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# Extracting Growth

ARIF S. SIREGAR IS CONFIDENT ABOUT THE FUTURE OF THE NATIONAL MINING INDUSTRY BUT CAUTIOUS ABOUT THE DANGER OF BEING COMPLACENT. MADE MASTIANTA NADERA WRITES

**F**OR SOMEONE involved in the mining industry for almost his entire career, the word 'retirement' sounds a little far-fetched. After serving more than 27 years for major players in the global mining industry, including PT Rio Tinto, PT Kelian Equatorial Mining, and Comalco, that took him across the Philippines, Australia and South Africa, the year 2005 marked his last leg of involvement.

Yet with such expertise and credentials, many offers, including from PT INCO, the government nickel mining enterprise, came a calling. "The last post I had was as President Director of Kelian Equatorial Mining Gold Mine in Kalimantan. I closed the operation in 2005 at the time when I tendered my resignation. But in 2006 INCO came, and I politely refused. When later on I was told that this is for the sake of the country and there are many Indonesians who are not ready yet, I found myself running this company," he described his initial involvement with PT INCO.

"If you look at the mining industry all over Indonesia, the challenge people face from one mine to another is almost similar. Eighty percent involves social responsibility that includes environmental issues, community and government relations, while the remaining 20% deals with the technical demands of the industry," he added. "The social responsibility issue is also heightened by the fact that communication is no longer a barrier. Once you take the wrong step everybody around the world will know in an instant," he described the challenge of being the chief of PT INCO's policy makers.

Fresh from his recent trip to Manila where he was elected Chairman of the ASEAN Federation

of Mining Association (AFMA) for the years 2008 - 2010, he parted his opinion that the government has yet to materialize the potentials of the national mining industry. As one of the top ten countries in the world in terms of prospective mineral deposits, such promising returns have never been fully exploited. "We actually have another advantage, with mining in the rural area, out of touch and out of sight from the central government. Developing the infrastructure, providing jobs, building schools and roads, mining has actually become a pioneer in developing rural areas. If we are going to contribute quick progress to the country we need to have someone who can develop the rural areas first, to provide the infrastructure and then the local government would see opportunities for the region in terms of education and job creation."

PT INCO now operates mainly in South Sulawesi and generates massive employment for the regent of approximately 200,000 people. "A

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single mining company like PT INCO provides direct employment for around 3500 individuals, with contractors providing another 7,000, not to mention those who support us from the outside. If you have those it will help the government to reduce the unemployment rate. But you need to have a strong government, a firm regulation as well as educated people to invest in. This will help us to get the mining industry to the level we expect." While massive foreign capital is still needed to run such a financial intensive industry, he remains confident that one day Indonesians may operate it entirely. "To be able to do that we need to have courage in ourselves, and believe in what we do. I want to rebuild this country that's why I want to fight to get the mining business in the right direction." ■