



EAST A Kalimantan

Strengthening Policy Sinergy to Maintain
Stability Recovery amid Lower Global
Growth and Heightened Uncertainty in
East Kalimantan

December 2023





Foreword

East Kalimantan is one of Indonesia's most attractive regions for both local and foreign investment with a resource boom in the early 21st century. Coal and gold mining as well as the oil and natural gas extraction with oil refineries increased the local economy. Not limited to being wealthy of natural resources, East Kalimantan is a very dynamic, socially rich and diverse region collaboratively establishing East Kalimantan's social structure and foundation of economy. East Kalimantan is concern to develop sustainable-ecological friendly to ensure the economy running high and provide prosperity to its people by building new industries, diversifying into productive sectors such as tourism and trade. The efforts need a lot of fund resources from investment and exports.

In order to pursue the noble purpose above and maintain good business climate as well as positive perception towards East Kalimantan, **Regional Investor Relation Unit or RIRU** was established in 2015 as an engine of collaboration between Regional Government (Province and 10 Districts) and Bank Indonesia together with stakeholders. RIRU will take a role in integrating East Kalimantan resources and power to encourage Investment, Trade, Tourism and Industry sectors' performance and reinforce regional competitiveness globally, therefore achieve a high and inclusive economic growth. RIRU East Kalimantan takes a role as one-stop information center for investors, buyers or tourists who are taking interest to collaborate with East Kalimantan,

This presentation book is a regularly-updated source of information about the recent economic development in Indonesia and East Kalimantan as well as investment opportunities, top tourism destinations and ready-to-offer projects crucial for business decision making. Hopefully, this presentation book could be a reliable source for business society attracted to invest/trade/establish industry in East Kalimantan.



Dr. Drs. Akmal Malik, M.Si.

Acting Governor of East
Kalimantan

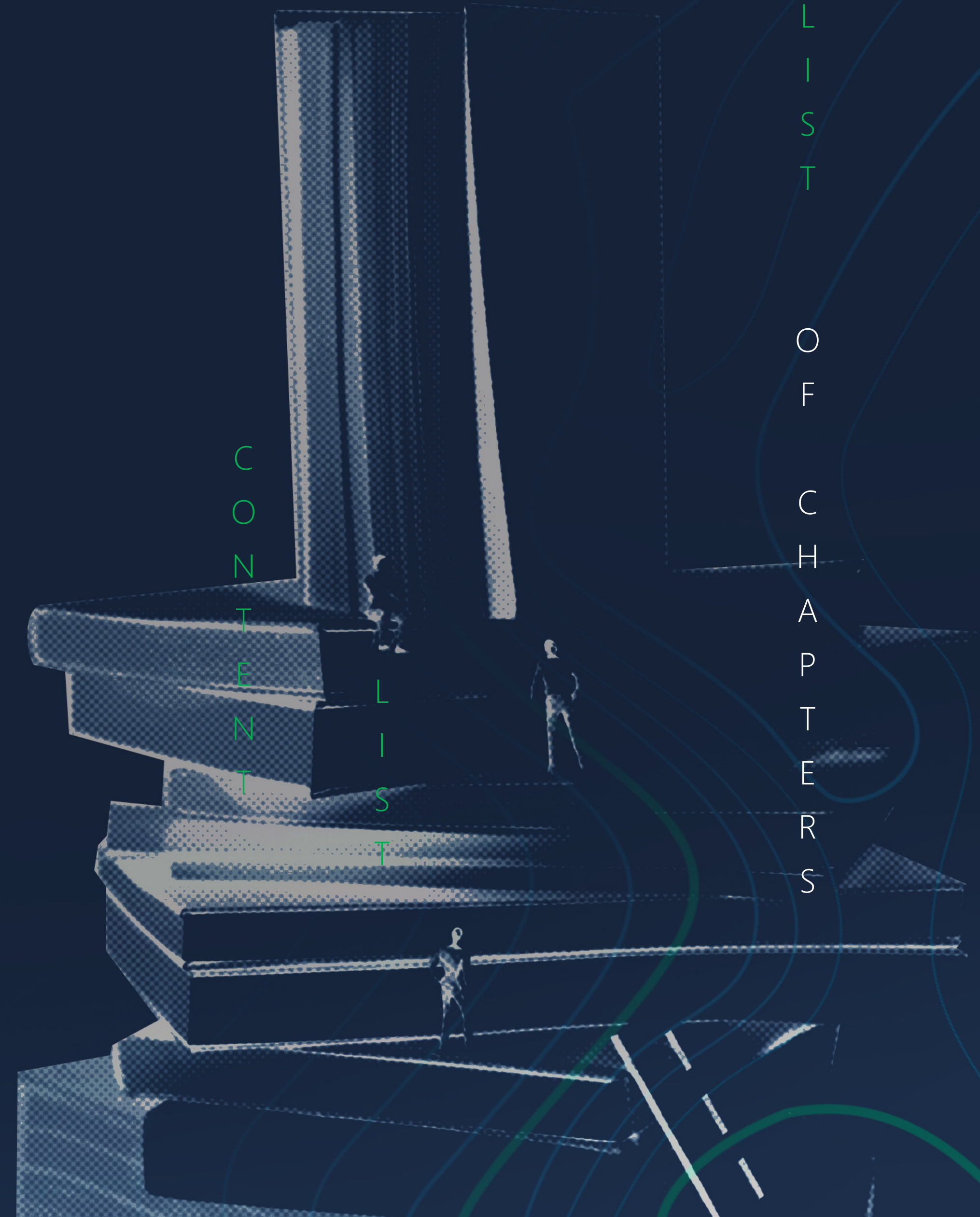


Budi Widihartanto

Head of Bank Indonesia
Representative Office for
East Kalimantan

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- 1** | Indonesia Macroeconomic Performance and Policy Updates
- 2** | East Kalimantan Economic Review and Infrastructure Availability
- 3** | Investment in East Kalimantan
- 4** | Trade, Tourism, Industry and Investment Opportunities in East Kalimantan



Chapters 1

Indonesia Macroeconomic Performance and Policy Updates

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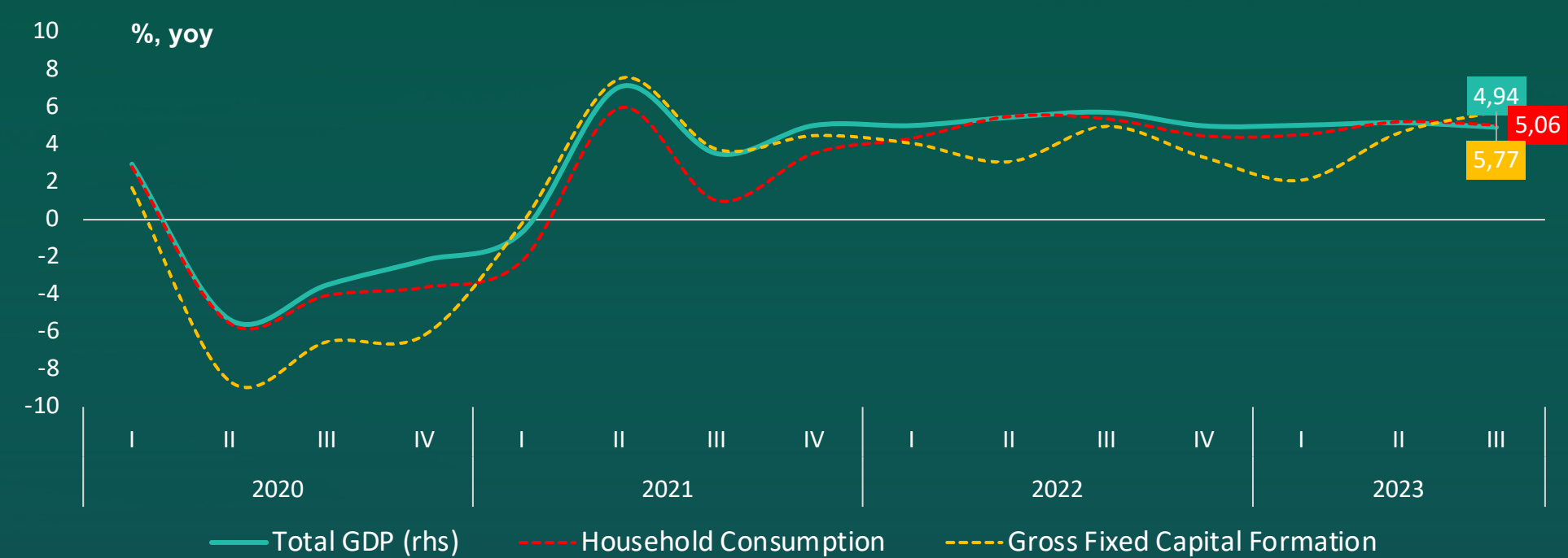
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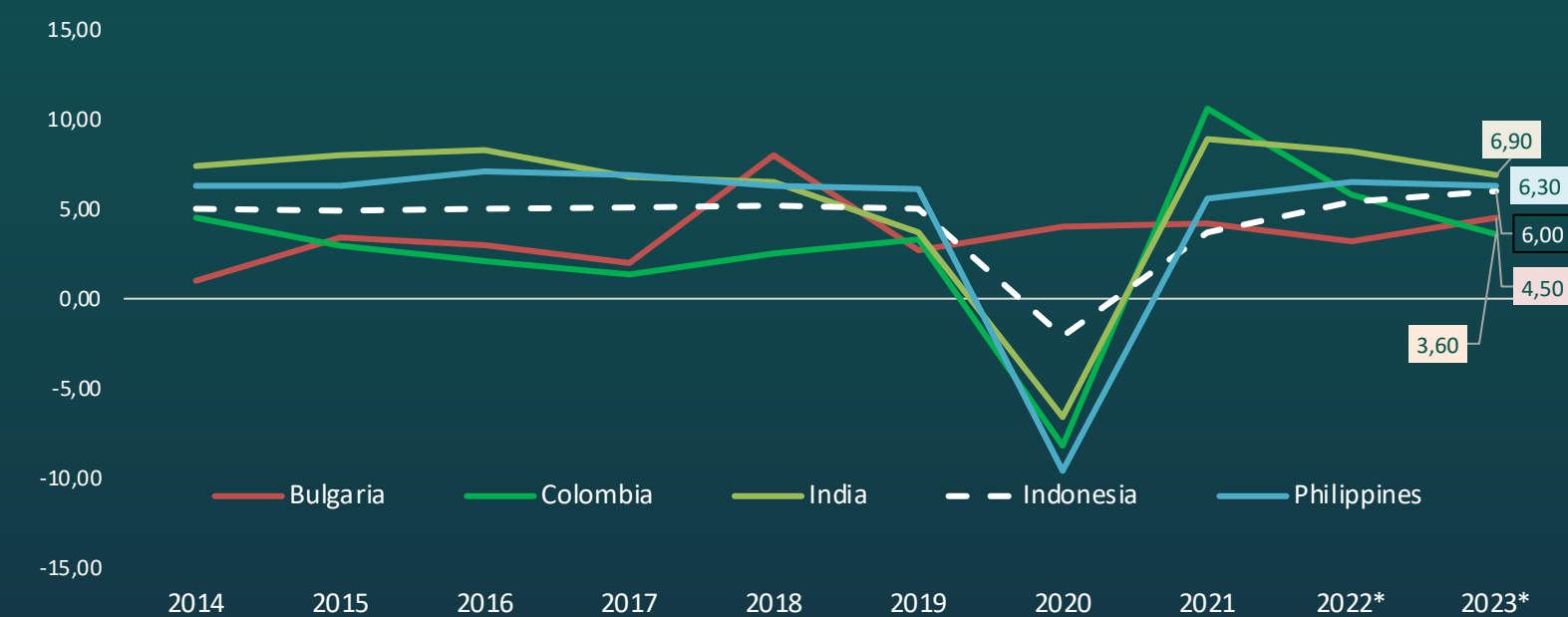
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INDONESIA'S ECONOMIC GROWTH REMAIN STRONG

Strong GDP Growth¹



Favourable GDP Growth Compared to Peers²



1. Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption
2. Source: World Economic Outlook Database – Sep 2023; * indicates estimated figure
*) Consensus Forecast number will be given later

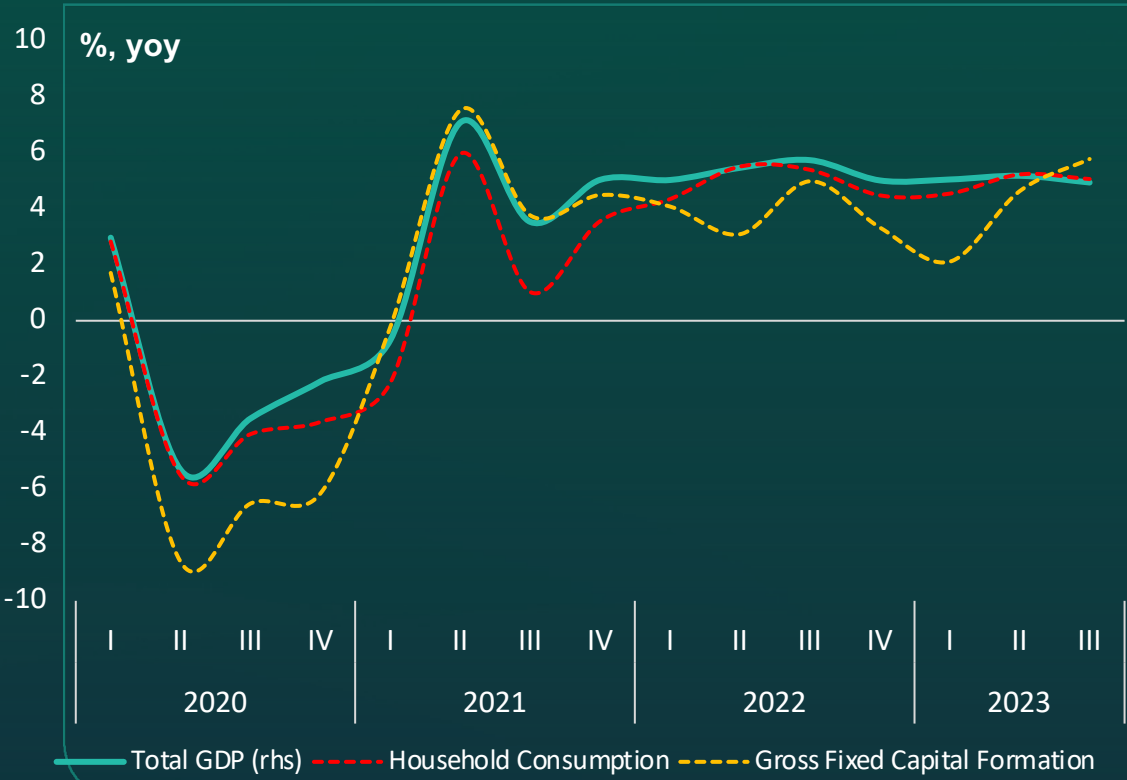
Amidst increasing global uncertainty, Indonesia’s economic performance remain solid and resilient to global spillover. Entering the second half of 2023, Indonesia’s economy grew by 4.94% (yoy) in the third quarter of 2023, after recorded a 5.17% (yoy) growth in the second quarter of 2023. The economic performance was supported by solid domestic demand. Household consumption growth recorded 5.06% (yoy) in line with increasing mobility, stable purchasing power, and a well maintained of consumer confidence. Meanwhile government consumption contracted by 3.76% (yoy) due to personnel supported by improvement construction investment in line with the continued infrastructure development of Ibu Kota Nusantara (IKN). Nevertheless, exports contracted by 4.26% (yoy), given weaker global economy.

Economic growth also supported by sound performance across all economic sectors, particularly the manufacturing industry, wholesale and retail trade as well as Sulawesi-Maluku-Papua (Sulampua), Java, Kalimantan, Sumatera, and Bali-Nusa Tenggara (Balinusra). Robust economic growth is expected to persist in the fourth quarter of 2023, as reflected in a number of early indicators, such as consumer confidence, income expectations, and the manufacturing purchasing managers index (PMI). Overall, economic growth in 2023 is projected in the 4.5-5.3% range before accelerating in 2024 as a corollary of solid consumer confidence, the upcoming general election and on going development of national strategic project (PSN). Bank Indonesia will continue strengthening fiscal-monetary stimulus synergy with macroprudential stimulus to drive economic growth, particularly from the demand side.

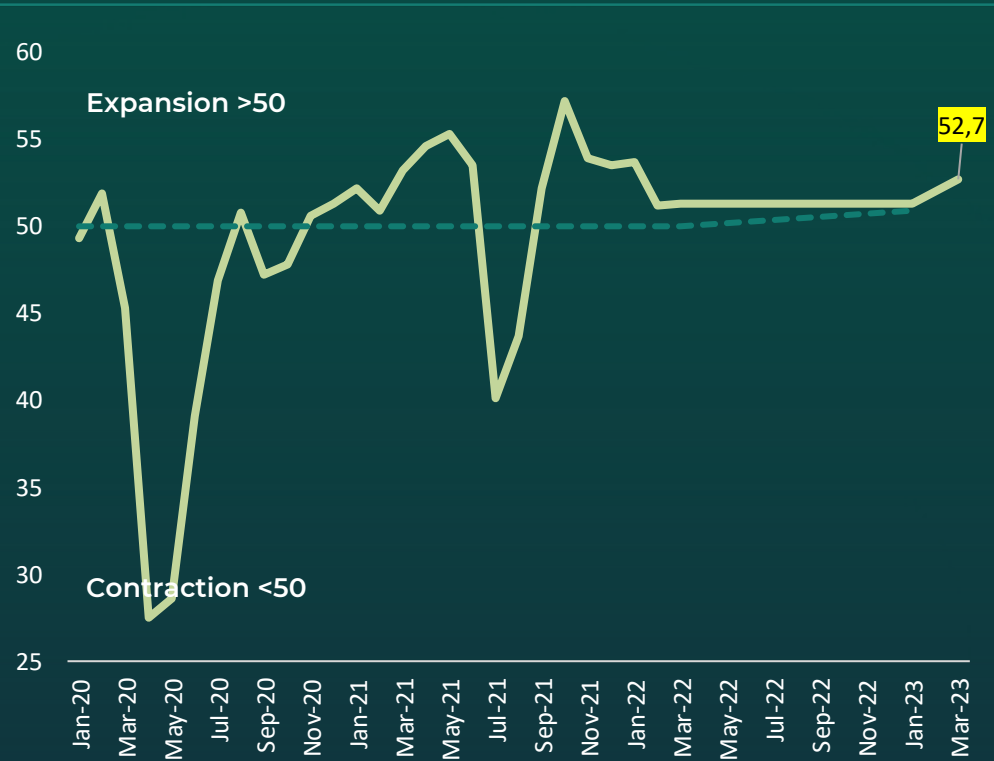
2023 Growth Projection *)

| Institutions | GDP growth |
|---|------------|
| 2023 Budget | 5.3 |
| Bank Indonesia | 4.5-5.3 |
| Consensus Forecast (November 2023) | 5.0 |
| World Bank (GEP, June 2023) | 4.9 |
| IMF (WEO, October 2023) | 5.0 |
| ADB (Asian Development Outlook, September 2023) | 5.0 |

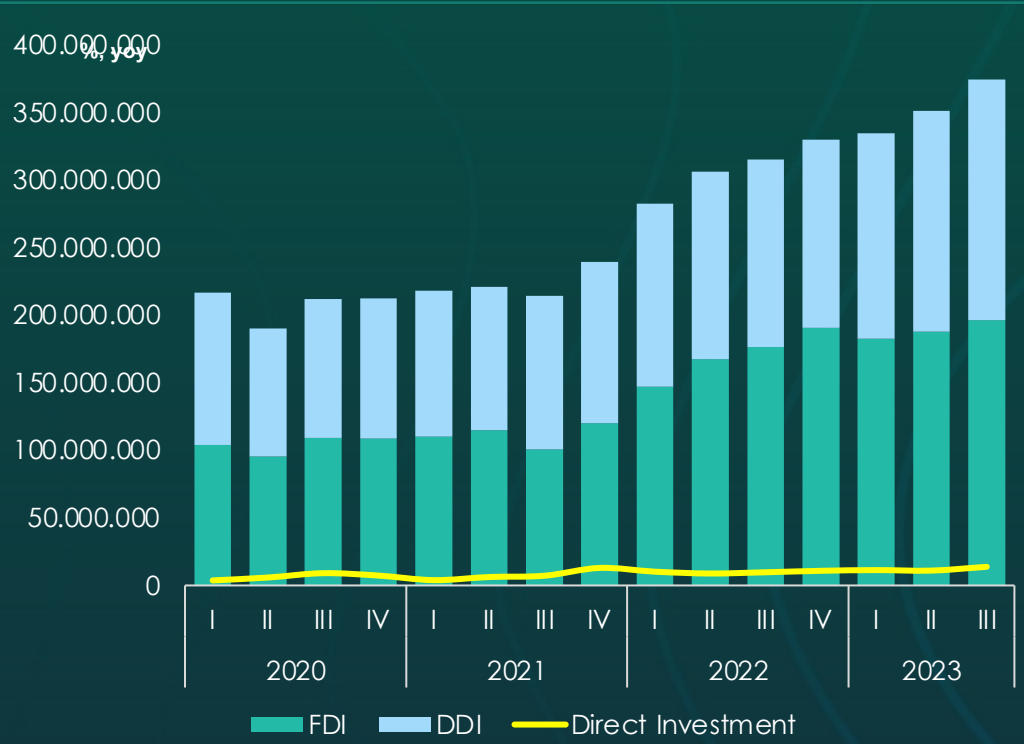
GDP GROWTH (%YoY)



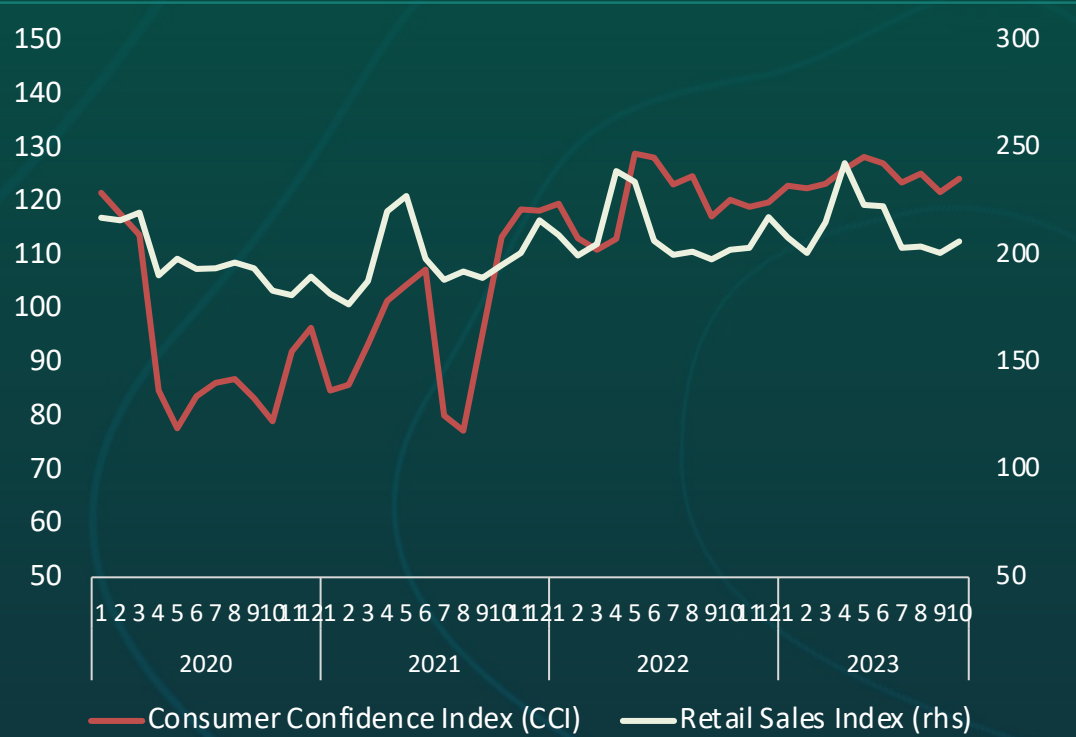
S&P Global Indonesia



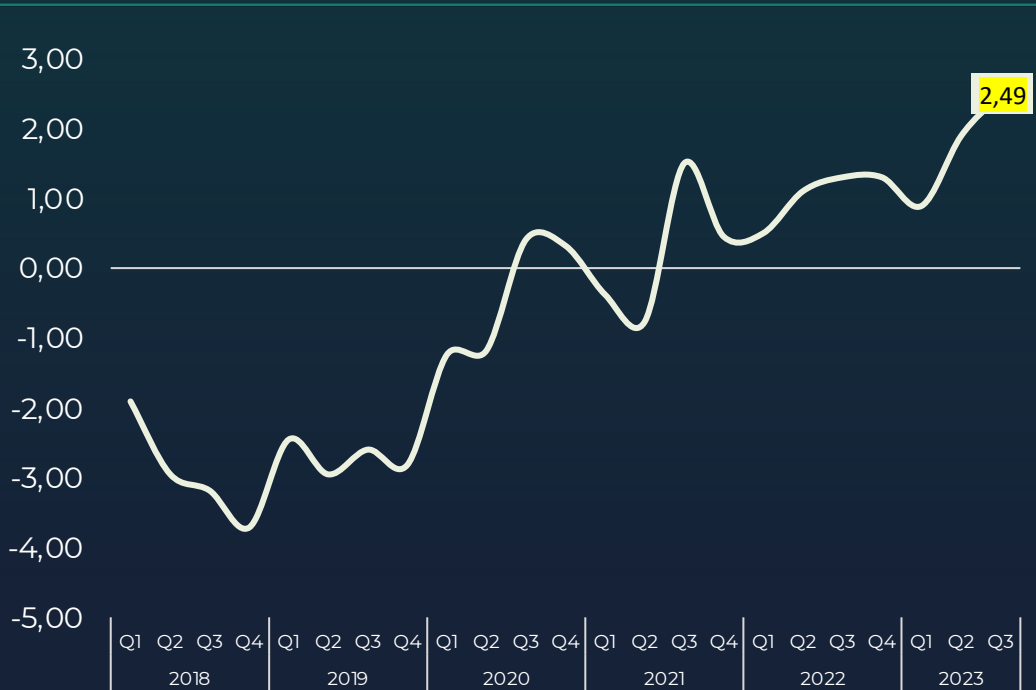
TOTAL INVESTMENT



CCI & RETAIL SALES



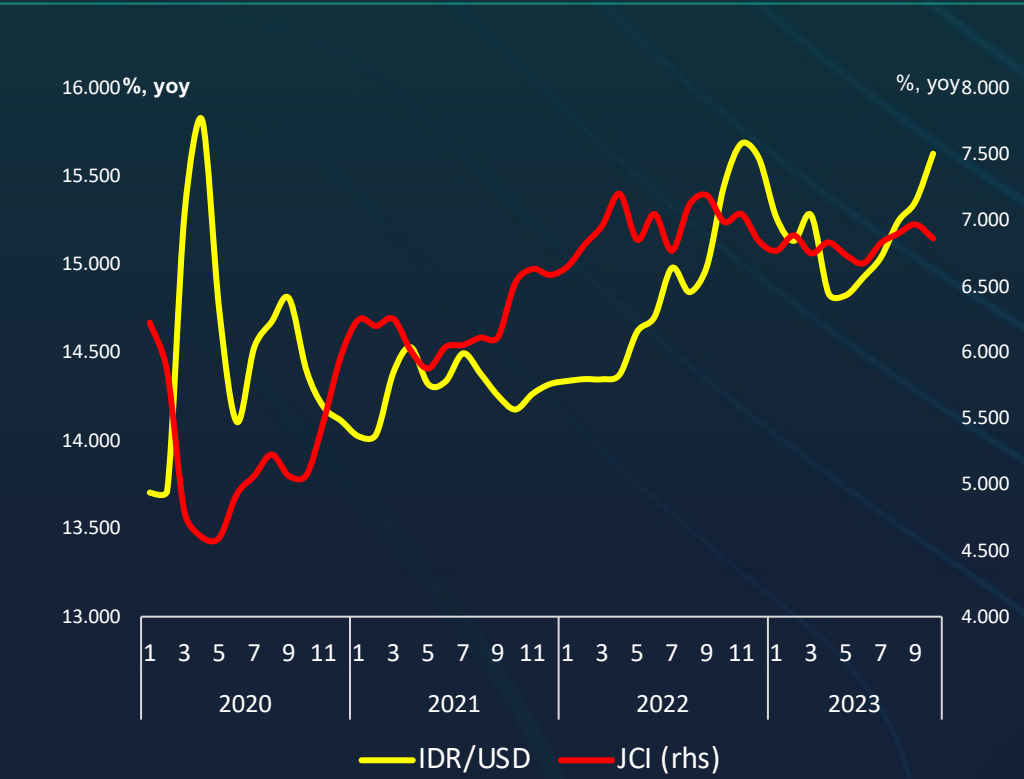
CURRENT ACCOUNT of GDP (%)



TRADE BALANCE (BILLION USD)



THE INDONESIA RUPIAH AND JCI

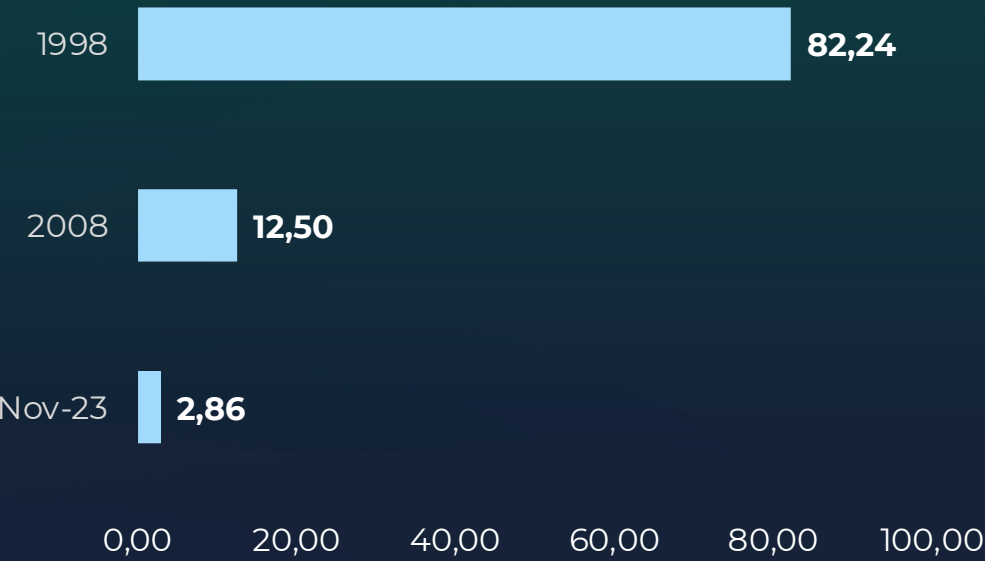


NET CAPITAL FLOW (% , yoy)



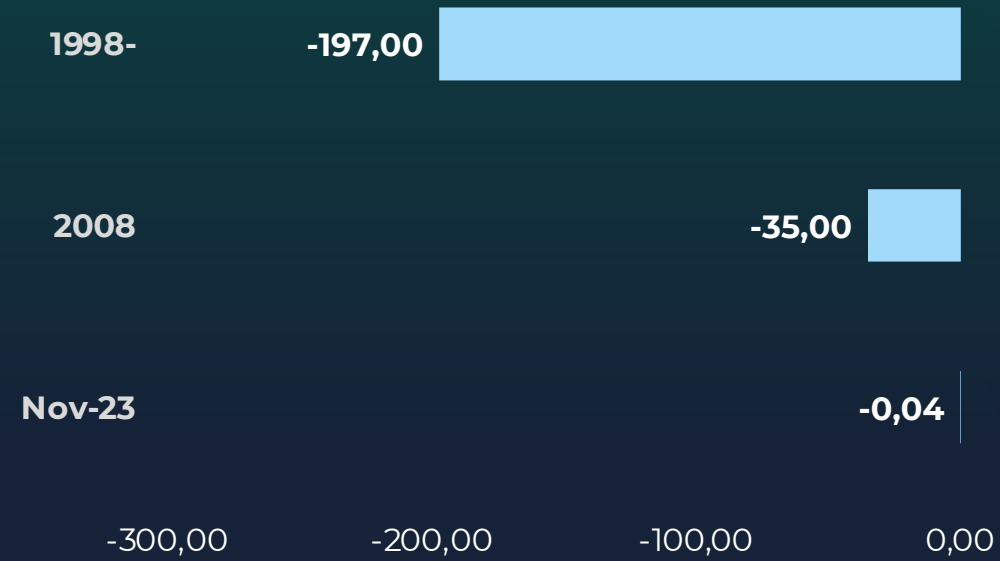
INFLATION RATE (%)

Inflation controlled within the target range



IDR MOVEMENT (%)

IDR depreciated year-to-date



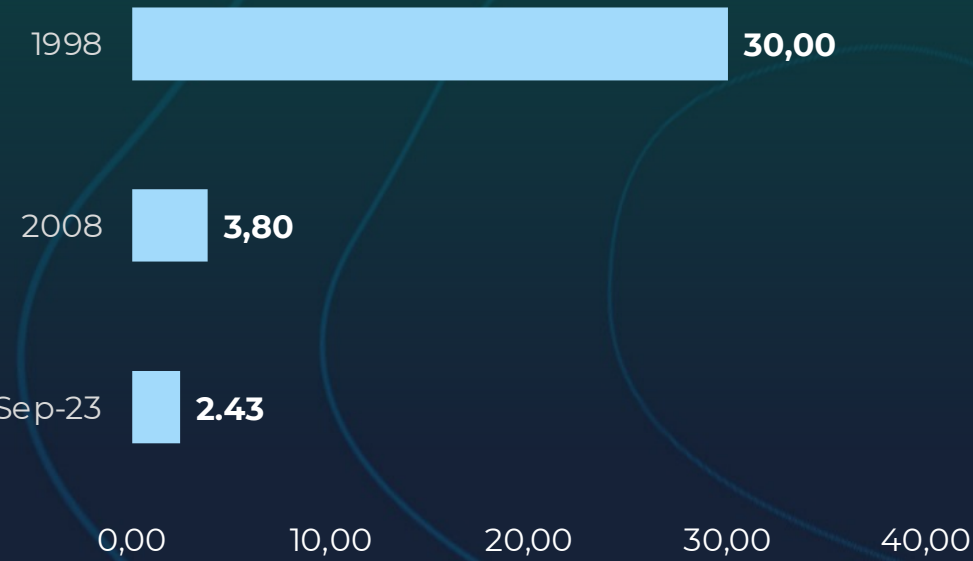
FOREIGN RESERVES (USD bn)

Significantly higher than 1998 & 2008, ample to cover 7.8 months of import and external debt repayment



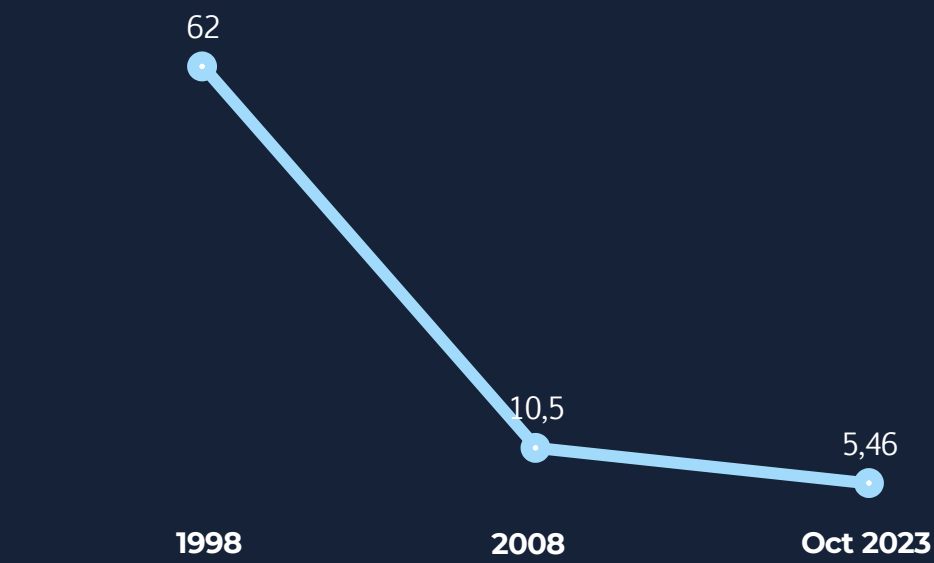
NON PERFORMING LOAN/NPL (%)

NPL level (gross) is below the maximum threshold of 5%



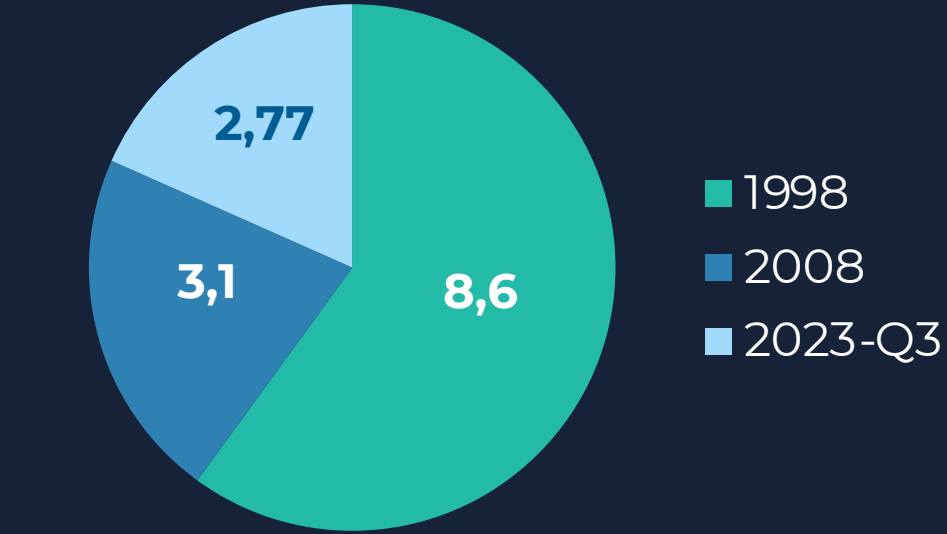
MORE LIQUID MARKET (%)

Overnight interbank money market rate is relatively lower



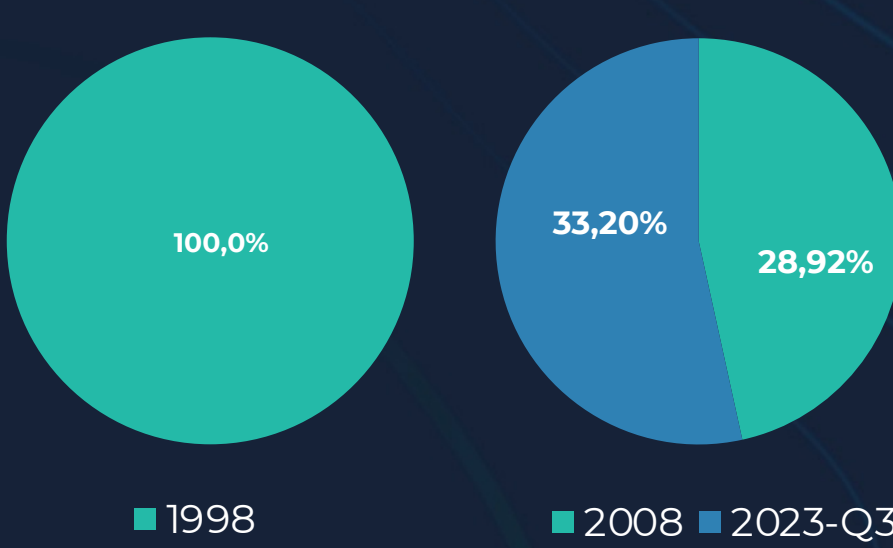
EXTERNAL DEBT (PUBLIC & PRIVATE) TO FX RESERVE RATIO

Significantly Lower Than 1998 Crisis



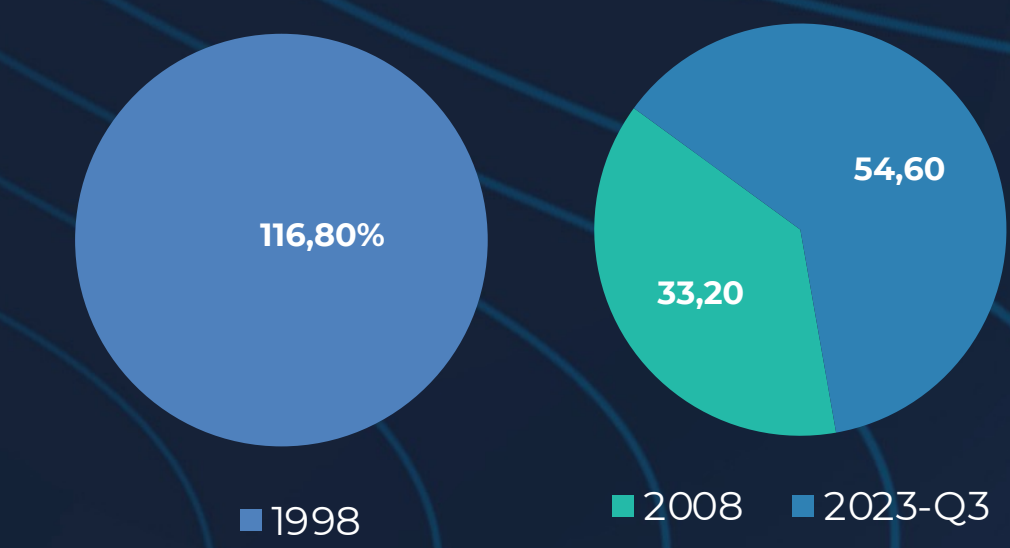
GOVERNMENT DEBT/GDP

Consistently Well-Maintained



EXTERNAL DEBT/GDP

Slightly lower than 2008 and significantly lower than 1998



Investment Policy Direction 2020 - 2024

Improving Investment Quality to Promote Inclusive and Sustainable Economic Growth



Improving the Investment Ecosystem:

Changes in the licensing process and expansion of business fields for investment will be a game changer in accelerating investment and opening new jobs

In principle, all business fields are open to investment, except for business fields that are declared closed for investment or activities that the Central Government can only carry out. Investment value for PMA > IDR 10 billion excluding the value of land and buildings. However, to encourage technology based startups in the SEZ, the investment value of PMA can be <= IDR 10 billion, excluding the value of land and buildings

Fiscal Incentives

Tax Allowances

Tax Holidays

Inv. Allowances

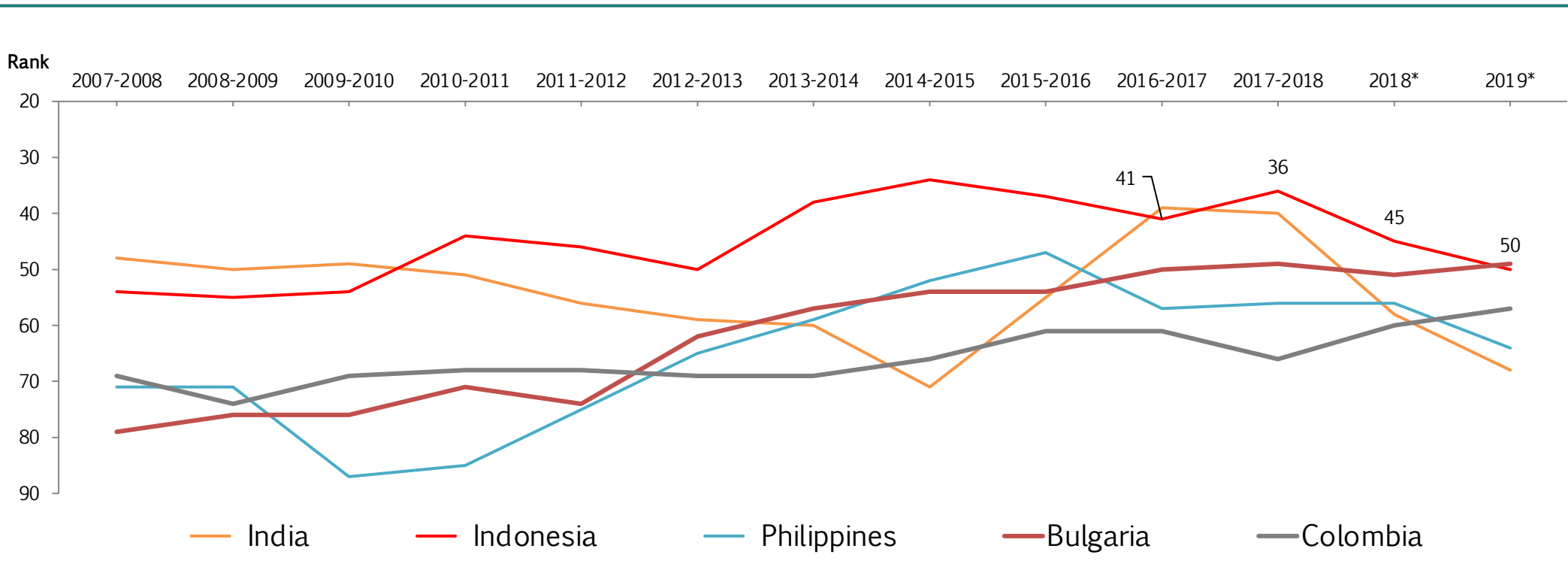
Custom Incentives

Source: Strategic Planning of Ministry of Investment / BKPM (Renstra) 2020-2024

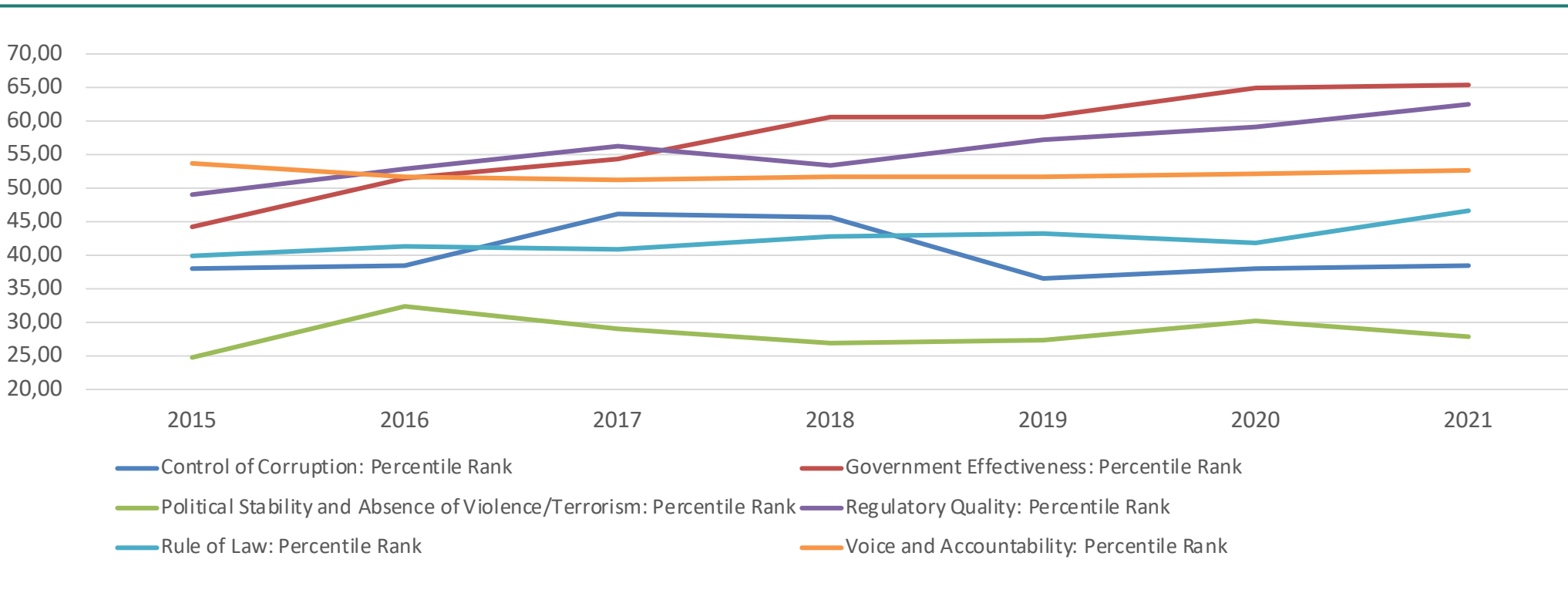
Improving Global Perception

Indonesia commits to maintain good credit rating scores. It is keen to provide better business climate by improving governance quality and abilities to increase competitiveness as well as taking hard measures to eradicate corruption in public sector.

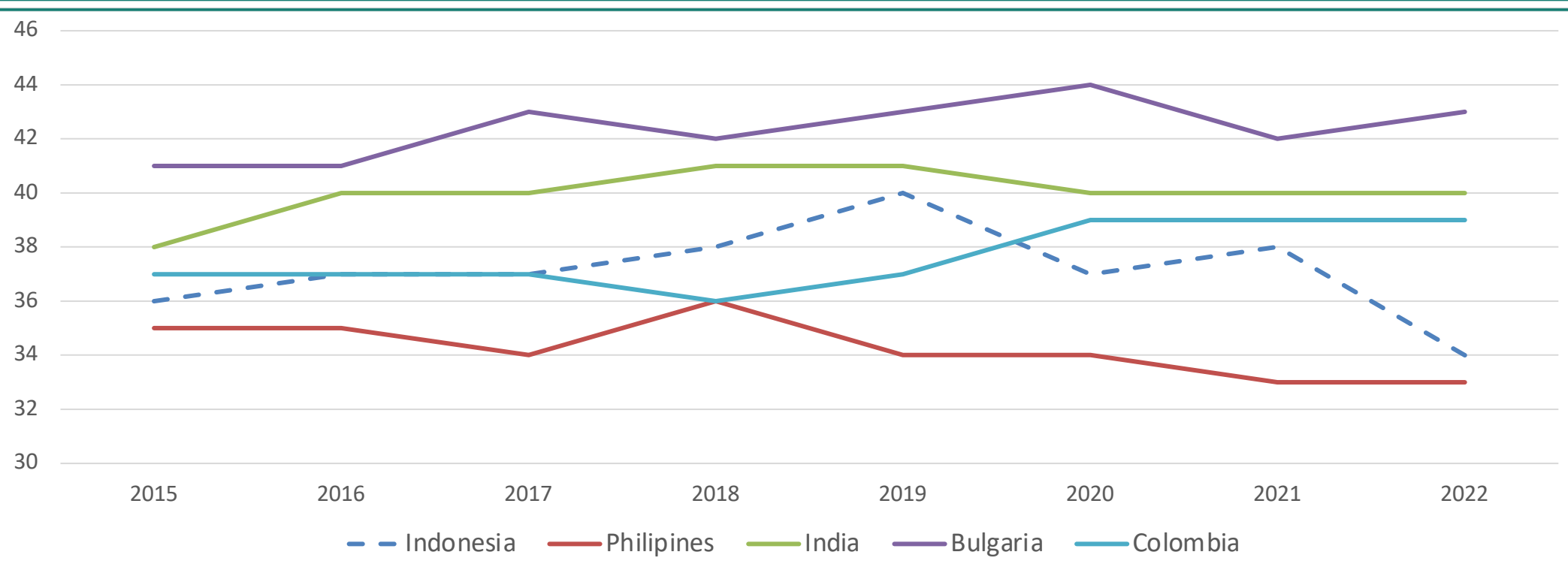
GLOBAL COMPETITIVENESS INDEX



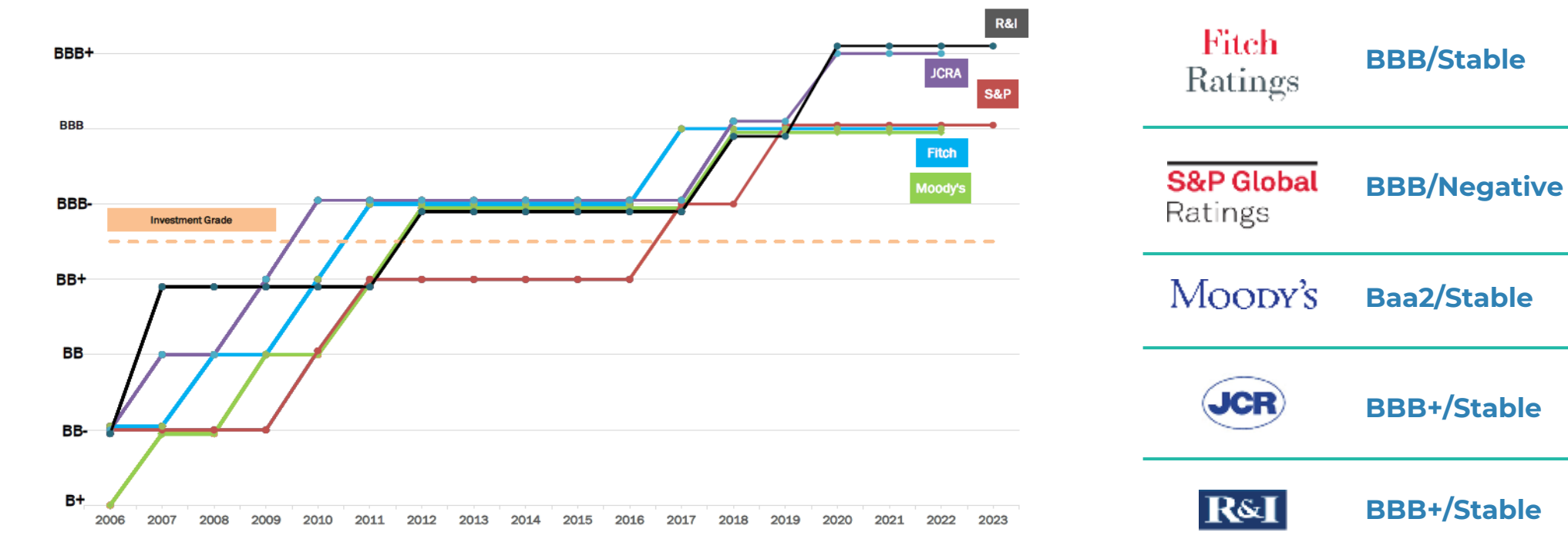
WORLDWIDE GOVERNANCE INDICATORS



CORRUPTION PERCEPTION INDEX



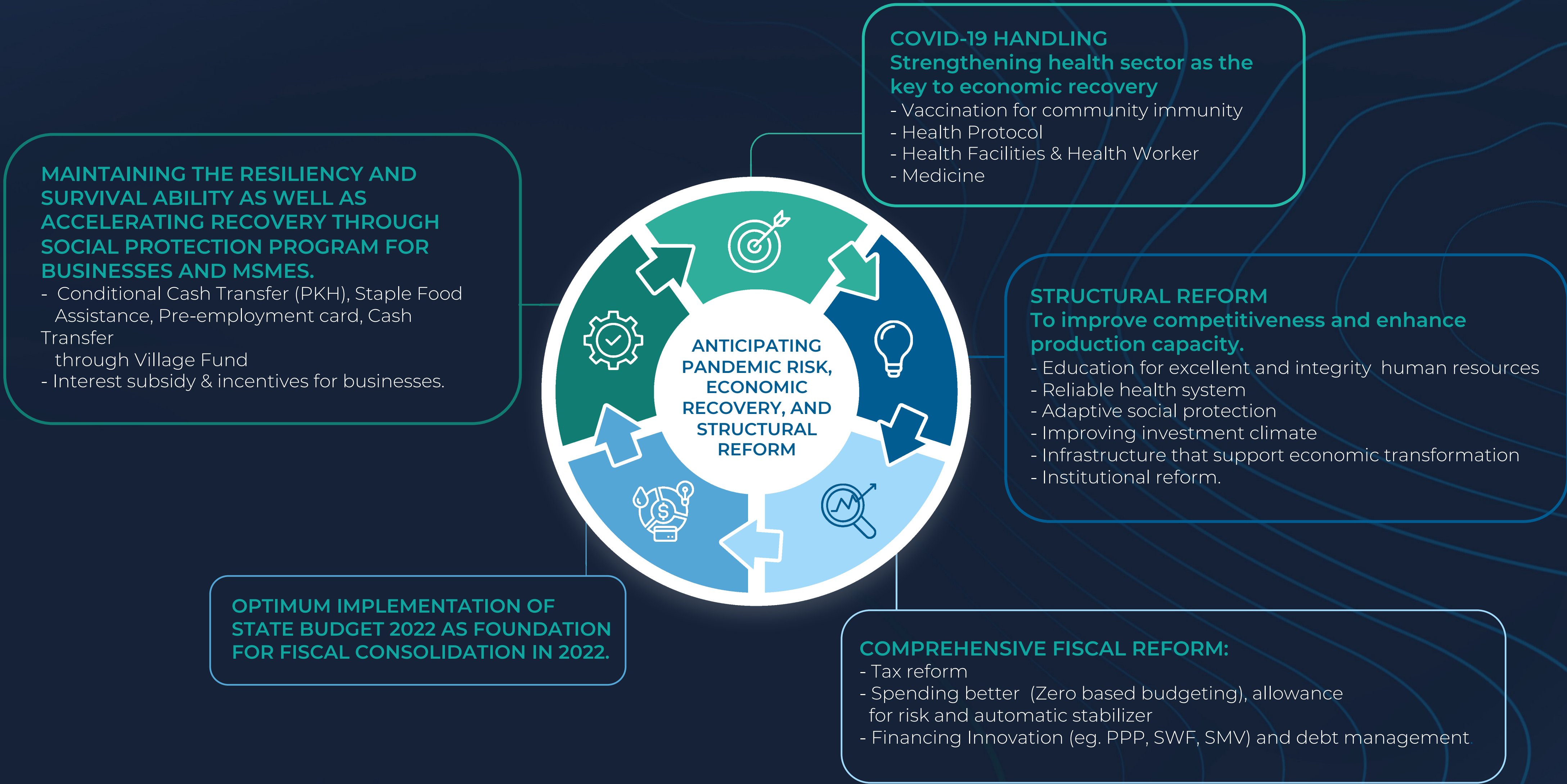
WELL MAINTAINED INDONESIA'S FOREIGN CREDIT RATING AMIDST ECONOMIC RECOVERY



1. Source: World Economic Forum – The Global Competitiveness Report 2019; 2. Source: World Bank – The Worldwide Governance Indicators 2022 Update; 3. Source: Transparency International – Corruption Perceptions Index 2022 Report

Fiscal Policy Direction

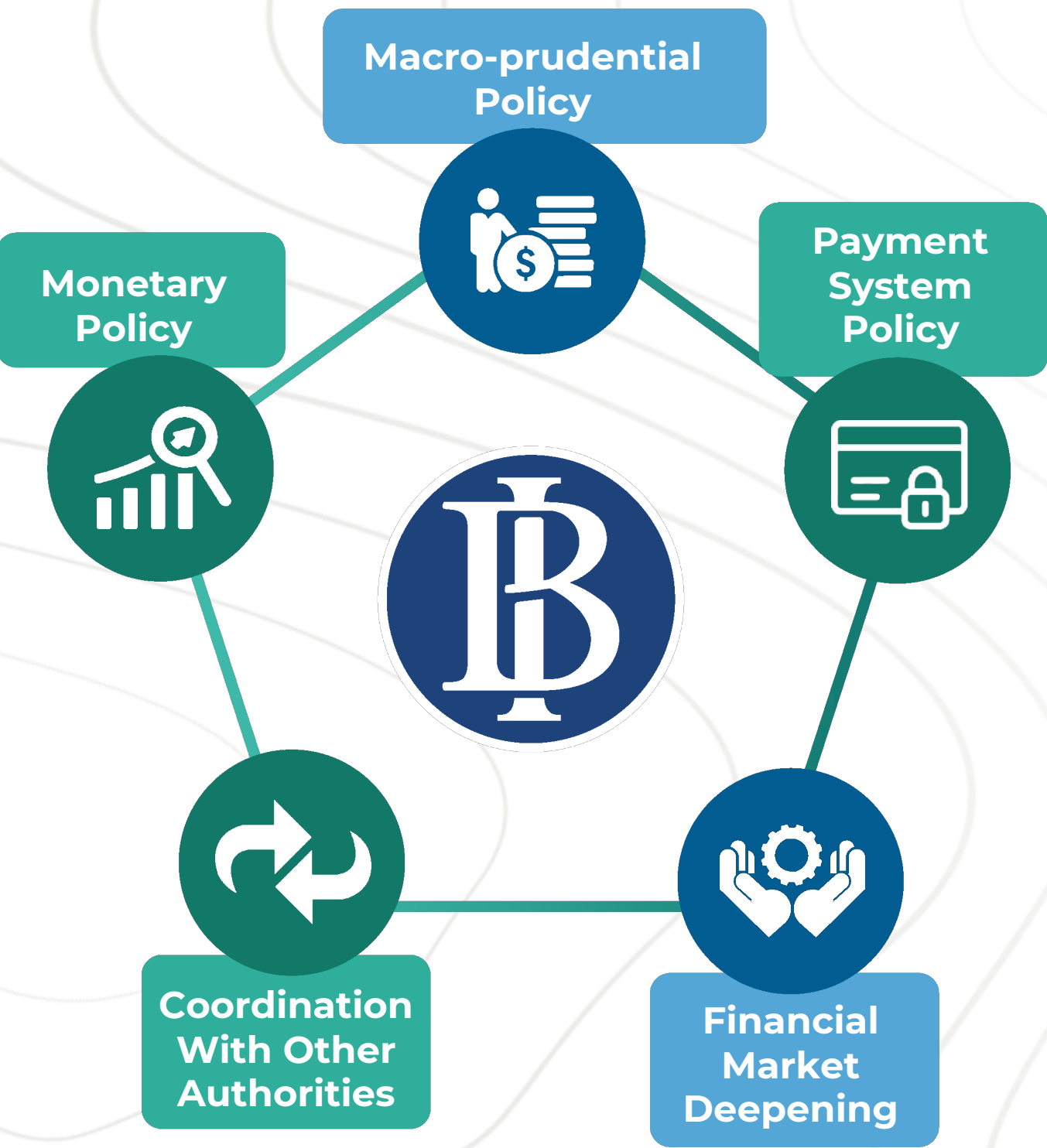
Maintaining the right balance between anticipating pandemic risk, accelerating economic recovery, and supporting structural reform



Source: Central Bureau of Statistics of Indonesia

Bank Indonesia's Policy Mix

Synergy Maintaining Stability and Strengthening National Economic Recovery



Macro-prudential Policy

Strengthening the accommodative macroprudential policy stance in 2022 to revive bank lending to the corporate sector and drive the national economic recovery, while maintaining financial system stability

Offering incentives for banks disbursing financing to priority sectors and inclusive financing and/or banks achieving the Macroprudential Inclusive Financing Ratio (RPIM) target in the form of a 100bps reduction in the daily reserve requirement, effective 1st March 2022

Strengthening implementation of the RPIM, primarily through bank commitment to the RPIM target, based on the expertise and business models available

Accommodative macroprudential policy stance by:

- Relaxing the Loan / Financing-to-Value (LTV / FTV) ratio on housing loans / financing
- Relaxing down payment requirements on automotive loans / financing
- Holding the countercyclical buffer (CCB) at 0%
- Macroprudential Intermediation Ratio (MIR) in the 84-94% range
- Macroprudential Liquidity Buffer (MLB) at 6% with 6% repo flexibility, and the Sharia Macroprudential Liquidity Buffer (SMLB) at 4.5% with repo flexibility at 4.5%
- Relaxing credit card policy

Payment System Policy

Accelerating payment system digitalization to stimulate economic recovery and implementation of the Indonesia Payment System Blueprint 2025

Strengthening and expanding digitalization through social programs,, e-payment for Government

Increasing the number of participants, expand services and garner greater acceptance of BI-FAST for more efficient transactions between banks and members of the public

Extending cross-border QRIS by among others, accelerating implementation, piloting local currency settlement (LCS) with other Asian countries and organizing National QRIS Week to achieve the target of 15 million new users

Coordination With Other Authorities

Controlling inflation through Inflation Control Team in national and regional level and accelerating implementation of the National Movement for Food Inflation Control (GNPIP)

Supporting the State Budget through SBN purchases in the primary market in line with Act No. 2/2021, while maintaining macroeconomic stability

Supporting national economic recovery program in cooperation with the MOF

Strengthening coordination with the Government and related authorities to revive bank intermediation function

Strengthening policy coordination with the Government and Financial System Stability Committee to maintain macroeconomic and financial system stability

Monetary Policy

Maintaining stability of monetary policy

Increasing Policy rate increase as a front-loaded , pre-emptive and forward-looking measure to lower inflation expectations, which are currently overshooting and return core inflation to the 3.0%+1% target range earlier, specifically in the first half of 2023

Strengthening Rupiah stabilization policy as part of the measures to control inflation, primarily imported inflation

Continuing to buy/sell SBN in the secondary market to strengthen transmission of the BI7DRR by increasing the attractiveness of SBN yields for foreign portfolio investment inflows to strengthen exchange rate stabilization measures

Accelerating liquidity policy normalization by incrementally raising Rupiah reserve requirements to 9% on 1st September 2022

Financial Market Deepening

Strengthening money market deepening by expanding underlying DNDF to boost liquidity and reinforce JISDOR as a reference for exchange rate setting in the forex market

Accelerating infrastructure development, including Electronic Trading Platforms (ETP) as well as a Central Counterparty (CCP)

Developing Money Market Development Blueprint 2025

Promoting inclusive and green economy and finance

2023 State Budget Priority Sector

GOALS

- Boost
- competitiveness and people's well being
- Support the
- economic recovery and structural reforms



EDUCATION (IDR612.2 T)

- Increase the skills and professionalism of the teachers
- Accelerate the rehabilitation of education facilities
- Strengthening vocational education through quality standardization and developing research and innovation
- Increase the synergy of Central Government, Local Government, and Line Ministries



HEALTH (IDR178.7 T)

- Increase the effectiveness of insurance for maternal health (*Jampersal*) and make it integrated into JKN program
- Strengthen the reforms of national health system
- Continue the efforts to lower the stunting incidence



SOCIAL PROTECTION (IDR476 T)

- Continue to develop the Unified Database (DTKS) and synergizing with other relevant data
- Support the social protection reforms
- Support the program of insurance scheme from losing job
- Develop the scheme of Adaptive Social Protection



INFRASTRUCTURE (IDR392.1 T)

- Support the basic service infrastructure
- Enhance the productivity (connectivity and mobility)
- Providing the energy and food infrastructure
- Equal provision and access to infrastructure and ICT



FOOD SECURITY (IDR104.2 T)

- Improve the food access and coverage
- Increase the productivity and revenue of the farmers and fisherman
- Pengembangan Kawasan Sentra Produksi Pangan (Food Estate)



ENERGY RESILIENCE (IDR341.3 T)

- Energy Subsidy & Compensation and Others



NATIONAL DEFENSE (IDR316.9 T)

- The National Defense is allocating a large amount of budget to help the structural reform to support competitiveness and people's well being



Primary Natural
Resource Producer

East Kalimantan has abundant natural resources comprise of coal, palm oil, gas, and forest products which significantly contribute to the national economy.



Moving Towards Diverse
Economy

To enhance commodity economic value and achieve sustainable growth, the government provides incentives and economic zones with adequate infrastructure to encourage openings of downstream business from the region’s best commodities and create new line of industry.



The Indonesia’s
New Capital City

Appointed to be the location of the country’s new capital city megaproject brings optimistic future for the region. The development will open tremendous business opportunity and new market.



Stable Inflation (Q3 2023)

3.06% yoy

Second Highest GDP
Per Capita in Indonesia
(2022)

USD 16.051,85

Third Highest Human
Development Index
(HDI) in Indonesia (2022)

77.44

Largest Economy
In Kalimantan
(2023-Q3)

45.90% of Kalimantan
Economy

EAST KALIMANTAN ECONOMIC OVERVIEW

Statistic East Kalimantan

CAPITAL CITY: **SAMARINDA CITY**
REGENCIES/CITIES: **10**

TOTAL AREA: **125,346.92 Km2**
POPULATION: **3,766,039**

East Kalimantan’s economy has been relying heavily on unsustainable mining and plantation industries. In pursuit of a more sustainable growth, it is reforming gradually towards manufacturing and its derivatives’ industries based on the most competitive commodities available in the region. Tourism plays as an attractive alternative source of income.



GRDP GROWTH
(Q3 2023) **5.29 (%yoy)**
IDR **191.60 Trillion**

3.6% of
National
GDP



EXPORT
(Q3 2023) **-44.89 (%yoy)**
US\$ **5.86 Billion**

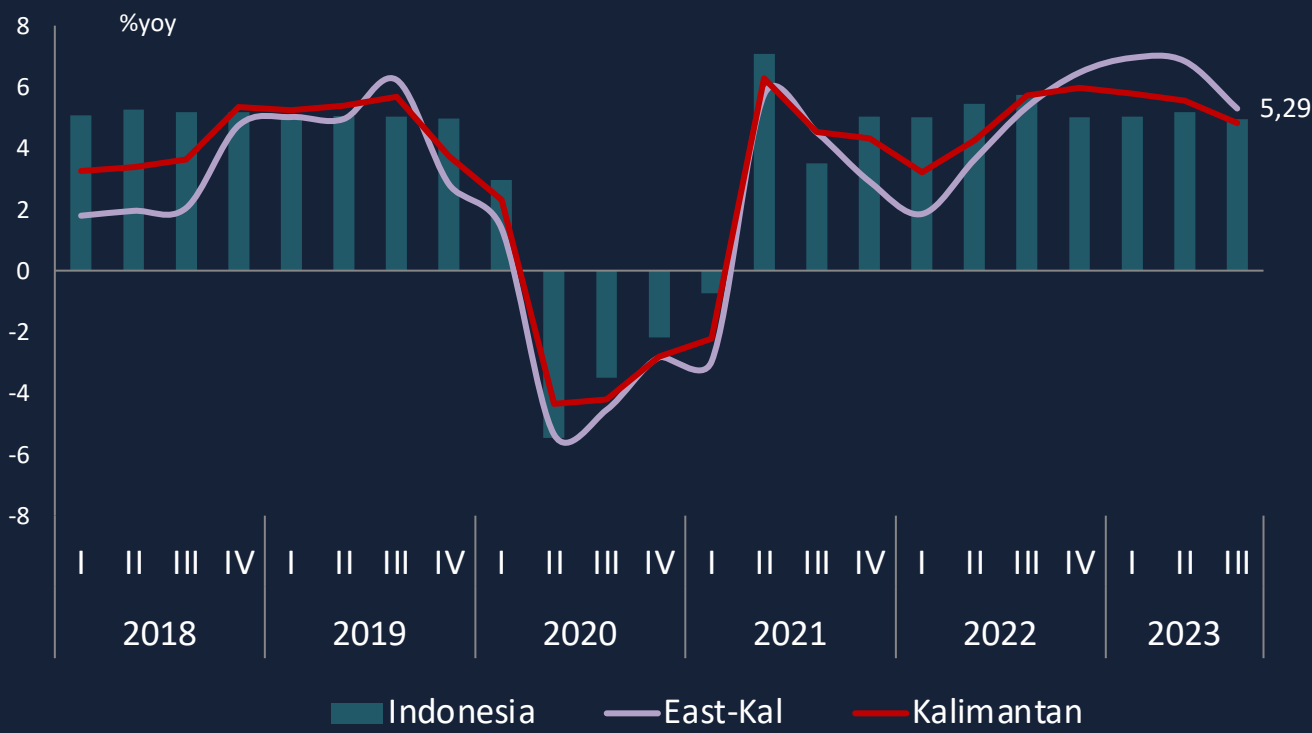
9.21% of
National
Export



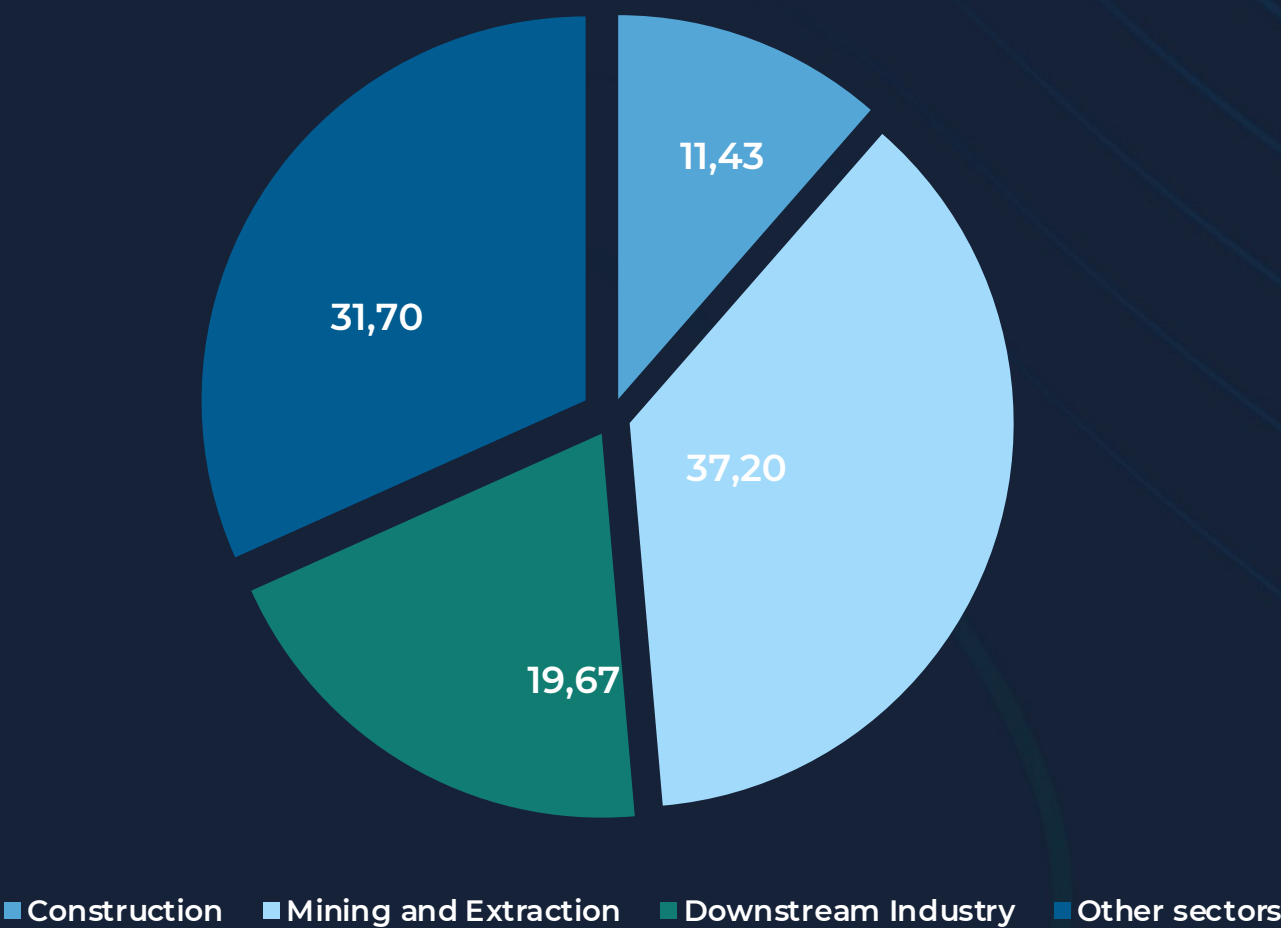
HDI
77.44
(2022)

3rd in
Indonesia

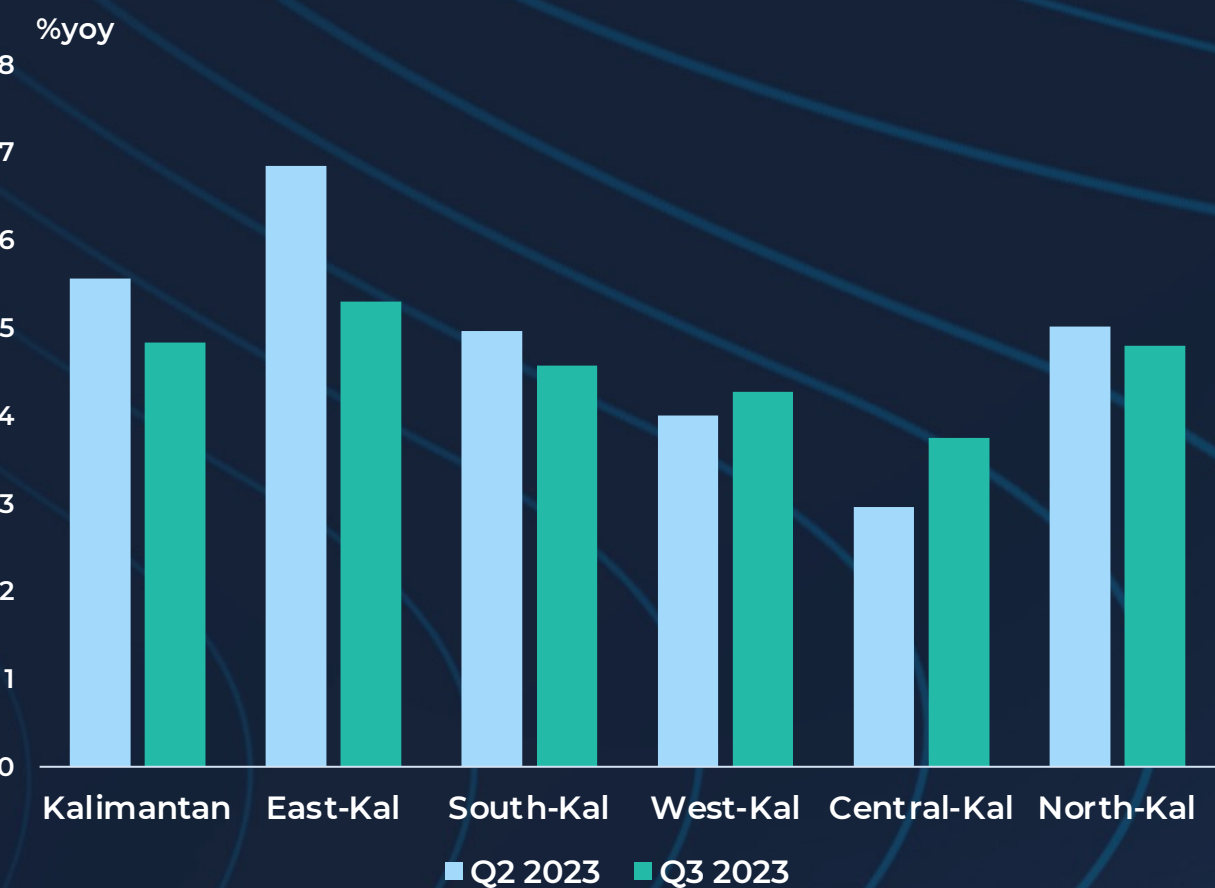
ECONOMIC GROWTH



ECONOMIC CONTRIBUTION



COMPARING PROVINCIAL GRDP



East Kalimantan's Strategic Development Priorities



Based on East Kalimantan Provincial Government Work Plan for 2023, The Goal is to create an inclusive social and regional economic resilience through 6 (six) regional development priorities on the framework of “**Kalimantan Timur Berdaulat**”



Developing a highly competitive labor or workforce through skills and professionalism improvement

Strengthening the economy of people based on local potential of East Kalimantan

Increasing the productivity on leading commodities of agriculture, forestry and fisheries sector

Enhancing the productivity of manufacturing in a sustainable manner

Scaling up the connectivity and accessibility of regional infrastructure

Improving the independence of bureaucracy for regional public policies

Economic Policy Direction

The Provincial Government of East Kalimantan aims to accelerate economic recovery on three main focuses including Achieving 3.5±1% Economic Growth, Economic Stabilization, and Economic Equality

TO ACHIEVE ECONOMIC GROWTH AT 3.5±1 PERCENT

1. Increasing the productivity and quality of agricultural products through the development of food production center areas;
2. Improving value-added of competitive products by strengthening market chain, ease of doing business, and investment incentives;
3. Strengthening the competitiveness of basic infrastructure, including connectivity, energy, water and other economic supporting infrastructure



ECONOMIC STABILIZATION

1. Maintaining and improving the investment climate in region
2. Optimizing household consumption
3. Improving the quality of government spending
4. Increasing the trade surplus inter regions

ECONOMIC EQUALITY:

Accelerating of gap reduction (inter individuals and inter regions) through the improvement of primary services in education, health, and basic infrastructure.

Chapters **2**

East Kalimantan
Economic Review and
Infrastructure
Availability

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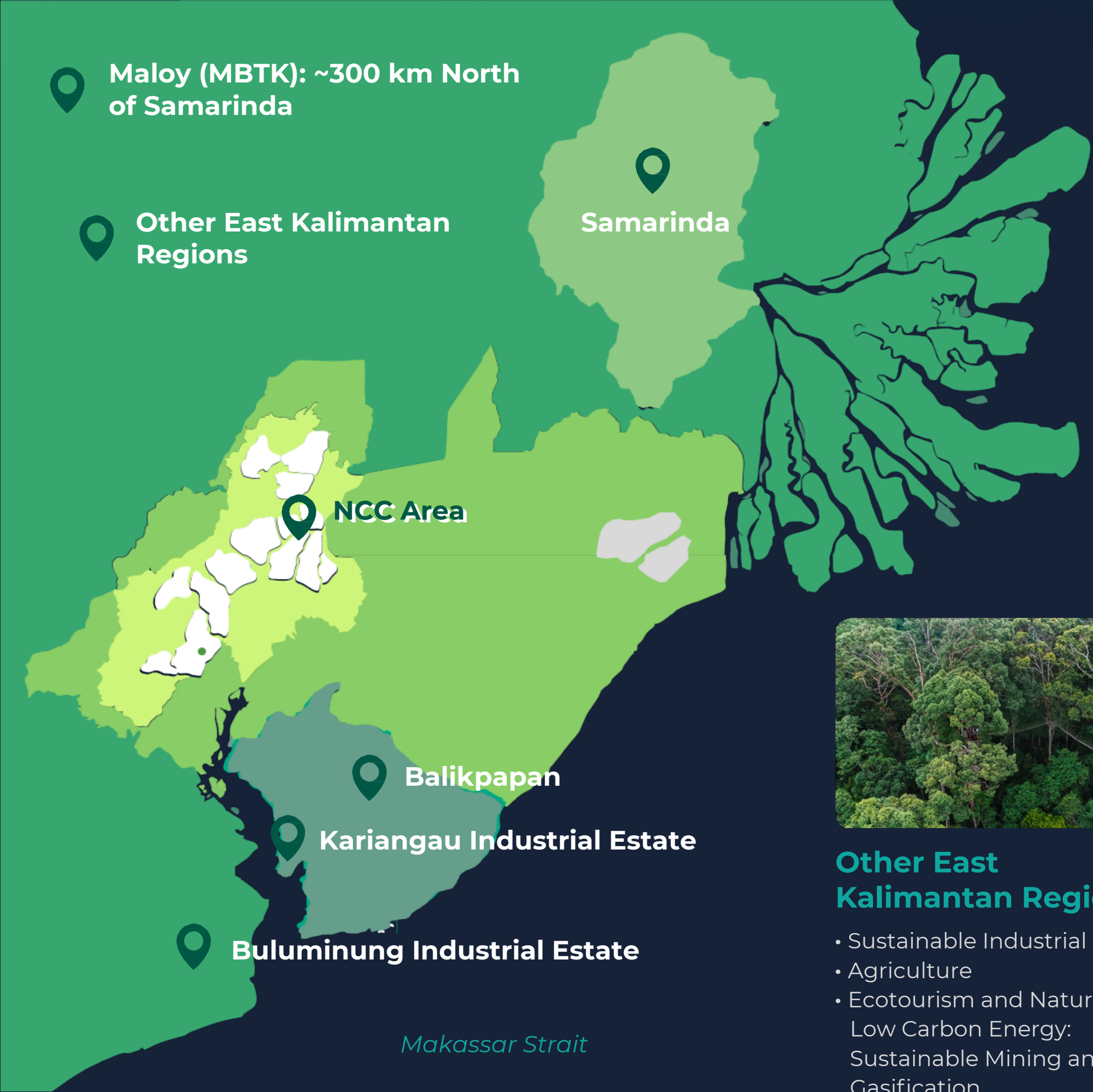
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The New Capital City (IKN) Areal Planning

Area-based Distribution for Economic and Industrial Sectors in IKN and the surrounding areas



NCC (Nusantara) within 56,000 Ha

- R&D and Innovation Center for Low Carbon Energy
- Ecotourism, City Tourism, MICE Tourism, Medical and Wellness Tourism
- Integrated Pharmaceutical R&D Center
- 21st Century Education



Kariangau Industrial Estate*

- Chemical materials: Petrochemical
- Sustainable Manufacturing: Solar PV and E2W
- Integrated Pharmaceuticals: Generic API and Biosimilars



Buluminung Industrial Estate *

- Sustainable Industrial Agriculture: Plant Based Protein, Herbal Extract, Herbal Products and Nutritionals
- Base Chemicals and Chemical Products: Oleochemical



Other East Kalimantan Regions

- Sustainable Industrial Agriculture
- Ecotourism and Nature Tourism
- Low Carbon Energy: Sustainable Mining and Coal Gasification



Maloy MBTK

Low Carbon Energy : Biofuels



Samarinda

Low carbon energy sector : sustainable mining and coal gasification.



Balikpapan

- Low Carbon Energy
- Integrated Pharmaceuticals: Generic API and Biosimilars

*the study is on-going

Source: Ministry of National Development Planning (2021)



The Progress of New Capital City “Nusantara” Development

As of the third quarter of 2023, infrastructure development of the New National Capital City project (IKN) is still on going. The fastest progress has been driven by the development of Water Resources. Meanwhile, in the housing sector, massive construction will be carried out after the completion of the construction of other sectors, especially land/roads. Meanwhile, in the housing sector, massive construction will be carried out after the completion of the construction of other sectors, especially land/roads. Furthermore, the construction of VVIP airports in IKN will be accelerated. In September 2023, there were 22 projects that were contracted.

The development of the Nusantara in 2023 continues and is predicted to become even more massive.

UPDATE ON DEVELOPMENT PROGRESS & PLANS FOR SUPPORTING ICT INFRASTRUCTURE

Road between Balang Island Bridge

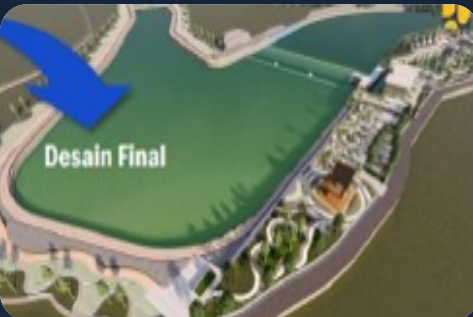


Project value
Rp471,39M

Financing Resource
100% APBN

Deadline
2023

Sepaku – Semoi Dam



Project Value
Rp556,4M

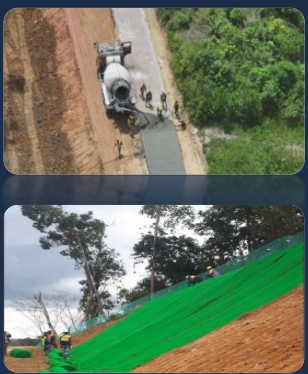
Deadline
December 2023

Financing Resource
APBN

Location
Sepaku, PPU

Physical Progress
93,24%

Toll Road for IKN access



Project value
Rp 11 T

Financing Resource
KPBU (PPP)

Deadline
2024

Total Physical Package Needs for Fiscal
Year 2022
Rp2,168 T

Financing Realization
Rp2,156 T

Core Area of Central Government (KIPP)



1st Phase
Project Value
Rp92,35M

Deadline
2023

Physical Progress
100%

2nd Phase
Project Value
Rp310,94M

Deadline
2023

Physical Progress
60,54%

Construction Worker Housing



22 Tower

Capacity
16.200
workers

Ministry House



36 unit

Deadline
2024

Logistic Port



Project Value
Rp99,6M

Deadline
2023

Physical
Progress
63,78%

The Development of VVIP Airport



Presidential Regulation Number. 31 of 2023
6 June 2023 concerning the Acceleration of
Development and Operation of VVIP IKN
Airport



Development of staging, apron stage 1 for 3
aircraft, and stage 2 for 5 aircraft



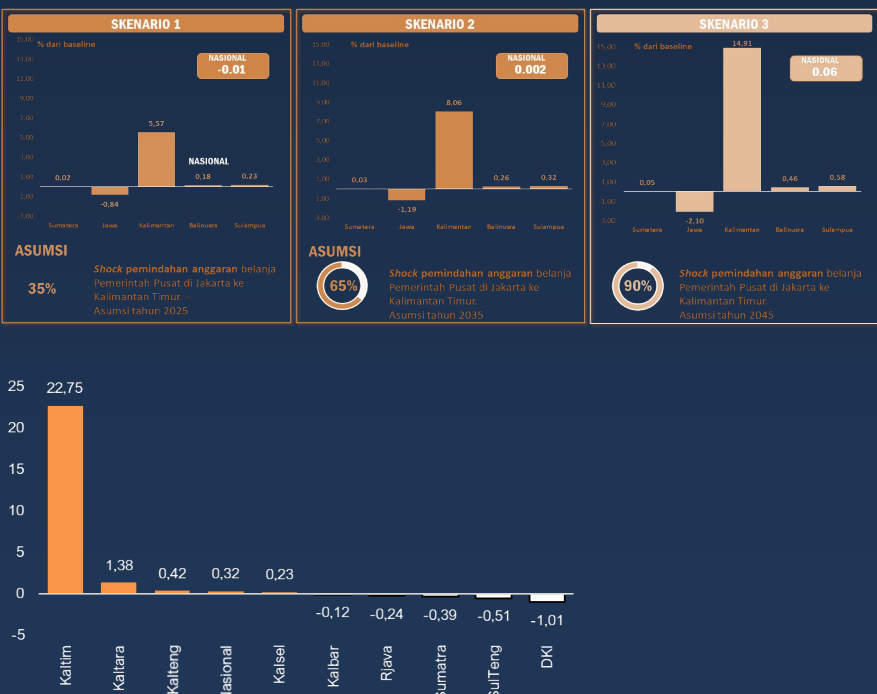
Runway: 3.000 x 45 m
Runway strip: 280 m

The Development of IKN Tender Projects



Construction The Ministry of Public Works
and Public Housing (PUPR) noted that in
June 2023 there were 22 IKN special project
packages that had been contracted.

IMPACT OF IKN RELOCATION ON REGIONAL-NATIONAL ECONOMIC PERFORMANCE AND EMPLOYMENT



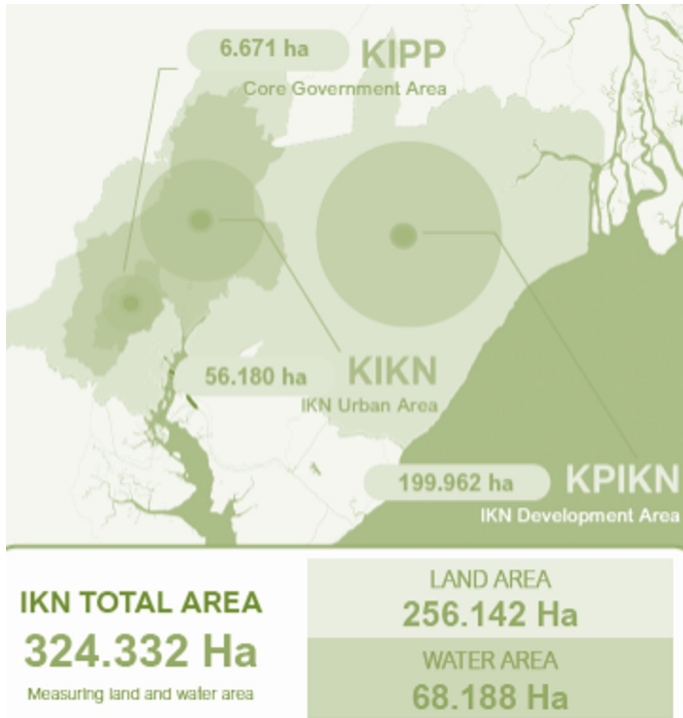
BI Study: Impact on Economic Performance

The simulation results of the Computable General Equilibrium (CGE) model show that in all scenarios, the economic performance of all islands except Java experiences improvement compared to the baseline. Cumulatively, the more extensive the relocation of the National Digital Economy (IKN) is carried out, the potential for higher national economic growth compared to the baseline growth.



The New Capital City (IKN) Project

Nusantara as Center of Economy 2045



3 Zones of NCC

| Zone | Land size (ha) | Population Target by 2045 (People) | Development |
|---------------------------------|----------------|------------------------------------|--|
| Central Government Area | 6,856 | ±280,000 – 300,000 | <ul style="list-style-type: none">- Ease of accessibility.- Sustainable design.- 82,000 – 100,000 residential units, with estimated occupancy ratio of 3.4 people per residential unit. |
| New Capital City Area | 56,181 | 1,700,000 – 1,900,000 | <ul style="list-style-type: none">- Support the concept of “10 minutes walking” and social connectivity.- Designed in harmony with nature with a minimum of 50% green space. |
| New Capital City Expansion Area | 256,142 | | <ul style="list-style-type: none">- 75% of the area will be planned to be a green open space, of which 65% is a protected area and 10% is for food production.- Developed with 100% clean energy. |

Presidential Palace Area



Ceremonial Plaza



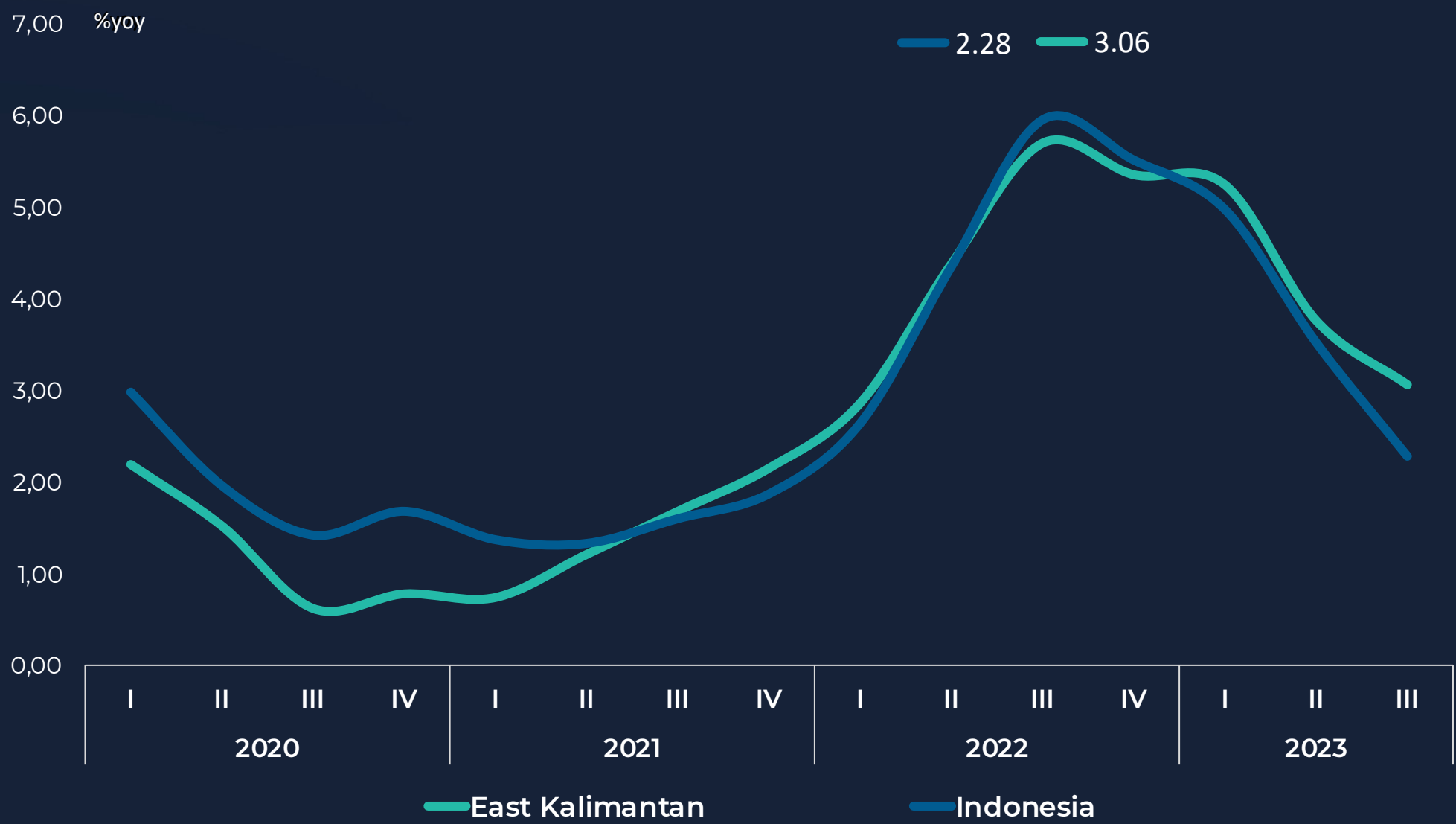
Basic Design of IKN Landscape



INFLATION RATE

The aggregate inflation rate of two cities, Samarinda and Balikpapan, East Kalimantan in the third quarter of 2023 was recorded at 3.06% (yoy), which is lower than the previous year's rate of 5.69% (yoy). The inflation rate in these cities was slightly higher than the national inflation rate of 2.28% (yoy). However, it was lower compared to other provinces in Kalimantan, which had an average inflation rate of 2.64% (yoy).

INFLATION RATE



To maintain inflation stability, the Regional Inflation Control Team (TPID) in East Kalimantan, along with all stakeholders, continues to work collaboratively in creating and implementing programs to control inflation and ensure price stability and affordability. At the national level, various efforts are also being optimized through the National Food Inflation Control Movement (GNPIP) program to anticipate the increase in food prices.

PERIODICAL INFLATION RATE (Q3 2023)

3.06 Quarterly Inflation Rate (%yoy)

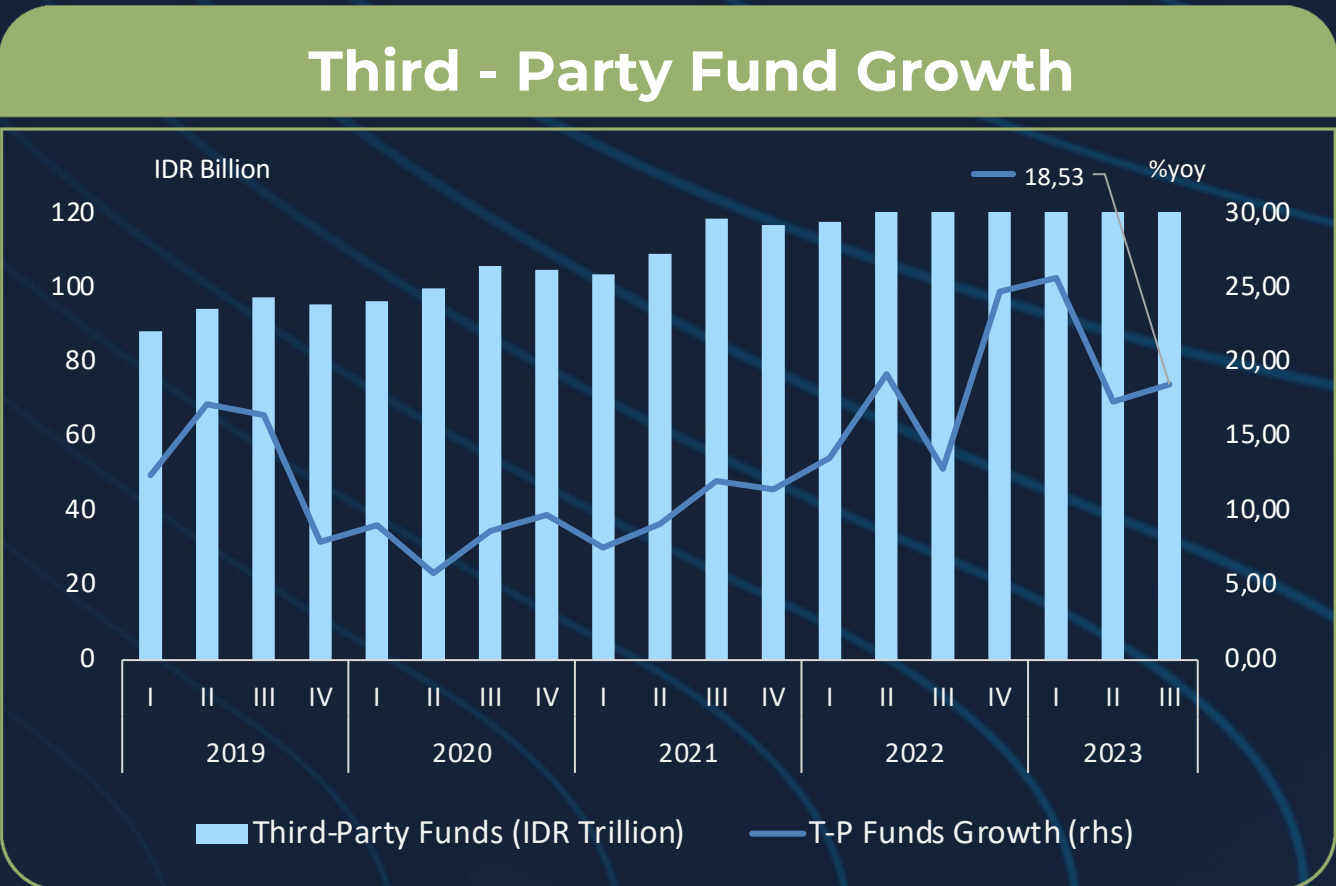
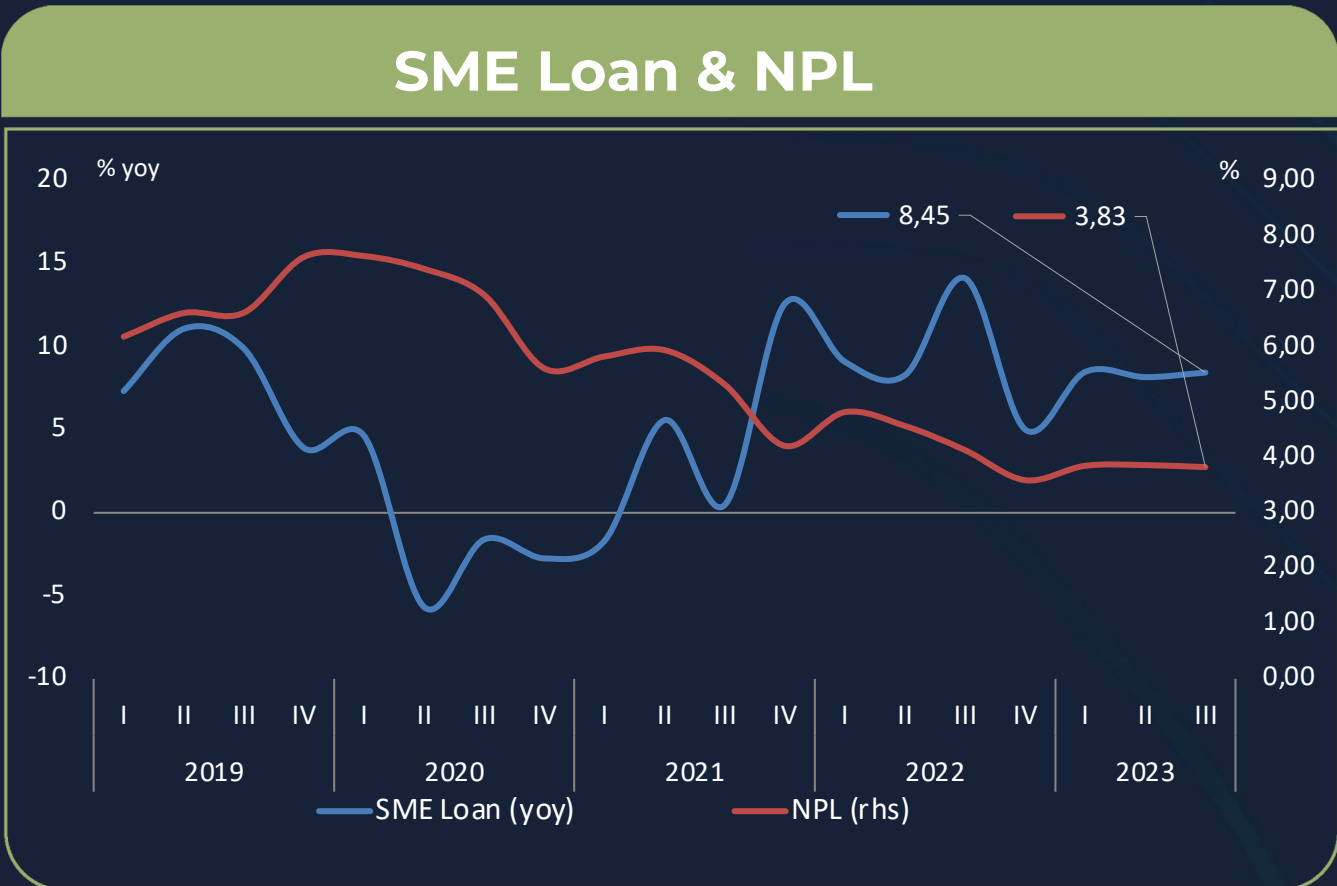
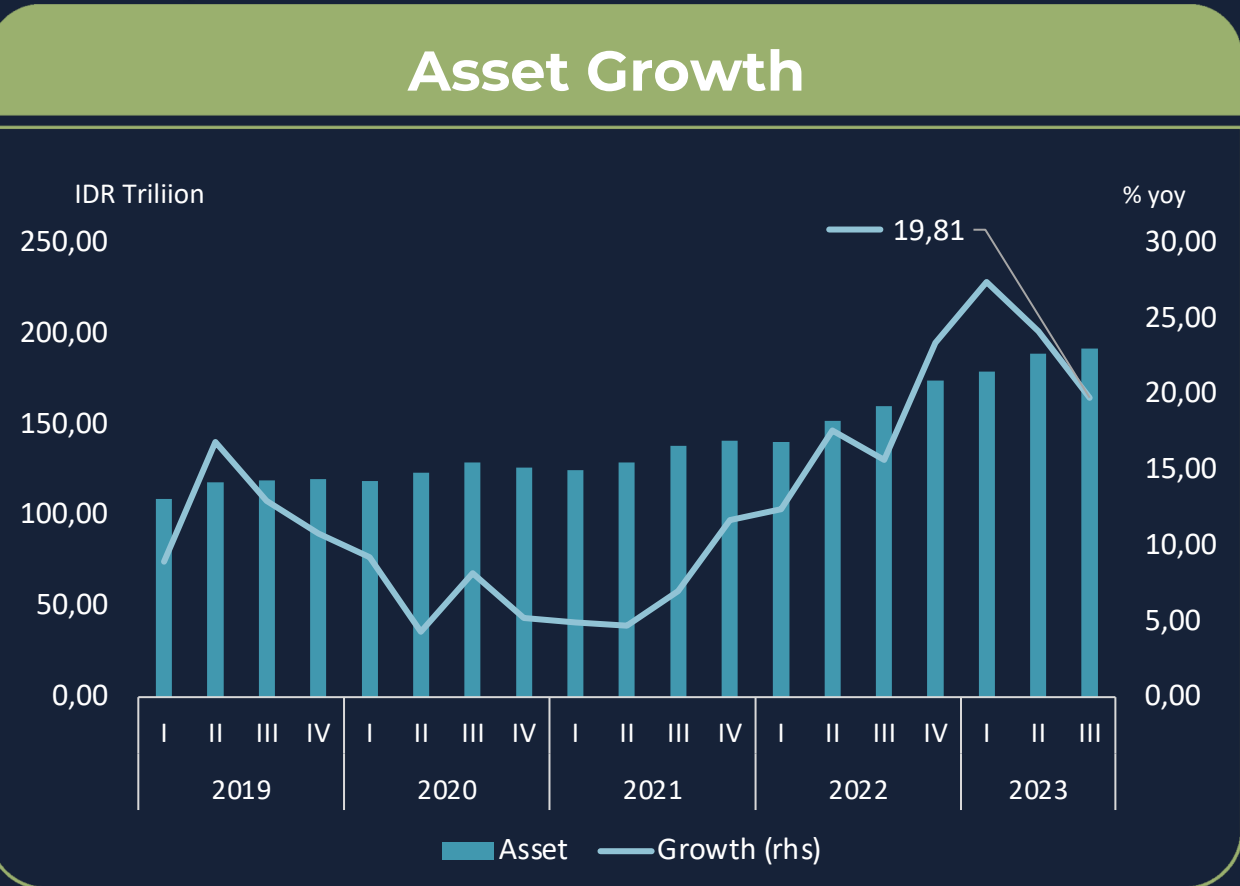
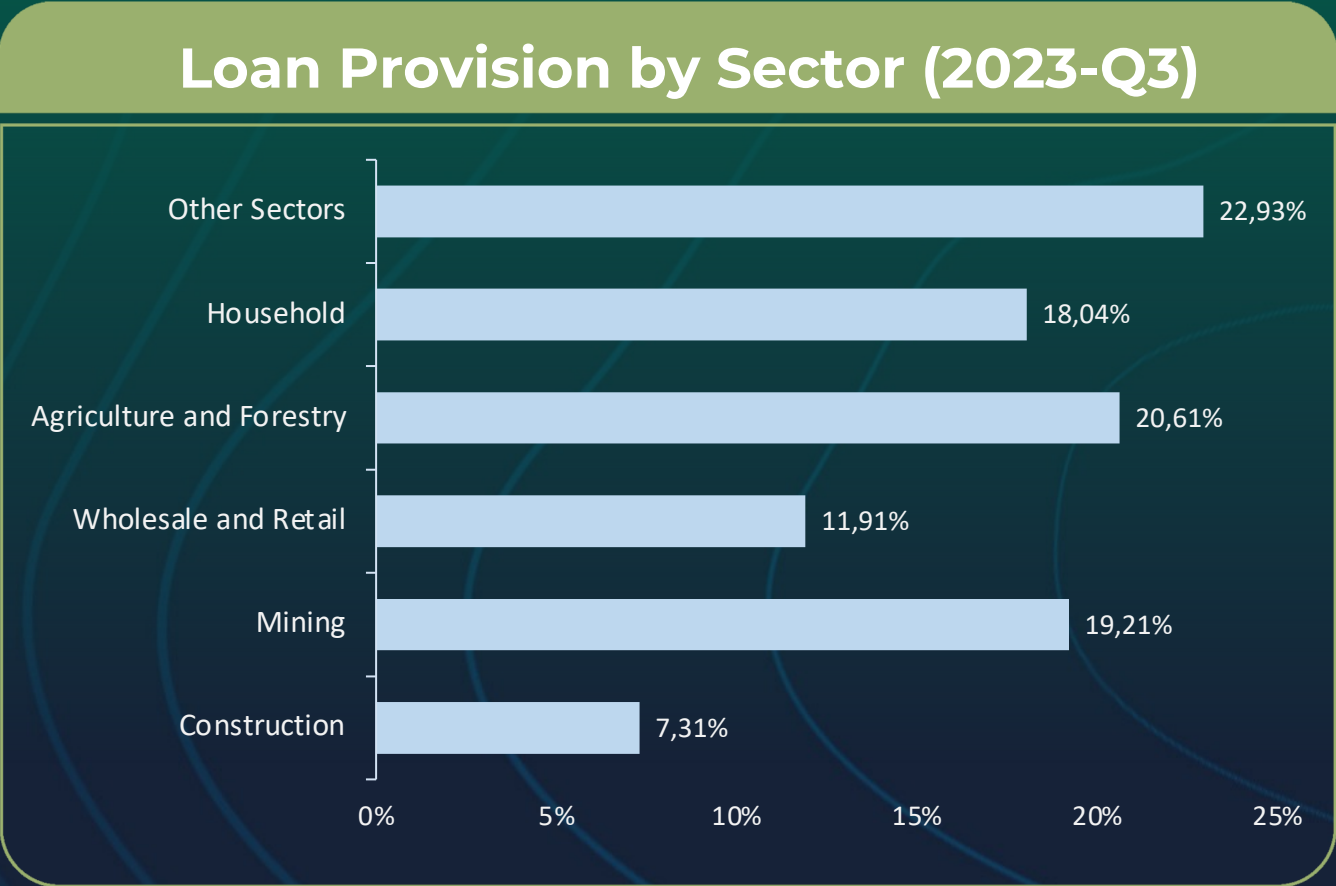
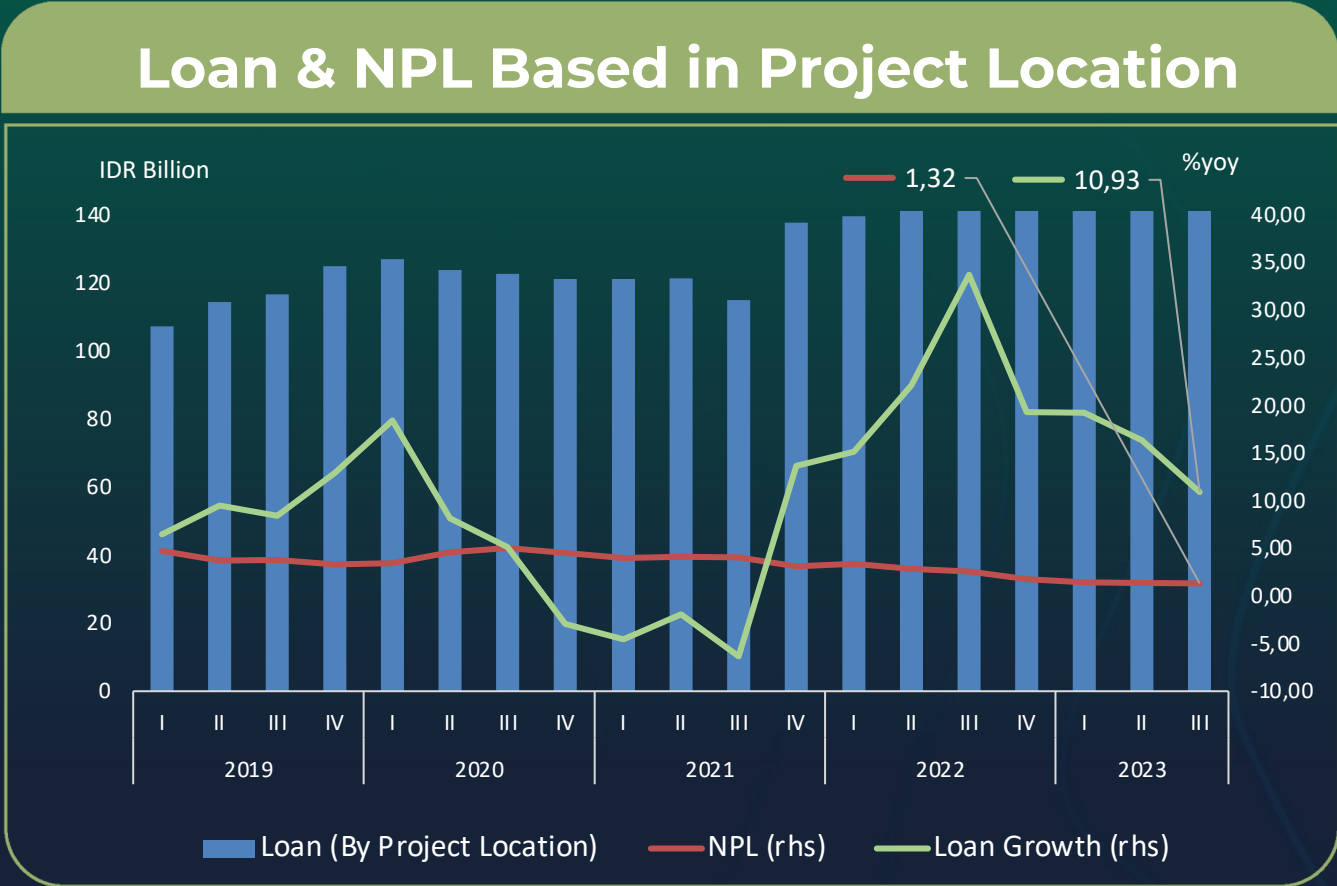
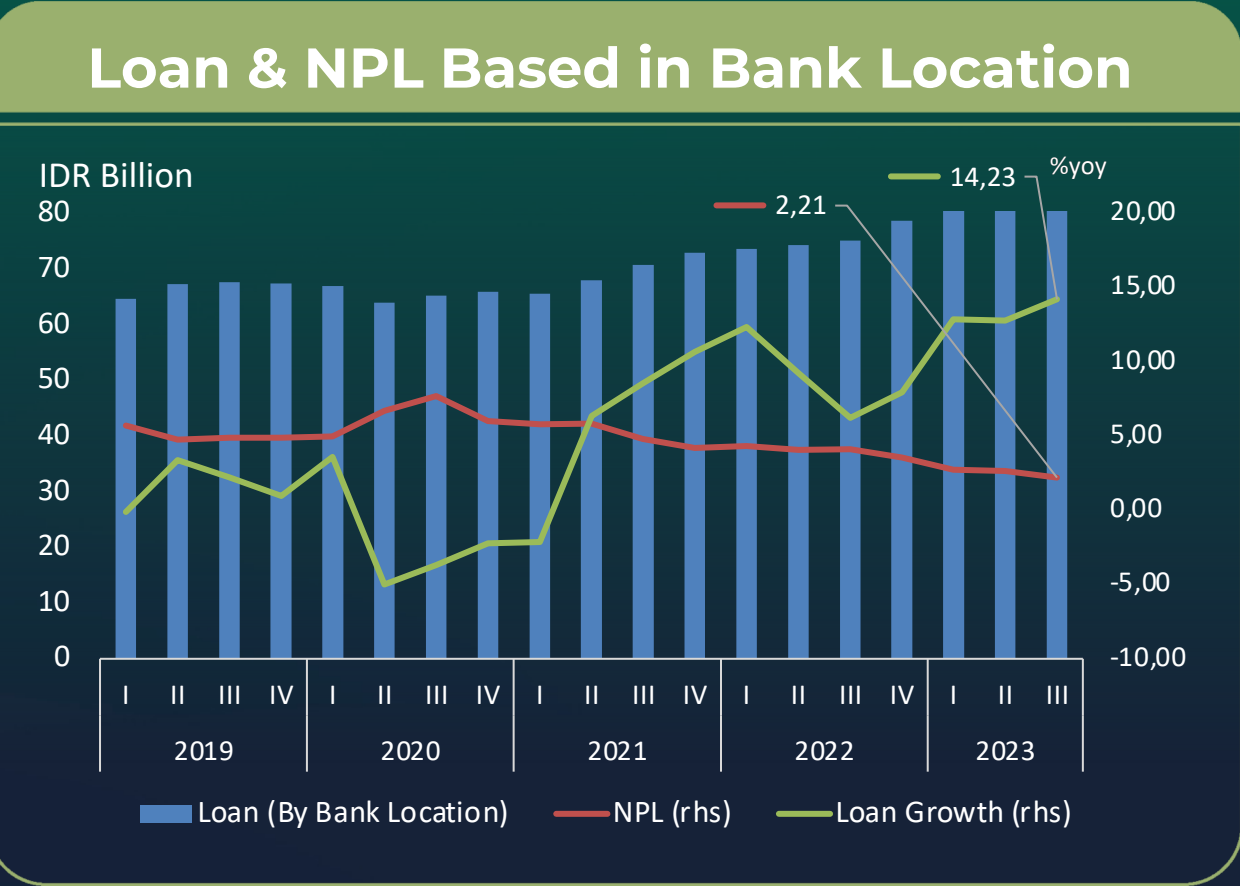
0.18 Monthly Inflation Rate (%mtm)

Higher than previous period

Lower than previous period

BANKING SECTOR PERFORMANCE

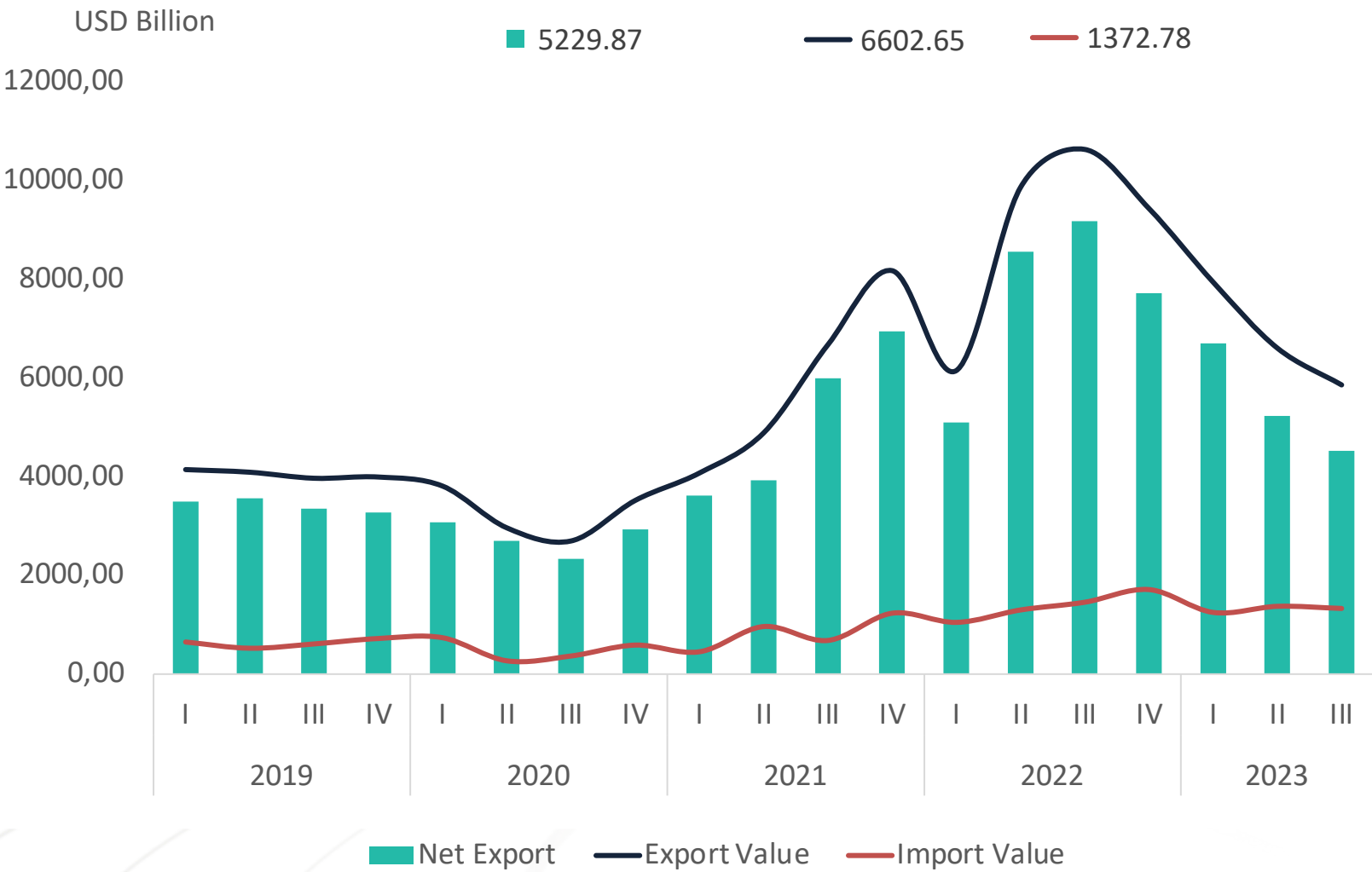
The performance of the banking sector remained stable in Q3 2023, as evidenced by the low NPL ratios level. The loan growth rate was recorded at 10.93% (yoy) based on project location, while the third-party funds recorded at 18.53% (yoy). Additionally, the assets grew by 19.81% (yoy). Moreover, the Agriculture and Forestry sector accounted for 20.61% of the total loans, followed by the Mining sector at 19.21% and other sectors at 22.93%.



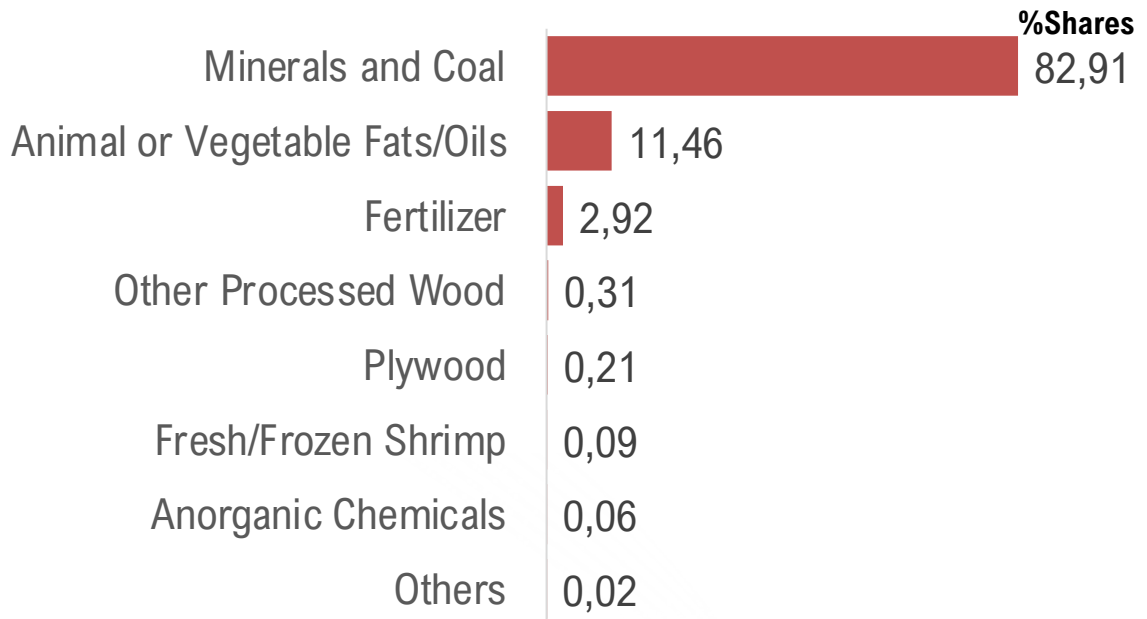
The export value of East Kalimantan in Q3 2023 has decreased. Non-oil and gas (O&G) commodities, including coal, accounted for 85.21% of the total, followed by animals or vegetable fats/oils and fertilizers.

With a net export value estimated at US\$ 5.2 billion in Q3 2023, East Kalimantan is still exhibiting a promising trend compared to previous years. On the other hand, the top buyers of East Kalimantan's exports were primarily from China (32.37%), India (14.07%), and Philippines (9.10%).

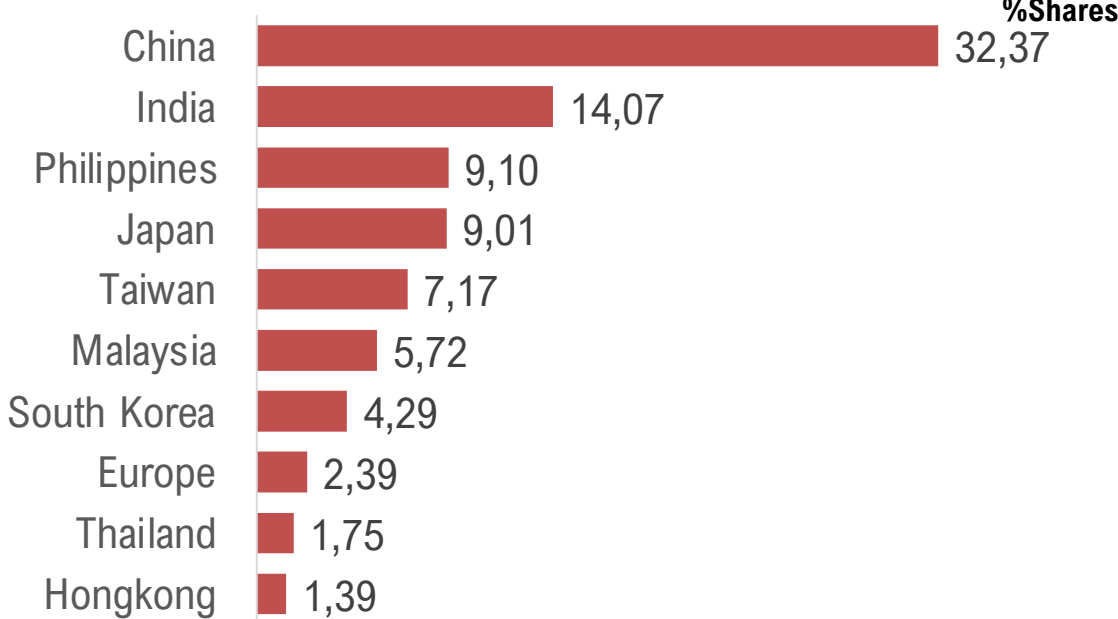
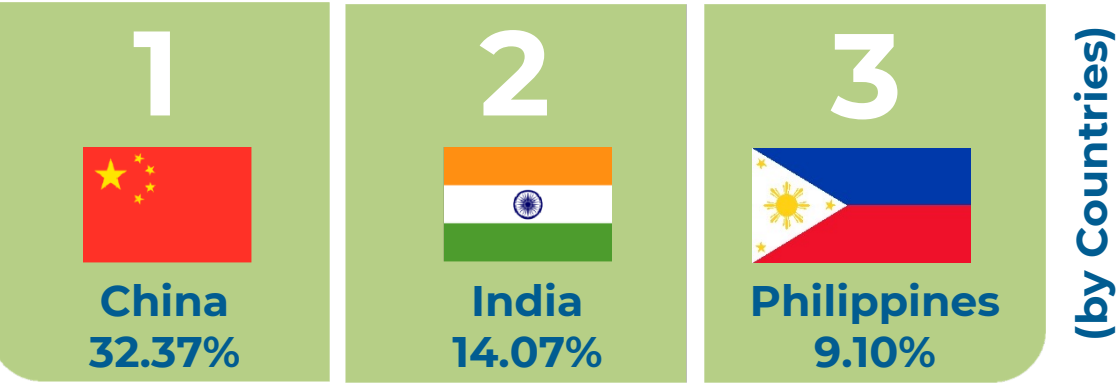
International Trade Performance



Top Export Commodities in Q3 2023 (ytd)



Top Export Destinations in Q3 2023 (ytd)



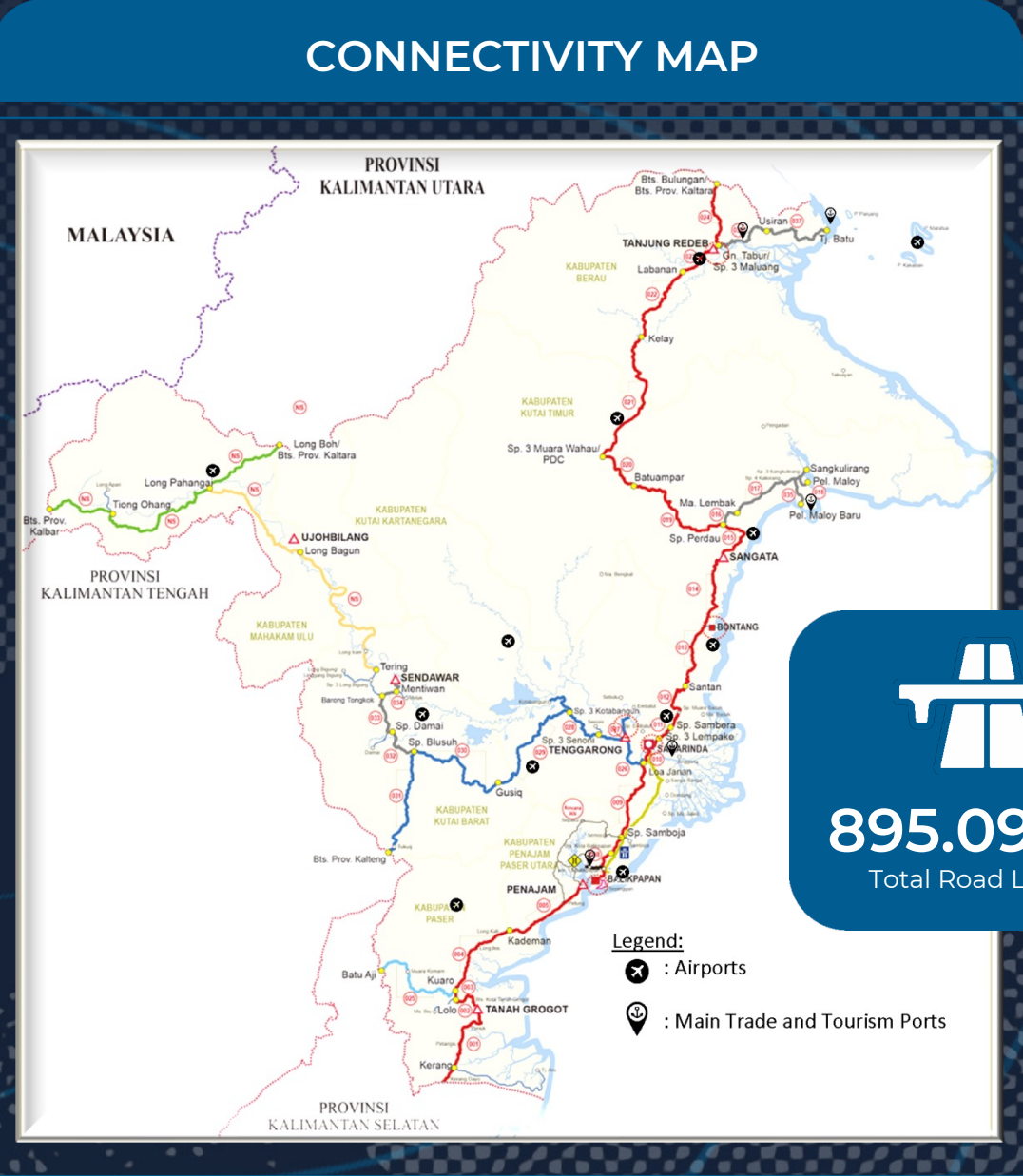
Source: Central Bureau of Statistics of East Kalimantan & DPMPTSP East Kalimantan

Connectivity

Providing good infrastructure to support connectivity is the main development agenda of central and provincial governments. Connectivity in East Kalimantan is gradually improved and more connected between regions with Kalimantan’s first toll road and continuous preservation projects by Government. In addition, Kariangau international cargo terminal and APT Pranoto international airport are already supporting the access of intra and inter region. Thus, business costs are decreasing, more competitive and the global market has become more accessible.

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LAND



Toll Road Balikpapan-Samarinda
Operational



Toll Bridge – Balikpapan Bay
Offered for Investment



Toll Road Samarinda - Bontang
Study Phase

AIR



Balikpapan – SAMS International
Airport - Operational



Samarinda – APT Pranoto International
Airport - Operational



Maratua Island Domestic Airport
Operational

SEA



Palaran (Samarinda) International
Cargo - Operational



Karingau (Balikpapan) International
Cargo - Operational



SEZ MBTK –International Airport
Commissioning Test (Done)

Over the last 10 years, electricity sales in East Kalimantan grew by 7.1% annually. Currently, East Kalimantan has electricity surplus, giving an opportunity for energy-intensive industries looking for a new location with competitive price.

PLN UID Kaltimra has connected 8 medium voltage network in Maloy Special Economic Zone and the Buluminung Industrial Zone, as commitment to support the development of industrial zones and special economic zones in East Kalimantan



POWER GENERATION

INTEGRATED EAST-NORTH KALIMANTAN MAHAKAM SYSTEM



Net Capacity :
1.187,03 MW



Peak Load:
474.5 MW



Reserve:
240,06 MW

94,8% ELECTRIFICATION RATIO (EAST-KAL)



NRE POWER PLANT DEVELOPMENT PLAN

Source: RUPTL 2021 - 2030



Solar Power:
95,8 MW (50 MW for New Capital City of Indonesia)



Bioenergy:
10 MW



Gas Fired Power Plant :
100 MW



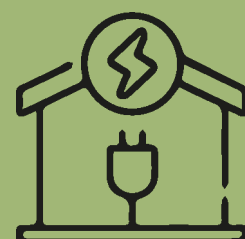
Hydropower:
163.2 MW



Transmission Infrastructure: :
29 Lines - 4,081km

TOTAL CONSUMER EAST & NORTH KALIMANTAN

1.414.432



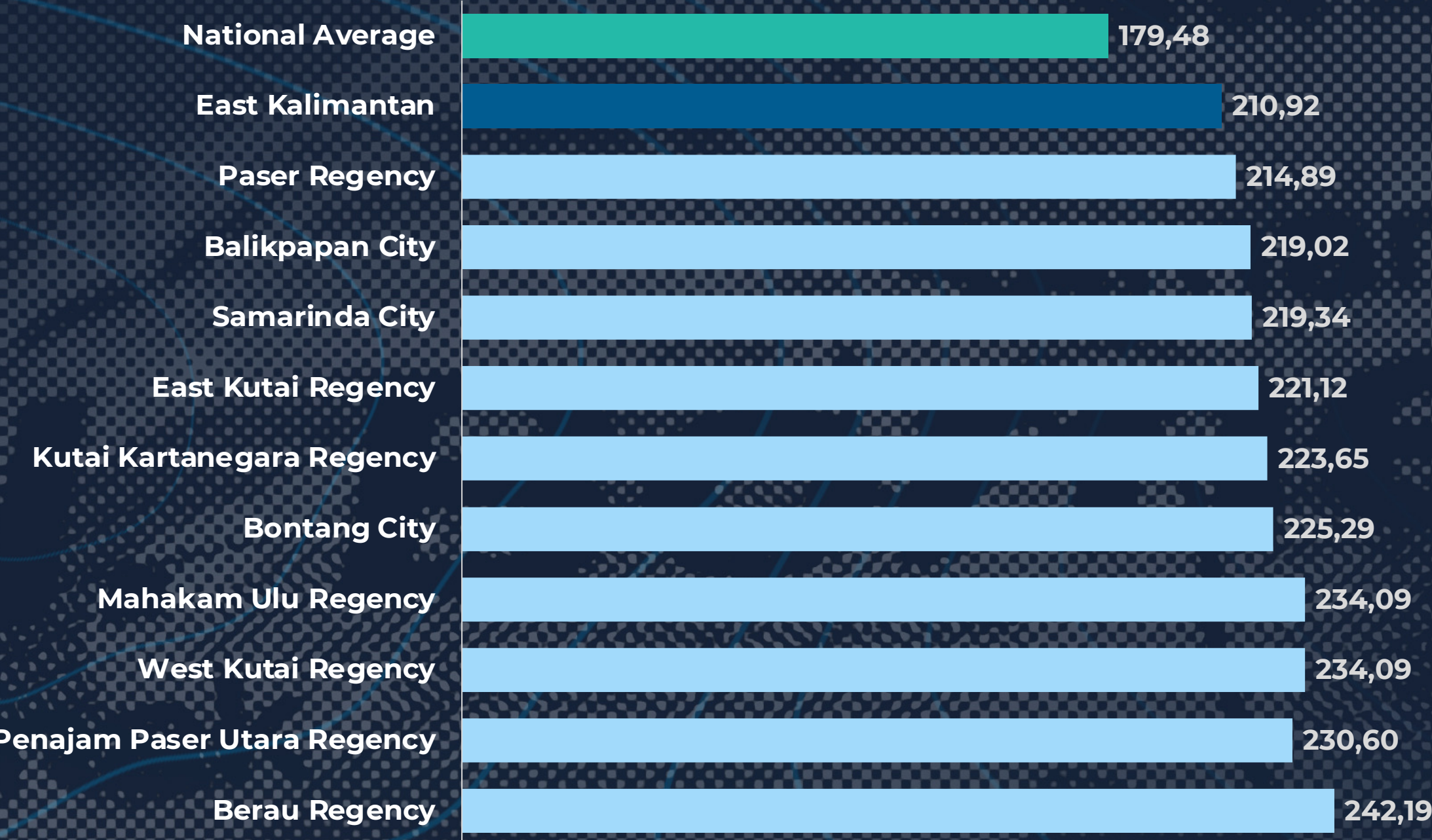
ASSET DISTRIBUTION January 2023
Medium voltage network : **10.516 KM**
Low voltage network : **9.762 KM**
Power house : **11.220 units**

HUMAN CAPITAL AND MINIMUM WAGE

MINIMUM WAGE RATE

The average of minimum wage in East Kalimantan in 2023 is IDR Rp 3,201,396.04 (USD 210,92). This is more competitive compared to other industrial regions such as Jakarta (IDR 4,901,798 or USD 322.83) and Karawang Regency in West Java (Rp 5,176,179 or USD 341,03).

Minimum Wage Rate



*USD/IDR Exchange Rate per February 21st , 2023: USD 1 = Rp15,178
 Source: Department of Manpower and Transmigration of East Kalimantan Provincial Government
 And Governor Decree No. 561/K.832/2022



HUMAN RESOURCE

Universities



54
 Higher Education
 Institutions



11
 Universities



6
 Polytechnic



20,188
 Graduates in 2022

Vocational High School (SMK)



216
 Vocational
 High School (SMK)



4,754
 Graduates
 In 2022

Source: Ministry of Education, Culture, Research and Technology

Chapters 3

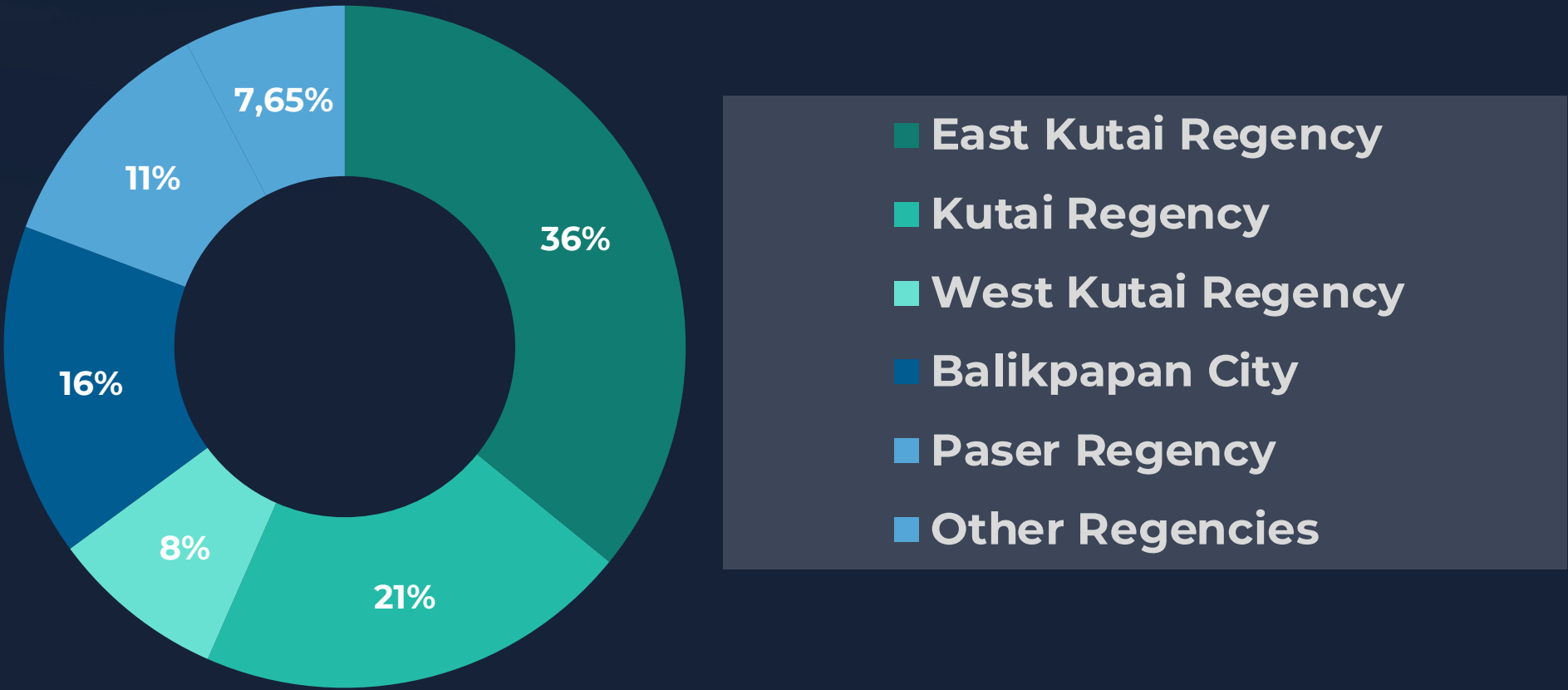
Investment in
East Kalimantan



EAST KALIMANTAN INVESTMENT PERFORMANCE

The capital inflow in Foreign Direct Investment (FDI) in Q3 2023 was valued at US\$ 336.75 million, which is higher than the same period last year by 9.58% (yoy). The majority of FDI has been invested in East Kutai Regency with a value of US\$ 120.771,4 million. Meanwhile, Domestic Direct Investment (DDI) was recorded at IDR 13,79 trillion, representing a growth of 41,63% (yoy), with the majority of DDI invested in Balikpapan with a value of IDR 5,64 trillion.

FDI REALIZATION BY REGION

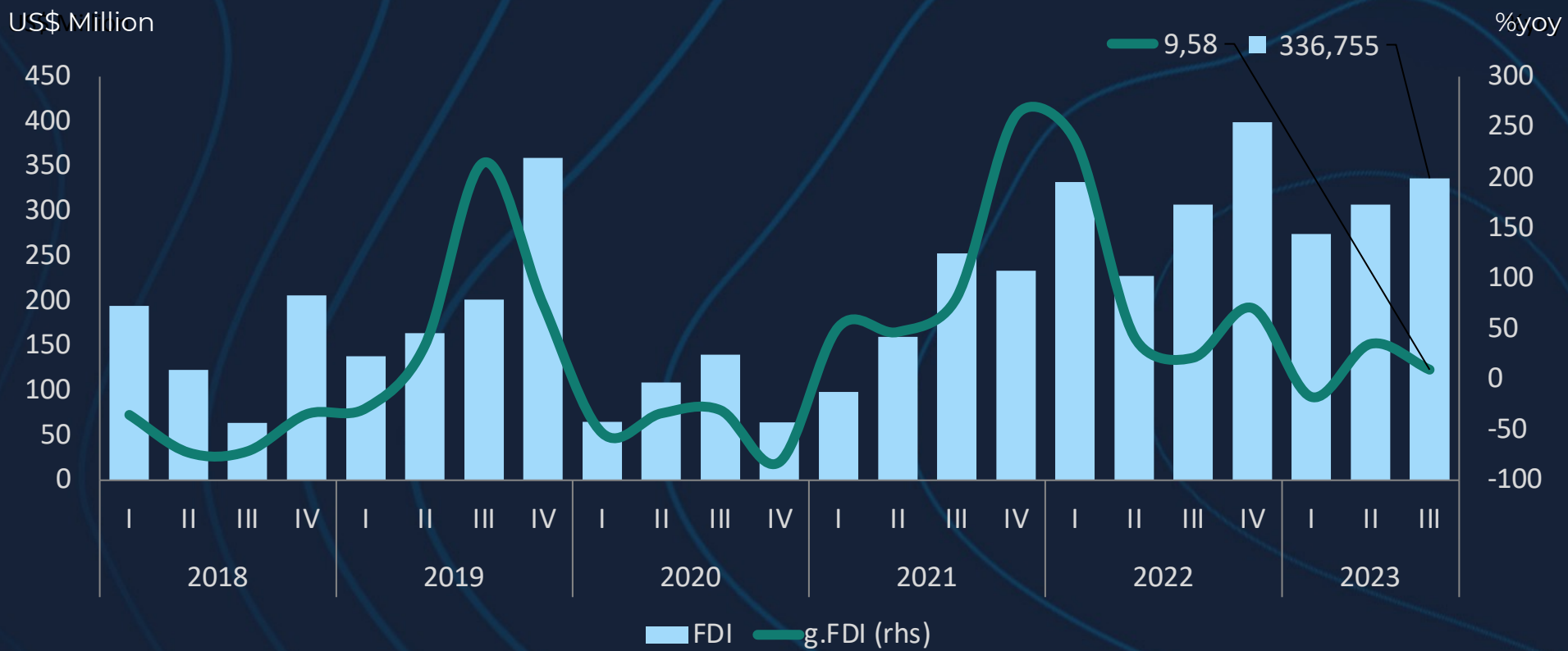


NATIONAL FDI Q3 2023
 RANK 10TH OF 34 PROVINCES

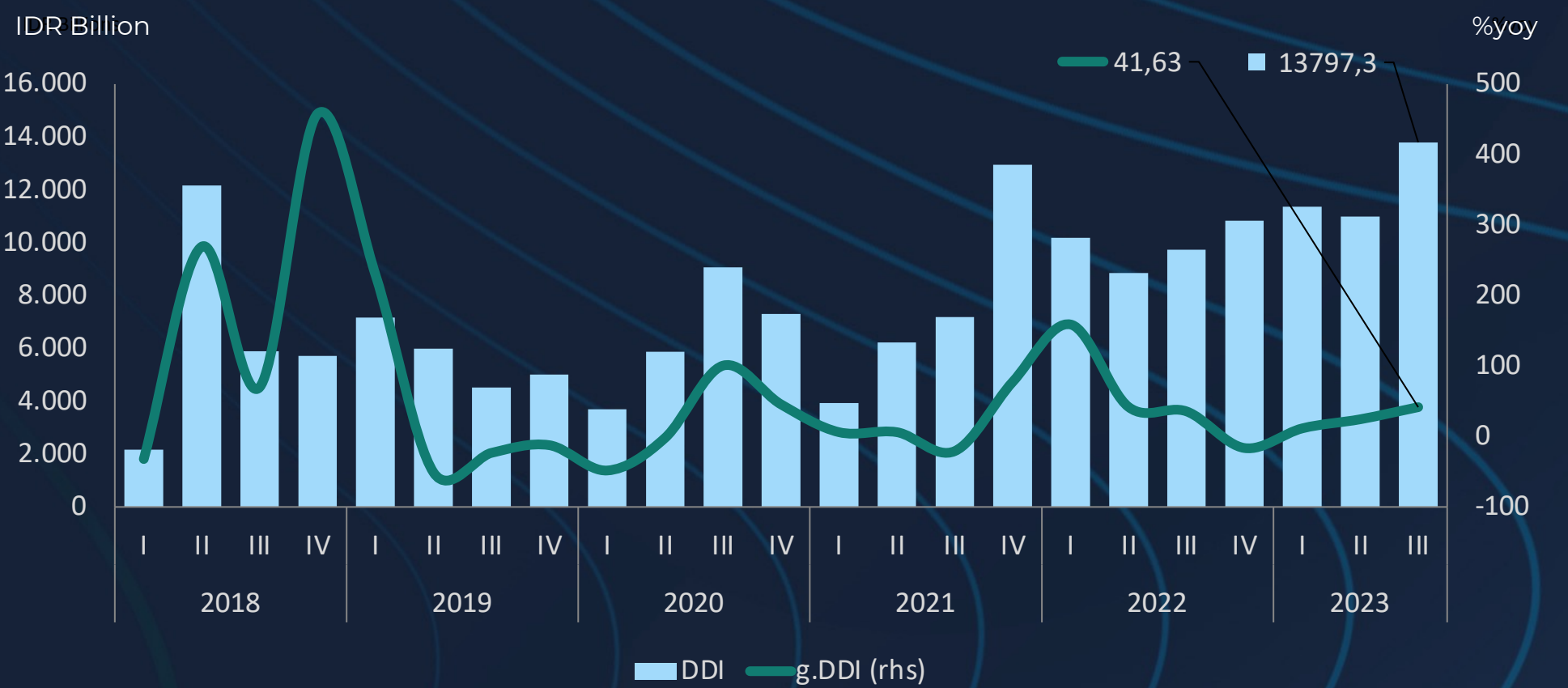
NATIONAL DDI Q3 2023
 RANK 4TH OF 34 PROVINCES

Source: Ministry of Investment & DPMPTSP East Kalimantan Provincial Government

FDI GROWTH 2018 – Q3 2023



DDI GROWTH 2018 – Q3 2023



East Kalimantan Investment Realization

In Q3 2023, majority of foreign and domestic investment to East Kalimantan was directed towards the Mining Industry for both FDI and DDI. Total FDI projects in East Kalimantan was 609 projects, absorbing 5.352 workers in total. The main country of origin for FDI was Singapore, accounting for 37.71% of the total, followed by China with 19,17%. On the other hand, East Kalimantan's DDI had 4982 projects that employed a total of 8.960 workers.

TOP 5 FDI REALIZATION BY COUNTRIES IN Q3 2023

| Rank | Country of Origin | Investment Value (Share in Total FDI Realization) |
|------|------------------------|---|
| 1 | Singapore | USD 126.97 Million (37.71%) |
| 2 | China | USD 64.58 Million (19.17%) |
| 3 | South Korea | USD 37.11 Million (11.02%) |
| 4 | Malaysia | USD 35.03 Million (10.41%) |
| 5 | British Virgin Islands | USD 17.79 Million (5.28%) |

Total FDI Realization

US\$ 336.75 million (Q3 2023)

Number of FDI Projects

609 Projects (Q3 2023)

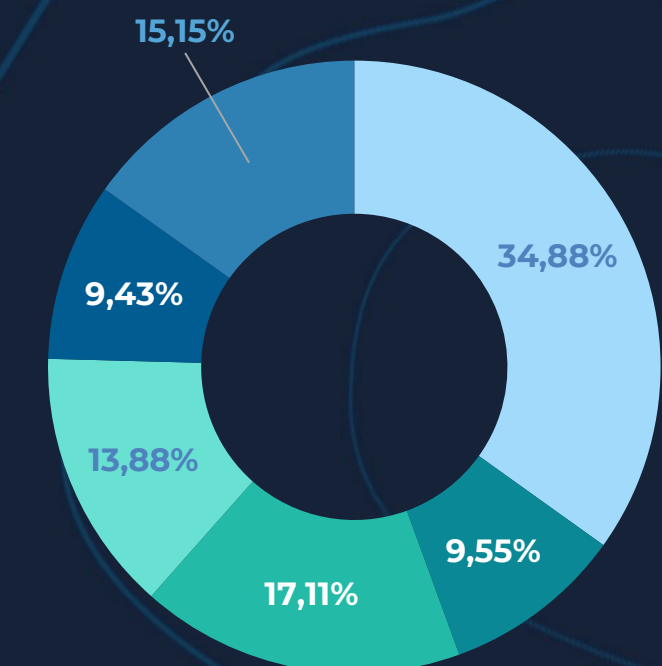
Labor Absorption

**5.352 Workers (FDI)
8.960 Workers (DDI)**

Source: Ministry of Investment & DPMPTSP East Kalimantan
Provincial Government

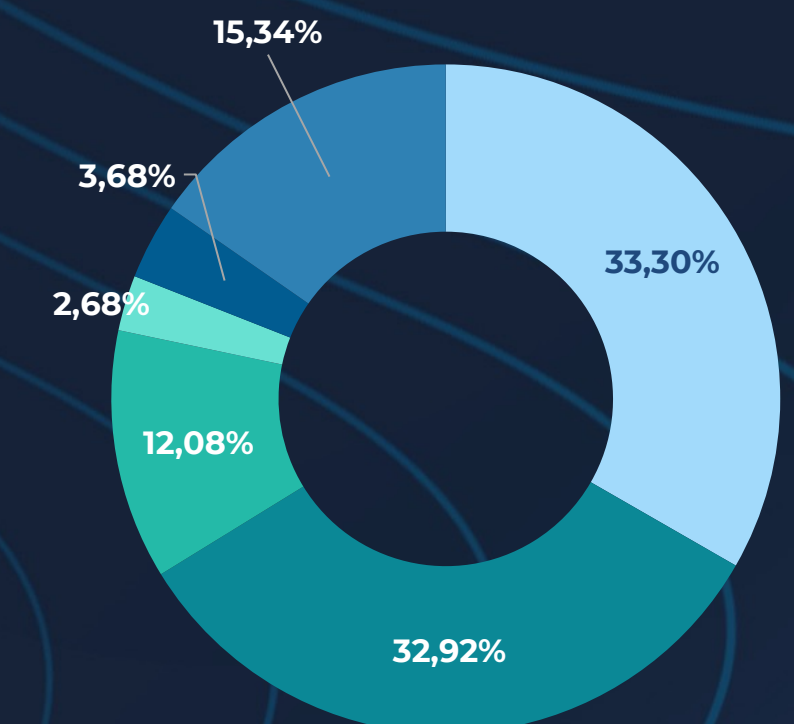
TOP 5 : FDI REALIZATION BY SECTOR

- Mining
- Non-Metal Mineral Industry
- Food Crops, Plantation, and Livestock
- Food industry
- Base Metal Industry
- Other Industries



TOP 5 : DDI REALIZATION BY SECTOR

- Chemical and Pharmaceutical Industry
- Mining
- Food Crops, Plantation, and Livestock
- Food Industry
- Base Metal Industry
- Other Industries



Improving Investment Climate : Online Single Submission (OSS) System

OSS is a web-based business licensing system intended to cut the red tape involved in obtaining business permits and integrated between the central government and regional administrations



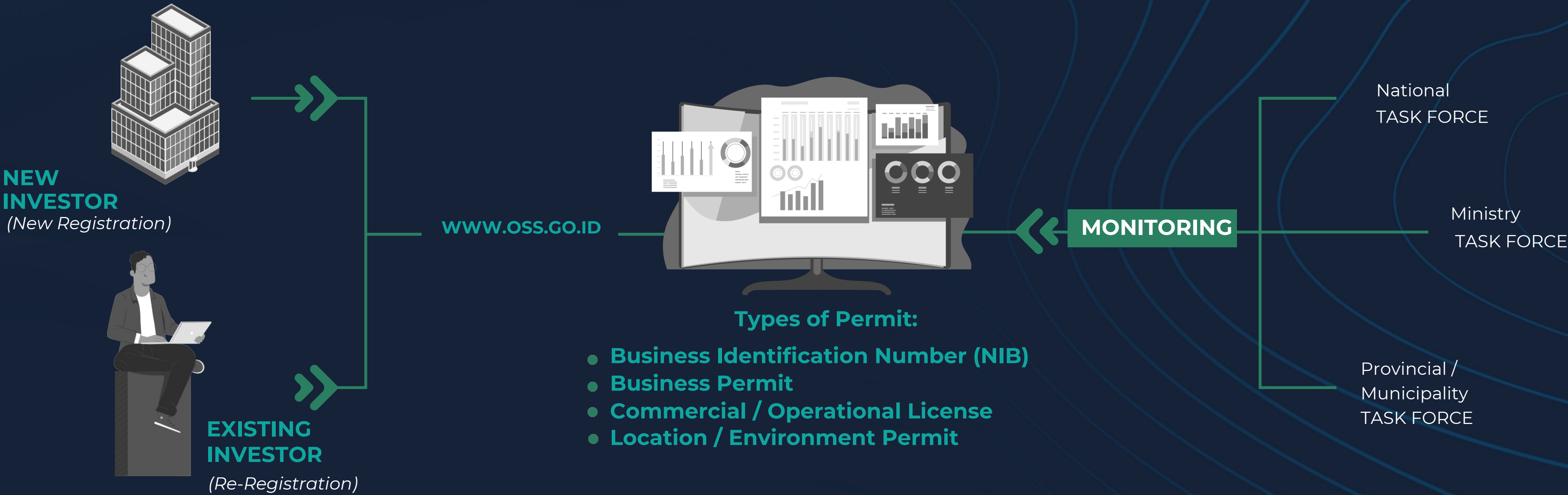
The Advantage of Using OSS

| | | | | | |
|--|---|--|---|---|---|
|  <p>Business licences can be secured in under an hour</p> |  <p>Standardized business licences are available</p> |  <p>Electronically integrated</p> |  <p>More practical</p> |  <p>Accessible at anytime & anywhere</p> |  <p>The whole licensing process is monitored by the Task Force</p> |
|--|---|--|---|---|---|

Online Single Submission - Risk Based Approach (OSS-RBA)

An integrated online system with data sharing : flowchart

Services given by OSS-RBA to investors/businesses are based on 2 groups : small and micro businesses (SMEs) and non-SME. The required licenses will depend on business scale and risk level of the business.





| Risk Division | | Risk Level | Low Risk | Low-Medium Risk | Medium-High Risk | High Risk |
|---------------|--|----------------------|--------------------------------------|--|--|--|
| | | Business License (s) | Business Identification Number (NIB) | Business Identification Number (NIB) Standard Certificate | Business Identification Number (NIB) Standard Certificate (Verified by Ministry / Gov. Institution / Regional Government) | Business Identification Number (NIB) Licenses (approved by Ministry / Gov.Institution / Regional Government) Standard Certificate If Necessary |

Incentives to Boost Industry Sector

| | | |
|---|--|---|
| BUSINESS EXPANSION <ul style="list-style-type: none"> • Tax Allowance • Exemption or relief of import duty on capital goods, machinery or equipment • Exemption or relief of import duty on raw materials or auxiliary material • Exemption or suspension of VAT on the import of capital goods or machinery or equipment Depreciation or amortization • Property tax relief • Combine with Online Single Submission (OSS) | INDUSTRIAL ZONE <ul style="list-style-type: none"> • VAT exemption • Import duty exemption • Tax Allowance and Tax Holiday | FREE TRADES ZONES & PORTS <p>Exemption of : Import duty, VAT, Luxury Goods Sales Tax (PPnBM), Customs Duty</p> |
| SPECIAL ECONOMIC ZONE <ul style="list-style-type: none"> • No collection of VAT & luxury goods sales tax • Customs tax exemption • Tax Allowance and Tax Holiday • Suspension of Import Duty • 0% Import Duty | MICRO, SMALL, MEDIUM ENTERPRISES <p>Decreasing MSMEs Tax from 1% to 0.5% of gross revenue</p> | PIONEER INDUSTRY <p>Tax Holiday of Corporate Income</p> |
| | E-COMMERCE <p>Sales from customs areas for SEs through the market place will be subject to 0.5% income tax</p> <p>Non-small entrepreneurs/SE: to 0.5% income tax and 1% VAT</p> | |

TAX HOLIDAY (MoF Regulation No.13/PMK.010/2021)

| | Tax Holiday | Mini Tax Holiday |
|---|---|---|
|  Subject | An investment in pioneer industry with a minimum value of IDR 500 bn | An investment in pioneer industry with value between IDR 100 – 500 bn |
| CTI Reduction | 100% Reduction Rate (single rate) | 50% Reduction Rate (single rate) |
| Concession Period | 5 Years IDR 500 Billion - IDR 1Trillion 7 Years IDR 1 Trillion - IDR 5 Trillion 10 Years IDR 5 Trillion - IDR 15 Trillion 15 Years IDR 15 Trillion - IDR 30 20 Years Trillion IDR > 30 Trillion | 5 Years |
| Transition | 50% CIT Reduction for the next 2 years | 25% CIT Reduction for the next 2 years |
|  Industry Group | a. Upstream base metal; b. Oil and gas purifying and / or refining ; c. Petrochemical ; d. Basic inorganic chemical ; e. Organic-based chemical industry sourced from agricultural products, & plantations ; f. Raw material for pharmaceutical industry ; g. Manufacture of irradiated, electromedical or electrotherapy equipment ; h. Manufacture of main components of electronic or telematics equipment ; i. Manufacture of machinery and major components of machinery ; j. Robotics component manufacturing industry that supports machinery industry ; k. Manufacture of main components of electric power generator machinery ; l. Manufacture of motorised vehicles and major components of motorised vehicles ; m. Shipyard ; n. Train and railways manufacturing; o. Manufacture of major components of aircraft and supporting activities of the aerospace industry; p. Agriculture, plantation, or forestry-based processing industries; q. Economic infrastructure; r. Digital economy which includes data processing, hosting, and activities related to it. | |

Investment Incentives

Apply on OSS portal: <https://oss.go.id/>





Tax Allowance

(Govt. regulation No. 78/2019 - MOF Regulation No. 96/2021)

| | |
|--|--|
| <div>30% CIT</div> <div>TAX</div> | 30% net CIT deduction from investment value in the form tangible fixed capital carried over 6 years period (5% every year) |
| <div>Accelerated depreciation of tangible fixed assets and accelerated amortization of intangible assets</div> | |
| <div>10%</div> <div>IMPOSE</div> | Imposition of income tax on dividends by 10% |
| <div>5 to 10 yr</div> <div>Bar chart showing growth over 10 years</div> | Compensation for losses that occurs between 5 to 10 years |
| <div>Eligible for 166 business fields and 17 business fields in specific location</div> | |

Under certain requirements, such as:
Investment values, Export-oriented products
Manpower absorption, Local content
Project location (particularly outside Java)

Super Deductible Tax (MoF Regulation No.45 of 2019)

| | ON VOCATIONAL EDUCATION | ON R&D | INVESTMENT ALLOWANCE ON LABOR INTENSIVE INDUSTRY | | | | | | | | | | | | | | | | |
|---|---|---|---|--|--------|------|-----------|------|------------|--|-------------------|------|---|-----|---|-----|---|-----|---|
| <div></div> <div>Subject</div> | Corporate taxpayers who provide work practices, internships, and apprenticeships | Corporate taxpayers who carry out certain Research and Development (R&D) activities in Indonesia | Corporate taxpayers who set up a labor intensive industry in Indonesia | | | | | | | | | | | | | | | | |
| <div></div> <div>Industry Group</div> | Manufacturing, Automotive, Furniture, Shipping, Textile & Garments, Industrial Logistics | The R&D activities to produce new inventions, innovations, new technologies and/or technology transfer to develop competitiveness of national industries | Labor intensive industry (to be elaborated) who has not obtained any fiscal facility from government | | | | | | | | | | | | | | | | |
| <div></div> <div>Income Tax Reduction Rate</div> | <p>200% REDUCTION RATE, COMPRISE OF:</p> <p>Deduction of gross income tax valued 100% of total expenses for physical lab facilities / workshops, goods and materials used in work practices / apprenticeships, and teaching instructor fees and honorarium or the other like.</p> <p>Additional 100% deduction amounts to the previous point.</p> | <table><tr><td colspan="2">300% REDUCTION RATE, COMPRISE OF :</td></tr><tr><td>STAGES</td><td>RPMK</td></tr><tr><td>REAL COST</td><td>100%</td></tr><tr><td colspan="2">ADDITIONAL</td></tr><tr><td>Commercialisation</td><td>100%</td></tr><tr><td>Registration Of Intellectual Property Rights (IPR) In The Form Of Patents Or Plant Variety Protection Rights (PVT) In The Country</td><td>50%</td></tr><tr><td>Registration of IPR abroad / Product Innovation</td><td>25%</td></tr><tr><td>Collaboration with goverment / private R&D Institutions</td><td>25%</td></tr></table> | 300% REDUCTION RATE, COMPRISE OF : | | STAGES | RPMK | REAL COST | 100% | ADDITIONAL | | Commercialisation | 100% | Registration Of Intellectual Property Rights (IPR) In The Form Of Patents Or Plant Variety Protection Rights (PVT) In The Country | 50% | Registration of IPR abroad / Product Innovation | 25% | Collaboration with goverment / private R&D Institutions | 25% | Deduction of net income tax valued 60% of total investment for fixed assets including land used for main industrial activities. |
| 300% REDUCTION RATE, COMPRISE OF : | | | | | | | | | | | | | | | | | | | |
| STAGES | RPMK | | | | | | | | | | | | | | | | | | |
| REAL COST | 100% | | | | | | | | | | | | | | | | | | |
| ADDITIONAL | | | | | | | | | | | | | | | | | | | |
| Commercialisation | 100% | | | | | | | | | | | | | | | | | | |
| Registration Of Intellectual Property Rights (IPR) In The Form Of Patents Or Plant Variety Protection Rights (PVT) In The Country | 50% | | | | | | | | | | | | | | | | | | |
| Registration of IPR abroad / Product Innovation | 25% | | | | | | | | | | | | | | | | | | |
| Collaboration with goverment / private R&D Institutions | 25% | | | | | | | | | | | | | | | | | | |
| <div></div> <div>Period</div> | <p>The cost of building/physical facilities is charged according to the useful life of the fixed assets.</p> <p>For other fees, it is charged in the year concerned so long as the additional deduction for the net income does not cause a fiscal loss.</p> | <p>Additional deductions from net income are charged for 5 years since the results of R&D are used.</p> <p>When taxpayers have intellectual property as a result of the relevant R&D</p> | The deduction of fixed asset including land used for main industrial activities; charged in certain period. | | | | | | | | | | | | | | | | |

Investment Incentives From Regional Government

REGIONAL REGULATION NO. 6/2015 INCENTIVE ADMISTRATION AND FACILITATION OF CAPITAL INVESTMENT IN THE REGION



- Incentives:
- ✓ Reduction, relief or release of regional tax
 - ✓ Reduction, relief or release of regional retribution
 - ✓ Facilitation of capital inclusion and/or
 - ✓ Loan interest subsidies in regional bank
- Facilities:
- ✓ Provision of data and information of capital investment in potential sector and partnership opportunity
 - ✓ Provision of facilities and infrastructure
 - Provision of land or location
 - ✓ Provision of technical supports; and/or
 - Acceleration of permission provision

GOVERNOR REGULATION NO. 53/2019 INCENTIVE ADMISTRATION AND FACILITATION OF CAPITAL INVESTMENT IN MALOY BATUTA TRANS KALIMANTAN SPECIAL ECONOMIC ZONE (KEK MBTK)



- ✓ Incentives of reduction, relief or release of taxes, such as:
 - Vehicle tax (PKB)
 - Vehicle transfer tax (BBN-KB)
 - Surface water tax (PAP)
- ✓ Reduction incentive is given max. 50% of tax principal payable and administrative sanction being determined
- ✓ The reliefs for PKB, BBN-KB and PAP are given for max. 5 months since tax principal payable and administrative sanction being determined.
- ✓ PKB relief is given to vehicles used for operation in SEZ MBTK
- ✓ Incentives are given max. 5 years after business entity starts operationally and commercially in KEK BMTK
 - Facilitation such as:
 - Provision of data and information
 - Provision of facilities and infrastructure
 - Provision of land or location
 - Provision of technical supports; and/or
 - Acceleration of permission provision

Investment Incentives From Regional Government

BALIKPAPAN CITY – REGIONAL REGULATION NO. 11/2015 INCENTIVE ADMISTRATION AND FACILITATION OF CAPITAL INVESTMENT



- ✓ Incentives is given to investors who conduct businesses in government prioritized area and/or strategic program.
- ✓ Reduction, relief or release of regional tax
- ✓ Type of Facilities:
 - Provision of data and information
 - Provision of facilities and infrastructure
 - Provision of land or location
 - Provision of technical supports; and/or
 - Acceleration of permission provision

BONTANG CITY – REGIONAL REGULATION NO. 1/2017 INCENTIVE ADMISTRATION AND FACILITATION OF CAPITAL INVESTMENT



- ✓ Incentives:
 - Reduction, relief or release of regional tax
 - Reduction, relief or release of regional retribution
- ✓ Type of Facilities:
 - Provision of data and information
 - Provision of land or location
 - Provision of technical supports; and/or
 - Acceleration of permission provision

WEST KUTAI REGENCY – REGIONAL REGULATION NO. 16/2015 INCENTIVE ADMISTRATION AND FACILITATION OF CAPITAL INVESTMENT



- ✓ Incentives:
 - Reduction, relief or release of regional tax
 - Reduction, relief or release of regional retribution
 - Provision of stimulant fund
 - Provision of other capital assistant and incentives
- ✓ Type of Facilities:
 - Provision of data and information
 - Provision of facilities and infrastructure
 - Provision of land or location
 - Provision of technical supports; and/or
 - Acceleration of permission provision

EAST KUTAI REGENCY – REGIONAL REGULATION NO. 2/2019 INCENTIVE ADMISTRATION AND FACILITATION OF CAPITAL INVESTMENT



- ✓ Incentives:
 - Reduction, relief or release of regional tax
 - Reduction, relief or release of regional retribution
 - Provision of stimulant fund
 - Provision of capital assistant
- ✓ Type of facilities:
 - Provision of data and information
 - Provision of facilities, infrastructure and ;land or location
 - Provision of technical supports,, acceleration of permission provision
 - Provision of training for small-medium investors
 - Provision of investment promotion and capital opportunity

Chapters **4**

Trade, Tourism, Industry and
Investment Opportunities
in East Kalimantan

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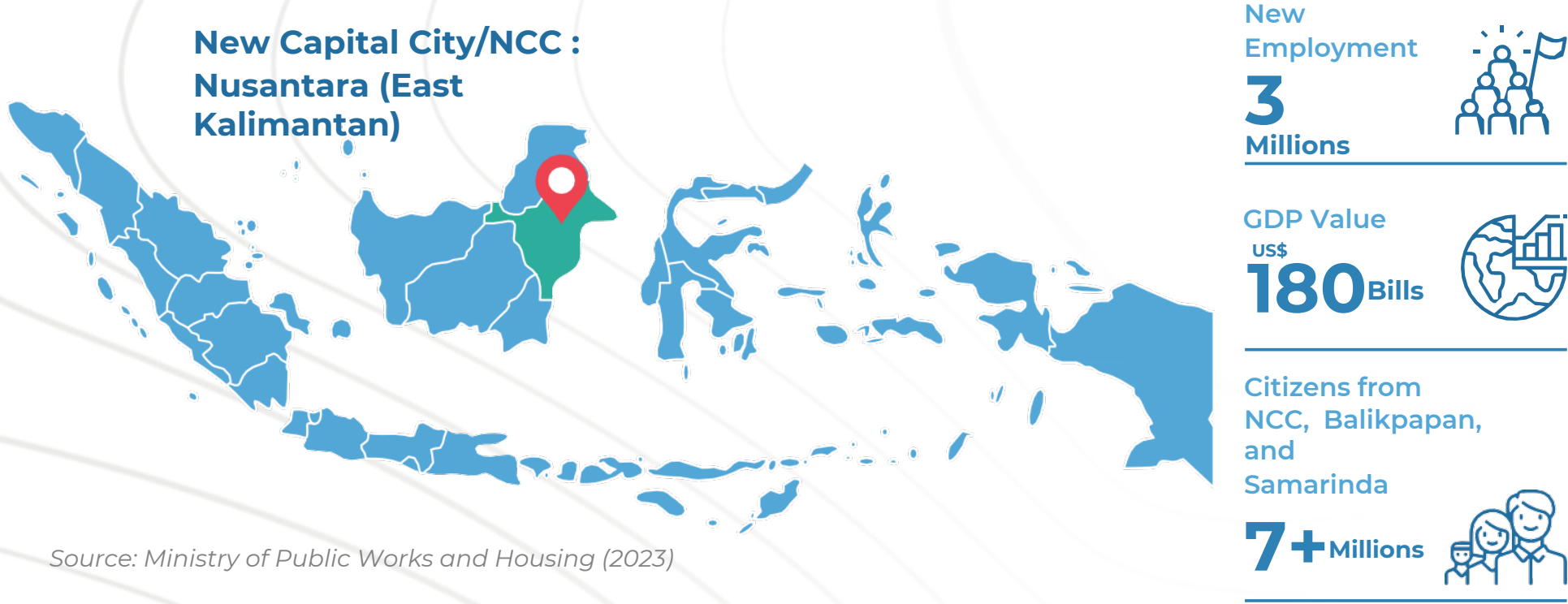
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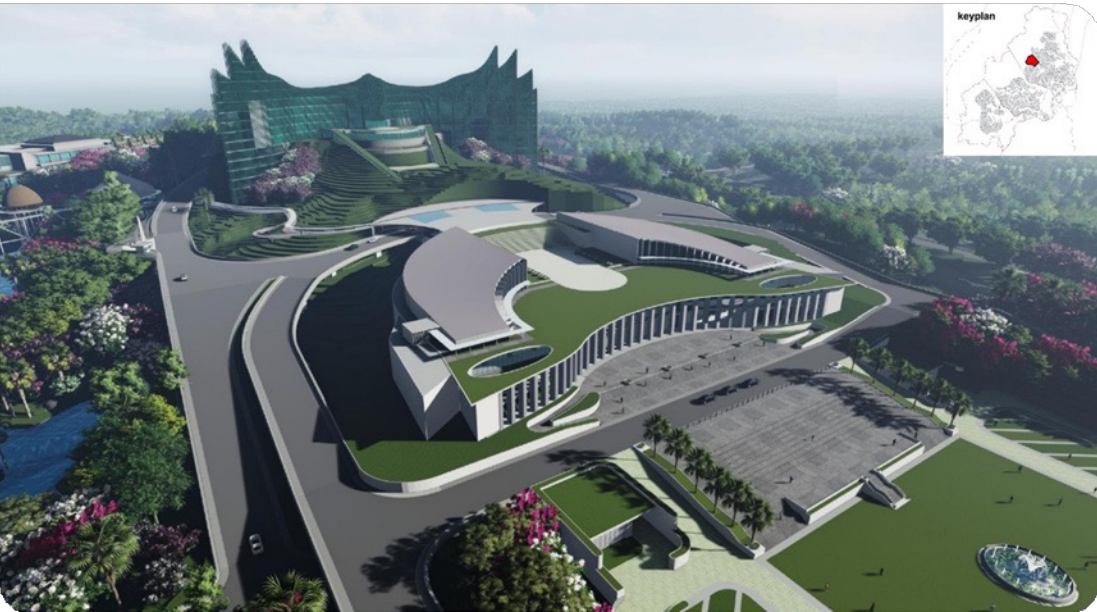


The New Capital City (IKN) Project

Nusantara as Center of Economy 2045



Presidential Palace Area



Ceremonial Plaza



3 Zones of NCC

| Zone | Land size (ha) | Population Target by 2045 (People) | Development |
|---------------------------------|----------------|------------------------------------|--|
| Central Government Area | 6,856 | ±280,000 – 300,000 | <ul style="list-style-type: none">- Ease of accessibility.- Sustainable design.- 82,000 – 100,000 residential units, with estimated occupancy ratio of 3.4 people per residential unit. |
| New Capital City Area | 56,181 | 1,700,000 – 1,900,000 | <ul style="list-style-type: none">- Support the concept of “10 minutes walking” and social connectivity.- Designed in harmony with nature with a minimum of 50% green space. |
| New Capital City Expansion Area | 256,142 | | <ul style="list-style-type: none">- 75% of the area will be planned to be a green open space, of which 65% is a protected area and 10% is for food production.- Developed with 100% clean energy. |

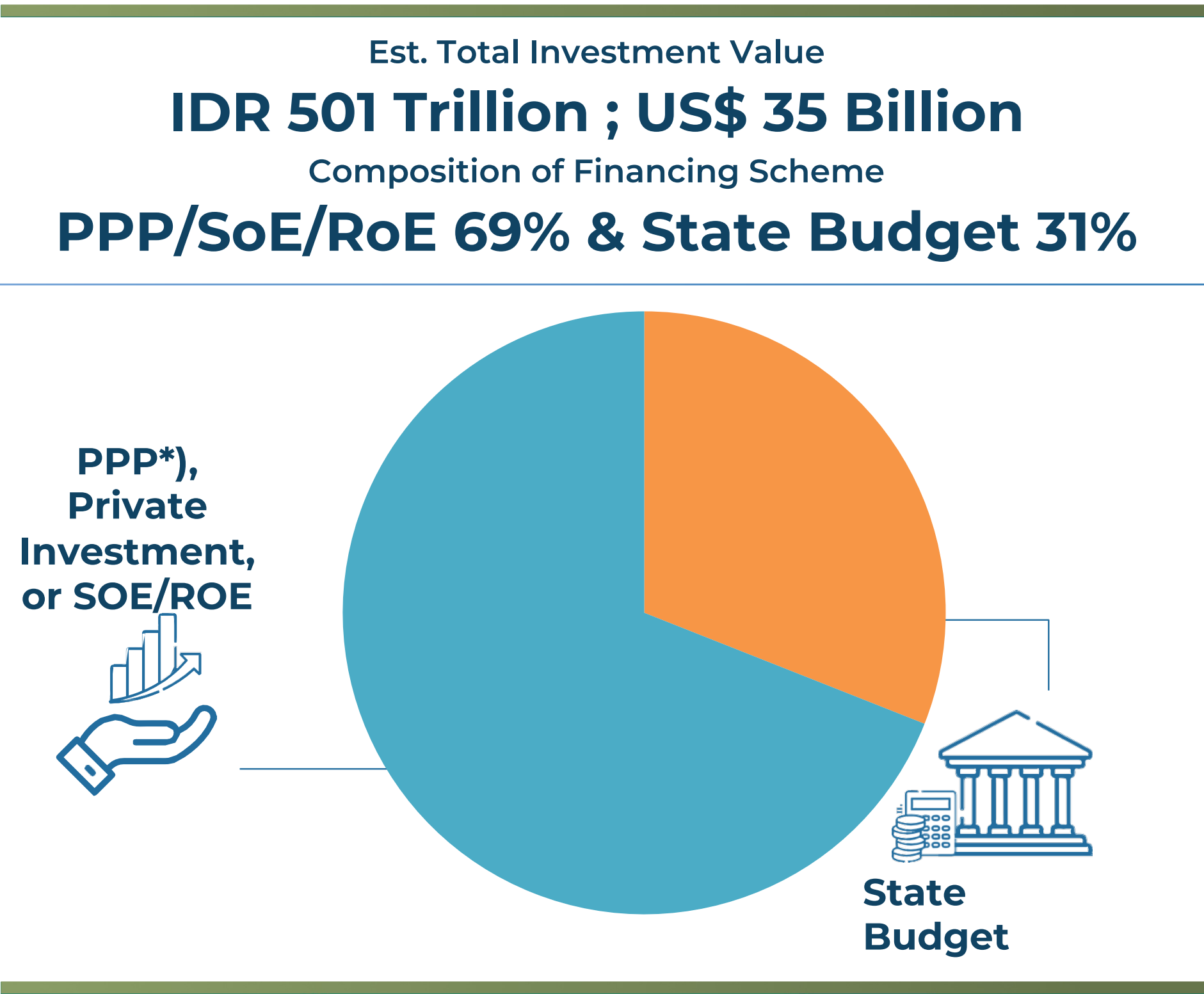
Source: Ministry of National Development Planning (2021); Ministry of Public Works and Housing (2021)

Basic Design of IKN Landscape





Nusantara Financing Scheme and Investment Opportunities



Source: Ministry of National Development Planning/
National Development Planning Agency (2021) ; Kompas (January 2022)

Potential investment projects using PPP scheme such as :

-  1. Basic Infrastructure & Utilities **)
-  2. Official Residence For Public Official/ National Army/National Police**)
-  3. Connectivity Improvement (Airport, Harbor, Toll/Non-toll Road)
-  4. Executive, Legislative, And Judicial Building
-  5. Education, Museum, And Medical Facility

*) PPP could be in the form of Availability Payment (AP) or User Charge. In addition, the government has several schemes in providing infrastructure, namely: Build-Operate-Transfer (BOT), Build-Transfer-Operate (BTO), and Cooperation In Providing Infrastructure.

**) Other than covered in the state budget

Investment In Energy and Mining Sector

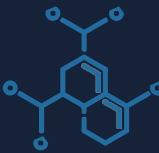
East Kalimantan is one of Indonesia biggest energy powerhouse blessed with rich earth resources from mineral fuels (coal, oil, natural gas, coal-bed methane/CBM), minerals (metal and non-metal) to NRE alternatives (water, bioenergy and solar). East Kalimantan is looking for investors and entrepreneurs to establish industries in converting the commodities into high-value products.

Opportunities



Derivative chemicals

Olefins , Acetic Acid, Ammonia, Urea, etc.



Waste-to-energy POME-based Bioenergy

Biogas facility (i.e. covered lagoon), Microalgae lipid extraction facility



Coal Gasification



Glass Industry



Primary chemicals (Oil & Gas or Coal-based) Methanol, Hydrogen, Syngas

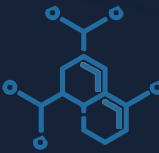


Bioenergy Power Plant Bioethanol, Biodiesel and Biomass



Derivative chemicals

Olefins , Acetic Acid, Ammonia, Urea, etc.



Solar Farm (SF)

Rooftop SF, Coal mine void SF, Solar panel production facility



Hydroelectric Plant



Smelter



Mineral Fuel



Coal: **16.075** billion tons
(verified reserves by Oct 2022)



Oil: **985** MMSTB (2021)
Natural Gas: **46** TSCF (2021)



Coal-Bed Methane:
108 TSCF (2021)



Uranium:
17,861 tons (2021)

Minerals



Metallic Minerals
Gold, Iron, Zinc



Non-Metallic Minerals and Rocks
· Limestone : **22.4** billion tons
· Clay : **1.2** billion tons
· Igneous Rock : **63** million tons
· Quartz Sand : **2.9** billion tons

New and Renewable Energy

(in study by PLN)



Hydropower **850** MW



Bioenergy **48** MW




Solar Power **0.7** MW

Source: Ministry of Energy and Mineral Resources (KESDM), Nuclear Power Agency (BATAN) DESDM East Kalimantan, State Electricity Enterprise (PLN)

East Kalimantan’s economy was once dominated by Forestry sector in the 20th century then replaced by natural gas and coal presently. The activities before was dominated by logging and timber industry. In order to make forest industry more sustainable yet give substantial income, the province has adopted and developed a long-term phased green economy strategy to optimize forest economy potential. One of them is by carbon trading in exchange of performing several GHG emission reduction programs. East Kalimantan was the first to be approved to receive performance-based Forest Carbon Partnership Facility – Carbon Fund (FCPF-CF) valued at US\$ 110 millions for 2021-2024.

Ministry of Environment and Forestry prepared forest/green economy to be once again the backbone of Indonesia’s Economy. The future of forest utilization will focus on the multi-business forestry that optimizes Non-Timber Forest Products (HHBK/NTFPs) and Environmental Services. More land-based investment and green development are offered by East Kalimantan to supplement the economy.




Timber Production

Natural Forest

Round timber : 914,093 m3

Processed timber : 180,575 m3

Plantation Forest : 2,390,168 m3




Land Area

Forest Area: 8,256,767 Ha

Limited production forest : 2,881,564 Ha

Fixed production forest : 3,024,576 Ha

Convertible production forest : 120,712 Ha



NTFP Production

Realization

2021: 1,246.72 tons

(Rubber sap, corn, timber skin, honey, rattan, etc)



Top Commodity

License for activities for forest utilization

Protected Forest



1. Area use

2. Environmental services

3. Non-timber forest products collection

Production Forest



1. Area use

2. Environmental services

3. Timber products utilization

4. Non-timber forest products utilization

5. Timber products collection

6. Non-timber forest products collection

Opportunity

Non-Timber Forest Products (NTFPs)

Traditional medicinal herbs, pine/ rubber sap, honey, sago palm, rice, corn, coconut, timber skin, rattan, and other food/raw materials.



Carbon Reduction Program

Forest and land-use management as emission reduction program / Carbon credit.



Social Forestry

A sustainable forest management system in particular forest land that involves rural and indigenous people to improve livelihoods and climate actions.

| Social Forestry model in Indonesia | | | |
|------------------------------------|-------------|---------------|--|
| Model | Form | Period | Target Group |
| Community Forestry (HKm) | Permit | 35 years | Forest user group |
| Village Forest (HD) | Permit | 35 years | Village |
| Community Plantation Forest (HTR) | Permit | 35 years | Community business group |
| Partnership (Kemitraan) | Agreement | Variable | Forest user group near forest enterprise |
| Customary Forest (HA) | Recognition | No time limit | Indigenous community |

Benefits for investors, corporates and communities

- Increased biodiversity

- Carbon credit certification

- Sustainable NTFPs

- Sustainable wood products

- Increased growth and profitability
- Improved business resilience by reducing Supply & Demand, regulatory and capital risks

- Increase customer trust

- Improved talent attraction and retention

Wood Processing Industries

Pulp and paper, construction materials, tall oils, timber, wood chips, cellulose and other fabricated material.



Municipal Waste Management

Waste processing facility, Medical waste handling facility, Household collection infrastructure and management.



Investment In Fishery and Maritime Sector

In terms of maritime and fishery sector, East Kalimantan is one of the provinces with greatest potential both capture and aquaculture fisheries. East Kalimantan is located in the side of Makassar strait that plays a role as the rendezvous point for marine populations from Pacific Ocean and Indian Ocean as well as maritime silk road route. In addition, 920-km long Mahakam river is playing a significant role for East Kalimantan people as the source of water as well as source of income for fishermen and aquaculture businesses.

For the last 3 years, fishery and maritime sector had upward contribution to the province’s GRDP. There are plenty of business opportunities especially export-oriented business in the maritime and fishery sector in East Kalimantan, such as land-based aquaculture, tuna processing facility, cold storage, prawn aquaculture and many more. On the other hand, East Kalimantan Province also provides incentives for the marine and fisheries sector through a funding program called the Forest Carbon Partnership Facility-Carbon Fund.

Top Commodity

| Commodity (Aquaculture) | Production in 2022 (tons) |
|---|---------------------------|
| Seaweed (<i>Gracilaria verrucosa</i>) | 20.233 |
| Parrot fish (<i>Oreochromis niloticus</i>) | 23.462 |
| Eurasian Carp (<i>Cyprinus carpio</i>) | 15.762 |
| Milkfish (<i>Chanos chanos</i>) | 15.080 |
| Whiteleg shrimp | 17.635 |
| Iridescent shark (<i>Pangasius Pangasius</i>) | 12.363 |
| Giant tiger prawn (<i>Penaeus monodon</i>) | 12.685 |
| Snakehead murrel (<i>Channa striata</i>) | 9.730 |
| Seaweed (<i>Eucheuma cottonii</i>) | 5.396 |
| Giant mud crab (<i>Scylla serrata</i>) | 4.628 |
| Spiny lobster (<i>Panulirus argus</i>) | 21.6 |

Incentives

| Forest Cabon Partnership Facility Carbon Fund (FCPF-CF) |
|--|
| Indonesia has signed an Emission Reduction Payment Agreement (ERPA) with the World Bank on 25 November 2020. The payment agreement provides potential incentives for Indonesia, especially East Kalimantan Province, to obtain up to US\$ 110 million from the Carbon Fund as an incentive to reduce 22 million tons of carbon emissions in East Kalimantan in the period of June 2019 to 2024. |



Overview

- 37.6 million hectares Oceanic area
 - 3,925 km Coastline length
 - 2.75 million hectares Exclusive Economic Zone
 - US\$ 36 million 2022 Target for F&M Export Value
- Source: Department of Maritime and Fishery East Kalimantan

Opportunity

Integrated Seaweed Industry

Muara Jawa (Kutai Kartanegara), Penajam Paser Utara



Land-based Aquaculture

Bontang (Salmon)



Freezer and Ice Factory

Bontang (Tuna, Mackerel, Skipjack)



Aquaculture

Bontang (Epinephelus); Berau (Traditional, Floating net); Berau (Giant tiger prawn) Tanjung tengah (Giant tiger prawn nursery)



Fish Processing Industry

Bontang (Tuna, Mackerel, Skipjack)



Food Industry

Samarinda, Balikpapan, Bontang (Fish chips, shredded, Fish cake, Frozen meatball)



Wildlife Ecotourism



The Borneo Orangutan Survival Foundation (BOS), the 2,000 hectare sanctuary was created with the aim of providing a safe haven for rehabilitated orangutans and sun bears, whilst also at the same time providing a source of income for local

people. Since 2001, the surrounding area has been planted with more than a million trees covering more than 1,000 different species. With dense forest, the density and diversity of wildlife returned. Meanwhile, 137 bird species and nine primate species have been recorded.



Kutai Kartanegara, East Kalimantan Samboja Lestari

Bornean orangutan rescue and rehabilitation centre



The Sangkulirang-Mangkalihat Karst is located in Berau and East Kutai Districts. The tourists will be greeted by ancient relics, caves, palms, bones and teeth of ancient creatures. The 2004 biological expedition by The Nature Conservancy and the Indonesian Institute of Sciences has identified 120 bird species, 200 species

of insects, one giant cockroach, 400 species of flora and 50 species of fish. Moreover, there is also orangutan habitat in Beriun Mountain as the part of Karst area. The site has been nominated in the UNESCO World Heritage Site since May 2015 and suggested to be a Geopark in April 2017.



Berau and East Kutai, East Kalimantan Sangkulirang-Mangkalihat Karst

Karstique area, Nominated geopark



With 2.47 m in diameter and 30 m in height, this particular huge Ulin tree is endemic to Kalimantan Island, also known by locals as Iron Timber due to its durability. Kutai National Park extends over an area of 2,000 km2 and

a safe haven for the trees as well as other floral i.e. orchids and fauna such as 10 species of primates, 90 species of mammals and 300 species of birds i.e. orangutan, bekantan (proboscis monkey).



Berau and East Kutai, East Kalimantan Sangkulirang-Mangkalihat Karst

Karstique area, Nominated geopark

Marine Ecotourism



Labuan Cermin is captivating everyone with its crystal-clear tozca water that reflects everything underwater like a mirror (cermin). The lake is a unique lagoon, it contains both brine and freshwater coming from Karst around the area.



**Berau, East Kalimantan
Labuan Cermin**

Pre-historic cave



Located near from the mainland of East Kalimantan in the district of Berau, the Derawan archipelago comprises 31 islands. The most well known islands among these are Derawan, Maratua, Sangalaki and Kakaban. Derawan is Indonesia’s largest nesting site of the rare and endangered giant green turtles and hawksbill turtles, where people can daily watch turtles lay their eggs in the sand or swim to sea with the turtles. The entire marine conservancy region covers a total area of more than 1.27 million hectares. It is the perfect tropical paradise with warm, isolated islands, soft white sand

beaches fringed with waving palm trees, pristine seas that change color from green to deep blue, and an amazing underwater life of giant turtles, dolphins, manta rays, dugongs and barracudas, stingless jellyfish and sometimes, whales. Here, you can find 460 different species of corals, ranking this area as the second biggest corals species after Raja Ampat Islands in West Papua. The Nature Conservancy and international experts team also found more than 870 species of fish, ranging from tiny pygmy seahorses to giant manta rays.



**Berau, East Kalimantan,
Derawan Archipelago**

Tropical paradise



East Kalimantan has one of the rarest tourism spots. The stingless jellyfish lake that only exist in this archipelago. Four species of jellyfish cross the waters of Kakaban Lake, but unlike their counterparts beyond the coral

wall, the lake-jellies have no natural predators, resulting in the evolution of the species to no longer need their venom as self-defense.



**Berau, Derawan Archipelago, East Kalimantan
Kakaban Lake in Kakaban Island**

Jellyfish lake



Mahakam river is the most important logistic route to transport people, goods and commodities between upstream and downstream area in East Kalimantan. Touring the city through Mahakam River with boat is an exciting experience to do. The tour takes 3 to 5 hours to visit attractive tourism spots around Samarinda and Kutai Kartanegara.



**Samarinda and
Kutai Kartanegara,
East Kalimantan
Mahakam River Cruise**

River Tour



The Middle Mahakam Area (MMA) comprises Jempang, Melintang and Semayang lakes which is located in a geological depression covering an area approximately 4,000 square kilometre. The area has a high biodiversity potential in terms of breeding and migratory bird species. It also hosts the iconic species of East Kalimantan, the critically endangered Irrawaddy Dolphin (*Orcaella brevirostris*) or called by locals as Pesut, who lives in fresh, brackish and salt water.

Not only enjoying the biodiversity offered by the three lakes, tourists can also explore social and cultural life around the lakes. East Kalimantan government provides water transportation to connect the three lakes with Mahakam river so it is more reachable by Mahakam river cruise.



**Kutai Kartanegara
and West Kutai,
East Kalimantan
Three Lakes
Ecotourism (Semayang,
Melintang, Jempang)**

Lake ecotourism,
Wildlife sightseeing



Bukit Bangkirai (Bangkirai Hill) is a 1,500-hectare natural tropical located about 58 kilometres Balikpapan. There are Bangkirai trees (*Shorea laevis*) with 40-50 m in height, 120 bird species and monkeys, 45 kinds of orchids, and etc. Black orchids and other kinds of orchids are endemic to Bukit Bangkirai.

Visitors can also experience walking along in a 64-metre canopy bridge which connects 5 big bengkirai trees 30 m above the ground.



**Kutai Kartanegara,
East Kalimantan
Bengkirai Hill**

Tropical forest tour



The Dayak tribes who mostly live in the upstream area of the Mahakam River, East Kalimantan have rich traditions and cultures that are still inherent in their daily lives as a continuation of their ancestral

traditions while living in this world. A culture for Dayak women includes a belief of beautifying herself. They do it with tattoos and elongating the ears.



Mahakam Ulu and West Kutai, East Kalimantan, Dayak Tribe

Indigenous people of Borneo



Erau is an heritage ceremony celebrated by the Sultanate of Kutai Kartanegara Ing Martadipura, taking place in the city of Tenggarong, Kutai Kartanegara. It was initiated by the first King around 12th century as a royal celebration. Even though, the reign of Kutai Kingdom ended, the tradition is maintained and preserved in commemoration

Of Tenggarong anniversary. The festival has transformed to be an international event named the Erau International Folk and Art Festival (EIFAF) that highlights Kutai art and culture, as well as art and culture from other regions in Indonesia and other nations.



Kutai Kartanegara, East Kalimantan Erau Festival

Art and culture festival



The wonders of Sangkulirang-Mangkalihat Karst are not limited to the imperiled arks of biodiversity, lurking in the limestone caves, human imprint in the form of hundreds prehistoric rock paintings. There are imprints

of the hands of ancient inhabitants and figures of animals. The paintings told the history of migration that has shaped Bornean culture, beliefs, and traditions.



Berau and East Kutai, East Kalimantan Sangkulirang-Mangkalihat Rock Art

Prehistoric cave art



In respecting the mother earth for ancestral blessing of rich land and abundant agricultural results, a dance is performed to the earth and ritual request is presented to the Almighty God, known as Hudoq dance. Every year, the Mahakam Ulu Dayak who live in Long Lunuk Village, Long Pahangai Sub-District, held a Hudoq Pekayang. Festival which must be

attended by 11 villages there. Hudoq Pekayang is a form of thanksgiving for planting and harvesting season. Hudoq means mask, Pekayang means to visit each other.



Mahakam Ulu, East Kalimantan Hudoq Pekayang Festival

Traditional festival

4 Investment Project Ready-to-Offer (IPRO) in East Kalimantan

Opportunity

9 Project

US\$ 33,74 Bio Investment

US\$ 449.28 Bio Est. NPV

30.91 % Est. IRR



| No. | Project | Location | Sector | Financing Scheme | Total Area (Ha) | Est. Invest. Value (US\$ Mio) |
|----------------------------|---|-----------------------------|----------------|------------------|-----------------|-------------------------------|
| 1 | Kaniungan Island & Teluk Sumbang Coast | Berau Regency | Tourism | B2B | 12,500 | 2,718.95 |
| 2 | Maloy Batuta Trans Kalimantan | East Kutai Regency | Agriculture | PPP | 509,496 | 2,390.00 |
| 3 | Kaltim Industrial Estate | Bontang City | Warehousing | B2B/Private | 170.94 | 234.00 |
| 4 | Kariangau Industrial Park | Balikpapan City | Warehousing | PPP | 133.80 | 8.90 |
| 5 | Balikpapan Waste Management | Balikpapan City | Utility | PPP | 45.00 | 56.00 |
| 6 | Palm Oil Downstream Industry of Fatty Acid | Bontang City | Agriculture | Private | 48.50 | 234.00 |
| 7 | Loading-Unloading Facility of Penajam Port in Buluminung Industrial State | Penajam Paser Utara Regency | Transportation | PPP | 17.95 | 14,800.00 |
| 8 | Cocoa Commodity Development | Berau Regency | Agriculture | PPP | ±2,000 | 13,300.00 |
| 9 | Crumb Rubber Factory | West Kutai Regency | Manufacture | PPP/DBMFO | ±10.00 | 2.90 |
| TOTAL POTENTIAL INVESTMENT | | | | | | 33,744.75 |



Investment Project Ready to Offer in Tourism Sector

Location

Kaniungan Island and Teluk Sumbang or Sumbang Bay coast are located in Teluk Sumbang village in Berau Regency.

Land Area

12,500 Ha

65% land area and 35% sea area

Demograph



159

Household



674

Population

Marine Ecotourism Potensial

Minister of Marine and Fishery Decree Number 87/Kepmen-KP/2016

- Teluk Sumbang Coast and Kaniungan Island is a Zone of Limited-use
- Area for Sustainable Tourism and Fishery. In this zone, the main focus of development marine biodiversity and coastal ecosystem for tourism purposes.
- Before pandemic, there were around 15,000 tourist visitation in 2019 and the zone had contributed in more or less IDR 20 Billion annually.

Kaniungan Island dan Teluk Sumbang Coast Strategic Development Priorities

- Access and amenities infrastructure improvements
- Facilitating collaborative zone management and investment
- Reinforcement of vocational program to provide good human resources for the industry.



Kaniungan Beach



Diving Spot Underwater



Lamin Guntur Cottage



Traditional Fisherman of Sumbang Bay



Panorama Kaniungan Cottage

DESCRIPTION

- Existing Facility
- Tourism Facility Development Recommendation

Estimated Investment Value for Tourism Facility Development in Kaniungan Land

TOURISM FACILITY DEVELOPMENT RECOMMENDATION

- Floating Resto & Resort
- Gazebo
- Dermaga Wisata
- Wisata Pantai Area
- Camping Dive Center
- Kios Ekonomi Kreatif Tourist Information Center Shelter

ESTIMATED INVESTMENT NEEDS (IDR)

16.000.000.000,-
500.000.000,-
1.250.000.000,-
750.000.000,-
500.000.000,-
4.000.000.000,-
750.000.000,-
250.000.000,-
250.000.000,-

TOTAL ESTIMATED INVESTMENT VALUE

24.250.000.000,-



Department of Tourism,
East Kalimantan Province
Jl. Jend. Sudirman No.22
Samarinda,
East Kalimantan, Indonesia
Person In Charge :

Mr. Ahmad Herwansyah, Head of
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Marine Ecotourism Development Potential Project

Berau Regency, East Kalimantan

Investment Project Ready to Offer in Tourism Sector

The Derawan archipelago is known to have mesmerizing islands with white beach and plenty of marine attractions that are worth to visit. One of those islands is Kaniungan Island which is closer to Teluk Sumbang or Sumbang Bay in East Kalimantan mainland. Kaniungan Island is surrounded by beautiful spots for diving and snorkeling. It is a hidden tourism jewel and there are plenty of business opportunities for investors to develop the island to the fullest potential.

DIVING SPOTS

BATU BERDIRI

Start

1° 5' 17.20" N

118° 49' 2.50" E

Finish

1° 5' 26.20" N

118° 49' 54.10" E

Diving Track Length 322m

HALLO KANIUNGAN
BESAR BATU GEMESH

Start

1° 7' 35.00" N

118° 51' 8.85" E

Finish

1° 7' 34.00" N

118° 51' 12.00" E

Diving Track Length 120m

KANIUNGAN
KECIL SEA FAN

Start

1° 8' 56.5" N

118° 52' 56.60" E

Finish

1° 8' 55.47" N

118° 52' 54.13" E

Diving Track Length 375m

KANIUNGAN
ISLAND

LAMIN GUNTUR

Start

1° 4' 41.50" N

118° 50' 3.80" E

Finish

1° 4' 36.70" N

118° 50' 3.90" E

Diving Track Length 204m

TANJUNG GUNTUR

Start

1° 4' 0.30" N

118° 50' 6.70" E

Finish

1° 4' 4.20" N

118° 50' 3.40" E

Diving Track Length 206m

TELUK SUMBANG

Start

1° 3' 50.00" N

118° 50' 2.50" E

Finish

1° 3' 45.40" N

118° 50' 2.50" E

Diving Track Length 205m

TJ. SENONDO MATA AIR
TAWAR BAWAH LAUT

Start

1° 3' 58.70" N

118° 53' 12.60" E

Finish

1° 4' 2.60" N

118° 53' 19.80" E

Diving Track Length 286m

TANJUNG TELUR
KARANG MERAH

Start

1° 3' 3.80" N

118° 51' 18.60" E

Finish

1° 3' 8.30" N

118° 51' 25.10" E

Diving Track Length 305m

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EXISTING FACILITY

- 1 Snorkling Area
- 2 Resort Panorama
- 3 Resort Kanjungan Permai

TOURISM FACILITY DEVELOPMENT RECOMMENDATION

- 4 Eco Play Ground
- 5 Eco Edu Agrotourism
- 6 Eco Camping Ground
- 7 Eco Mini Golf
- 8 Eco Exclusive Resort
- 9 Eco OutBond
- 10 Eco Bicycle Track
- 11 Eco Edu Sea Turtle Conservation

Estimated Investment Value for Tourism Facility
Development in Kaniungan Island

AMENITIES AND ECOTOURISM
ATTRACTIONS

- Eco Dive Center
- Eco Exclusive Resort
- Eco Bicycle Track
- Eco Mini Golf
- Eco Play Ground
- Eco Out Bond
- Eco Edu Agrotourism
- Eco Edu Sea Turtle Conservation
- Eco Camping Ground

ESTIMATED INVESTMENT
NEEDS (IDR)

- 4.500.000.000,-
- 25.000.000.000,-
- 3.500.000.000,-
- 6.000.000.000,-
- 250.000.000,-
- 450.000.000,-
- 250.000.000,-
- 750.000.000,-
- 500.000.000,-

TOTAL ESTIMATED INVESTMENT VALUE

41.200.000.000,-



—ESCAPE TO—

EAST BORNEO

Lost in Paradise



DINAS PARIWISATA
KALIMANTAN TIMUR

Special Economic Zone

Maloy Batuta Trans Kalimantan

East Kutai Regency



Project Description

- The first Special Economic Zone (SEZ) in Kalimantan Island located in geostrategic Indonesia’s ALKI 2 route, built to accelerate the development of palm oil derivatives (olein, stearin, glycerol, methyl ester), wood downstream, and logistic industries in East Kalimantan.
- Existing facilities: power supply by state electricity company (PLN) 30 Megawatt, on-site water management system, management telecommunication infrastructure, office buildings and security service, 11,4km on-complexed road, international seaport, industrial waste treatment plant and solid waste.
- Project owner seeking for tenants and investors to establish plants/factories in the industrial complex.

Project Owner

PT. Maloy Batuta Trans Kalimantan (PT. MBTK) is a Government Owned Enterprise whose share 100% owned by the Government of East Kalimantan. PT. MBTK assigned to manage and develop government asset to enhance regional income which comes from the business in the field of forestry, mining, fisheries, tourism. PT. MBTK located in International Special Economic Zone Maloy Batuta Trans Kalimantan, Kaliorang District, East Kutai Regency, East Kalimantan Province

Key Investment highlight

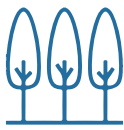
Location
**Kutai Timur,
East Kalimantan**



Project Owner
PT. MBTK
Kutai Timur, East Kalimantan



Total Area/Land Status
509,496 Ha (owned by project owner-No.33SHPL/KEM-ATR/BPN/2018)



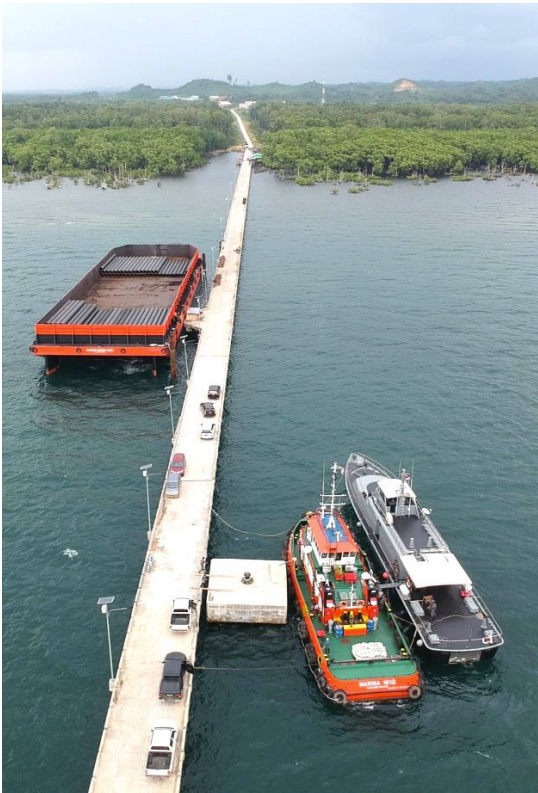
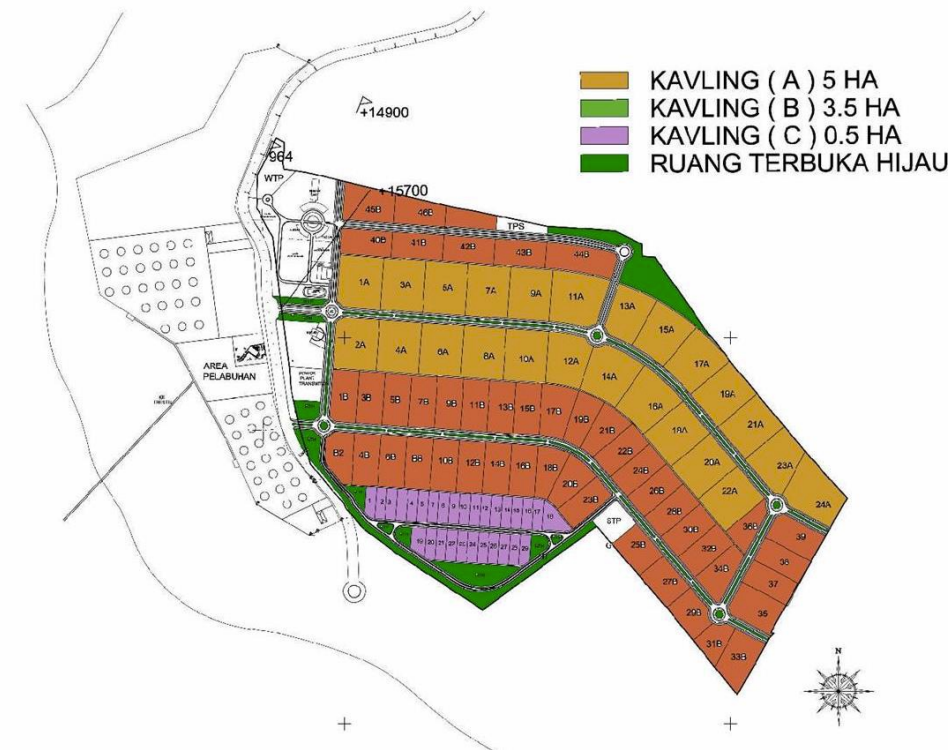
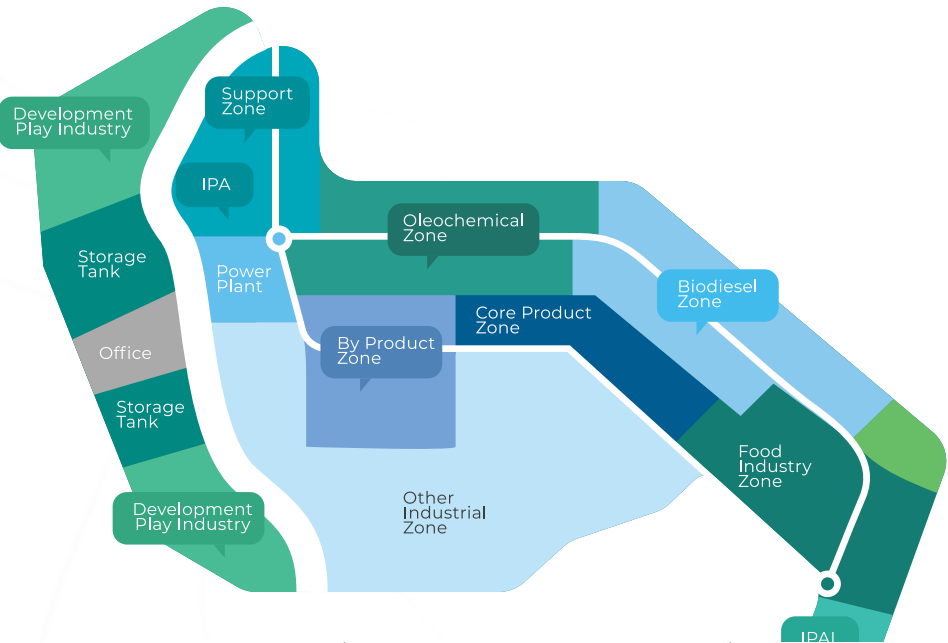
Business Scheme
**Public Private
Partnership Scheme**



Investment Target
IDR **34.31** Billion or
US\$ **2.39** Billion (2030)



Yearly Rates (Perbup No.16/2021)
IDR 1,750,- per sqm for the first 20 years, Grace periods: 4 years



Infrastructure

- i 11.4 Km On-complex Road
- ii International Seaport
- iii Power Supply By State Electricity Company
- iv (PLN) On-site Water Management System
- v Industrial Waste Treatment Plant and Solid Waste Management
- vi Telecommunication Infrastructure
- vi Office Buildings and Security Service



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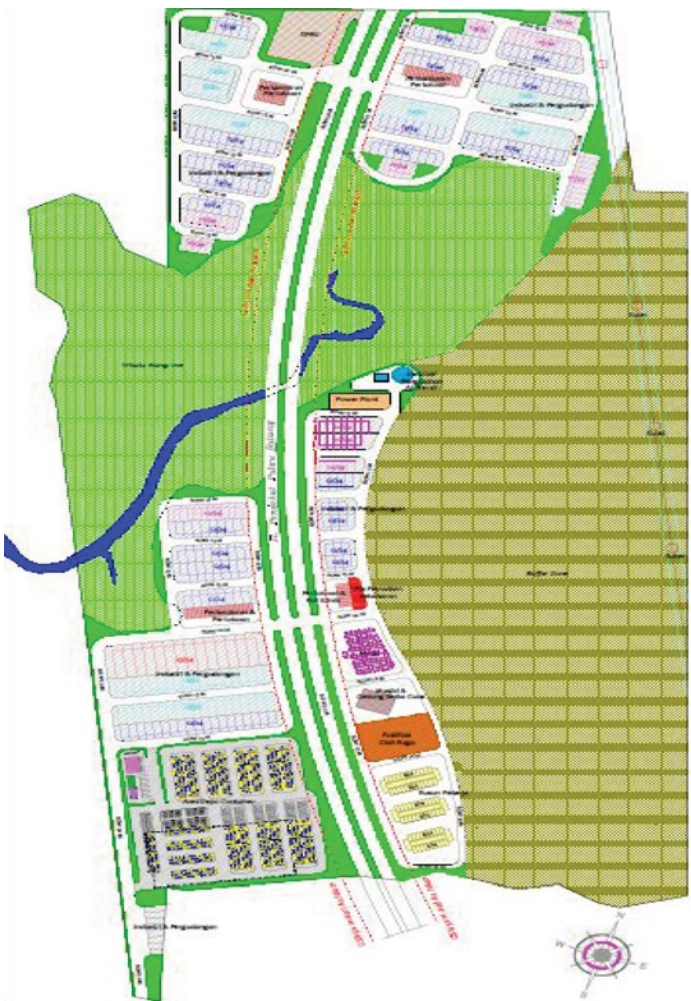
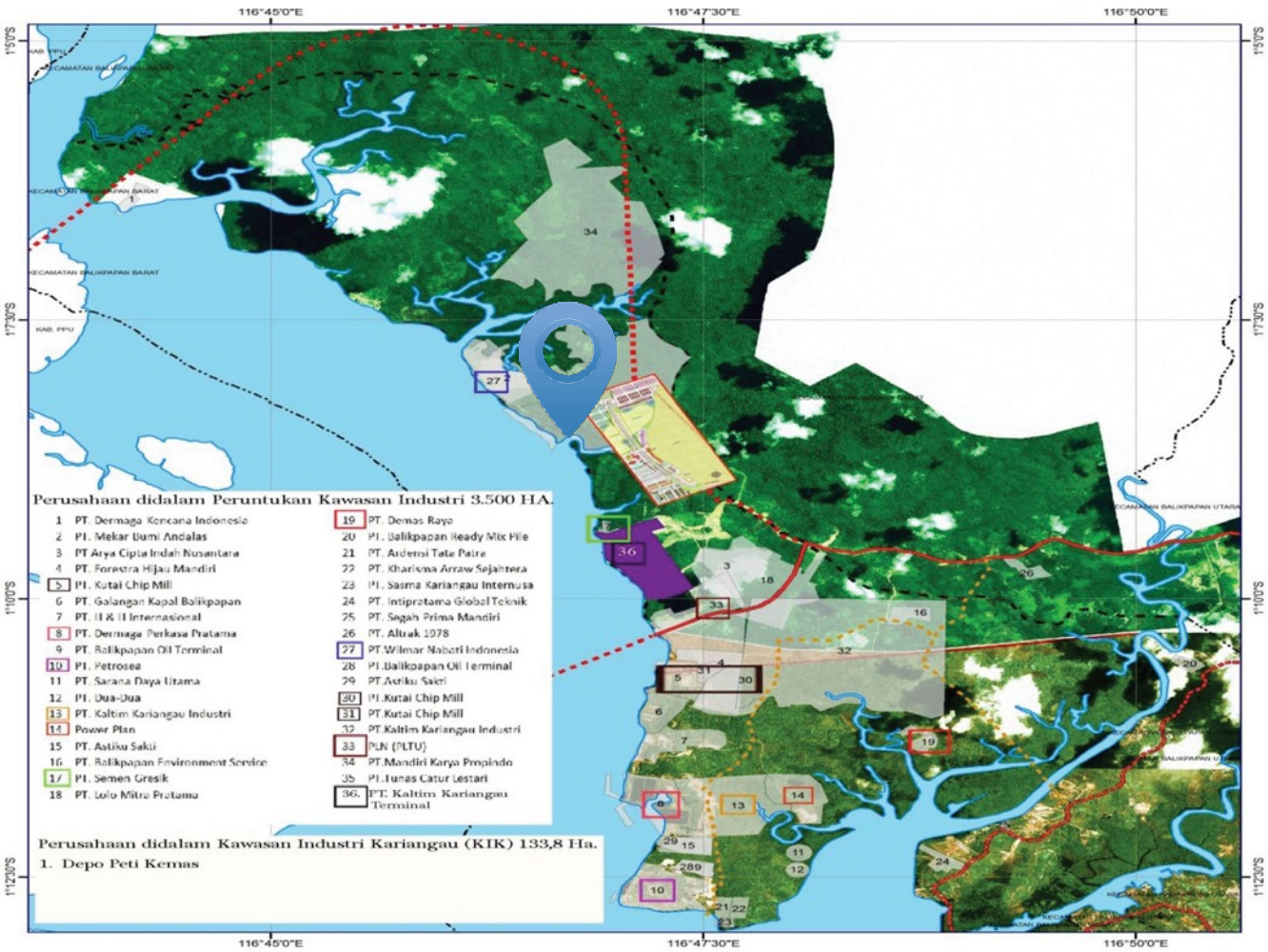


Project Description

- The industrial park (IP) is located 33 km from center of Balikpapan. In the surrounding area, there are few es-
tablished companies specializing in wood processing, palm oil, and heavy equipment. The Industrial Park is 1.5 Hour Away From The Location Of Indonesia New Capital City, down to 40 minutes when The Balang Bridge is built.
- The IP provides competitive rental rate, Direct Con-
struction Facility – KLIK, and direct connection to Balikpapan – Samarinda toll road.
- Industry Specialization: automotive, pharmaceutical, construction, steel, chemical, machinery, woods & pulp, plantation processing.

Project Owner

PD. Manuntung Sukses is a Balikpapan Government Owned Enterprise (BUMD). PD. Manuntung was established on 1976 based on Perda No.24 Tahun 1976. PD. Manuntung assigned to improve service in the field of construction, suppliers, enterprises, transportation, energy, electricity, and advertising.



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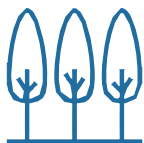
Key Investment highlight

Location

Balikpapan
East Kalimantan



Total Area/Land Status
133.8 Ha



Est. Investment
Value
us\$ 8.9 Million



Project Owner

PD Manuntung
sukses



Balikpapan, East Kalimantan

Business Scheme

Public Private
Partnership Scheme



Rates

Negotiable





Project Description

- Kaltim Industrial Estate or KIE is an industrial area located in Lok Tuan Village, North Bontang District, Bontang City. PT. Pupuk Kaltim which is the owner of this IP also engaged in procuring industrial land and providing facilities for tenants. The IP provides competitive rental rate, waste water and water treatment plant with cap. 15.000 m3/month, electricity, steam, N2 gas, office building, housing complex and natural gas supply & facilities provided by Pertamina Gas.
- The IP has 8 jetty with capacity of 2.000-55.000 DWT and Load-Unload Facility makes this IP fully support future tenants.
- Industry Specialization: coal based industry (coal to syn gas), CPO based industry (fatty acid, fatty amine, bio diesel), smelter industry (nickel), small & middle industry.

Project Owner

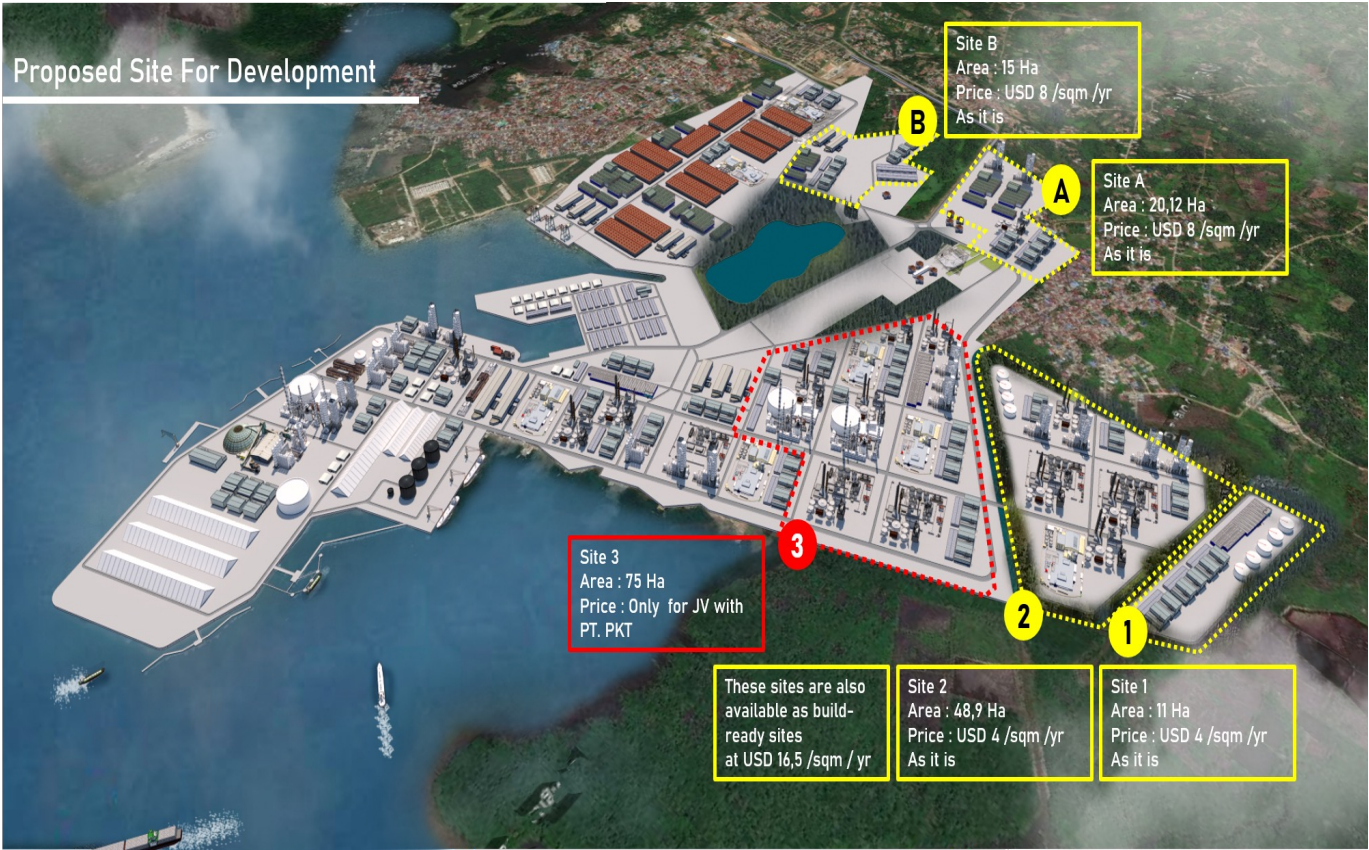
This industrial area is one with the factory area owned by PT Pupuk Kaltim. This industrial area is managed by PT Kaltim Industrial Estate, a subsidiary of PT Pupuk Kaltim.

Contact Person

Johan Ardiansyah

(Head of Division Business & Marketing)

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Key Investment highlight

Location

Bontang
East Kalimantan

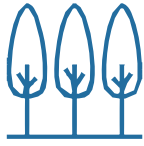


Total Area/Land Status

170.94 Ha

Rates

\$6-15 sqm/year



Project Owner

Kaltim Industrial Estate
Bontang, East Kalimantan



Business Scheme

Business to Business



Infrastructure

Waste Water Treatment Cap. 15.000 m3/month
Electricity Cap. 80 MW
Nitrogen Cap. 500 Nm3/h (On progress to 1000 Nm3/h)
Steam Cap. 156 Ton/h
Portable Water Cap. 550 m3/h
Demin Water Cap. 2x168 m3/h
SWRO Cap. 100 m3/h
Natural Gas Supply and Facilities at KIE Bontang are provide by PT. Pertamina



Project Description

- Balikpapan waste management today is centralized in Manggar Final Waste Management Facility (TPAS) Manggar. The total area of TPAS Manggar is 43 Ha divided into 7 landfill zones managed by a taskforce under Balikpapan Bureau of Environment. With current land area and waste volume, it is forecasted Zone VII to reach maximum capacity in 2026.
- Thus, Balikpapan is urgently seeking for new technology and better waste management infrastructure by cooperating with investor and waste management tech provider to mitigate increase in waste volume in the future waste volume increase as well as to prolong TPAS Manggar lifetime.
- The scope of PPP including design, build, operate and manage the entire process of Balikpapan city waste management and its supporting infrastucture from loading (consumer), sorting and final waste processing in TPAS Manggar. Ability to find/have offtakers for waste processing products.
- According the current fiscal allocation by Balikpapan government, the tipping fee is estimated between IDR 135,000 to 150,000 per ton of waste. The government could provide access to Viability Gap Fund (VGF) from national budget for maximum 49% of construction cost to enhance project financial feasibility.

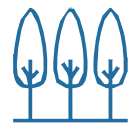
Key Investment highlight

Location

Balikpapan City
 East Kalimantan



Total Area/Land
 Status
 45 Ha



Est. Investment Value
 CAPEX is dependent to the option of technology
 Est. Investment Value : US\$ 12 Million
 Est. EPC cost range between IDR 323 – 483 Billion
 Est. O&M cost range between IDR 74 – 97 Billion annual



Project Owner

Mayor of Balikpapan
 Balikpapan City, East Kalimantan



Business Scheme

Public Private
 Partnership Scheme



Financial Feasibility

Investment Value: \$56 Million

EIRR : 40.60%

ENPV : IDR 350 Billion

Concession Period : 20 years + 2 years of construction



Project Owner

Balikpapan Enviromental Bureau is a part of Balikpapan Government which responsible in the formulation of technical policies in the environmental sector, protection of natural resources, cleanliness, control of pollution, and environmental damage.

Payment Mechanism

- Availability Payment (AP) based on
- performance Tipping fee
- Rights to sell electricity (PLN) and other residues / by-products



Contact Person

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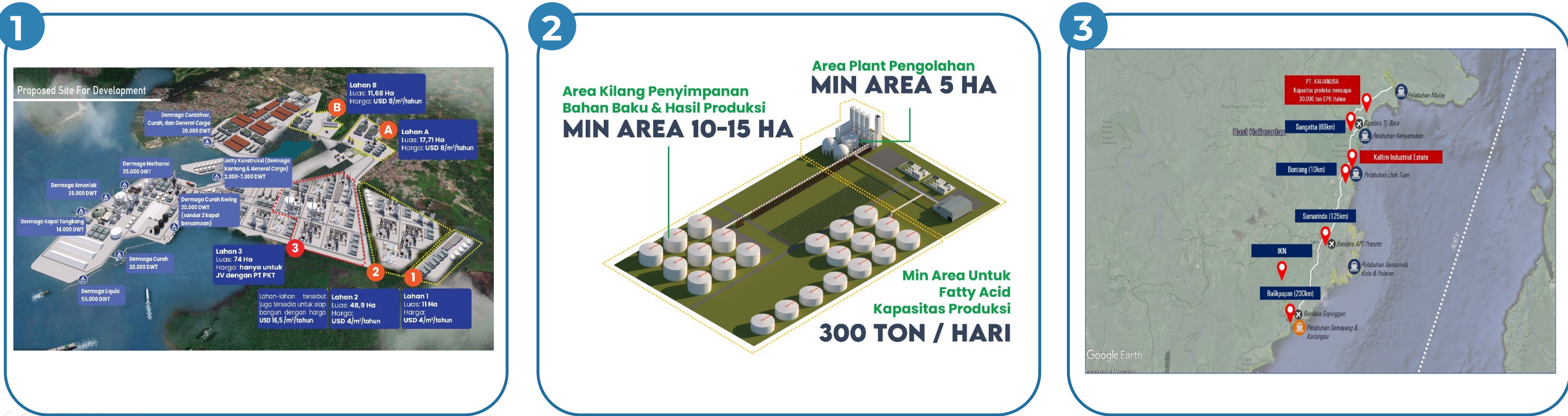


Project Description

- Downstream oil palm agroindustry in the form of fatty acids (KBLI 20115) is one of the derivatives of oleochemicals that has a great opportunity to be developed in Bontang City, East Kalimantan Province, considering that the province has oil palm plantations covering an area of 1,208,697 ha with a production capacity of CPO 3,8 million tons/year.
- Globally, the world's consumption of fatty acid-based products is currently growing at around 7% per year with production capacity that tends to remain constant over the past few years. The Asian demand is 6.6 million tons/year and the European Union is 1.7 million tons/year, but the fulfillment of the fatty acid needs has only reached 4.5 million tons/year, so there is a market opportunity for fatty acids of 3.8 million tons/year.

Project Owner

This project owned by PT Pupuk Kaltim was located in Kaltim Industrial Estate area and currently being managed by PT Kaltim Industrial Estate, a subsidiary of PT Pupuk Kaltim.



Key Investment Highlight

Project Owner
Kaltim Industrial Estate



- Incentives:
- Tax Allowance – Indonesian Government Regulation Number 79 of 2019 and Regulation of the Minister of Finance of the Republic of Indonesia Number 11/PMK.010/2020
 - Import Facility – Regulation of the Minister of Finance Number 176/PMK.011/2009
 - Super Deduction – Government Regulation no. 45 of 2019



Investment Value
\$ 234 Million



KBLI Code: 20115
NPV: \$65 Million
IRR: 14,6 %
Payback Period: 6 Years 8 Months

Longitude: 117.485
Latitude: 0.184
Land Ava.: 48.5 Ha
WACC : 10.35%



Contact Person
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The Development of Loading-Unloading Facility of Penajam Port in Buluminung Industrial State

Penajam Paser Utara Regency



Project Description

- Penajam port is already running and profitable. The port is used for loading-unloading of cargo and commodity between Penajam Paser Utara (PPU) and outside region. The project’s purpose is to expand the port’s services by developing new infrastructure.
- PPU is an important for logistic especially to southern part of East Kalimantan and South Kalimantan, the development of port can ease transport of goods and cut logistical cost.
- The project can serve some companies that have been operating in Buluminung Industrial Estate.
- The project aims to support logistical activities related to the construction of New Capital City in PPU particularly loading-unloading construction materials and staple food.

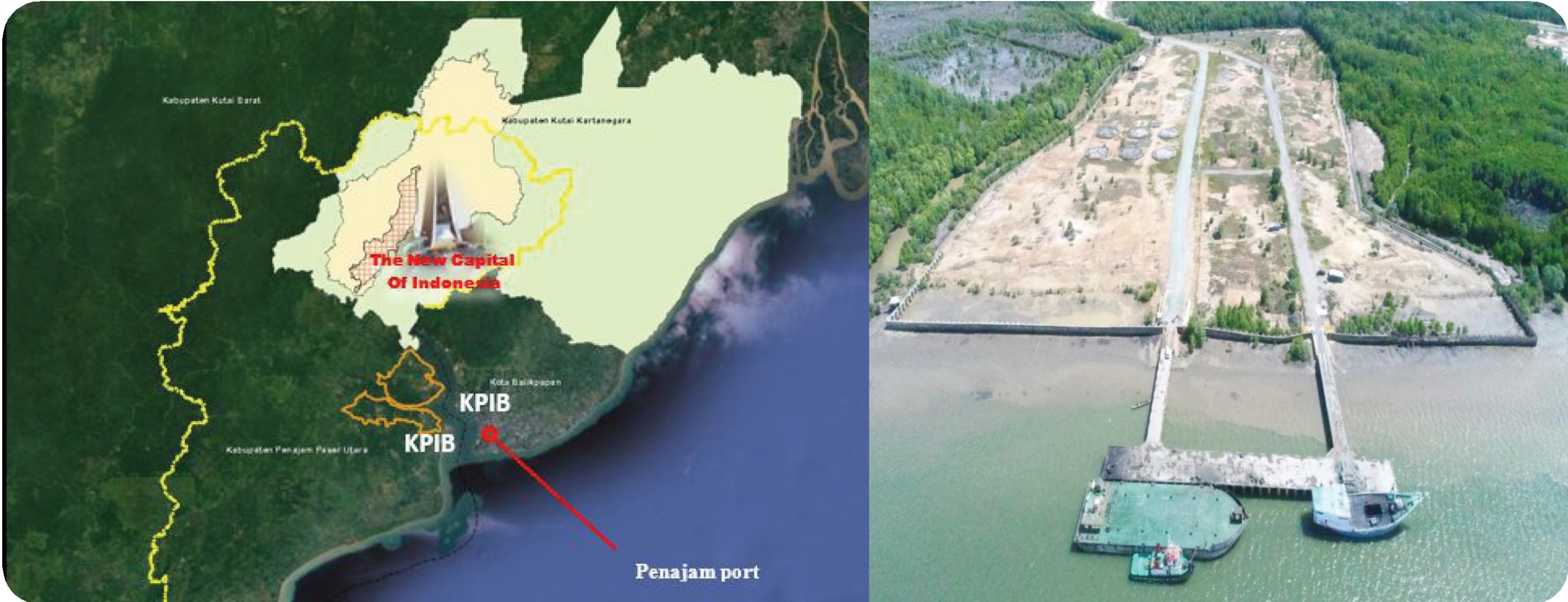
Project Owner

The Buluminung Penajam port is currently managed by Technical Implementation Unit (UPT) on behalf of PPU Government. The port is going to be handed over to government-owned enterprise for future cooperation with Investors.

Contact Person
Rahmaniah Muchtar

(Head of Division, Planning Department)

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Key Investment highlight

| | | | |
|---|--|---|--|
| <div>Project Owner</div> <div>Government of Penajam Paser Utara</div> <div>Buluminung Industrial Estate, Penajam Paser Utara, East Kalimantan</div> | | | |
| <div>Investment Target</div> <div>US\$ 14.8 Million (2030)</div> | | <div>Total Area/Land Status</div> <div>17,95 Ha (Zone A1)</div> | |

| | |
|---|--|
| Business Scheme Public Private Partnership | |
| Financial Feasibility Concession Period Years IRR 32%, NPV US\$ 32,3 Million, Payback Period: 4.3 years | |



Project Description

- The investment project offered is an integrated upstream-downstream development package for the cocoa commodity, namely the Development of a Cocoa
- Plantation and a Cocoa Fermentation Processing Factory. The land prepared in Kampung Merasa is 2,000 hectares but for the plantation development project and the construction of a cocoa fermentation processing factory it will only require around 305 hectares (11 hectares of which are available for processing factory land). The factory capacity is designed to produce 100 tons of fermented cocoa/year with a factory area of 2000m2.
- Cocoa plantation in Merasa Village and Kelay District in general has been cultivating Cacao beans for decades and Cocoa is one of Berau’s top commodities. In Kelay,
- there are 164 Ha Cocoa plantation with productivity of 220 kg/Ha.
- Merasa cocoa bean’s quality has international recognition, it was one of the best 8 cocoa beans among 58 Indonesian samples that were sent to compete in
- Cocoa of Excellence 2021 in Paris, France.
- The government gives full support for any investment aiming to further thrive Cocoa Industry sustainably, from expanding Cocoa beans plantation to establish derivative
- Cocoa/Chocolate industry in Berau.
- Investors are given rights to fully manage plantation area, cultivation/agriculture, hopefully cooperate with local people and local farmers under profit sharing scheme,
- produce-market-sell fermented beans to the off-takers.

Project Owner

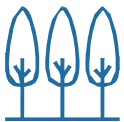
The project is offered by Berau Government and coordinated by Planning Department.

The investment project is a collaboration between the Government of Berau and investors as the Implementing Business Entity (BUP), with a couple of different pattern of cooperation



Key Investment highlight

Total Area/Land Status
± 25 Ha (offered to investors for rehabilitation and replanting)
± 27 Ha in Kelay district (potential future development)
Up to 2000 Ha land available in Merasa for mix-used plantation under APL status according to spatial plan.



Est. Investment Value
IDR **13.3** billion



Project Owner
Government of Berau
Merasa Village, Kelay District,
Berau, East Kalimantan



Business Scheme
Public Private Partnership



Financial Feasibility
IRR 29,94%, NPV \$0.88 Million,
Payback Period: 6 years



Contact Person
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Project Description

- The crumb rubber factory project aims to provide price security and bring added-value to West Kutai rubber in farmer level. Currently, rubber is one of the top commodities.
- The investment project offered is the construction of a crumb rubber factory to produce SIR 20/SIR 10 products. The production capacity is 10,000 tons/year or \pm 30 tons/day under the Design, Build, Finance, Maintenance and Operate (DBFMO) scheme.
- The project location is in West Kutai Regency (the second largest regency in East Kalimantan), to be precise at the Sendawar Regional Activity Center (PKW). This land is suitable for the designation of a center of economic and industrial growth in accordance with the Regional Regulation of Kabupaten Kutai Barat No. 32/2013 concerning Spatial and Regional Planning for 2011-2031. The status of the land is community property (1 party) with an area of \pm 10Ha.

Project Owner

The project is offered by West Kutai Government and coordinated by Planning Department. Investors is expected to construct, operate and absorb raw rubber from local derivative products.

Proposed Location



Key Investment highlight

Project Owner
Government of West Kutai
Muara Barong village, Melak Ilir ward, Melak District, West Kutai, East Kalimantan



Est. Investment Value
CAPEX US\$ 2.95 Million
(with capacity assumption of 140.000 tpy)



Land Requisite and Status
 \pm 10 Ha (owned by public)
Land procurement can be provided by West Kutai Government under agreement according to applied regulations.



Business Scheme
Public Private Partnership
Design – Build – Finance – Maintain – Operate (DBFMO)



Financial Feasibility (Prefeasibility Study)
Economic lifetime 20 years;
NPV \$1.1 million; WACC 12%
IRR 16,53%; Payback Period: 7,6 years



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UD. Deli Koffie Indonesia

Green bean, Roasted
bean Grinded Coffee

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☎ m+62 811 373 984



PT. Sekatup Sari Indonesia

Gaharu (Agarwood) Tea Bag,
Gaharu Cinamon Tea bag

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☎ +62 812 90 999 809
🌐 www.tehgaharu.com



Ibib Food

Spiced Fish Crackers
(Amplang), Shredded Tuna

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@ @ibibfood



CV. Azra Sentosa Jaya

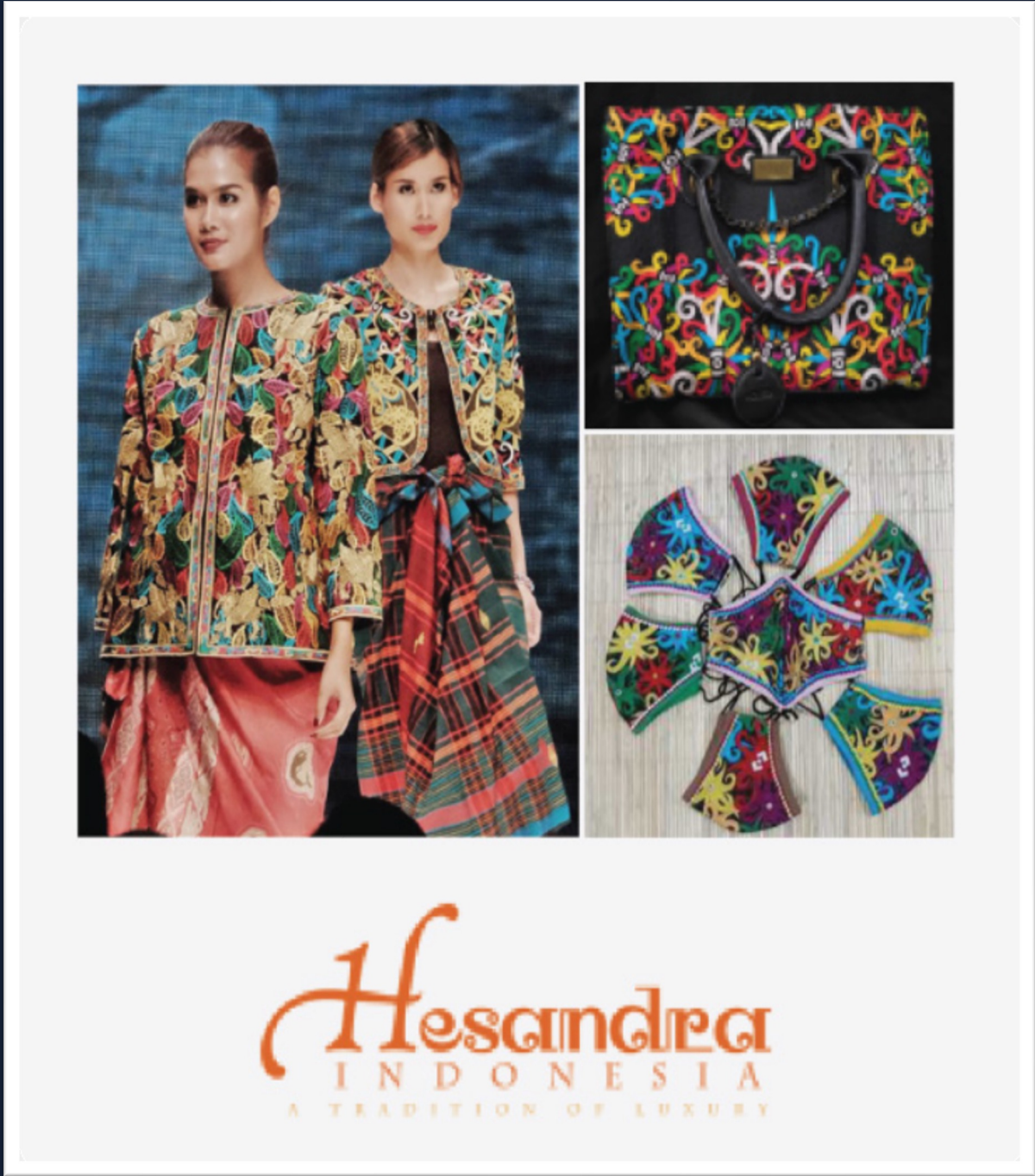
Crab meat snack

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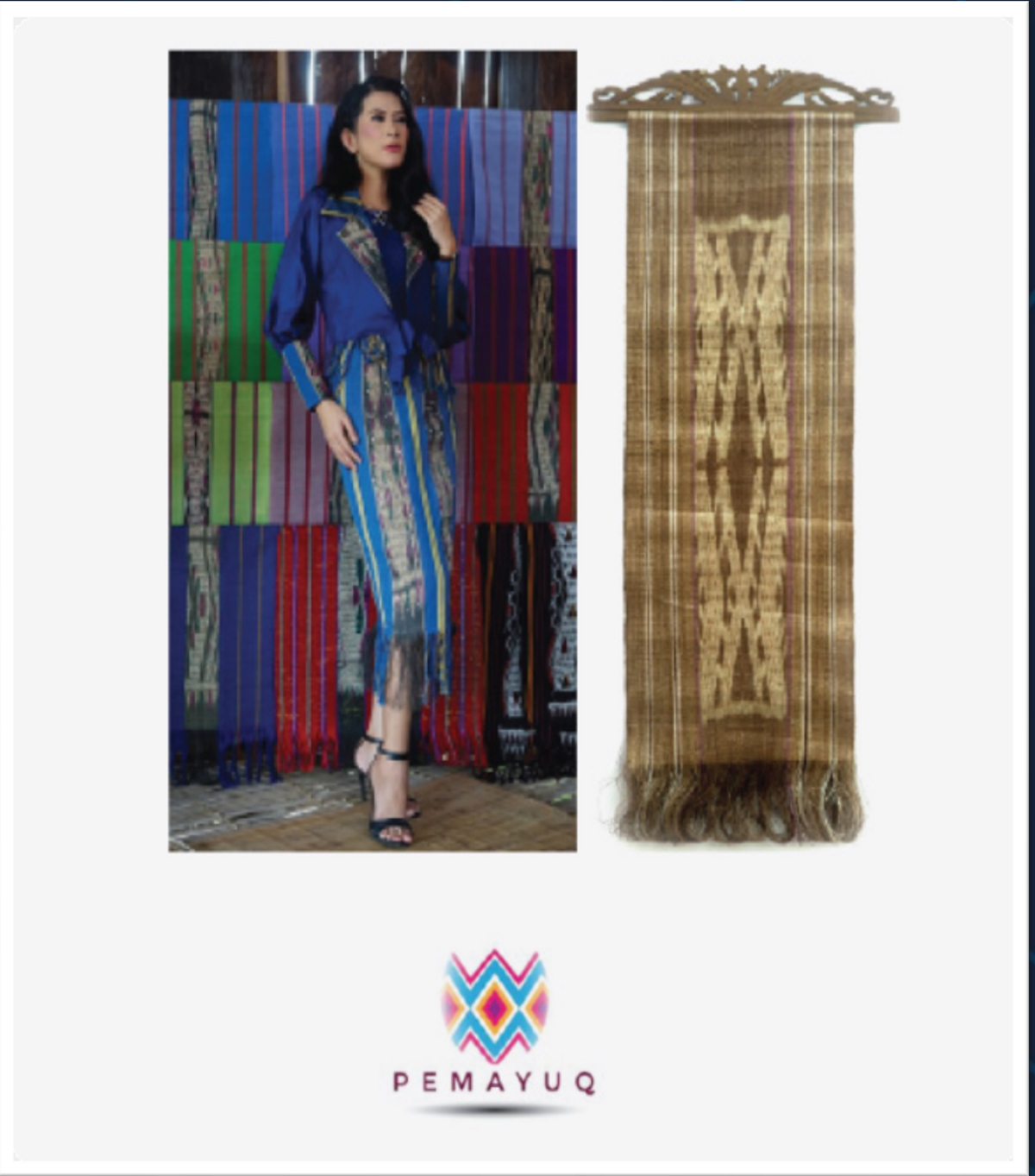
Manika Kaltim

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Pemayuq By Pokant Takaq

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Bahalap Handicraft

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CV. Multi Sarana Jaya

**Dried Euchema Cottonii
Seaweed**

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King Madu Borneo

Yellow Honey and Black Honey

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CV. Perintis Mitra Mandiri Sukses

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