

## *From the Editor*

Law Number 4 Year 2009 has absolutely made new paradigm of mining business in Indonesia, in which in the early 2014 this law is strictly implemented. The law has a significant point in increasing value added of particularly mineral and coal commodities in the next turn. Now, the mineral commodities are no longer exported as raw materials (for instance mineral ores). This means that the time is so tight to implement the law, especially in constructing smelter for mineral processing and they must be processed as 'pure elements' and high rank coal. This regulation is issued as Ministerial Regulation number 01 year 2014 regarding increases of value added of minerals through processing and purifying activities. On the other hand, an effort of increasing low rank coal has been made to produce high rank coal. Unfortunately, the results still indicate 'no commercial products' and requires a costly technology. Therefore, a new regulation for this commodity is not issued yet. However, this effort is always carried out by researchers and engineers of research and development institutions and mining industries to try to produce commercial and profitable products. The above ministerial regulation is applied for mining industry in all parts of this country. For this reason, regional governments (province and regency) must made provincial and regional regulations by adopting the ministerial regulation. The provincial and regional regulations on mineral mining sector is significant due to two considerations: 1). What have been done by regions to their regional regulations on mining, as it is in line with the policy that is stated in Law Number 4 Year 2009. The regulations are decentralistic and refer to the legal procedure, and 2). The substance of the study is an evaluation to the material violation by the regulations in various regions towards several higher-level regulations. The existence of the law surely brings different atmospheres, and potentially results in opportunity for different kind of violation by the regulations issued by provincial, regency and city governments. This situation must be observed and analyzed for prevention. This has to be realized that any violation to regional regulation on mining will cause consequences to the development of mineral and coal mining business in the future.

Common issues on the mineral and coal mining sector in Indonesia are mainly caused by the centralistic policy instruments and the regional autonomous principles, which are not accommodated yet by the central government. Moreover, the rate of the mining investment is low due to the inconsistent regulations, particularly relating to the management aspects for the forest sector, spatial uses, environment and the central-regional authority sharing. Interest conflicts of using land, security, illegal mining cause the mining investment that is very low. Accordingly, supply of the products of the mineral and coal commodities for the domestic needs automatically decline.

The objectives of establishing the new law for the mineral and coal mining business, hopefully, can manage the policy of exploitation of the resources, which can anticipate the opportunity and the challenge in the more prosperous future in this sector. In addition, this new law can provide the law warranty and protection to the stakeholders/mining businessmen, so they have the opportunity to increase interest and investment values in the mining sector, which could optimally improve the national and regional revenues.

Five papers are presented in this current journal, because they have indicated to support the implementation of the above new mining law, particularly in management of mineral and coal resources and its value added of these commodities. Surveys on provinces and regencies clearly indicate the increase of regional revenue without taking into consideration of the existing legal principles. This condition led to an uncondusive business climate that could hinder the economic growth and the investment opportunity. The presence of the new mining law is really expected to be able to cope with those issues. Analysis on the law reveals that the law requires to be clarified by implementing regulations that have not been issued yet.

Finally, after reading and understanding all the above papers, it is really expected that all the technologies are able to respond and to implement the new regulation on increase of value added of mining product commodities. Moreover, the certain new law on mineral and coal mining business, particularly the various regional regulations, will accommodate the golden bridge between research and development institutions and industries, which can synergize of the supply-demand on the mineral and coal commodities in accordance with the specific and characteristic products.

The Editor