

COURT ANNULS WATER SUPPLY CONTRACT

Private water operators PT PAM Lyonnaise Jaya (Palyja) and PT Aetra Air Jakarta (Aetra) have filed an appeal against the Central Jakarta District Court's recent ruling banning the privatization of water in the capital city. On 24 March 2015, judges at the Central Jakarta District Court ruled in favor of the Coalition of Jakarta Residents Opposing Water Privatization (KMMSAJ), ordering the annulment of the cooperation between city owned water operator PAM Jaya and the two private water operators that began in 1997 and which was scheduled to expire in 2023.

The lawsuit was filed in November 2012. The coalition claimed that Palyja and Aetra had both failed to provide adequate supplies of clean, potable water to Jakarta residents. During the 17 years since the agreement was signed in 1998, just 60 percent of residents enjoy piped clean water.

In the verdict, presiding judge Iim Nurohim declared that the defendants had been negligent in respecting Jakarta residents' right to water. Therefore, the agreement between Palyja and Thames PAM Jaya (now Aetra) was now null and void. The court has ordered the defendants to end the privatization of water in Jakarta and return the distribution of water in Jakarta to PAM Jaya, in accordance with DKI Jakarta Regional Regulation No.13/1992 on PAM Jaya.