

HERBERT SMITH FREEHILLS ADVISES SUMITOMO METAL MINING ON COMPLETION OF DIVESTMENT DEAL IN INDONESIA

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News

Leading global law firm Herbert Smith Freehills and its associated Indonesian firm [Hiswara Bunjamin & Tandjung](#) (HBT) has advised Japan's Sumitomo Metal Mining (SMM) on successful completion of its joint US\$400 million divestment (along with Vale Canada Limited) of a 20% interest in PT Vale Indonesia Tbk (PT Vale) to Indonesian state-owned enterprise MIND-ID.

The deal completed on 7 October 2020, following its announcement in June of this year. Indonesia is one of the world's biggest producers of nickel ore, a critical mineral for electric vehicle batteries. This transaction was implemented to comply with the local divestment requirements under the Indonesian Mining Law. While there are still a number of deals of this type to come, the Indonesian mining industry has now largely transitioned towards compliance with the local divestment requirements and this has marked a period of stability and consolidation in the sector. Notably, foreign ownership in the downstream mining sector remains unrestricted and is continuing to attract significant foreign investment.

"We were delighted to have had the opportunity to support SMM close this strategically important transaction; there were various restrictions due to the pandemic which complicated the negotiations, between Canadian, Indonesian and Japanese counterparties, but it was great to see the deal successfully complete," said Tokyo partner [Andrew Blacoe](#).

"Our Japanese clients are actively pursuing deals in critical sectors despite the pandemic, and particularly in Southeast Asia," said Jakarta senior international counsel [Matthew Goerke](#). "Seamless teamwork between Tokyo and our HBT colleagues in Jakarta demonstrates our strength and expertise advising on Japan-Indonesia corridor deals, such as this."

Andrew and Matthew led the team, supported by senior associate Patrick Corrigan, associate James Donnelly in Tokyo, and HBT senior associate Renny Soependi in Jakarta.

The firm is also advising SMM on the joint development and financing of a high-pressure acid leaching nickel processing plant in Pomalaa, Indonesia, with PT Vale, which was announced in November 2019 and is proceeding towards FID.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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