

Groundbreaking for the Expansion of the First Mineral Refinery Factory in Indonesia, Coordinating Minister Airlangga Calls the Regent of Gresik also Becoming Regent of Copper



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The effectiveness of handling Covid-19 and the national economic recovery have had a positive impact on increasing economic growth in the fourth quarter of 2021, apart from that this growth was also supported by all components of expenditure which recorded positive growth.

In accordance with the release of the Central Statistics Agency, the national economy in the fourth quarter of 2021 grew by 5.02%, while the average growth in 2021 was 3.69%. "Although it is not as high as some partner countries such as China, India, the United States, the European Union, which grew more than 5% in 2021, we should be grateful for the results of economic growth in 2021, because in the first quarter and third quarter the rate of economic growth contracted," said Coordinating Minister for Economic Affairs Airlangga Hartarto at the groundbreaking event for the PT Smelting expansion project in Gresik, East Java Province, Saturday (19/02).

Government policies in the downstreaming of mineral and coal products (minerba) are primarily aimed at increasing added value. In addition, it is also a source of state revenue and to meet domestic and export needs, including producing clean energy raw materials. Thus, the existence of the PT Smelting expansion

project as a pioneer industry in the development of downstream mineral and coal products is expected to contribute to national and spatial economic growth in the East Java Province.

Currently, Indonesia has copper ore reserves of 3.1 billion tons with a production rate of 100 million tons per year. The copper ore reserves are estimated to be exhausted in 30 years if there is no additional new reserves. Therefore it is necessary to increase the added value of copper ore, either by constructing a new mill or by expanding an existing mill for copper extraction.

"With the expansion at the first mineral refinery plant in Indonesia, there are 3.3 million tons of concentrate which will later be processed, so that Gresik becomes a center for copper downstreaming. In the future, with renewable energy, electric vehicles and solar panels all require copper. Therefore, the downstreaming of derivative products needs to be continuously encouraged, especially for the need to produce electronic products," said Coordinating Minister Airlangga.

With this expansion, the concentrate processing capacity of PT Smelting is planned to increase to 1.3 million tons and the production capacity of copper cathodes to increase to 342,000 tons per year. PT Smelting's fourth expansion project since 1999 will also add a new sulfuric acid plant, increase the capacity of several equipment in the smelter, and increase the number of electrolysis cells in the refinery. The capacity increase in the expansion requires a Capex of USD 231 million and is planned to be completed in September 2023.

PT Smelting's expansion does not only meet the needs of domestic products such as copper cathode for the wire industry (wire), copper bars (rod bar), chemical industry, as well as by-products such as sulfuric acid for raw material for fertilizer factories as well as copper slag and gypsum as raw material for fertilizer factories. cement, but PT Smelting also exports copper cathode and copper telluride.

"The strength of the copper industry in Indonesia will continue to be improved and the cluster in Gresik certainly needs to be encouraged, so that the Gresik Regent can also become the Regent of Copper," said Coordinating Minister Airlangga while ending his remarks.

In a series of groundbreaking activities for the expansion of the factory, Coordinating Minister Airlangga also witnessed the signing of the Ambulance Agreement on the Distribution of Umbulan SPAM Bulk Drinking Water between PT Air Clean East Java (Perseroda) and the Gresik Regent. In addition, donations were also made to orphans as well as tree planting at the location of the activity.

Also present on the occasion were the Minister of Industry, Members of the Indonesian Parliament, Deputy Minister of Trade, Coordinating Ministry for Economic Affairs, Deputy for State-Owned Enterprise Development, Research and Innovation at the Coordinating Ministry for the Economy, Deputy for Coordination for Regional Development and Spatial Planning at the Coordinating Ministry for the Economy, Gresik Regent, Director of PT Smelting, and the Regional Secretariat of East Java. (frh/ltg/map/tam/fsr)

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