



INDONESIA'S NICKEL GAMBLE: FUELLING DREAMS OR DEBT

ABSTRACT

Indonesia may dominate in the global nickel supply, especially in the electric vehicle industry and the stainless steel, but instable political position and oversupply may disrupt the production and the market.

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Indonesia's Nickel Gamble: Fuelling Dreams or Debt

Introduction

Indonesia has the world's largest nickel reserve and plays a crucial role in the global stainless-steel market and in the supply chains of the electric vehicle. The government of Indonesia has put forward an export ban on Nickel and pushed for down streaming. We can see a rising demand in the nickel market, but oversupply pressure, social tensions, protests, and environmental concerns may cause some problems in the Nickel industry in the nation.

Analysis



June 2025 has seen some subtle but important changes. Along with the issues mentioned in the timeline, like President Prabowo visited Moscow ditching G-7 meeting. It's the same time **AEER** and **Nexus 3**, having their roots in European countries like Germany, released their reports of environmental concerns due to mining.

China's dominance in the country's Nickel industry has raised eyebrows in Indonesia. Chinese companies, including **Jiangsu Delong and Tsingshan Group**, control about 70-75% of Indonesia's nickel refining capacity, which has strategic implications for the global nickel supply chain and Indonesia's economic relations with China. The Jiangsu group and other firms are facing financial crunch due to which the supply of Nickel is bound to decrease in near future.

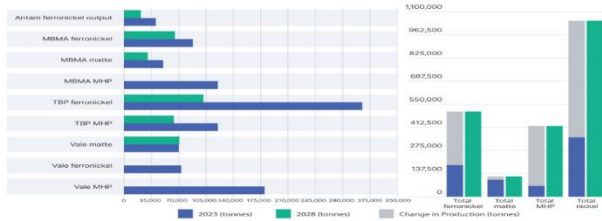
The issue being the nexus between Indonesia's police and military, who are colluding in land grabbing, coercion and

intimidation of the tribals inhabiting the resource rich regions.

There's a visible diversification of supply chain with industrialists shifting towards Philippines and Africa for nickel supply. Also, for EV batteries, lithium iron phosphate is

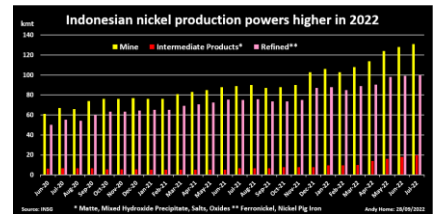


preferred over nickel demand in Indonesia due to its scientific advantages like higher energy density and efficiency.



Conclusion

The rapid expansion of nickel mining in Indonesia, particularly in biodiverse regions like Raja Ampat, Halmahera, and Sulawesi, has fuelled significant tribal unrest among indigenous communities, who face displacement, loss of livelihoods from polluted fisheries, and escalating health hazards including respiratory illnesses, skin diseases, and elevated mercury levels in blood due to air, water, and soil contamination. Protests and resistance have highlighted these grievances, often leading to violent clashes and legal actions against demonstrators. To pacify local concerns, the Government of Indonesia has taken steps such as revoking or suspending mining permits in response to public outcry, as seen in Raja Ampat but PT Gag Nickel’s operations were temporarily halted due to environmental protests and later resumed. This shows there might be lack of long-term policy changes and the mining might continue, legally or illegally.



What’s in it for India?

- India would deepen its diplomatic ties with India and leverage its commitment for sustainability and demographic diversity to focus on dialogues upholding indigenous rights and to ensure fair labour practices in the mining industry.
- Indian companies can engage in joint ventures to diversity the supply chain of minerals and manufacturing. Manufacturing is underdeveloped in India, and this could be a potential opportunity,

September’s News Review

Sr. No	Date	Sector	News Headline	Source
1.	03-09-2025	Politics	Hundreds of women with brooms join protests as Indonesia leader flies to China	BBC



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2.	04-09-2025		Parliament Speaker Puan Maharani Vows Reform After Violent Unrest	Jakarta Globe
3.	06-09-2025		Indonesian politicians to have perks cut in bid to quell unrest	BBC
4.			What's behind the rioting in Indonesia? And will the much-loathed political elite back down?	The Conversation
5.			People Versus Power in Indonesia	CEIP
6.		10-09-2025		Indonesian president fires key ministers after deadly protests
7.			New finance chief Purbaya vows to create 'optimal' fiscal policy	The Jakarta Post
8.			Prabowo appoints Sjafrie as interim top security affairs minister	ANTARA
9.			Police arrest international organization worker for alleged role in Jakarta riots	The Jakarta Post
10.			Rescuers search for helicopter that went missing in Indonesia's Borneo	The Independent
11.			Families of Boeing crash victims to make potential final plea for criminal prosecution	The Independent
12.			Ex-Indonesian minister detained over corruption probe linked to laptop sales	South China Morning Post
13.			Demonstration Alert: U.S. Embassy Jakarta, Indonesia	U.S. Embassy Jakarta, Indonesia
14.	13-09-2025		Army Corporal Charged in Abduction, Murder of State Bank Branch Head	Jakarta Globe
15.			Prabowo's niece resigns from House	The Jakarta Post
16.			Indonesian Lawmakers Agree to Forego Benefits After Deadly Protests	The Diplomat



17.	17-09-2025		Jakarta's 'invisible' lives: Undocumented coastal children denied basic rights	The Jakarta Post
18.			Rights minister proposes designated protest zone at House complex	The Jakarta Post
19.			Bali to draft bylaw banning land conversion this year	ANTARA
20.			ASEAN Prosecutors sign Bali Declaration to tackle cross-border crime	ANTARA
21.			Indonesia locks down a factory in Banten over Cesium-137 contamination	ANTARA
22.			Indonesia's Election Body Under Fire for Diploma Secrecy Rule	Jakarta Globe
23.	20-09-2025		Govt prioritizes coastal residential areas development: Ministry	ANTARA
24.			Nusantara to Become Indonesia's Political Capital by 2028 Under Prabowo's Regulation	Tempo English
25.			Indonesia's Subianto appoints new security minister after deadly protests	Al Jazeera
26.	27-09-2025		Prabowo's peacekeeping pledge: A turning point for democracy?	The Jakarta Post
27.			Survey shows public satisfaction with President Prabowo drops to 58.9 percent	Indonesia Business Post
28.			New sports minister Erick keeps his job as PSSI chair	The Jakarta Post
29.	03-09-2025	Economy	Indonesia, Thai Stock Market Outlooks Buffeted by Political Risk	Mint
30.	04-09-2025		Indonesian economy suffers heavy losses from riots	Asia News Network
31.	05-09-2025		Indonesia stocks, currency fall as	CNBC



			protests dent investor sentiment in Southeast Asia's largest economy	
32.			Indonesia: Economy Is Stable Despite Market Jitters From Ongoing Protest	Strat News Global
33.	06-09-2025		Indonesia's Nickel Gamble: From Resource Protectionism to EV Ambitions	Australian Institute of International Affairs
34.			Bulog expands rice distribution to outlying Riau Islands	ANTARA INDONESIA NEWS AGENCY
35.	10-09-2025		Indonesia to establish six new SEZs, including global halal hub	ANTARA
36.	13-09-2025		Islamic economy seen as key driver of Indonesia's future growth	ANTARA
37.			Indonesia Moves Rp 200 Trillion from BI to Spur Bank Lending	Kompas
38.			Indonesia to End EV Import Incentives, Eyes Billions in Tax Gains	Kompas
39.			Indonesia cites lack of forestry permits in land seizures from nickel miners	Reuters
40.			Indonesia takes over mines and palm oil as crackdown widens	Bloomberg
41.	17-09-2025		Indonesia to end incentives for imported CBU BEVs in 2026	The Investor
42.			Indonesia reopens nickel mine in dive hotspot despite outcry	ET Auto
43.			Bank Indonesia to hold rates this week as political shake-up hits rupiah: Reuters poll	Reuters
44.			Nusantara Lima Satellite to provide internet services throughout Indonesia and ASEAN	Telecom TV



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45.	20-09-2025		Indonesia's five priority programs to create 3 million jobs by 2025	ANTARA
46.	24-09-2025		Indonesia raises \$1.98 billion from regular bond auction	The Economic Times
47.	27-09-2025		Freeport Mine Setback Risks Fraying Relations With Indonesia	Bloomberg
48.	03-09-2025	Foreign Affairs	Indonesia embassy official's shooting in Lima probably a 'contract killing', says Peru government	The Guardian
49.	04-09-2025		Indonesia, Palestine unite against Israel's "cultural genocide"	ANTARA Indonesian News Agency
50.	05-09-2025		Indonesia, China discuss sea wall, high-speed rail in Beijing talks	ANTARA INDONESIA NEWS AGENCY
51.			Ministry of Foreign Affairs' Response to UN Comments on Protests	Metro TV
52.			Indonesia's Trump tariff deal reinforces the United States' old image in Southeast Asia	East Asia Forum
53.	10-09-2025		Turkiye as a Major Actor in Indonesia's Naval Modernisation	TurDef
54.	13-09-2025		Prabowo meets Qatari Emir, highlights RI's solidarity with Doha	ANTARA
55.			All Indonesians safe amid deadly Nepal protests: Foreign Ministry	The Jakarta Post
56.	17-09-2025		Indonesia voices support for Qatar at Arab-Islamic summit	ANTARA
57.			Indonesians repatriated from Nepal to reach 78 people this week: govt	ANTARA
58.	20-09-2025		Bali shuts down Russian-owned factory built on protected mangrove land	The Jakarta Post



59.			Bali court hands Ukrainian man life sentence for illegal drugs laboratory	Al Jazeera
60.	24-09-2025		UAE and Indonesia affirm commitment to tolerance and peace	ANTARA
61.			Indonesia's palm oil exports to EU to climb on trade pact, regulatory reprieve	Reuters
62.			Indonesia Ready to Send Peacekeepers to Ukraine if Approved by UN Security Council, Subianto Says	United 24 Media
63.			Indonesia, EU finalize free trade deal on 99% of goods	Arab News
64.	27-09-2025		Prabowo wraps up four-nation tour, secures major investments	ANTARA
65.			Joint statement on the bilateral meeting between Prime Minister of Canada Mark Carney and the President of Republic of Indonesia Prabowo Subianto	Prime Minister of Canada
66.	06-09-2025	Defence	Indonesia and the Creeping Threat of 'Military Operations Other Than War'	The Diplomat
67.			Indonesia's New Military Law and the Ghost of Consensus-Based Constitutional Transition	IACL-AIDC BLOG
68.			Indonesia Expands Military's Role, Sparking Protests in Jakarta	Bloomberg
69.	10-09-2025		The Indonesian Navy continues its efforts to acquire the former Italian aircraft carrier Giuseppe Garibaldi.	JawaPos
70.	13-09-2025		To strengthen the Indonesian Navy base in Surabaya, the KRI Brawijaya-320 will become the new defense equipment for the	JawaPos



			Indonesian Navy Fleet Command II.	
71.	20-09-2025		Defense minister Sjafrie holds meeting with Dasco	The Jakarta Post
72.	24-09-2025		Indonesian Air Force Chief inspects Rafale jet support facility	ANTARA
73.	05-09-2025	Social	Indonesia raises education funding to strengthen human capital	ANTARA INDONESIA NEWS AGENCY
74.			Controversy over MBG Using Nearly Half of Indonesia's Education Budget	Tempo English
75.	13-09-2025		Indonesia detains former minister and Gojek founder as suspect in graft case	Reuters
76.			Indonesia strengthens inclusive, resilient WASH services in health care facilities	United Nation Organisation
77.	27-09-2025		Possible radioactive contamination detected in spices	The Independent
78.			Indonesia's free meals scheme under fire over food poisoning cases, calls for a halt mount	South China Morning Post

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