



INFORMATION

The Suspension of Raw Mineral Exports

According to the latest news posted on the official website of the Ministry of State Apparatus Utilization and Bureaucratic Reform (Pendayagunaan Aparatur Negara dan Reformasi Birokrasi/PAN RB), the Minister of Energy and Mineral Resources (Energi dan Sumber Daya Mineral/ESDM), Arifin Tasrif, emphasized that the suspension of raw mineral exports would still be implemented on **10 June 2023**. This was conveyed by the Minister through a written statement on Monday, 29 May 2023.

Previously, on 10 June 2020, the Government of Indonesia issued the Law No. 3 Year 2020 concerning the Amendments to Law No. 4 Year 2009 concerning Mineral and Coal Mining. Referring to *Article 170 A* in this regulation, all raw minerals that are exported must go through a process of increasing added value in the country. This regulation will take effect *3 years* after the regulation comes into force. It also stated that the government might also stop the export of raw minerals on 10 June 2023.

Nonetheless, the government will provide relaxation of metal mineral export licenses for holders of Mining Business Permits or Special Mining Business Permits (Izin Usaha Pertambangan/IUP or Izin Usaha Pertambangan Khusus/IUPK) who have completed 50% of the construction of their refining facilities (smelters) until **31 May 2024**. The relaxation of export permits was limited to *copper, iron, lead, and zinc commodities and, anode mud resulting from copper refining*.

In a Hearing Meeting (Rapat Dengar Pendapat/RDP) with Commission VII DPR on 24 May 2023, the Minister of Energy and Mineral Resources (ESDM) emphasized that based on an independent verifier, there are 5 (five) business entities have given the permit exemptions from the mineral export ban coming into effect on June 10, with the waivers lasting until mid-2024 including:

1. PT Freeport Indonesia and PT Amman Mineral Industri (for copper commodities)
2. PT Sebuku Iron Lateritics Ore (iron)
3. PT Kapuas Prima Citra (lead)
4. PT Kobar Lamandau Mineral (zinc)

The exemptions have been granted after these 5 (five) companies showed the progress of more than 50% development of their refining smelters by January 2023. However, these permits could be revoked if their smelter construction does not continue to show significant progress.

References:

- Law No. 3 Year 2020 concerning the Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining
- Commission VII DPR RI Brief Report (Fields: Energy, Research and Innovation, and Industry)

If you require a copy of the reference document above, please do not hesitate to contact research@ibai.or.id. Thank you for your attention and hope this information would be valuable for you

Italian Business Association in Indonesia (IBAI)

c/o Istituto Italiano di Cultura Jakarta

Jl. HOS Cokroaminoto No. 117 Menteng Jakarta 10310 INDONESIA

P: +6281 1979 4262 E: ibai@ibai.or.id