

DANANTARA INDONESIA
DIARIES

From the Danantara Indonesia Investor Relations Team

PEOPLE AT DANANTARA INDONESIA

No Room for Mistakes

DSI's Board of Commissioners on how to make the first impression count.

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Photo credit: Danantara Indonesia

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"We can start measuring only when we know **what to measure.**"

HENDRIK CASIMIR, Dutch physicist and director of the Philips Natuurkundig Laboratorium

An aircraft engineer, a former trade minister, a mining chief and a dealmaker walk into a boardroom. It sounds like the setup for a joke. It is the Board of Commissioners of PT Danantara Sumberdaya Indonesia, announced on 24 August, and the mix was deliberate.

The problem they have been handed is older than any of them. Indonesia holds the world's largest nickel reserves, is the world's largest coal exporter by volume, and ranks among the leaders in tin, copper, gold and bauxite.

What it has not held is a matching share of the value. Exports run high; state revenue does not follow.

DSI was established under Government Regulation No. 24 of 2026 and began operating on 1 June. Its initial mandate covers coal, palm oil and ferroalloy, and its purpose is to make export transactions visible and close the gap that under-invoicing and transfer pricing have opened over decades.



DSI CEO Luke Mahony with DSI's Board of Directors and Board of Commissioners / Photo credit: Danantara Indonesia Investor Relations Team

BPI Danantara CEO Rosan Roeslani has stated that DSI is neither the sole exporter nor a new layer of regulation. Exporters may keep selling directly, existing contracts will be respected, and licensing and supervision stay with the ministries. What DSI builds instead is a verification point across quantity, quality, classification, price, payment settlement and the repatriation of foreign exchange.

In its first two months, it analyzed some 6,500 export declarations worth more than US\$14 billion, across over 50 ports in 25 provinces, bound for more than 100 countries. It has until 1 January 2027 to be fully ready.

We spoke with the commissioners who agree on the problem, but emphasize different parts of the solution. At least one of them thinks that disagreement is the point.

M. Syaifurrahman Noer

President Commissioner

Senior aerospace and defense leader

The man appointed to chair DSI's board did not come from commodities, finance or trade. He came from aircraft.

M. Syaifurrahman Noer, known as Cipung Noer, graduated in engineering from Institut Teknologi Sepuluh Nopember in 1969. He worked as a production development engineer in Madrid, then returned to Bandung as Director of IPTN's CN-235 program, the twin-turboprop transport built jointly with Spain's CASA.

He later ran IPTN North America in Seattle, has been President Commissioner of PT Indonesian Defence Security and Technology since 2021, and founded Politeknik Negeri Madura to supply skilled people to the maritime technology sector.

Read that career in sequence and a pattern emerges that is not obviously about mining at all. It is about building institutions that have to meet someone else's standards.

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Photo credit: Syaifurrahman Noer

An aircraft certified for international service cannot be certified nationally and hope for the best, a parts business in Seattle must satisfy American regulators, and a defense manufacturer must be auditable. Each is a lesson in exportable credibility, which is, in the end, the thing DSI has been asked to build.

His fellow commissioners describe how that translates in the room. Harold Tjiptadjaja calls him the most senior figure on the board and the one who holds the helicopter view: the person tracking the whole shape of the thing while the others work their own corners of it.

Those corners are about to get busy. The system DSI has built since June now sits under his board's supervision, and 1 January does not move.

Tony Wenas

Commissioner

President Director of PT Freeport Indonesia

Tony Wenas has spent more than thirty years in Indonesian mining, long enough to hear every story about under-invoicing and to prove none of them. "We heard about that, but we didn't know about that."

He has led Freeport Indonesia as President Director since December 2018. Before that, he was President Director and CEO of Vale Indonesia, so his career has been spent inside the two companies that define copper and nickel production here. He remains at Freeport, and where conflict arises, he recuses himself.

When the President first spoke about DSI, his reaction was mixed, and he says so: relief that a decades-old problem was finally being named, then the harder question of how anyone would fix it. He has followed the company since before it was incorporated.



Photo credit: Tony Wenas

Ask him to name the structural problem and he reduces it to an equation: price times quantity times quality. Customs counts volume and surveyors verify quality, a function that needs strengthening. Price is negotiated between buyer and seller, and that is where the leak sits.

A discount of three percent is ordinary trading practice. A discount of twenty to thirty percent below benchmark is not.

He knows this from the other side: Freeport sells refined copper cathode at LME prices and gold and silver at LBMA prices, straightforward because the metal is 99.99 percent pure. The ambiguity lives in products like ferronickel, sold at fifteen percent nickel content, where a buyer can come back and call it fourteen. Those are the commodities DSI exists for.

He wants the reverse understood too. If a legitimate three percent discount shows up in a transaction, will law enforcement read it as a loss to the state?



Aligning everyone's sense of what normal looks like is part of the job. So is reassuring producers that DSI is not another layer taking a cut, and traders that their markets are not about to be upended.

His test of success is a matching number. If Indonesia exports 100 of nickel and China records imports of 120, where did the 20 go? He wants both sides to read 100, and the foreign exchange received by Bank Indonesia to read 100 as well.

What keeps him up is standards. The goal is national, but the arena is not. "It has to be internationally accepted standards."

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Mari Elka Pangestu

Commissioner

**Vice Chair, National Economic Council and former
Minister of Trade**

Getting a straight answer out of trade data can take longer than a trade deal. Mari Elka Pangestu has done both.

She tells a story about Singapore. A large share of Indonesian commodity trade is routed through it, and she is careful not to make that sound sinister. "Not to avoid anything," she says.

Singapore built the infrastructure for trading, and traders went where the infrastructure was. The problem was narrower and more stubborn than intent: simply getting the transshipment figures, showing what left Indonesia and where it went next, took years. "Just to get that data, we needed a very long time to persuade Singapore to give it."

That is the gap DSI was built to close, and it is why she said yes.



Photo credit: Dewan Ekonomi Nasional

Few Indonesians have argued the country's case in more rooms. She was Minister of Trade from 2004 to 2011, leading Indonesia at the WTO's Doha Round, then Minister of Tourism and Creative Economy until 2014, and later Managing Director for Development Policy and Partnerships at the World Bank. She holds a doctorate in economics from UC Davis and is now Vice Chair of the National Economic Council.

Her path to DSI ran through Febriany Eddy, who helped shepherd the company into existence, and through Simbara, the coal and mineral data system built at the Coordinating Ministry for Maritime Affairs and Investment.

She is unromantic about what DSI is. "We are not the first country to improve our systems." But the intention is good, and the payoff arrives as state revenue and foreign exchange.

She is equally specific about what it must not do: disturb contracts already signed, or obstruct commercial flows that already work.

Ask her what the hard part is and she does not say technology. "The most important thing to understand is it's not about the system or the data."

It is the business process. Each commodity behaves differently, and unless the team understands those processes comprehensively, it cannot turn them into something a contract can be checked against.

Which brings her to the first few months. "If we start well, it is far easier to maintain and keep improving. If we start with many negative things, it is much harder to turn around."

Her five-to-ten-year measure is almost disappointingly practical: a system efficient enough that exporters do not complain, policy consistent enough to plan around, and more value coming home. "We want to give back to the country."

Harold Tjiptadjaja

Commissioner

Senior Director, Strategic Unit at BPI Danantara

Harold Tjiptadjaja is an accountant by training, a Virgo by his own admission, and detail-oriented by both. He offers this as an explanation, not an excuse.

He has spent more than twenty-five years on the side of the table that builds deals, as Managing Director of Investment Banking at Mandiri Sekuritas, Chief Investment Officer at Indonesia Infrastructure Finance, and now Senior Director at BPI Danantara's Strategic Unit. He was chosen by BPI Danantara as its representative on the board: the first time he has sat on the side that watches, rather than builds.

What struck him first was the size of the mandate, and its double edge. DSI is a powerful tool, he says, and power cuts both ways.

Done well, the benefit is enormous. Done by the wrong people, it becomes an instrument for pressuring others. His answer is composition: a board that mixes state, government and private-sector experience, so that no single background sets the tone.

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Photo credit: Danantara Indonesia

Which leads to the word he returns to most. Not capability, which he takes as given, but integrity, of the individual and of Danantara Indonesia together. "Once it is wounded, it is very hard to recover. No room for mistakes."

His executive background, he thinks, makes him a better commissioner, because he knows where directors are inclined to drift and that they need room to decide. His method is to push hard early to set the standard, then loosen once deviation narrows. Governance taken to a hundred percent means management stops working, which is why he pressed for SOPs to be issued quickly.

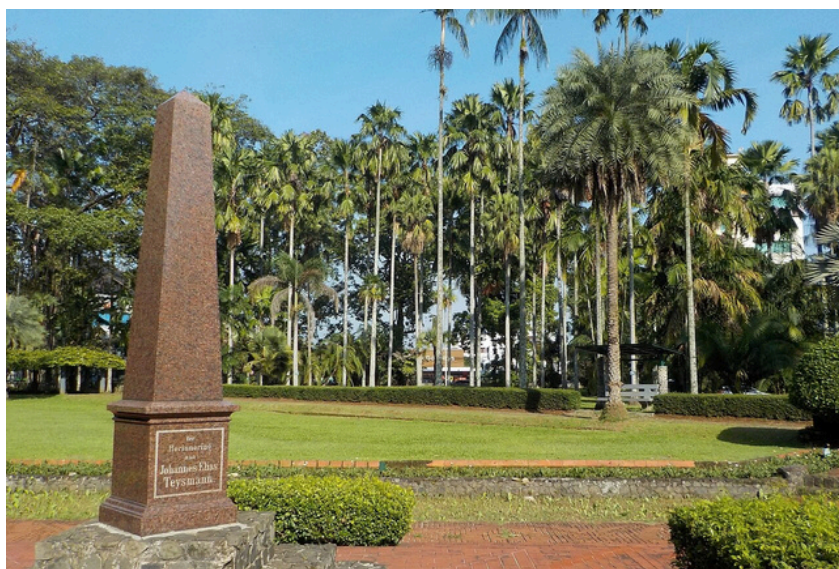
The board does not agree by default, and he likes it that way: he brings governance, Mari Elka Pangestu the market, M. Syaifurrahman Noer the long view, Tony Wenas natural resources. Conflict is possible. Checks and balances are the point.

The near-term worries are concrete: explain DSI to a public that will otherwise fill the silence with its own assumptions, and build a team ready by 1 January. Computers can be outsourced; a team with the same heart cannot.

Success is leakage reduced or ideally eliminated, measured against clear KPIs, and an ecosystem where miners feel like partners rather than subjects of scrutiny. The relationship has to work both ways, he says. A mining sector that feels unfairly treated will eventually shrink, taking the exports DSI is meant to safeguard along with it.

Did You Know?

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The Teysmann Monument at Kebun Raya Bogor. Teysmann ran the gardens when the oil palms arrived in 1848 / Photo credit: Wikimedia Commons

Arguably Indonesia's most successful seed investment started with literally four oil palm seedlings, which arrived in 1848 at the Buitenzorg Botanical Gardens, now the Kebun Raya Bogor.

Early on, the returns were poor. In 1858, the colonial government sent 146 lots of seed across the archipelago and set up trial plots in Banyumas and Palembang. By 1864, the trials had been shut down. In 1875, seeds from Bogor reached Deli in North Sumatra. There, as far as anyone can tell, the palm's main job was lining the driveways of tobacco estates.

The turnaround came in 1911, when Adrien Hallet, a Belgian, planted the first commercial estates at Pulo Raja and Sungai Liput. In 2007, Indonesia overtook Malaysia as the world's largest palm oil producer.

No feasibility study, no five-year plan and no investment committee. The holding period was 159 years. Still one of the best early-stage bets Indonesia has ever made.

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