

RECENT DEVELOPMENTS

PT BA to redirect coal exports to India

Jakarta (ANTARA News) - Publicly traded coal producer PT Perusahaan Batubara Bukit Asam Tbk (PTBA) said it plans to export more coal to India on growing demand from the Hindustani state of that country.

Milawarman, the president director of the state company, said here on Monday that demand for coal grew from India offsetting declining demand from China.

Milawarman said the company will produce coal just to meet the market demand.

"Currently most or 65 percent of the company's coal production is disposed of on the domestic market with 35 percent for exports," he said.

The company's largest buyer in the country is the state electricity company PT Perusahaan Listrik Negara (PLN) that uses the coal to feed its coal fired power plants.

Around 80 percent of the sales are on contract including 60 percent in contract with PLN, Milawarman said.

He said he is optimistic the coal price would improve in the second half of the year with growing demand from India.

He said the sales target of 16 million tons this year could be reached but it would depend on the readiness of the railway as the main transport from its largest coal mine in Tanjung Enim in South Sumatra.

The company has said it could not boost production because of transport problems from the mine to the market especially between the mine and the seaports

The company, there, has two railway projects in southern Sumatra.

It has a project to build a 270-kilometer rail tract for coal transport between Tanjung Enim and Tanjung Siapi Api port town in South Sumatra.

The railway project will be built jointly with Adani Global from India.

Bukit Asam will also build a coal terminal in Tanjung Siapi Api to facilitate shipment of coal to other area or for exports.

Last year, the company produced only 12.5 million tons from Tanjung Enim and this year it hopes to raise the production to 16.3 million tons.

The operation of the railway would allow it to boost production up to 35 million tons a year.

Bukit Asam is also taking part in the project to build a 307-kilometer double tract linking Tanjung Enim and the Srengsem port in Lampung.

Bukit Asam holds a 10 percent stake in the 307-kilometers railway project, which is 80 percent owned by the Rajawali Group and 10 percent by China Railway Group Ltd.

In the first half of the year, the company reported Rp1.56 trillion in net profit, down 3 percent from Rp1.61 trillion in the same period last year.

Sales rose 14 percent to 7.08 million tons from 6.19 million tons with prices rising 0.5 percent to Rp785,040 per ton on-year.

Source: <http://www.antaraneews.com/en/news/84206/pt-ba-to-redirect-coal-exports-to-india>

Indonesia, China agree to jointly produce alumina

Beijing (ANTARA News) - Indonesia and China have agreed to jointly produce alumina, a raw material in the form of aluminum ingot for the upstream aluminum industry, Indonesian Ambassador to China Imron Cotan said.

PT Indonusa Dwitama and Chalco Hongkong Limited signed the memorandum of understanding on the cooperation in the presence of the ambassador here on Thursday night.

With the agreement, the Aluminum Corp of China Ltd (Chalco) Hongkong will invest US\$1.1 billion to build a metal processing and purification smelter, alumina grade, in West Kalimantan.

The ambassador who witnessed the signing of the MoU said that the deal was a concrete form of the increasingly good cooperation between the two countries in the field of investment.

"Indonesia with its stable government and an average economic growth of six to seven percent is a conducive place for would-be investors, including investors from China," Imron said.

He said the cooperation is part of the realization of the strategic partnership cooperation of the two countries signed in 2005. "We hope the signing of the MoU would further strengthen and expand the good relations of both nations."

Chinese Ambassador to Indonesia Liu Jianchao who also witnessed the signing of the MoU said Indonesia was one of the biggest destinations of the Chinese investors, after the United States and Europe experienced economic crisis.

"If Indonesia happens to be the fourth largest destination for Chinese investment, its positive development in the past several years could make it the second biggest destination for Chinese investment ahead," the Chinese ambassador said.

President of Chalco Hongkong Limited, Luo Jianchuan, said his firm was committed to supporting the strategic partnership of the two governments, particularly in the investment sector.

"With this cooperation, we hope we can help boost Indonesia's economic growth. We have no doubts about investing our capital in Indonesia," he said.

Chalco Hongkong Limited is one of the largest aluminum producers in China. So far China is the biggest aluminum producer and at the same time the biggest consumer in the world, namely about 40 percent of the world market.

Up to the end of 2011, China is the biggest aluminum importer. The ministry of industry recorded that Indonesia has supplied 25.42 million tons of bauxite to China.

Source: <http://www.antaraneews.com/en/news/84182/indonesia-china-agree-to-jointly-produce-alumina>

LEGAL NEWS



Issuance of Regulation of the Indonesian Supreme Court No. 02 of 2012 Gives New Legal Definition to Petty Crime

By: Bobby Christianto Manurung

Recently, trust in the justice system has been undermined. Several petty crime cases illustrate the foregoing, e.g. Minah, 55-year-old grandmother, was found guilty of stealing 3 pieces of cocoa worth IDR 2,000 and was sentenced to 1 month and 15 days in prison with 3 months of probation; Basar Suyanto and Kholil, were found guilty of stealing a watermelon worth IDR 30,000 and were sentenced to 15 days in prison; Rasminah, 56 year-old grandmother, was found guilty of stealing 1 kilogram of meat and 6 (six) plates and was sentenced to 4 month 10 days in prison. AAL, a 15-year-old boy, was found guilty of stealing a pair of slippers worth IDR 35,000 but was not sentenced to prison.

Accordingly, it is important to amend the definition of petty crime, in order to distinguish it from general crime, such as general theft in the prevailing laws and regulation. Further, the Indonesian Supreme Court issued Regulation No. 2 of 2012, concerning the Establishment of Petty Crime Limitations and Penalties in the Indonesian Criminal Code ("ICC") on February 27, 2012 which has been in force since its issuance. In general, the Regulation is aimed at resolving interpretation issues regarding penalties for petty criminals in the ICC. This regulation is intended to effectuate criminal justice either in terms of budget or public perception of the court itself. It is also to distinguish the definition of petty crime from general crime in ICC. The Supreme Court issued this regulation because the criminal justice system was recently marred by what many believe to be miscarriages of justice against petty criminals.

This regulation considers, inter alia:

- The value of currency stipulated under the ICC has not been adjusted since 1960, and this has an impact on use of the “*theft*” article (article 362) often used for petty crimes regulated in article 364 of the ICC;
- If the value of currency stipulated under the ICC is adjusted under current conditions, petty crime cases, such as petty theft, petty fraud, petty embezzlement and other similar crimes can be handled proportionally while considering that (i) the maximum criminal sanction of the petty crimes is 3 (three) months of jail; (ii) the accused should not be detained; (iii) the court proceeding should be a quick hearing; and (iv) there will be no cassation remedy in case of petty crime;
- The Supreme Court decided to adjust the value of the Rupiah under the ICC necessarily based on the value of gold in 1960, due to the fact that amendment of ICC would be a lengthy process; and
- To facilitate law enforcers, especially judges, to examine, administer justice and give a verdict in petty crime cases.

Before this regulation was issued, many cases of petty theft were charged or could be charged based on the provision in the theft article, which stipulates a maximum criminal sanction of 5 (five) years. Meanwhile a petty theft case should be categorized as a petty crime (*lichte misdrijven*) with a maximum sanction of 3 (three) months of jail and a maximum fine of IDR 250 (two hundred and fifty Rupiah). According to this Regulation, the chief of the district court is obliged to consider the value of the goods or monies that are the object of the case in the act of theft, embezzlement and/or fencing/vandalism which has been delegated by the public prosecutor.

Further, the regulation also stipulates that if the value of goods or monies is under or equivalent to IDR 2.500.000 (two million five hundred thousand Rupiah), the chief of the district court should immediately appoint a sole judge to examine, administer justice and render a verdict in such case with a quick hearing in accordance with the Indonesian Criminal Procedure Code. In the event the accused was previously detained, the chief of the district court shall not order detention or an extension of the detention.

Moreover, pursuant to this regulation, the amount of the fines relevant to petty crimes will be adjusted 1,000 times. In respect of the issuance this regulation, judges are obliged to consider and pay attention to the new legal definition of petty crime and also its fines. The regulation is also intended to prevent cases that may potentially run counter to the people’s sense of justice and to help the criminal court system be more efficient and effective.

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