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# Legal Study on Foreign Ownership In The Oil Palm Plantation Sector From The Perspective of Indonesia's Economic Sovereignty

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**ABSTRACT**
*Palm oil plantations are a leading Indonesian commodity with a strategic role. Foreign investment activities are subject to Law No. 25 of 2007 concerning Investment and Presidential Regulation No. 10 of 2021, which was later amended by Presidential Regulation No. 49 of 2021. Under these regulations, palm oil plantations do not require restrictions on capital ownership, meaning they can be fully owned by foreigners. This research addresses the legal aspects of foreign investment in the palm oil plantation sector, examines whether the size of foreign ownership correlates with the challenges posed by palm oil plantations, and examines whether existing regulations regarding Foreign Direct Investment (FDI), particularly in the palm oil plantation sector, are effective in ensuring economic sovereignty.*
*Using normative legal research methods. The results indicate that the environmental and social impacts of palm oil plantations are not directly correlated with the company's ownership structure but rather relate to the company's operational practices and approach to local communities. Furthermore, although the state does not limit the size of foreign capital ownership, its presence in maintaining economic sovereignty is manifested in policies related to restrictions and obligations, such as those related to land rights, where investors can only hold a Cultivation Use Rights (HGU) for a specific period, and obligations regarding plasma plantation development and land allocation. This research also shows that regulations in oil palm plantations still require improvement to address overlapping and disharmonious regulations.*
***Keyword:*** *Economic Sovereignty, Foreign, Investment, Palm Oil,*

**ABSTRAK**
Perkebunan kelapa sawit merupakan komoditas unggulan Indonesia yang memiliki peran strategis. Dalam pelaksanaannya kegiatan investasi asing tunduk kepada Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal dan Peraturan Presiden Nomor 10 Tahun 2021 yang kemudian diubah dengan Peraturan Presiden Nomor 49 Tahun 2021. Berdasarkan peraturan tersebut, perkebunan kelapa sawit tidak memerlukan pembatasan dalam kepemilikan modalnya yang berarti dapat dimiliki sepenuhnya oleh asing. Penelitian ini mencakup rumusan masaslah bagaimana aspek hukum penanaman modal asing dalam sektor perkebunan kelapa sawit, apakah besaran kepemilikan asing memiliki korelasi dengan tantangan yang disebabkan oleh perkebunan kelapa sawit dan mengkaji apakah regulasi yang berlaku dalam Penanaman Modal Asing (PMA) khususnya di sektor perkebunan kelapa sawit telah maksimal dalam menjamin kedaulatan ekonomi. Melalui metode penelitian hukum normatif. Hasil penelitian menunjukkan bahwa dampak lingkungan dan dampak sosial yang terjadi dalam perkebunan kelapa sawit tidak berkorelasi langsung dengan struktur kepemilikan perusahaan, melainkan lebih berkaitan dengan praktik operasional dan pendekatan perusahaan terhadap masyarakat lokal. Serta, meskipun negara tidak membatasi besaran kepemilikan modal asing, namun bentuk kehadiran negara dalam mempertahankan kedaulatan

ekonomi terwujud dalam kebijakan terkait pembatasan dan kewajiban seperti terkait Hak atas tanah, investor hanya dapat memiliki Hak Guna Usaha (HGU) dalam jangka waktu tertentu, kewajiban pengembangan kebun plasma dan alokasi lahan. Penelitian ini juga menunjukkan bahwa regulasi dalam perkebunan kelapa sawit masih memerlukan penyempurnaan untuk mengatasi tumpang tindih dan disharmonisasi regulasi.
**Keyword:** Asing, Kedaulatan Ekonomi, Kelapa Sawit, Penanaman Modal.

## 1. Introduction

Indonesia is known as a country with diverse natural resources. Possessing vast natural resources offers numerous advantages for Indonesia. However, Indonesia also faces a dilemma in managing the country's abundant natural resources. On the one hand, these vast natural resources offer significant potential to drive development and economic growth. However, on the other hand, limited capital, technology, and skills often hinder the optimal utilization of these natural resources. Therefore, the government has implemented various policies and approaches to countries that can provide capital assistance, namely by encouraging investment. One business sector that attracts considerable interest from foreign investors is plantations. Plantations are a crucial factor in national economic development. Various plantation commodities in Indonesia include coffee, sugar cane, pepper, tea, rubber, tobacco, and palm oil.

Within Indonesia's macroeconomic framework, the palm oil industry plays a strategic role, serving as a major foreign exchange earner, a driving force for the national economy, contributing to energy sovereignty, driving the people-oriented economic sector, and absorbing labor. Palm oil and its derivatives are Indonesia's most important commercial crops. Palm oil contributed USD 25.61 billion with an export volume of 38.23 million tons in 2023. According to the 2023 trademap, Indonesia is the world's largest palm oil exporter, contributing 51.7%. This indicates Indonesia's dominant share of the global palm oil market.

To create a conducive investment environment, clear and firm regulations governing investment activities are crucial for achieving legal objectives, namely providing justice, legal certainty, and benefiting the community. As an implementing regulation of Law Number 25 of 2007 concerning Investment, Presidential Regulation Number 10 of 2021 concerning Investment Business Sectors was issued, which was later amended by Presidential Regulation Number 49 of 2021. Of the three appendices to Presidential Regulation Number 49 of 2021, oil palm plantations are not included in the business sectors that require special requirements regarding foreign capital ownership limits. Therefore, oil palm plantations are fully or 100% owned by foreign investors. This raises two perspectives. Foreign investment can boost national economic growth, create jobs, facilitate technology and knowledge transfer, and enhance international business competitiveness. However, massive plantation expansion can have serious environmental impacts, such as large-scale forest loss and reduced biodiversity. Opening the floodgates to 100% investment also raises questions about whether this contradicts the context of economic sovereignty.

Based on these issues, this research focuses on examining the legal aspects of foreign investment in the oil palm plantation sector, analyzing the environmental and social impacts of foreign ownership in the oil palm plantation sector in Indonesia, and assessing whether foreign investment regulations in the oil palm sector have effectively guaranteed Indonesia's economic sovereignty. The results of this analysis are expected to provide input for the reform and harmonization of legal policies so that foreign investment in the oil palm sector can align with national interests and the principles of sustainable development.

## 2. Method

This research employs a normative juridical method with a statute approach and a conceptual approach. The data used are secondary data, including primary legal materials, namely legislation, and secondary legal materials, namely literature and scientific journals. The data collection technique used is a literature study. The data are analyzed qualitatively and presented descriptively to explain the legal regulations for foreign investment in the palm oil plantation sector, as well as how the context of economic sovereignty is interpreted even though the state does not impose restrictions on the percentage of foreign capital ownership.

## 3. Result and Discussion

### 3.1 Legal Aspects of Foreign Investment in the Palm Oil Plantation Sector

Investment in the form of foreign direct investment (FDI) is believed to have significant potential to accelerate economic growth and transformation. Indonesia, as an open country that benefits from foreign direct investment, has regulations governing foreign investment. Previously, investment regulations were separated into two parts: Law Number 1 of 1967 concerning Foreign Investment and Law Number 6 of 1968 concerning Domestic Investment. Both regulations were later revoked and replaced by Law Number 25 of 2007 concerning Investment.

Both laws were subsequently revoked because they were deemed no longer appropriate to the needs of accelerating national economic development, resulting in a more competitive investment legal framework that prioritizes national interests. Since then, the government has reformed various regulations related to the economic sector, including restrictions on investment business sectors.

The enactment of Presidential Regulation Number 10 of 2021 replaces the previous provision, Presidential Regulation Number 44 of 2016 concerning the List of Business Sectors Open to Investment with Requirements. Presidential Regulation Number 10 of 2021 invalidates the investment business sectors and the negative list previously regulated in Presidential Regulation Number 44 of 2016 concerning the List of Business Sectors Open to Investment with Requirements. There has been a significant reduction in the number of business sectors previously closed to investment. Presidential Regulation Number 44 of 2016 categorized 20 business sectors as closed, but now only 7 business sectors are closed to investment. (Masitah, 2022)

The primary legal basis for the palm oil plantation sector is Law Number 39 of 2014 concerning Plantations. In addition to specific regulations, oil palm plantation management also overlaps with other regulations, such as Law No. 32 of 2009 concerning Environmental Protection and Management regarding land clearing, and Law No. 5 of 1960 concerning Basic Agrarian Regulations (UUPA) regarding the granting of land rights, such as the Right to Cultivate (HGU).

In addition to these regulations, investors also have rights and obligations to ensure the smooth running of their investments. One such obligation is that investors must comply with sustainability standards, such as the Indonesian Sustainable Palm Oil (ISPO) certification, as an implementation of the principle of sustainability. This ISPO certification system applies to plantation companies and smallholders. Currently, the legal basis for ISPO certification has been updated with Presidential Regulation No. 16 of 2025 concerning the Sustainable Palm Oil Plantation Certification System (ISPO).

Although the government does not explicitly impose restrictions on ownership percentages in the oil palm plantation sector, this does not mean it grants absolute freedom to foreign investors. The state continues to impose various restrictions and obligations that foreign investors must comply with, namely:

a. Regarding land rights, foreign investors are limited to holding a Cultivation Rights (HGU) for a specific period. The HGU can be granted for a maximum of 35 years, can be extended for a maximum of 25 years, and renewed for a maximum of 35 years.

b. Obligation to develop plasma plantations: Plantation companies whose land, in whole or in part, originates from areas other than HGU or areas resulting from the release of forest areas, are required to facilitate the development of community plasma plantations covering 20% of the land area.

c. Land allocation: In this case, the state has full authority to determine which areas are permitted or prohibited for oil palm plantations, taking into account aspects of spatial planning, environmental sustainability, and community interests.

d. Obligation to comply with environmental standards and sustainable governance. Investors are required to adhere to sustainability standards such as the Indonesian Sustainable Palm Oil (ISPO).

### 3.2 Environmental and Social Impacts of Foreign Ownership in the Palm Oil Plantation Sector

Currently, there is a growing debate in society that the unrestricted composition of foreign ownership makes it easier for foreign corporations to expand palm oil plantations in Indonesia. This expansion is carried out to increase production capacity and meet global market demand. Palm oil plantations, especially large-scale ones, are often associated with negative social impacts on rural and indigenous communities. While oil palm plantations often appear to increase income, they impact social relations and land ownership in rural areas in ways that can ultimately harm the well-being of disadvantaged communities. (Obidzinski, 2012)

This raises concerns among communities regarding the negative impacts of oil palm plantation expansion. Environmental issues resulting from oil palm plantations are often a concern for various segments of society. Likewise, the social impact of foreign ownership in the oil palm plantation industry is a crucial aspect that requires serious attention in sustainability studies and natural resource management. There are social challenges that cannot be ignored, such as the potential for agrarian conflicts that lead to human rights violations. Oil palm plantation expansion also leads to land constraints, which can make it difficult for farmers to raise capital to develop their agricultural businesses.

To analyze the correlation between foreign ownership and social and environmental impacts, an analysis of the 10 largest oil palm companies in Indonesia was conducted to assess whether foreign ownership influences levels of environmental damage and social conflict. This analysis can explore whether the level of foreign ownership correlates with the intensity of these negative impacts, for example, whether companies with higher foreign ownership tend to have better management practices or are more aggressive in their expansion, which can lead to social conflict and environmental damage. The 10 largest palm oil companies in Indonesia are listed on the Indonesia Stock Exchange (IDX) and have public (Public) status, based on total assets and plantation area. These include:

1. PT Sinar Mas Agro Resources and Technology Tbk (SMAR)
2. PT Astra Agro Lestari Tbk (AAL)
3. PT Salim Ivomas Pratama Tbk (SIMP)
4. PT Tunas Baru Lampung Tbk (TBLA)
5. PT Dharma Satya Nusantara Tbk (DSNG)
6. PT Triputra Agro Persada Tbk (TAPG)
7. PT Sawit Sumbermas Sarana Tbk (SSMS)
8. PT PP London Sumatra Indonesia Tbk (LSIP)
9. PT Eagle High Plantations Tbk (BWPT)
10. PT FAP Agri Tbk (FAPA)

The share ownership composition of these companies varies. Some companies are majority owned by domestic investors, while others are majority owned by foreign investors. Referring to company Annual Report data, the eight largest palm oil companies in Indonesia are majority owned by national investors. Only two companies have foreign shareholdings exceeding 50%: PT Salim Ivomas Pratama Tbk and PT FAP Agri Tbk. The remaining companies have foreign shareholdings below 50%.

To assess whether companies with majority foreign ownership are more likely to cause environmental damage, disregard community rights, and create social conflict, an analysis will be conducted using data from the Sustainability Reports of each company. The five indicators used to measure a company's environmental commitment are:

1. Environmental policy: This parameter is used to assess whether the company has a clear and comprehensive written policy regarding environmental protection.
2. Sustainability Certification: This parameter is used to assess whether a company holds certification from organizations such as the RSPO (Roundtable on Sustainable Palm Oil) and ISPO (Indonesian Sustainable Palm Oil).

3. Waste Management: This parameter is used to assess whether a company has implemented an optimal production waste management system and complies with applicable regulations.

4. Greenhouse Gas (GHG) Emissions: This parameter is used to assess whether a company transparently reports the amount of Greenhouse Gas Emissions generated from all its operational activities. Furthermore, the analysis also includes an evaluation of concrete steps the company has taken to reduce these emissions, such as implementing methane capture technology, reducing the use of chemical fertilizers, and switching from fossil fuels to renewable energy.

5. Sustainable Agricultural Practices: This parameter assesses the extent to which a company implements environmentally friendly and sustainable agricultural practices, including compliance with the NDPE (No Deforestation, No Peat, No Exploitation) policy, which prohibits land clearing by destroying forests and peatlands, as well as social and labor exploitation.

In their Sustainability Reports, these 10 companies clearly state that they have implemented strict environmental policies and prioritized sustainable business practices. However, their digital footprints and several independent reports have uncovered numerous environmental violations and conflicts between the companies and local communities.

One example is PT Astra Agro Lestari Tbk (AAL). In 2024, the company faced serious conflicts related to environmental and governance violations occurring in its operational areas, particularly in Central Sulawesi and West Sulawesi. Violations committed by PT Astra Agro Lestari Tbk (AAL) included illegal oil palm cultivation within Indonesian forest areas, ongoing intimidation and criminalization of environmental human rights defenders, and several subsidiaries operating without permits (WALHI, 2024).

The analysis shows that companies with majority foreign ownership cannot be concluded as directly related to environmental damage. In fact, companies with majority foreign ownership tend to implement stricter and more sustainable environmental management practices. They demonstrate a higher level of transparency in reporting company documents related to sustainability and environmental management. Environmental damage in the palm oil industry cannot be reduced solely to foreign ownership. Other factors such as government policies, public awareness, and overall industry practices are also crucial.

After analyzing the environmental impact of foreign ownership in the ten largest private palm oil plantation companies in Indonesia that have been listed as public companies, the results showed that foreign ownership is not directly related to environmental damage. Continuing the aforementioned study, this section focuses on analyzing the social impacts of foreign ownership in these same companies. This social impact analysis is crucial given that the palm oil plantation industry interacts not only with the physical environment but also directly impacts the lives of surrounding communities, labor conditions, and the socio-economic dynamics of local communities. Five indicators are used to measure a company's social responsibility, including:

1. Community Involvement and Empowerment: This parameter measures whether the company actively involves and empowers local communities in various aspects of its operations and regional development, such as smallholder farmer development and worker training.

2. Recognition and Protection of Indigenous Peoples' Rights: This parameter measures whether the palm oil company recognizes and protects the rights of indigenous peoples to their land and natural resources. This includes the application of the principle of Free, Prior, and Informed Consent (FPIC), which ensures that indigenous peoples provide their consent voluntarily, based on complete information, without coercion, before the company carries out operations in its customary areas.

3. Local Socioeconomic Impact: This parameter measures the company's tangible contribution to improving the social and economic well-being of communities in its operational areas. Positive impacts can be seen in increased community income, the creation of local jobs, improvements to public infrastructure such as bridges and roads, and increased access to basic services like education and healthcare.

4. Social Conflict Resolution: This parameter is used to measure a company's performance in handling social conflicts arising from its operations, such as dispute resolution mechanisms through dialogue with the community, the existence of transparent and accessible complaint mechanisms that guarantee protection for whistleblowers and clear follow-up on each complaint.

5. Human Rights and Labor: This indicator evaluates a company's commitment to upholding human rights and implementing fair labor practices in its palm oil plantation operations.

The declaration of social responsibility in a company's sustainability report often reflects the commitments and values the company wishes to highlight, such as social responsibility and sustainability. However, a digital footprint that demonstrates inconsistencies can reveal contradictory facts. For example, the much-discussed conflict at the beginning of this year was the land dispute between the Padang Halaban and Surrounding Area Farmers Group (KTPH-S) and PT Sinar Mas Agro Resources and Technology (PT. SMART) Tbk, an agrarian conflict that has been ongoing for decades in North Labuhanbatu, North Sumatra. (Amnesty International, 2025)

This demonstrates that although companies claim strong commitment and concern for social aspects in their sustainability reports, in reality, conflicts with surrounding communities often occur, both involving foreign and domestic companies. This also indicates that profit-oriented behavior and a lack of sensitivity to local community rights can occur in companies with any ownership structure.

Based on the results of the analysis, it shows that the size of foreign capital ownership does not have a significant influence on company performance in environmental and social aspects. This actually emphasizes that the main issue in foreign ownership does not lie in the size of the percentage of shares, but rather in how the state regulates and supervises investment activities through legal instruments.

### 3.3 Foreign Investment (FDI) Regulations in the Palm Oil Plantation Sector to Ensure Indonesia's National Economic Sovereignty

Investment regulations play a crucial role in determining the direction of national economic development, particularly in the context of openness to investment and protection of state interests. Good regulations can create a conducive business environment, increase legal certainty, protect the rights of economic actors, and encourage investment and innovation. (Sidiq, 2023)

The palm oil plantation industry, as a leading commodity and driving force of the nation's economy, has demonstrated its contribution to increasing state revenues and providing jobs for millions of people, and has had a significant positive impact on economic growth. However, despite its significant economic contribution, the palm oil plantation sector still faces challenges related to complex regulations. The greatest challenge in this sector lies in the persistence of numerous overlapping or disharmonized regulations. (Iqbal, 2025)

In addition to Law Number 25 of 2007 concerning Investment, there are several other legal umbrellas related to oil palm plantations, such as Law Number 39 of 2014 concerning Plantations, Law Number 41 of 1999 concerning Forestry, Law Number 5 of 1960 concerning Basic Agrarian Regulations (UUPA), and several other sectoral regulations, from the legislative level to the implementing regulations. This situation often leads to potential overlap between laws and other sectoral regulations. If regulations are presented sectorally/separately and uncoordinated, legal certainty, justice, and sustainability in the oil palm plantation sector will be difficult to achieve.

The complexity of regulations governing the oil palm plantation sector, particularly regarding investment, is often characterized by an excessive number of regulations that overlap and are unsynchronized. This situation not only hinders effective governance but also creates legal uncertainty that negatively impacts the business climate. (Mulia, 2025)

One of the frequent problems in oil palm plantations is overlapping land and forest areas, as well as permits. Many foreign investors face obstacles in obtaining Land Use Rights (HGU) due to complicated administrative processes and a lack of synchronization of policies between institutions. (Nurhidayat, 2025)

In this regard, Yanto Santosa, Professor of the Faculty of Forestry at the Bogor Agricultural University (IPB), assessed that the implementation of the One Map Forest policy is a crucial instrument in regulating oil palm plantations, in line with the implementation of Presidential Regulation Number 5 of 2025 concerning Forest Area Regulation. He believes that the regulation approach must be carried out wisely and prudently, while still considering the sustainable contribution of the palm oil industry at the local, national, and international levels. He emphasized the need to finalize the development of a single map that can serve as a single reference and be agreed upon by all parties, especially since there are currently differences in maps between institutions, such as the Ministry of Forestry and the Ministry of Transmigration. (Sawit Indonesia, 2025)

The lack of synchronization of norms governing oil palm plantations makes implementation in the field susceptible to bias, both in interpretation and implementation. This creates confusion among business actors and the public, making it difficult for them to understand and comply with applicable regulations. Consequently, law enforcement becomes inconsistent and the level of legal certainty decreases, ultimately reducing foreign investor interest in investing in the oil palm plantation sector.

In the context of economic sovereignty, economic sovereignty is not limited to the perception that control of resources or economic sectors must rest entirely with Domestic Investment (PMDN) or the state alone. Rather, economic sovereignty relates to the extent to which a business sector, whether managed by the state, the private sector, domestic investors, or foreign investors, can generate maximum benefits for the community and safeguard national interests.

Economic sovereignty addresses how the state can exercise control and strategic policies to ensure the economy operates fairly, sustainably, and provides the greatest benefit to the people. Therefore, the primary focus is not on who manages the economy, but rather on how that management is oriented toward achieving the people's interests and ensuring economic sustainability in a fair and just manner.

Economic sovereignty in the palm oil industry is defined as the state's ability to comprehensively regulate, manage, and distribute the benefits of this strategic commodity. As a major contributor of foreign exchange and a significant employer, the palm oil industry plays a crucial role in the national economy. However, the surge in foreign investment without clear and coordinated regulations clearly risks undermining national sovereignty and can result in losses for both the state and the public.

Therefore, it can be concluded that existing regulations governing investment in the palm oil industry in Indonesia still require refinement to ensure national economic sovereignty and provide the legal certainty necessary to create a healthy and sustainable investment climate.

The state, in this regard, has not yet maximized its ability to regulate and control investment in the palm oil industry. The ambiguity of various legal provisions, as well as frequent overlapping regulations, has led to confusion among business actors and the public. This creates significant challenges for both investors seeking to participate in this sector and communities impacted by plantation activities. Therefore, serious efforts are needed to reform and harmonize existing regulations to provide the desired certainty and fairness.

Therefore, regulatory harmonization and simplification are necessary to create stronger legal certainty and a conducive investment climate. Clearer and more integrated regulations will encourage the penetration of productive and sustainable foreign investment, while safeguarding national interests in natural resource management.

Regulatory disharmony and inconsistency in the palm oil sector are long-standing problems caused by inconsistencies and overlapping laws and regulations in this area. Therefore, a master regulation is needed that comprehensively governs palm oil governance from upstream to downstream. The Draft Law on Palm Oil is expected to provide a single legal umbrella that integrates all regulatory aspects, from licensing and environmental management to protecting local community rights, to trade in products. With this Draft Law, the government can eliminate overlapping sectoral regulations, strengthen legal certainty for business actors, and ensure that palm oil plantation management aligns with the principles of sustainability and national economic sovereignty. (Thea, 2025)

In addition to establishing a single legal umbrella, academics and palm oil researchers have proposed the establishment of a National Palm Oil Agency. The National Palm Oil Agency is expected to be an independent institution directly responsible to the President and authorized to manage the national palm oil sector, including its regulatory aspects. (Rachmawati, 2024) It is regrettable that Indonesia, a key player in the global palm oil chain, lacks a central institution to manage this leading commodity. In comparison, Malaysia has already established a dedicated institution called the Malaysian Palm Oil Board (MPOB), established under the Malaysian Palm Oil Board Act 1998.

This regulatory harmonization process needs to be initiated sustainably through synergy between the central government, regional governments, business actors, civil society, and other stakeholders, so that the resulting policies can encourage healthy and sustainable foreign investment growth without sacrificing the interests of local farmers. Therefore, strengthening regulations and institutions is key to ensuring the sustainable growth of the Indonesian palm oil industry, global competitiveness, and adherence to the principles of national economic sovereignty.

## 4. Conclusion

Based on the analysis, the legal aspects of foreign direct investment (FDI) in the palm oil plantation sector are regulated by Law Number 25 of 2007 concerning Investment and Law Number 39 of 2014 concerning Plantations, and are reinforced by Presidential Regulation Number 10 of 2021 and Presidential Regulation Number 49 of 2021, which allow for up to 100% foreign ownership under certain conditions. However, foreign investors are still required to comply with provisions such as the granting of a limited-term Land Use Rights (HGU), the development of plasma plantations for local farmers, and compliance with environmental standards and sustainable governance.

However, in terms of implementation, these legal regulations cannot be separated from the accompanying social and environmental realities. The impacts of foreign ownership in the palm oil industry are complex, as issues such as deforestation and social conflict cannot be attributed solely to ownership structures; instead, government policies, public awareness, and industry practices play a significant role. Although companies claim to have implemented sustainability and social awareness standards in their Sustainability Reports, social and environmental issues continue to arise due to minimal local community participation and weak government oversight. This situation demonstrates the need for legal and socio-environmental aspects to be aligned, ensuring that existing regulations are oriented not only toward increasing investment but also toward social justice and environmental sustainability.

Therefore, improving Foreign Direct Investment (FDI) regulations in this sector is crucial to ensure legal certainty, increase the effectiveness of oversight, and create a healthy and sustainable investment climate. The government needs to strengthen oversight and harmonize policies to ensure that foreign investment aligns with national interests, protects natural resources, and contributes to Indonesia's economic sovereignty.

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