

Highlights on Indonesia's copper industry

1. In 2017 Indonesia was the 11th largest copper mining producer in the world with production capacity equivalent to 600 thousand tons per annum.
2. However, Indonesia's copper production has been decreasing gradually since 2016, from 695,900 metric tons to 400,200 in 2019 (according to the World Bureau of Metal Statistics)
3. The Grasberg minerals district in Papua, which is operated by PT Freeport Indonesia, includes open-pit and underground mines. It has produced 528 billion ounces of copper, including more than 432 billion ounces of copper from the Grasberg open pit between 1990 and 2019.
4. Extraction of ore from the Grasberg Block Cave underground mine commenced in the second quarter of 2019, which is the same ore body mined from the surface in the Grasberg open pit. The mining of the final phase of the Grasberg open pit was completed in Q4 2019 and the mine transitioned from open-pit mining to large-scale underground mining. Grasberg Block Cave is estimated to contain proven and probable reserves of 275.2 billion ounces of copper and 14.2Moz of gold as of December 2019.
5. Other than Grasberg, Indonesia's copper deposits include Amman's Batu Hijau mine and the nearby Elang copper-gold deposit in Sumbawa, and PT Merdeka Copper Gold Tbk's Tujuh Bukit which is located in Banyuwangi, East Java. The Elang copper-gold resource is in the exploration stage. It has an estimated deposit of 12,945 billion lbs of copper. Potential annual production could be 300-430 million.
6. PT. Freeport Indonesia and Tsingshan Steel have agreed in principle the development of a new USD1.8 billion smelter in Teluk Weda, Halmahera. A definitive agreement is expected to be signed before March 2021.

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Source:

- Deloitte Indonesia: Hotcakes, Deals for Giant Copper Mines" Ac-Cu-mulating Growth, September 2018, unpublished.
- mining technology.com
- Kontan.co.id
- Medcoenergy.com
- World Bureau of Metal Statistics
- Liputan6.com, 14 December 2020



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The new Mining Law No. 3/2020 has been enacted on 10 June to amend Mining Law No.4 /2009. The law paves the way for several changes including on matters related to mining areas determination, centralization of authority as well as licensing of mining businesses, among others. Given the changes along with potential impacts that follow, mining companies may soon need to revisit their licensing, business structures, and operational practices to ensure that they are in full compliance with the law. Please contact us if you are interested to receive a copy of this report.

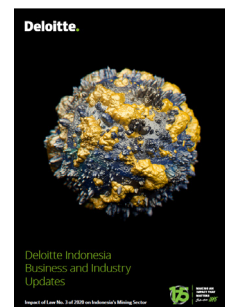
<https://www2.deloitte.com/id/en/pages/tax/articles/id-mining-law-2020.html>

The Indonesian food and beverage industry has shown its support to the economy growth during the COVID-19 pandemic. The sector is facing many challenges including food safety issues. In this article some of the key impacts of COVID-19 on the food and beverage sector in Indonesia, and the pivotal role of trust in future-proofing businesses will be discussed to make sure that they thrive in the new normal. Please contact us if you are interested to receive a copy of this report.

<https://www2.deloitte.com/id/en/pages/consumer-business/articles/id-consumer-covid19-2020.html>

COVID-19 pandemic encourages Indonesia's consumers to favor the use of digital payment. This opens more opportunities for micro, small, and medium enterprises (MSMEs) to adopt cashless payment systems through Quick Response Code Indonesia Standard (QRIS), which was introduced by Bank Indonesia earlier in 2019. This article discusses how QRIS is universalising digital payments in Indonesia by enabling interoperability amongst different digital payment system service providers while highlighting its other potential use cases. Please contact us if you are interested to receive a copy of this report.

<https://www2.deloitte.com/id/en/pages/technology-media-and-telecommunications/articles/accelerating-digital-payments-landscape-in-indonesia.html>





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