



Inalum establishes mining research institute

State-owned mining holding company PT Indonesia Asahan Aluminium recently established the Mining and Minerals Industry Institute (MMII), a research center aimed at boosting the downstream industry to help meet the government's goal of reducing imports.

Inalum President Director Budi Gunadi Sadikin said besides bringing added value to the industry, the institute would also work as a lobby group to ensure sustainable mining policies. He said that "The MMII is also expected to improve human resources capacity in the local mining industry, so that it can better manage the mining industry and be environmentally friendly."

To strengthen its position as a research center, the MMII has teamed up with several institutions, such as the research and development center of the Energy and Mineral Resources Ministry, five state educational institutions and the Massachusetts Institute of Technology Energy Initiatives.

The five state educational institutions are the University of Indonesia, the Bandung Institute of



Technology, Gadjah Mada University, the Sepuluh Nopember Institute of Technology and Cendrawasih University, which is located in Papua.

Inalum has appointed Ratih Amri, who previously worked as the corporate secretary for publicly listed nickel miner PT Vale Indonesia, to

head the MMII as its Executive Director. She said that "As a first step, we will identify the issues regarding the development of the downstream mining industry that need to be researched. One of the research goals is to provide recommendations for the government for establishing mining regulations."

She further added that the MMII would play a significant role in helping to realize the government's downstream efforts, given that it has direct access to stakeholders, such as the government, universities and the mining industry itself. Rudy Sayoga, a mining professor from ITB, expressed hope the new institute would help Indonesia follow the success story of Chile, the world's leading copper producer that has created local-based downstream technology. ■

Exports from world's second biggest Copper mine to see a decline



The shift in mining operations from open pit to underground of Grasberg mines in Indonesia, the related outcome of this change will lead to a decline in the copper concentrate by 83 per cent this year confirmed by a government official. Exports of concentrates which are smelted to copper cathodes have an expected fall of 200,00 metric

tons from the previous year's 1.2 million tons last year.

Yunus Saefulhak, Director of Minerals at Indonesia's Energy and Mineral Resources Ministry, in a statement said that production is set to drop to 1.2 million tons from 2.1 million tons and about 1 million tons will be channeled to a smelter at Gresik.

Freeport-McMoRan Inc., the operator of the world's second largest copper mine had previously warned that the imminent shift to mining underground would reduce the output of the mines before ramping up their production level to normal.

In a \$3.85 billion deal, that also saw Rio Tinto Group getting riled up

in context of their economic interests. Indonesian Asahan, known as Inalum now owns 51.2 per cent of PT Freeport Indonesia, with Freeport owning the rest.

Freeport Indonesia is still in works with getting government permission to export beyond February, Saefulhak said.

With the decline in output, Freeport Indonesia's revenue will eventually drop to \$3.14 billion this year from \$6.5 billion in 2018, Inalum spokesman Rendi Witarul said. The revenue is seen rebounding to \$3.83 billion in 2020 before hitting a peak of about \$7.46 billion in 2023, according to Inalum statistics. ■