

PRESIDENTIAL DECREE
NUMBER 96, YEAR 2000
CONCERNING
BUSINESS FIELDS CLOSED AND OPEN TO
INVESTMENTS ON CERTAIN CONDITIONS

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering : that in the framework of facing global economic developments and in order to further increase the flow of investments in Indonesia as well as to realize a solid national economic structure, it is deemed necessary to review Presidential Decree No. 96/1998 concerning the negative list of investments.

In view of :

1. Article 4 paragraph (1) of the Constitution of 1945;
2. Law No. 1/1967 concerning foreign investments (State Gazette of 1967 No. 1, Additional State Gazette No. 2818) as already amended by Law No. 11 /1970 (State Gazette of 1970 No. 46, Additional State Gazette No. 2943);
3. Law No. 6/1968 concerning domestic investments (State Gazette of 1968 No. 33, Additional State Gazette No. 2853) as already amended by Law No. 12/1970 (State Gazette of 1970 No. 47, Additional State Gazette No. 2944);
4. Government Regulation No. 20/1994 concerning share ownership in companies set up in the framework of foreign investments (State Gazette of 1 994 No. 28, Additional State Gazette No. 3552);
5. Presidential Decree No. 33/1981 concerning the Investment Coordinating Board as already amended several times the latest by Presidential Decree No. 171/1999);
6. Presidential Decree No. 97/1993 concerning procedures for investments as already amended several times the latest by Presidential Decree No. 117/1999.

H A S D E C I D E D :

To stipulate : THE PRESIDENTIAL DECREE CONCERNING BUSINESS FIELDS CLOSED AND OPEN TO INVESTMENTS ON CERTAIN CONDITIONS

Article 1

- (1) The list of business fields absolutely closed to investments shall be those mentioned in Attachment 1 to this Presidential Decree and inseparable part of this decree.
- (2) The list of business fields closed to investments with ownership of foreign citizens and/or statutory bodies in corporate capital shall be the fields/kinds of businesses mentioned in Attachment II to this Presidential Decree and inseparable part of this decree.
- (3) The list of business fields open to investments on the condition of joint ventures between foreign and domestic capital shall those mentioned in Attachment III to this Presidential Decree and inseparable part of this decree.
- (4) The list of business fields open to investments on certain conditions shall be those mentioned in Attachment IV to this Presidential Decree and inseparable part of this decree.

Article 2

The stipulation of business fields as contained in the attachments to this Presidential Decree shall not be effective for indirect investments executed by purchasing shares of companies already existing through the domestic capital market

Article 3

Unless otherwise stipulated by a law, business fields other than those mentioned in Attachments I and to this Presidential Decree shall be open to investments.

Article 4

The lists of business fields as meant in Article 1 shall be effective for 3 (three) years or if deemed necessary be reviewed every year in accordance with needs and developments of the prevailing conditions.

Article 5

This Presidential Decree shall come into force as from the date of stipulation. For public cognizance, this decree shall be promulgated by placing it in Statute Book of the Republic of Indonesia.

AKBAR & AKBAR

Law Office

Stipulated in Jakarta

On July 20, 2000

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

ABDURRAHMAN WAHID

Promulgated in Jakarta

On July 20, 2000

THE STATE SECRETARY

Signed

DJOHAN EFFENDI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2000 NUMBER 118

ATTACHMENT I

LIST OF BUSINESS FIELDS ABSOLUTELY CLOSED TO INVESTMENTS

AGRICOTURAL SECTOR

1. Cultivation and processing of marijuana and the kinds

MARINE AND FISHERY SECTOR

2. Collection/utilization of sponge

INDUSTRIAL AND TRADING SECTOR

3. Industries of chemical products harmful to the environment, like penta chloro Dhenol, Dichloro Dipenhyll Trichloro Ethane (DDT), dieldrin, chlordane, carbon tetra chloride, Chloro Flouro Carbon (CFC), methyl bromide, methyl chloroform, halon etc.
4. Industries of chemical products stipulated in the Schedule 1 of the Chemical Weapon Convention (sarin, soman, tabun, mustard, levisite, ricine and saxitoxin).
5. Industries of weapons and components.
6. Industries of cyclamate and saccharine.
7. Industries of alcoholic drinks (liquor, wine and drinks containing malt).
8. Operation of casinos/gambling.

COMMUNICATIONS SECTOR

9. Air traffic system providers (ATS providers) as well as ship statutory and classification surveys
10. Management and operation of Radio Frequency Spectrum and Satellite Orbit Monitoring Stations

MINING AND ENERGY SECTOR

11. Mining of radioactive minerals

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

ABDURRAHMAN WAHID

ATTACHMENT II

LIST OF BUSINESS FIELDS CLOSED TO INVESTMENTS WITH OWNERSHIP OF FOREIGN
CITIZENS AND/OR STATUTORY BODIES IN CORPORATE CAPITAL

FORESTRY AND PLANTATION SECTOR

1. Germ plasma cultivation.
2. Concessions for natural forest.
3. Contractors in the field of lumbering.

COMMUNICATIONS SECTOR

4. Taxi/bus transport services.
5. Small-scale sailing.

TRADING SECTOR

6. Trading and trading supporting services.
Except:
Large-scale retailers (malls, supermarkets, department stores, shopping centers), wholesale trading (distributors/wholesalers, exporters and importers), exhibition/convention service providers, quality certification service providers, market research service providers, warehousing service providers other than Line I and seaports and after-sale service providers.

INFORMATION SECTOR

7. Radio and television broadcasting service providers, radio and television broadcasting subscription service providers and multimedia and print media information service providers.
8. Film industry (film making businesses, film technical service providers, film export and import businesses, film distributors and movie house operators and/or film showing service).

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

ABDURRAHMAN HAHD

ATTACHMENT III

LIST OF BUSINESS FIELDS OPEN TO INVESTMENTS ON CONDITION OF JOINT VENTURES
BETWEEN FOREIGN AND DOMESTIC CAPITAL

A. SHAREOWNERSHIP OF FOREIGN CITIZENS/STATUTORY BODIES ACCOUNTS FOR 95%
(NINETY FIVE PERCENT) AT THE MAXIMUM

1. Building and operation of seaports.
2. Electricity production, transmission and distribution.
3. Shipping.
4. Processing and provision of clear water for the public.
5. Public railway service.
6. Atomic power plants.
7. Medical services, covering the building and operation of hospitals, medical check-ups, clinical laboratories, mental rehabilitation service, public health maintenance security, rent of medical equipment, assistance services for health aid and evacuation of patients in emergency condition, hospital management services and services for testing, maintenance and repair of medical equipment.

B. SHAREOWNERSHIP OF FOREIGN CITIZENS/STATUTORY BODIES ACCOUNTS FOR 45%
(FORTY FIVE PERCENT) AT THE MAXIMUM

8. Telecommunications.
9. Regular/non-regular/chartered commercial airliners.

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

ABDURRAHMAN HAHID

ATTACHMENT IV

LIST OF BUSINESS FIELDS OPEN TO INVESTMENTS ON CERTAIN CONDITIONS

MARINE AND FISHERY SECTOR

1. Cultivation of fish in fresh waters:
 - a. open to foreign investments for freshwater turtles, nila gift, sidat, kodok lembu, freshwater giant shrimps and thillapya sp.;
 - b. in cooperation with smallholder fishery businesses.
2. Fishing of demersal fish (big fish, grouper and other sea fish) - except ZEEI areas of the Malacca Strait and Arafura sea.

INDUSTRIAL SECTOR

3. Industries of pulp made of wood
 - a. raw material coming from imported chips or guarantee of raw material supply from industrial timber estates (HTI);
 - b. other than sulfonating and/or chlorination (C12).
4. Industries of pulp made of other cellulose fibres or other materials other than sulfonating and chlorination (C12).
5. Chloro alkali producing industries other than those using mercury.
6. Processing of finished/semi-finished goods of mangrove wood raw material coming from mangrove cultivation.
7. Money printing industry must secure operational licenses from BOTASUPAL-BAKIN and approval from Bank Indonesia.
8. Special printing industries (postal stamps, duty stamps, Bank Indonesia negotiable papers, passports and stamped postal matter) must secure operational licenses from BOTASUPAL-BAKIN.
9. Milk processing industry (powder and sweetened condensed milk) processing, not merely repacking.
10. Plywood and rotary veneer industries only for the Irian Jaya province (Papua).
11. Sawn timber industries:

- a. only for the Irian Jaya province (Papua);
 - b. outside the Irian Jaya province (Papua), only using logs from non natural forests.
12. Ethyl alcohol industries.

Technical grade, being only used as raw materials and auxiliary materials of other industries.
13. Industries of raw materials for explosives (ammonium nitrates) must be in cooperation with business entities securing recommendations from the Ministry of Defense.
14. Industries of explosives and components for industrial (commercial) needs:
 - a. Must be in cooperation with business entities securing recommendations from the Ministry of Defense;
 - b. Only manufacturing activities, while storage and distribution are executed by companies appointed by the government.
15. Electricity planning and supervision consulting services. Open to foreign investments with the provisions that:
 - a. PLTA (hydro power plant) with a capacity of above 50 MW;
 - b. PLTU (steam power plant) with a capacity of above 100 MW;
 - c. PLTP (geothermal power plant) with a capacity of above 55 MW;
 - d. Main electrical relay station with a voltage of above 500 KV;
 - e. Transmission networks with a voltage of above 500 KV.
16. Electricity equipment construction, maintenance, installation services, development of technology supporting the supply of electricity and testing of electricity installations.

Open to foreign investments with the provisions that:

 - a. Main electrical relay stations with a voltage of above 500 KV;
 - b. Transmission networks with a voltage of above 500 KV.
17. Petroleum and natural gas drilling services.

Open to foreign investments with the provisions that:

 - a. only for offshore drilling;

- b. especially for locations outside the Eastern Indonesian Region, must cooperate with national partners operating in the similar business field.
18. Power plant businesses.
- Open to locations outside Java, Bali and Madura.

TRADING SECTOR

19. Restaurants.
- Open to foreign investments with the special provision that they must be located in tourism areas/zones and/or integrated with hotels.
20. Games services
- Open to foreign investments with the special provision that they must be located in tourism areas/zones and/or integrated with hotels.

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

ABDURRAHMAN HAHID