

## Freeport Indonesia 'Adjusting' To New Regulation

- Major gold and copper miner Freeport Indonesia is currently reviewing the government's newest set of regulations that allow the continued exportation of certain minerals in exchange for a contract conversion and a commitment to build a smelter.
- Freeport Indonesia president director Chappy Hakim guaranteed that the firm, a subsidiary of US giant Freeport McMoRan, would comply with the fourth revision of Government Regulation No. 23/2010 on the management of mineral and coal businesses, and other relevant regulations.
- "Since the government regulation has just been issued, Freeport Indonesia is currently trying to reposition itself to see how it can continue to survive. However, this means we cannot give anymore explanations [about the issue] as the process has not been completed," he said during a seminar on the firm's business strategies at the University of Indonesia (UI) in Depok, West Java, on Friday.
- Under the latest government regulation and subsequent energy and mineral resources ministerial decrees, Freeport Indonesia is obligated to agree to have its contract of work (CoW) converted into a special mining permit (IUPK) if it wants to continue exporting copper concentrate for the next five years.
- Furthermore, the regulation stipulates that the firm must also build a smelter by the end of the five years, and the progress will be evaluated by the government every six months.
- Moreover, Freeport Indonesia must immediately divest 51 percent of its shares to the state, or other relevant institutions and enterprises, instead of the 30 percent it was originally obligated to divest.