



SEMINAR

A CASE OF STATE-OWNED ENTERPRISE TRANSFORMATION IN INDONESIA: REALITY ASSESSMENT OF PERTAMINA

Date: Thursday, 11 March 2010

Time: 10.30 am — 12.00 noon

Venue: Seminar Room II, ISEAS

About the Speaker

Mr Ari Soemarno

Former President and
CEO of Pertamina



Mr Ari Soemarno was born in Yogyakarta, Indonesia on December 14, 1949. He is married and has two children. He graduated from the Technical University Aachen, Germany in Process Engineering in 1977. Mr Soemarno joined PT Pertamina, the national oil & gas company of Indonesia (Pertamina), in 1978 as a process engineer and was assigned to the LNG plant in Bontang, East Kalimantan. After 26 years with Pertamina, in August 2004, he was appointed as member of the Board of Directors of PT Pertamina and held the portfolio of Corporate Senior Vice President & Director for Marketing and Trading. From March 2006 until February 2009, he assumed the position of President and Chief Executive Officer of PT Pertamina (Persero). Since retiring from Pertamina, he remains active as an independent oil and gas consultant and in managing family businesses.

Other affiliations: Chairman of The German-Indonesian Chamber of Industry and Commerce (EKONID).

Head of the Board of Advisor, The German Alumni Association (PAJ) in Indonesia
Lifetime member of the Indonesian Engineers Association (PII).
Lifetime member of Indonesian Chief Marketing Officer Club.

Energy Studies Programme



About the Seminar

State-owned enterprises of Indonesia are often regarded as inefficient when compared to their global peers, and were often associated with the corruption, collusion, and nepotism (or “KKN”). Despite the government intent to improve the conditions of state owned enterprises, and the seriousness of the top management to implement reforms, vested interests obstruct and stall such reforms. A new Board of Directors (BOD) of Pertamina, the national oil company (NOC) of Indonesia, that was installed in March 2006 had a mandate to improve its performance in order to become a world class organization, such as other successful NOCs (StatoilHydro, Petrobras, and Petronas), and become the role model of state own enterprise reform in Indonesia.

This presentation will assess the transformation program of Pertamina, where until early 2009, significant achievements and successes have been made. But now 4 years after the program’s initiation, there are indications that it is stalling and even reversing as more intense stakeholders’ interventions in the management processes are very apparent. The obvious question is then: whether the elite is serious in making Pertamina a world class institution or rather keep it in a status-quo that can serve the vested interests purposes? The lecture will first describe what was done in the past and review its achievements and successes, discuss the present situation and then the future directions the Pertamina transformation can evolve, from the perspective of the initiator and leader (until February 2009) of the Pertamina transformation initiative.

You are cordially invited to the Seminar.