

Thursday, 2nd March 2023

INFORMATION

Summary of the Mineral and Coal Subsector Investment Value and Non-Tax State Revenue (PNBP) 2022

The Directorate General of the Minerals and Coal (Direktorat Jenderal/DITJEN MINERBA), Ministry of Energy and Mineral Resources (Kementerian Energi dan Sumber Daya Mineral/KESDM) reported the Non-Tax State Revenue (Penerimaan Negara Bukan Pajak/PNBP) and the investment value of Minerals and Coal (Mineral dan Batubara/MINERBA) in 2022 above the target set.

As of 31 December 2022, investment realization reached USD 5.69 billion, higher than the target of USD 5.01 billion for the year 2022. Based on the adjustment of the Indonesia Presidential Regulation No. 98 Year 2022 concerning the Changes in the year 2022's Target, PNBP paid to the State amounted to IDR 183.35 trillion or exceeded the target of IDR 101.84 trillion. The coal commodity contributes 80% of the PNBP's royalty value. The prediction for domestic coal production in 2022 is 687 million tons or 103% of the target of 663 million tons.

During 2022, the government has also refocused on the program and reallocated the Community Empowerment and Development Program (Program Pemberdayaan dan Pengembangan Masyarakat /PPM) budget for mining business entities in the mineral and coal subsector, to support national economic recovery and the handling of the Covid-19 pandemic.

Based on the year 2022 evaluation, there are still issues being faced, such as land acquisition, permits, delays in purchasing goods, and funding. Therefore, the Directorate General of Mineral and Coal has prepared a number of strategic programs for the year 2023. The PNBP's MINERBA sub-sector will be optimized at IDR 82.4 trillion, while investment realization can be accelerated up to USD 7.7 billion. The construction of domestic mineral refining processing facilities will continue to be valuated and it is expected that 17 new smelters will be built. The supervision and development of people-based mining management will be carried out in 10 locations, while guidance and supervision of technical and environmental aspects of mineral and coal mining activities are targeted at 3.300 business entities. The supervision and evaluation of reclamation and post-mining based on remote sensing technology is expected to cover an area of 7.075 ha.

Reference:

• The Directorate General of Minerals and Coal Press Release KM.01/DJB/2023

If you require the copy of this regulation, please do not hesitate to contact <u>research@ibai.or.id</u> Thank you for your attention and hope this information would be valuable to 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



in Italian Business Association in Indonesia (IBAI)

IBAI Secretariat

