

EDITORIAL

The felling of the banyan tree

Our founding fathers chose the banyan tree as the symbol of the third pillar of state ideology Pancasila—Indonesian unity, most likely because of its longevity and its enormous size, which provides shelter. The tree also represents Golkar Party for the same reasons, as it claims to serve the political aspirations of people from all walks of life.

But the past decade or so has born witness to Golkar becoming a mere political tool of the power establishment at the expense of its founding values, its constituents and more importantly, the country's young democracy. As the party's elite see power as the only currency, Golkar has simply followed the tune of the regime, with all the consequences, including the replacement of the chairman who could not fulfill the wishes of the ruler.

Golkar chairman Airlangga Hartarto's resignation on Sunday, while shocking, was not unpredictable. Airlangga's departure means the party's top job has changed hands four times in the past 10 years, excluding the dual leadership in 2016. In sum, the party has been fraught with a power struggle which ended with the winner pledging loyalty to the government.

Airlangga's decision to step down came just two months before the transition from President Joko "Jokowi" Widodo to president-elect Prabowo Subianto, which Airlangga has helped prepare as part of the Onward Indonesia Coalition (KIM). As coordinating economic minister, Airlangga initiated a simulation for Prabowo's free school lunch program, which will be his flagship program after he takes office in October.

Golkar, in particular Airlangga, played a key role in paving the way for Prabowo's ascent by forming the United Indonesia Coalition, which was later renamed KIM, and nominated the Gerindra chairman for the presidential race, certainly upon President Jokowi's request.

Golkar under Airlangga was also the first political party to officially nominate Gibran Rakabuming Raka, Jokowi's eldest son and the Surakarta mayor, as Prabowo's running mate. Gibran's candidacy followed a controversial Constitutional Court decision to change the age limit set by the Elections Law for presidential and vice presidential candidates.

As chairman of a pro-government party, Airlangga's "sacrifice" is deemed extraordinary. Not only did he give up his presidential bid for Prabowo, but he also put Golkar's image on the line for following the orders of the ruler, seemingly ignoring democratic values. We recall Airlangga's support for the idea to extend Jokowi's presidential term, which eventually failed.

In a video statement, Airlangga said he had stepped down from his position on Saturday evening to "maintain Golkar's integrity in ensuring the stability of the government transition that will soon occur". He did not elaborate further, but it is safe to say that he came under external pressure given that he had led the party almost unchallenged since December 2017.

In fact, friction has appeared between Golkar and the KIM ahead of the Nov. 27 regional elections. Golkar has finally allowed its cadre Ridwan Kamil to run for governor in Jakarta under the KIM's banner, who will face tough competition if Anies Baswedan joins the race. But in Banten, Golkar has insisted on nominating its own politician, Airin Rachmi Diany, for governor, and on allying itself with the de facto opposition Indonesian Democratic Party of Struggle (PDI-P), thus clashing with the potential candidacy of Gerindra politician Andra Soni.

A joke circulating on social media says Airlangga's biggest mistake is not his implication in a corruption case related to cooking oil distribution or the disharmony he has caused within the KIM, but his loyalty to Jokowi. But whatever the motives behind Airlangga's sudden resignation, the political drama only confirms that the country's democracy is not doing well.

Before Golkar, the country's second largest party after the PDI-P, smaller political parties had already fallen victim to the power play of the higher-ups. Democracy requires strong and credible political parties.

Airlangga said in his video statement that democracy must be taken care of and prevail, but Golkar has contributed to democratic backsliding in the country. Still, his remarks ring true that our democracy must grow as strong as a banyan tree.

Indonesia's LNG strategy and its impact on the nickel supply chain

Indonesia is gearing up to move away from a predominantly coal-based economy to one focused on natural gas and renewable energy sources to achieve its pledge of net zero emissions by 2060.

Leading the transition to cleaner sources of energy is Indonesia's state-owned utility PLN. PLN plays a pivotal role in the country's electric power distribution.

With an ambitious plan to cap power sector emissions at 247 million tonnes of CO₂ equivalent (mtCO₂e) by 2030, PLN Energi Primer Indonesia (PLN EPI) is committed to ensuring both greater access to reliable electricity and significant emissions reductions. Following the resumption of post-pandemic activities, emissions from the energy sector surged to 715 mtCO₂e in 2022, driven by an increase in coal-fired power generation.

Despite coal accounting for 67 percent of Indonesia's energy mix in 2023 for power generation, the nation is undergoing a broader energy transformation. This transition is particularly relevant to the nickel industry, which is crucial for the production of electric vehicle (EV) batteries and is significantly impacted by Indonesia's shift to cleaner energy sources.

PLN's liquefied natural gas (LNG) demand is projected to be around 84 cargoes (one cargo usually weighs 72,000 tonnes) for 2024, 90 cargoes annually from 2025 to 2029, with approximately 62 cargoes allocated for West Java and 18 cargoes to North Sumatra. This figure reflects the utility's shift toward LNG to support its increased gas-fired power generation capacity.

PLN's overall LNG demand is expected to rise from 5 million tonnes in 2023 to at least 7 million tonnes by 2030. This anticipated increase highlights the growing need for LNG imports as the country moves away from coal and other energy sources.

Out of Indonesia's total installed electric generation capacity of 81 gigawatts (GW), PLN group generates 60 percent, with the remainder operated by independent power producers, permit holders, private utilities and the government. A landmark development in 2024 was the awarding of a contract for the co-development, ownership and operations of LNG import terminals in the Sulawesi-Maluku power cluster. This project underscores PLN EPI's shift in fuel sourcing and the significant role LNG will play in Indonesia's evolving energy landscape.

The power cluster project, led by AG&P LNG, majority-owned by Nebula Energy, along with consortium members Suasa Benua Sukses (SBS) and KPMOG, will



Antara/Akbar Nugroho Gumay

Coming to port: Workers wait for the cargo ship Towuti, carrying 119,000 cubic meters of liquefied natural gas (LNG) from Tangguh, West Papua, to moor at the Arun storage and regasification facility in Lhokseumawe, Aceh, on Jan. 19, 2015.

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bring 866-megawatt (MW) cumulative capacity to the region. AG&P Indonesia, along with its partners, will establish a joint venture with PLN EPI, which will serve as both the customer and co-shareholder of the facility.

This project represents a substantial reduction in emissions, replacing diesel fuel capacity and achieving a 30 percent reduction in carbon emissions, equivalent to avoiding 1.6 mtCO₂e annually.

Central Sulawesi, Southeast Sulawesi and North Maluku house most of Indonesia's nickel processing facilities and are mostly dependent on hydro and diesel fuel. The production of battery-grade nickel involves intensive processing, which has spurred the development of new smelters across Indonesia.

This expansion is driven by the growing demand for nickel in battery manufacturing, leading to significant investment in the country's smelting infrastructure. New power clusters, such as the Sulawesi-Maluku power cluster led by AG&P LNG, will bring reliable, cost-effective energy to the region.

The shift to LNG is poised to have a transformative impact on Indonesia's nickel industry. As the country transitions away from coal, the demand for cleaner energy sources like LNG will support the nickel processing facilities that are integral to producing battery-grade nickel. With Indo-

nesia's nickel production growing from 5 percent of global extraction in 2015 to 50 percent in 2023, the modernization of energy infrastructure is crucial.

The LNG infrastructure, with a projected regasification capacity of 2.3 million tonnes per year across seven sites, will help reduce the carbon footprint of power generation. This shift is expected to achieve a 30 percent reduction in carbon emissions, equivalent to avoiding 1.6 mtCO₂e annually.

By aligning with global sustainability goals, this development will enhance the competitiveness of Indonesian nickel in international markets. The modernization effort will also attract further investment into the region, boost local economies and foster the growth of green technologies.

"Our commitment to transforming Indonesia's energy landscape is exemplified by our shift toward LNG, which will not only enhance the reliability of our electricity supply but also significantly reduce carbon emissions. The development of LNG mid-stream infrastructure including the Sulawesi-Maluku power cluster is a testament to our dedication to providing cleaner and more sustainable energy solutions, ensuring a brighter and greener future for our nation," noted PLN EPI director of fuel and gas Rakhmad Dewanto.

The AG&P LNG-led cluster is

currently undergoing technical preparations including a front-end engineering design (FEED) report, engineering procurement construction (EPC) selection, operation and maintenance (O&M) selection and site permitting. Six locations are planned, with a central hub featuring floating storage with an LNG carrier to service each onshore regasification facility.

The project will introduce LNG regasification in collaboration with PLN EPI, converting existing power plants to gas fuel, with LNG procured from Tangguh in Papua, and transported by LNG carrier to each location, including Kolaka, Bau-Bau, Kendari, Gorontalo in Sulawesi and Ternate and Ambon in Maluku, to promote cleaner and cost-saving gas-to-power solutions.

Indonesia's strategic pivot from coal to LNG and renewable energy sources represents a critical step toward achieving its net-zero emissions goal by 2060. By reducing the carbon footprint associated with power generation and enhancing energy reliability, these efforts promise significant environmental benefits and economic growth.

As Indonesia continues to modernize its energy infrastructure, it stands to enhance its position in the global market, attract further investment, and drive forward the development of sustainable technologies. The shift to LNG underscores Indonesia's commitment to a greener future, aligning with global sustainability goals and setting a precedent for other nations seeking to balance industrial growth with environmental stewardship.

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Yunus government: Navigating challenges and opportunities

The formation of a caretaker government led by Muhammad Yunus marks a pivotal moment in Bangladesh's history. At this critical juncture, expectations of the new government are immense.

The people of the country, who have witnessed decades of political turmoil and the erosion of democratic values, yearn for the restoration of true democracy. There is a widespread desire to see democracy freed from the corruption and abuse of power that has plagued it for years.

This is not just a desire for change, but a deep hope for a better future where government is transparent, accountable, and truly representative of the will of the people.

In the past, democracy in the country has often been more facade than reality. The promises of democratic governance have often been undermined by those in power who have used their positions to advance their own interests rather than those of the nation.

As a result, democracy has been distorted, with the language of force and coercion being disguised as democratic discourse. This has led to widespread disillusionment among the people, who have seen their hopes dashed time and again by leaders who have failed to live up to their promises.

The resignation of Sheikh Hasina and the subsequent political turmoil have only added to the uncertainty and anxiety of the populace. The absence of



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a stable government for several days created a vacuum that was quickly filled by chaos and anarchy.

The riots, vandalism, and looting that ensued were not only a reflection of the anger and frustration of the people but also an indication of the deep-rooted issues that have been festering for years. These incidents have highlighted the fragility of our democratic institutions and the urgent need for reform.

One of the most troubling aspects of this period of unrest has been the way in which lawlessness has been allowed to prevail. The wanton destruction of public and private property, the looting of buildings, and the general disregard for the rule of law are symptomatic of a society that has lost its way.

The first priority of the interim government will be to ensure the safety of life and property while also paving the way for freedom of speech and peaceful assembly. Preventing further violence will be a major challenge for the new government.

The formation of the interim government offers a chance to reverse this trend and restore faith in the democratic process. However, this will not be an easy task. The new government must not only address the immedi-

ate challenges of restoring order and stability but also undertake the much more difficult task of rebuilding the nation's democratic institutions.

This will require a comprehensive approach that addresses the root causes of the current crisis and lays the foundation for a more just and equitable society.

The interim government will be led by civilian leadership. However, the extent of military control in this government remains unclear. According to political analysts, even if not officially present, the military will have a significant influence on this government.

Major political parties in Bangladesh fear that if the interim government's tenure is prolonged, the military might seize the opportunity to solidify its authority within the government. However, at present, it seems the military is not as interested in playing an active role in the government or being at the center of politics as it was a few decades ago.

One of the key challenges facing the new government will be to ensure that democracy is not just a slogan but a reality. This means that the government must be truly representative of the people's will and must work

to ensure that all citizens, regardless of their background, have a voice in the political process.

This will require a commitment to transparency, accountability, and the rule of law. It will also require a willingness to engage with the opposition and to listen to the concerns of all citizens, not just those who support the government.

In addition to these political challenges, the new government will also need to address the social and economic issues that have been neglected for too long. The country is facing a host of problems, including cost of living, unemployment, and a lack of access to basic services such as healthcare and education. These issues must be addressed if the country is to move forward and achieve its full potential.

The new government must also recognize the importance of cultural identity in shaping the future of the nation. While political identity is crucial, it is equally important to preserve and promote the country's rich cultural heritage.

This means that the government must work to ensure that all citizens, regardless of their religion or ethnicity, feel that they are a valued part of the nation. This will require a commitment to promoting tolerance and understanding and to ensuring that all citizens have the opportunity to participate in the cultural life of the country.

The new government will

have the responsibility of conducting credible investigations and taking appropriate legal action for the recent tragic events.

However, this will only be possible if the government is willing to learn from the past mistakes and to take bold and decisive action. This will require a commitment to change and a willingness to make difficult decisions.

The formation of the transitional government is just the beginning. The true test will come in the days and weeks ahead as the government begins to implement its policies and address the challenges facing the country. At this point the government will be judged not just by its words but by its actions. The people of the country will be watching closely to see whether the government can deliver on its promises and lead the country towards a brighter future.

In conclusion, expectations for the new government are high, and rightly so. The country is at a crossroads, and the decisions made in the coming days will have a profound impact on its future. The people are looking to the government to restore democracy, promote justice, and build a society that is inclusive and equitable.

This is a daunting task, but it is also an opportunity to create a better future for all citizens. The government must rise to the occasion and show its ability to meet the expectations. Only then can the country move forward and achieve its full potential.