Miners welcome court's ruling on ore exports

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> » Decree No. 7 puts a 20% export tax on 65 mineral commodities
> » Despite regulation, companies not ready to construct smelters
> » Nickel mining companies lost around Rp 7t in the past five months

Local mining businesses opposing the government's unprocessed mineral exports restriction received endorsement from the Supreme Court in a verdict that may stir the nation's plan to encourage value addition at a downstream level.

The Supreme Court's official website said a panel of three judges on Sept. 12 granted parts of a judicial review, filed by members of the Indonesian Nickel Association (ANI), which contested the Energy and Mineral Resources Ministerial Decree No. 7 on mineral processing.

The decree applies to the export of 65 mineral commodities, excluding coal, in which, a 20 percent export tax is also imposed.

In a copy of the court's verdict, obtained from the lawyers representing the association, it is stipulated that the court had ordered the government to withdraw four chapters in the regulation, including one chapter limiting the exports of raw minerals since May 6.

Under the regulation, mining companies would only be granted mineral ore export permits after receiving clean status' for their business licenses as well as showing commitment to establish smelters or cooperate with other companies to process their mineral ores for export.

The export tax, as previously stated by Deputy Energy and Mineral Resources Minister Rudi Rubiandini, was needed to prevent the overuse of mineral ores ahead of the implementation of the government's plan to fully prohibit exports of unprocessed metals beginning in 2014.

ANI chairman Shelby Ihsan Saleh said in Jakarta on Monday that with the verdict, mining companies would be able to export mineral ores previously banned by the government, which also include bauxite, iron ore, copper and aluminum.

"Even though it was our association who filed the review on April 12, other mining companies will also feel the impact [of the verdict]," he told *The Jakarta Post* in a telephone interview.

"We are not saying that we reject the government's plan to encourage a local smelting process, we just want more time to prepare ourselves before 2014, in which the government expects us to not export unprocessed minerals anymore."

Shelby said the association filed the complaint to the Supreme Court as most mining companies under ANI's umbrella had been forced to reduce their production following the export tax, which led to some of them had shut down operations.

The nickel mining companies had lost approximately Rp 6 trillion (US$624.35 million) to 7 trillion in the past five months after the export tax was implemented, according to the Indonesian Chamber of Commerce and Industry (Kadin).

In addition, Shelby said, mining companies were not ready to construct the much needed smelters, citing that it would take a long time for both infrastructure as well as land acquisitions, and enormous investment.

Kadin chairman for trade, distribution and logistics Natsir Mansyur, said that in response to the verdict, the organization would press on the Trade Ministry to regulate the trade administrations for mineral ores in the future instead of the Energy and Mineral Resources Ministry.

Separately, Energy and Mineral Resources Minister Jero Wacik said he would study the verdict first before issuing any comment.