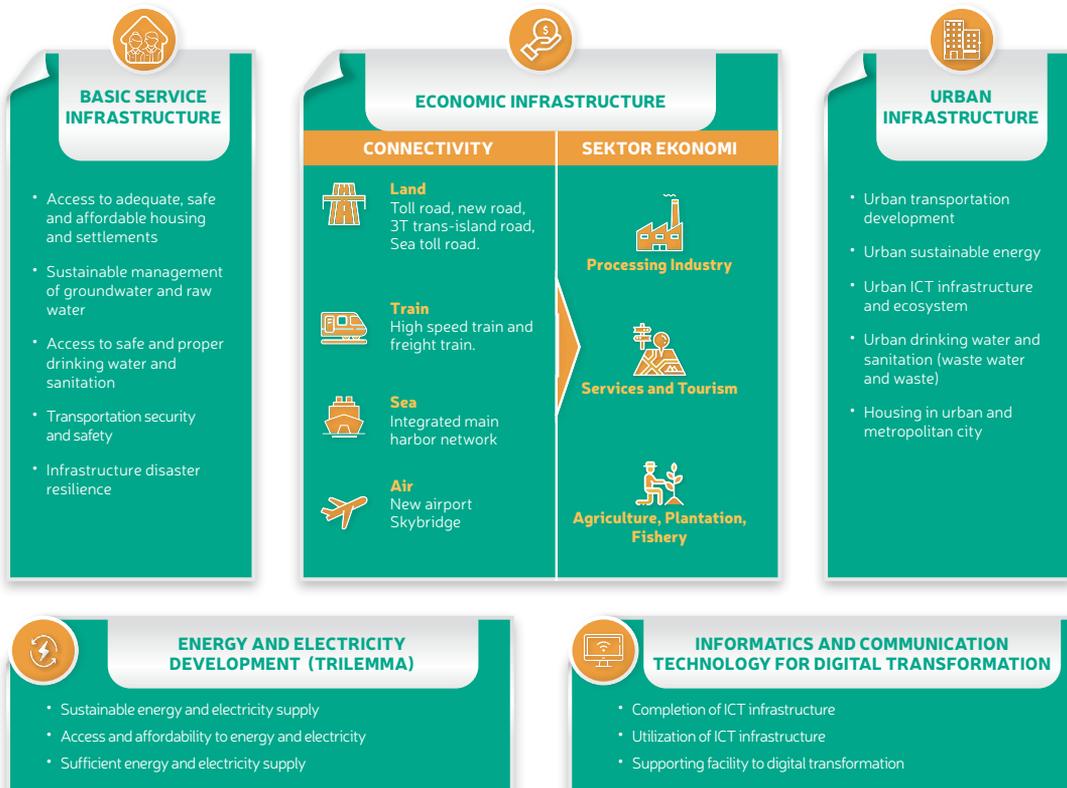
Average Regional Minimum Wage in Indonesia 2017 - 2020

Source: Statistics Indonesia (2021)

Infrastructure

In the National Medium Term Development Plan (RPJMN) 2020-2024, the Government of Indonesia has stipulated five main targets of development as part of the strategy in achieving Indonesia Vision 2045. From five main targets, one of them is Infrastructure Development.

The infrastructure development is mainly purposed to connect production area and distribution area, ease access to tourism area, promote new employment, and accelerate the value added to people's economy. The infrastructure development will focus on three main frameworks namely basic services infrastructure, economic infrastructure, and urban infrastructure. The development in these three main focuses will be supported by energy development, electricity, and digital transformation.



Picture 4.12.

Indonesia Infrastructure Development Strategy

Source: GR No. 18 of 2020



Picture 4.13.

Indonesia Infrastructure Development Target

Source: GR No. 18 of 2020

The two infographics above show that the strategy of economic infrastructure development in Indonesia fully supports the investment climate in mineral and coal mining. Accessibility to land, sea and air transportation becomes an important attention in developing infrastructure. Furthermore, infrastructure development in energy and electricity will highly support the mineral and coal mining business.

Besides infrastructure development main target, simplification of regulation and bureaucracy is definitely an important factor in supporting investment growth in Indonesia. The government has a strong commitment to create a friendly and responsible investment climate in Indonesia. Therefore, the direction of Indonesia development in the future is along with the target of domestic and international investment growth in Indonesia. In relation to mineral and coal mining investment, it becomes one of the main factor besides the major potential of mineral and coal resources and reserves in Indonesia.



Picture 4.14. Gas and Coal Resources for Industry and Electricity

Source: Ministry of National Development Planning /Bappenas





CHAPTER 5

FISCAL AND INCENTIVE FACILITY

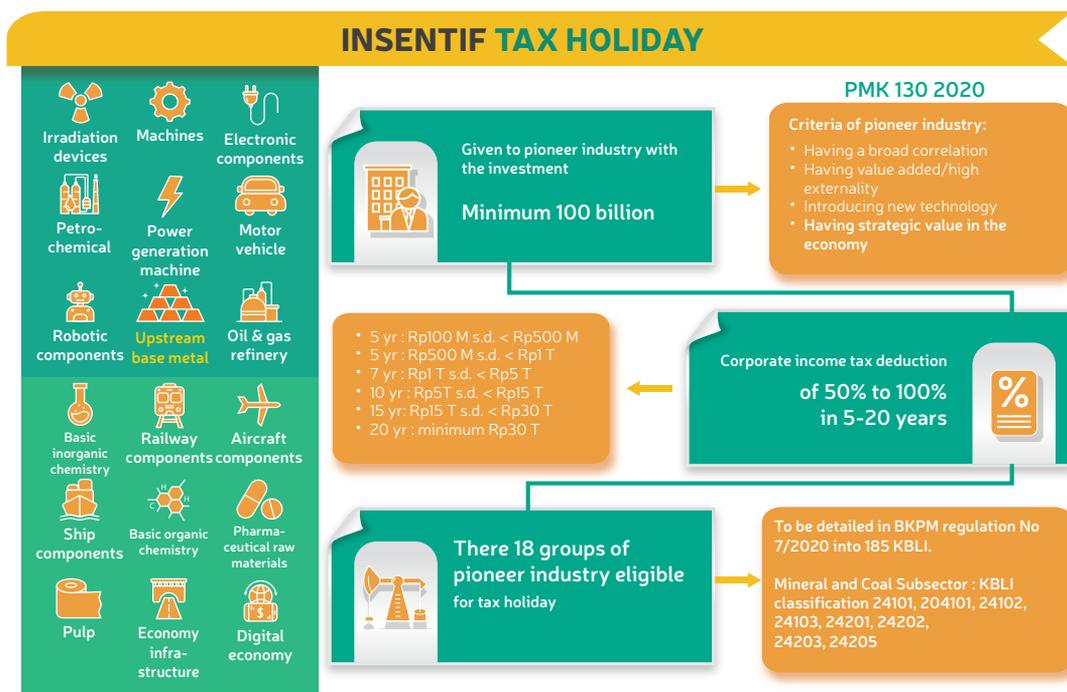


The government is promoting the mineral and coal mining sector's growth through fiscal facility in the form of exemption or relief on import duty and value added tax on import of importation. The policy on tax facility in mineral and coal subsector is made for the mineral and coal mining downstreaming. The tax facility is also given to support mineral and coal downstreaming in the area generally and in the Special Economic Zone (SEZ).

The Government of Indonesia believes that fiscal incentive is a means to increase the investment. In giving tax facility incentive, the government implements two principles, namely (1) simplicity & certainty; and (2) trust & verify. The principle of simplicity & certainty is realized in the procedure simplicity as well as taxation rights and obligation certainty. Meanwhile, the principle of trust & verify is realized through the ease in using self assessment and verification in supervision.

Tax Holiday

One of the fiscal incentives for business player is tax holiday in the form of corporate income tax exemption for a certain period of time. Tax holiday is based on Taxation Law in Indonesia and its derivative namely Minister of Finance Regulation No.130 of 2020 on Corporate Income Tax Exemption Facility.



Picture 5.1. Tax Holiday

Source: Fiscal Policy Office – Ministry of Finance (2022)

The corporate tax payers that meet the criteria and requirements to receive tax holiday are:

1. Pioneer industry;
2. New capital Investment or expansion;
3. Minimum investment plan of 100 billion rupiah;
4. Fulfilling Debt and Capital Ratio;
5. The decision by Minister of Finance to approve/decline tax holiday is not yet made;
6. Indonesia legal entity;
7. For Tax payer which is directly owned by domestic tax payer must be able to prove that all share holders have met their taxation obligation through Tax Clearance Letter; and
8. Proposed before the Commercial Production Starts.

The pioneer industry in point (1) is based on BKPM Regulation No.7 of 2020 consisting of 18 industries and 185 KBLI. For mineral and coal subsector, there are seven KBLI in mineral and coal downstreaming industry that receives tax holiday. The detail can be seen in following table.

Table 5.1. Business Sector in Mineral and Coal Downstreaming Eligible for Tax Holiday (PP 78/2019)

No.	KBLI 2020	Types of Production
1.	24101A	Base metal industry originating from raw materials other than scrap that produces steel, including stainless steel.
2.	24102A	Steel milling industry integrated with the steel industry, including stainless steel (KBLI 24101A).
3.	24103A	Seamless pipe industry that is integrated with the steel industry, including stainless steel (KBLI 24101A).
4.	24103B	Steel pipe industry (welded pipe) integrated with the steel milling industry, including stainless steel (KBLI 24102A).
5.	24103C	Heavy profile manufacturing industry integrated with the steel industry (KBLI 24101A).
6.	24103D	Rail manufacturing industry integrated with the steel industry (KBLI 24101A).
7.	24201A	Metal manufacturing industry that produces gold ingots.
8.	24201B	Metal manufacturing industry that produces silver ingots.
9.	24201C	Metal manufacturing industry that produces platinum.
10.	24202A1	Base metal industry that produces alumina (bauxite to alumina).
11.	24202A2	Base metal industry that produces aluminum ingots (alumina to aluminum ingots).
12.	24202B1	Base metal industry that produces nickel metal from nickel ore using the pyrometallurgy process.
13.	24202B2	Base metal industry that produces nickel metal from nickel ore using the hydrometallurgy process.
14.	24202C	Base metal industry that produces copper cathodes.
15.	24203A1	Base metal industry that produces aluminum in the form of plates derived from raw materials other than scrap which is integrated with the aluminum ingot manufacturing industry (KBLI 24202A2).
16.	24203A2	The base metal industry that produces aluminum in the form of rods from raw materials other than scrap which is integrated with the aluminum ingot manufacturing industry (KBLI 24202A2).
17.	24203A3	The base metal industry that produces aluminum in the form of billets from raw materials other than scrap which is integrated with the aluminum ingot manufacturing industry (KBLI 24202A2).
18.	24203C1	The base metal industry that produces copper in the form of plates which is integrated with the copper cathode manufacturing industry (KBLI 24202C).
19.	24203C2	The base metal industry that produces copper in the form of strips which is integrated with the copper cathode manufacturing industry (KBLI 24202C).

Table 5.1. Business Sector in Mineral and Coal Downstreaming Eligible for Tax Holiday (PP 78/2019)

No.	KBLI 2020	Types of Production
20.	24203C3	The base metal industry that produces copper in the form of sheet which is integrated with the copper cathode manufacturing industry (KBLI 24202C).
21.	24204A	Aluminum extrusion industry integrated with aluminum ingot manufacturing industry (KBLI 24202A2).
22.	24205A1	Aluminum tube industry integrated with aluminum ingot manufacturing industry (KBLI 24202A2).
23.	24205A2	Seamless aluminum pipe industry integrated with the aluminum ingot manufacturing industry (KBLI 24202A2).
24.	24205A3	Welded aluminum pipe industry integrated with aluminum ingot manufacturing industry (KBLI 24202A2).
25.	24205C	The copper pipe manufacturing industry integrated with the base metal industry which produces copper cathodes (KBLI 24202C).
26.	24202D	Industries that produce rare earth metals.
27.	24202E	Base metal industry derived from raw materials other than scrap which produces lead.
28.	24202F	Base metal industry derived from raw materials other than scrap which produces zinc.

Data source: Fiscal Policy Office Ministry of Finance (2022)

Tax Allowance

Tax allowance is income tax incentive for new capital investment or expansion in certain sector which is included in national priority and particular area with potential worth to be developed. Tax allowance is given based on Government Regulation No.78 of 2019 on Income Tax facility for Investment. The company with these criteria has the right to obtain tax allowance:

1. Massive labor absorption;
2. High investment for export; or
3. High local content.

Meanwhile, the incentives are:

1. 30% nett income reduction;
2. 10% dividend income tax;
3. Accelerated depreciation & amortization; and
4. Additional loss compensation above 5 years.

Similar to tax holiday, tax allowance is also given to mineral and coal downstreaming industry based on GR No.78 of 2019.

Table 5.2. Mineral and Coal Business Sector Eligible for Tax Allowance

(PP 78/2019)

No	Business Sector	KBLI	Scope of Product
1	Iron sand mining	07101	Iron sand processing and/or refining
2	Iron ore mining	07102	Iron ore processing and/or refining
3	Uranium dan thorium ore mining	07210	Processing and/or refining <ul style="list-style-type: none"> • Uranium ore • Thorium
4	Tin ore mining	07291	Tin ore processing and/or refining
5	Lead ore mining	07292	Lead ore processing and/or refining
6	Bauxite ore mining	07293	Bauxite ore processing and/or refining
7	Copper ore mining	07294	Copper ore processing and/or refining
8	Nickel ore mining	07295	Nickel ore processing and/or refining
9	Manganese ore mining	07296	Manganese ore processing and/or refining
10	Other quarrying which does not contain iron ore	07299	Processing and/or refining: <ul style="list-style-type: none"> • Zinc ore • Zirconium ore • Chromium ore • Antimony ore • Ilmenite • Rutile • Rare earth metal
11	Gold and silver mining	07301	Processing and/or refining: <ul style="list-style-type: none"> • Gold ore • Silver ore
12	Iron and Steel Making Industry	24101	<ul style="list-style-type: none"> • Base metal industry that produces iron • Base metal industry that produces steel from scrap
13	Steel Rolling Industry	24102	<ul style="list-style-type: none"> • Hot rolled coil/sheet steel (including stainless steel) from slab and/or • Cold rolled coil/sheet steel (including stainless steel) coated or not coated with metal or other non-metal from hot rolled coil steel raw material
14	Precious Base Metal Manufacturing Industry	24201	Processing of anode slime (anode slime) into precious metal (dore metal)
15	Non-ferrous Base Metal Manufacturing Industry	24202	All product coverage included in this KBLI, except products that have been included in the scope of the corporate income tax reduction facility as regulated by PMK Number 150/PMK.010/2018 and its amendments

Data source: Fiscal Policy Office Ministry of Finance (2022)

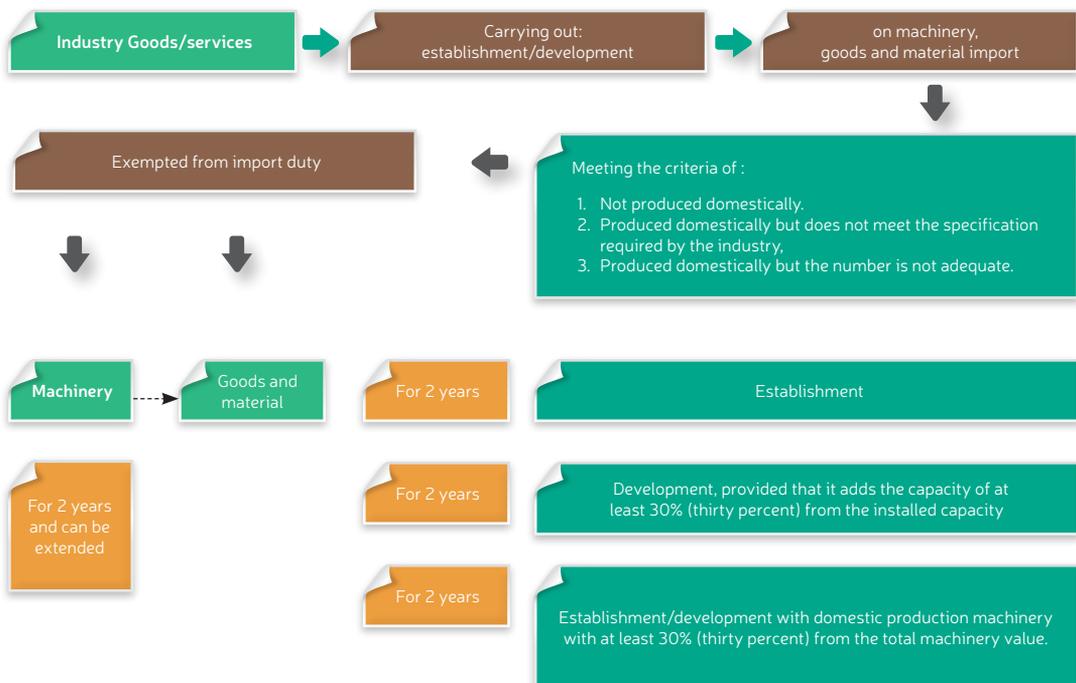
VAT and Import Duty

The State also gives fiscal incentive in the form of VAT and Import Duty. These two facilities are given to all investment in strategic industry including investment in mineral and coal sector.

VAT exemption on capital goods is given based on Government Regulation No.48 of 2020. VAT exemption is given based on import/transfer of factory machinery and equipment as a unity, both in the installed or apart condition, which is used directly in producing Taxable Goods by Taxable Entrepreneurs who produce those Taxable Goods, including those which imports are done by parties running the integrated construction activity, but not including spareparts.

The facility on import duty exemption in investment is based on Minister of Finance Regulation No.176/2009 juncto Minister of Finance Regulation No.188/2015. The industry meeting the criteria to obtain this facility is shown in the picture below.

Import Duty Exemption for Investment (MoF Reg No.176/2009 jo. MoF Reg No.188/2015)



Picture 5.2. Criteria for Industry Eligible for Import Duty Exemption

Data source: Fical Policy Office Ministry of Finance (2022)

Taxation Facility in Special Economic Zone (SEZ) to Support Mineral and Coal Sector Downstreaming

In order to increase investment in mineral and coal downstreaming industry, the government determines special tax facilities in Special Economic Zone (SEZ). The determination of this facility is regulated in Law No. 39 of 2009 on Special Economic Zone and Law No. 11 of 2020 on Jobs Creation and its derivative regulations.

Pengaturan Umum Kawasan Ekonomi Khusus



Picture 5.3. General Arrangement of Special Economic Zone

Data source: Fiscal Policy Office Ministry of Finance (2021)

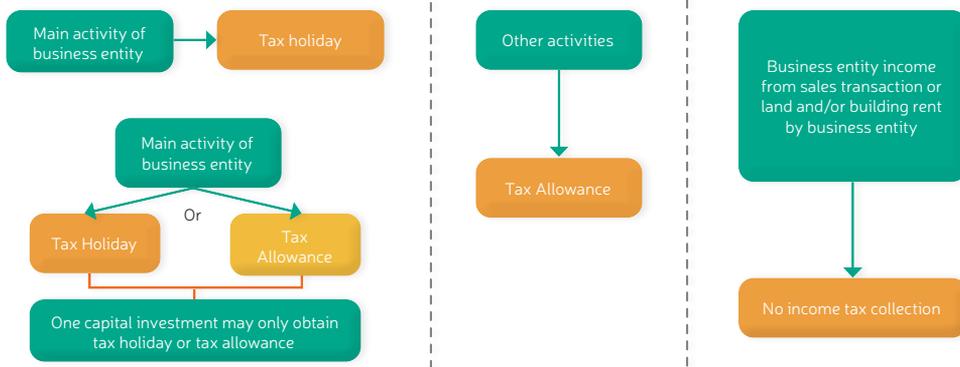
SEZ is an area with certain boundaries within the jurisdiction of the Unitary State of the Republic of Indonesia which is determined to carry out economic functions and obtain certain facilities. SEZ consists of one or several zones, namely:

- a. SEZ development and management;
- b. Provision of SEZ infrastructure;
- c. Upstream to downstream processing industry of certain commodities;
- d. Certain product manufacturing industries;
- e. Energy development;
- f. Logistics center;
- g. Tourism;
- h. Health;
- i. Education;
- j. Research and technology development;
- k. Financial services;
- l. Creative industry; and
- m. Other business fields as determined by the National Council.

From these zones, the mineral and coal subsector-related industries are included in upstream to downstream processing industry of certain commodities and energy development. Hence, there is an opportunity to obtain taxation facilities in SEZ such as:

1. Every taxpayer who conducts business activities in the SEZ is entitled to obtain income tax facilities;
2. Submission of taxable goods from other places within the customs area to SEZ can be provided with free VAT and luxury goods VAT facilities; and
3. Import of goods to SEZ can be provided with customs facilities.

Tax facilities in SEZ are given to Business Entities and Business Players. Business Entities in this case are legal entities in the form of State-Owned Enterprises, Regional-Owned Enterprises, cooperatives, private companies, and joint ventures to carry out SEZ business activities. Business Player is a company with a legal entity, or an individual business that conducts business activities in SEZ. However, there is a stipulation that investments made by business players in main activities that have been granted tax holiday facilities in SEZ cannot be given tax allowance facilities in SEZ, and vice versa. More detailed tax facilities provided in SEZ can be seen in the following chart.



For investments made by business actors in main activities that have been given tax holiday facilities in SEZs, tax allowance facilities cannot be given in SEZs, and vice versa

Picture 5.4. Income Tax Facility in SEZ

Data source: Fiscal Policy Office Ministry of Finance (2022)

Taxation facility in SEZ is more interesting than facility in general zone. The comparison is shown in the following picture.

Comparison of Tax Holiday Scheme for General Area and Special Economic Zone			
Tax Holiday Scheme in SEZ		Skema TH Umum (PMK 130/2020)	
Investment value	Time period	Investment value	Time period
Business players:			
100 B to < 500 B	10 th	100 B to <500 B	5 years, 50% reduction
500 B to <1 T	15 th	500 B to <1 T	5 years
Minimum 1T	20 th	1T to <5T	7 years
		5T to < 15 T	10 years
		15T to <30 T	15 years
		Minimum 30 T	20 years
Business entity			
Minimum investment of Rp 100	10 th		
<ul style="list-style-type: none"> 100% income tax reduction facility 2 years of grace period after tax holiday period, with 50% income tax reduction Business entity income from sales or land/building rent is free from income tax 			
Grace Period:			
25% for 2 years for mini TH			
50% for 2 years for regular TH			

Picture 5.5. Comparison of Tax Holiday Scheme in General Location and SEZ

Data source: Fiscal Policy Office Ministry of Finance (2022)

Tax Allowance Facility in SEZ



30% net income reduction (for 6 years, 5% per year) from capital investment in the form of tangible fix assets including land.



Accelerated depreciation of tangible fixed assets and accelerated amortization of intangible assets.



The tax rate on dividends to foreign taxpayers (other than permanent establishment) is a maximum of 10% or a lower tariff based on P3B.



Loss carry forward period for 10 years.

Given to business entity located in SEZ with capital investment both new investment or expansion from the existing business:

- Business entity doing **main activity in SEZ** that does not receive tax holiday
- Business entity doing **main activity in SEZ** and choose to obtain tax allowance; or
- Business entity doing other **activities other than main activities in SEZ**
- Business entity investing in main activity in SEZ that obtains tax holiday but in the realization, the investment value is <Rp 100 billion, does not meet the plan and realization of main business activity, or does not meet the commitment to realize the investment in 5 years for business entity in SEZ in Java.

Picture 5.6. Tax Allowance Facility in SEZ

Data source: Fiscal Policy Office Ministry of Finance (2022)



VAT and Luxury Goods VAT Facility in SEZ



Picture 5.7. VAT and Luxury Goods VAT in SEZ

Data source: Fiscal Policy Office – Ministry of Finance (2022)

Customs Facilities for Business Entities and SEZ Business Actors



Picture 5.8. Customs Facility for SEZ Business Entity and Business Player

Data source: Fiscal Policy Office Ministry of Finance (2022)

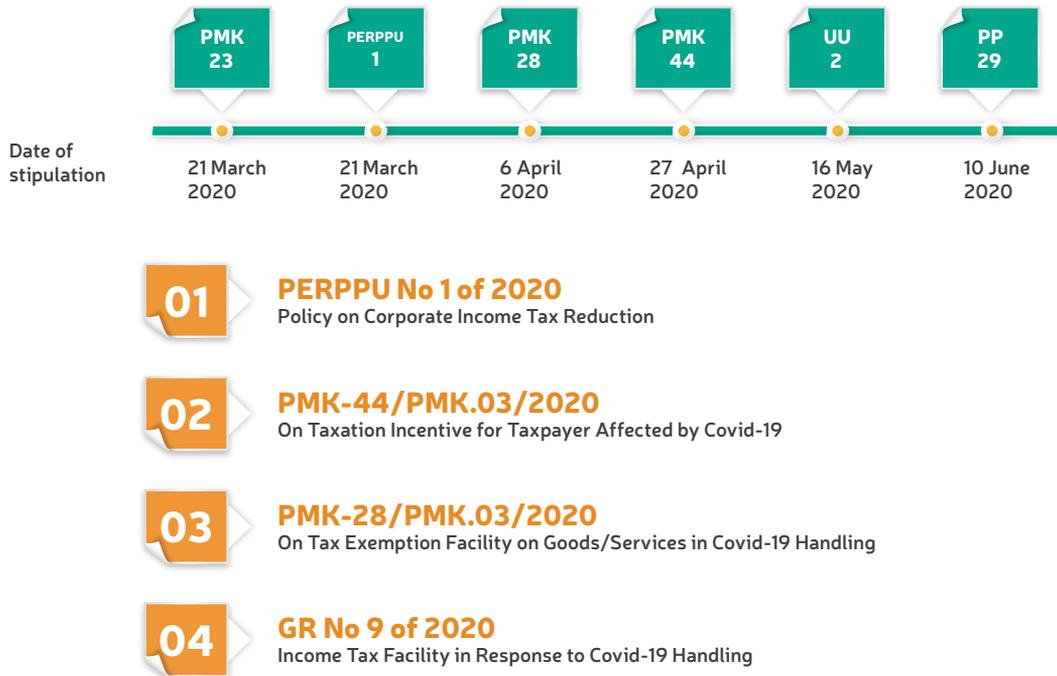


Fiscal Facility in Response to Covid-19 Pandemic

Since the spreading of Covid-19 pandemic in the world, global economic condition is significantly influenced. Like other countries, Indonesia also suffers the same situation. In order to avoid the worsening economy, the government is responding through a sustainable taxation. In March 2020, Minister of Finance of Indonesia issued a policy on tax incentive for taxpayer affected by Covid-19. In the same month, the government reduced corporate income tax through Government Regulation in lieu of laws No.1 of 2020. Then, in April 2020, the government through Ministry of Finance issued a policy as a response to pandemic by giving tax exemption facility for goods and services as a form of Covid-19 handling.

The government effort from fiscal side in response to Covid-19 pandemic is continued. In May 2020, the corporate income tax reduction tariff is strengthened with the issuance of Law No.2 of 2020 on State Financial Policy Financial System Stability for Covid-19 Handling and/or in Handling Threats that Endanger the National Economy. The fiscal policy in response to Covid-19 pandemic can be seen in the following timeline.

Tax in Response to Covid-19 Pandemic (Timeline)



Picture 5.9. Government Timeline on Tax Policy in Response to Covid-19

Source: Directorate General of Taxes (2020)

One of the important substances in Law No.2 of 2020 is reduction of Income Tax Tariff for corporate and Go Public company. This incentive is given to improve the capability of business entity operating in Indonesia to maintain its business during the covid-19 pandemic that significantly influence the business. Through corporate income tax reduction tariff, the government also encourages business entity to develop its business.

The corporate income tax reduction tariff is carried out gradually. In 2020 and 2021, corporate income tax will be reduced from 25% into 22%. Then in 2022, it will be reduced again into 20%.

For Go Public company in 2020, the corporate income tax will be reduced gradually as well. It will be reduced from 20% into 19% in 2020 and 2021 and then into 17% in 2022. The incentive of corporate income tax reduction tariff for Go Public company requires Go Public-taxpayer to sell at least 40% of its share in the stock exchange.

CHAPTER 6

INVESTMENT PROCEDURE







Investment Licensing and Requirements

The mineral and coal mining investment licensing is regulated in Minister of Energy and Mineral Resources Decision No. 1796 K/30/MEM/2018 on Implementation Procedure of Licensing Application, Evaluation, and Issuance in Mineral and Coal Mining Sector. The licenses in mineral and coal mining based on Law No.3 of 2020 on the amendment to Law No.4 of 2009 on mineral and coal mining are as follow:

1. Mining Business License (IUP);
2. Special IUP (IUPK);
3. IUPK as Continuation of Contract/Agreement;
4. Artisanal License;
5. Rocks Mining License (SIPB);
6. Mining Services Business License (IUJP)
7. Assignment License;
8. Transportation and Sales License;
9. IUP for Sales

Information on mineral and coal mining licensing can be seen in the attachment .

If the applicant has met the requirements based on the type of the license, there will be only three stages to be passed, namely (1) application submission; (2) evaluation and approval concept; (3) license issuance. The detail description of each stage can be seen in the following license issuance flow chart.

No	Activity	Applicant	BKPM/ RPIIT	Standard Quality		Note	
				Requirements	Time (working day)		Output
1.	Application			Required documents: <ul style="list-style-type: none"> • Administrative • Technical • Environment • Financial 	1	<ol style="list-style-type: none"> 1. Receipt; or 2. Verification of application refusal. 	Application through BKPM
2	Evaluation and approval concept			Required documents	3 - 5	<ol style="list-style-type: none"> 1. Result of evaluation 2. Official memo on result of evaluation in the form of : <ul style="list-style-type: none"> • Request letter on revision of required documents; or • Approval letter 3. Concept of SK IUP/K and letter to BKPM 	
3	License issuance			Decision letter	7 - 8		SK issued by Head of BKPM on behalf of Minister of EMR
Total duration					11 - 14		

Picture 6.1. License Issuance Flowchart

Source: Directorate General of Mineral and Coal

Note: For non metal mineral and rocks commodity, the authority is delegated to regional government based on Presidential Regulation No.55 of 2022

The investment licensing in mineral and coal mining subsector is in correlation with several related institutions. Before IUP is issued, other licenses or recommendations from other sectors such as forestry, land, police, environment, taxation, regional apparatus and others are required. The correlation is shown in the following table.

Table 6.1. Correlation of IUP Issuance and Other Sectors

No	Institution	License	Status	Operation Production	Exploration
1.	Minister of Forestry	Approval for Forest Area Use	Mandatory, in the case of activity carried out in forest	√	√
		Environmental feasibility license	Mandatory	√	√
2.	One Stop Services Investment and integrated Services Office (DPMPSTP)	HO, TDP, IMB, Principle License, Location, IPAL, B3 storage, electricity self production]	Mandatory	√	√
3.	Police	Permit to use explosive material	Mandatory, if using blasting	√	
4.	Transportation Office	land transportation and shipping	Mandatory	√	
5.	Regional Development Plan Office/Public Works Office	Advise planning and landscape	Mandatory, if any activity outside IUP	√	

Table 6.1. Correlation of IUP Issuance and Other Sectors

No	Institution	License	Status	Operation Production	Exploration
6.	River Basin Organization (BBWS)	Water resources utilization license	Mandatory, if the mining activity interferes river water utilization	√	
7.	National Road Implementation Agency (BBPJK)	Activity which utilizes state/provincial road	Mandatory, if the activity interferes State's Right of Way	√	√
8.	Small Tax Office	Consultation on the value of landrent, land and building tax, etc	Supporting of taxation obligation	√	
9.	National Land Agency (BPN)	Technical recommendation for DPM&PTSP and land certification for civil development	Required if there is an activity outside IUP	√	

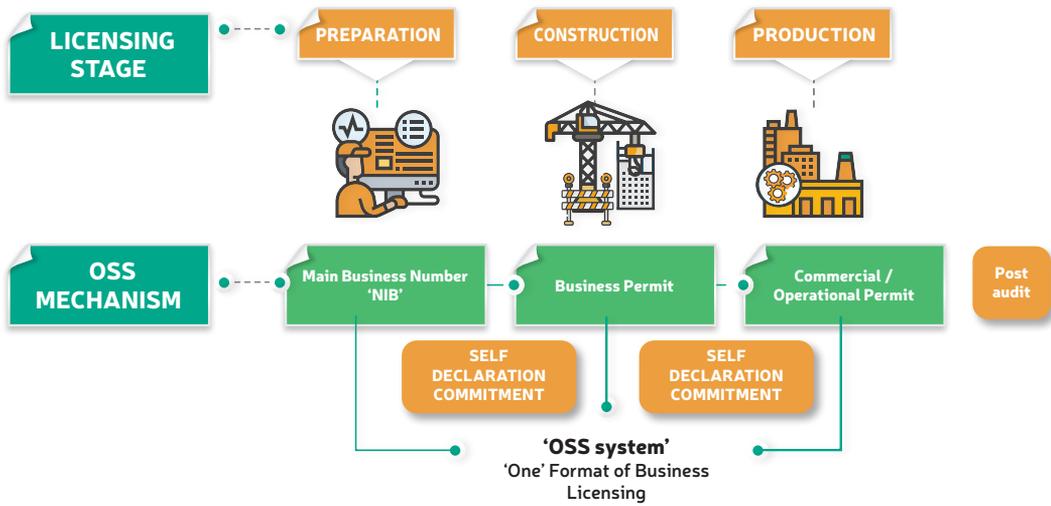
Source: Directorate General of Mineral and Coal

Investment Procedure

After the launching of Integrated One-Stop Service Center in BKPM (Indonesia Investment Coordinating Board) in 2018, the investment licensing mechanism is done through Online Single Submission (OSS) managed by central BKPM. With the issuance of Government Regulation on Risk-based Business Licensing, the authority to issue several types of license in mineral and coal subsector has been delegated to BKPM based on Minister of Energy and Mineral Resources Regulation No.25 of 2015 juncto No.19 of 2020. Those licenses are:

1. Mining Business License and its extension;
2. Special Mining Business License and its extension;
3. Special Mining Business License as the continuation of Contract Operation/Agreement and its extension;
4. Artisanal Mining License and its extension;
5. Rocks Mining License and its extension;
6. Mining Business License for Sales;
7. License for Transportation and Sales and its extension;
8. Business License for Mining Services and its extension.

Through OSS, it will be easier for license applicant in proposing the license since all process is conducted online, transparent, able to be monitored, and faster.



Picture 6.2. One Format of Business Licensing

Source: BKPM

As an agency which manages centralized business license, BKPM serves various business sectors. For mineral and coal mining subsector, the licensing process can be seen in the following scheme.

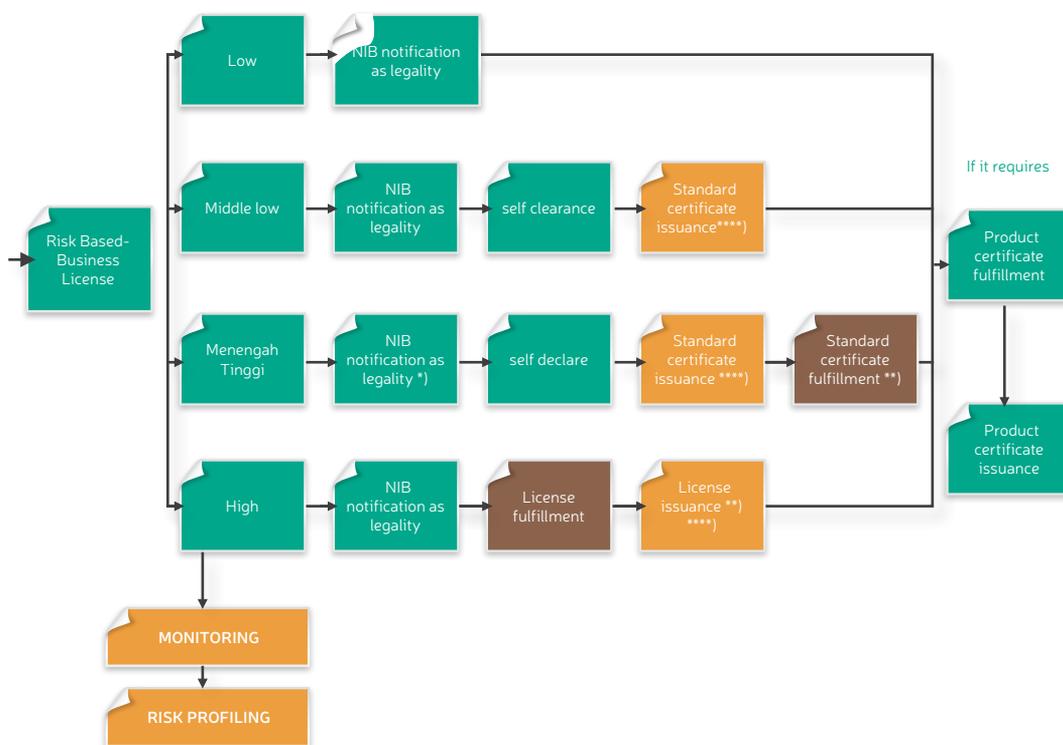


Picture 6.3. License Submission Flowchart in Mineral and Coal Subsector in BKPM

Source: BKPM

BKPM provides a special counter for mineral and coal at BKPM head office. At the counter, the company can conduct consultations regarding regulations and provisions in the mineral and coal sub-sector. The status checking (tracking) of the application can also be done at the special counter for mineral and coal as well as other information related to the business and investment licensing process.

Along with the enactment of the Job Creation Law (Omnibus Law), the licensing process for business activities at BKPM has also been adjusted from permit-based to risk-based. In risk-based licensing, the process follows a risk classification, starting from low risk, medium low, medium high, to high risk.



Picture 6.4. Risk Based Business License Classification

Source: BKPM

Based on GR No. 5 of 2021, all mineral and coal mining business activities have a high risk. Thus, the business licensing products that are managed through the risk-based OSS system are NIB, permits, and standard certificates. The authority to fulfill commitments in accordance with the Job Creation Law (Omnibus Law) is at the central level (minister).

Checklist of Licensing Requirements

Metal Mineral and Coal Mining Business License

These are the requirements that need to be fulfilled to obtain Metal Mineral and Coal Mining Business License.

Table 6.2. Checklist of Requirements in Metal Mineral and Coal Mining Business License

No	Description	Note	A	N/A
1.	Application letter	<ol style="list-style-type: none"> Not exceeding 10 working days since the date of the WIUP tender winner is decided, by including the number of letter concerning the tender winner. Signed by board of directors/management according to the profile of the applicant's business entity/cooperative/individual company. 		
2.	Copy of Business Registration Number (NIB)	Email address in the form and application is required to be same with those registered in NIB		
3.	Copy of letter concerning WIUP tender winner			
4.	Proof of placement of exploration commitment guarantee	Submit the scanned original document, then to submit the original document if the application is approved.		
5.	Proof of payment of compensation value for WIUP information data	Submit the scanned original document, then to submit the original document if the application is approved.		
6.	The composition of the management, the list of shareholders and the list of beneficiary ownership of the Business Entity	According to the format on minerba.esdm.go.id webpage and attaching identity and NPWP (Tax Identification Number).		
7.	Statement letter from mining experts and/or geologists with at least 3 (three) years of experience, accompanied by a curriculum vitae and list of experience	The statement letter is signed on stamp duty by the relevant expert and the board of directors/management according to the profile of the applicant's business entity/cooperative/individual company as those who acknowledge.		
8.	Statement letter to comply with the provisions of laws and regulations in the field of environmental protection and management	The letter is signed on stamp duty by the board of directors/management of the business entity according to the profile of the applicant's business entity/cooperative/individual company.		
9.	Proof of PNBPN payment for WIUP map printing in accordance with the provisions of the laws and regulations			
10.	Complete digital data of application documents	In pdf form., for each requirement in the order in the checklist including the letter and form (not combined in one pdf file.)		

Source: Directorate General of Mineral and Coal (2022)

Approval for Upgrading from Exploration to Operation Production IUP/ IUPK

These are the requirements that need to be fulfilled to obtain approval for upgrading from exploration to operation production IUP/IUPK.

Table 6.3. Checklist of Approval for Activity Upgrading from Exploration IUP into Operation Production IUP

No	Description	Note	A	N/A
1.	Application letter	<ol style="list-style-type: none"> Signed by the board of directors/ management according to the profile of the applicant's business entity/cooperative/ individual company. The application period is in accordance with the provisions of laws and regulations. 		
2.	Copy of Business Identification Number (NIB)	<ol style="list-style-type: none"> Include the KBLI in accordance with the IUP commodity being applied for. Does not have a mineral and coal sub-sector KBLI related to the granting of IUP (09900). the electronic mail address (e-mail) in the form as well as the submission of the application must be the same as that stated in the NIB. 		
3.	The composition of the management, the list of shareholders and the list of beneficiary ownership of the Business Entity	According to the format on minerba.esdm.go.id webpage and attaching identity and NPWP/Tax Identification Number		
4.	Map of application for WIUP/WIUPK for upgrading to the stage of production operation activities accompanied by a list of coordinates in the form of latitude and longitude in accordance with the nationally applicable geographic information system			
5.	Full report of exploration			
6.	Feasibility study report and approval			
7.	Environmental documents and their approvals issued by the authorized agency in accordance with the provisions of the laws and regulations			
8.	Mining activity environmental permit issued by the authorized agency in accordance with the provisions of laws and regulations			
9.	Reclamation Plan and Post-Mining Plan Documents			
10.	Financial statements for the last 3 (three) years that have been audited by a public accountant			
11.	Fiscal certificate in accordance with the provisions of the laws and regulations in the field of taxation	Scanned original letter issued by the Pratama Tax Office (KPP) where the company is registered.		
12.	Proof of payment of fixed contributions for the last year and the current year.			
13.	Proof of PNBK payment for WIUP/WIUPK map printing	Payment is based on the billing code submitted to the applicant after the application is approved.		
14.	Complete digital data of application documents	In pdf form., for each requirement in the order in the checklist including the letter and form (not combined in one pdf file.)		

Source: Directorate General of Mineral and Coal (2022)

Special Mining Business License for Contract Operation/Agreement Continuation

These are the requirements that need to be fulfilled to obtain Special Mining Business License for Contract Operation/Agreement Continuation.

Table 6.4. Checklist of Application for Special Mining Business License for Contract Operation/Agreement Continuation

No	Description	Note	A	N/A
1.	Application letter	<ol style="list-style-type: none"> Signed by the board of directors according to the applicant's business entity profile. Comply with the provisions of the deadline for submitting the application. 		
2.	Copy of Business Identification Number	The electronic mail address (e-mail) in the form as well as in the submission of the application must be the same as that stated in the NIB.		
3.	The composition of the management, the list of shareholders and the list of beneficiary ownership of the Business Entity	According to the format on minerba.esdm.go.id webpage and attaching identity and NPWP.		
4.	The approved development plan for the entire area that contains at least a map and boundary coordinates of the area			
5.	Coal Development and/or Utilization Plan that has been approved for PKP2B holders			
6.	Resource and reserve balance			
7.	Plans for the development of facilities and infrastructure to support Operation Production activities located within the WIUPK or outside the WIUPK			
8.	Approval of environmental documents issued by the competent authority in accordance with the provisions of laws and regulations			
9.	Mining activity environmental license issued by the authorized agency in accordance with the provisions of laws and regulations			
10.	Reclamation and Post-mining plan document in accordance with the format based on the provisions of laws and regulations			
11.	Financial statements for the last 3 (three) years that have been audited by a public accountant			
12.	Proof of payment of fixed fees and production fees for the last 3 (three) years			
13.	Complete digital data of application documents	Dalam bentuk pdf., untuk masing-masing persyaratan sesuai urutan dalam checklist termasuk surat dan form isian (tidak digabung dalam satu berkas pdf.)		

Source: Directorate General of Mineral and Coal (2022)

Extension of Operation Production IUP/IUPK/Contract Operation or Agreement Continuation IUPK

These are requirements to be fulfilled to obtain Extension of Operation Production IUP/IUPK/Contract Operation or Agreement Continuation IUPK.

Table 6.5. Checklist of Application for Extension of Operation Production IUP/IUPK/Contract Operation or Agreement Continuation IUPK

No	Description	Note	A	N/A
1.	Application letter	<ol style="list-style-type: none"> Signed by the board of directors/management according to the profile of the applicant's business entity/cooperative/individual company The application period is in accordance with the provisions of laws and regulations 		
2.	Copy of Business Identification Number	<ol style="list-style-type: none"> Include KBLI in accordance with the IUP commodity being applied for. Does not have KBLI for the mineral and coal sub-sector related to the granting of IUP (09900). The electronic mail address (e-mail) in the form as well as in the submission of the application must be the same as that stated in the NIB. 		
3.	Copy of SK IUP (Production Operation IUP)			
4.	The composition of the management, the list of shareholders and the list of beneficiary ownership of the Business Entity	According to the format on minerba.esdm.go.id , attach your NPWP/Tax Identification Number		
5.	Map of proposed WIUP/WIUPK extension of Operation Production activity stage which is equipped with a list of coordinates in the form of latitude and longitude in accordance with the nationally applicable geographic information system			
6.	Final report of the operation production stage			
7.	Work Plan during the extension period			
8.	Resource and reserve balance			
9.	Report on the implementation of environmental management and reclamation	In accordance with the format based on the provisions of the laws and regulations.		
10.	Proof of payment of fixed fees and production fees or regional taxes for non-metal mineral and rock commodities IUP in the form of proof of deposit in accordance with the provisions of laws and regulations, for the last 3 (three) years			
11.	Proof of PNBK payment for WIUP/WIUPK map printing	Payment is based on the billing code submitted to the applicant after the extension application is approved.		
12.	Complete digital data of application documents	In pdf format, for each requirement according to the order in the checklist including the letter and form (not combined in one pdf file.)		

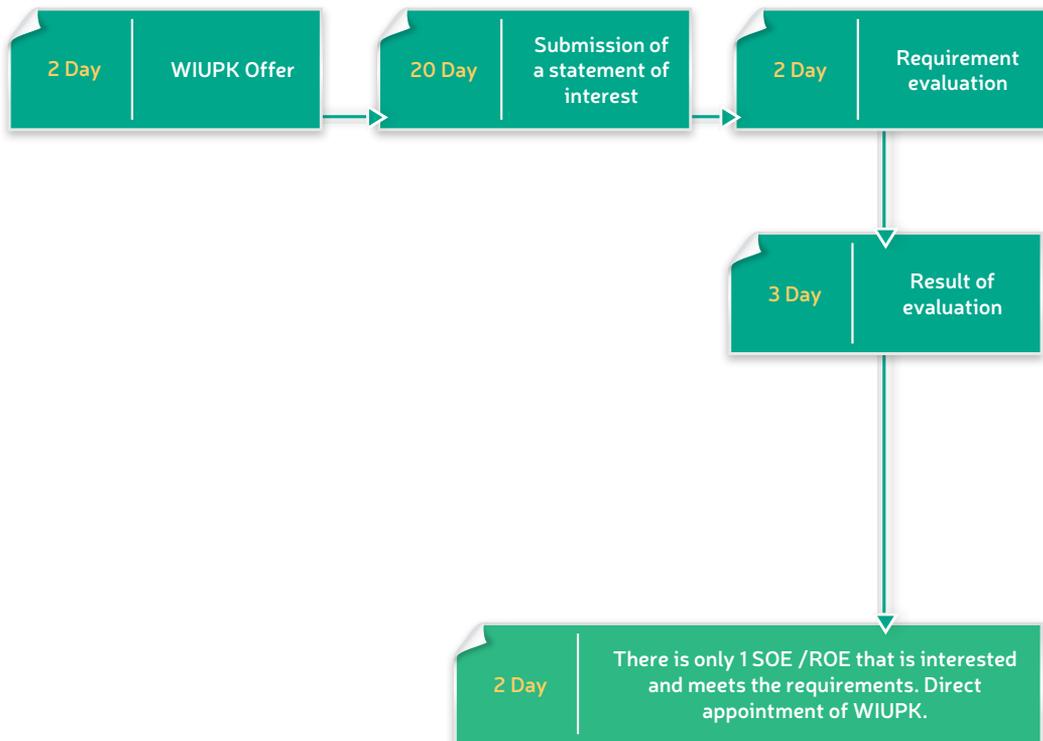
Source: Directorate General of Mineral and Coal (2022)

In addition to meeting the requirements in the above checklist, the proposal would be approved when during the license validity applicant shows good mining performance based on the government evaluation.

WIUP Tender

In obtaining a Mining Business Permit (IUP), a business entity must first participate in the tender of a Mining Business Permit Area (WIUP) or a Special Mining Business Permit Area (WIUPK). The WIUP tender is carried out by the regional government according to its authority, while WIUPK tender is carried out by the central government. In accordance with the mandate of the Mining Law no. 4 of 2009, the WIUPK tender by the central government is carried out by prioritizing SOE and ROE. If SOE/ROE are not interested, a new tender process can be opened by involving the private sector.

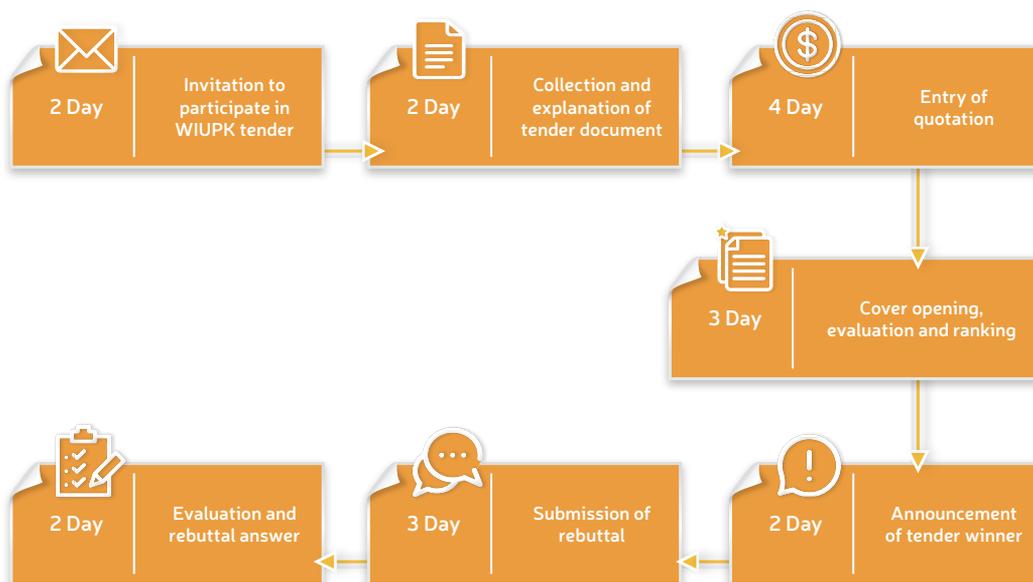
The procedure for participating in the WIUPK tender based on the Minister of Energy and Mineral Resources Decision No. 1789/K/30/MEM/2018 on Guidelines for the Implementation of Preparation, Determination, and Granting of Mining Business Permit Areas and Mineral and Coal Special Mining Business Permit Areas can be seen in the following diagram.



Picture 6.5.

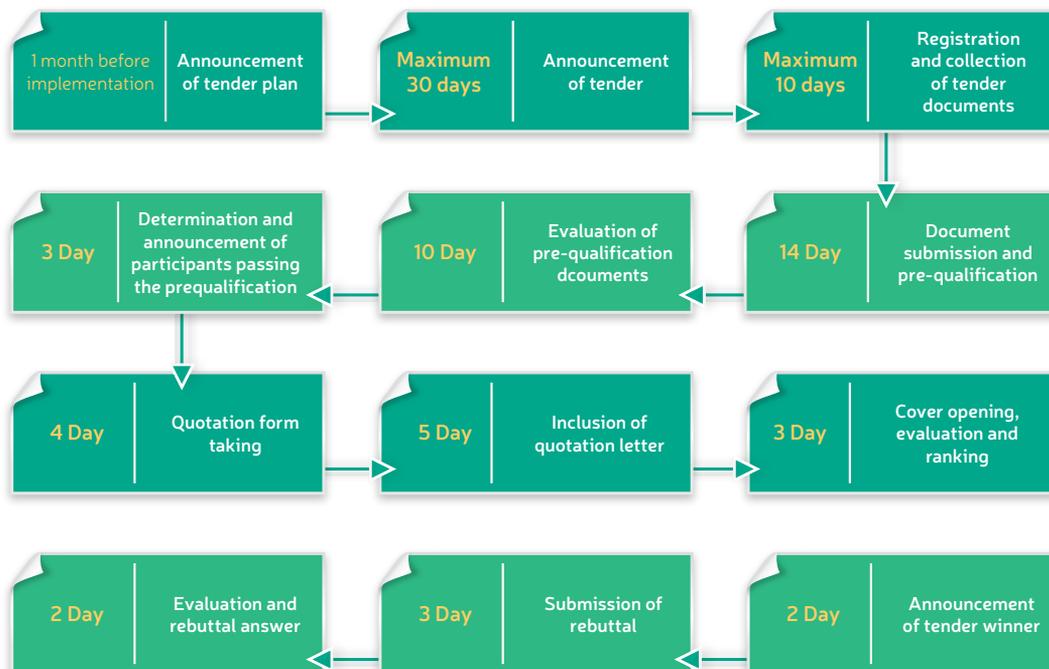
Procedure for Granting WIUPK Priority by Offering to SOE / ROE

Source: MEMR Decision 1798 K/30/MEM/2018



Picture 6.6. Tender Procedure for SOE/ROE WIUPK Priority

Source: MEMR Decision 1798 K/30/MEM/2018



Picture 6.7. Tender Procedure for WIUP/WIUPK to Business Entity

Source: MEMR Decision 1798 K/30/MEM/2018



CHAPTER 7

COMPANY OBLIGATION



In running its mining business, each mineral and coal mining company is required to meet several obligations. The mineral and coal mining industry is a complex industry that involves high capital, labor intensive, high technology, work health and safety, and environmental issue.

Besides the obligation mentioned in this chapter, the government also encourages all mineral and coal mining companies to carry out best mining management practices. In addition, along with the increasing global attention on sustainability, the government also encourages companies to adopt the fulfilment of environmental, social and governance (ESG) aspects in their business.



Taxation and Obligation to the Government

The Chapter of Fiscal and Incentive Policy has explained incentive and facility from the government to investment in mineral and coal mining subsector. The companies that have officially received the fiscal facility and incentive would implement it in its tax obligation based on the prevailing laws and regulations.

The taxation system in Indonesia refers to the 1945 Constitution (UU 1945) article 23 paragraph (a) which says “taxes and other levies which are coercive for state purposes are regulated by

law.” Therefore, the law regulating taxation is Law no. 28 of 2007 on General Provisions and Tax Procedures (UU KUP).

There are two types of tax obligations, namely formal obligations and material obligations. Formal obligations are obligations that must be fulfilled by taxpayers in order to fulfill material obligations. Material obligations are substantive tax provisions that are attached to the activities carried out by taxpayers

The first step that must be taken by taxpayers is to have a Taxpayer Identification Number (NPWP). NPWP is an obligation attached to the entrepreneur after fulfilling the subjective and objective requirements as a taxpayer. In mineral and coal mining business, all types of mining businesses are required to have a NPWP before carrying out their mining activities. IUP, IUPK, and IPR, either still in the exploration stage or already in the operation production process, are required to have a NPWP.

To obtain an NPWP, taxpayers can register NPWP at the Tax Office according to their business location or domicile. For IUP Holders who are certain entrepreneurs, there is a registration place determined by the government, including KPP SOE (KPP WP Besar Tiga), KPP WP Besar Satu, and KPP Madya. Apart from certain KPPs, most taxpayers are registered with KPP whose working area includes mining locations or domiciles.

In addition to having an NPWP, taxpayers in running their business are also required to carry out bookkeeping or financial accounting activities for their companies. Bookkeeping in accordance with the General Provisions and Tax Procedures is meant by the process of financial recording which is carried out regularly. In the bookkeeping process, taxpayers must collect financial data and information, at least including assets, liabilities, capital, income and expenses, as well as the total cost and delivery of goods or services. Then, the final results of the bookkeeping process must produce financial statements in the form of a balance sheet and income statement for the tax year period.

The implementation of the taxpayer’s tax obligations is carried out through two main activities, namely (1) payment; and (2) reporting. Both of these activities have a due date and there are tax sanctions if they exceed the due date. The following is the details of the tax payment and reporting requirements that must be fulfilled by taxpayers.

1. Tax Payment

Tax payments are made before the due date for each of the following types of taxes:

1. Annual Income Tax, no later than before the SPT is submitted;
2. Income Tax Article 21, Income Tax Article 23, Income Tax Article 4 paragraph (2), and Income Tax Article 15 are paid no later than the 10th day of each month;
3. VAT, no later than at the end of the month and before VAT SPT is submitted.

2. Tax Reporting

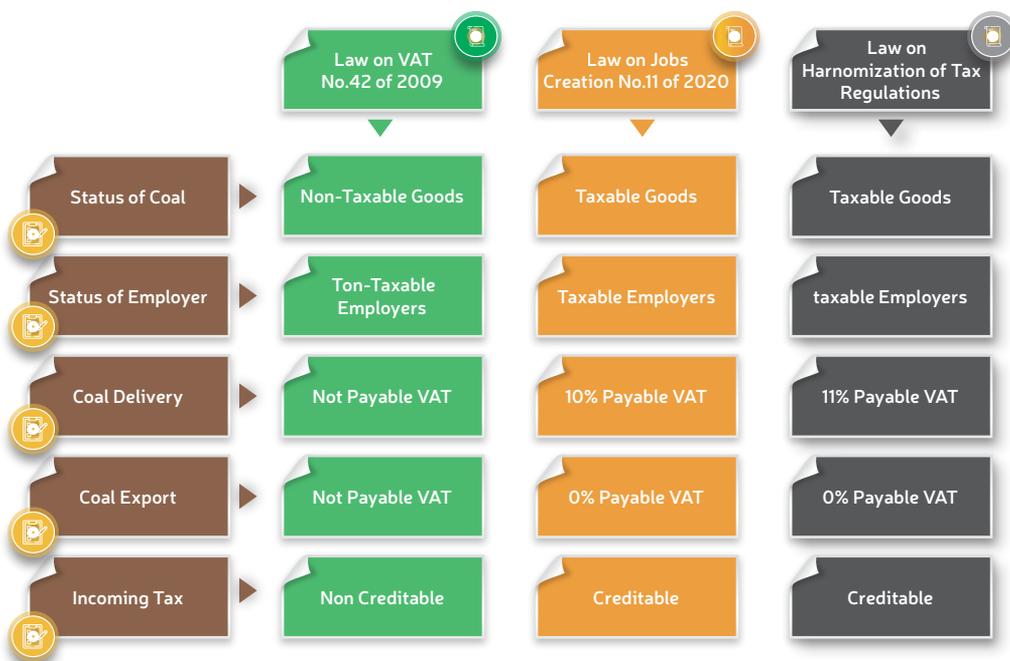
In reporting tax, taxpayers use an SPT form that has been determined according to the type of tax. The following are the types of tax reports and the reporting due dates:

- Annual Corporate Income Tax, reported no later than 4 months after the end of the tax year;
- Annual Individual Income Tax, reported no later than 3 months after the end of the tax year;
- Income Tax Article 21, Income Tax Article 23, Income Tax Article 4 paragraph (2), and Income Tax Article 15 are reported no later than the 20th day of each month;
- VAT, reported no later than at the end of the month.

Value Added Tax (VAT)

After the enactment of the Job Creation Law, there were fundamental changes in the imposition of VAT on coal. Law no. 42 of 2009 on VAT, article 4A paragraph (2) states that “goods resulting from mining or drilling and are taken directly from the sources are not subject to Value Added Tax.” After the Job Creation Law is passed, coal is excluded from the provisions on taxable goods. Thus, since 2 November 2020, the status has changed from non-taxable goods to taxable goods. This change actually benefits entrepreneurs because most of the coal sales are intended for the export market so that business entities can make input tax refunds.

Perbandingan Perlakuan PPN Atas Batubara



Picture 7.1. Comparison of VAT Treatment on Coal

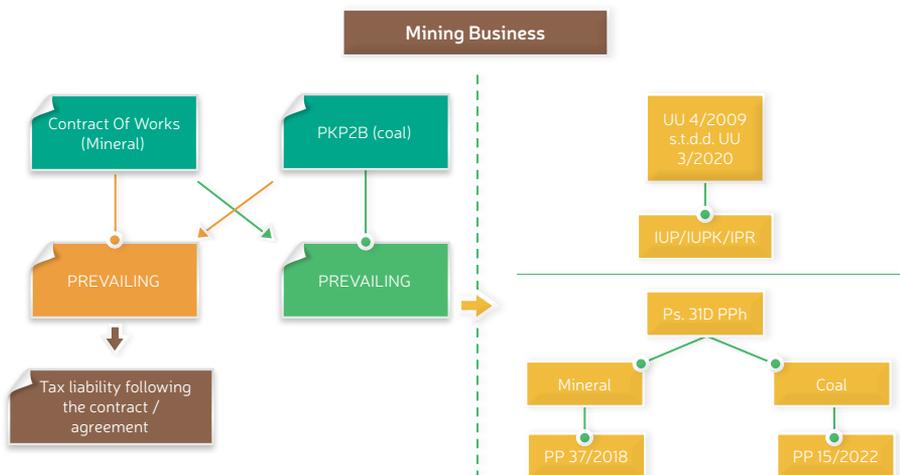
Directorate General of Taxes (2022)

Corporate Income Tax

Every business entity that carries out its business activities has an income tax obligation in accordance with Law no. 36 of 2008 concerning Income Tax. The Income Tax Law regulates the following points:

1. Who is the Tax Subject;
2. What is the object of the tax;
3. How much tax payable must be paid by the Taxpayer based on the Tax Rate; and
4. What is the tax procedure, including how to pay tax payable as well as the procedure for filing an objection and so on.

The taxation obligation of mineral and coal mining company in Indonesia is further regulated in Government Regulation No.37 of 2018 on Taxation Treatment and/or Non-Tax State Revenue in Mineral Mining Business. The complete overview of related regulatory framework in this issue can be seen in the following picture.

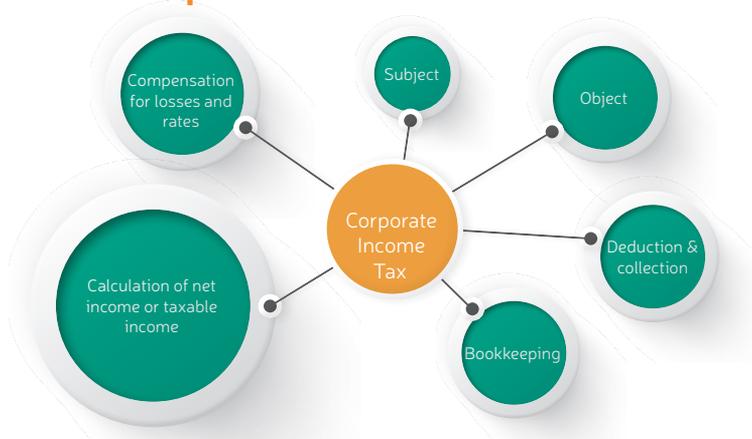


Picture 7.2. Legal Framework of Mineral and Coal Mining Business Taxation

Source: Directorate General of Taxation (2022)

It is regulated in GR No. 37 of 2018 on (1) Corporate income tax; (2) Tax and Non-Tax State Revenue for IUPK-OP amendment holder from KK (Contract of Work) of which the contract is still valid before 31December 2019; and (3) Article on Cooperation Transition and Arrangement.

Corporate Income Tax Treatment



Picture 7.3. Treatment of Corporate Income Tax

Source: Directorate General of Taxation (2021)

The mentioned **Subject** is the holder of IUP, IPR, IUPK, IUPK Operation Production from KK of which the contract is still ongoing and prevailing.

Tax Object consists of:

1. **Income from business**

The income from business refers to market price based on mineral price publication at the time of transaction such as LME, LBMA, Asian Metal, Bursa Komoditi and Derivatif Indonesia, etc. If mineral price publication information is not available, the price refers to realization price.

2. Income from outside the business based on Law on Income Tax.

Cost consists of

1. The cost of general investigation activities;
2. Exploration activity costs;
3. Cost of feasibility study activities;
4. Cost of Operation Production activities;
5. Cost of post-mining activities;
6. Depreciation and/or amortization;
7. Nature and enjoyment
8. Costs incurred in the context of Non Tax State Revenue obligations
9. Donations*)
10. etc

Deduction and Collection and Debt to Equity Ratio (DER) is regulated based on the prevailing laws and regulations in Income Tax.

The Government of the Republic of Indonesia has a policy of reducing tax obligations for taxpayers who carry out Corporate Social Responsibility (CSR) activities in accordance with applicable regulations. The legal basis for this tax reduction facility can be studied further

in Government Regulation Number 93 of 2010 concerning National Disaster Management Contribution, Research and Development Contribution, Educational Facility Contribution, Sports Development Contribution, and Social Infrastructure Development Costs that can be deducted from gross income.

Beneficial Ownership

In order to increase the transparency and to support the good corporate governance, the Government of Indonesia deploys the policy on the information disclosure of beneficiary or well known as Beneficial Ownership (BO) policy. It is also supported by Indonesia's commitment in its membership in a number of global initiatives. As the member of G-20, Indonesia has agreed on the importance of BO transparency which is accurate and accessible by authorized institution.

Indonesia should also have domestic regulations in accordance with FATF (Financial Action Task Force) Standard to prevent money laundering. It is then responded by the Government of Indonesia by issuing Presidential Regulation No.13 of 2018 on Application of the Principle of Recognizing the Beneficial Ownership of Corporations in the Context of Prevention and Eradication of Money Laundering and Terrorism Financing Crimes.

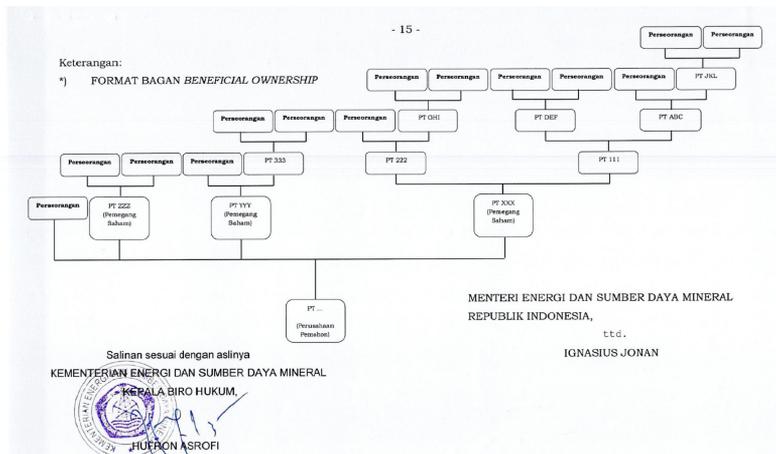
Beneficial ownership policies are not aimed at inhibiting investment, but rather at building a clean and transparent business climate. This policy also cannot be separated from the role of the government in maintaining the mandate of the 1945 Constitution, Article 33 which confirms that the energy and mineral resources sector (natural resources) is a sector controlled by the state and its use is for the greatest prosperity of the people.

In the Ministry of Energy and Mineral Resources, transparency concerning the beneficial ownership is regulated in the Ministry of Energy and Mineral Resources Regulation No.48 of 2017. The regulation includes the obligation to convey the information on (1) change/transfer of shares; and (2) changes to the Board of Directors and or Commissioners. Then, the Directorate General of Mineral and Coal issued Circular Letter of the Director General of Mineral and Coal No. 16.E/30/DJB/2017 on the implementation of beneficial ownership obligations for mineral and coal mining companies which regulates that:

1. License submission is required to attach the data of directors and commissioners and their amendments as well as a list of final beneficiaries from legal entities to individuals;
2. Final beneficiary who is domiciled in Indonesia is obliged to submit the NPWP of the company and legal entity and individual shareholders;
3. Final beneficiary who is domiciled outside Indonesia is required to attach a Permanent Establishment and NPWP (if any);
4. License submission is required to attach a letter from the company director which states that the final beneficiary data is correct; and
5. If the data on the final beneficiary is incorrect, the approval that has been issued can be revoked.

Companies are obliged to submit Beneficial Ownership as an administrative requirement to issue licensing and requirement for WIUP/WIUPK Tender. The licenses which are obliged to submit BO information are:

1. UP/IUPK Exploration;
2. IUP/IUPK Operation Production;
3. Operation Production IUP only for processing and/or refining;
4. Business License for Mining Services;
5. Operation Production IUP only for transportation and sales;
6. Changes of Directors/Commissioners;
7. Changes of share; and
8. WIUP/IUPK Tender.



Picture 7.4. Format of Beneficial Ownership Flowchart

Source: Directorate General of Mineral and Coal (2020)

The implementation of beneficial ownership has been running well. From the total 136 PKP2B and IUP PMA companies, 128 companies (94%) has conveyed the information on beneficial ownership.

Divestment

The main foundation of the divestment policy refers to the mandate of the 1945 Constitution (UUD 45) article 33 paragraph 3 which states that “Earth, water and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people.” In Mining Law No.3 of 2020, divestment is mentioned in Article 112 Paragraph (1) which says:

“Business entities holding IUP or IUPK at the stage of Operation Production activities whose shares are owned by foreigners are required to divest 51% (fifty one percent) of their shares in stages to the Central Government, Regional Governments, SOE, Regional Owned Enterprises, and/or National Private Enterprises.”

The amount of obligation and procedures for divestment of shares are further regulated in Government Regulation No. 96 of 2021 concerning the Implementation of Mineral and Coal Mining Business Activities.

In Article 147 paragraph (1) Government Regulation No. 96 of 2021 states that Business Entities holding IUP and IUPK at the Operation Production stage in the context of foreign investment are required to divest shares of at least 51% in stages to the central government, regional governments, SOE, ROE, and/or national private business entities. Furthermore, the amount and stages of divestment are also regulated based on the mining method and status with the following details:

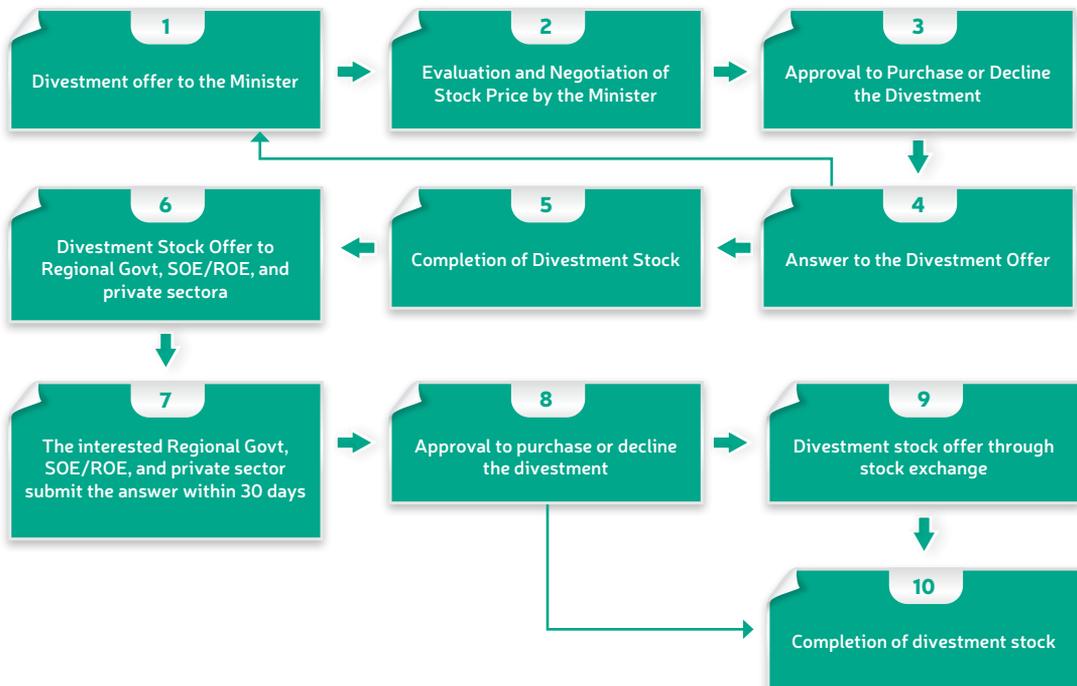
1. Business entities that carry out mining activities using the open pit mining method and are not integrated with processing and/or refining facilities or development activities and/or utilization of share ownership of the central government, regional government SOE, ROE, and/or National Private Business Entity with a minimum percentage :
 - 5% in the tenth year;
 - 10% in the eleventh year;
 - 15% in the twelfth year;
 - 20% in the thirteenth year;
 - 30% in the fourteenth year; and
 - 51% in the fifteenth year.since production.
2. Business entities that carry out mining activities using the open pit mining method and are integrated with processing and/or refining facilities or development activities and/or utilization of share ownership of the central government, Regional Government SOE, ROE, and/or National Private Business Entity with a minimum percentage of:
 - 5% in the fifteenth year;
 - 10% in the sixteenth year;
 - 15% in the seventeenth year;
 - 20% in the eighteenth year;
 - 30% in the nineteenth year; and
 - 51% in the twentieth year;since production.
3. Business entities that carry out mining activities using the underground mining method and are not integrated with processing and/or refining facilities or development activities and/or utilization of share ownership of the central government, Regional Government SOE, ROE, and/or National Private Business Entity with a minimum percentage of:

- 5% in the fifteenth year;
 - 10% in the sixteenth year;
 - 15% in the seventeenth year;
 - 20% in the eighteenth year;
 - 30% in the nineteenth year; and
 - 51% in the twentieth year;
- since production.

Source: GR No. 96 of 2021, Article 147

In divesting shares, holders of IUP and IUPK are required to gradually offer their shares that in the 10th year the Indonesian participant's share would at least reach 51%. The divestment is done in stages to the central government, regional governments, state-owned enterprises, regional-owned enterprises, or national private enterprises. This tiered offer is carried out in order to give priority to the government (central and regional), SOE, and ROE to control the shares of foreign companies.

The next stage of divestment is regulated in the Minister of Energy and Mineral Resources Decision No. 84 K/32/MEM/2020. The following is a summary and explanation of the share divestment process chart.



Picture 7.5. Flowchart of Divestment Process

Source: MEMR Decision No. 84 K/32/MEM/2020

Domestic Market Obligation (DMO)

As a non-renewable and strategic natural resource, the Government of the Republic of Indonesia has first implemented a priority policy for the fulfillment of domestic mineral and coal supplies. This policy is called the Domestic Market Obligation (DMO) with the legal basis of the Mining Law which is then technically regulated in a ministerial decision. The technical regulation on DMO of 2021 is regulated in Minister of Energy and Mineral Resources Decision No. 66.K/HK.02/MEM.B/2021 as the amendment to Minister of Energy and Mineral Resources Decision No.255.K/30/MEM/2020 on the Fulfilment of Domestic Coal Demand in 2021 with following main points:

1. The DMO obligation is imposed on all companies in the amount of 25% of the production level approved by the government;
2. Companies that cannot fulfill their DMO obligations with a direct sales mechanism will be subject to sanctions in the form of an obligation to **pay compensation** with the following conditions:
 - a. toward a number of shortfalls in coal sales for domestic purposes;
 - b. provisions regarding sanctions will be regulated further in Minister of Finance Regulation No. 17/PMK02/2022.
3. Coal selling price for the provision of electricity for the public interest is USD 70 (HBA) with the following conditions
 - a. If HBA is above 70 USD/ton, the selling price to PLN is 70 USD/ton;
 - b. If HBA is below 70 USD/ton, the selling price to PLN is based on normal HBA.
4. Business entity supplying electricity is required to prioritize long term contract in meeting coal demand.

In last couple of years, the demand for mineral and coal for domestic purposes is growing quite well. It can be seen from the development of smelter construction in the country that it increases the absorption of domestically processed and/or refined minerals. Likewise, domestic coal absorption is increasing along with the increasing use of coal in various domestic industries such as the coal fired power plant, smelter industry, cement industry, fertilizer industry, pulp and paper industry, textile industry, and other industries.

In 2021, the total supply of coal for domestic purposes (DMO) is 133 million tons or 96.4% of the 2021 DMO target. This achievement is relatively better than the previous year.

Coal DMO 2016-2021



Picture 7.6. DMO Batubara 2016 - 2021

Sumber: Pusat Sumber Daya Mineral, Batubara, dan Panas Bumi - Badan Geologi (2022)

Local Content Based-Domestic Expenditure

Local Content Based-Domestic Expenditure (TKDN) is the value of the amount of content produced domestically in goods, services, as well as the combination of goods and services. Local content for Indonesia is very important because the high local content will encourage the ability of the national industry which in the end it can improve the welfare of the Indonesian people. Therefore, the government continues to encourage the optimization of local content in national strategic projects, including the mineral and coal mining subsector.

The mineral and coal mining sector is currently implementing new paradigm namely local content based-domestic expenditure. It is the value of domestic goods expenditure of a mining company having the local content value.

The optimization of local content is an important policy and has been regulated in a comprehensive series of laws and regulations. Article 106 of Mining Law (No.3 of 2020) says that IUP and IUPK holder are required to prioritize local worker, domestic goods and services based on the provision of the laws and regulations. Article 85 of Industry Law (No.3 of 2014) also mandates the government to increase the use of domestic product to empower domestic industry. Furthermore, in line with the optimization of local content, the government has established a cross sectoral team to increase the use of domestic product through Presidential Decree No.24 of 2018.

In energy and mineral resources sector, the Minister of Energy and Mineral Resources Decision No 1953K/06/MEM/2018 regulates the obligation to use domestic operation goods and other

supporting materials. Business entity in energy and mineral resources sector is obliged to use operational goods, capital goods, raw materials and other supporting material produced domestically provided that it meets the quality/specification, delivery time and price. If the business entity violates this provision, the government may terminate the import license (masterlist) of the related business entity.

The government also implement the obligation to use local content based-domestic goods expenditure for these following activities:

1. Mining Business License;
2. Special Mining Business License;
3. Contract of Work;
4. Coal Mining Exploitation Work Agreement;

In order to fulfill local content based-domestic goods expenditure, mineral and coal mining companies submit their local content based-domestic goods expenditure data on mining operation and/or project goods expenditures to the Directorate General of Mineral and Coal as outlined in the Annual Work Plan and Budget (RKAB) document. Each company must also meet the stipulated minimum local content based-domestic goods expenditure level. In the implementation of mining operation goods expenditures, companies must refer to the catalog of the Directorate General of Mineral and Coal (Minepedia) as a reference for determining local content based-domestic goods expenditure strategies as well as determining expenditure terms and conditions.

When submitting the local content based-domestic goods expenditure plan, the mining company must refer to Minepedia. If the goods needed are not available in Minepedia, the company can make purchases outside Minepedia list, but it must be approved by the Directorate General of Mineral and Coal. Minepedia itself is a web-based application that serves as a meeting place for producers and mining companies. In addition to the availability of a list of local content based-domestic goods, Minepedia also includes a local content calculator which is used in independent calculations by domestic producer that has not received local content certificate from the Ministry of Industry.

In local content project, the government requires the reporting of local content calculations for the following projects:

1. Exploration activities;
2. Construction/infrastructure activities; and
3. Development of existing projects.

Reclamation and Post-mining

Mining activities are naturally an activity that has the potential to cause changes in initial color, a decrease in soil quality, a decrease in air quality, and a decrease in water quality. Therefore, this reclamation activity must be carried out at all stages of mining activities, from exploration to post-mining.

Concept of Reclamation and Post Mining



Picture 7.7. Concept of Reclamation and Postmining

Source: Directorate General of Mineral and Coal (2022)

Reclamation activities in accordance with the demands of the Mining Law aim to improve or restore the quality of the environment and ecosystem as a result of mining business activities to be more functional and efficient according to their designation. As a derivative of the Mining Law, the legal basis for reclamation and post-mining obligations is as follows:

1. Government Regulation No. 78 of 2008 on Reclamation and Post-mining;
2. Government Regulation No. 22 of 2021 on the Implementation of Environmental Protection and Management;
3. MEMR Regulation No. 26 of 2018 on the Implementation of Good Mining Practices;
4. Minister of Energy and Mineral Resources Decision No. 1827.K/30/MEM/2018 on Guidelines for the Implementation of Good Mining Practices; and
5. Minister of Energy and Mineral Resources Decision No. 1806.K/30/MEM/2018 on Guidelines for the Implementation of Preparation, Evaluation, Approval of RKAB, and Reports.

The reclamation by mining company should at least include:

- a. Land use before and post mining activity;
- b. Land clearing plan;
- c. reclamation on disturbed land;
- d. criteria of success;
- e. Reclamation cost plan

The mining environmental management in mineral and coal sub sector is carried out to minimize the negative impact of mineral and coal mining business activity. Companies are obliged to have environmental management program. Hence, they are not only carrying out mining activity but also taking into account good environmental protection. Reclamation is an answer that mining industry is not destructing the environment but restoring and improving the quality of environment, nature and ecosystem to be even better than the previous condition.

Reclamation program is included in reclamation plan document and must be approved by the government. In the program plan, IUP holder is required to provide reclamation security fund as an integral part of the reclamation plan document approval.

The reclamation guarantee fund in exploration stage is required to be saved in time deposit in the government bank. Meanwhile, the reclamation guarantee fund in operation production is saved in the form of:

1. Joint account in the government bank;
2. Time deposit in the government bank;
3. Bank guarantee issued by government bank or national private bank;
4. Account reserves that can be placed if Operation Production IUP or Operation Production IUPK meets the requirements based on the laws and regulations.

After IUP holder implements its reclamation program, the release of the guarantee could be carried out after the reclamation is evaluated by the government. Therefore, the release of the guarantee is based on the success percentage of the reclamation after being evaluated and verified.

In the implementation, company must carry out reclamation in several stages:

1. Land management;
2. Topsoil stocking;
3. Control of erosion and sedimentation;
4. Planting through cover crop planting, pioneer plants, and insertion of local plants;
5. Cultivating which includes fertilizing, weeding, replanting, and eradicating pests and weeds.

Directorate General of Mineral and Coal is carrying out coaching and supervision to companies to encourage the implementation of reclamation program by:

- a. Carrying out routine coaching and supervision;
- b. Mandating IUP holders to prepare reclamation plans, place guarantees, carry out reclamations, and report on reclamation implementation;
- c. Supervising the placement of reclamation/post-mining guarantee compliance and its implementation;
- d. Evaluating the placement of reclamation/post-mining guarantees and their implementation;
- e. Giving rewards or sanctions; and
- f. Ensuring coordination of the central government with local governments..

In addition to these well-running efforts, the Directorate General of Mineral and Coal carries out the function of guidance and supervision by utilizing remote sensing technology (aerial images and satellite photos). The government also reconciles reclamation data through an online system.

Environmental Standard

Directorate General of Mineral and Coal has stipulated environmental standard in mining sector. The Mining Business License holder is obliged to manage and monitor the environment based on the approved environmental document.

The environmental managements that should be carried out are cover rocks management; means of erosion and sedimentation control; nursery and supporting medium. In this management, Mining Business License holder companies are obliged to report the plan and realization of environmental management and monitoring each year in the Work Plan and Budget.

All companies in mineral and coal mining sector in Indonesia should pay attention on several things in environmental management and monitoring in each mining areas

1. Operation Production Mining Business License (IUP-OP) and Operation Production Special Mining Business License (IUPK-OP) holders with environmental document on environmental impact analysis implement Mining Environmental Management System;
2. In managing the change of landscape, Operation Production Business License holder has the obligation to manage post-mining holes (void) including slope stabilization, void security and maintenance, water quality restoration and monitoring, as well as water management in the void;
3. Hazardous and toxic waste management (B3 waste);

- License on Environmental Protection and Management (PPLH) issued as the requirement of environmental license for the purpose of environmental protection and management including waste water disposal, waste water utilization license for soil application, hazardous and toxic waste temporary storage license, and management point as a reference to monitor the environmental quality standard compliance;
- Standard of water waste quality control, surface water, air emission and ambient air following environmental quality control based on related regulations.

Despite of the government's awareness on the importance of access to exploration in areas with mineral and coal resources potential, the government is also committed to preserve the environment and regulates that the mining in forest area is limited on:

- All mining activities are not allowed in conservation forest area;
- Mining activity (operation production) can be carried out only with underground mining method in protection forest. All mining field activity in protection forest and production forest is done after obtaining Leasehold of Forest Area License (IIPKH).

In the last five years, the realization of reclamation land by KK, PKP2B, and IUP increases significantly.



Picture 7.8. Realization of Reclamation Land

Engineering Standard

The Government of Indonesia through Government Regulation No.55 of 2010 carries out fostering and supervision of mineral and coal mining business. Each mineral and coal mining company operating in Indonesia is required to follow the applicable standard. This is the recap of applicable standardization in mineral and coal mining company.

MINERAL AND COAL MINING STANDARDIZATION				
Indonesia national work proficiency standard (SKKNI) and special work proficiency standard (SKKK)		PROFESSION CERTIFICATION INSTITUTION (LSP)		
1 special standard	23 SKKNI	9 LSP		
INDONESIA NATIONAL STANDARD (SNI)		COMPETEBCY CERTIFICATE REGISTRATION		
TECHNICAL COMMITTEE 13-05 Mining environment Number: 16 SNI New/Reviewing: 8 SNI abolition: 8 SNI	TECHNICAL COMMITTEE 13-06 Mining Occupational health and safety Number: 31 SNI New/Reviewing: 25 SNI abolition: 6 SNI	26.739 POP	5.190 POM	1.290 POU
TECHNICAL COMMITTEE 73-01 Mining commodity Number: 105 SNI New/Reviewing: 91 SNI abolition: 14 SNI	TECHNICAL COMMITTEE 73-02 Mining engineering Number: 55 SNI New/Reviewing: 53 SNI abolition: 2 SNI	2.047 Explosion		171 Surveyor
		19 TBT survey		43 TBT bordak

Picture 7.9. Recapitulation of Mineral and Coal Mining Standardization

Source: Directorate General of Mineral and Coal (2022)

The detail of standar reference can be seen in the Attachment.

Mining Safety

Mining safety culture has been a noble goal since the stipulation of Law no 1 of 1970 on Work Safety. It is the rights of each mining worker to obtain protection of their working safety for the sake of the welfare, production increase and national productivity. Therefore, it takes all efforts to foster occupational protection norms to improve mining safety.

The Directorate General of Mineral and Coal consistently continues to oversee the implementation of mining safety because this is one of the important issues in managing the mineral and coal mining industry in Indonesia. Mining safety is one of the performance indicators of the Directorate General of Mineral and Coal with the target of continuously reducing the number of mining accidents.

Improving mining culture in order to create safe mining conditions in mineral and coal mining is the mandate of Law No. 3 of 2020 and Law No. 4 of 2009 article 141 paragraph (1) letter f and g. More specifically, it is the Government Regulation No. 55 of 2010 on Guidance and

Supervision of the Management and Implementation of Mineral and Coal Mining Business in article 26 and 27. This regulation requires mining safety management to be carried out which is divided into mining occupational safety and health (K3) and mining operation safety (KO).

In carrying out Mining Safety management as part of the implementation of Good Mining Practice (GMP), every mineral and coal mining company and/or processing and/or refining company is required to have a Head of Mining Engineering or Engineering and Environment Person in Charge. This is regulated in the Minister of Energy and Mineral Resources regulation number 26 of 2018 on the Implementation of Good Mining Practices and Supervision in Mineral and Coal Mining.

The mining safety is divided into two types, namely:

1. Mining Occupational Health and Safety

Mining Occupational Health and Safety (OHS) is all activities to guarantee and protect the mining worker's safety and health. The effort to increase mining OHS includes:

- a. occupational safety,
- b. occupational health,
- c. occupational environment, and
- d. occupational health and safety management system.

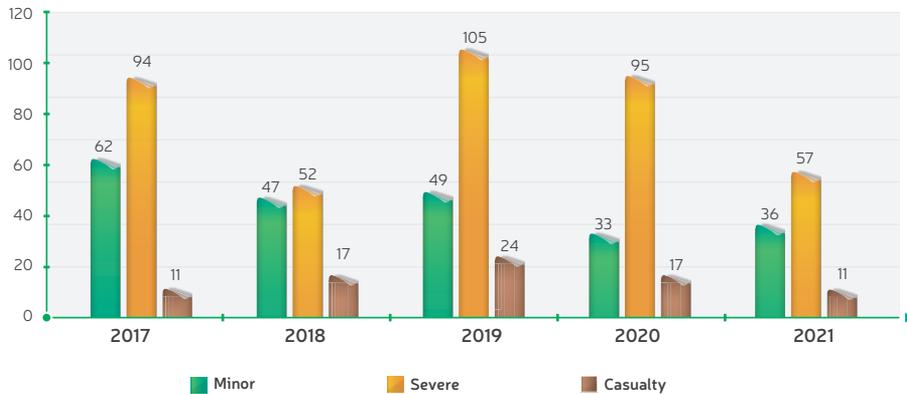
2. Mining Operation Safety

Mining operation safety is all activities to guarantee and protect a safe, efficient and productive mining operation. The effort to increase mining operation safety is through:

- a. system management and maintenance of mining facilities, infrastructure, installation and equipment,
- b. installation security,
- c. appropriateness of mining facilities, installation infrastructure, and equipment,
- d. technical worker competency, and
- e. evaluation of mining technical study.

The strategic target of "Increasing Mineral and Coal Mining Safety" is based on one (1) performance indicator. It is the accident rate in mineral and coal mining company. The safety performance indicator is expected to control the accident rate in mineral and coal mining business not to exceed the performance indicator. The accident rate performance indicator uses the reverse comparison which means that the lower the realization, the better the performance is.

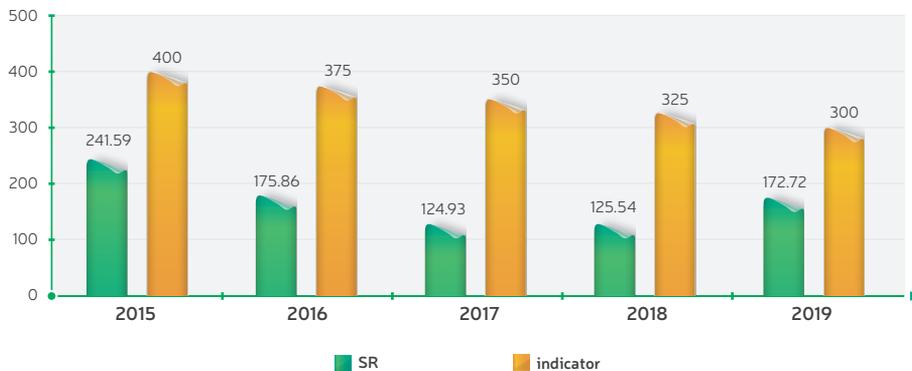
Mining Accident 2017 - 2021



Picture 7.10. Mining Accident Data 2017 - 2021

Source: Directorate General of Mineral and Coal (2022)

Mining Accident Data 2015 - 2019 Comparison of Indicator and Severity Rate (SR)



Picture 7.11. Accident Severity Rate 2015 - 2019

Source: Directorate General of Mineral and Coal (2022)

Frequency Rate (FR) is the total mining accident casualty for each 1,000,000 working hours divided by the cumulative working days in that period. Meanwhile, Severity Rate (SR) is the total missing working hours due to mining accident for each 1,000,000 working hours divided by cumulative working days in that period.

One of the performance measures in mining safety management can be seen from one of the lagging indicators, namely the mining accident. Based on Minister of Energy and Mineral Resources Decision No. 1827 K/30/MEM/2018 on Guidance of the Implementation of Good

Mining Practices, an accident is defined as mining accident if it meets the following five (5) elements:

1. Really happened, undesirable, unplanned, and unintentional;
2. Causes an injury to mining workers or people who are licensed by KTT or PTL;
3. As a result of mining or processing and/or refining or other supporting activities;
4. Occurs during the working hours of the injured mining worker or at any time when a person is granted a permit; and
5. Occurs within the mining business area or project area.

The government always tries to make policy and program that promotes better mining safety management performance. The policy and program issued by the government to promote mining safety management performance are:

1. Issuance of Norm, Standard, Procedure and Criteria.
2. Fostering and Supervision;
3. Accident Investigation;
4. Meeting of Mining Company Board of Director;
5. Meeting of Indonesia Chief Technical Officer; and
6. Coaching Clinic of Mineral and Coal Mining Safety Management System.

Community Development and Empowerment

Community development and empowerment (PPM) or well known as Community Development is the effort to promote economy, education, socio cultural, health and community living environment near mining area, both individually and collectively for a better and independent life of community living near mining area.

The scope of the obligation to implement the PPM program according to the Mining Law is starting from preparing the program; allocating PPM funds whose minimum amount is determined by the Minister of Energy and Mineral Resources; and developing and implementing PPM programs.

More detailed guidelines regarding PPM obligations are regulated in several regulations which are derivatives of the following Mining Law:

1. Govt Regulation No. 96 of 2021 on the Implementation of Mineral and Coal Mining Business Activities, in Chapter XIX – PPM, articles 179 – 182;
2. MEMR Regulation No. 25 of 2018 on Mineral and Coal Mining Business, in Chapter XII, Article 38 paragraphs 1-6;
3. MEMR Regulation No. 26 of 2018 on the Implementation of Good Mining Rules and Supervision of Mineral and Coal Mining, in the Seventh Part, article 38;
4. MEMR Decision No. 1824 K/30/MEM/2018 on Guidelines for Community Development and Empowerment; and
5. MEMR Decision No. 1806 K/30/MEM/2018 on Guidelines for the Implementation of Preparation, Evaluation, Approval of RKAB, and Reports on Mineral and Coal Mining Business Activities.

In the obligation to carry out the PPM program, all stakeholders from the central to the regional and the business entity itself has the involvement in accordance with their respective roles. The following table shows the involvement and role of each stakeholder who works together to oversee the realization of the PPM program properly.

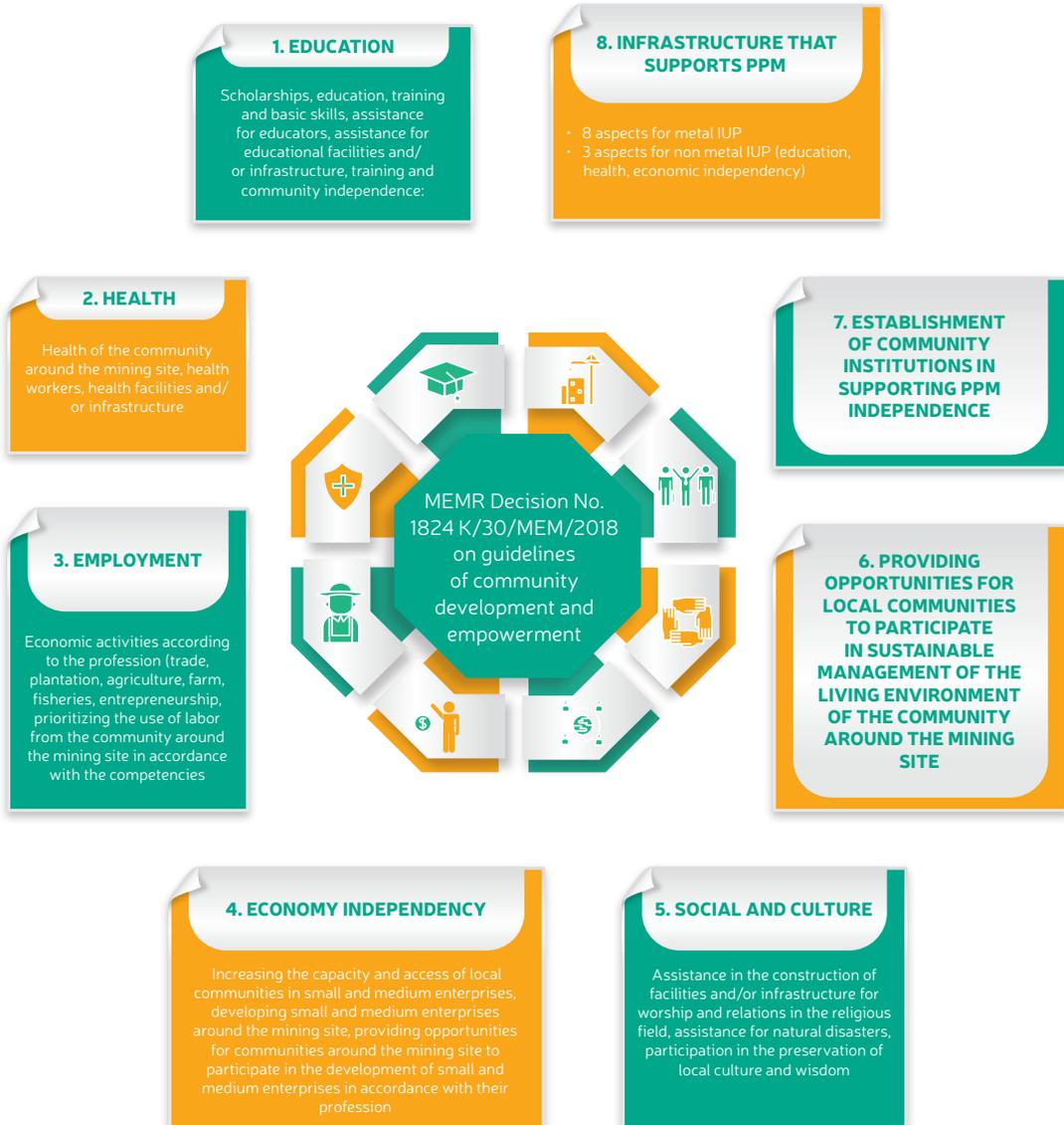
Table 7.1. Distribution of Roles in PPM

No	PPM	Central Government	Provincial Government	Regency/ City Government	Community around Mining Site	Mining Business Entity
1	Blueprint	Director General on behalf of Minister carries out supervision on the formulation of PPM blueprint and gives technical considerations on PPM blueprint plan.	Governor formulates PPM blue print plan and stipulates it.	Involved in formulating PPM blue print plan.	Involved in formulating PPM blue print plan.	Involved in formulating PPM blue print plan.
2	PPM Master Plan (RIPPM)	Involved in the consultation of PPM master plan.	Involved in the consultation of PPM master plan.	Involved in the consultation of PPM master plan.	Involved in the consultation of PPM master plan.	Mining Business Entity is obliged to formulate RIPPM based on the blue print. Business Entity is obliged to carry out consultation of RIPPM with stakeholders (Director General on behalf of the Minister based on its authority, Governor, and involving Regent/Mayor and community around mining site).
3	Annual PPM	Validation of Annual PPM in Work Plan and Budget based on authority.	Validation of Annual PPM in Work Plan and Budget based on authority.			Business Entity is required to submit Annual PPM prpgram as part of Work Plan and Budget to Minister cq Director General or Governor based on its authority.
4	Report of Annual PPM Realization	Receiving Realization report based on its authority.	Receiving Realization Report based on its authority, Governor is obliged to submit Annual PPM fostering and supervision report to Minister cq Director General at least once in 6 (six) months.			Business Entity is required to submit: <ul style="list-style-type: none"> • PPM Realization report every 6 (six) months to Minister and Governor based on its authority. • The Annual PPM realization report as part of Work Plan and Budget report to Minister cq Director General or Governor based on its authority every 3 (three) months in the current year.

Source: Directorate General of Mineral and Coal (2022)

Mineral mining business entities have the obligation to prepare the PPM Master Plan (RIPPM) and report the results of its implementation periodically. In preparing the RIPPM, the business entity can adjust the relevant PPM programs according to the priorities of the PPM program launched by the government. Thus, the PPM program strategies and plans designed by business entities are in line with the government’s strategy.

Community Development Program Priority in Mineral and Coal Sub Sector

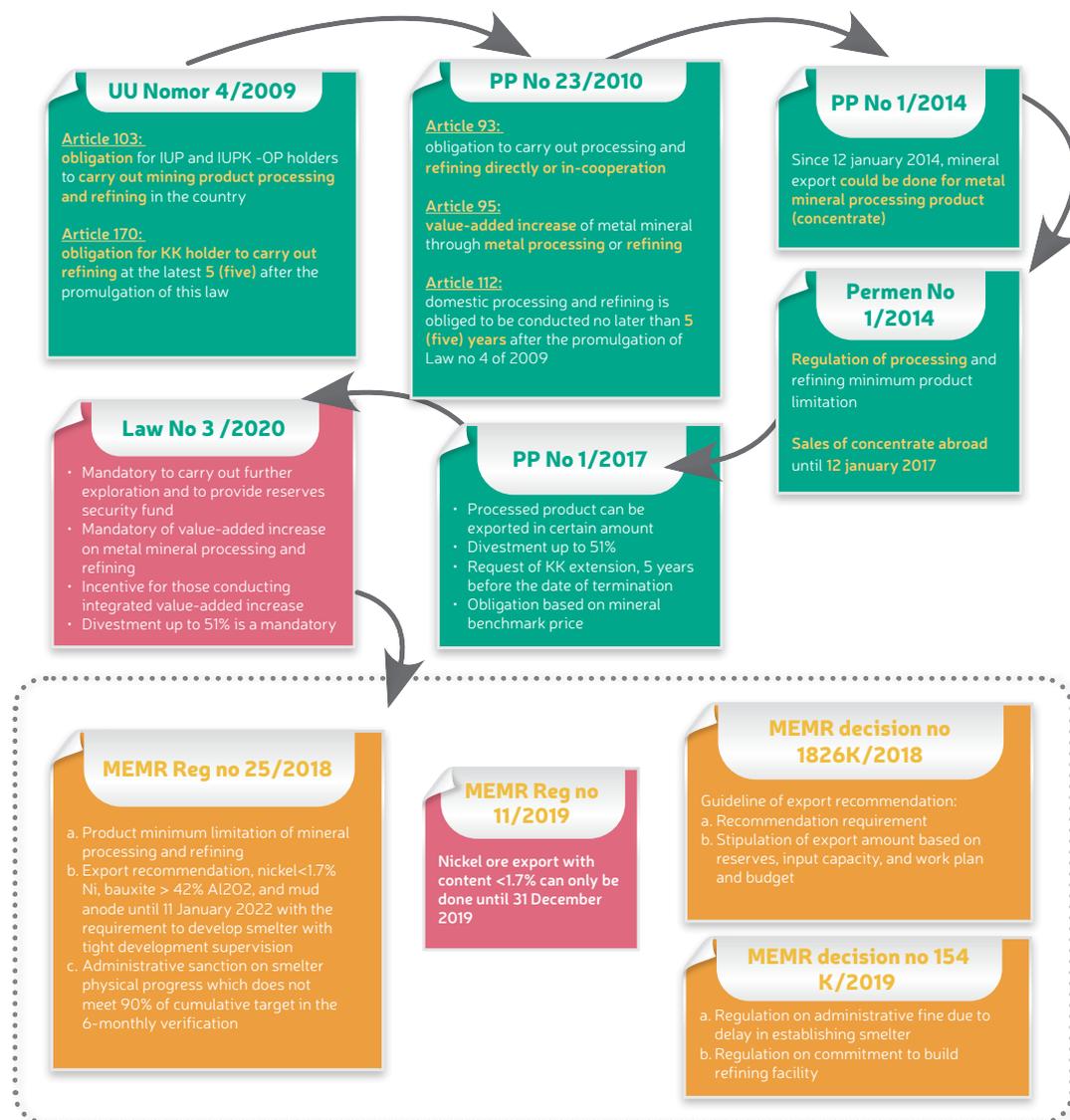


Picture 7.12. Community Development Program Priority in Mineral and Coal Sub Sector

Source: Directorate General of Mineral and Coal (2022)

Smelter Establishment

The mandatory to establish smelter is regulated in Law No 3 of 2020 on Mineral and Coal Mining. Article 103 states that IUP and Operation Production IUPK holders are obliged to carry out processing and refining of domestic mining products. This obligation is as mandated in the 1945 Constitution, Article 33 paragraph 3 which says that land, water and natural resources within shall be under the powers of the State and shall be used to the greatest benefit of the people. The establishment of smelter is a spirit to increase domestic value-added to mined mineral commodities. List of regulations on the mandatory to establish smelter can be seen in following diagram.



Picture 7.13.

Legal Basis of Smelter Development Mandatory

Data Source: Directorate General of Mineral and Coal



Picture 7.14.

Progress in Smelter

Source: Directorate General of Mineral and Coal (2022)



Reporting

The obligation of reporting is inseparable part of mining business licensing. This obligation is part of the Government of Indonesia's effort to increase effectiveness and efficiency in mining business activity in Indonesia.

The provision which regulates the obligation of reporting is in Minister of Energy and Mineral Resources Regulator No 11 of 2018, part Three, article 81-83. The reports that must be submitted by companies to the government cq Directorate General of Mineral and Coal are:

1. **Periodic Report**, is a routine report submitted in certain period.
2. **Final Report**, is a report on final activity.
3. **Special Report**, is a special report on particular event or circumstance.

Periodic Report

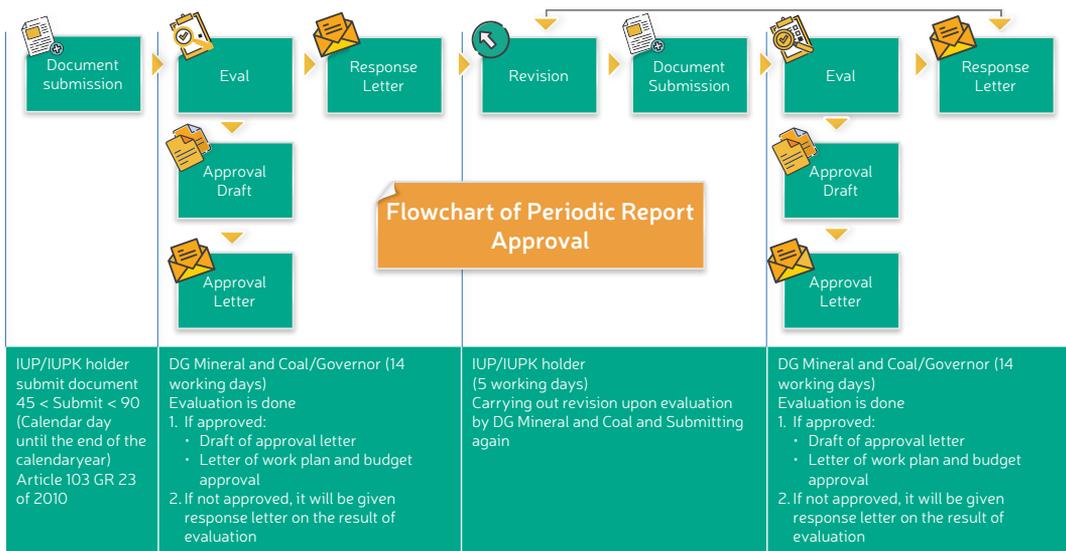
Periodic report consists of monthly, quarterly, and annual report. Each report is submitted to the government cq Directorate General of Mineral and Coal. Quarterly report is submitted at the latest 30 days after the quarter ends. Meanwhile, annual periodic report in the form of Work Plan and Budget is submitted 90 calendar days at the sonnest and 45 calender days at the latest before the end of the calendar year to obtain approval. During the approval process of the existing Work Plan and Budget, the Work Plan and Budget report may be revised several times.

Types of periodic report for each mineral and coal mining company can be seen in the following table:

Table 7.2. Type of Periodic Report

Type of Periodic Report	Period	IUP/IUPK/IPR		IUP OP special for purification	IUP OP special for transportation and sales
		Exploration	OP		
Work Plan and Budget	Annually	v	v	v	-
Implementation of Work Plan and Budget	Quarterly	v	v	v	-
Statistics of Mining Accidents and Dangerous event	Quarterly	v	v	v	-
Statistics of Exploration Labor's Illness	Quarterly	v	v	v	-
Conservation	Quarterly	-	v	-	-
Transportation and Sales	Quarterly	-	-	-	v
Quality of Water waste and Mining	Monthly	v	v	v	-
Statistics of Mining Accidents and Dangerous Event	Monthly	v	v	v	-
Production and Sales Report	Monthly	-	v	v	-
Coal Blending Realization Report *	Monthly	-	v	-	-

Source: Directorate General of Mineral and Coal



Picture 7.15. Flowchart of Periodic Report Approval

Source: Directorate General of Mineral and Coal

Final Report

Each company submits the final report on the activities to Minister of Energy and Mineral Resources cq Director General or Governor based on the authority. The following table shows final report that must be submitted by each mineral and coal company:

Table 7.3. Type of Final Report mandated to be Submitted

Company	Type of Report
IUP Exploration or IUPK Exploration	1. Complete report on exploration; 2. Report on feasibility study.
IUP Operation Production or IUPK Operation Production	1. Report on the installation boundary sign; 2. Final report on operation production.

Source: MEMR Regulation No. 11 of 2018 (processed)

Mining Technical Aspect

As an industry that applies high technology, mineral and coal mining activities require good technical planning and implementation to carry out mining operations efficiently, with high productivity and avoid various negative impacts resulting from implementation that deviates from planning or due to errors in planning.

The legal basis for mining technical management is Law No. 3 of 2020 on Mineral and Coal Mining and Government Regulation No. 55 of 2010 on the Fostering and Supervision of Mineral and Coal Mining Business Management and Implementation. In this government regulation, the government is required to supervise IUP and Exploration IUPK as well as IUP and Operation Production IUPK.

Mining technical management includes:

1. Exploration;
2. Feasibility Study;
3. Construction and Testing of Mining Equipment (commissioning);
4. Utilization of Technology, Engineering Capability, Design and Development, Development and Application of Mining Technology;
5. Supervision of the Boundary Sign Installation;
6. Mining;
7. Processing and Refining;
8. Transportation; and
9. Post-Mining Technical Management



Policy on Payment of Wages

Wage policy is based on Law No. 11 of 2020 on Job Creation (Omnibus Law) and Government Regulation No. 36 of 2021 on Wages. Employers have an obligation to pay wages to workers in accordance with the agreement between the company and workers or unions. The agreed amount of wages must not be lower than the wage provisions stipulated in the legislation.

The determination of the wage policy is based on efforts to realize the rights of workers to a decent living for humanity. The wage policies that must be considered by mineral and coal mining business entities are as follows:

1. Minimum wages;
2. Structure and scale of wages;
3. Overtime pay;
4. Wages that are payable to the worker during his absence from work and/or for not doing the work due to certain reason;
5. The form and method of the payment of wages;
6. Things that can be calculated with wages;
7. Wages as the basis for calculating or paying other rights and obligations.



CHAPTER 8

DIGITALIZATION IN MINERAL AND COAL SUBSECTOR



The rapid advancement of computer and network technology has encouraged all people to carry out digital transformation more massively than in the previous era. In less than a decade, society's digital culture has changed drastically that the government and business entities must adapt to digital transformation.



Minerba One Map Indonesia (MOMI)

(MOMI) is a web based-geographical information system of mining area. This system is developed to promote transparency, accountability and collaborative working process in maintaining mineral and coal data.

 General/public  <https://momi.minerba.esdm.go.id>



Minerba One Data Indonesia (MODI)

MODI is an application aimed to improve mineral and coal information services for mineral and coal mining stakeholders. In addition, MODI is developed to manage and supervise mineral and coal sector. Through MODI, it is easy for user to obtain information in mineral and coal mining comprehensively.

 General/public  <https://modi.minerba.esdm.go.id>



Minerba Online Monitoring System (MOMS)

MOMS is a system to monitor production and sales of mineral and coal mining commodity. MOMS is able to analyze data of production and sales report from business player to central government and regional government. The result of the analysis can be accessed real time by internal and external user of Directorate General of Mineral and Coal. MOMS is also purposed to support the national policy making in mineral and coal subsector.

 Mineral and coal mining companies Regional government DG of Mineral and Coal  <https://moms.esdm.go.id>



ePNBP

e-PNBP application is a system to ease the monitoring and supervision of Non-Tax State Revenue payment. This system is developed based on the recommendation from Corruption Eradication Commission (KPK) as a means to coordinate and supervise the mineral and coal resources management.

 Mineral and coal company Mineral and coal evaluator  <https://epnbpminerba.esdm.go.id>



Modul Verifikasi Penjualan (MVP)

MVP is an application to verify coal sales issued by the Ministry of Energy and Mineral Resources cq Directorate General of Mineral and Coal. This application is the development of MOMS application. MVP is used by surveyor business entity in verifying coal sold by IUP OP, IUPK OP, or PKP2B.

 Surveyor business entity  <https://mvp.esdm.go.id>

Digital transformation is one of the priority agendas of the Government of the Republic of Indonesia. The Directorate General of Mineral and Coal has and will continue to develop digital infrastructure as part of the implementation of digital transformation in mineral and coal subsector. There are several applications/systems that have been developed by Directorate General of Mineral and Coal.

Mineral and Coal Online Licensing System

Mineral and Coal Online Licensing System is Directorate General of Mineral and Coal's innovation to create a qualified, clean, accountable, effective and efficient public services. This system is purposed to cut bureaucracy and to create equal treatment in licensing.



Government Mineral and Coal company



<https://perizinan.esdm.go.id/minerba>



Minerba Intergrated Engineering and Environment Reporting System (Miners)

Miners is an integrated information system with the existing application in Directorate General of Mineral and Coal. This system is built to create a qualified information system to support mining activity supervision especially from its Technical and Environmental side.



Business Entity/IUP holder, Provincial Office, admin of each Sub Directorate, Miners admin, Mining Chief Technical Officer, and Mining Inspectorate.



<https://miners.minerba.esdm.go.id>



Geological Resources of Indonesia - Mobile Application (GeoRIMA)

GeoRIMA is an android application that provides information on distribution of mineral, coal and geothermal resources potential location in all areas in Indonesia. It also provides a quick and easy statistics of each resources and reserves, abstract of investigation by Mineral, Rocks and Geothermal Resources Center and commodity bibliography.



General/public



<https://georima.esdm.go.id/>



Sistem Investasi Minerba dan Batubara (SIMBARA)

SIMBARA is a system built by Directorate General of Mineral and Coal to answer the challenges in 4.0 mining digitalization era. This system is purposed to manage online, real-time and integrated mineral and coal investment data.



Central and regional government



<https://investasi.minerba.esdm.go.id/>



e-RKAB

The application is used to propose and evaluate Work Pk and Budget in mineral and coal mining business activity under the authority of Central Government covering the aspect of business, technical and environment.



Government, Business entity



<https://erkab.esdm.go.id>



CHAPTER 9

MINERAL AND COAL INVESTMENT OPPORTUNITY



Indonesia is a country with major mining potential. The export performance of Indonesia mining products shows high potential on derivative products of copper, nickel, aluminum, zinc, tin and manganese. Therefore, the Ministry of Trade of the Republic of Indonesia recommends mining sector investment to be focused on these products.

The Government of Indonesia also strongly promotes investment in mineral and coal mining downstream sector. Downstream sector that is supported by economic resources from a qualified domestic and foreign investment will increase the added value of products produced by a country's domestic economy system. The government encourages the commercial business of mineral and coal mining products which have the export potential to global market with higher value unit. Therefore, Indonesia export performance will increase as well.

New IUP Area

The size and boundary of WIUP metal mineral and coal is stipulated by the Minister after determined by the governor and met the criteria (Article 17, Law No.3 of 2020). Then IUP Metal Mineral and Coal is offered through tender based on Government Regulation (Article 51 and Article 60, Law No.3 of 2020).

The stipulation of WIUPK size and boundary is based on Minister evaluation (Article 28 Paragraph 2, Law No.3 of 2020). SOE and ROE have the priority in obtaining IUPK in the tender carried out by the Minister based on the Government Regulation (Article 75 Law No.3 of 2020).

In 2022, there are 24 blocks of WIUP/K that are tendered and the areas have been evaluated. The tender of these 24 blocks is held after the issuance of Government Regulation as the derivative of Law No.3 of 2020.

Table 9.1. List of WIUPK Tender 2022

No	Area	Reg/City	Province	Type of License	Commodity	Land use (ha)
1	Natai Baru	Kotawaringin Timur	Central Kalimantan	WIUP	Coal	6,674.00
2	Tumbang Nusa	Kapuas	Central Kalimantan	WIUP	Coal	7,169.00
3	Baronang I	Kapuas	Central Kalimantan	WIUP	Coal	3,226.00
4	Baronang II	Kapuas	Central Kalimantan	WIUP	Coal	455.00
5	Piner	Kapuas	Central Kalimantan	WIUP	Coal	9,750.00
6	Lubuk Mas	Musi Rawas Utara	South Sumatera	WIUP	Galena	1,452.00
7	Ulu Rawas	Musi Rawas Utara	South Sumatera	WIUP	Iron ore	6,707.00
8	Lengora	Bombana	South East Sulawesi	WIUP	Kromit	3,388.00

No	Area	Reg/City	Province	Type of License	Commodity	Land use (ha)
9	Lanne	Pangkajene dan Kepulauan	South Sulawesi	WIUP	Coal	199.00
10	Sijunjung	Kota Sawahlunto dan Sijunjung	West Sumatera	WIUP	Coal	92.00
11	Gunung Botak	Buru	Maluku	WIUP	Gold	24,764.20

Source: Directorate General of Mineral and Coal (Juni 2022)

Investment Opportunity in Mineral Subsector

Mineral and coal value-added increase is a relatively new policy in Indonesia mineral and coal mining subsector. The value-added increase policy has been started in 2012 after the issuance of Minister of Energy and Mineral Resources Regulation No.07/2012 on Value-added Increase through Mineral Smelter. This policy is improved along with internal and external dynamics.

The Value-added increase is aimed to increase and optimize the product's value added, supply industrial raw materials, create employment, and increase state revenue. The government is improving the value-added increase policy to be in line with the existing development. The challenges in implementing this policy is not easy. However, the smelter development is growing positively.

The investment opportunity of smelter in Indonesia is very promising since the mineral mining production is very high and the reserves availability is still abundant for a long term. The table below shows Indonesia's mineral reserves security.

Table 9.2. Indonesia Mineral and Coal Reserves Security

No	Commodity	Proven reserves	Total reserve	Reserves security from 2020	
				Proven reserves	Total reserves
1	Iron	13.151.345.914	15.553.766.620	1.488 tahun (s.d.3507)	1.760 tahun (s.d. 3780)
2	Tin (Metal)	1.193.012	2.233.158	13 tahun (s.d. 2036)	25 tahun (s.d. 2051)
3	Gold (Metal)	3.126	4.830	26 tahun (s.d. 2045)	40 tahun (s.d. 2059)
4	Bauxite	821.370.863	2.868.940.674	28 tahun (s.d. 2049)	97 tahun (s.d. 2118)
5	Coal		37.604.000.000		68 tahun (s.d. 2088)

Source: Directorate General of Mineral and Coal



Picture 9.1. Location of Mining Mineral Downstreaming 2020-2024

Source: Ministry of National Development Planning /Bappenas

The Government of Indonesia continues to promote downstreaming program in mineral sector through smelter development. In policy side, since 2012 the government has applied mineral export restriction to increase smelter investment in Indonesia. One of the promising mineral mining commodities is nickel as Indonesia is the biggest nickel producer in the world. In addition, the battery and electric vehicle industry has entered its golden era that definitely requires nickel as raw material. Therefore, investment opportunity in nickel downstreaming is very potential especially to support battery industry.

Investment Opportunity in Coal Subsector

In the last four years, Indonesia coal export is increasing. China and India are the biggest coal export destination countries with the total 60 percent of Indonesia coal export. However, China's coal consumption trend is predicted to decline because of factors such as:

- China's more strict import control since 2019;
- Global trend to reduce coal fuel; and
- The declining property market that gives impact on the declining China's steel demand.

According to PwC Indonesia, the declining trend of coal sales is also significantly influenced by covid-19 pandemic. Based on CMO report in April 2020, coal price in 2020 will decline up to 17 percent. In long term, global sentiment to coal will also be negative.

On the other hand, coal demand for domestic is increasing. Furthermore, coal still shares a very significant portion in Indonesia energy mix. Currently, coal share is 60% and in 2028 coal is predicted to have the share of 54.4% in national energy mix. This is the prediction of domestic coal demand based on business sector in the next four years (2021-2024).

Table 9.3. National Coal Demand Projection

Business Sector	Demand (million ton)			
	2021	2022	2023	2024
National Power Company (PLN)	121	129	135	137
Processing and Refining	16.72	16.63	16.66	16.73
Fertilizer	1.73	1.73	1.73	1.73
Cement	15.02	15.49	15.99	16.65
Textile	6.54	6.54	6.54	6.54
Pulp and Paper	7.11	7.61	8.14	8.71
Coal Briquette	0.01	0.01	0.01	0.01
Total	168.13	177.01	184.07	187.37

Source: Directorate General of Mineral and Coal

Despite of the declining coal production and sales in 2020 due to Covid-19 pandemic, it is predicted that coal production and sales will be increasing along with the economic recovery post Covid-19 pandemic.

Table 9.4. Indonesia Coal Production and Sales

	2017	2018	2019	2020	2021	Yoy (2020 – 2021)
Production (million ton)	461	558	616	566	610	7.6%
Export (million ton)	141	177	180	220	223	1.4%
Domestic (million ton)	287	356	455	332	319	-4.0%

Source: Directorate General of Mineral and Coal

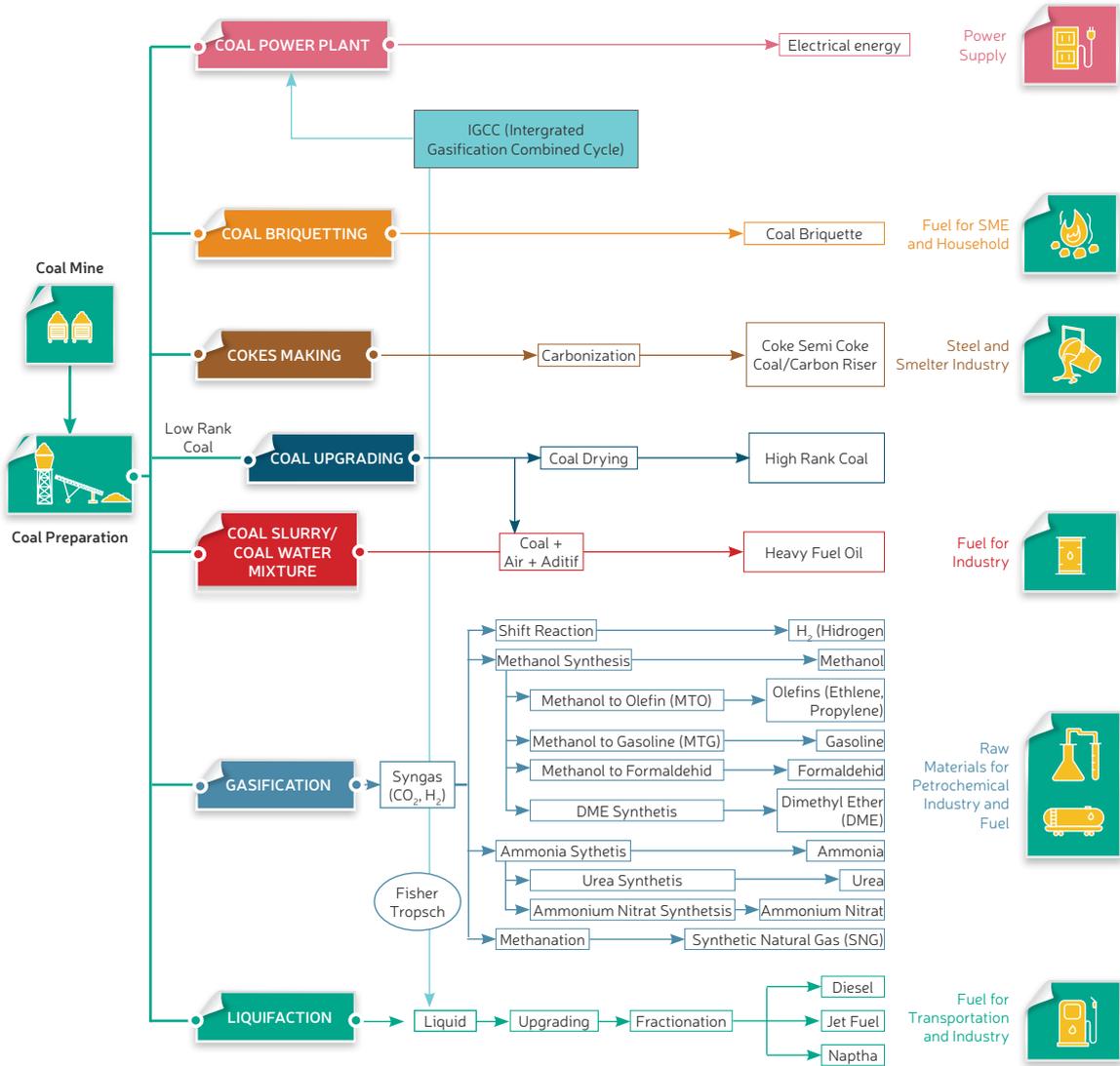
Then, the next investment opportunity in coal sector is the downstream business. Coal downstreaming is one of the government's strategic programs to increase the value of mineral and coal mining goods through a policy of increasing added value (PNT). With major coal resources and reserves, PNT coal has the potential to substitute fuel and raw materials for the chemical industry. Global attention to the negative environmental impact of direct burning of coal can actually be seen as an opportunity through the use of environmentally friendly coal.

Through Government Regulation No. 96 of 2021 on the Implementation of Mining Business Activities, the government requires an increase in the added value of minerals and coal. PNT for coal commodities is carried out through Coal Development and Utilization to increase the added value of domestically mined coal. This obligation can be carried out directly by the business entity or by cooperating with other parties.

The forms of coal development activities based on the Mining Law are as follows:

1. Coal upgrading;
2. Coal briquetting;
3. Making coke (coke making);
4. Coal liquefaction;
5. Coal gasification, including underground coal gasification; and
6. Coal slurry/coal water mixture.

In addition to coal development, there are also efforts to utilize coal by building their own Steam Power Plant (PLTU) at the mouth of the mine.



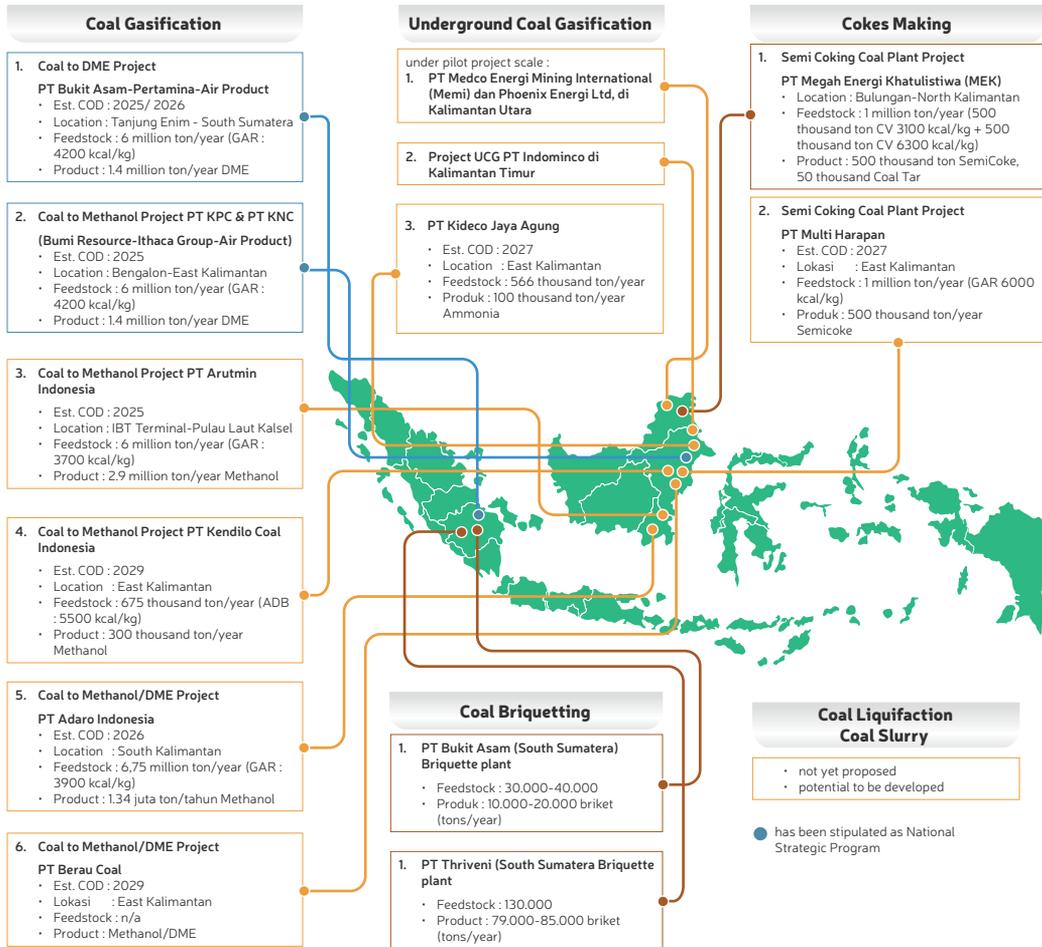
Picture 9.2. Coal Downstreaming Technology

Source: Directorate General of Mineral and Coal (2022)

Since coal downstreaming policy begins, various companies have explored coal value-added increase business. The progress is shown in the following picture.

DEVELOPMENT OF INDONESIA COAL DOWNSTREAMING

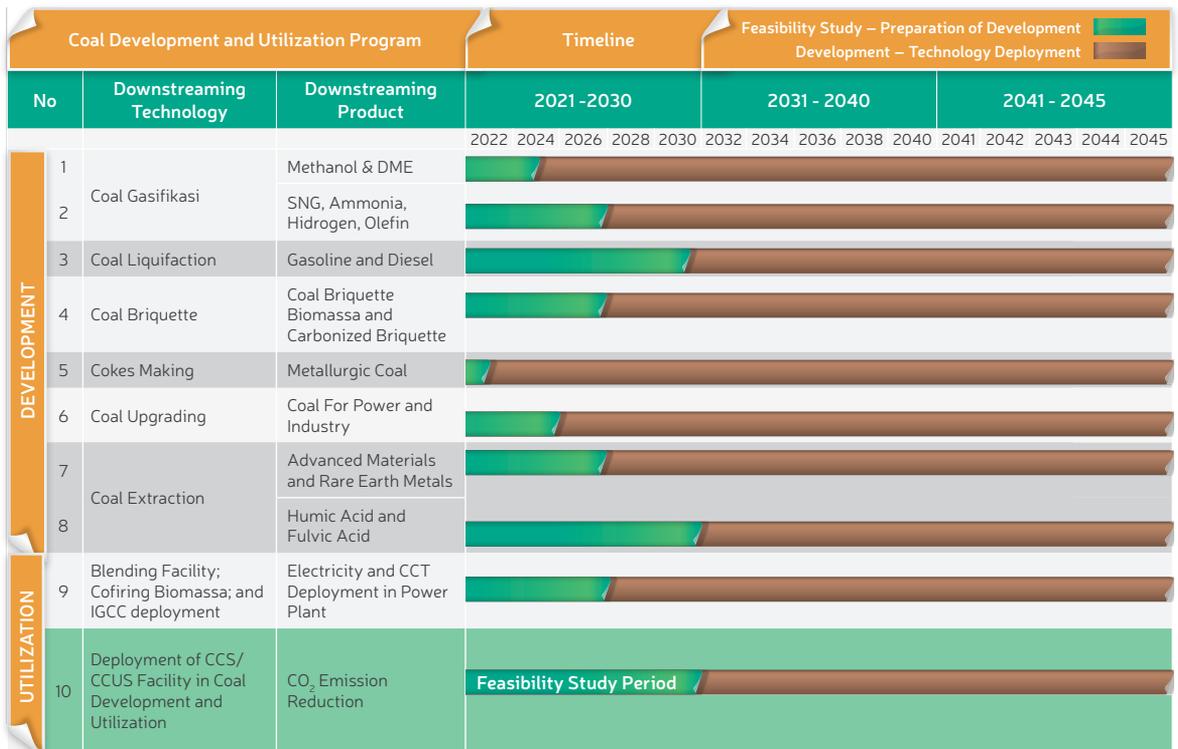
Based on current condition and has submitted the proposal.



Picture 9.3. The Development of Indonesia Coal Downstreaming

Source: Directorate General of Mineral and Coal (2022)

In the future, coal downstreaming project becomes one of priority agenda promoted by the government. Indonesia abundant coal resources and reserves is one of the supporting factors in this program as the top priority in coal value-added increase. In addition, the demand on clean energy management is also an important base in supporting coal downstreaming program. The government has formulated coal downstreaming program roadmap until 2045. This roadmap shows that coal downstreaming investment opportunity will become one of the investment choices in the near future.



Picture 9.4. Roadmap of Indonesia Coal Downstreaming 2021-2045

Source: Directorate General of Mineral and Coal (2022)

Table 9.5. Projection of Indonesia Coal Development until 2030

(in thousand ton)

Sector	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coal Gasification (including UCG)	-	-	-	-	10,625	25,250	25,873	25,873	32,548
Cokes Making	329	500	500	1,000	1,000	1,000	1,500	2,000	2,000
Coal Upgrading	-	-	-	-	-	-	-	-	-
Coal Briquette	6.3	20	20	85	85	150	150	150	150
Coal Liquefaction	-	-	-	-	-	-	-	-	-
Coal Slurry/CWM	-	-	-	-	-	-	-	-	-
Total Coal Development	335	520	520	1,085	11,710	26,400	27,523	28,023	34,698

Source: Directorate General of Mineral and Coal (2022)

To promote coal downstreaming program, the government gives support in terms of incentives and regulations through facilities and includes it into the National Strategic Project.

Table 9.6. Supporting Incentive and Regulation on Coal Downstreaming

No	Supporting Incentive & Regulation	Institution	Note
1.	Reduction of coal royalty rates specifically for coal gasification up to 0%	MEMR, Ministry of Finance	Has received in-principle approval from the Ministry of Finance, but has not been followed up because of the Constitutional Court's decision regarding the Omnibus Law
2.	Special coal price regulation for value added increase (gasification) implemented at the mine mouth	MEMR, Ministry of Finance	It is part of the implementing regulations of GR No. 96/2021 which will be formulated in 2022 and will be further regulated in the Mineral and Coal Mining Business Regulation formulated in 2022
3.	Draft of Presidential Regulation on the assignment of Pertamina as an offtaker for DME products (Draft of Presidential Regulation on the Supply, Distribution, and Pricing of Dimethyl Ether as Fuel)	MEMR	The Final Draft of the Presidential Regulation on the Supply, Distribution, and Pricing of DME as Fuel has been submitted from the Ministry of Energy and Mineral Resources Legal Bureau to the Ministry of Investment / BKPM to be further coordinated to accelerate its completion with the relevant Ministries/ Agencies

Source: Directorate General of Mineral and Coal (2022)



Mining Services Investment

Currently, most mining activity is conducted by mining services business. Thus, it is important for mining services business to run the activity based on the provisions. Furthermore, mining services industry also gives a multiple impact to the community economy around mining area. Mining services business sector gives the biggest contribution to the state revenue through tax. The State revenue from mining services industry in 2021 reached Rp 107.6 trillion.

Table 9.7. Statistics of Mining Services Business

Description	2017	2018	2019	2020	2021
Number of IUJP Holder	686	729	691	708	1316
Realization of Contract Value (IDR)	120,936,290,218,827	118,903,065,776,227	39,698,064,533,685	139,719,040,041,161	335,559,806,393,855
Investment Realization (IDR)	35,101,855,364,493	68,579,935,065,872	56,072,456,443,603	114,300,346,549,507	33,029,962,080,048
Regional Revenue (IDR)	1,359,586,588,215	641,018,492,627	1,726,349,704,230	137,929,182,272	598,435,031,266
State Revenue (IDR)	2,992,242,390,087	6,525,184,961,585	6,614,799,874,608	103,090,474,621,725	107,639,976,865,489
Local Expenditure (IDR)	21,452,970,018,734	37,553,282,807,104	24,921,489,484,724	4,305,432,107,229	44,849,541,604,070
National Expenditure (IDR)	20,132,756,519,475	141,764,257,906,864	133,458,732,003,254	63,697,155,361,959	88,553,389,900,960
Import Expenditure (IDR)	2,910,056,341,657	2,723,753,074,664	1,691,302,894,110	1,953,783,224,440	4,920,538,468,483
CD distribution fund (IDR)	51,273,275,737	6,720,241,580	2,652,268,348	-	-
Local worker (People)	137,148	145,911	57,071	171,518	171,243
National worker (People)	56,915	41,767	32,869	91,240	74,228
Foreign worker (People)	2,610	2,826	137	485	254
Total Worker	196,673	190,504	90,077	263,243	245,725

Source: Directorate General of Mineral and Coal (2022)

Based on Minister of Energy and Mineral Resources Decision No 1827 of 2018 on Implementation Guideline of Good Mining Practices that source: Directorate General of Mineral and Coal (2021).

The mining services business consists of two types, namely:

1. Core Mining Services Business, is a business with the activity that relates to stages and/or parts of mining business activity.
2. Non Core Mining Services Business, is a services business other than core mining services which serves the activity to support mining business activity.



CHAPTER 10

CLOSING





The economic condition after the Covid-19 pandemic is entering a period of recovery. National economic indicators in 2021 show that economic conditions are starting to grow and are under control. The same thing also happened to almost all aspects of mineral and coal mining indicators. Production, sales, investment, and selling prices show a positive trend.

Indonesia places the mineral and coal mining sub-sector as one of the drivers of national economic transformation. So far, the mineral and coal mining sub-sector has also contributed significantly to the state budget in the form of Non-tax State Revenue. This contribution from year to year continues to increase and exceed the targeted amount.

The Government of Indonesia is encouraging the mineral and coal mining investment growth as coal resources and reserves are still promising, the price is relatively stable price, and there is deregulation policy in mineral and coal mining subsector. On the top of that, a series of facility and incentive are available to promote investment growth in Indonesia.



This strategy to increase investment in mineral and coal mining is also aligned with the spirit of maintaining sustainability. Therefore, the Government of Indonesia continues to encourage all mineral and coal mining business entities to adopt the ESG assessment as part of the mineral and coal mining industry's concern for sustainable development.

Until 2021, Indonesia's investment performance is increasing progressively and has been one of the government's priority policies to improve the performance. Based on Japan Bank for International Cooperation, Indonesia is among five biggest promising countries for medium-term business. From 173 countries, World Economic Forum puts Indonesia in the 36th place of most competitive country globally. Moreover, Indonesia's economic stability is maintained. Its politic stability is controlled. The labor readiness and infrastructure development increase show that Indonesia is one of investment-viable countries.

Through this book, the Government of Indonesia is inviting investors and related parties to grow new investment in mineral and coal mining subsector. The investment opportunity can be utilized by performing the prevailing obligations in Indonesia and regulated administrative aspect.



ATTACHMENT



Attachment 1 – List of Domestic Mining Equipment Producer (Local Content)

<https://bit.ly/DaftarProdusenLocalContentIMG2022>

Attachment 2 – List of Domestic Mining Equipment Distributor

<https://bit.ly/DaftarDistributorPeralatanPertambanganDalamNegeriIMG2022>

Attachment 3 – List of IUJP and IUP Transportation Sales

<https://bit.ly/DaftarIUJPDanIUPAngkutJuallIMG2022>

Attachment 4 - Template of Letters in License Issuance

<https://bit.ly/TemplateSuratIMG2022>

Attachment 5 – Mineral and Coal Standardization

<https://bit.ly/StandardisasiPertambanganMinerbaIMG2022>

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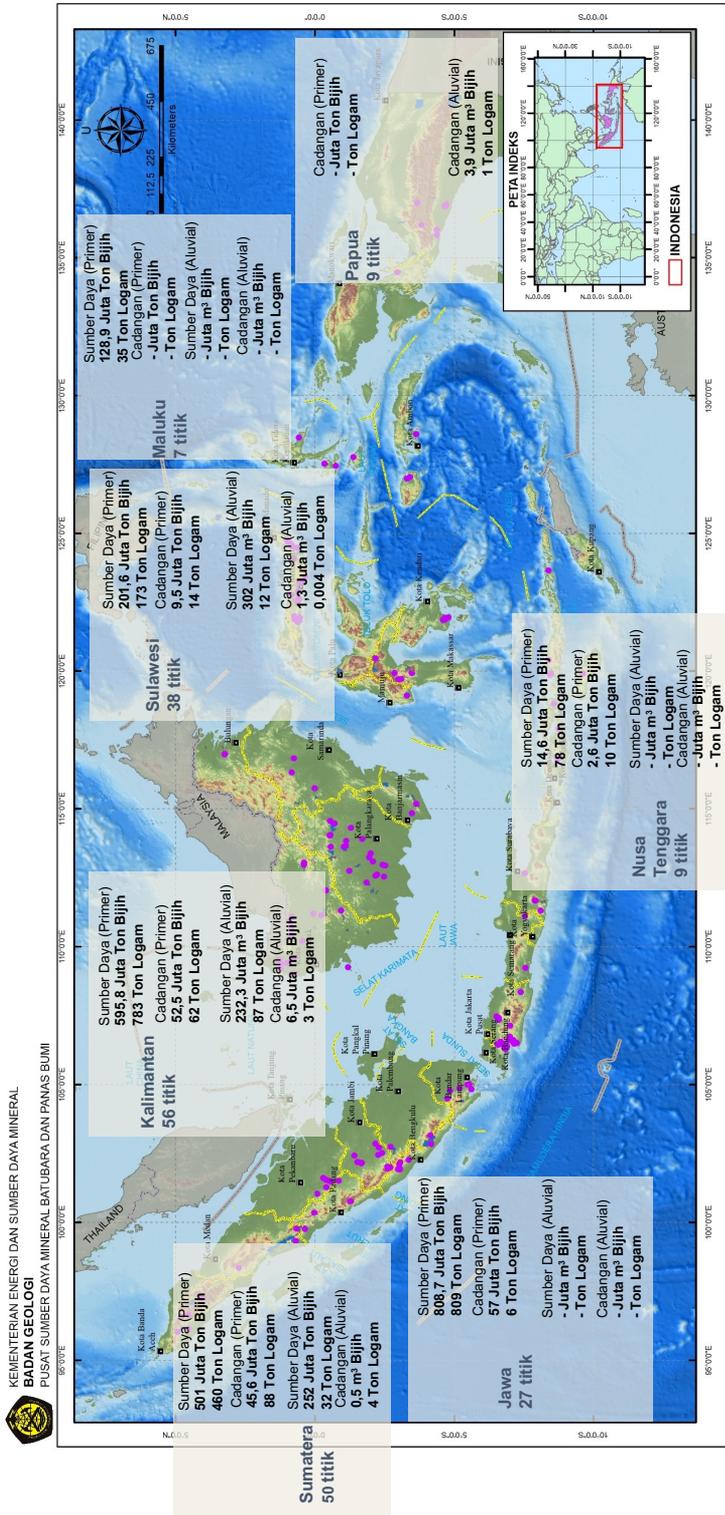
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GREEN FIELD POTENTIAL OF METALS

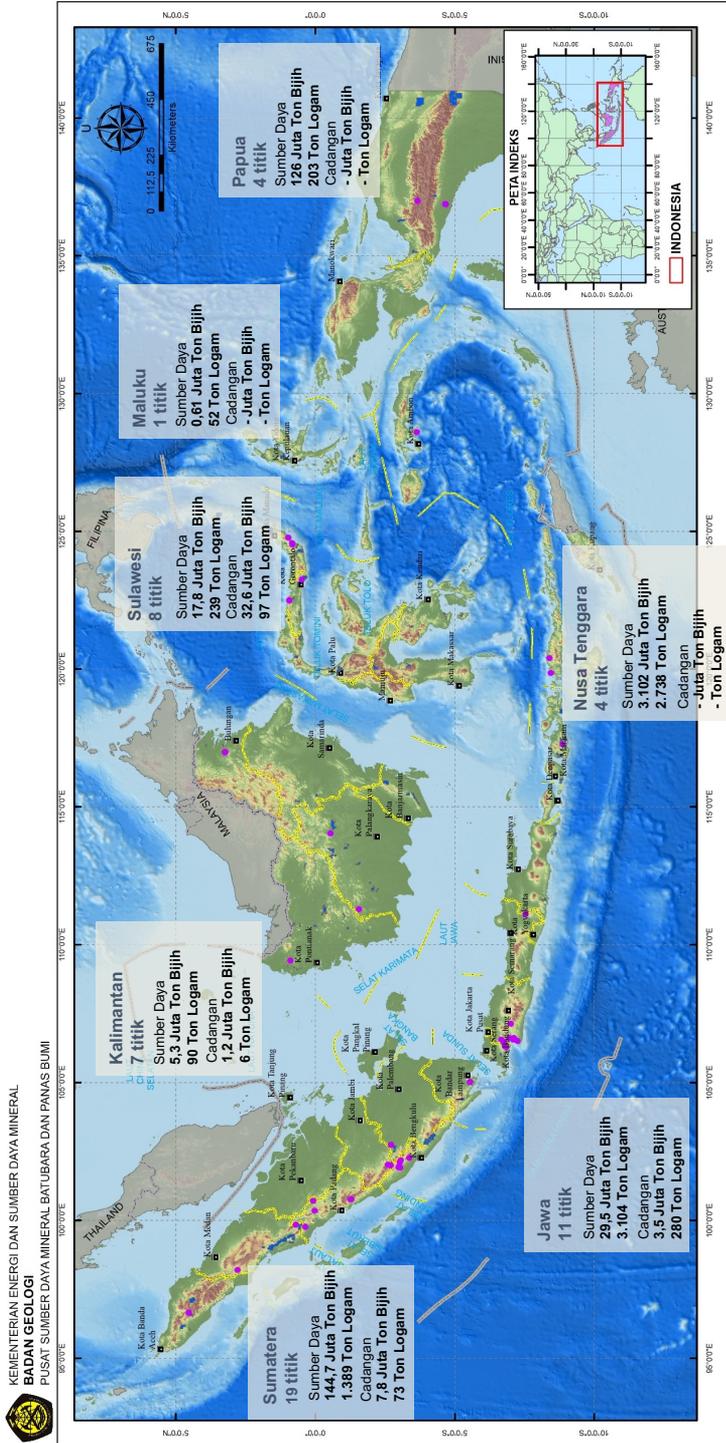
OUTSIDE WIUP/KK

GREEN FIELD OF GOLD POTENTIAL



OUTSIDE WIUP/KK

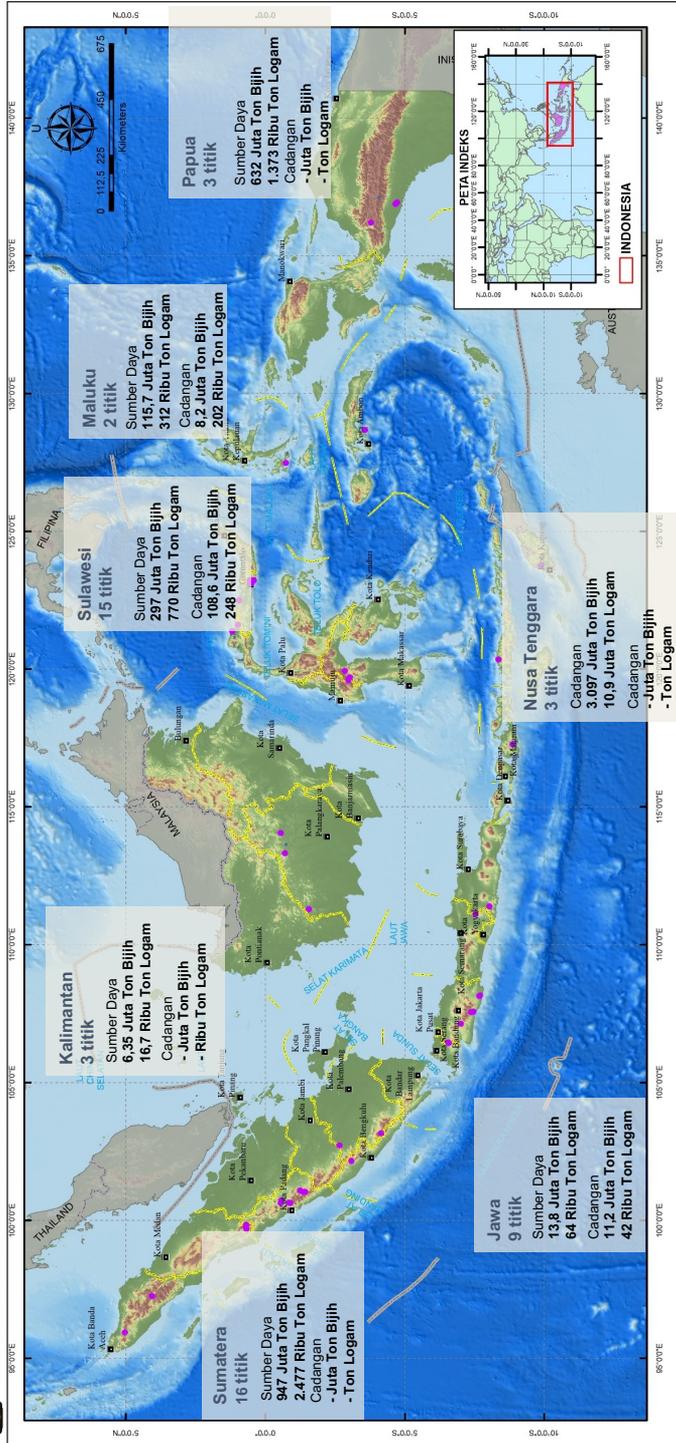
GREEN FIELD OF SILVER POTENTIAL



OUTSIDE WIUP/KK

GREEN FIELD OF COPPER POTENTIAL

KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL
BADAN GEOLOGI
 PUSAT SUMBER DAYA MINERAL BATUBARA DAN PANAS BUMI



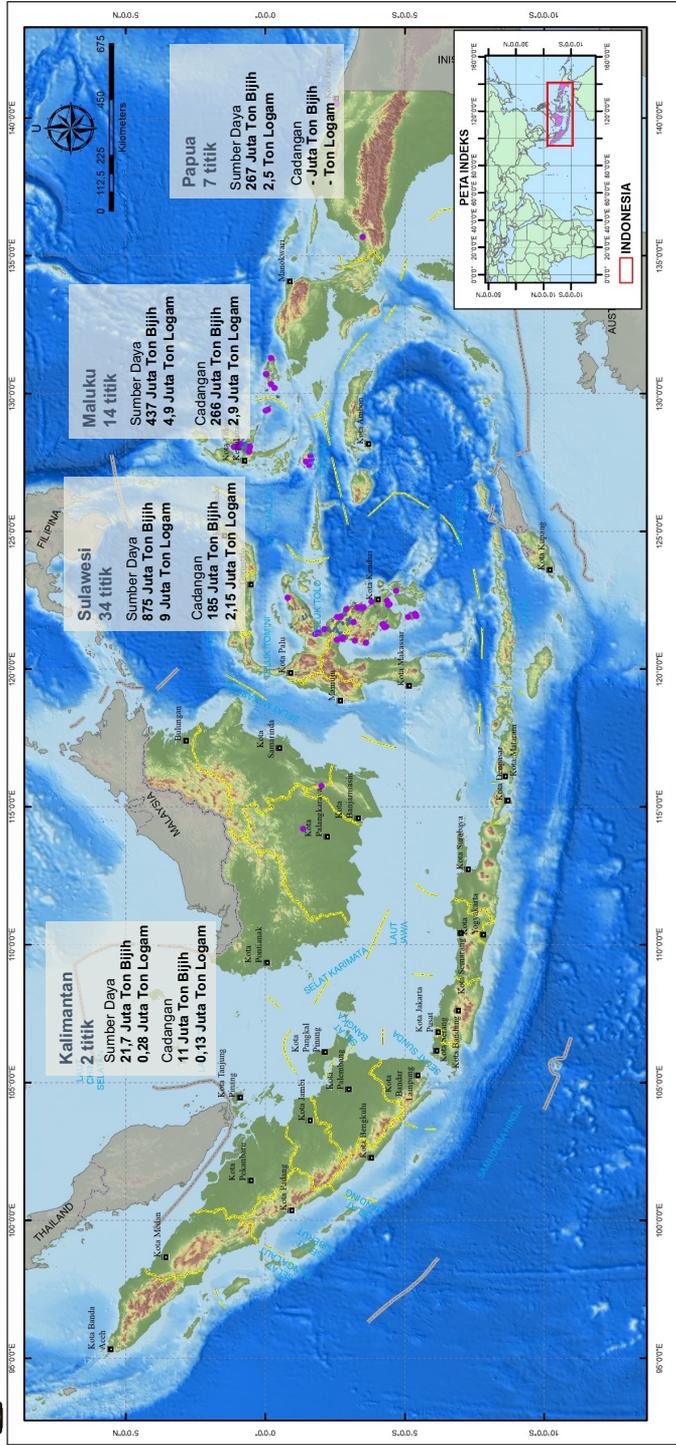
KETERANGAN :
 Lokasi Sumber Daya Tembaga (Potensi Greenfield) * Jumlah Data tanpa IUP 51 titik



OUTSIDE WIUP/KK

GREEN FIELD OF NICKLE POTENTIAL

KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL
BADAN GEOLOGI
PUSAT SUMBER DAYA MINERAL BATUBARA DAN PANAS BUMI



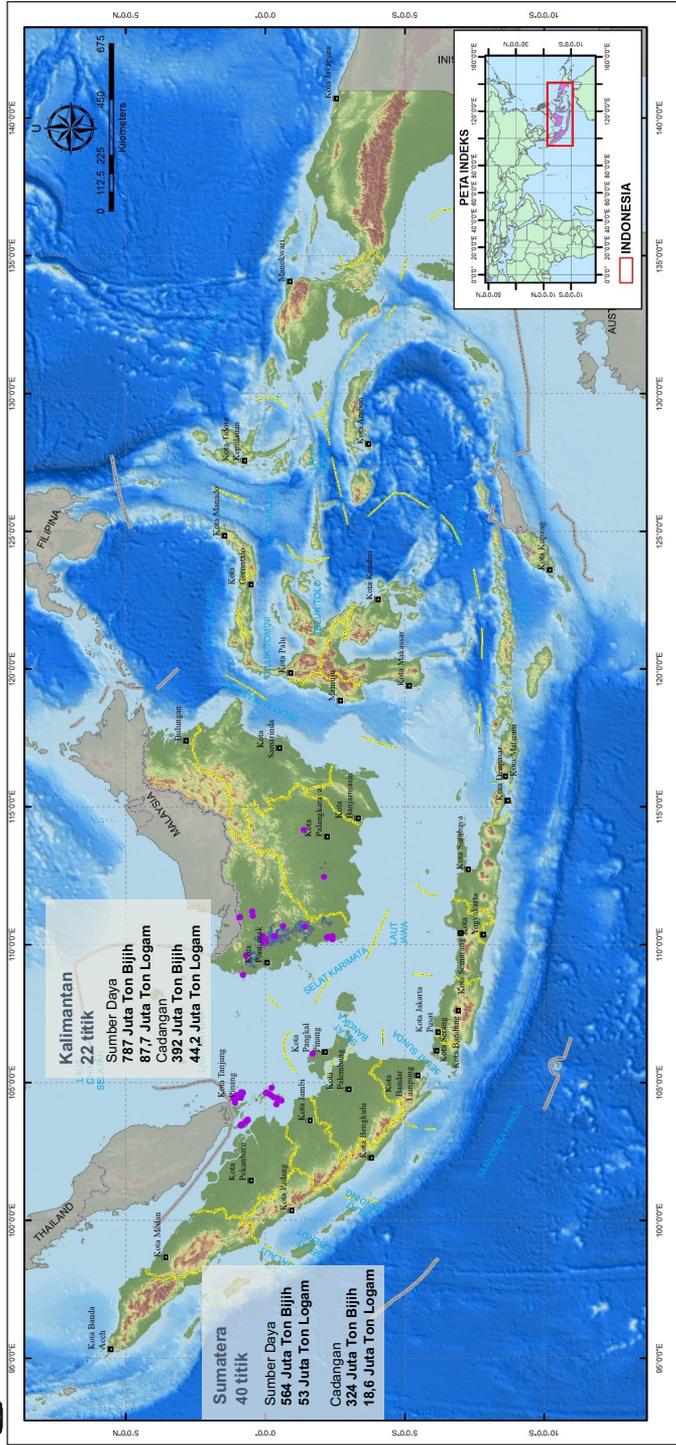
KETERANGAN :
 • Lokasi Sumber Daya Nikel (Potensi Greenfield)
 * Jumlah Data tanpa IUP 57 titik

WIUP/KK Nikel

OUTSIDE WIUP/KK

GREEN FIELD OF BAUXITE POTENTIAL

KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL
 BADAN GEOLOGI
 PUSAT SUMBER DAYA MINERAL BATUBARA DAN PANAS BUMI



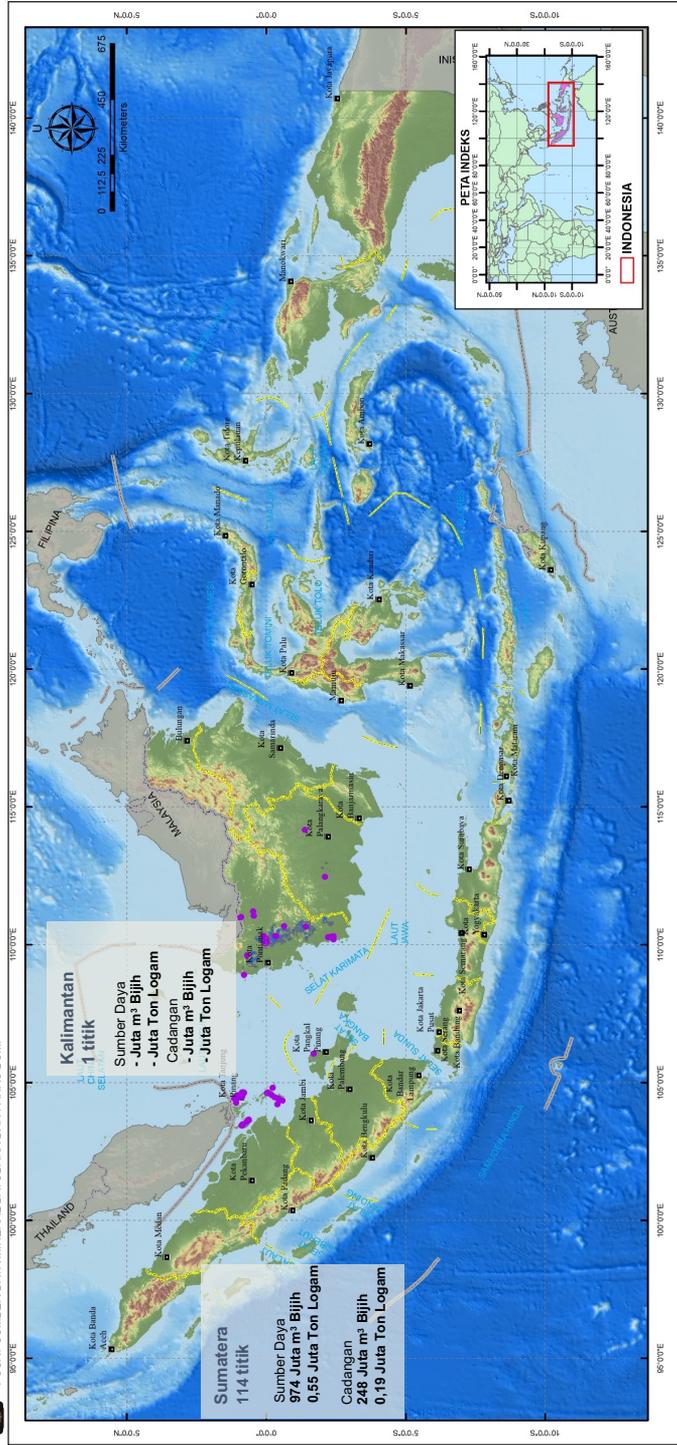
KETERANGAN :
 * Lokasi Sumber Daya Bauksit (Potensi Greenfield)
 * Jumlah Data tanpa IUP 62 titik

WIUP Bauksit

OUTSIDE WIUP/KK

GREEN FIELD OF LEAD POTENTIAL

 KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL
BADAN GEOLOGI
PUSAT SUMBER DAYA MINERAL BATUBARA DAN PANA'S BUMI



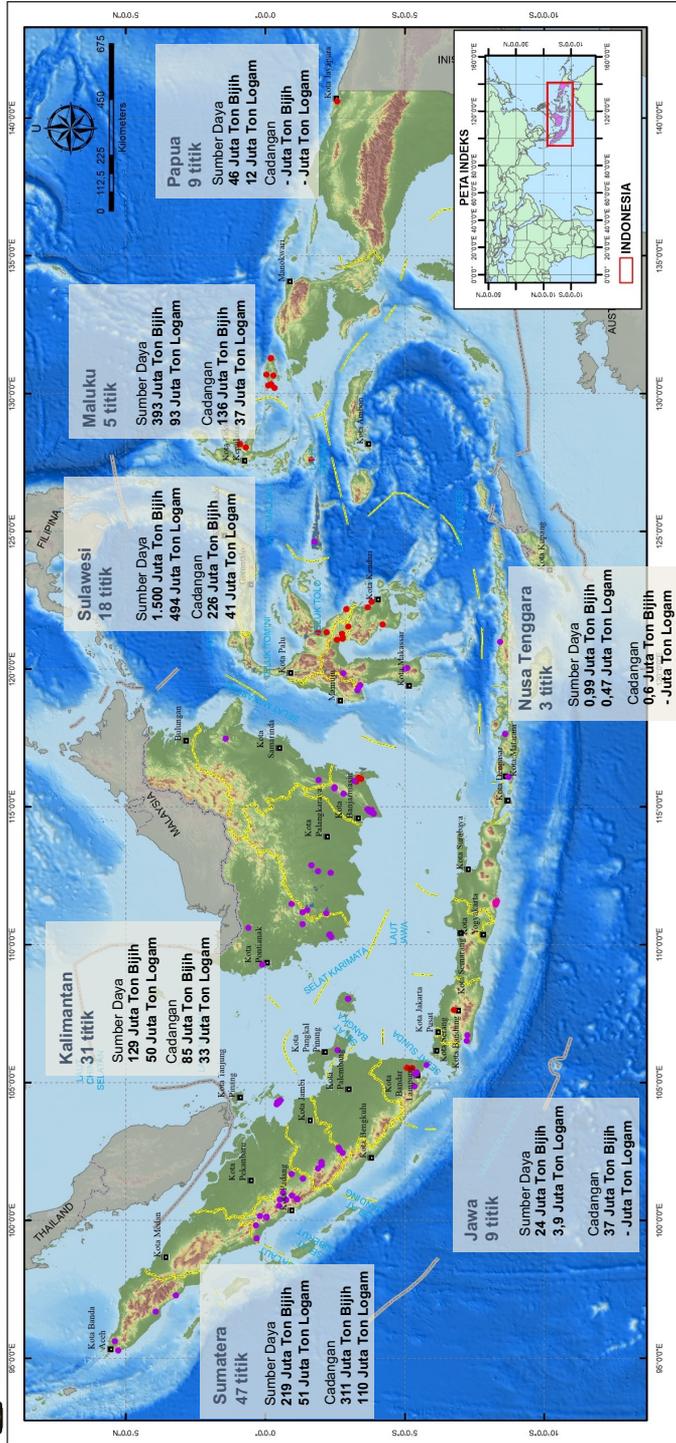
KETERANGAN :
 Lokasi Sumber Daya Bauksit (Potensi Greenfield) * Jumlah Data tanpa IUP: 115 titik

 WIUP Bauksit

OUTSIDE WIUP/KK

GREEN FIELD OF IRON POTENTIAL

KEMENTERIAN ENERGI DAN SUMBER DAYA MINERAL
 BADAN GEOLOGI
 PUSAT SUMBER DAYA MINERAL BATUBARA DAN PANAS BUMI



KETERANGAN :
 ● Lokasi Sumber Daya Besi Latent (Potensi Greenfield)
 ● Lokasi Sumber Daya Besi Sedimen (Potensi Greenfield)
 ● Lokasi Sumber Daya Besi Primer (Potensi Greenfield)
 + WIUP Besi
 * Jumlah Data tanpa IUP 122 titik

Mineral and Coal Mining Licensing

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
1	IUP/IUPK Eksplorasi	IUP/IUPK Eksplorasi adalah izin usaha yang diberikan untuk melakukan tahap kegiatan Penyelidikan umum, eksplorasi, dan studi kelayakan di wilayah izin usaha pertambangan / wilayah izin usaha pertambangan khusus.	<p>a. Menteri, apabila:</p> <ul style="list-style-type: none"> WIUP yang berada dalam lintas wilayah provinsi dan/atau wilayah laut lebih dari 12 (dua belas) mil dari garis pantai IUP dalam rangka PMA <p>b. Gubernur, apabila</p> <ul style="list-style-type: none"> WIUP yang berada dalam lintas wilayah kabupaten/kota dalam 1 (satu) provinsi dan/atau wilayah laut 4 (empat) mil sampai dengan 12 (dua belas) mil dari garis pantai; dan/atau WIUP yang berada dalam 1 (satu) wilayah kabupaten/kota dan/atau wilayah laut sampai dengan 4 (empat) mil dari garis pantai. 	<p>ADMINISTRATIF</p> <p>a. Surat permohonan yang ditandatangani di atas materai; dan</p> <p>b. Data kontak resmi pemohon, sebagai berikut:</p> <p>c. nomor telepon;</p> <p>d. nomor telepon seluler (<i>handphone</i>); dan</p> <p>e. alamat surat elektronik (<i>e-mail</i>).</p> <p>f. Salinan seluruh kelengkapan dokumen dalam bentuk data digital.</p> <p>TEKNIS</p> <p>Peta WIUP yang dilengkapi dengan batas koordinat geografis lintang dan bujur sesuai Sistem Informasi Geografis (SIG) nasional.</p> <p>LINGKUNGAN</p> <p>Surat pernyataan dari pimpinan perusahaan yang ditandatangani diatas materai untuk mematuhi ketentuan peraturan perundang-undangan di bidang perlindungan dan pengelolaan lingkungan hidup.</p> <p>FINANSIAL</p> <p>a. Bukti penempatan jaminan kesungguhan eksplorasi; dan</p> <p>b. Bukti pelunasan nilai kompensasi data informasi WIUP.</p>	Sebagian kelengkapan persyaratan sudah ada dalam proses lelang/pemberian WIUP
2	IUP/IUPK Operasi Produksi			<p>ADMINISTRATIF</p> <p>a. Surat permohonan yang ditandatangani di atas materai; dan</p> <p>b. daftar susunan direksi dan komisaris atau pengurus yang dilengkapi dengan identitas dan NPWP;</p> <p>c. Bagan Beneficial Ownership</p> <p>d. Data kontak resmi pemohon, sebagai berikut:</p> <ul style="list-style-type: none"> nomor telepon; nomor telepon seluler (<i>handphone</i>); dan alamat surat elektronik (<i>e-mail</i>). <p>e. Salinan IUP/K Eksplorasi</p> <p>f. Salinan seluruh kelengkapan dokumen dalam bentuk data digital.</p> <p>TEKNIS</p> <p>a. Peta WIUP sesuai Sistem Informasi Geografis (SIG) nasional.</p> <p>b. laporan akhir eksplorasi;</p> <p>c. laporan Studi Kelayakan yang telah disetujui</p> <p>LINGKUNGAN</p> <p>a. Surat pernyataan di bidang perlindungan dan pengelolaan lingkungan hidup.</p> <p>b. dokumen lingkungan hidup dan persetujuannya</p> <p>c. Izin lingkungan kegiatan penambangan</p> <p>d. Dokumen rencana reklamasi dan rencana pascatambang.</p> <p>FINANSIAL</p> <p>a. Laporan keuangan tahun terakhir</p> <p>b. Bukti SPT 2 tahun terakhir; dan</p> <p>c. Bukti pelunasan iuran tetap.</p>	Permohonan diajukan paling lambat 6 bulan sebelum berakhirnya IUP/IUPK Eksplorasi

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
3	Perpanjangan IUP/IUPK Operasi Produksi			<p>ADMINISTRATIF</p> <ol style="list-style-type: none"> Surat permohonan yang ditandatangani di atas materai; dan Salinan IUP/K Operasi Produksi Data kontak resmi pemohon, sebagai berikut: <ol style="list-style-type: none"> nomor telepon; nomor telepon seluler (<i>handphone</i>); dan alamat surat elektronik (<i>e-mail</i>). Salinan IUP/K Eksplorasi Salinan seluruh kelengkapan dokumen dalam bentuk data digital. <p>TEKNIS</p> <ol style="list-style-type: none"> Peta WIUP sesuai Sistem Informasi Geografis (SIG) nasional. laporan akhir kegiatan operasi produksi; Neraca sumber daya dan cadangan <p>LINGKUNGAN</p> <ol style="list-style-type: none"> Laporan akhir pelaksanaan pengelolaan lingkungan termasuk reklamasi. bukti penempatan jaminan reklamasi dan pasca tambang Surat pernyataan lingkungan hidup dokumen lingkungan hidup dan persetujuannya Izin lingkungan kegiatan penambangan <p>FINANSIAL</p> <ol style="list-style-type: none"> Laporan keuangan tahun terakhir Bukti SPT 2 tahun terakhir; dan Bukti pelunasan iuran tetap dan iuran produksi. 	Permohonan diajukan paling cepat 5 tahun dan paling lambat 1 tahun sebelum berakhirnya IUP/IUPK Operasi Produk
4	IUP Operasi Produksi khusus pengangkutan dan penjualan dan perpanjangannya	IUP Operasi Produksi khusus untuk pengangkutan dan penjualan adalah izin usaha yang diberikan kepada perusahaan untuk membeli, mengangkut, dan menjual komoditas tambang mineral atau batubara.	<ol style="list-style-type: none"> Menteri, apabila kegiatan pengangkutan dan penjualan dilakukan pada lintas provinsi/negara dan/atau IUP PMA; atau Gubernur, apabila kegiatan pengangkutan dan penjualan dilakukan pada lintas kabupaten/kota dalam 1 (satu) provinsi. 	<ol style="list-style-type: none"> Surat permohonan yang ditandatangani pengurus/direksi yang berwenang Form isian sesuai format yang ditentukan Salinan akte pendirian badan usaha/ koperasi/perusahaan perseorangan dan perubahannya NPWP perusahaan SIUP (atau Izin BKPM bagi PMA) dan TDP yang relevan Surat Keterangan Domisili Susunan direksi dan komisaris bagi badan usaha dengan melampirkan Identitas dan NPWP Bagan pemegang saham sampai <i>Beneficial Ownership</i> Pemohon belum pernah diberikan sanksi pencabutan izin di bidang pertambangan Salinan Nota Kesepahaman/perjanjian kerjasama pengangkutan dan penjualan dengan IUP/PKP2B sumber batubara Salinan IPR dan/atau IUP Operasi Produksi khusus untuk pengangkutan dan penjualan lainnya yang menjadi sumber batubara yang dimohonkan Data kontak resmi pemohon, sebagai berikut: <ol style="list-style-type: none"> nomor telepon; nomor telepon seluler (<i>handphone</i>); dan alamat surat elektronik (<i>e-mail</i>). Tanda Terima penyampaian laporan triwulanan kegiatan selama 2 (dua) tahun terakhir. (**) Bukti setor dan bukti penyampaian SPT (tahunan) Pajak Penghasilan selama 2 (dua) tahun terakhir. (**) Salinan seluruh kelengkapan dokumen dalam bentuk data digital. 	<p>IUP Operasi Produksi khusus untuk pengangkutan dan penjualan diberikan untuk jangka waktu 5 (lima) tahun dan dapat diperpanjang untuk jangka waktu 5 (lima) tahun setiap kali perpanjangan.</p> <p><i>*Perusahaan pemohon sebelumnya tidak pernah mendapatkan sanksi pencabutan izin di bidang pertambangan</i></p> <p><i>** tambahan persyaratan untuk permohonan perpanjangan</i></p>

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
5	IUP Operasi Produksi khusus pengolahan dan/ atau pemurnian mineral/ batubara dan perpanjangannya	IUP Operasi Produksi khusus untuk Pengolahan dan Pemurnian adalah izin usaha yang diberikan untuk membeli, mengangkut, mengolah, dan memurnikan termasuk menjual komoditas tambang mineral atau batubara hasil olahannya.	<p>a. Menteri, apabila:</p> <ul style="list-style-type: none"> • komoditas tambang yang akan diolah berasal dari daerah provinsi lain di luar lokasi fasilitas pengolahan dan/atau pemurnian; • komoditas tambang yang akan diolah berasal dari luar negeri; • apabila lokasi fasilitas pengolahan dan pemurnian berada pada lintas daerah provinsi; dan/atau • IUP dalam rangka PMA <p>b. Gubernur, apabila</p> <ul style="list-style-type: none"> • komoditas tambang yang akan diolah berasal dari 1 (satu) daerah provinsi yang sama dengan lokasi fasilitas pengolahan dan/atau pemurnian; dan/atau • apabila lokasi fasilitas pengolahan dan/atau pemurnian berada dalam 1 (satu) daerah provinsi 	<p>ADMINISTRATIF</p> <ol style="list-style-type: none"> Surat permohonan yang ditandatangani di atas materai oleh pengurus yang berwenang Salinan akte pendirian badan usaha/ koperasi/perusahaan perseorangan dan perubahannya NPWP perusahaan SIUP (atau Izin BKPM bagi PMA) dan TDP Surat Keterangan Domisili Susunan direksi dan komisaris bagi badan usaha dengan melampirkan Identitas dan NPWP Bagan pemegang saham sampai Beneficial Ownership Data kontak resmi pemohon, sebagai berikut: <ul style="list-style-type: none"> • nomor telepon; • nomor telepon seluler (<i>handphone</i>); dan • alamat surat elektronik (<i>e-mail</i>). Salinan seluruh kelengkapan dokumen dalam bentuk data digital. <p>TEKNIS</p> <ol style="list-style-type: none"> Rencana pembangunan fasilitas pengolahan disertai time schedule. Salinan Nota Kesepahaman/perjanjian kerjasama pengangkutan dan penjualan dengan IUP/PKP2B sumber batubara Salinan penyampaian laporan kegiatan triwulanan dan tahunan selama 2 tahun terakhir (*). <p>LINGKUNGAN</p> <ol style="list-style-type: none"> Surat pernyataan di bidang perlindungan dan pengelolaan lingkungan hidup. dokumen lingkungan hidup dan persetujuannya Izin lingkungan kegiatan pengolahan batubara <p>FINANSIAL</p> <ol style="list-style-type: none"> Rencana Pembiayaan dan Investasi Referensi bank swasta dan/atau swasta nasional 	<p>IUP Operasi Produksi khusus untuk pengolahan dan/ atau pemurnian sebagaimana dimaksud pada ayat (1) diberikan untuk jangka waktu paling lama 30 (tiga puluh) tahun dan dapat diperpanjang untuk jangka waktu 20 (dua puluh) tahun setiap kali perpanjangan</p> <p><i>* merupakan persyaratan tambahan untuk perpanjangan</i></p>

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
6	Izin Usaha Jasa Pertambangan	<p>Izin Usaha Jasa Pertambangan (IUJP) adalah izin yang diberikan untuk melakukan kegiatan usaha jasa pertambangan inti yang berkaitan dengan tahapan dan/atau bagian kegiatan usaha pertambangan.</p> <p>IUJP meliputi kegiatan:</p> <ul style="list-style-type: none"> konsultasi, perencanaan, dan pelaksanaan di bidang penyelidikan umum; eksplorasi; studi kelayakan; konstruksi pertambangan; pengangkutan; lingkungan pertambangan; pascatambang dan reklamasi; dan/atau keselamatan dan kesehatan kerja; konsultasi dan perencanaan di bidang penambangan; atau pengolahan dan pemurnian. <p>Pemegang IUP Operasi Produksi atau IUPK Operasi Produksi dapat menyerahkan kegiatan penambangan kepada pemegang IUJP terbatas pada kegiatan pengupasan lapisan (<i>stripping</i>) batuan/ tanah penutup.</p>		<p>ADMINISTRATIF</p> <ol style="list-style-type: none"> Surat permohonan yang sudah ditandatangani direksi, bermaterai, dan distempel basah (cap perusahaan asli); Akta pendirian perusahaan dan perubahannya yang telah mendapatkan pengesahan dari instansi yang berwenang; NPWP Perusahaan; daftar susunan direksi dan komisaris atau pengurus yang dilengkapi dengan identitas dan NPWP; Daftar pemegang saham sampai dengan perseorangan penerima manfaat akhir (<i>Beneficial Ownership</i>) sebagaimana format terlampir; Surat pernyataan tertulis di atas materai dan distempel basah (cap perusahaan asli) yang menyatakan bahwa seluruh keterangan yang dilampirkan pada surat permohonan adalah benar; Surat keterangan domisili; Data kontak resmi pemohon, sebagai berikut: <ul style="list-style-type: none"> nomor telepon; nomor telepon seluler (<i>handphone</i>); dan alamat surat elektronik (<i>e-mail</i>). Salinan seluruh kelengkapan dokumen dalam bentuk data digital. <p>TEKNIS</p> <ol style="list-style-type: none"> Daftar Tenaga Ahli, dibuat dalam bentuk tabel yang meliputi <ol style="list-style-type: none"> nama tenaga ahli; latar belakang tenaga ahli; keahlian/sertifikat/pengalaman tenaga ahli; KTP/Izin Mempekerjakan Tenaga Kerja Asing (dokumen dilampirkan); ijazah (dokumen dilampirkan); curriculum vitae (dokumen dilampirkan); dan surat pernyataan tenaga ahli. Daftar peralatan, dibuat dalam bentuk tabel yang meliputi: <ol style="list-style-type: none"> jenis; jumlah; kondisi; status kepemilikan; dan lokasi keberadaan alat. <p>(apabila belum mempunyai peralatan baik milik sendiri maupun sewa, harus melampirkan surat perjanjian kerjasama (MOU) dengan perusahaan yang memiliki peralatan).</p> 	

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
7	Program Kemitraan	<p>Ketentuan Umum (pasal 55 Permen ESDM No. 11/2018)</p> <ol style="list-style-type: none"> 1. Dalam rangka peningkatan kesejahteraan masyarakat sekitar tambang, pemegang IUP Operasi Produksi atau IUPK Operasi Produksi dapat menyerahkan kegiatan penggalian endapan Mineral aluvial kepada masyarakat melalui program kemitraan setelah mendapatkan persetujuan Direktur Jenderal atas nama Menteri 2. Masyarakat sekitar tambang yang mau melakukan kemitraan wajib memiliki IUJP yang diterbitkan oleh gubernur. 3. Dilakukan berdasarkan perjanjian kerja sama antara pemegang IUP Operasi Produksi atau IUPK Operasi Produksi dengan pemegang IUJP. 4. Program kemitraan berdasarkan perjanjian kerja sama dilakukan dengan ketentuan: <ol style="list-style-type: none"> a. dilakukan pada wilayah yang telah ditentukan oleh pemegang IUP Operasi Produksi atau IUPK Operasi Produksi; b. dilakukan oleh koperasi atau perseorangan c. tidak menggunakan tenaga kerja asing; dan d. tidak didasarkan pada transaksi jual beli Mineral aluvial hasil penggalian. 		<p>ADMINISTRATIF</p> <ol style="list-style-type: none"> a. Surat Permohonan bermaterai dan distempel basah yang ditandatangani oleh pimpinan/ pengurus pemegang IUP Operasi Produksi atau IUPK Operasi Produksi; b. NPWP Perusahaan dan NPWP pimpinan/ pengurus pemegang IUJP (sesuai dalam akta); c. Surat pernyataan tertulis di atas materai dan distempel basah (cap perusahaan asli) yang menyatakan bahwa seluruh keterangan yang dilampirkan pada surat permohonan adalah benar; dan d. Salinan seluruh kelengkapan dokumen dalam bentuk data digital. <p>TEKNIS</p> <ol style="list-style-type: none"> a. Dokumen perjanjian kerja sama antara pemegang IUP Operasi Produksi atau IUPK Operasi Produksi dengan pemegang IUJP; b. Daftar tenaga kerja pemegang IUJP yang dilengkapi dengan KTP atau Surat Keterangan Domisili; c. Daftar peralatan utama pemegang IUJP; dan d. Daftar tenaga teknik yang kompeten pemegang IUJP. <p>LINGKUNGAN</p> <p>Surat pernyataan bermaterai untuk mematuhi ketentuan peraturan perundang-undangan di bidang perlindungan dan pengelolaan lingkungan hidup.</p>	

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
8	IUP Operasi Produksi untuk penjualan mineral atau batubara	<p>Ketentuan Umum (pasal 57 Permen ESDM No. 11/2018)</p> <ol style="list-style-type: none"> Badan Usaha yang tidak bergerak pada usaha pertambangan yang bermaksud menjual Mineral atau Batubara yang tergali wajib terlebih dahulu memiliki IUP Operasi Produksi untuk penjualan. Badan Usaha yang tidak bergerak pada usaha pertambangan merupakan Badan Usaha yang antara lain melaksanakan kegiatan: <ol style="list-style-type: none"> pembangunan konstruksi sarana dan prasarana lalu lintas jalan; pembangunan konstruksi pelabuhan; pembangunan terowongan; pembangunan konstruksi bangunan sipil; dan/atau pengerukan alur lalu lintas sungai, danau, dan/atau laut. Badan Usaha yang memanfaatkan Mineral atau Batubara yang tergali untuk kepentingan sendiri sepanjang tidak untuk mendapatkan keuntungan secara komersial, tidak wajib memiliki IUP Operasi Produksi untuk penjualan. Untuk mendapatkan IUP Operasi Produksi untuk penjualan, Badan Usaha yang tidak bergerak di bidang usaha pertambangan Mineral dan Batubara wajib mengajukan permohonan kepada Menteri atau gubernur sesuai dengan kewenangannya. 		<ol style="list-style-type: none"> Surat permohonan yang ditandatangani oleh direksi Badan Usaha. Form isian data perusahaan yang ditandatangani di atas materai oleh direksi Badan Usaha sesuai format terlampir dengan melampirkan data berupa: <ol style="list-style-type: none"> salinan akta pendirian Badan Usaha dan perubahannya yang telah disahkan oleh pejabat yang berwenang; Nomor Pokok Wajib Pajak (NPWP); salinan Surat Izin Usaha Perdagangan (SIUP) atau Izin Penanaman Modal oleh Badan Koordinasi Penanaman Modal (BKPM) untuk Badan Usaha dalam rangka PMA; Tanda Daftar Perusahaan (TDP); dan Surat keterangan domisili. Salinan izin usaha yang telah ditandaskan oleh pejabat berwenang; Jumlah tonase mineral dan/atau batubara yang tergali akibat kegiatan yang dilakukan; kualitas mineral atau batubara yang tergali disertai dengan sertifikat contoh dan analisa mineral atau batubara dari laboratorium yang telah diakreditasi; perjanjian jual-beli dengan pembeli apabila mineral logam, mineral bukan logam, batuan, dan/atau batubara yang tergali akan dijual atau rencana pemanfaatan mineral bukan logam atau batuan tergali untuk mendapatkan keuntungan secara komersial (*). Data kontak resmi pemohon, sebagai berikut: <ol style="list-style-type: none"> nomor telepon; nomor telepon seluler (<i>handphone</i>); dan alamat surat elektronik (<i>e-mail</i>). Salinan seluruh kelengkapan dokumen dalam bentuk data digital. 	*) Yang dimaksud dengan keuntungan secara komersial adalah pemanfaatan mineral bukan logam atau batuan yang tergali secara langsung untuk menghasilkan suatu produk yang dapat dijual, tidak termasuk mineral bukan logam atau batuan yang digunakan untuk pembangunan sarana prasarana umum termasuk kepentingan pembangunan kawasan industri.

No	Jenis Perizinan	Ketentuan Umum / Deskripsi	Pemberi Izin	Persyaratan	Keterangan
9	Perpanjangan PKP2B menjadi IUPK operasi produksi batubara			<p>ADMINISTRATIF</p> <ol style="list-style-type: none"> Surat permohonan yang ditandatangani di atas materai; dan Bagan pemegang saham sampai Beneficial Ownership Surat Keterangan Domisili Data kontak resmi pemohon, sebagai berikut: <ul style="list-style-type: none"> • nomor telepon; • nomor telepon seluler (<i>handphone</i>); dan • alamat surat elektronik (<i>e-mail</i>). Salinan IUP/K Eksplorasi Salinan seluruh kelengkapan dokumen dalam bentuk data digital. <p>TEKNIS</p> <ol style="list-style-type: none"> Peta WIUP sesuai Sistem Informasi Geografis (SIG) nasional. laporan akhir kegiatan operasi produksi; RKAB jangka panjang pelaksanaan IUPK Neraca sumber daya dan cadangan Daftar riwayat hidup tenaga ahli <p>LINGKUNGAN</p> <ol style="list-style-type: none"> Surat pernyataan lingkungan hidup dokumen lingkungan hidup dan persetujuannya Izin lingkungan kegiatan penambangan Laporan akhir pelaksanaan pengelolaan lingkungan termasuk reklamasi. bukti penempatan jaminan reklamasi dan pasca tambang <p>FINANSIAL</p> <ol style="list-style-type: none"> Laporan keuangan tahun terakhir Bukti SPT 2 tahun terakhir; dan Bukti pelunasan iuran tetap dan iuran produksi. 	
10.	Permohonan IUPK Operasi Produksi Perubahan Kontrak Karya.			<ol style="list-style-type: none"> Surat permohonan yang ditandatangani di atas materai oleh direksi Badan Usaha; Daftar susunan direksi dan komisaris yang dilengkapi dengan identitas dan NPWP; Daftar pemegang saham sampai dengan perseorangan penerima manfaat akhir (<i>Beneficial Ownership</i>) sebagaimana format terlampir; Salinan Surat Keterangan domisili; Peta dan batas koordinat geografis lintang dan bujur sesuai Sistem Informasi Geografis (SIG) nasional; Bukti pembayaran iuran tetap dan iuran produksi 3 (tiga) tahun terakhir; Rencana kerja dan anggaran biaya jangka panjang pelaksanaan kegiatan IUPK Operasi Produksi; Data kontak resmi pemohon, sebagai berikut: <ol style="list-style-type: none"> a. nomor telepon; b. nomor telepon seluler (<i>handphone</i>); dan c. alamat surat elektronik (<i>e-mail</i>). Salinan seluruh kelengkapan dokumen dalam bentuk data digital. 	

IUJP Business Field

No	Jenis	Bidang	Subbidang			
1.	Konsultasi Perencanaan dan/ atau Pelaksanaan	1. Penyelidikan Umum	1.1 Survei tinjau (reconnaissance)			
			1.2 Remote Sensing			
			1.3 Propeksi			
			2.1 Manajemen Eksplorasi			
			2.2 Penentuan Posisi			
			2.3 Pemetaan Topografi			
			2.4 Pemetaan Geologi			
			2.5 Geokimia			
			2.6 Geofisika			
			2.7 Survei Bawah Permukaan			
			2.8 Geoteknik			
2.	Konsultasi Perencanaan dan/ atau Pelaksanaan	2. Eksplorasi	2.9 Pemboran Eksplorasi			
			2.10 Percontaan Eksplorasi			
			2.11 Perhitungan Sumber Daya dan Cadangan			
			3.	Konsultasi Perencanaan dan/ atau Pelaksanaan	3. Studi Kelayakan	3.1 Penyusunan AMDAL
						3.2 Penyusunan Studi Kelayakan
						4.1 Penerowongan (Tunneling)
						4.2 Penyemenan Tambang Bawah Tanah
						4.3 Penyanggaan Tambang Bawah Tanah
						4.4 Shaft Shinking
						4.5 Sistem Penerangan Tambang Bawah Tanah
						4.6 Alat Gali, Muat, dan Angkut Tambang Bawah Tanah
4.7 Pemboran dan Peledakan						
4.8 Fasilitas Perbengkelan						
4.9 Komisioning Tambang						
4.	Konsultasi Perencanaan dan/ atau Pelaksanaan	4. Konstruksi Pertambangan	4.10 Ventilasi Tambang			
			4.11 Fasilitas Pengolahan			
			4.12 Fasilitas Pemurnian			
			4.13 Jalan Tambang			
			4.14 Jembatan			
			4.15 Pelabuhan			
			4.16 Gudang Bahan Peledak			
			4.17 Fasilitas Penimbunan Bahan Bakar Cair			
			4.18 Sistem Penyaliran			
			4.19 Geoteknik			
			5.	Konsultasi Perencanaan dan/ atau Pelaksanaan	5. Pengangkutan	5.1 Menggunakan Truk
5.2 Menggunakan Lori						
5.3 Menggunakan Ban Berjalan (belt conveyor)						
5.4 Menggunakan Tongkang						
5.5 Menggunakan Pipa						
5.6 Menggunakan Lift						

No	Jenis	Bidang	Subbidang
6.	Konsultasi Perencanaan dan/ atau Pelaksanaan	6. Lingkungan Pertambangan	6.1 Pemantauan Lingkungan
			6.2 Survei RKL/RPL
			6.3 Pengelolaan Air Asam Tambang
			6.4 Audit Lingkungan Pertambangan
			6.5 Pengendalian Erosi
7.	Konsultasi Perencanaan dan/ atau Pelaksanaan	7. Pasca Tambang dan Reklamasi	7.1 Reklamasi
			7.2 Penutupan Tambang
			7.3 Pembongkaran Fasilitas
			7.4 Penyiapan dan Penataan Lahan
			7.5 Pembibitan
			7.6 Penanaman
			7.7 Perawatan
8.	Konsultasi Perencanaan dan/ atau Pelaksanaan	8. Keselamatan dan Kesehatan Kerja	8.1 Pemeriksaan dan Pengujian Teknik
			8.2 Audit Keselamatan dan Kesehatan Kerja Pertambangan
9.	Konsultasi Perencanaan dan/ atau Pelaksanaan	9. Penambangan	9.1 Pengupasan, Pemuatan, dan Pemindahan Tanah/Batuan penutup
			9.2 Pemberaian/Pembongkaran Tanah/Batuan Penutup
			9.3 Pengangkutan Tanah, Penutup, Batubara, Bijih Mineral
			9.4 Penggalian Mineral (mineral getting)
			9.5 Penggalian Batubara (coal getting)
			9.6 Geoteknik
10.	Konsultasi Perencanaan dan/ atau Pelaksanaan	10. Pengolahan dan Pemurnian	10.1 Pengerusan Batubara
			10.2 Pencucian Batubara
			10.3 Pencampuran Batubara
			10.4 Peningkatan Mutu Batubara
			10.5 Pembuatan Briket Batubara
			10.6 Pencairan Batubara
			10.7 Gasifikasi Batubara
			10.8 Coal Water Mixer
			10.9 Pengolahan Mineral
			10.10 Pemurnian Mineral
			10.11 Peremukan Mineral/Batuan
11.	Pelaksanaan	11. Penambangan terbatas pada kegiatan pengupasan lapisan (stripping) batuan/tanah penutup	Penggalian, Pemuatan, dan Pemindahan Lapisan (stripping) batuan/tanah penutup dengan atau tanpa didahului peledakan.
12.	Pelaksanaan	12. Penambangan mineral aluvial	Penggalian endapan mineral aluvial.

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