

# GUNTINGAN BERITA

KODE DOK	HARIAN/MAJALAH/BULETIN/KANTOR BERITA	HALAMAN	TANGGAL
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## Samarinda tense after rallies against coal mining

**The Jakarta Post**  
Samarinda

The situation in the East Kalimantan cities of Samarinda, Balikpapan and Sangatta remained tense on Thursday following the provincial legislative council's decision to temporarily halt the operations of coal mining company PT Kaltim Prima Coal.

Thousands of locals staged demonstrations in the three cities and at the company's main office in Kutai Timur, demanding that KPC and the central government sell its 51 percent shares to the province.

A number of youth organizations and local non-governmental organizations joined the demonstrations to press the provincial administration and the Kutai Timur regency to support the provincial legislature's decision.

They also rejected the central government's recent decision to give only 31 percent of the company shares to the province and to retain the remaining 20 percent while mining group Rio Tinto and energy giant BP Plc. would retain their 49 percent shares.

Around 80 youths blocked the check point leading to the company managers and superintendents' housing compound in Tanjungbara in an attempt to prevent them from going to work.

The company's workers were later free to enter and leave the housing compound following the deployment of around 200 security personnel to enhance security around the mine.

A number of youths entering the mining location to meet the company's executives were expelled by force by security personnel.

The provincial legislature which held a plenary session to discuss KPC's divestment decided that KPC must temporarily stop its operation until the divestment issue was resolved.

The decision was made in response to the central government's recent decision to give only 31 percent, instead of the requested 51 percent, of the government's shares in the mining company to the province.

According to the production-sharing contract, the central government has 51 percent of the company's shares, but in view of region-

al autonomy, the provincial legislature claims that the central government's shares in the company should belong to the province since the mine is located in the province.

"We reject the central government's unilateral decision on the company's divestment and, therefore, we decide the company should offer the 51 percent shares to the province," Kasi-ful Anwar, chairman of the provincial legislative council, said.

The legislature also called on the local people and the provincial administration to support their decision.

The legislature also accused Minister of Mines and Energy Purnomo Yusgiantore, representing the central government in this matter, of conspiring with KPC.

"Honestly, the central government's decision is not fair because it benefits only Rio Tinto the holder of 49 percent of the company's shares.

"We are surprised that the central government which declined to purchase KPC's shares four years ago are interested in dominating the company's shares," he said.

The Salim Group is trying to enter the coal business by supporting the province's fight for a bigger part of KPC shares.

The value of the government KPC shares is equivalent to US\$419 million.