

Investors to enjoy tax incentives faster

Marchio Irfan Gorbiano
THE JAKARTA POST/JAKARTA

The government has promised investors a faster process when applying for tax holidays in a move to attract more investment to Southeast Asia's largest economy.

Under the new tax holiday scheme, announced on Monday, investors will only need to wait for five working days after submitting their documents to know whether their applications are approved, significantly faster than 125 days currently.

"Under the new rule, investors only need to apply [for a tax holiday] through the BKPM [Investment Coordinating Board], which will assess whether the investment matches the eligibility [criteria]," said Robert Pakpahan, the Finance Ministry's tax director general, in a press conference on Monday.

"The BKPM will then send a recommendation to the Finance Ministry, which will issue a decision within five working days."

The Finance Ministry's fiscal policy head, Suahasil Nazara said previously that investors could apply for tax incentives in parallel with their other applications, such as for obtaining a business license, through an integrated online service called the "online single submission" system.

The system, slated to be launched this month, allows investors to submit the paperwork required for obtaining business licenses online and in one go, in order to cut what is currently a long and complicated procedure.

Robert said investors could enjoy tax holiday immediately af-

Tax holiday application process cut to five working days from 125

Investors may apply for tax holiday through integrated online system

ter realizing their investments, adding that the tax office would conduct an audit to determine whether their investment commitments matched the amount of funds realized.

Even if the realized investment was slightly below the committed figure, Robert said, the new scheme would still give room for investors to obtain a tax holiday.

Only if the realized investment was 30 percent below the commitment would the government annul the tax holidays investors had received, he added.

The new tax holiday scheme, which will be stipulated in a Finance Ministry regulation, will mark President Joko "Jokowi" Widodo's first attempt at revamping fiscal incentives before his administration ends its five-year term in 2019.

Under the new scheme, investors planning to invest at least Rp 500 billion (US\$36.4 million) will be exempt from corporate income tax (PPh) for five years.

If the committed investment exceeds Rp 30 trillion, investors might enjoy a tax holiday of up to 20 years.

Robert said the new regulation could also benefit existing taxpayers who wished to make new investments, as opposed to the provision in a previous policy that granted incentives only to new taxpayers.

The government has also expanded the list of industries in which the tax holiday is applicable from eight industries to 17. The new industries include pharmaceutical raw materials, petrochemicals as well as the manufacturing of semiconductors and electrical parts.

Industries where the tax incentive already existed and will continue to exist include upstream basic metals, oil refining and basic organic chemicals.

One of the beneficiaries of the new scheme is state-owned energy firm Pertamina, which currently has six projects with investment exceeding Rp 30 trillion.

Shinta W. Kamdani, deputy chairwoman for international affairs at the Indonesian Chamber of Commerce and Industry (Kadin), welcomed the new scheme, saying she hoped it would boost the country's investment climate and show that the government had listened to input from the business world regarding concerns over ineffective policies.

"However, the amount [of required investment to be eligible for the tax holiday] is still too high. There are not many investment [projects] of such high value," she said, referring to the Rp 500 billion in minimum investment.

Indonesian Employers Association (Apindo) chairman Hariyadi Sukamdani said companies wishing to expand their businesses might be attracted by the new tax holiday scheme, but the central government should further intensify coordination with its regional counterparts to make sure that its policy was implemented effectively.

Debate on graft-implicated candidates hits dead end

Kharishar Kahfi

THE JAKARTA POST/JAKARTA

Two months before elections are held in numerous regions across the country, the debate is heating up over whether candidates implicated in graft should be excluded, with the government and the General Elections Commission (KPU) pointing fingers at each other as to who is in charge.

Concern over corruption tainting the elections emerged after the Corruption Eradication Commission (KPK) named eight incumbents as graft suspects.

The latest case occurred in East Java's Malang two weeks ago, when the antigraft body named mayor Mochamad Anton and city council member Ya'qud Ananda Gudban — both running for Malang mayoral office — as bribery suspects in a case related to the deliberation of the city's budget.

Six other suspects, most of whom are now in custody with the KPK, include the regent of Jombang in East Java, Nyono Suharli Wihandoko, who is seeking reelection, and the regent of Nga-

Govt wants KPK to postpone investigations involving incumbents

Proposal to allow candidate replacement not in line with prevailing law, says KPU

da in East Nusa Tenggara, Marianus Sae, who is running in the province's gubernatorial race.

In a controversial decision, however, Coordinating Political, Legal and Security Affairs Minister Wiranto has called on the antigraft body to postpone its investigations into graft cases implicating incumbents.

KPK chairman Agus Rahardjo responded by suggesting that the government instead issue a presidential regulation in lieu of the law (Perppu) to allow political parties to substitute candidates that have been named suspects of graft.

The 2016 Regional Elections Law stipulates that being named a suspect does not nullify one's candidacy because of the presumption of innocence pending a court verdict.

Under the law, political parties cannot replace their candidates or withdraw their support. Doing so could see party leaders face imprisonment of two and five years or fines of up to Rp 50 billion (US\$3.5 million).

The government, however, gave Agus the cold shoulder, with Home Minister Tjahjo Kumolo saying, as reported by *kompas.com*, that it would take a long time to issue such a Perppu, mainly because it needed to be passed into law by the House of Representatives.

Tjahjo later suggested that the mechanism allowing parties to replace or withdraw support for candidates be regulated in a KPU regulation instead.

The search for answers to the problem of graft-tainted candidacy seems to be hitting another dead end, with the election commission refusing to amend or revise its regulations.

KPU chairman Arief Budiman said on Monday that the proposed provision "is not in line with the prevailing law".

"Rather than replacing the candidates, I have been suggest-

ing to disqualify graft-implicated candidates from elections," Arief added.

Titi Anggraini of the Association for Elections and Democracy (Perludem) said, however, that the most feasible solution might be the Perppu, arguing that it was "the President's prerogative and therefore will not take much time compared to other means of solving [the issue]".

"Should the issue remain unresolved on voting day and graft-implicated candidates win, the government will suffer from further losses, as it needs to fund re-elections," Titi said, adding that the issue would deprive voters of their right to get definitive regional leaders.

In case no regulation is issued to resolve the problem, the elections commission should announce to voters the legal status of the "problematic" candidates, for example during election debates, Titi added.

All electoral candidates running for office in the 171 participating regions are now in their campaign period. Voting is slated for June 27.

ELECTRICITY

Indonesia to build world's biggest tidal power plant

Viriya P. Singgih

THE JAKARTA POST/JAKARTA

Dutch consortium Tidal Bridge BV is set to construct the world's biggest tidal power plant in Flores, East Nusa Tenggara (NTT), along with a floating bridge, a project that is expected to cost US\$200 million in its initial phase.

Made up construction engineering company Strukton International and private equity firm Dutch Expansion Capital (DEC), the consortium will team up with PT Pembangkitan Jawa Bali (PJB), a subsidiary of state-owned electricity firm PLN, to establish a joint venture called Tidal Bridge Indonesia (TBI) and set up Indonesia's first tidal energy facility.

TBI will first build the Pan-casila Palmerah Bridge spanning 810 meters from Flores Island to Adonara Island, which will later be integrated with five tidal turbines on the Larantuka Strait in East Flores regency.

Each turbine will have an installed capacity of 16 megawatts (MW), while the actual electricity generated will only reach 6 MW, resulting in a combined power generation of 30 MW.

"This facility will be the biggest of its kind in the world, even if it only generates 20 MW of electricity," Energy and Mineral Resources Minister Ignasius Jonan said in a

statement on Saturday following a visit to the project site.

At present, the world's biggest tidal power plant is the Sihwa Lake station in South Korea. Controlled by the Korea Water Resources Corporation, it has an output capacity of 254 MW.

"The tidal power project in NTT is a follow-up to a heads of agreement (HoA) between Tidal Bridge BV, the Public Works and Housing Ministry and NTT provincial administration, signed during President Joko "Jokowi" Widodo's visit to the Netherlands on April 22, 2016."

The ministry completed a pre-feasibility study for the national strategic project last year.

The company, meanwhile, also sealed a memorandum of understanding (MoU) with PLN on Feb. 22 to conduct a feasibility study and a connection impact assessment to review the use of tidal power in the latter's electricity system.

After completing the first development phase of the tidal power project, Tidal Bridge BV plans to increase the plant's capacity to between 90 MW and 115 MW, with a goal to provide enough power for half a million people.

According to a statement released in May last year, the bridge and power plant would have a direct impact on the area's fishery

and agro-culture sector, while also boosting tourism.

Aside from the Larantuka Strait Indonesia still has huge tidal power potential in other regions, according to the Energy and Mineral Resources Ministry's energy conservation and renewable energy director general, Rida Mulyana.

"We still have a lot more straits that [...] deserve to be developed," he added.

Several institutions, including the Agency for the Assessment and Application of Technology (BPPT), Surabaya's 10 November Institute of Technology (ITS) in East Java and the Bandung Institute of Technology (ITB), have started studying the types of technology most suitable to exploit Indonesia's tidal power potential.

Local firm PT Arus Indonesia Raya, in collaboration with France-based Naval Energies, has carried out studies in 10 locations to develop the sector.

In its latest electricity procurement business plan (RUPTL) for the 2018-2027 period, PLN envisions the development of renewable power plants with a total capacity of 14,911 MW. Of the figure, 8,283 MW will come from hydro and mini-hydro power plants.

However, Indonesia's sole electricity offtaker has yet to include tidal power facilities in the business plan.

Investors abandoning renewable energy projects in Sumba

Viriya P. Singgih

THE JAKARTA POST/JAKARTA

Uncertainty over regulations and an unattractive pricing scheme have triggered investors to pull out from the Sumba Iconic Island (SII) project, once touted as the country's leading renewable energy initiative.

Dutch donor group HiVos, supported by the Energy and Mineral Resources Ministry, launched the SII project in 2010 with a goal of increasing the electrification ratio in Sumba, East Nusa Tenggara. The targeted ratio is 95 percent in 2020, a steep increase from the 24.5 percent recorded in 2010, and all of the power will be derived from renewable energy sources.

The SII implementation team initially planned to develop renewable power plants with a com-

bined capacity of 50 megawatts (MW) in the 2016-2020 period. Public and private investments for the planned power plants were estimated to reach US\$210.6 million and \$189.9 million, respectively.

As a result, the electrification ratio in Sumba reached 42.67 percent in 2017 and there were renewable facilities with a capacity of 6.76 MW, accounting for 12.7 percent of the island's power generation mix.

However, the generation of renewable energy might be stagnant going forward as many investors were either no longer interested or had found difficulties in realizing their investments in the project, three people involved in the program told *The Jakarta Post* recently.

"Looking at the current situa-

tion in Sumba, it would be unlikely for us to meet the 2020 target," said Fabby Tumiwa, a member of the SII implementation team.

Investors began to take issue with the project in January 2017, when the Energy and Mineral Resources Ministry introduced a new policy to cap electricity prices from certain renewable plants at 85 percent of a region's electricity supply cost (BPP) when the cost exceeded the national average.

In March 2017, the ministry announced the BPPs for all regions. The one for Sumba dropped from around Rp 2,400 (17 US cents) to Rp 1,887 per kilowatt hour (kWh), thereby reducing the profits of SII investors.

Subsequently, state-owned energy giant Pertamina canceled a plan to develop a 1-MW wind power plant in Sumba, while local

firm PT Prima Gasifikasi Indonesia aborted its program of building biomass power plants with capacities of between 5 MW and 10 MW.

A consortium of HiVos and France-based EREN Renewable Energy also lost its financier, the Millennium Challenge Account-Indonesia (MCA-I), which initially agreed to finance 65 percent of its project comprising a 10.1-MW solar plant, 10-MW wind plant and 15-MW battery storage facility.

"We were really fooled by the regulatory changes," said another officer of the SII implementation team, wishing to remain anonymous.

At present, EREN is committed to building the solar plant, but it has found difficulties in securing funds for its project.

Three other companies remain committed to investing in the SII

project, namely state-owned electronics maker PT Len Industri, private equity firm PT Arya Watala Capital and renewable energy firm PT Hywind Energy Solution with their respective projects of a 10-MW solar plant, 2-MW hybrid solar facility and 3-MW wind power mill.

The companies were previously required to first include their projects in the electricity procurement business plan (RUPTL) of state electricity firm PLN before starting construction.

Their projects, however, were only listed as potential projects in PLN's latest RUPTL for the 2018-2027 period, not in the fixed list of programs set to finish within the next decade.

When asked last month about the decision, PLN corporate planning director Syofvi Felienty Roek-

man said, "I don't remember."

In what could further deter investors, PLN's business plan also includes the development of two gas engine power plants in Sumba, each with a capacity of 20 MW and 10 MW, scheduled for completion between 2020 and 2022.

The two gas engine projects, along with existing power plants that produce around 53 MW in Sumba, would be more than enough to meet the island's electricity demand without the need to develop other renewable facilities.

Meanwhile, Energy and Mineral Resources Minister Ignasius Jonan said last month that he would never revise his renewable energy policies, claiming that "there are still many investors willing to develop renewable power plants under prevailing regulations."

Anwar sworn in as doubts loom over MK

Marguerite Afra Sapiie
THE JAKARTA POST/JAKARTA

The newly elected Constitutional Court (MK) chief justice, Anwar Usman, has a tough job ahead, mainly in restoring public faith in a court that has been hit by controversies and doubts as it is seen to be increasingly leaning toward conservatism.

Anwar took his oath before the court justices on Monday after he won the election by a five-to-four majority vote, defeating justice Suhartoyo in a one-round voting session on Monday.

The 61-year-old served two terms as deputy chief justice before he was elected on Monday as the new chief justice replacing Arief Hidayat, whose term as chief justice was marred by ethics violations. His inauguration came amid concerns over the Constitutional Court's faltering integrity and legitimacy in the public's eye.

Its dwindling reputation has also been acknowledged by some of the justices, including Maria Farida Indrati, the only woman on the bench and who is set to end her final term with the court in August.

Maria, who is also among the few justices on the panel of nine that hold progressive views, expressed her concerns to her fellow justices just before Monday's voting session began.

Anwar won in five-to-four vote

Activists raised concerns over Anwar's conservative stance

"I feel disappointed and worried [...] that some [plaintiffs] retracted their judicial review requests because they don't trust the court and [they] suspect that the justices are divided," Maria told the panel.

She was referring to a judicial review petition challenging the House's controversial inquiry rights into the Corruption Eradication Commission (KPK).

One of the plaintiffs in the case, a coalition of individuals and civil society groups led by former KPK chairman Busyro Muqoddas, withdrew its petition following allegations that Arief had used it as a political bartering tool with lawmakers over his term extension as justice.

In the judicial review case, Anwar was among five justices who ruled to uphold the House's inquiry rights.

On Monday, activists questioned whether Anwar was the right man to lead the court, given his close ties with Arief — which he publicly admitted during his inauguration speech by thank-



Antara

Anwar Usman

ing his predecessor for being his mentor in the past years.

Anwar was inaugurated alongside Aswanto, who won his post as deputy chief justice by a five-to-four majority vote as well, defeating justice Saldi Isra, widely considered to be a progressive.

Another tough job awaits Anwar, who is considered by activists to be among the more conservative justices, as he is slated to lead the court in the near future and decide an ongoing judicial review case filed by minority religious group Ahmadiyah, which has challenged the controversial 1965 Blasphemy Law.

Anwar, Arief and Aswanto have shared similar conservative-leaning stances during previous judicial review hearings.

For instance, in a recent petition filed by conservative academics who sought to outlaw premarital sex and same-sex relationships, the three were among

four justices who offered dissenting opinions and concurred with the petitioners.

"I am worried about the future of the Constitutional Court [...] Vulnerable citizens may not have their constitutional rights fully protected, as the majority of court justices hold conservative views," said Erwin Natosmal of the Indonesian Legal Roundtable (ILR).

Anwar started his career in the judiciary as a judge in West Java's Bogor District Court in 1985, before joining the Supreme Court in 1997.

His track record at the Constitutional Court is not without controversy.

He was questioned by the KPK in 2013 in relation to a bribery case implicating former MK justice Akil Mochtar.

However, both Anwar and Aswanto have denied that their five-to-four victory meant that the court's justices were divided into two camps, with Aswanto saying that "it is usual [...] It is a polarization that depicts the justices' independence".

When asked about what he would do to restore the public's faith in the Constitutional Court, Anwar said: "*Insyah Allah* [God willing] we will be able to provide trust, so that [the people] will know that what [the court] has done until today is on track."

Balikpapan declares state of emergency after oil spill

N. Adri and
Gemma Holliani Cahya
THE JAKARTA POST/BALIKPAPAN/
JAKARTA

The Balikpapan administration has declared a state of emergency after an oil spill and a subsequent fire killed four people in Balikpapan Bay, East Kalimantan, over the weekend.

"We're in a state of emergency because of the oil spill's impact," said Balikpapan city secretary MN Fadli at Balikpapan's City Hall on Monday evening.

Fadli warned residents to be extra careful when spending time at affected beaches, adding that they should not smoke near them.

"I may sound like I'm exaggerating, but the state of the bay is like that of a gas station," he said.

The oil spill, which stretched for more than 400 meters in the bay on Saturday morning, has now spread to a radius of more than 2 kilometers in the waters around Semayang Port to Margasari, Makassar Strait and other beaches in the southeastern part of Makassar.

The Semayang Port Authority is coordinating with private oil company PT Chevron Indonesia and state-owned oil and gas company Pertamina to clean up the spill.

The Environment and Forestry Ministry's law enforcement director general, Rasio Ridho Sani, said a recovery team had deployed oil spill containment booms, or temporary floating barriers used to contain an oil spill, as well as sprayed chemicals on the oil spots to make recovery easier.

"Our focus now is to mitigate the impact of the oil spill. Since Saturday, our team as well as Pertamina and the Balikpapan Environment and Sanitation Agency have worked together to minimize the impact."

Rasio said the agency also took some samples to determine the impact and source of the spill.

"Our team in the field is investigating it thoroughly. We will soon find out how big the impact is on the environment and who will be held responsible," he added.

The city has also distributed masks to protect local residents from the smell of fuel.

Some 1,200 people, who live in Penajam subdistrict, Penajam

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All hands on deck as huge clean-up begins

Activists urge police to expedite investigation, find guilty parties

Paser Utara regency, reported that they became nauseous and experienced breathing problems after Saturday's incident.

Residents are now restraining themselves from cooking and rely on meals distributed by the Balikpapan administration.

Environmental activists have called on the police to expedite their investigation.

"Don't be afraid to reveal those who are responsible for this," said Topan Wamustofa Hamzah, advocacy manager of the East Kalimantan branch of the Indonesian Forum for the Environment (Walhi).

On Monday, there was still no official statement from the police about the spill.

The only statement came from state-owned energy giant Pertamina and the Balikpapan Disaster Mitigation Agency, which stated the fire that flared up after the spill had not been caused by recovery activities, as widely reported on Saturday.

Walhi said in the last three years, it had recorded a few environmental pollution cases in Balikpapan, but none of them had been brought to court.

Meanwhile, on Monday morning, an Irrawaddy dolphin was found dead on the beach behind the Balikpapan Council building in East Kalimantan.

"It was female and aged around 4 or 5," said Danielle Krebs, who works as a scientific program advisor for the Conservation Foundation for Rare Aquatic Species of Indonesia.

When it was found about 2 km from the bay, the dolphin's skin had darkened. However, Danielle said she could not state the immediate cause of its death only by looking at its condition.

"The East Kalimantan Natural Resources Conservation Agency has done a necropsy and took few samples. It might take a week for them to find the cause of the dolphin's death," she added.

Balikpapan is home to Irrawaddy dolphins, which are a critically endangered species.

Uber drivers hop on Go-Jek, not Grab, amid uncertainty

The Jakarta Post

JAKARTA

Thousands of Uber drivers flocked to Go-Jek centers in Greater Jakarta on Monday to register as new drivers, after Uber announced it was ending its Southeast Asia operations.

Arga, 41, waited since 5 a.m. to register in Cilandak.

"I am actually from Bekasi, but I came here to register because at the Summarecon Bekasi Go-Jek office the service was not good," Arga told *The Jakarta Post* on Monday.

He tried to register at a Go-Jek office in Bekasi but failed because the branch used a quota system and he did not make it.

"I was there for two days, Friday and Saturday, then I decided to come here instead," Arga said.

Last week, Uber sold its Southeast Asia operations to Singapore-based Grab, making it a leading ride-hailing company in the region.

It was first stated that all of its drivers would be absorbed by Grab. However, days after the announcement, uncertainty mounted about the future of its drivers, including those in Jakarta.

Grab demands Uber drivers give more documents, undergo tests

Company says requirements necessary for safety reasons

Uber drivers in Greater Jakarta, who tried to register with Grab, have been treated like new drivers and had to provide copies of their ID cards, driver's licenses (SIM), vehicle registration documents (STNK) and police clearance letters (SKCK).

They also have to pay Rp100,000 (US\$7.26) in advance.

Arga, who was an Uber driver for 13 months, said he moved to Go-Jek because of the streamlined registration process. "We [drivers] want to get a new job as soon as possible because we want to work again."

He added that if Uber had not ceased its operation, he would still be working as an Uber driver even though its fares were lower compared to other ride-hailing apps.

"Passengers wanted low fares, so there were a lot of them.

"If there were not many passengers we would get bored," he said.

Doni Agumanti, 40, is another Uber driver who transferred to Go-Jek. Unlike other ride-hailing drivers, his right eye is clouded by a possible cataract, partially blocking his vision.

"Previously, I tried to register to become a Grab driver and got rejected twice because of my eye[sight], even though there are no rules regarding physical disability," Doni told the *Post*, adding that Go-Jek was helping those with disabilities by allowing them to become drivers.

He added that Go-Jek only requested the applicant's ID card, SIM, STNK and proof of their Uber account.

"We were already Uber drivers, so why do we need further tests? Now, we will already be on the job as soon as possible," Doni said.

"[Besides] Go-Jek is our countrymen's creation and we also requested that they increase the rates for us drivers," he added, referring to the latest ride-hailing app driver rally, which was held last Tuesday.

At the rally, drivers demanded that the government intervene to push the companies to increase the rate per kilometer paid to them.

Grab Indonesia managing director Ridzki Kramadibrata said that after the acquisition announcement, thousands of Uber drivers contacted it to register on the company's platform.

"We are currently integrating Uber drivers [to Grab's platform], without compromising safety, which is Grab's most important value," Ridzki told the *Post*, explaining the reasons why the drivers were asked to undergo tests as well as handing over SKCKs.

Ride-hailing safety standards were recently in the spotlight after a series of crimes allegedly involving drivers.

The latest case involved the murder of a woman who was allegedly killed by a Grab driver.

Go-Jek said it welcomed the Uber drivers who have registered.

"We appreciate their wish to keep working.

"We also appreciate their trust in choosing Go-Jek as their new partner," a representative told the *Post*. (ami)

Apr 3, 2018
J. Poser

Foreign investment for oil exploration?

Indonesia will be remiss if it does not solidify its role as a regional leader in ASEAN, according to an official statement in a recent newspaper article. The same could also apply if the country does not capitalize on the abundance of natural and human resources that it has in situ.

Energy and Mineral Resources Deputy Minister Arcandra Tahar made a working visit to the United States recently as part of follow-up efforts to cooperate with international companies to increase investment in the national oil and gas sector.

Is this a reversal from when it appeared that the government did not want international companies to be involved in the resource industry?

It was stated that innovation is not limited to technology alone, but also new policy breakthroughs like the gross-split production sharing contract (PGS). It is a kind of innovation.

It was also stated that Exxon-Mobil and ConocoPhillips were very enthusiastic and surprised to hear about the changes that the Energy and Mineral Resources Ministry has made, es-

as we would have chosen a small area to be tested.

The deputy minister made the following statement, "The gross-split scheme will create efficiency for both the government and investors, as the cost of block development becomes the responsibility of the investor."

There lies another problem — it is hard to see companies wanting to take the risk for the main aspect of any development, which is exploration. We only have to look at how much time and money was lost by several international companies that tried to explore offshore in eastern Indonesia, with losses of US\$1.2 billion. Therefore, it is extremely difficult to see companies that have been bitten once being bitten twice.

Many people are stating that in order to develop the natural resources industry in Indonesia, we have to use technology, but no one wants to take the responsibility or make the decision to use technology.

Many geologists and geoscientists believe that if technology is used, they will not have work. This is the wrong way of thinking. Technology creates jobs



George A. Barber
JAKARTA

pecially with regard to the new fiscal policy of the PGS. I would be surprised if they and other companies were not fully aware of the changes. It remains to be seen what action these companies will take.

Changes in regulations certainly help, although this is pointless unless technology for exploration is adopted and accepted by the government. It is fair to say that some of the companies that are part of the PGS scheme at this time are confused over the clarity of the regulations. Certainly, the message coming out of the Upstream Oil and Gas Regulatory Special Task Force (SKKMigas) is different to the interpolation by the PGS companies, which is different to a message given by the deputy minister to a colleague of mine, which was that the government will stand back and allow technology to be used.

in many cases and exploration companies will explore and develop areas if the risk is reduced.

People do not like change, but change has been happening since the human being saw that change was required. If the change is for the betterment of what we do, why not change?

Reducing the exploration risk with technology will give the local investor the opportunity to enter the oil and gas industry, which in turn will provide Indonesian entrepreneurs and banks with more opportunities to invest in their own country. Multinational companies could then be invited to participate in projects where the resources are known; the multinational companies would be contracted by the local companies (if required).

The government and local companies must invest in exploration in their own country. This then allows for detailed oil and gas, mineral and geothermal data to be established. The data could be shared with the investors (local entrepreneurs that are supported by local banks) to farm the God-given treasures.

The country's natural resources could be utilized as much as

But here lies a problem: most if not all companies are waiting to see another company use new technology and if it works, they will use it. This was stated recently by a respected company involved in geothermal development: "We are a company that follows."

Technology needs to be accepted and used, but this requires someone somewhere to make a decision; it requires a "champion". Most publicly listed companies are real companies and will not promote new ideas unless they work and are proven, and there lies another problem. If something has not been used in Indonesia, it cannot work, but if the opportunity is not given, how will anyone know whether or not it works?

A highly respected geoscientist from Indonesia stated, "I want to know how it works, but if we continue to discuss this, we will never know if it works." Therefore, the answer is to use the technology.

If it works by being proven against more traditional methods of exploration and the result is good, that would be the proof; if it fails, we would not lose a lot

possible to improve the standard of living in Indonesia, in line with the Constitution. The Energy and Mineral Resources Ministry will, in turn, have its own cutting-edge national databank center.

Presently, many Indonesians are working abroad due to a lack of opportunities in their own country. If natural resource businesses are expanding, these skilled people may be encouraged to work in their own country.

The practice of issuing licenses or holding tenders with minimum information on the natural resources contained within a given area can be eliminated.

A different way of thinking has to happen. Why apply for an exploration license when you do not know if the resource is available?

Technology is a must — many people are saying this — but saying is not doing. We need to "walk the walk" instead of "talk the talk".

The writer is a hydrographic surveyor by background and has been involved in various projects in Indonesia for the past 22 years.