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Reference : Protest on Article “What’s holding Indonesia back” by Michael Schuman in TIME Asia edition 24/172, 22nd September 2008

To: Chief Editor  
TimeAsia Magazine  
In Hongkong

Dear Sir or Madam:

We regret very much that TIME Asia in its edition 24/172, 22nd September 2008 published an article by Michael Schuman regarding the Tokatindung Gold Mining Project by Archipelago Resources where the author states that the rejection of the project by the Governor of North Sulawesi is counter-productive towards the overall growth of the Indonesian economy and hampers the investment climate and thus the national development.

It is also indicated by the author if the Indonesian president took a firmer stand on “disobedient” local leaders this would improve the investment climate and give foreign investors more security. This is indeed true, only the author takes on a very neo-colonial perspective here. According to our analysis the Toka Tindung investment for example will carry very negative implications not only for North Sulawesi Province where the gold mine is situated, but also for the overall Indonesian economy, as long-term **ecological cost, social cost and economic cost** will be several times higher than whatever the mine will be able to yield over its short estimated time of production of six to eight years.

If the Toka Tindung gold mine of PT Meares Sopotan Mining will go into production, **it has the potential to drive North Sulawesi Province into bankruptcy, due to its negative impact on the currently very prosperous and growing sectors of the provincial economy which are tourism, fishing industry and agro-industry.** The North Sulawesi government and private investors have spent Billions of USD to advance and further those prime sectors over the past few years.

The author totally neglects this when depicting the North Sulawesi governor as a radical against economic growth. The opposite is the case. The governor, Sinyo Harry Sarundajang SE, is carefully planning the future of his province neglecting the numerous opportunities offered to personally enrich himself. So what the

author sees is only short-term profit, which will destroy the environment and leave future burdens for the generations to come, but what the governor takes into account is a long-term, sustainable development for his people.

The author takes on a very naive perspective as he describes a dualism or gap between the central Indonesian government and the provinces which are given a stronger position in the modern Indonesian state. In reality not only the North Sulawesi government rejects the gold mine, but also the Ministry For Environment denied its consent in not issuing the Environmental Impact Assessment (EIA) because of its potentially destructive impact on the environment. Other permits which are held by PT Meares Soputan Mining are known to be acquired via bribes and mal-administration, and were already reported to the National Commission Against Corruption (Komisi Pemberantasan Korupsi di Jakarta).

Already four times the National Ombudsmen Commission was called upon by North Sulawesi citizens as several permits held by PT Meares Soputan Mining are products of mal-administration, eg the permit concerning the construction of a company jetty in Rinondoran. The Indonesian Ministry Of Traffic has officially stated that the permit acquired by PT. Meares Soputan Mining is not valid and undermines valid law.

The National Commission For Human Rights deals with violations the company is accused of concerning land rights of local land-owners and sea - rights of thousands of local fishermen.

A traumatic and still vivid experience for all inhabitants of North Sulawesi which will be written in the history of the province as a 170 Mrd USD loss over eight years is the exploitation of Buyat Bay by the American Newmont gold mining company. Pasca - exploitation the area has become a contaminated no-go area bare of all economic initiative.

In publishing Schuman's article TIME Asia can be easily deemed to subscribe to the very same naive perspective of the author - if left uncommented - which means that the Indonesian Nation is only seen as exploitation ground for foreign investors whereas Indonesian citizens who stand against this unbalanced profit are characterized as rebels who hamper national development. First we have to define the **kind of development which is meant**, then we decide which investors are good for Indonesia. Archipealgo Resources is definetely not.

Sincerely,  
**Revoli (Didi) Koleangan**  
Direktur Eksekutif