Indonesia will enforce 2022 ban on raw mineral ore exports: official

JAKARTA (Reuters) - A senior Indonesian mining ministry official pledged on Thursday that authorities would enforce a ban on the export of raw ore exports by 2022 to make miners process minerals in the country.

Based on a 2017 mining regulation, Indonesia is due to stop allowing the export of unprocessed ore starting Jan. 12, 2022, after giving miners a five year period to build smelters onshore.

"They must finish building (smelters)," Bambang Gatot, the mining ministry's Director General of Coal and Minerals, said on Thursday.

"If they don't finish in time, they should continue building, but they won't be allowed to export ore," he told reporters.

Indonesia stopped exports of raw ore such as nickel, bauxite and concentrates of other minerals from 2014 to 2016, and the revenues of mining companies such as PT Aneka Tambang have declined following the ban. (reut.rs/2OFsX2H)

Given the impact, the government then relaxed the ban in January 2017 under certain conditions including that companies put forward plans to build smelters.

Nickel prices have climbed in both London and Shanghai on concerns about the 2022 ban in ore exports. [MET/L]

As of July, there were 41 smelter projects being constructed with more than half of them nickel smelting projects, data from Indonesia's mining ministry showed.

Twenty-two nickel smelting plants are currently being developed with an estimated 46.33 million tonnes of input capacity. Three of these are near completion, while the others are mostly still in the early stage of construction.

Indonesia has 13 existing nickel smelting facilities with a combined input capacity of 24.52 million tonnes, which mostly produce nickel pig iron (NPI).

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