

Energy, mining, financial services holdings to be formed first: SOE minister

With the government set to no longer provide state-capital injections in 2017, state-owned enterprises are going to build holdings to develop the country's economy, State-Owned Enterprises Minister Rini Soemarno said on Thursday.

Minister Rini said three state firm holdings in the oil and gas, mining and financial services sectors would be formed first, followed by holdings in the toll-road infrastructure, housing and food services sectors.

"Holdings in oil and gas and financial services will be completed at the end of this year [...] and mining as well. When Government Regulation [PP] No. 44 is ready, then all is set," she told reporters after a state companies forum in Jakarta.

The purpose of holdings is to support business development, and at the same time contribute to the country's growth without relying on the state budget. In 2015 and this year, the government provided state-capital injections to state firms, the funds of which were used in part to construct toll roads.

"In the future, state-capital injections won't be possible because the government will need to use the state budget to improve Gini ratio and alleviate poverty," she said.

She acknowledged that creating "super holdings" was a long process as it faced pros and cons from many parties.(win/dmr)

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