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Daily Media Monitoring – Thursday, 23 June 2022

#### IPA Related News

#### Oil & Gas Regulation

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Media Indonesia (p.5), 23 June 2022

##### **Prosecutor's Office Investigates Alleged Corruption of PGN's Subsidiaries**

Jakarta Prosecutor's Office is investigating the alleged corruption case of a PT Perusahaan Gas Negara (PGN) subsidiary, PT PGAS Solution, in a geothermal well construction project in Aceh. The case began in 2018 when PGAS Solution appointed PT ANT to purchase and lease a blow-out preventer in the project at a total budget of around Rp 31.7 billion, of which PT ANT never handed over the equipment to PT PGAS Solution. PT PGAS Solution then made a false report on the handover as if it had received the equipment from PT ANT.

The Jakarta Post (p.5), 23 June 2022

##### **Oil giants BP, Petronas secure three Indonesian oil and gas blocks**

United Kingdom-based oil producer BP and Malaysia-based Petronas are set to manage the Agung I, Agung II and North Ketapang working areas in East Java. The Upstream Oil and Gas Special Regulatory Task Force (SKK Migas) signed the production-sharing contract (PSC), worth US\$12.14 million, in Jakarta on Monday. "Considering BP and Petronas's capabilities and experience as international oil companies with ever-growing oil and gas production in Indonesia, we believe they will invest sustainably and fulfill the commitments made in the working areas," SKK Migas head Dwi Soetjipto said in a statement issued on Monday. All three working areas were offered by the government through the second phase of a direct bidding scheme in 2021. The winners of the auction were announced on March 18.

Bisnis Indonesia (p.4), 23 June 2022

##### **Govt Strictly Supervises Upstream Oil and Gas Projects**

SKK Migas Director of Operations Julius Wiratno, Wednesday (22/6), says SKK Migas closely monitors various upstream projects to ensure an increase in national oil and gas production and lifting. SKK Migas is optimistic all projects scheduled to operate this year can meet the target as there are no more obstacles in the delivery of personnel, equipment, or materials, where exploration is key in the efforts to find new oil and gas reserves to support sustainable oil and gas production. The government also prepares the regulations needed by investors to achieve the production target of 1 million bpd and 12 BSCFD gas by 2030, to which collaboration and tactical steps are highly required for all upstream oil and gas stakeholders.

Investor Daily (p.10), 23 June 2022	<p><b>Energy and Mineral Resources Ministry Prepares 4 Strategies to Reduce Coal Emissions</b></p> <p>Minister of Energy and Mineral Resources Arifin Tasrif, at the virtual kick-off meeting of High-Level Advisory Group (HLAG) Coal in the Global Net-Zero Transition, Wednesday (22/6), says the Ministry is preparing four strategies to reduce carbon emissions, developing coal downstream industries, applying clean coal technology, Carbon Capture Storage/Carbon Capture Utilization Storage (CCUS), and biomass co-firing. The strategy will consider the multiplier effect of the energy transition process that closes various jobs and on the other hand opens many jobs as he highlights the importance of the coal sub-sector in the transition. The HLGA meeting will be attended by representatives from the International Energy Agency (IEA), companies in the energy sector, and fund managers such as the Asian Development Bank (IDB) and the Climate Investment Fund (CIF) to discuss the challenges in balancing the coal phase-out strategy and the development of new and renewable energy, funding support and attractive funding mechanisms for the success of the coal phase-out strategy in each country.</p>
Kompas (p.9), 23 June 2022	<p><b>Make Sure Vehicle Battery is Recyclable</b></p> <p>Prof. Rodrigo Martins of the New University of Lisbon, Portugal, at the international online conference on batteries for renewable energy and electric vehicles (ICB-REV), Wednesday (22/6), says the development of sustainable batteries must use materials from reliable sources, made from a circular and sustainable manufacturing process, and is recyclable. Such development requires the role of all parties, including manufacturers who must measure and report the carbon and energy footprint of each battery model produced. Head of Nanotechnology and Materials Research Organization at the National Research and Innovation Agency (BRIN) Ratno Nuryadi says the merger of all research institutions into BRIN would make battery development more focused, where the researchers currently focus on battery core technology to develop lighter, smaller, safer, and lower-cost products.</p>
Kompas (p.10), 23 June 2022	<p><b>Fossil Fuel Incentives Increase as Renewable Energy Incentives Decline</b></p> <p>Government incentives for fossil fuels increase by around 30% in the 2016-2020 period, while incentives for renewable energy decline, a condition that leaves Indonesia with a big homework to achieve renewable energy targets. One of the main triggers for the lower incentives for renewable energy is the lifting of feed-in tariffs to increase interest in renewable energy investment, where the government needs at least Rp 500 trillion investment to achieve clean energy-related goals. The government includes energy transition in three main topics at the G20 Presidency of Indonesia 2022, to which it encourages a faster energy transition, in a planned manner, including increasing access to technology and funding.</p>
Investor Daily (p.10), 23 June 2022	<p><b>Energy Minister Scheduled to Open G20 Energy Transition Forum Session</b></p>

	<p>The Ministry of Energy and Mineral Resources is preparing to welcome delegates who will attend The 2nd Energy Transitions Working Group (ETWG) of the G20 Indonesia Presidency. This activity will take place from June 23 to June 24, 2022 and will be opened by the Minister of Energy and Mineral Resources Arifin Tasrif. This session will discuss the progress of the three main issues of energy transition, namely access, technology and funding. These results will be carried as part of the Road to Bali Communique.</p>
Koran Sindo (p.9), 23 June 2022	<p><b>PGE Wins P2 Covid-19 Award</b></p> <p>PT Pertamina Geothermal Energy (PGE) as part of the Subholding Power &amp; New Renewable Energy (PNRE) won two awards for Prevention and Control (P2) for Covid-19 and P2 for HIV-AIDS from the Ministry of Manpower. PGE won the Platinum category award through the Covid-19 P2 in the Workplace Program and the Gold category award through the HIV-AIDS P2 in the Workplace Program. This achievement was achieved through an assessment and audit from the Jakarta Special Capital Region's Manpower Office.</p>
Koran Sindo (p.14), 23 June 2022	<p><b>Increasing Production with Contract Extension</b></p> <p>Pertamina Hulu Energi Tomori-Sulawesi (TS) received a contract extension as the operator of the Senoro-Toili Working Area (WA) through the signing of the Senoro-Toili WA Extension Contract which was approved by the Minister of Energy and Mineral Resources. The ownership of PI WA Senoro-Toili after termination remains as it is today, namely Pertamina Hulu Energi Tomori-Sulawesi 50%, MedcoEnergi 30%, and TEL 20%. The Senoro-Toili WA which will expire on December 3, 2027 has been extended until 2047. This extension is expected to increase the contribution to the achievement of the national production target and provide benefits for Indonesia.</p>
Republika (p.16), 23 June 2022	<p><b>Pertamina Continues to Perform Efficiencies</b></p> <p>PT Pertamina (Persero) continues to perform efficiencies in managing its expenditures. The move is also a response to President Joko Widodo's directives regarding subsidy funds and company efficiency. Pertamina's acting vice president of corporate communications, Heppy Wulansari, said Pertamina managed to save US\$2.21 billion or Rp32.8 trillion last year. This efficiency was obtained from a cost saving program of Rp20 trillion, cost avoidance of Rp5 trillion and revenue growth of around Rp7 trillion. With efficiency, Pertamina managed to survive amid unpredictable global dynamics and generated a net profit of Rp29.3 trillion in 2021.</p>
Petromindo.com, 23 June 2022	<p><b>Lotte awards EPC contracts to LDCC, others to build petrochem facility</b></p> <p>PT Lotte Chemical Indonesia (LCI), a subsidiary of Lotte Chemical Titan Holding Bhd, has awarded contracts to Lotte Data Communication Co Ltd (LDCC), Lotte Engineering &amp; Construction Co Ltd (LEC), and Kine Project Jo (joint operating) for the engineering, procurement and construction (EPC) of automatic warehouse and bagging area in the company's petrochemical facility in Banten province. The contracts were awarded to three parties on</p>

	<p>June 21, 2022. The first contract was awarded to Lotte Data Communication Co Ltd (LDCC) for an EPC of the automatic warehouse area with a contract value of US\$33.59 million. The second contract was awarded to Lotte Engineering &amp; Construction Co Ltd (LEC) for an EPC of the bagging area for a contract value of \$6.2 million. The third contract was awarded to Kine Project JO for the onshore construction of the automatic warehouse and bagging area with a contract value of Rp432.1 billion.</p>
Petromindo.com, 23 June 2022	<p><b>EMP Bentu starts gas delivery to Riau power plant from Baru plant</b></p> <p>EMP Bentu Ltd had on 17 June started maiden gas delivery from its newly modified Bentu gas plant to the 275 MW combined-cycle power plant at the Tenayan Industrial Complex in Pekanbaru, the capital city of Riau Province. The gas delivery is part of the fulfillment of a gas sales and purchase agreement (GSA) of 40 MMSCFD, local news portal suarariau.co reported on Wednesday. The gas supply comes from EMP Bentu's gas fields and from Korinci Baru's gas field which has resumed production after having been suspended since 2013.</p>
Petromindo.com, 22 June 2022	<p><b>Pertamina director named as new IDX president</b></p> <p>State-owned oil and gas firm PT Pertamina's Director of Business Strategy, Portfolio, and Development, Iman Rachman has been appointed as the new President Director of the Indonesia Stock Exchange (IDX). According to a letter issued by the Financial Services Authority (or OJK), a copy of which was circulated on Wednesday, the OJK has named the new board of directors of the IDX for the period of 2022-2026 which include Iman as the new President Director. Iman told CNBC Indonesia that he has yet to be officially informed by the OJK regarding the appointment.</p>
Petromindo.com, 22 June 2022	<p><b>Sumber Global says its waste-to-energy plant to start operating soon</b></p> <p>IDX-listed coal trading PT Sumber Global Energy Tbk (IDX SGER) said its waste-to-energy processing plant is set to start operating at the end of this month. "Hopefully, the plant could start receiving waste at the end of June. In the first phase, the plant could process 720 tons of waste per day and then 2,300 tons per day in the second phase," President Director of Sumber Global Energy Welly Thomas said during a virtual public expose on Tuesday. The development of the waste-to-energy project is part of the company's move to diversify its business from coal trading.</p>
Petromindo.com, 23 June 2022	<p><b>Sorik Marapi Unit-3 geothermal plant to be inaugurated in September</b></p> <p>PT Sorik Marapi Geothermal Power (SMGP), a subsidiary of KS Orka Renewables, will inaugurate the commercial operation of its 50 MW Unit-3 Sorik Marapi geothermal power plant in North Sumatra in September 2022. CTO &amp; COO of KS Orka, Riza Pasikki, said at a webinar on Wednesday that President Joko Widodo is expected to open the 8th Indonesia International Geothermal Convention &amp; Exhibition (IIGCE) 2022 in September where he would also inaugurate a number of geothermal power plant projects in Indonesia. "We have sent the invitation to President Joko Widodo to do the</p>

	<p>launching of the COD (commercial operation) of several geothermal projects in Indonesia, such as Sorik Marapi Unit-3 (50 MW), Sokoria Unit-1 (5 MW), and Rantau Dedap Unit-1 (91 MW),” said Riza.</p>
<b>Finance &amp; Economy</b>	
<p>The Jakarta Post (p.1), 23 June 2022</p>	<p><b>Jokowi set to visit Ukraine, Russia</b></p> <p>President Joko “Jokowi” Widodo will visit the capitals of Ukraine and Russia after attending a multilateral summit in Germany next week, Foreign Minister Retno LP Marsudi announced on Wednesday, in the hope of bringing an end to an ongoing war that has had global economic repercussions. Jokowi has accepted an invitation from Germany to attend a meeting of the Group of Seven (G7) industrialized economies in the Bavarian Alps from June 26-28. From there the President is expected to continue his journey to the Ukrainian capital Kyiv and Moscow, Retno said, although she did not disclose the exact dates. “Visits to these two countries will be carried out during abnormal circumstances. We understand that the current situation is still very complicated and the world understands the complexity of the existing problem,” she told reporters in an online press briefing.</p>
<p>The Jakarta Post (p.2), 23 June 2022</p>	<p><b>G20 pandemic fund set to launch this month: Sri Mulyani</b></p> <p>The Group of 20 nations are finalizing a financial intermediary funding (FIF) initiative intended to ensure that the world is better prepared for future pandemics, and they expect it to come into effect in June, Finance Minister Sri Mulyani has said. The group has provisionally agreed to establish a multibillion dollar fund that health officials say will help finance pandemic surveillance, research and improved access to vaccination for lower-to-middle-income countries, among other measures. According to Sri Mulyani, a G20 finance and health ministers' meeting on Tuesday discussed ways to close the pandemic resource gap between high- and low-income countries.</p>
<p>The Jakarta Post (p.2), 23 June 2022</p>	<p><b>World Bank warns RI of downside risks to GDP growth</b></p> <p>The World Bank warns that Indonesia’s GDP growth this year and next could fall far short of the government’s targets should inflationary pressure and therefore global interest rates rise. In a report published on Wednesday, Indonesia Economic Prospects June 2022, the World Bank maintains its baseline scenario for the country’s economic growth at 5.1 percent in 2022 and 5.3 percent in 2023 but warns that it could be as low as 4.6 and 4.7 percent, respectively in a downside scenario. The report contains no upside scenario. The government projects 2022 growth at 4.8 to 5.5 percent and 2023 growth at 5.3 to 5.9 percent, while the Organization for Economic and Cooperation Development (OECD) sees domestic growth this year at 4.7 percent.</p>
<p>Investor Daily (p.1+2), 23 June 2022</p>	<p><b>President: Construction of State Palace and Public Facilities in Nusantara Begins in July</b></p> <p>President Joko Widodo, Wednesday (22/6), confirms the groundbreaking to</p>

	<p>develop Presidential Palace, civic center, and public facilities in the new capital city Nusantara will begin in July. Regarding the involvement of the Indonesia Investment Authority (UNA) in Nusantara, the President says the government leaves it to the investors, whether through INA or direct investment, as the funding will not interfere with the State Budget. The government allocates around Rp 47 trillion in State Budget 2023 of the total requirement of Rp 466 trillion to build basic infrastructures, government buildings, connectivity facilities, as well as education, health, and security infrastructures, while the remaining funds will come from the private sector, SoEs, public-private partnerships, and international funding.</p>
<p>Bisnis Indonesia (p.1), 23 June 2022</p>	<p><b>Extending Credit Restructuring Policy</b></p> <p>Continuing the banking credit restructuring program will be a crucial factor in maintaining the recovery momentum of the business sector as the increase in interest rates is increasingly difficult to contain due to various external pressures, from inflation to tightening monetary policy in several countries. Without a supportive policy in the credit sector, the business sector's steps to increase business growth might be hampered, whose negative impact is feared to affect the national economic recovery. PT Bank Central Asia Tbk President Director Jahja Setiaatmadja expects the credit restructuring period can be extended as it has helped many customers, while Deputy Chairperson of the Chamber of Commerce and Industry (Kadin) Shinta W. Kamdani believes the extension of credit restructuring is required as a shield to face various global phenomena in the second semester, such as weakening global economic growth, inflationary pressures on the domestic market, and the rising interest rates in developed countries.</p>
<p>Kontan (p.2), 23 June 2022</p>	<p><b>BI Governor: Interest Rates Remain</b></p> <p>Governor of Bank Indonesia (BI), Perry Warjiyo, at a World Bank event themed Indonesia Economic Pumped, Wednesday (22/6) says BI will not rush to change interest rate policy until a momentum to increase it occurs although other countries have started raising their reference interest rates. The current annual low inflation at below 3% makes BI optimistic to maintain interest rates while normalizing its monetary policy to tighten liquidity by increasing the minimum reserve requirement. Meanwhile, Bank Mandiri's Chief Economist Andry Asmoro estimates BI will increase its interest rates in the second semester taking into account inflationary conditions and interest rates in other countries.</p>

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