RDJ ADVISORY
Tax and Advocate

TAX AND LEGAL INSIGHT

ISSUE #42 | OCTOBER 2026

MINING | MARKET OUTLOOK | GOVERNANCE



Nickel at a Crossroads

Supply Growth, Market Balance & Investment Resilience

Indonesia remains central to the global nickel story, but scale alone does not eliminate market, governance, or investment risk.

> “Scale creates opportunity. Resilience creates value.”

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Key Regulatory and Market Developments

Indonesia's nickel sector remains central to global supply, while pricing, downstream strategy, and governance discipline continue to shape investment resilience.

1

Indonesia's Production Role

USGS estimates Indonesia was the world's first-ranked producer of mined nickel in 2024, accounting for about 62% of global production.

2

Market Balance

INSG observed recent surpluses in global primary nickel and noted that the 2026 balance remains sensitive to production discipline and downstream demand.

3

Downstreaming Agenda

Indonesia continues to emphasize domestic value addition, with government statements targeting higher nickel export value through downstream processing.

4

Regulatory Calibration

The 2026 Indonesian nickel ore quota was set lower than in 2025, while revisions remain possible subject to official supply-and-demand evaluation.

Why This Matters

- Scale does not remove price risk.
- Downstream integration can improve value capture, but raises execution demands.
- Governance quality remains critical in volatile commodity cycles.

RDJ Advisory Perspective

In nickel, market position alone is not enough. The stronger investment case is built on cost resilience, disciplined execution, regulatory readiness, and realistic market assumptions.

Sources: U.S. Geological Survey (Mineral Commodity Summaries 2026 / Indonesia page); International Nickel Study Group, October 2026 Meetings Press Release; Ministry of Energy and Mineral Resources, October 2026 public statement on nickel exports and downstreaming.

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CLOSING PERSPECTIVE

The nickel story is no longer only about volume. It is about resilience.

As Indonesia strengthens its position in the nickel value chain, strategic success increasingly depends on market timing, capital discipline, downstream execution, and regulatory readiness—not on tonnage alone.

FOUR GOVERNANCE QUESTIONS

01 | Are price assumptions resilient under weaker market conditions?

02 | Are mine, processing, and offtake plans aligned across the value chain?

03 | Do capital allocation, funding, and execution plans reflect realistic downside scenarios?

04 | Are regulatory, environmental, and stakeholder obligations built into the operating model?

KEY TAKEAWAY

Scale creates opportunity. Resilience creates value.

Indonesia's nickel opportunity remains significant, but investment quality will increasingly be defined by governance, execution, and adaptability.

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