



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA



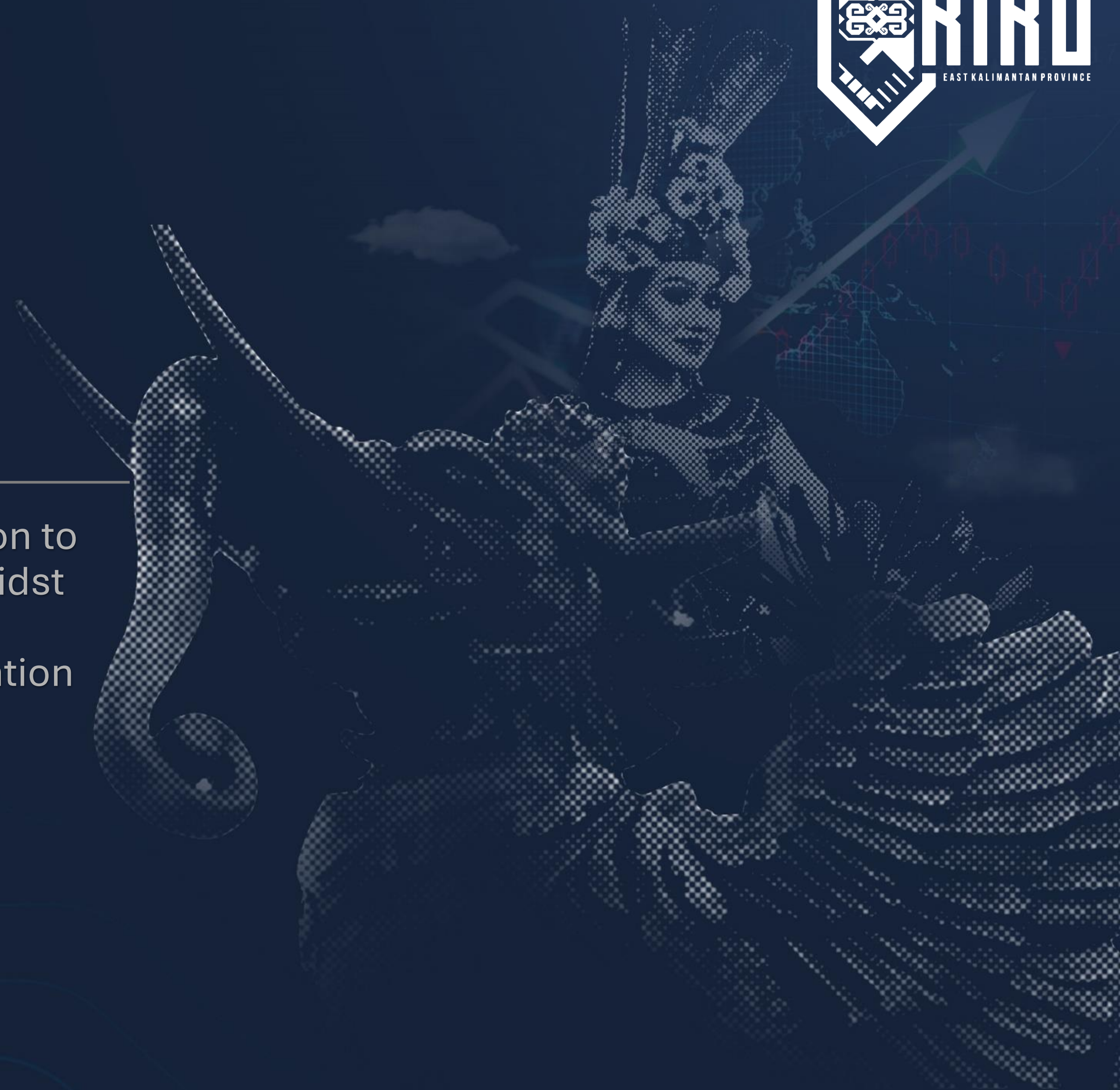
EAST Kalimantan

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Strengthening Policy Sinergy and Coordination to Reinforce Sustainable Economic Growth amidst Global Uncertainty while Optimizing the Momentum of Nusantara's Massive Acceleration

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September 2024





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.

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

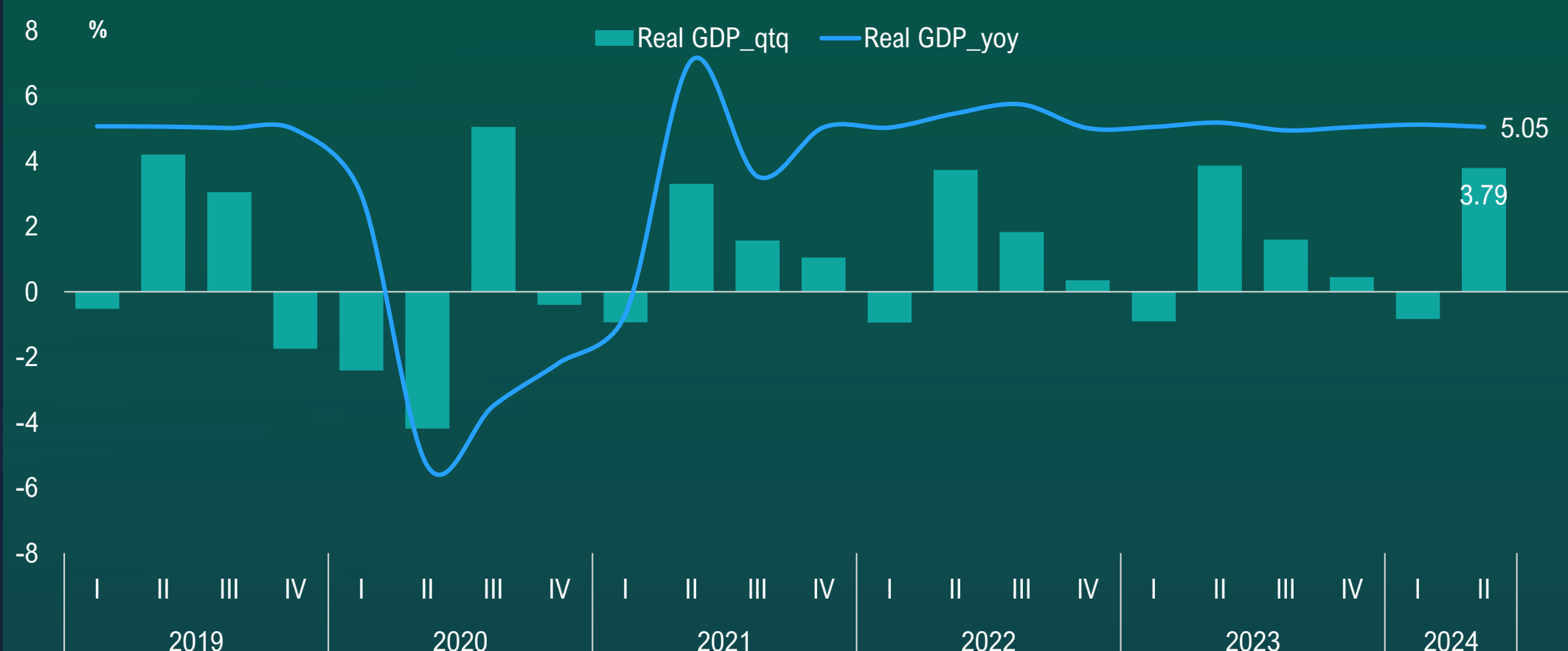


Indonesia's economic growth remains solid and resilient, supported by domestic demand

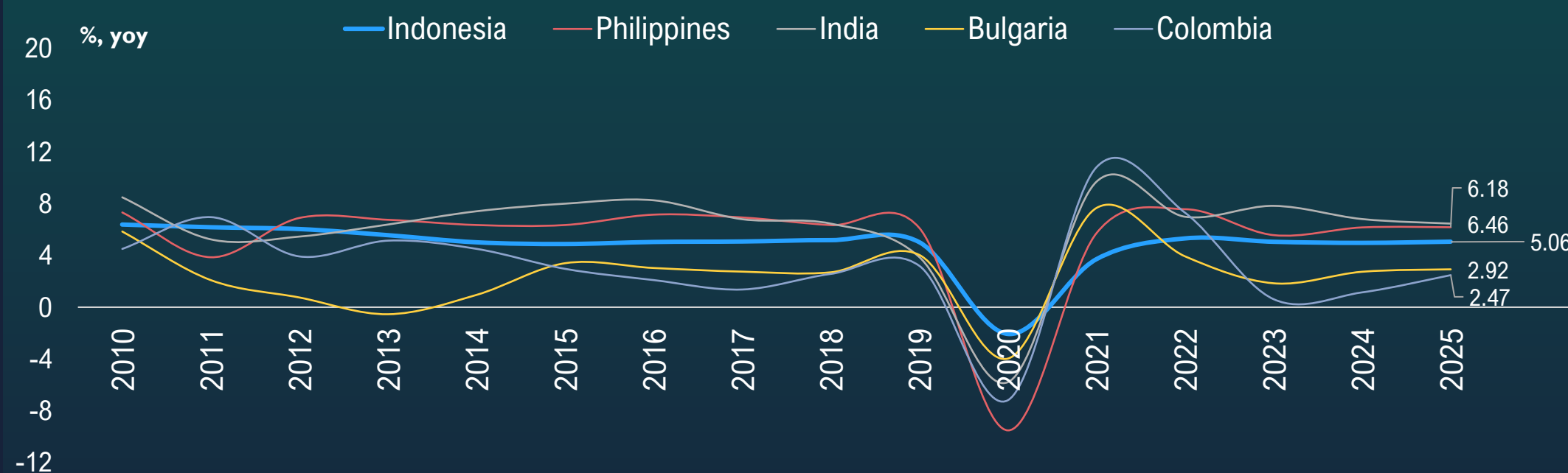
- Despite challenging global developments, Indonesia's economic recovery momentum persists, driven by robust domestic demand.
- Regain the 5% growth momentum after pandemic, the country's economic performance is poised for further improvement, driven by enhanced growth prospects.

Strong GDP Growth¹

+ + + +



Favourable GDP Growth Compared to Peers²



- Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption
- Source: World Economic Outlook Database – April 2024; * indicates estimated figure

Amidst increasing global uncertainty, Indonesia's economic performance remains solid and resilient to global spillover. Indonesia's economic growth in the second quarter of 2024 grew by 5.05% (yoy), continuing the positive performance of economic growth in the previous quarter of 5.11% (yoy). Sound performance recorded across most of economic sectors, particularly mining and quarrying manufacturing industry, wholesale and retail trade as well as supported by information and communication, financial and insurance services and other service.

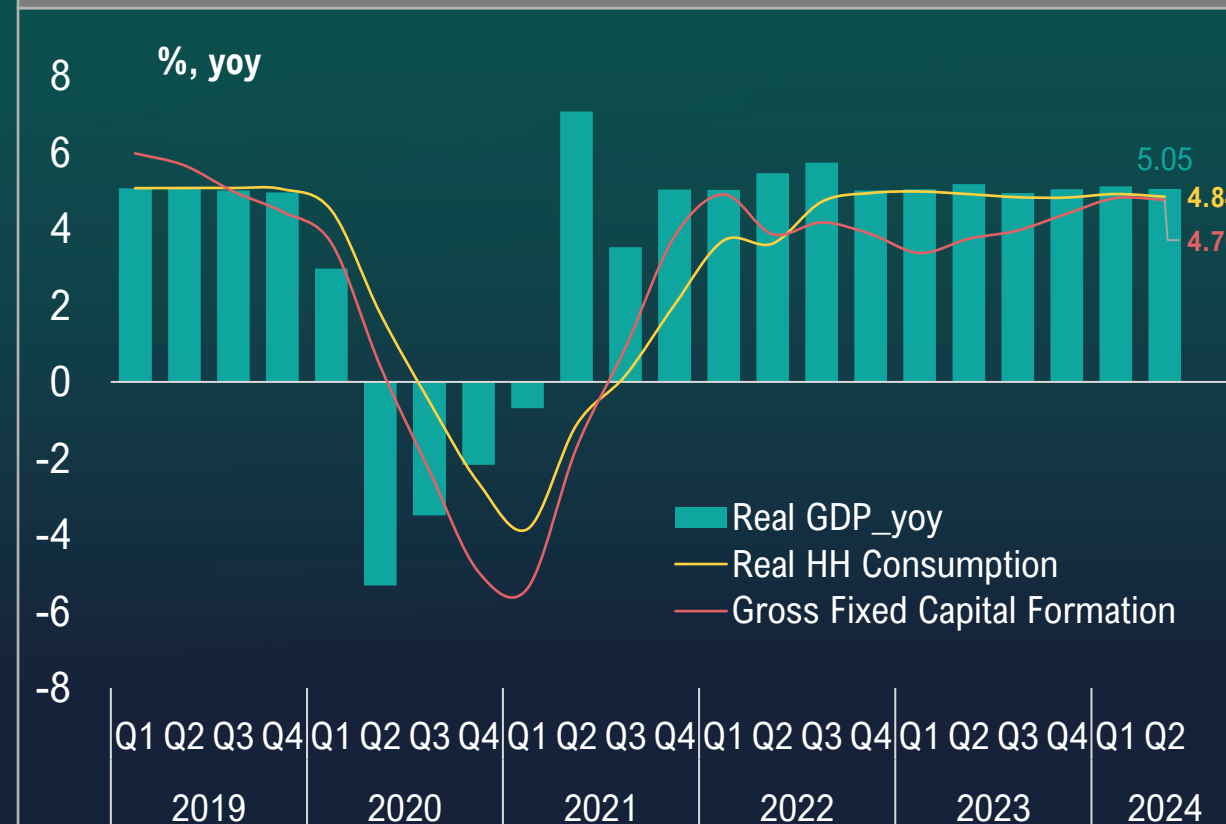
Spatially, the highest economic growth was recorded in the regions of Bali-Nusa Tenggara (Balinusra), followed by Sulawesi-Maluku-Papua (Sulampua), Kalimantan, Java, and Sumatra. Overall, economic growth in 2024 projected to be in the 4.7%-5.5% range, supported by domestic demand, particularly consumption ahead of the upcoming general election, and increasing investment, specifically building investment given the ongoing national strategic projects (PSN), including the new capital city (IKN) development.

Institutions	GDP growth
2024 Budget	5.2
Bank Indonesia	4.7-5.5
Consensus Forecast (May 2024)	5.0
World Bank (GEP, January 2024)	5.0
IMF (WEO, April 2023)	5.0
ADB (Asian Development Outlook, April 2024)	5.0

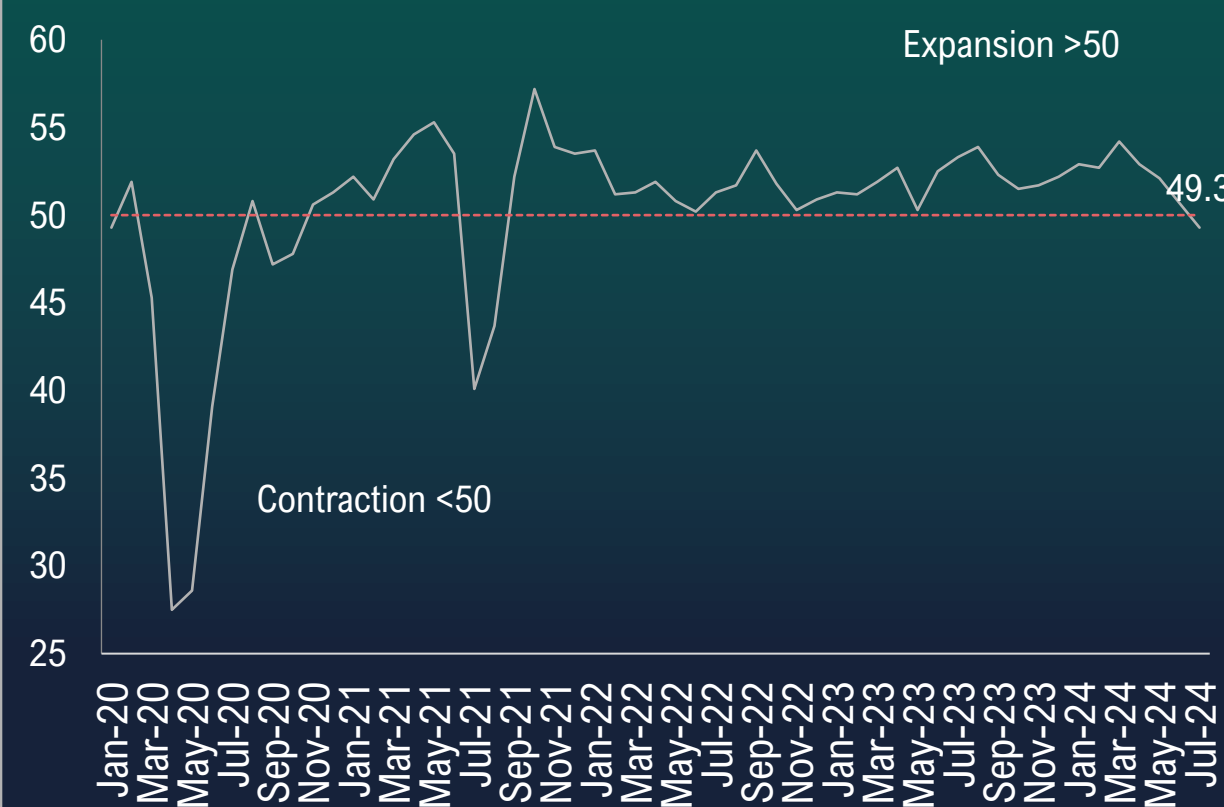
Promising growth prospects and strong external resilience

- Indonesia's promising growth prospects continued with economic recovery momentum...
- ...along with strong external resilience and sound balance of payments

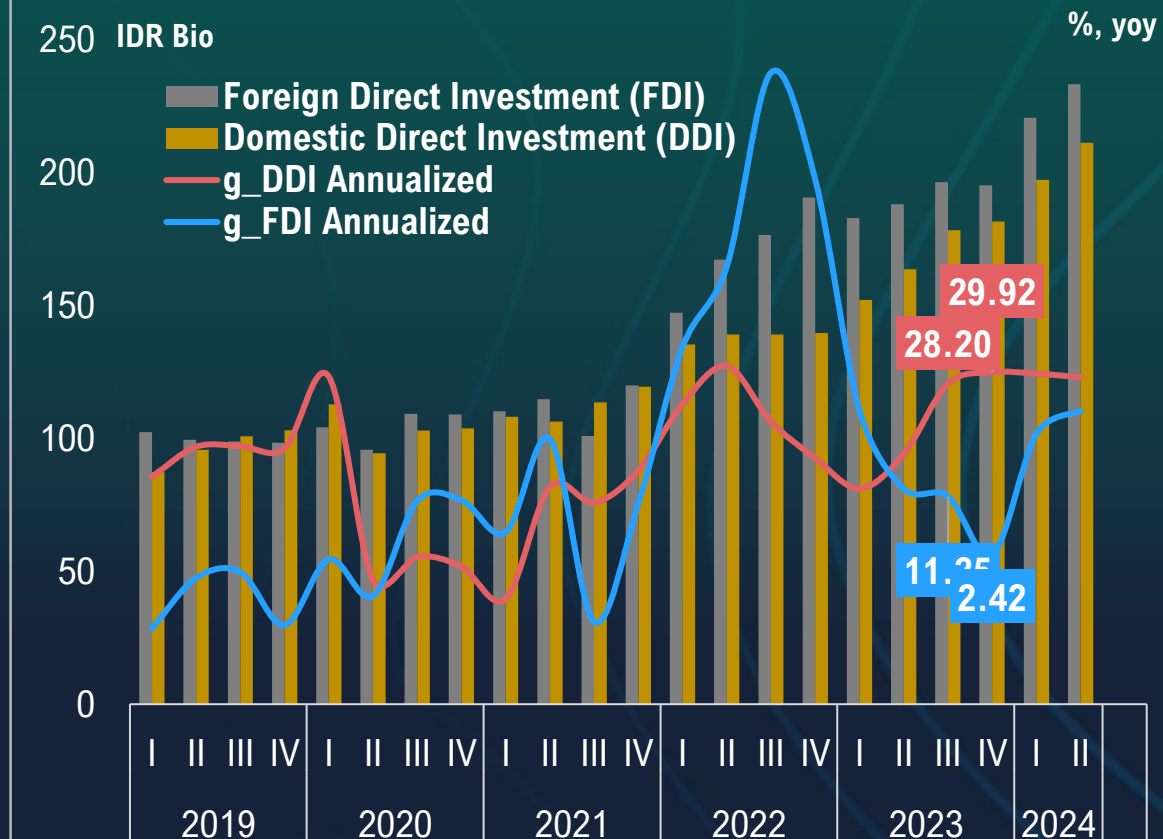
1. Sustainable consumptions and investments growth



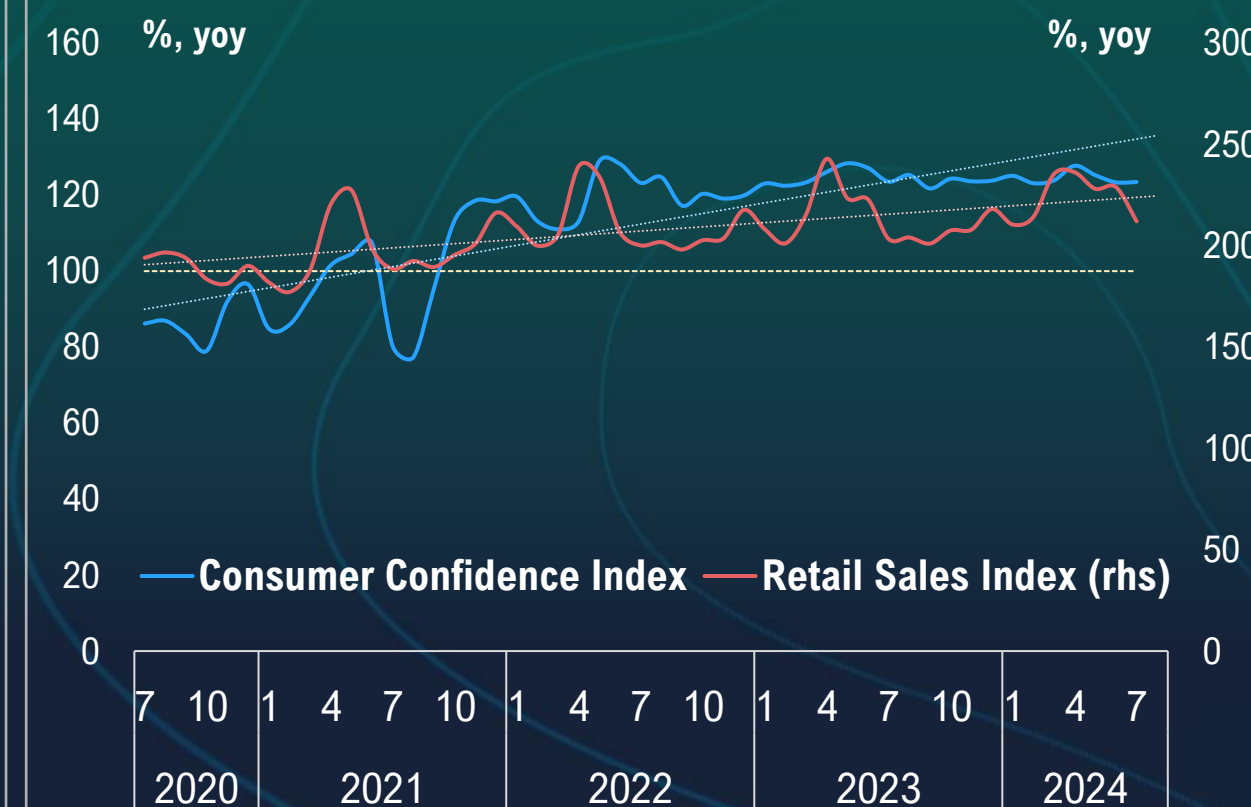
2. S&P Global PMI Manufacturing Index



3. Positive Investment Sustainability



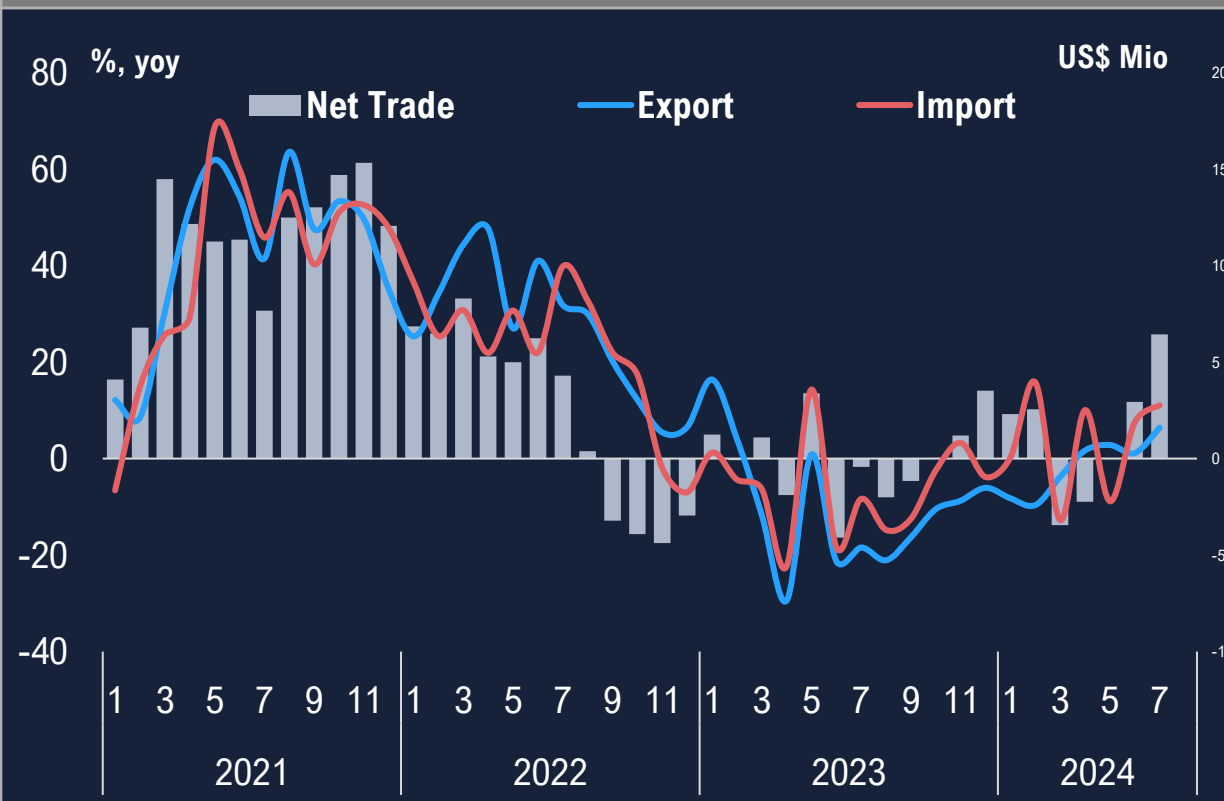
4. Persistent Consumer and Retail Index Expectations



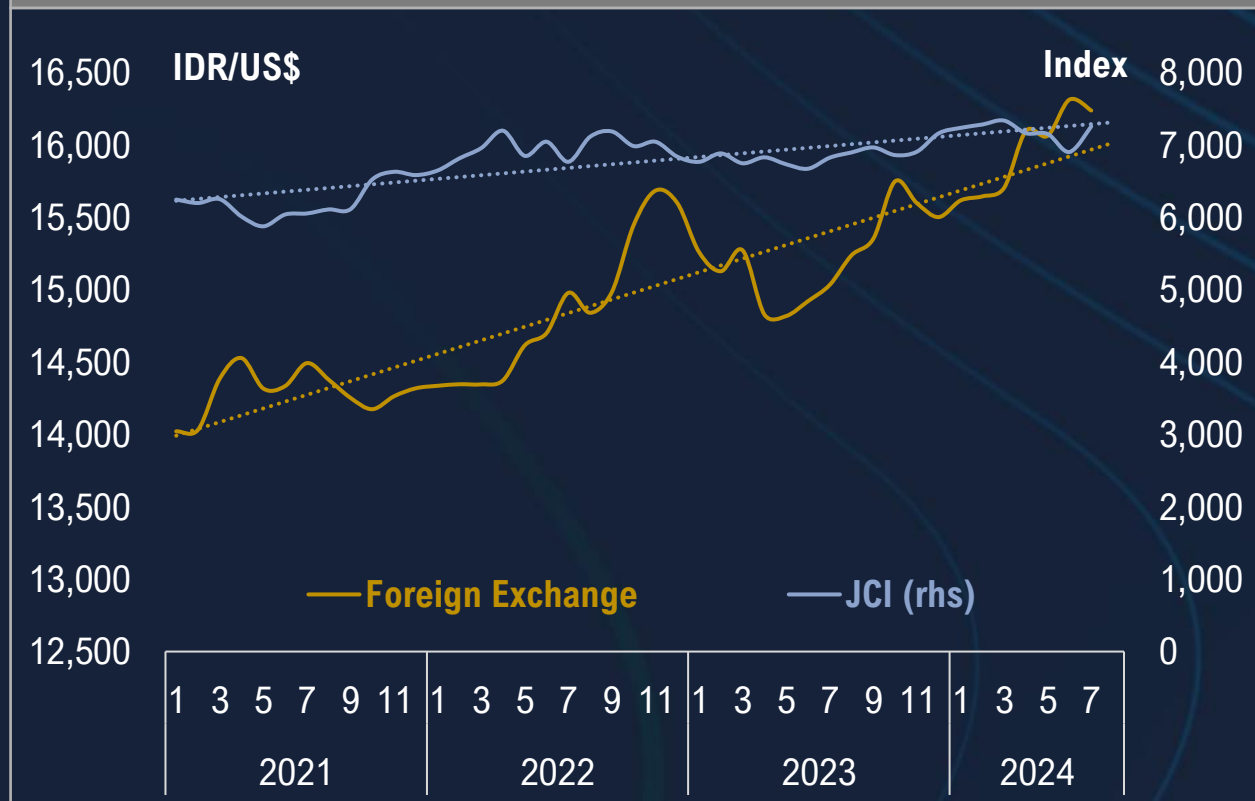
5. Deficit Current Account to GDP



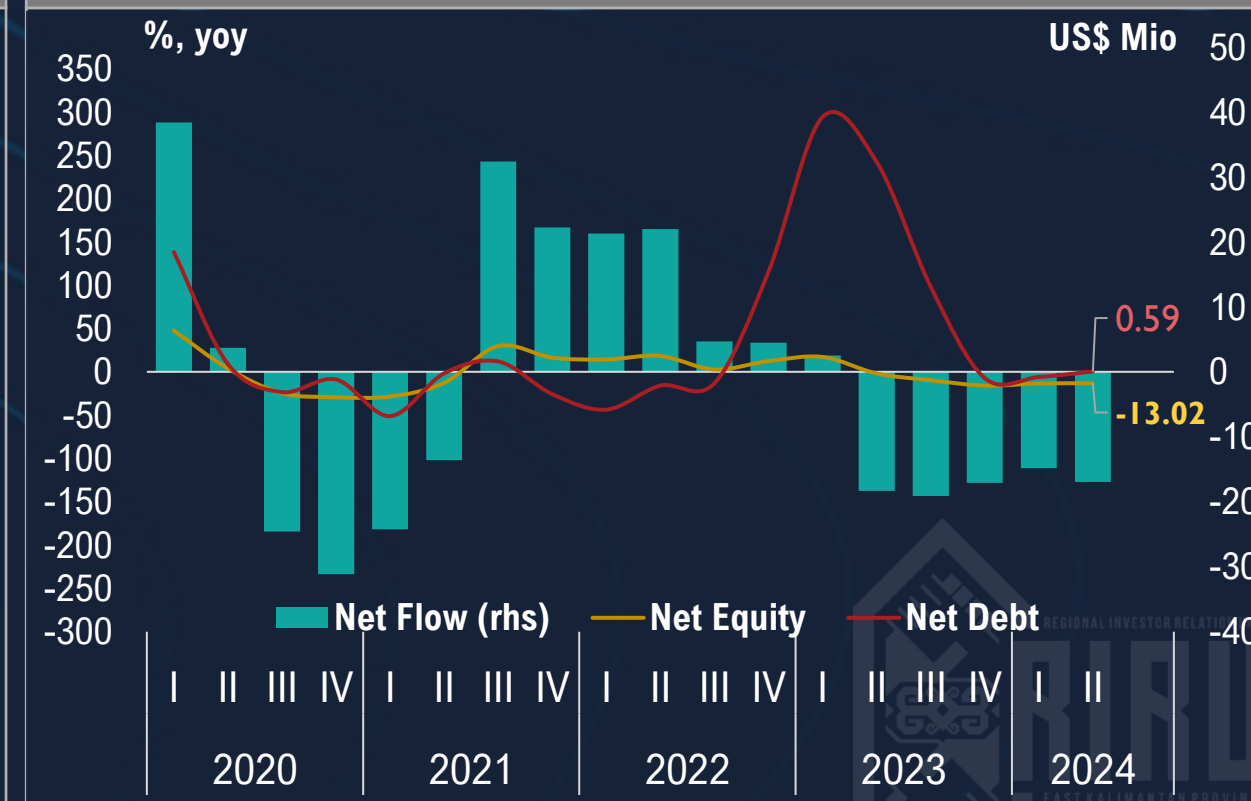
6. Positive Net Trade Balance



7. Stable FX currency and Favorable stock market fundamental



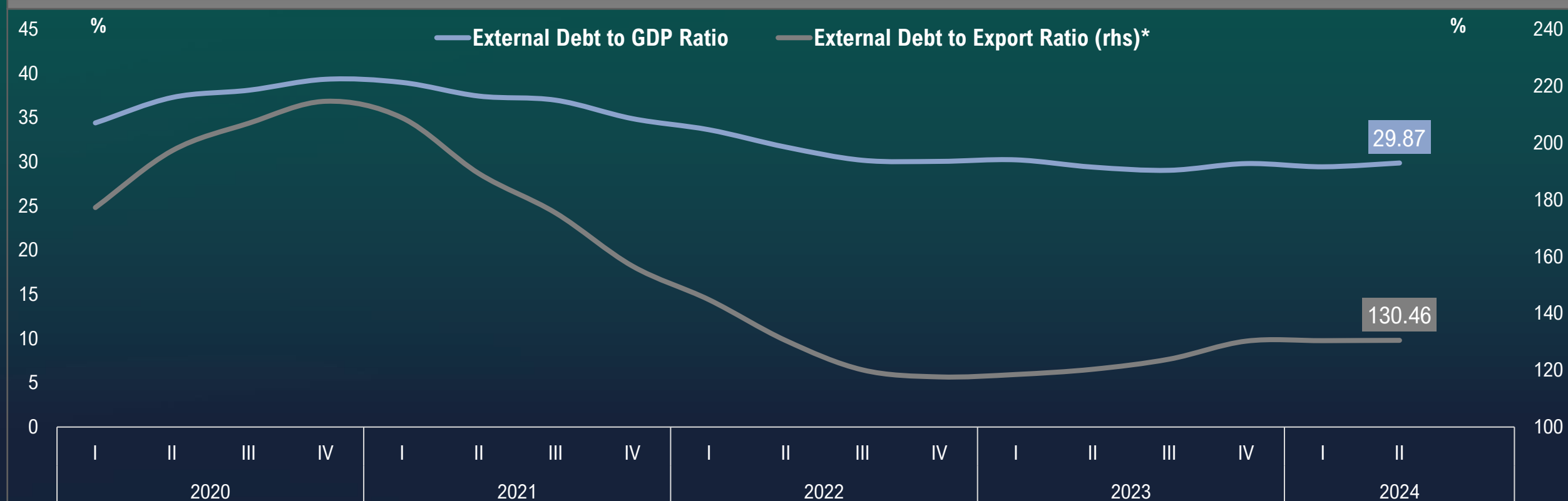
8. Net Capital Outflow



Strong external resilience supported by adequate reserves and sound financial intermediation

- Despite global economic challenges, Indonesia still maintained adequate foreign reserve to cover external debt
- Bank loans and third-party funds continue to grow, driven by increased demand for productive loans under relatively low financing risk.

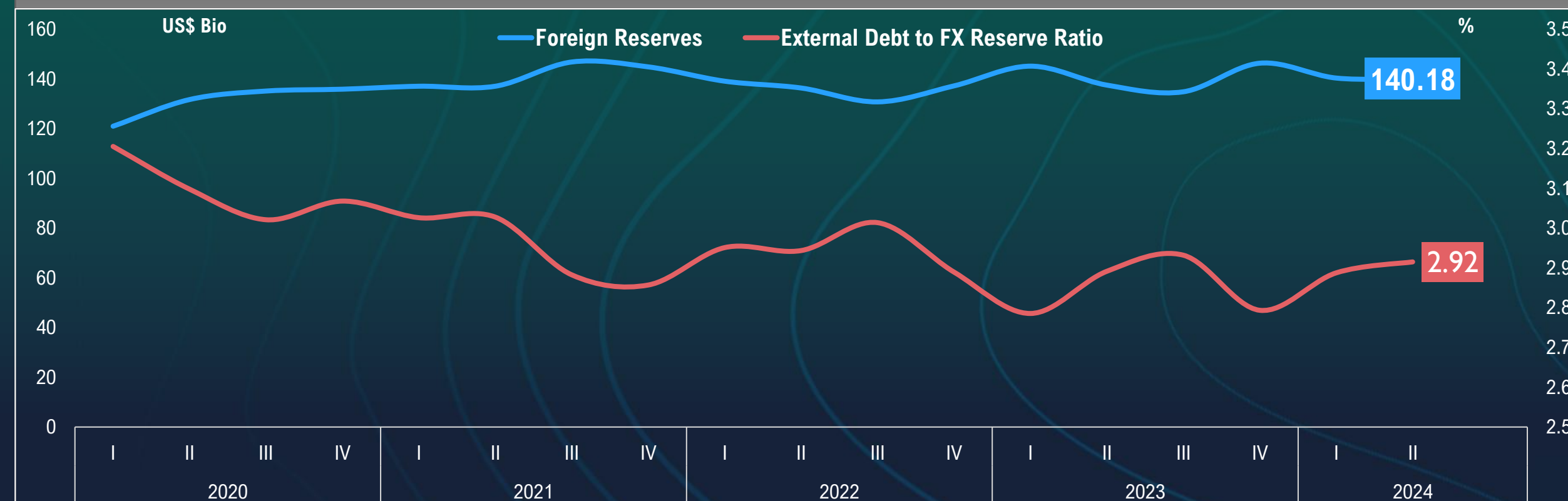
1. Relatively Stable External Debt



* Annualized

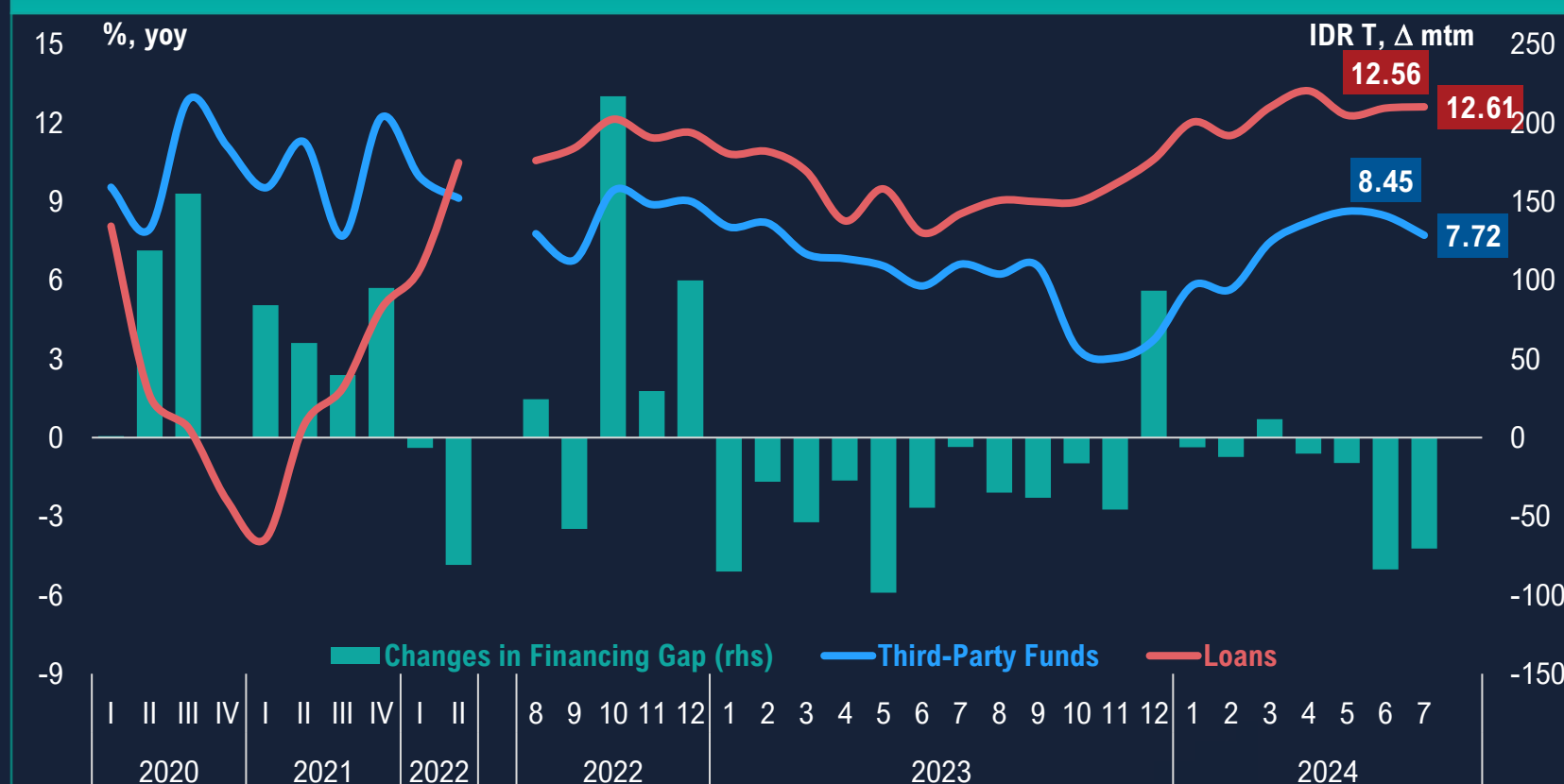
Source: External Debt Statistics

2. Adequate FX Reserve to Cover External Debt



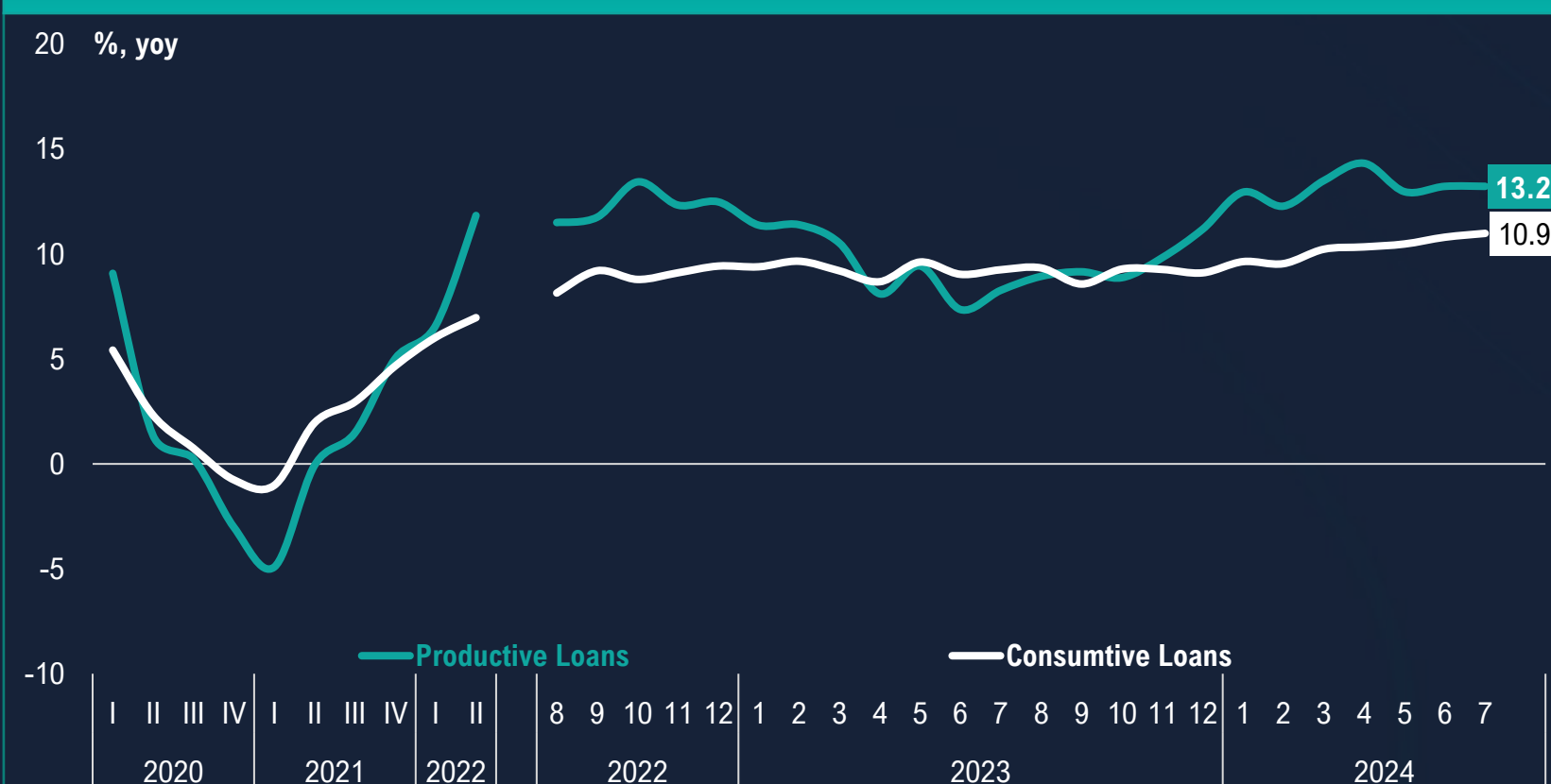
Source: External Debt Statistics, Bank Indonesia

3. Maintained Financial Intermediaries



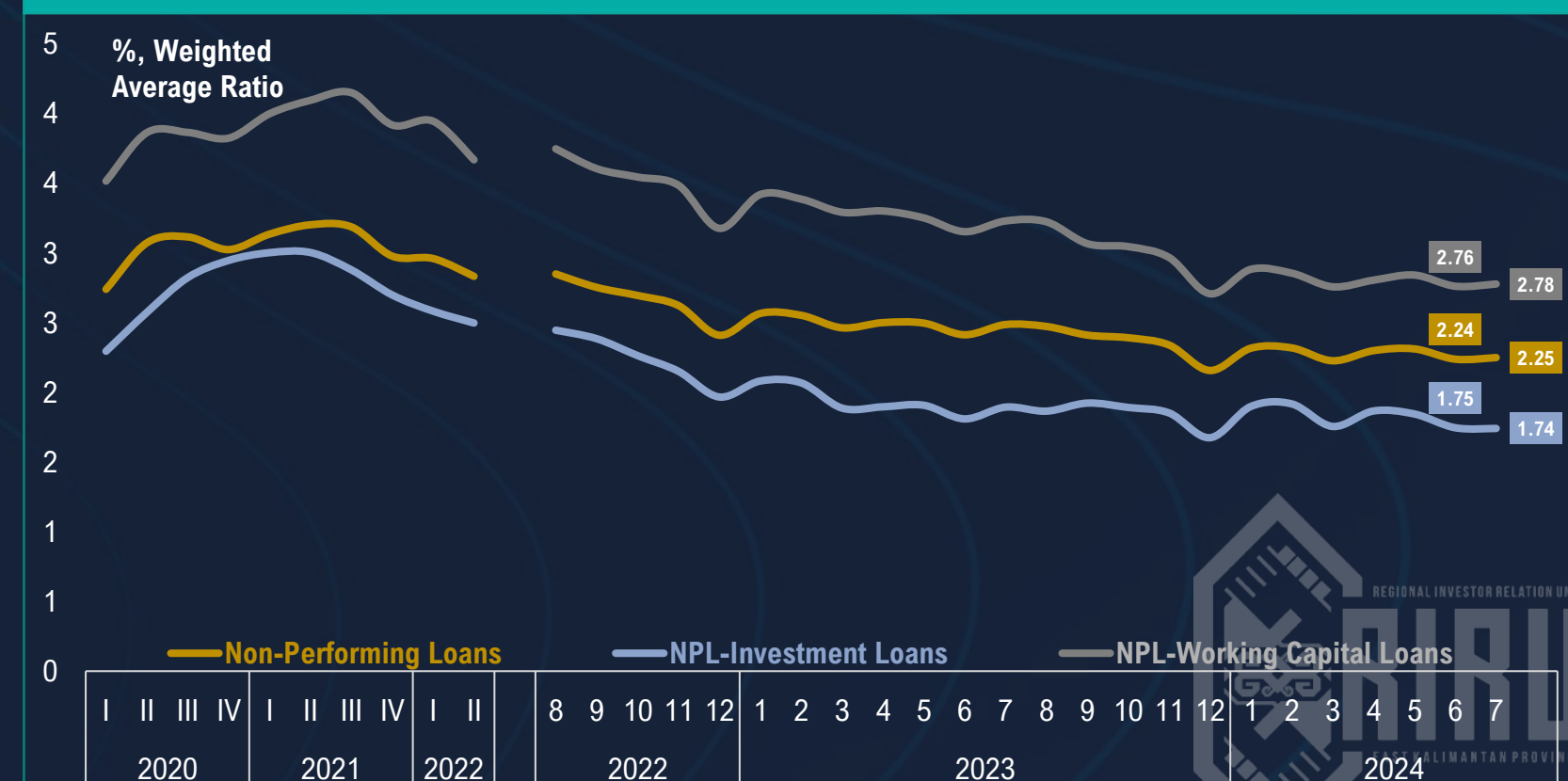
Source: Banks Report

4. Increased Demand for Productive Loans



Source: Banks Report

5. Relatively Low Financing Risks



Source: Banks Report



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

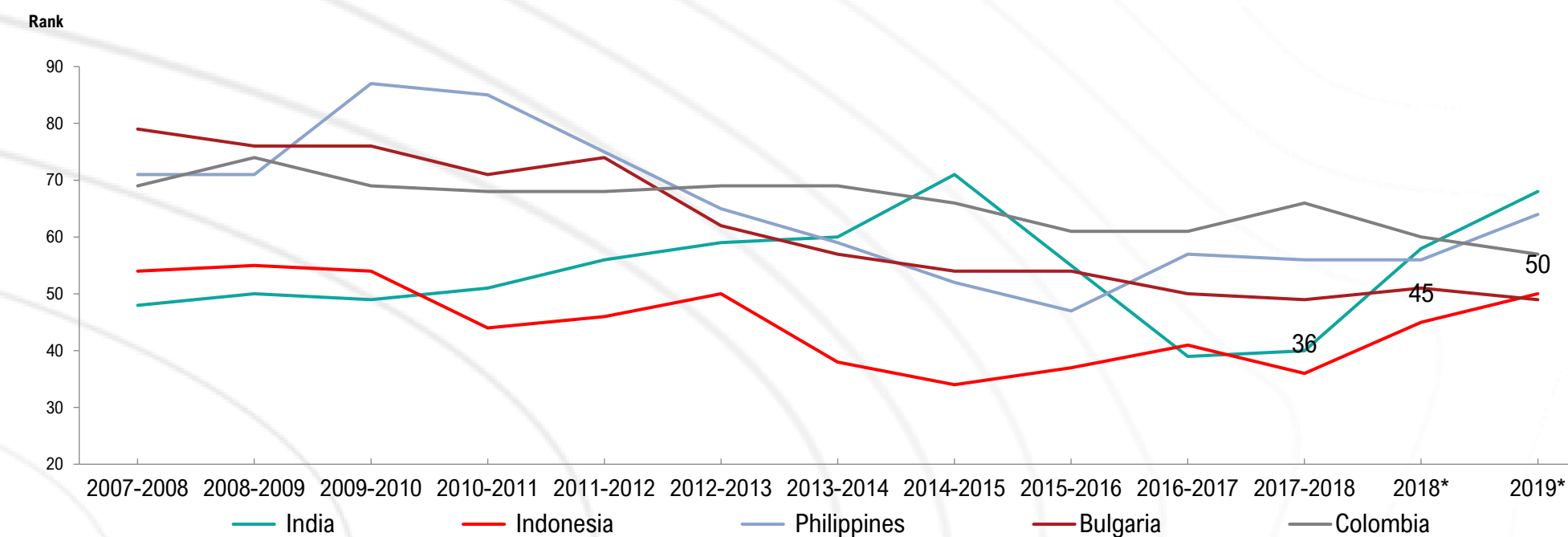
Tax Holidays

Inv. Allowances

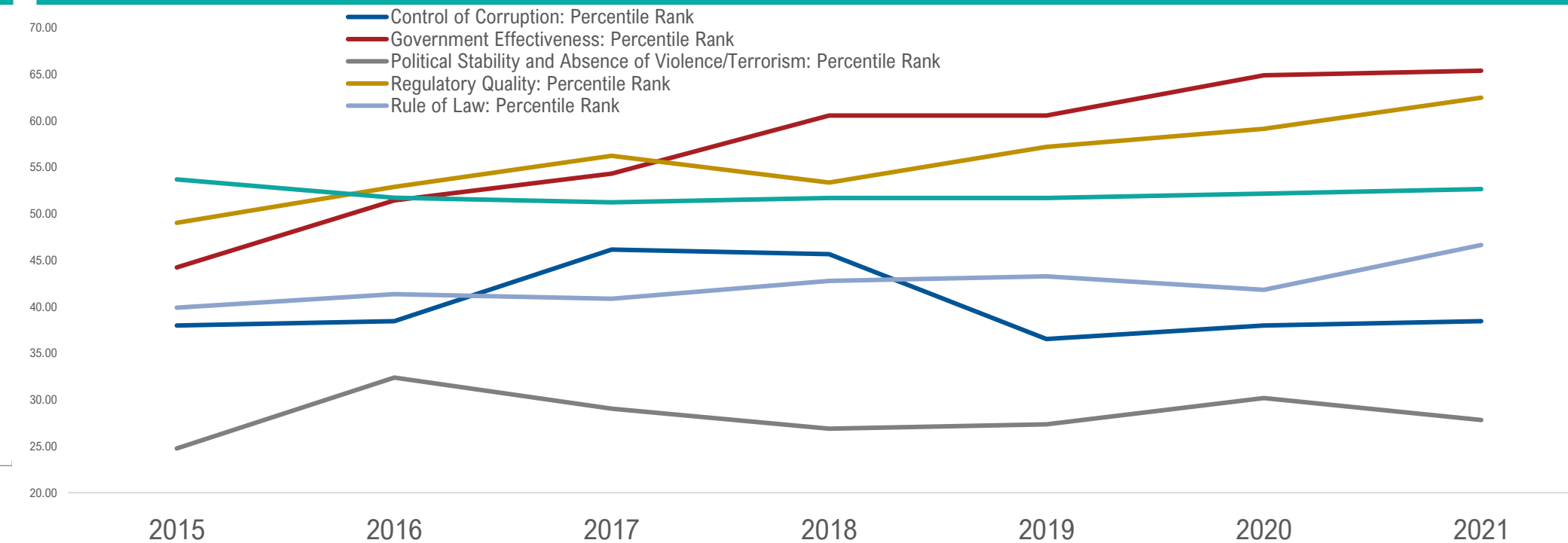
Custom Incentives

- It intends 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.

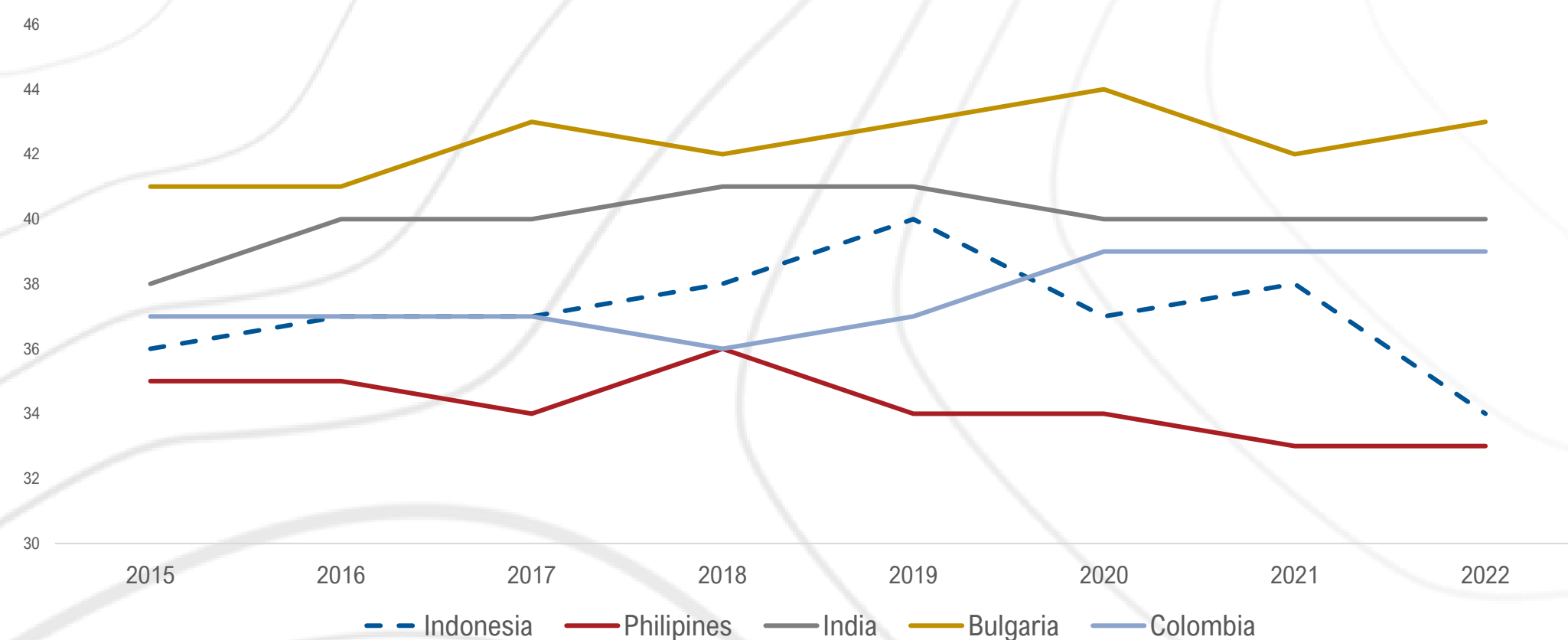
1. GLOBAL COMPETITIVENESS INDEX



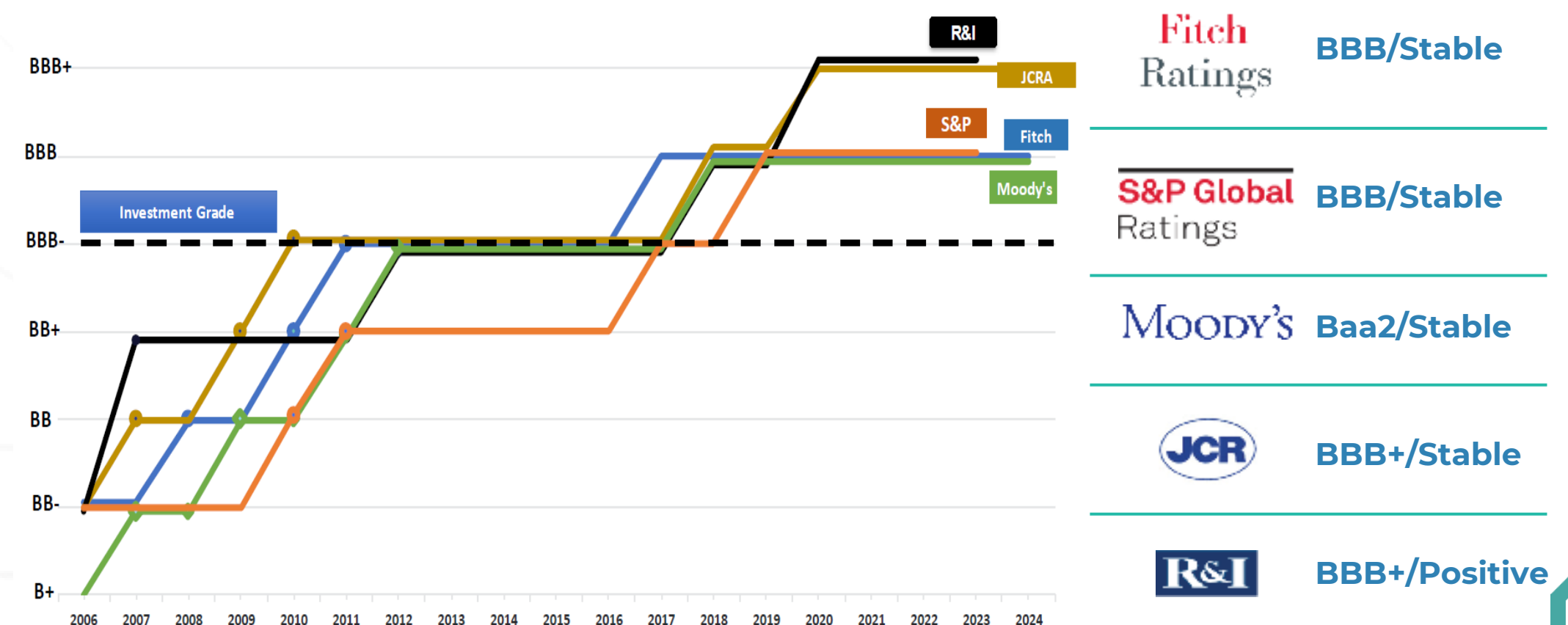
2. WORLDWIDE GOVERNANCE INDICATORS



1. CORRUPTION PERCEPTION INDEX



2. Well maintained indonesia's foreign credit Rating amidst economic recovery



Source:

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

Inclusion
& Green



Stability

Growth

BI7DRR



BI Rate

Pro-Stability



Monetary

Pro-Growth

Macro-
prudential

Payment
System

Money Market
Development

Green
Financial
Economy

The BI Board of Governors Meeting agreed on 20th-21st August 2024 to hold the BI-Rate at 6.25%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.50% and 7.00% respectively. This decision is consistent with the pro-stability focus of monetary policy, namely as a pre-emptive and forward-looking measure to maintain inflation within the $2.5\% \pm 1\%$ target corridor in 2024 and 2025. Meanwhile, Bank Indonesia will maintain pro-growth macroprudential and payment system policies to foster sustainable economic growth.

Hold the
BI Rate
at 6.25%

Strengthening the pro-market monetary operations strategy to enhance monetary policy effectiveness in terms of Rupiah stabilization by:

1. Strengthening the interest rate structure of the Rupiah money market to maintain attractive yields and increase portfolio inflows to domestic financial assets for investment.
2. Optimizing Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign Exchange Sukuk (SUVBI).

- Stabilizing the Rupiah through foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions, as well as government securities (SBN) in the secondary market
- Strengthening the competitive SBN term-repo and FX swap transaction strategies to maintain adequate liquidity in the banking industry.

Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by priority economic sector based on Macroprudential Liquidity Incentive policy (KLM)

Implementing the Indonesia Payment System Blueprint (BSPI) 2030, which is focused on aspects of infrastructure development and industry structure consolidation.

Increasing acceptance of digital payment services by expanding Quick Response Code Indonesia Standard (QRIS) and the Indonesia Credit Card (KKI) for the government segment.

Expanding international financial cooperation and central bank cooperation, including structured bilateral cooperation, while promoting trade and investment in priority sectors in synergy with relevant institutions.

GOALS

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



EDUCATION
IDR 660.8 T ↗ IDR 722.6 T
(Shares: 20%)

- Increasing access and quality of education i.e., PIP, KIP College, BOS, BOP PAUD, scholarships (LPDP)
- Providing nutritious food for school children, renovating schools and developing superior schools
- Strengthening links & matches with the job market (vocational & certification)



HEALTH
IDR 186.4 T ↗ IDR 197.8 T
(Shares: 5.5%)

- Promotive and preventive efforts, accelerating the reduction of stunting and TB cases;
- Construction of quality hospitals, free health checks and effectiveness of the JKN program
- Strengthening technology and pharmaceutical independence
- Strengthening a reliable health system



SOCIAL PROTECTION
IDR 493.5 T ↗ IDR 504.7 T
(Shares: 14%)

- Continuing social security al. PKH, Basic Food Cards, PIP, College KIP
- Synergy and integration of social protection program
- Strengthening social security throughout life;
- Strengthening graduation from poverty i.e., Social protection based on empowerment



LAW & DEFENCE
IDR 372.6 T
(Shares: 10.3%)

- Modernization of defense equipment
- Strengthening ICT from Cyber threats
- Support strategic industrial capabilities
- Implementation of legal and security operational activities



INFRASTRUCTURE
IDR 422.7 T ↘ IDR 400.3 T
(Shares: 11%)

- Development of agricultural infrastructure such as irrigation networks and dams
- Construction of integrated superior schools;
- Supporting infrastructure to support economic transformation (e.g., connectivity, downstreaming, food, energy)



FOOD SECURITY
IDR 108.8 T ↗ IDR 124.4 T
(Shares: 3.4%)

- Intensification and extensification of agricultural land, strengthening of agricultural infrastructure and infrastructure (e.g., dams and irrigation)
- Food storage & increasing access to financing for farmers
- Strengthening national food reserves (food availability and affordability)

Chapters **2**

East Kalimantan
Economic Review and
Infrastructure
Availability

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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 (2024-Q2)

2.99% yoy

Second Highest GRDP Per Capita in Indonesia (2023)*

USD 14,143.51

Fourth Highest Human Development Index (HDI) in Indonesia (2023)

78.20

Largest Economy In Kalimantan (2024-Q2)

47.77% of Kalimantan Economy

*using average exchange rate in 2023

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
(2024-Q2) **5.85 (%yoy)**
IDR **214.64 Trillion**

3.9% of
National
GDP



EXPORT
(2024-Q2) **-5.66 (%yoy)**
USD**6.22 Billion**

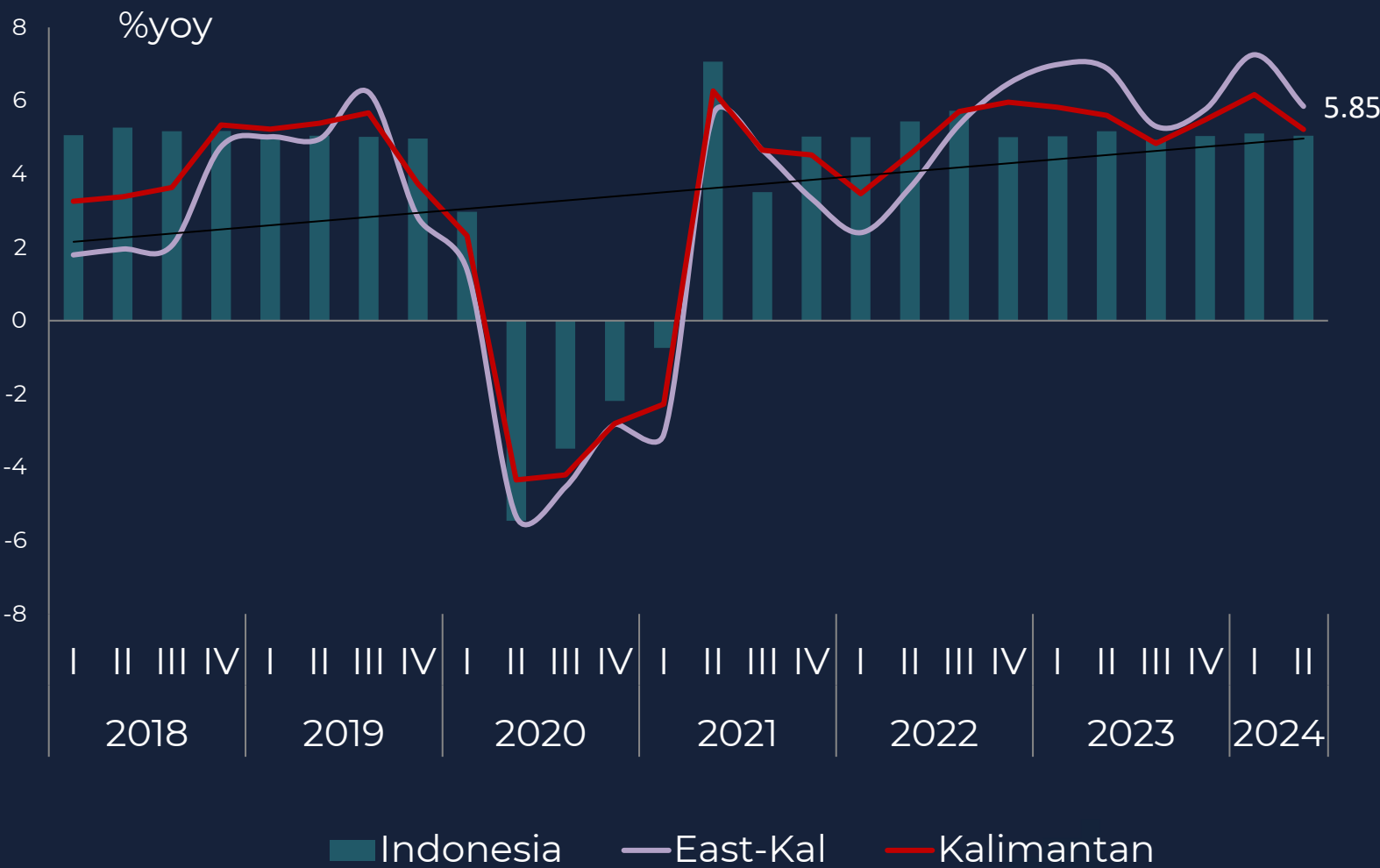
9.92% of
National
Export



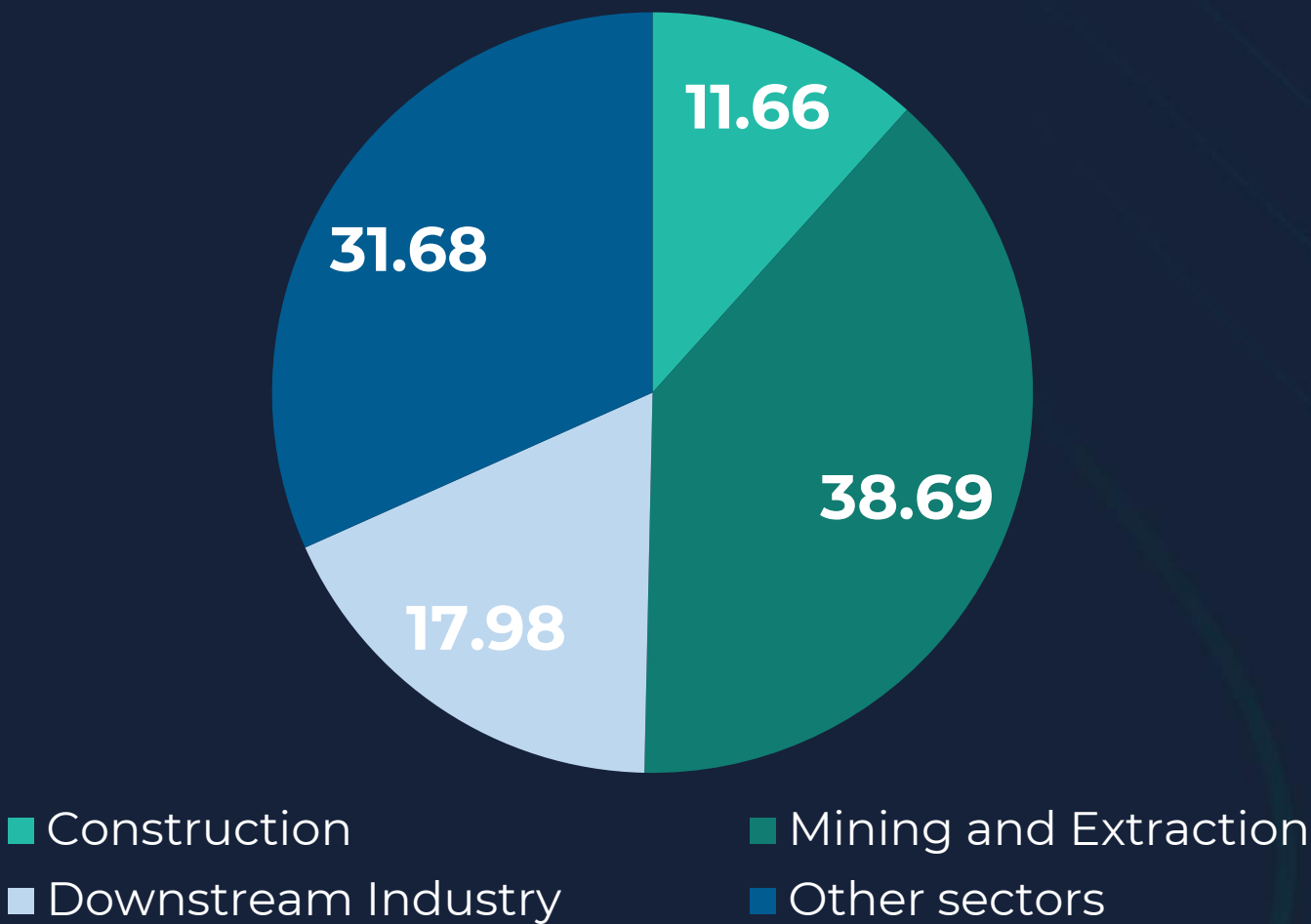
HDI
78.20
(2023)

4th in
Indonesia

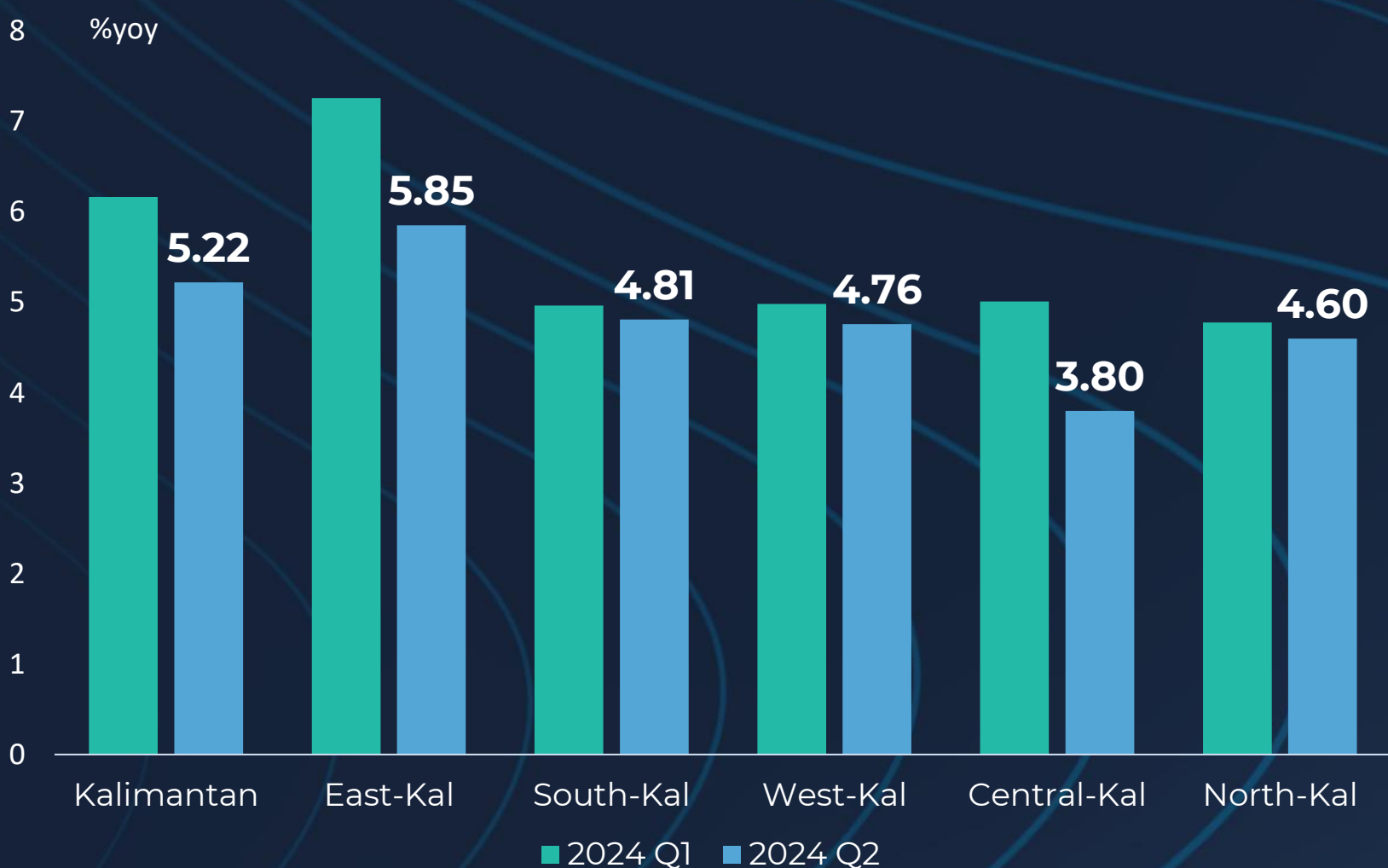
ECONOMIC GROWTH



ECONOMIC CONTRIBUTION



COMPARING PROVINCIAL GRDP



East Kalimantan's Strategic Development Priorities



Based on East Kalimantan Provincial Government Work Plan for 2025, the goal is to optimize economic diversification, supported by improved regional infrastructure and competitive human resources through 8 (eight) regional development priorities.



Accelerating growth of non-oil & gas (OG) and non-coal sector, mainly on downstream industry

Enhancing human resource competitiveness to promote the employment

Enhancing health quality by improving the access to medical services

Providing better regional infrastructure to support the development of economy and basic services fulfillment

Providing the access for basic needs and expanding social-economy access for vulnerable people

Improving the sustainability of living-environment

Enhancing the governance of local government to improve public services

Strengthening the capacity of the NCC's bordering regions

Economic Policy Direction

The Provincial Government of East Kalimantan aims to accelerate economic recovery on three main focuses including Maintaining Stability of Economic Growth at 6%, Achieving Economic Growth of Non-OG & Non-Coal Sector at 9,5-10%, Encouraging Economic Inclusiveness

TO MAINTAIN STABILITY OF ECONOMIC GROWTH AT 6%

1. Maintaining and improving the regional investment as NCC economic superhub.
2. Controlling inflation rate to maintain purchasing power.
3. Improving government spending quality through increasing public spending.
4. Increasing interregional net-export trade in non-mining commodities.



TO ACHIEVE ECONOMIC GROWTH OF NON-OG AND NON-COAL SECTOR AT 9,5-10%

1. Strengthening the performance of manufacturing industry, by encouraging productivity for existing industries and encouraging the entry of new industries.
2. Increasing the productivity of agricultural production through intensification of food, horticulture, farming, fisheries, and the extensification of plantations.
3. Promoting construction, trade, transportation, F&B, and tourism sectors by capturing opportunities from the presence of the NCC.
4. Enhancing the infrastructure that supports economic activities.

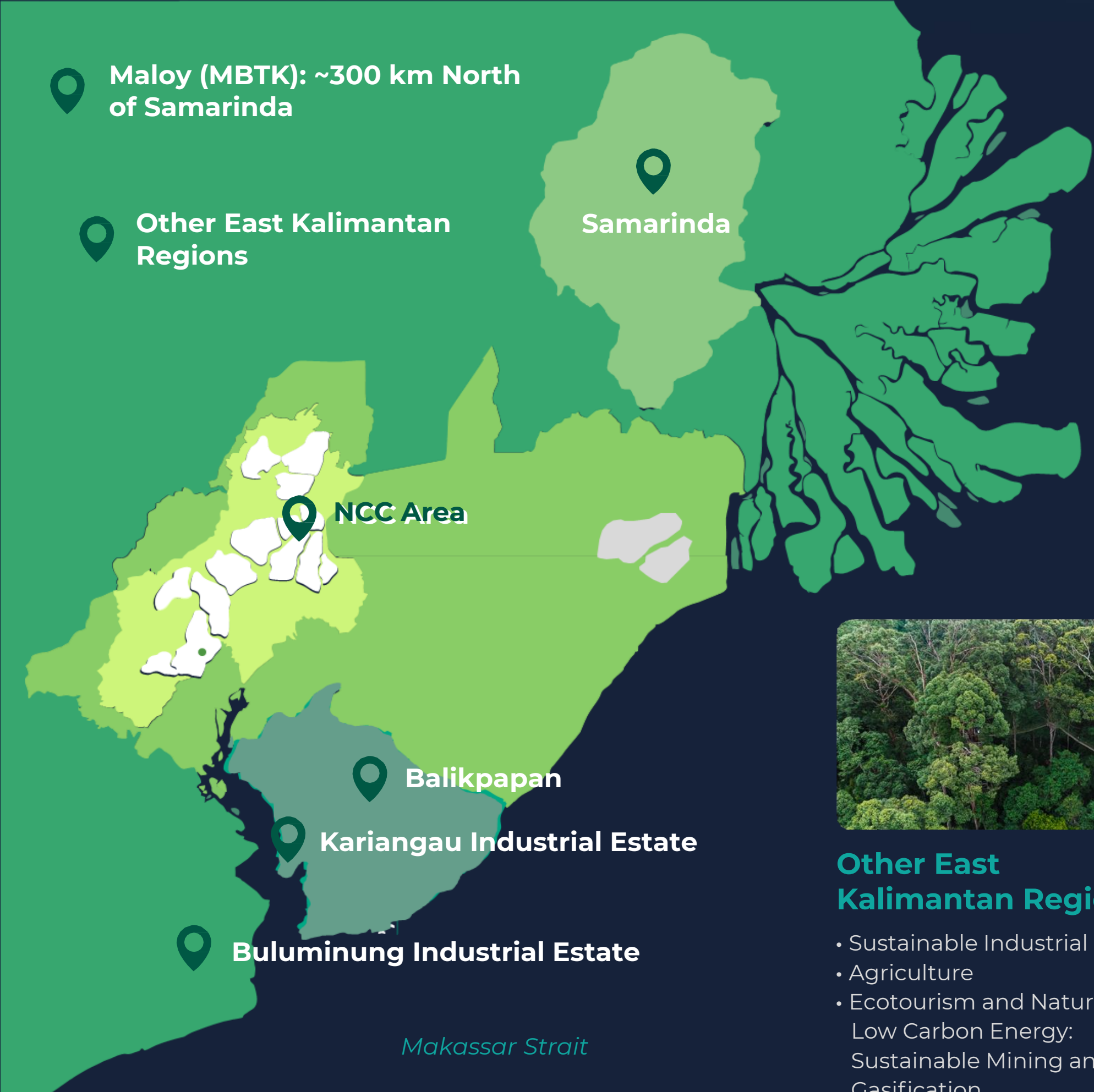
ECONOMIC INCLUSIVENESS

Increasing the economic growth impact on all levels of society, through increasing community access to local economic activities, increasing the value for superior products, encouraging the growth of labor-intensive sectors, and preparing competent human resources to compete in the labor market.



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 Q2-2024, 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 infrastructure. Meanwhile, in the housing sector, the progress is driven by the construction of civil servant flat, which targeted to be complete in several stages until November 2024. The construction of Central Government Area is accelerated due to the 79th Indonesia Independence Day Ceremony. The massive construction also will be carried out after the completion of the construction of other sectors, especially land/roads..

INVESTMENT GROUNDBREAKING IN IKN

Until June 2024, there are 6 phases of investment groundbreaking in IKN, with the total investment worth of Rp51,35T.

Phase 1 (~Rp22.9T)
September 2023

Nusantara Consortium – Mall and Hotels

Hotel

Hospital

International Soccer Training Center

Phase 2 (~Rp15.5T)
November 2023

Hospital

Mall and Hotel

International School

Private Hospital

Revitalisation of Public School

VVIP Airport

State Labor Insurance

Central Bank

Solar Power Plant 50 MW

Phase 3 (~Rp4.78T)
December 2023

Tropical Forest

Reforestation and Rehabilitation

Hospital

Apartment

Mixed Use

Mixed Use

Green Transportation

Police Office

Military Office

Phase 4 (~Rp4.26T)
January 2024

Warehouse

Warehouse

Hotel

Radio

Green Pesantren

Logistics Hub

Phase 5 (Rp2.1T)
February-March 2024

Financial Services Authority

National TV Station

Smart Office

State Health Insurance

Phase 6 (~Rp1.75T)
June 2024

International School & Sport Center

University

Islamic School

Sustainability Hub

Botanical Garden

Lifestyle and F&B Area

Telco Office

Banking Sector

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

The figure consists of three bar charts labeled Skenario 1, Skenario 2, and Skenario 3, each showing the impact of IKN relocation on regional and national economic performance. Below these is a BI Study bar chart showing the impact on economic performance across various regions.

Region	Skenario 1	Skenario 2	Skenario 3
Kalim	22.75	22.75	22.75
Kalera	1.38	1.38	1.38
Kallang	0.42	0.42	0.42
Nasional	0.32	0.32	0.32
Kalasi	0.23	0.23	0.23
Kalari	-0.12	-0.12	-0.12
Rjara	-0.24	-0.24	-0.24
Sumatra	-0.39	-0.39	-0.39
SulTang	-0.51	-0.51	-0.51
DNI	-1.01	-1.01	-1.01

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 development of the Nusantara in 2024 continues and become even more massive.

UPDATE ON IKN DEVELOPMENT PROGRESS

Balang Island Bridge (Short Side)

Project value
Rp471.39 B

Financing Resource
100% APBN

Physical Progress
79.87% APBN

Toll Road for IKN access

Project value
Rp 11 T

Financing Resource
KPBU (PPP)

Completion Target
2024

Presidential Palace Area

Presidential Palace & Ceremony Field

Physical Progress
71.83%

President Office

Physical Progress
89.99%

State Secretariat Building

Physical Progress
89.78%

Completion Target
October 2024

Civil Servant Flat

47 Tower

Completion Target
November 2024

Sepaku – Semoi Dam

Project Value
Rp556.4 B

Financing Resource
APBN

Location
Sepaku, PPU

Physical Progress
100,00%

- The dam will later serve the water treatment installation in the core area of central government (KIPP) and also Balikpapan City. Apart from that, the dam is also used to control floods, especially in downstream areas.
- The dam has a total volume capacity of 16.17 million m³ with a length of 450 meters and a dam height of 25 meters.
- Sepaku-Semoi Dam is projected to become a source of electricity using floating solar power plants with a capacity of 100 megawatts (MW)

Ministry House

36 unit

Completion Target
2024

Physical Progress
91.70%

Nusantara Hotel

Number of Rooms
191 units

Project Value
Rp 20T

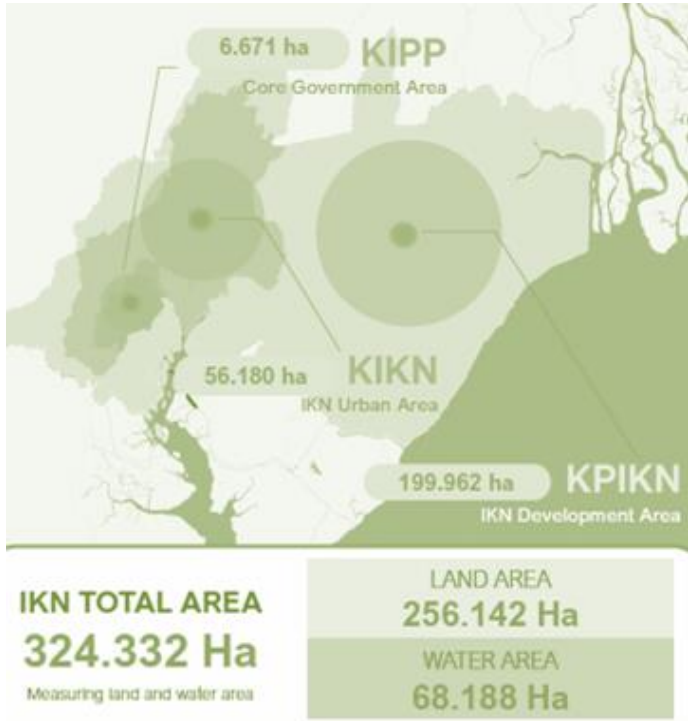
Completion Target
2024

Progress
Half Operate, Finishing Stage



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



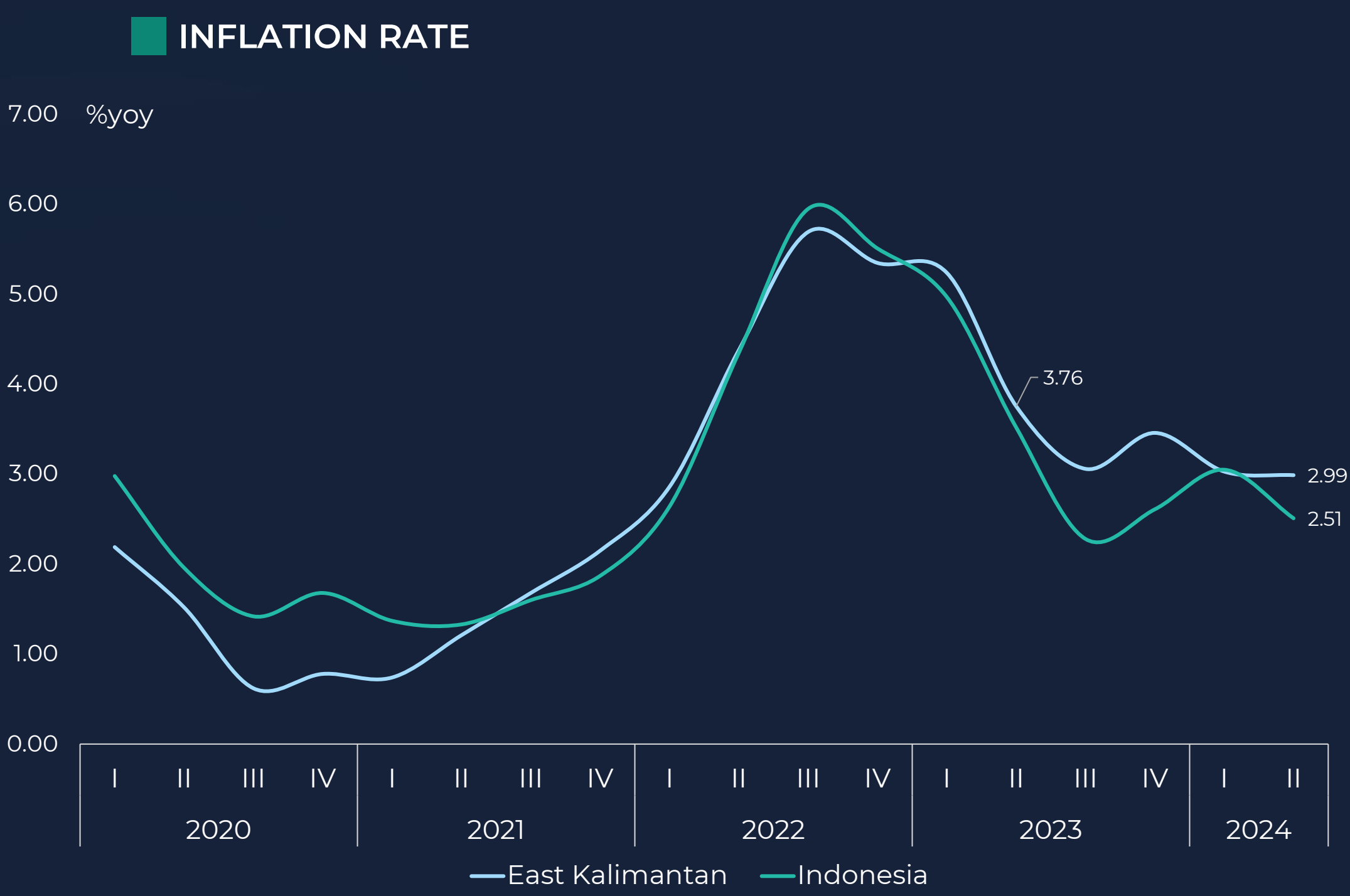
Basic Design of IKN Landscape



INFLATION RATE

The inflation rate of East Kalimantan in the second quarter of 2024 was recorded at 2.99% (yoy), which is lower than the same periode in previous year rate of 3.76% (yoy). In addition, the inflation rate of East Kalimantan was slightly higher than the national inflation rate of 2.51% (yoy).

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.



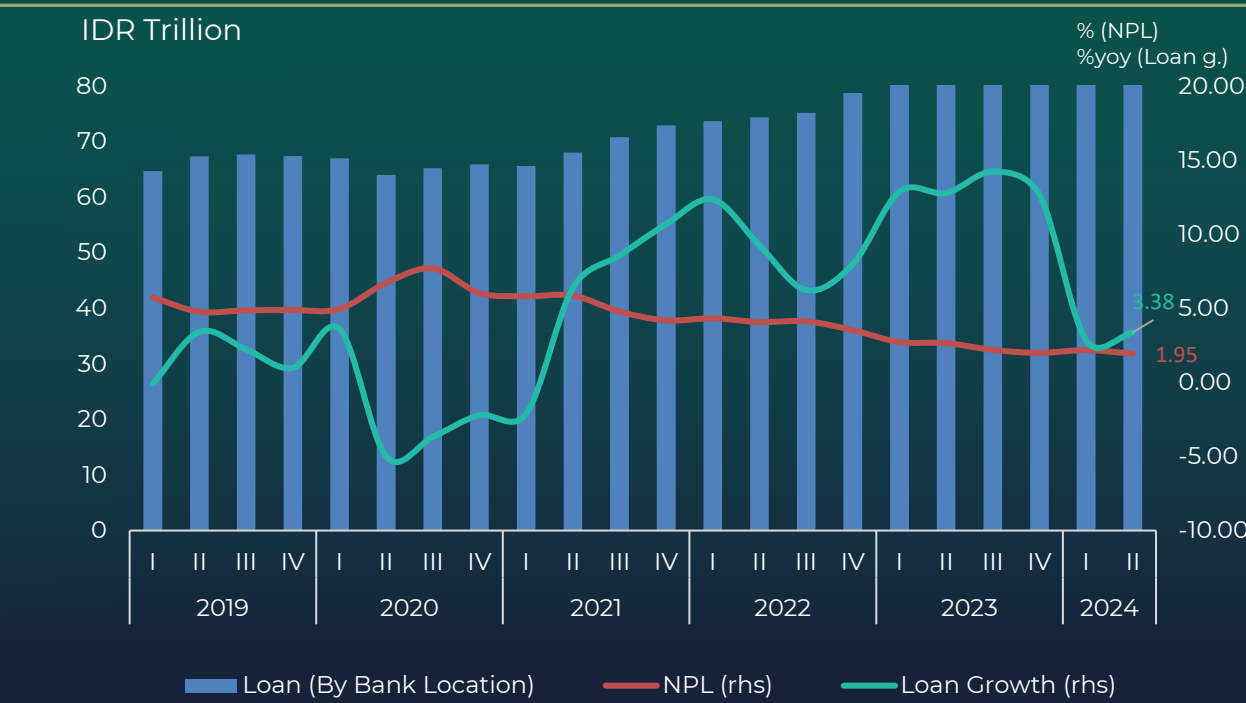
PERIODICAL INFLATION RATE (2024-Q2)

- 2.99 Quarterly Inflation Rate (%yoy)
- 0.04 Monthly Inflation Rate (%mtm)
- Higher than previous year period
- Lower than previous year period

BANKING SECTOR PERFORMANCE

The performance of the banking sector remained stable in 2024-Q2, as evidenced by the low NPL ratios level. The loan growth rate was recorded at 5.54% (yoy) based on project location, while the third-party funds recorded at 8.52% (yoy). Additionally, the assets grew by 5.66% (yoy). Moreover, the Mining sector accounted for 21.50% of the total loans, followed by the Agriculture and Forestry sector accounted for 18.75%.

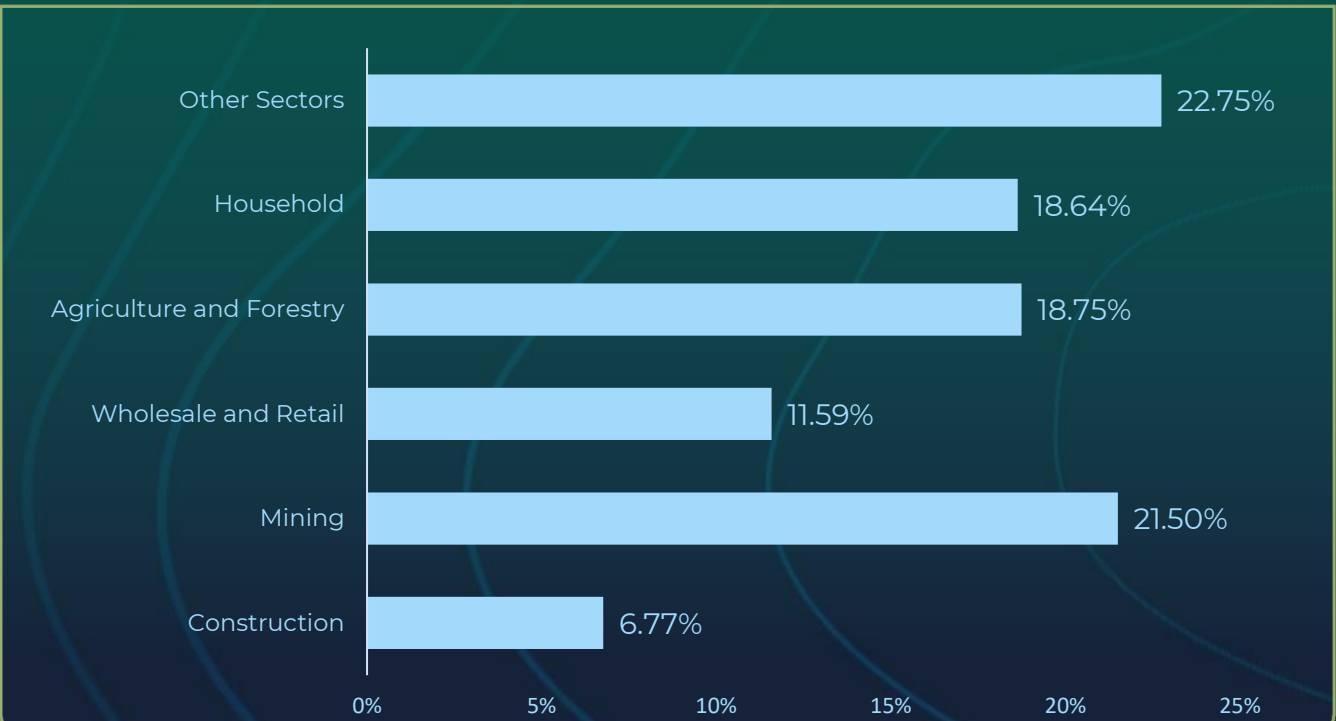
Loan & NPL Based in Bank Location



Loan & NPL Based in Project Location



Loan Provision by Sector (2024-Q2)



Asset Growth



SME Loan & NPL

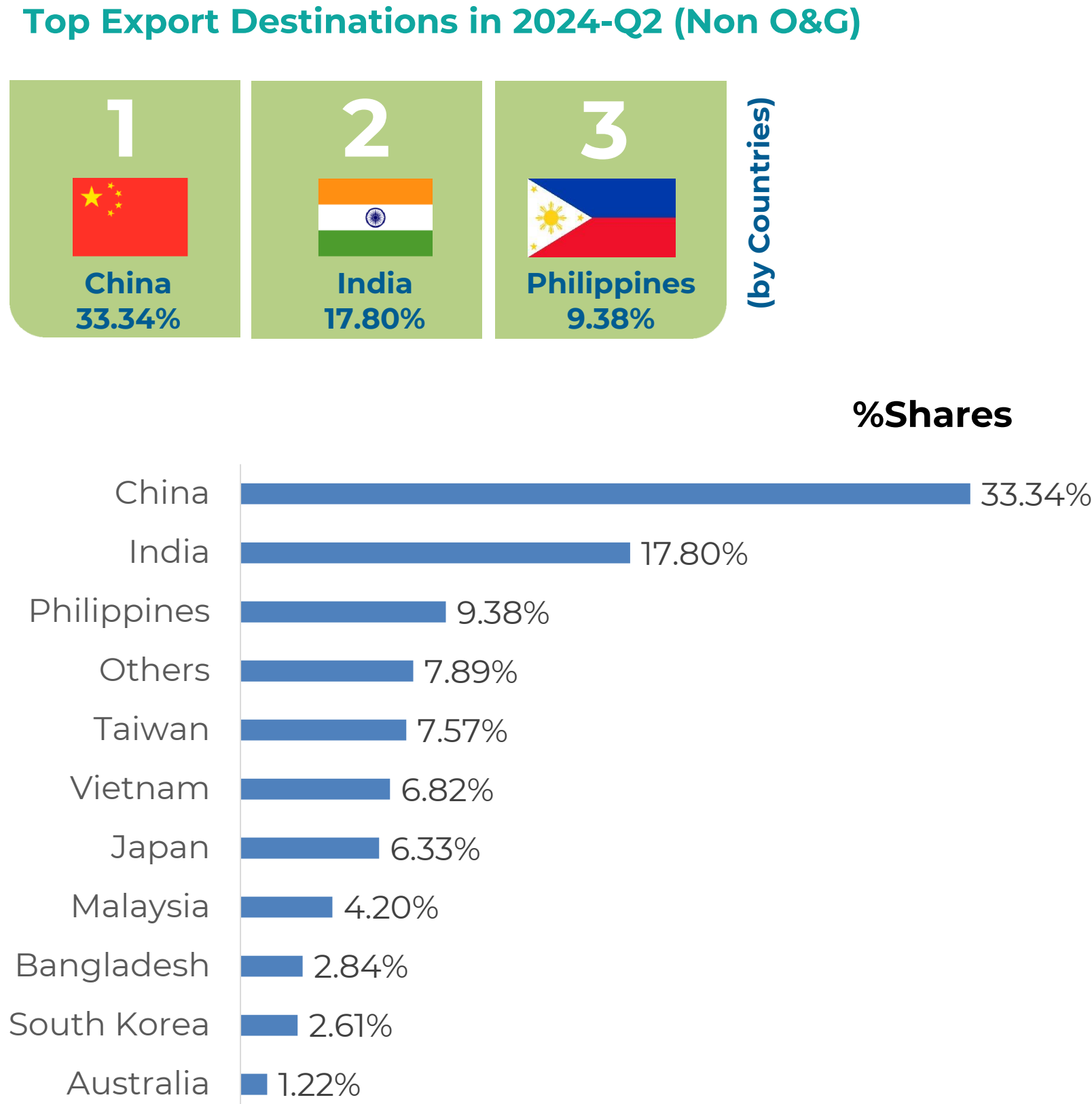
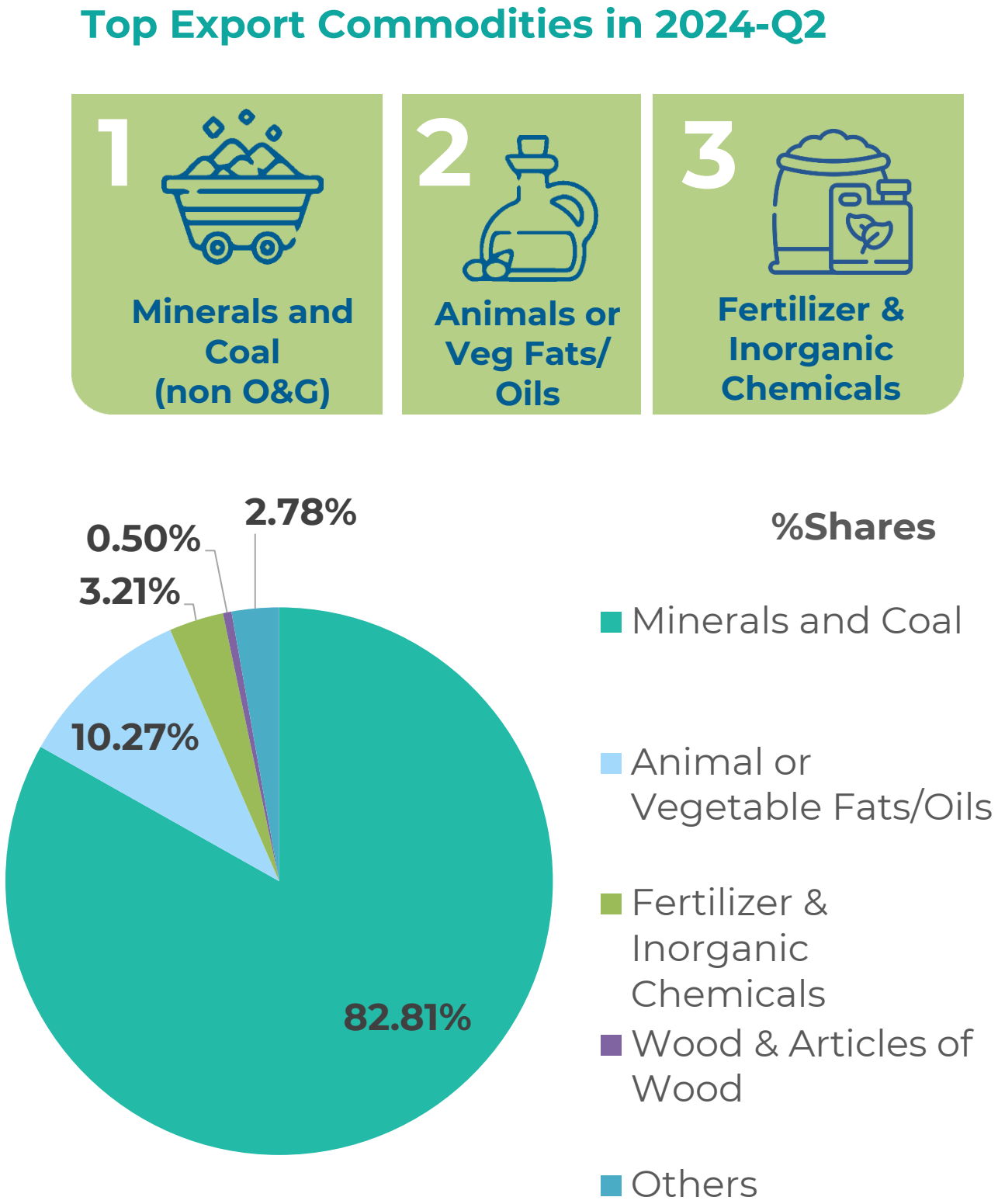
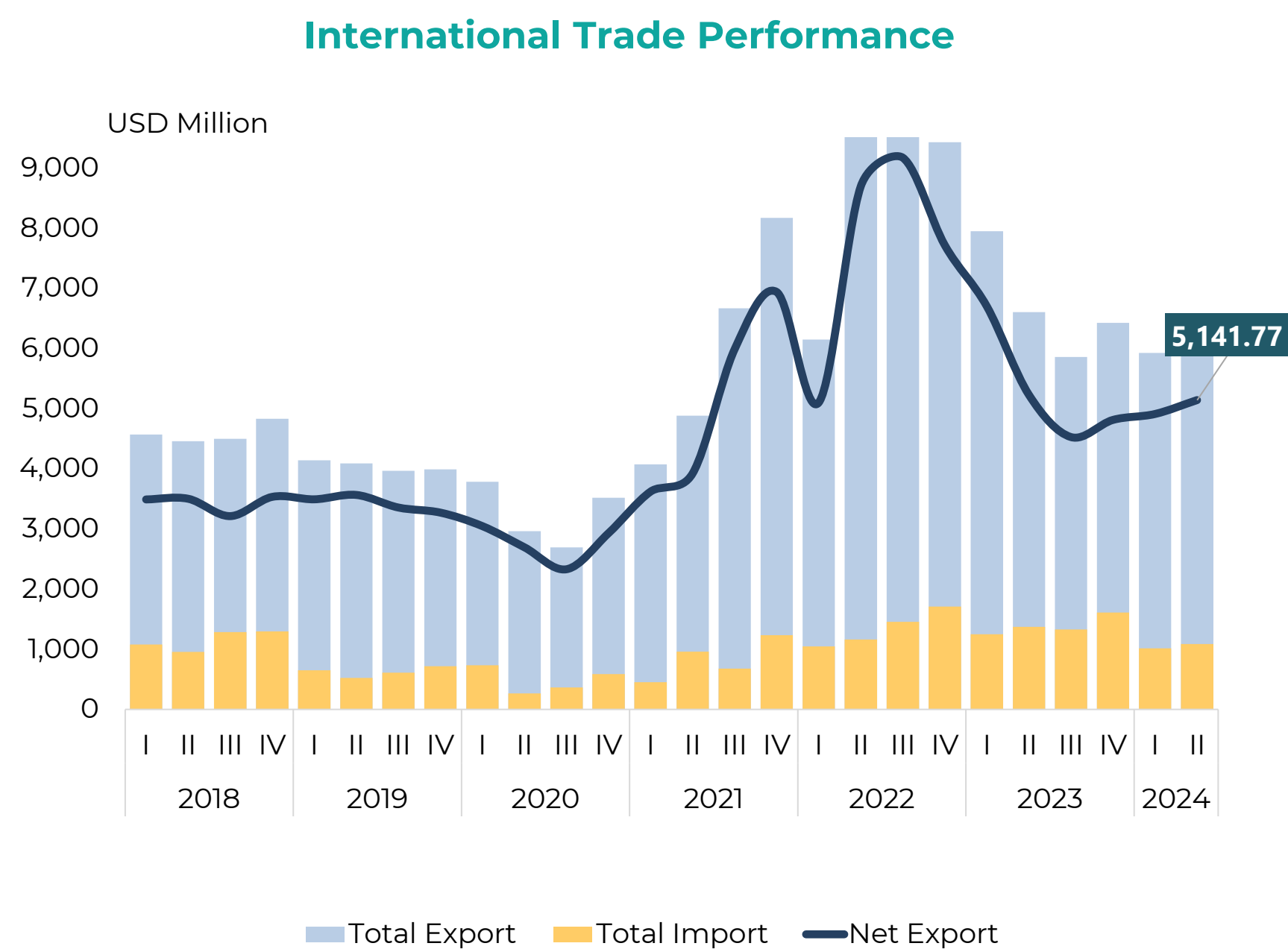


Third - Party Fund Growth



The net export value of East Kalimantan in 2024-Q2 has increased compared to previous quarter. Non-oil and gas (O&G) commodities, including minerals and coal, accounted for 82.81% of the total export value, followed by animals or vegetable fats/oils, and fertilizers & inorganic chemicals.

With a net export value estimated at USD5.14 billion in 2024-Q2, East Kalimantan is still exhibiting a promising trend. On the other hand, the top buyers of East Kalimantan's exports were primarily from China (33.34%), India (17.80%), and Philippines (9.38%).



Source: Central Bureau of Statistics of East Kalimantan; Directorate General of Customs and Excise

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

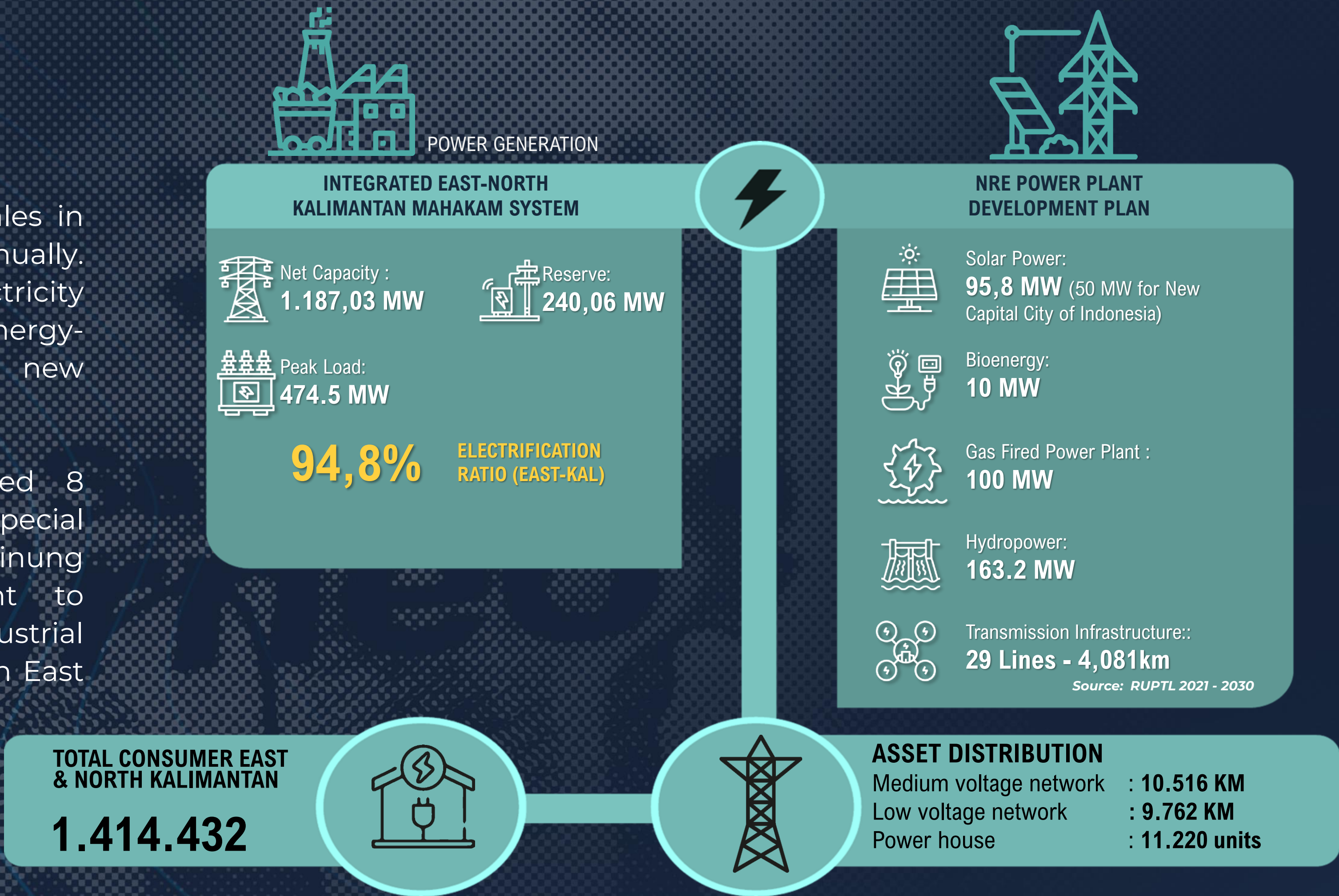
Palaran (Samarinda) International
Cargo - *Operational*

Kariangau (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

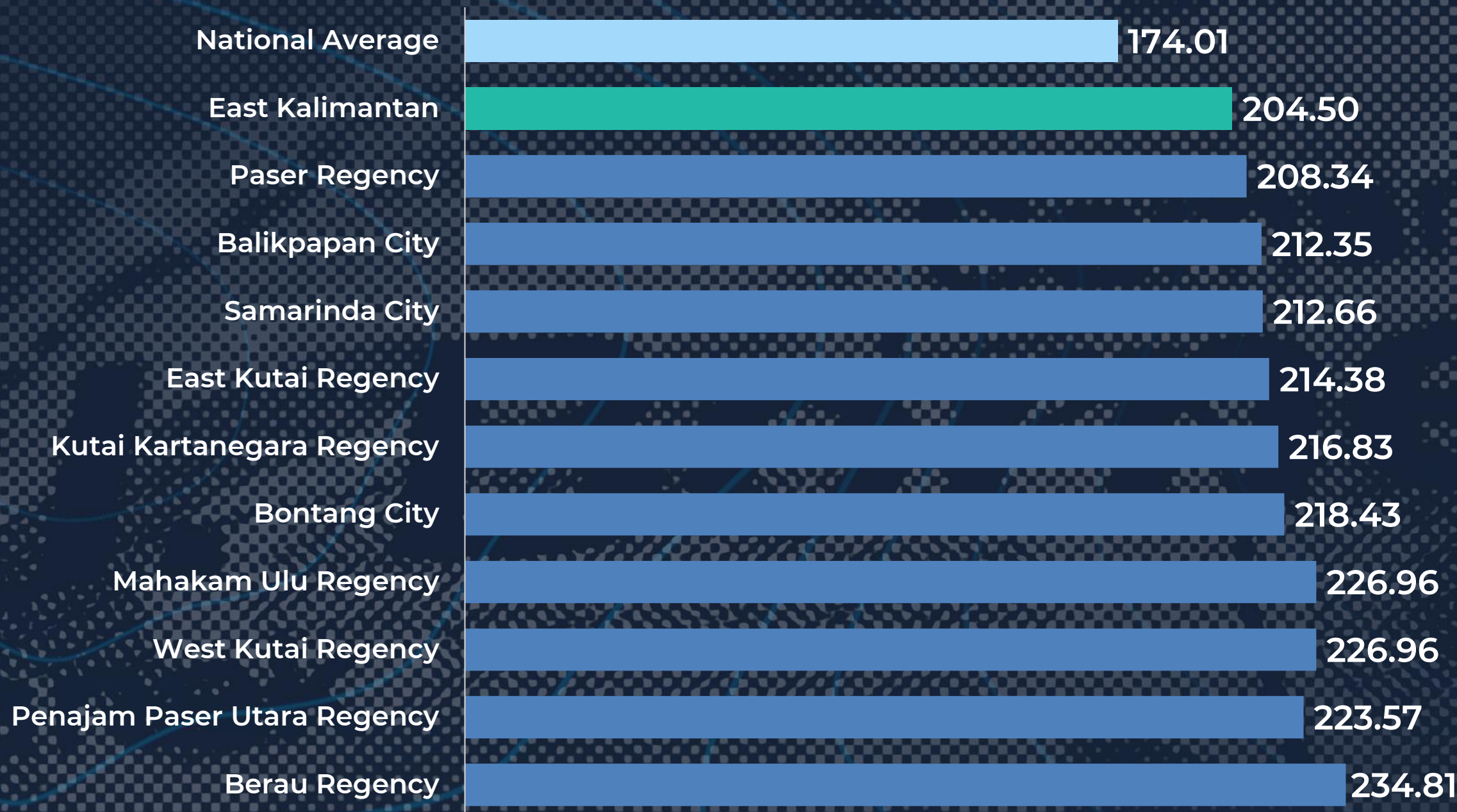


HUMAN CAPITAL AND MINIMUM WAGE

MINIMUM WAGE RATE

The average of minimum wage in East Kalimantan in 2024 is IDR 3.360.858 (USD 204.50). This is more competitive compared to other industrial regions such as Jakarta (IDR 5.067.381 or USD 323.69) and Karawang Regency in West Java (IDR 5.257.834 or USD 335.86).

Minimum Wage Rate



*USD/IDR Exchange Rate per February 28th , 2024: USD 1 = Rp15,655

Source: Department of Manpower and Transmigration of East Kalimantan Provincial Government

And Governor Decree No.100.3.3.2/K.814/2023



HUMAN RESOURCE

Universities



54
Higher Education
Institutions



11
Universities



6
Polytechnic



20,188
Graduates in 2022

Vocational High School (SMK)



218
Vocational
High School (SMK)



4,754
Graduates
In 2022

Source: Ministry of Education, Culture, Research and Technology

Chapters 3

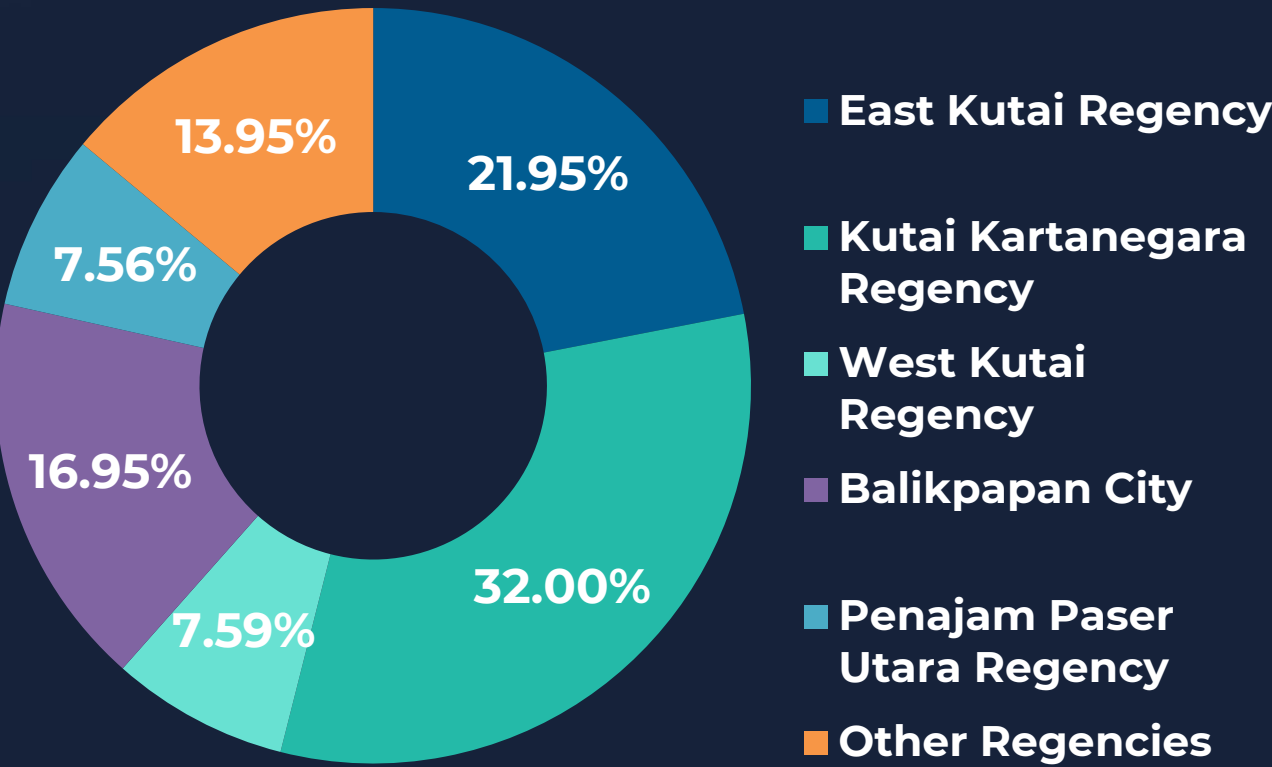
Investment in
East Kalimantan



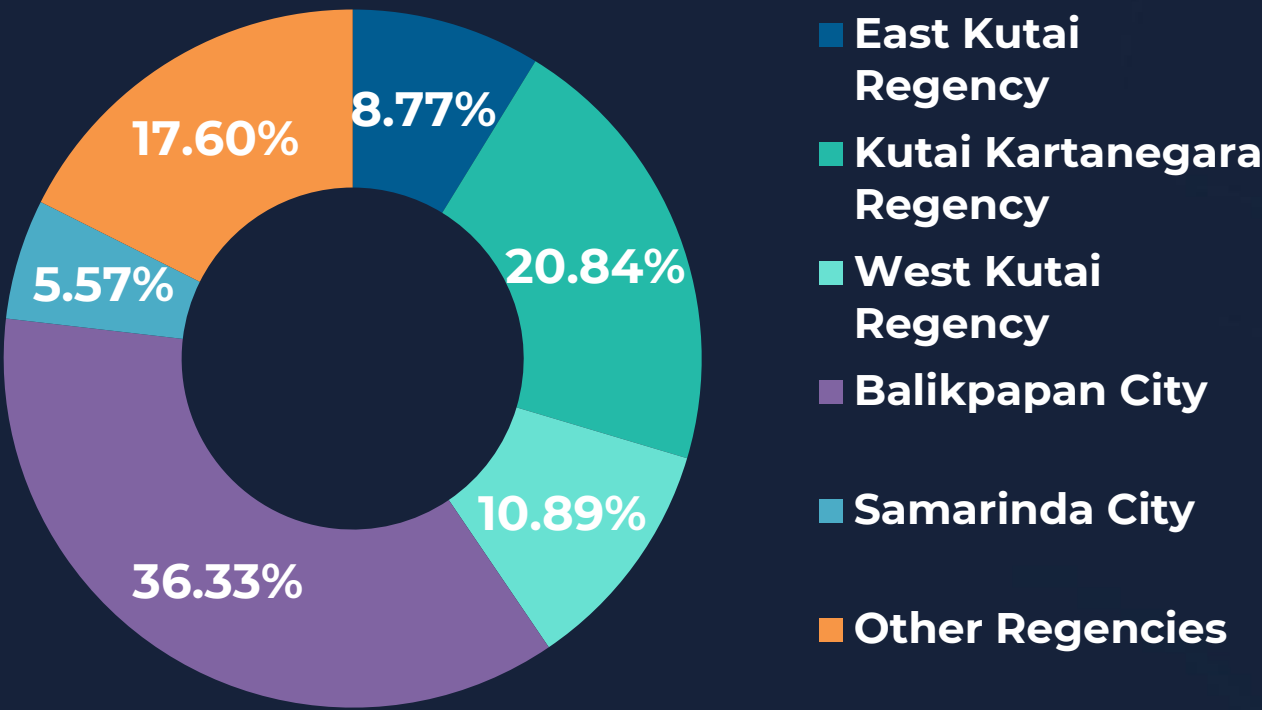
EAST KALIMANTAN INVESTMENT PERFORMANCE

The capital inflow in Foreign Direct Investment (FDI) in 2024-Q2 was valued at USD 268.46 million, which is lower than the same period last year by -12.67% (yoy). The majority of FDI has been invested in Kutai Kartanegara Regency with a value of USD 85.91 million. Meanwhile, Domestic Direct Investment (DDI) was recorded at IDR 12.47 trillion, representing a growth of 13.46% (yoy) from the same period of previous year, with the majority of DDI invested in Balikpapan City with a value of IDR 4.53 trillion.

FDI REALIZATION BY REGION



DDI REALIZATION BY REGION



NATIONAL FDI 2024-Q2

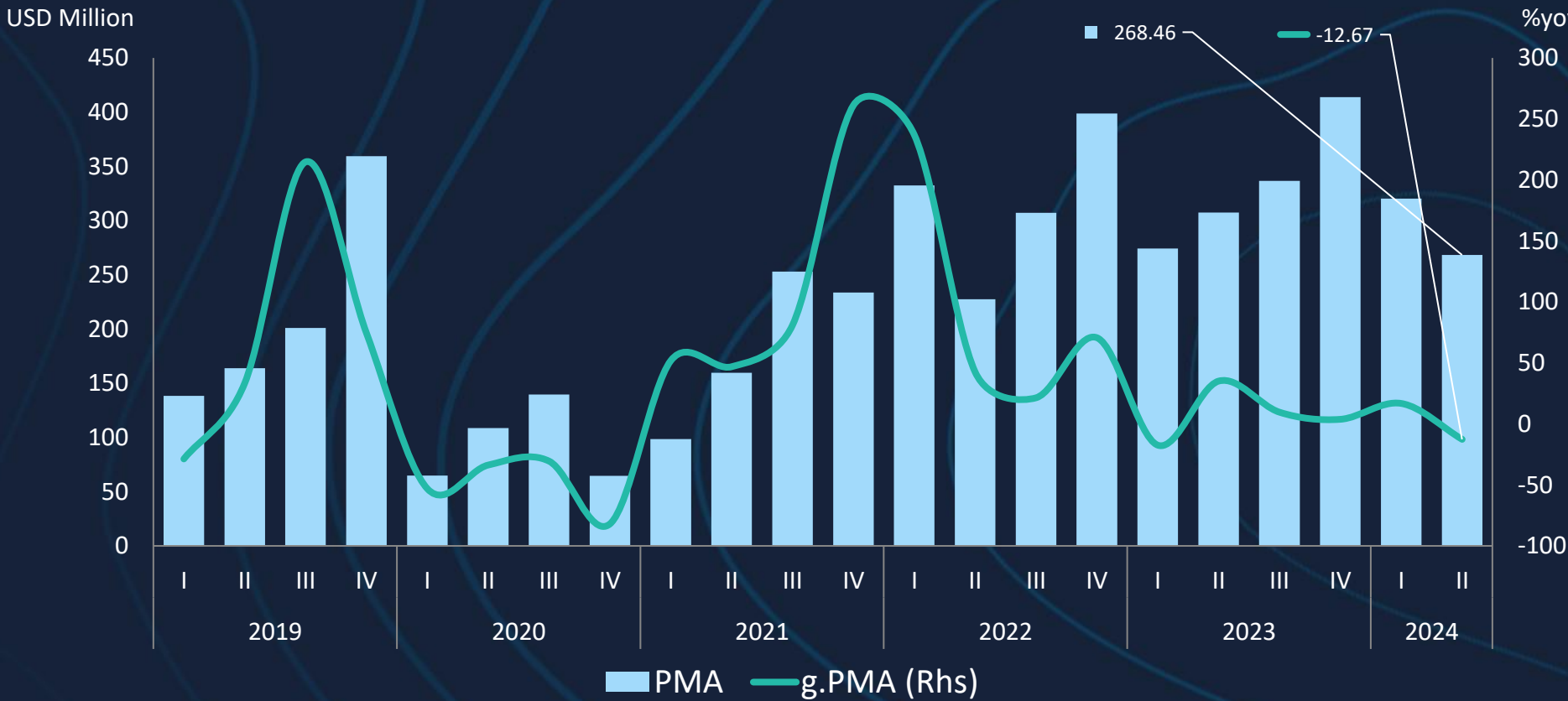
RANK 12TH OF 38 PROVINCES

NATIONAL DDI 2024-Q2

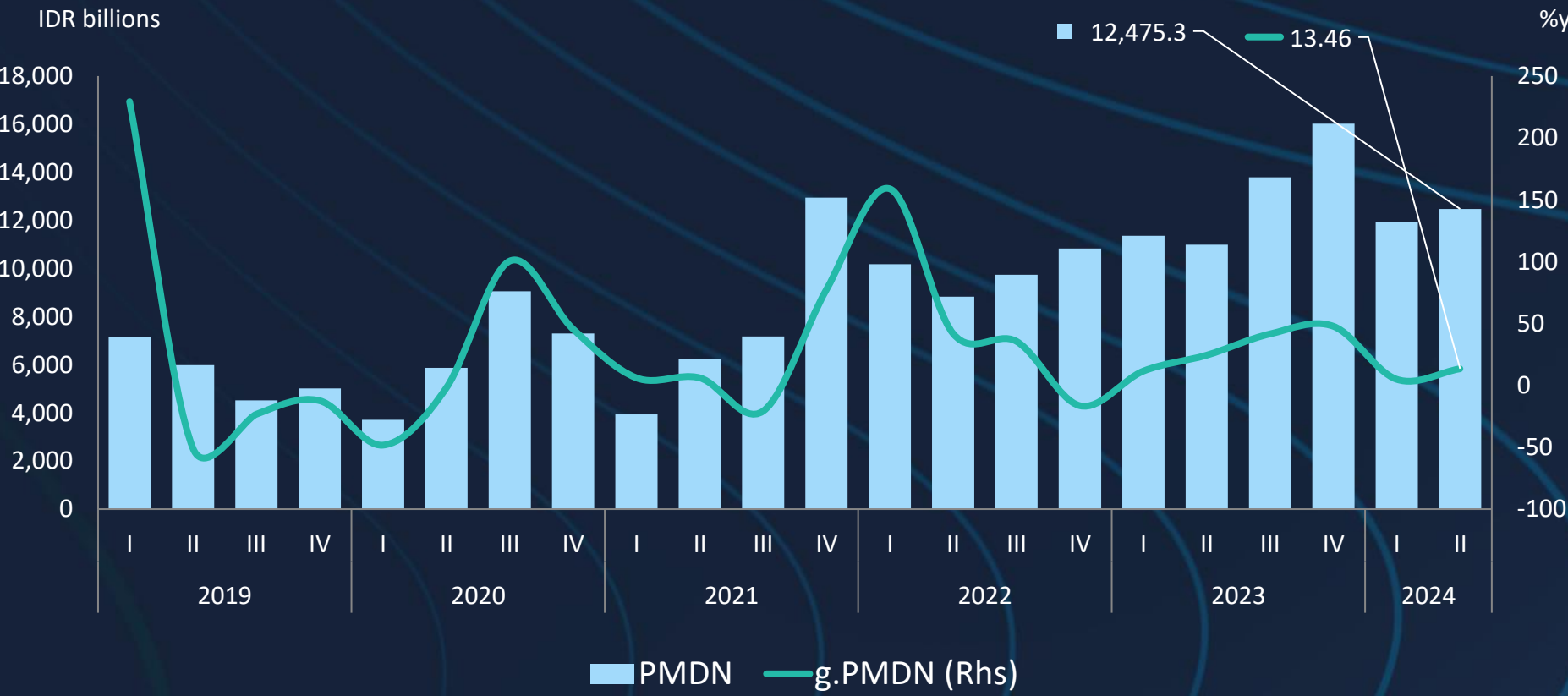
RANK 7TH OF 38 PROVINCES

Source: Ministry of Investment & DPMPTSP East Kalimantan Provincial Government

FDI GROWTH 2019 – 2024-Q2



DDI GROWTH 2019 – 2024-Q2



East Kalimantan Investment Realization

In 2024-Q2, majority of foreign investment to East Kalimantan was directed towards Mining Sector and Food Industry Sector. In addition, majority of domestic investment to East Kalimantan was also directed towards Mining Sector and Based Chemical, Chemical Product, and Pharmaceutical Industry Sector. In 2024-Q2, FDI projects in East Kalimantan was 750 projects, absorbing 3.297 workers in total. The main country of origin for FDI was Singapore, accounting for 38.23% of the total, followed by China with 24.28%. On the other hand, East Kalimantan's DDI had 6.577 projects that employed a total of 8.823 workers.

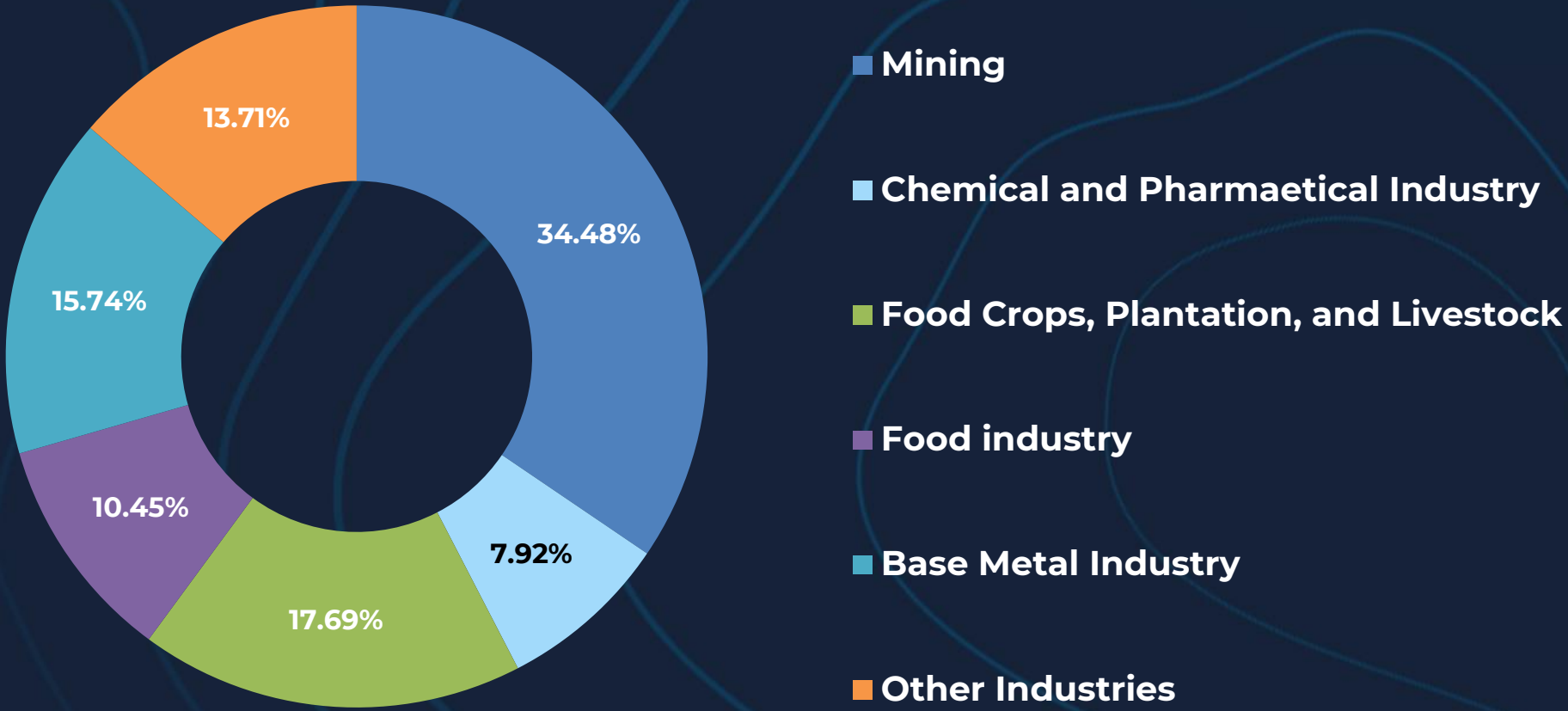
TOP 5 FDI REALIZATION BY COUNTRIES IN 2024-Q2

Rank	Country of Origin	Investment Value (Share in Total FDI Realization)
1	Singapore	USD 67.23 Million (38.23%)
2	China	USD 42.70 Million (24.28%)
3	Malaysia	USD 23.96 Million (13.63%)
4	British Virgin Island	USD 17.74 Million (10.09%)
5	United Kingdom	USD 16.09 Million (9.15%)

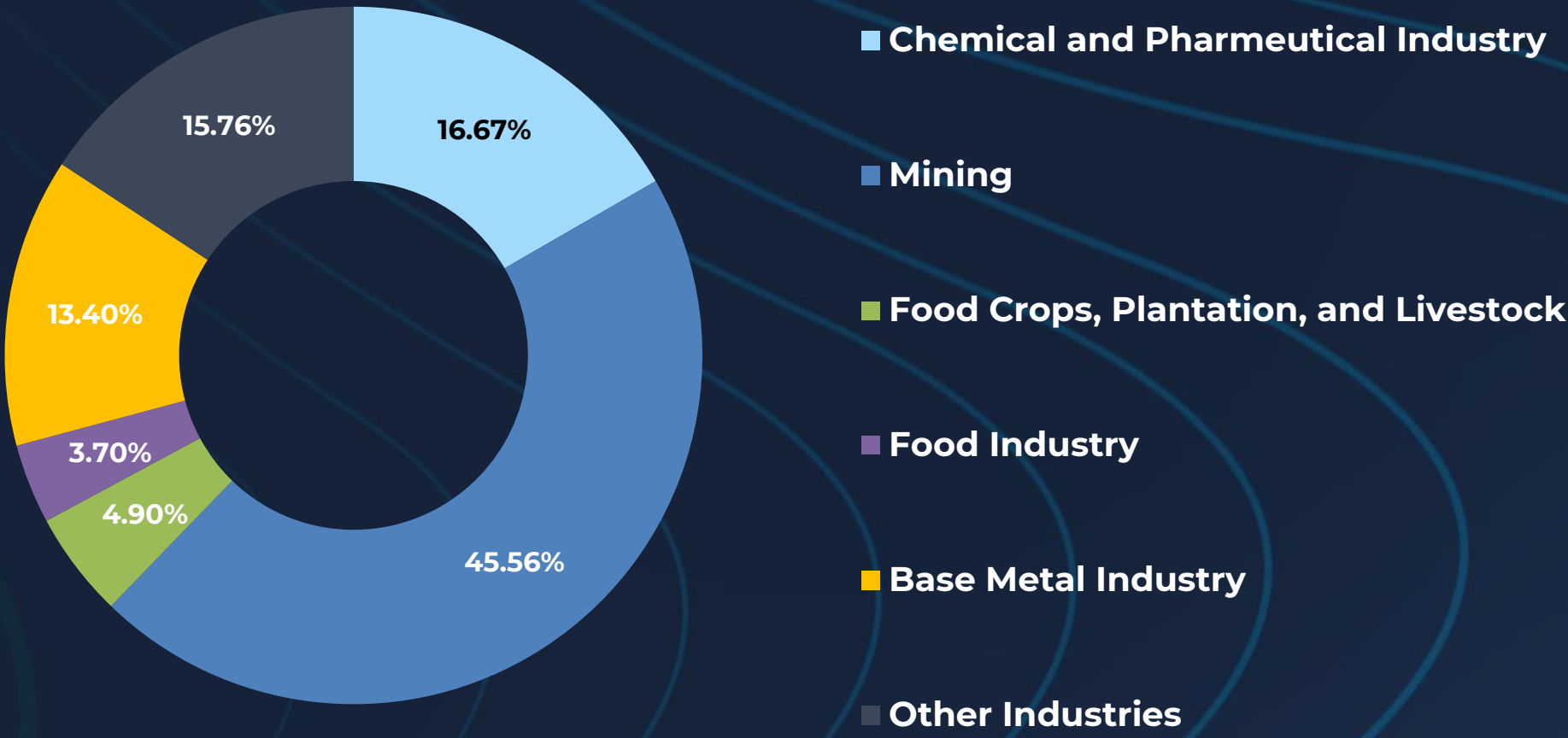
Total FDI Realization	Number of FDI Projects	Labor Absorption
USD 268.46 million (2024-Q2)	750 Projects (2024-Q2)	3.297 Workers (FDI) 8.823 Workers (DDI)

Source: Ministry of Investment & DPMPTSP East Kalimantan
 Provincial Government

TOP 5 : FDI REALIZATION BY SECTOR



TOP 5 : DDI REALIZATION BY SECTOR



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



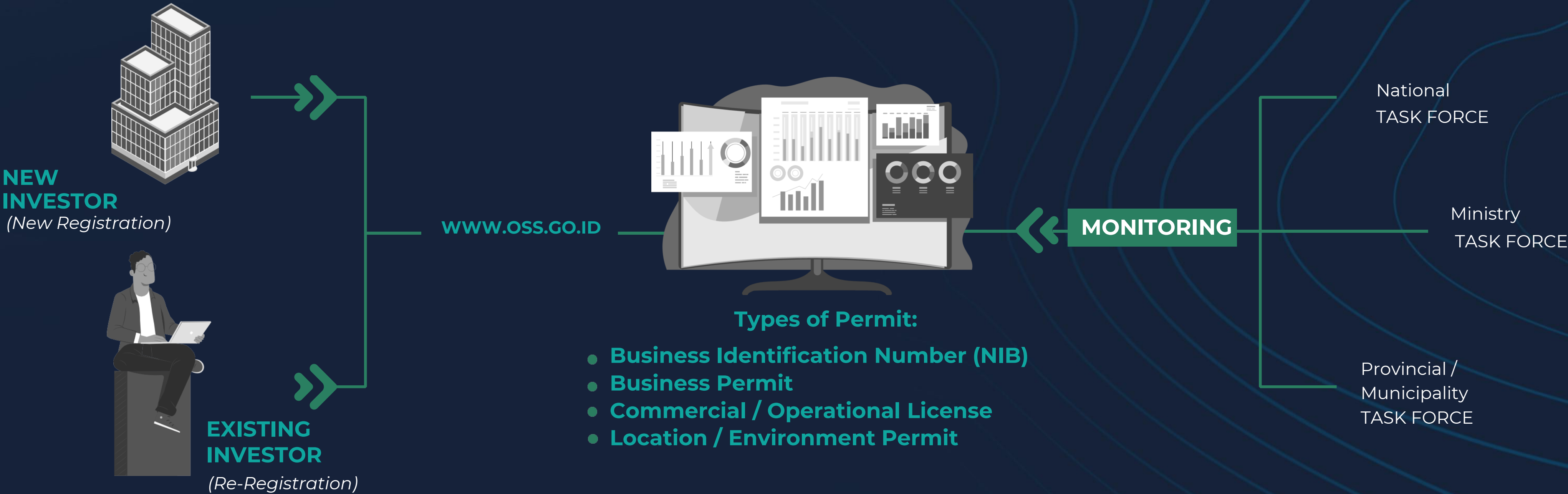
The Advantage of Using OSS

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

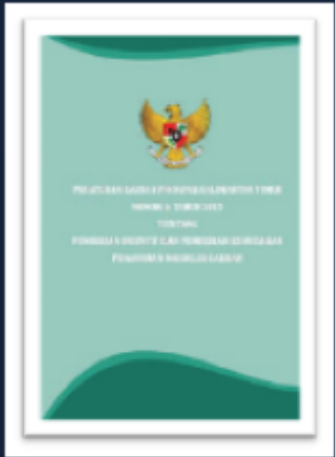
<div>30% CIT</div> <div>TAX</div>	30% net CIT deduction from investment value in the form tangible fixed capital carried over 6 years period (5% every year)
<div>Accelerated depreciation of tangible fixed assets and accelerated amortization of intangible assets</div>	
<div>10%</div> <div>Income Tax</div>	Imposition of income tax on dividends by 10%
<div>5 to 10 yr</div> <div>Bar Chart</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



INCENTIVE ADMINISTRATION AND FACILITATION OF CAPITAL INVESTMENT IN THE REGION	EAST KALIMANTAN PROVINCE Regional Regulation No. 6/2015	SEZ MBTK Governor Regulation No. 53/2019	BALIKPAPAN CITY Regional Regulation No. 11/2015	BONTANG CITY Regional Regulation No. 1/2017	WEST KUTAI REGENCY Regional Regulation No. 16/2015	EAST KUTAI REGENCY Regional Regulation No. 2/2019
Incentives						
Reduction, relief or release of regional tax, such as:	✓	✓ *	✓ **	✓	✓	✓
Reduction, relief or release of regional retribution	✓			✓	✓	✓
Facilitation of capital inclusion	✓					
Loan interest subsidies in regional bank	✓					
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	✓	✓	✓	✓	✓	✓
Provision of training for small-medium investors						✓
Provision of investment promotion and capital opportunity						✓
Acceleration of permission provision	✓	✓	✓	✓	✓	✓

*) **Malay Batuta Trans Kalimantan Special Economic Zone:** Reduction incentive is given max. 50% of tax principal payable and administrative sanction being determined. The reliefs applied for Vehicle tax (PKB), Vehicle transfer tax (BBN-KB), and Surface water tax (PAP) are given for max. 5 months since tax principal payable and administrative sanction being determined. For 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.

**) Incentives is given to investors who conduct businesses in government prioritized area and/or strategic program

Chapters **4**

Trade, Tourism, Industry and
Investment Opportunities
in East Kalimantan

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Investment In Energy and Mining Sector

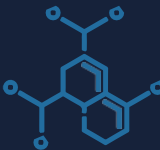
East Kalimantan is one of Indonesia biggest energy powerhouse blessed with rich earth resources from mineral fuels (coal, oil, natural gas, coal-bed methane/CBM), minerals (metal and non-metal) to NRE alternatives (water, bioenergy and solar). East Kalimantan is looking for investors and entrepreneurs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

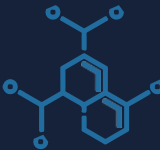


Bioenergy Power Plant Bioethanol, Biodiesel and Biomass



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: **13,5** billion tons
(verified reserves by June 2023)



Coal-Bed Methane:
108 TSCF (2023)



Oil: **985** MMSTB (2023)
Natural Gas: **46** TSCF (2023)



Uranium:
17,861 tons (2023)

Minerals



Metalic 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)

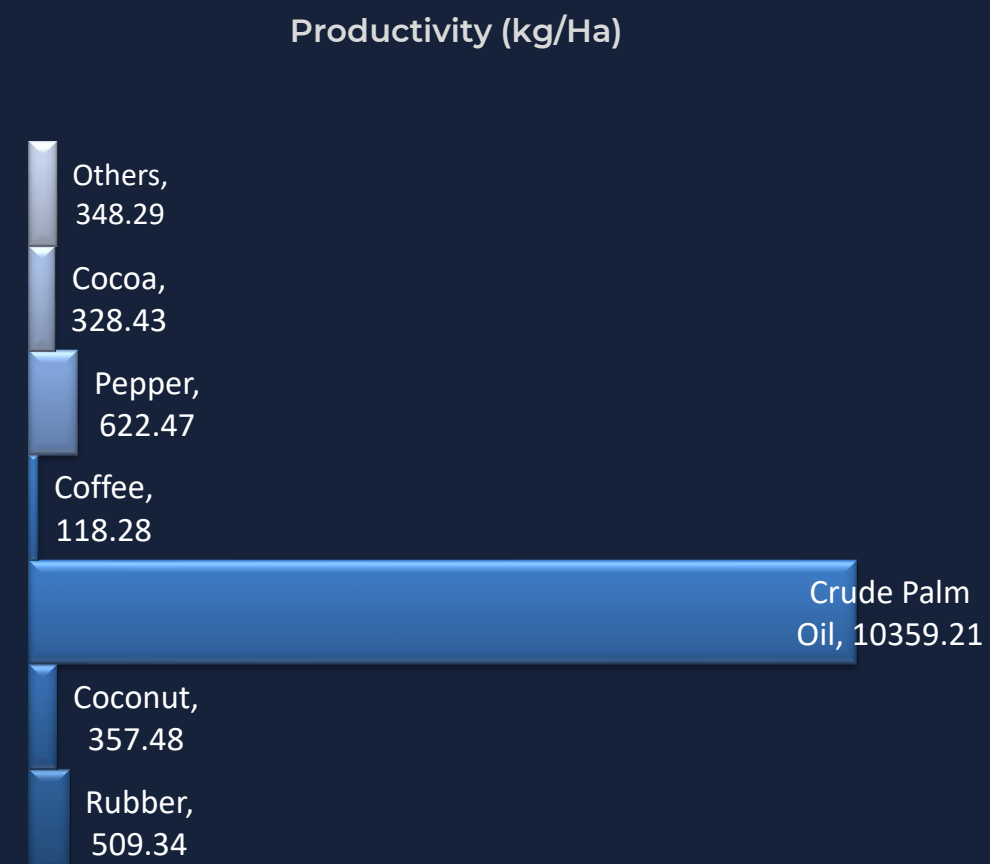
Investment In Plantation Sector

Plantation sector is one of the main sectors that drives East Kalimantan economy. In 2023, it accounted for 4.94% of the GRDP excluding CPO industry. The government pushes plantation and its derivatives industry to substitute mining and extraction sector as the biggest economic contributor due to its renewable sources. East Kalimantan is encouraging businesses to adopt and comply to sustainable practices (ISPO, RSPO standards) to protect environment and ecology.



Productivity

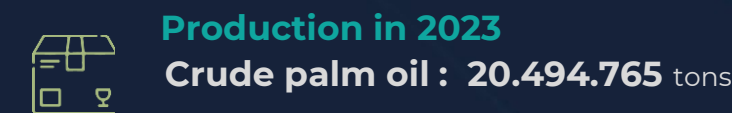
Commodity	Land Area (Hectares)
Palm oil	1.317.613
Rubber	121.690
Cocoa	7.813
Coconut	20.144
Pepper	8.161
Coffee	1.395
Others	2.518



Source: Department of Plantation East Kalimantan Provincial Government

Top Commodity

Palm Oil



Rubber



Coffee



Opportunity

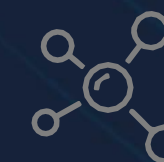
RDP Palm Oil Refinery

CPO, Palm kernel oil
Fatty acid industry



Oleochemicals

Fatty acid, alcohols,
amine , Glycerine,
Lactic acid/PLA



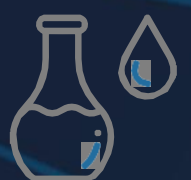
Bioenergy

Biodiesel (national B30-B100 program),
Bioethanol, POME-based
Biogas



Oleofood

Cooking oil,
Margarine,
Shortening, Jam, etc.



Natural Rubber Derivatives

Crumb rubber,
Solid latex,
Sheet, Tires, etc.



Coconut Derivatives

Coconut water, etc.



Food & Beverages

Coffee & Chocolate Powder,
Palm sugar in sachet, Choco
bar, etc.



Pepper Derivatives

Fine powder manufacture,
Pepper oil, etc.



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 2023 (tons)
Seaweed (<i>Gracilaria verrucosa</i>)	54.247
Parrot fish (<i>Oreochromis niloticus</i>)	39.221
Eurasian Carp (<i>Cyprinus carpio</i>)	15.599
Milkfish (<i>Chanos chanos</i>)	14.590
Whiteleg shrimp	17.573
Iridescent shark (<i>Pangasius Pangasius</i>)	12.346
Giant tiger prawn (<i>Penaeus monodon</i>)	12.621
Snakehead murrel (<i>Channa striata</i>)	12.346
Seaweed (<i>Eucheuma cottonii</i>)	7.070
Giant mud crab (<i>Scylla serrata</i>)	9.722
Spiny lobster (<i>Panulirus argus</i>)	34

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

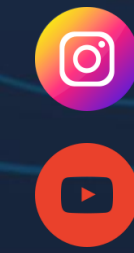
Bontang (Tuna, Mackerel, Skipjack)



Food Industry

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





East Kalimantan is more than mining and energy industry. It has some cultural and natural tourist's charms captivating the heart of local and international travellers. In East Kalimantan, tourist will find acres of lush jungles full of exotic flora and fauna; fine white sand beaches; diving wonders; and rich culture and hospitable people. Creative economy like arts, design and media are thriving pretty rapidly making more contribution to East Kalimantan's economy.

East Kalimantan Tourism Area

"Escape to East Borneo, Lost in Paradise"



Forest Ecotourism

Strategic Area

East Kutai, Bontang,
Kutai Kartanegara,
Balikpapan, Paser



Experience

Hiking/Trekking, Wildlife
viewing, Voluntourism,
Zoo, National park,
Camping, Biodiversity
tour, Karst caving and
many more



Maritime Ecotourism

Strategic Area

Mahakam Ulu, Berau,
Samarinda, Bontang,
Balikpapan, Kutai
Kartanegara



Experience

Diving, Snorkeling,
Boat tour, Marine
wildlife sightseeing,
Coral conservation,
Marine wildlife conservation,
Turtle hatching, and many
more



Cultural Ecotourism

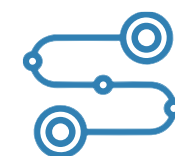
Strategic Area

West Kutai, Kutai
Kartanegara,
Samarinda



Experience

Engagement with
local tribes, Tribal
festival, Traditional
dance, Museum visit,
and many more



Opportunity

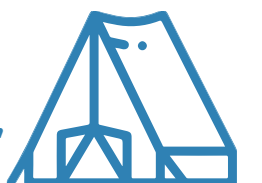
Ecolodge Accommodation

New Capital City,
Teluk Sumbang,
Kaniungan Island



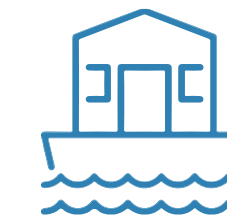
Glamping Accommodation

Beaches across East Kalimantan,
Teluk Sumbang, Kaniungan Island,
Muara Badak beach



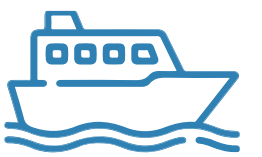
Tourism Boat: Houseboat (3 or 4 stars facility)

Mahakam river cruise :
Samarinda – Tenggarong
– Muara Muntai



Tourism Boat : Public Transport

Mahakam river cruise :
Samarinda (city tour),
lake cruise in Semayang
/Melintang / Jempang
lakes.



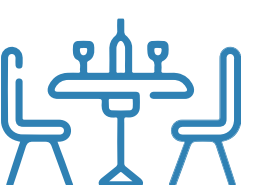
Water Transportation – Water buses / Executive speedboat

Tanjung Redep (Berau) –
Derawan Archipelago,
Maratua Island, Kaniungan
Island/ Teluk Sumbang



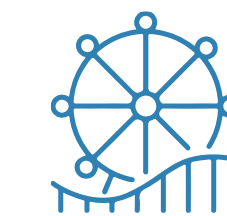
Thematic Restaurant

New Capital City,
Maratua Island,
Samarinda, Balikpapan,
Tanjung Redep,
Bontang, Sangatta



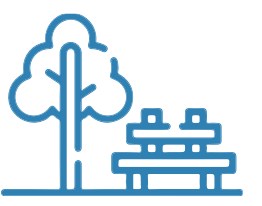
Tourism Spot Management

Kumala
Island
(Themepark)



Thematic Recreational Park

New Capital City





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



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

Special Economic Zones and Industrial Parks Opportunities in East Kalimantan



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

509,49 Ha (owned by project owner-No.33SHPL/KEM-ATR/BPN/2018)

Business Scheme

Business to Business

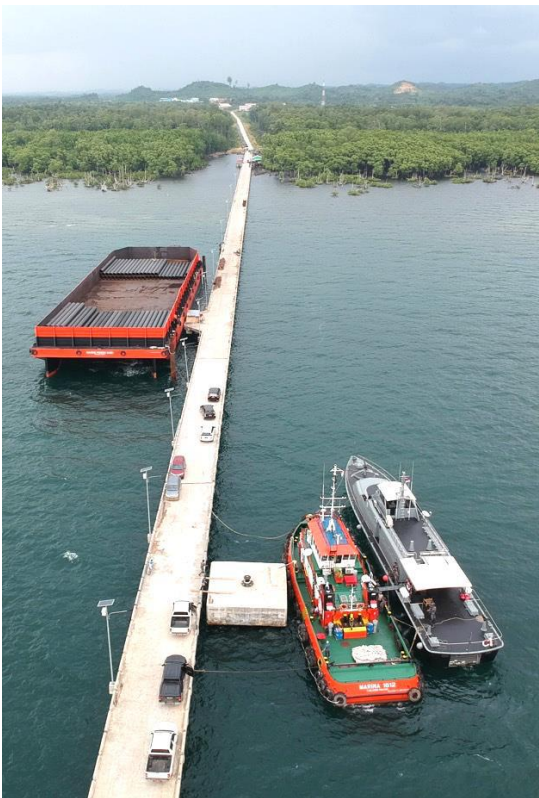
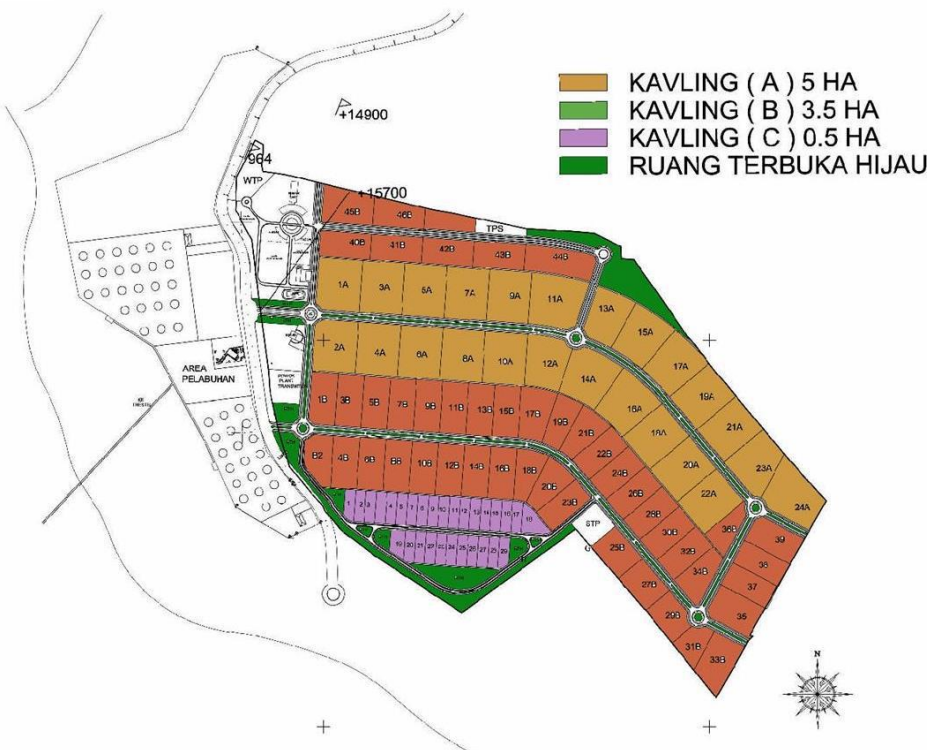
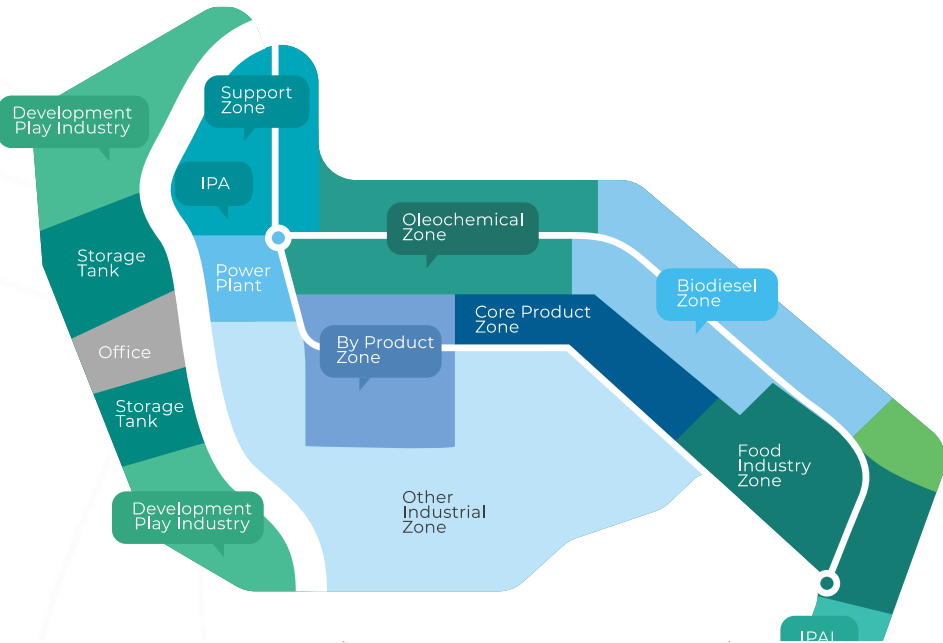
Investment Target

IDR **34.31** Billion or

US\$ **2.39** Billion (2025)

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



Contact Person
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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

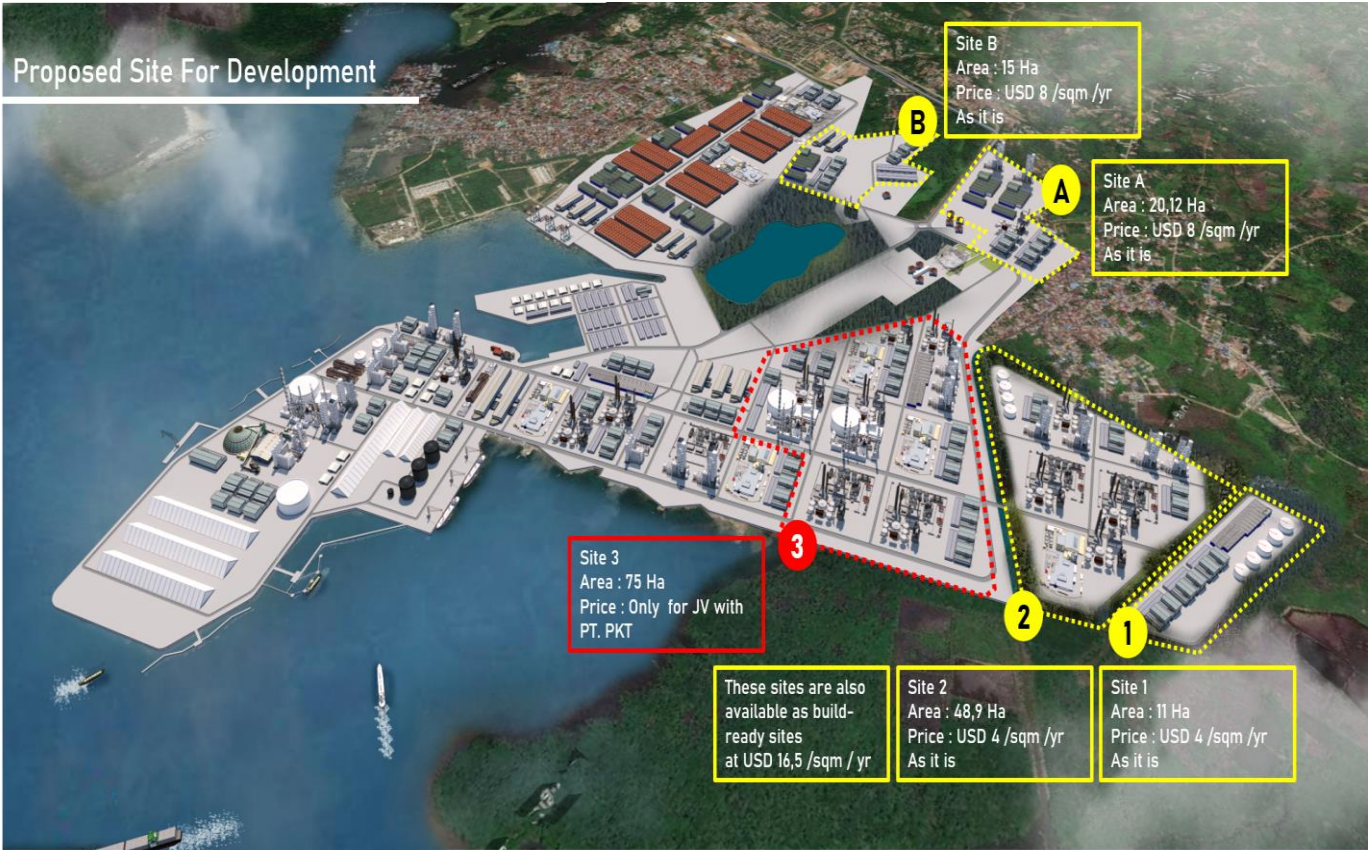
This industrial area is one with the factory area owned by PT Pupuk Kaltim. This industrial area is managed by PT Kaltim Industrial Estate, a subsidiary of PT Pupuk Kaltim.

Contact Person

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Key Investment highlight

Location

Bontang
East Kalimantan

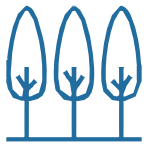


Total Area/Land Status

198.04 Ha

Rates

\$6-16.5 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

Investment Project Ready-to-Offer in East Kalimantan





Project Description

- Balikpapan's waste management initiative is centered on the Manggar Final Waste Management Facility (TPAS Manggar) which spans 43 hectares, divided into 7 landfill zones managed by Balikpapan Environmental Agency. With 4.8 hectares clear area available for development, there is significant potential for the construction of advanced waste processing building. in 2023, TPAS Manggar manages approximately 412.62 tons per day of waste with composition including 40.43% easily degradable waste, 24.53% plastic, 17.63% paper, and others.
- Located in the strategic city of Balikpapan, East Kalimantan, TPAS Manggar finds itself in close proximity to Indonesia's forthcoming new capital “Nusantara”, this project then serves a rapidly growing population and busting industrial sector. The facility offers several payment mechanism for investors and the local government (LG) of Balikpapan tentatively could pay tipping fee of IDR 150,000-200,000 per ton of waste. This project is planned to enter the bidding process in the fourth quarter of 2024.
- The TPAS Manggar site in Balikpapan functions as a controlled open landfill, employing minimal waste processing technology. Recognizing the need for improvement, the Local Government is actively seeking collaborations with investors to explore various waste-to-energy processing technologies.
- Anaerobic digestion emerges as a promising option, due to its ability to treat mixed waste with minimal pre-sorting requirements and a low reject rate of 10%. The main by-products, electricity and bio-gas are highly marketable and can be sold to households, electricity companies, and for captive power consumption.

Key Investment highlight

Location

Balikpapan City
 East Kalimantan



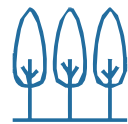
Project Owner

Mayor of Balikpapan
 Balikpapan City, East Kalimantan



Total Area/Land Status

4,8 Ha clear area allocated for the construction of waste processing facility buildings



Business Scheme

Public Private
 Partnership Scheme



Est. Investment Value \$32,8 Million

Financial Feasibility:

Project IRR: 13% NPV: \$23,3 million
 EIRR: 40,60% Land Ava.: 4.8 Ha
 Concession Period: 15 Years including 2 years construction

Recommended Tech:

MRF + Anaerobic digestion (AD) (BioCNG) + SLF
 Energy byproducts: Biogas Digestate -> BIO CNG
 GHG-reducing value: CH4 - 125 Kg CO2-eq/ton MSW



Existing facility:

Grid-Connected Voltage 53.000 VA
 Source of Water from underground deep well
 Leachate treatment facility
 Weigh bridges & administration building

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



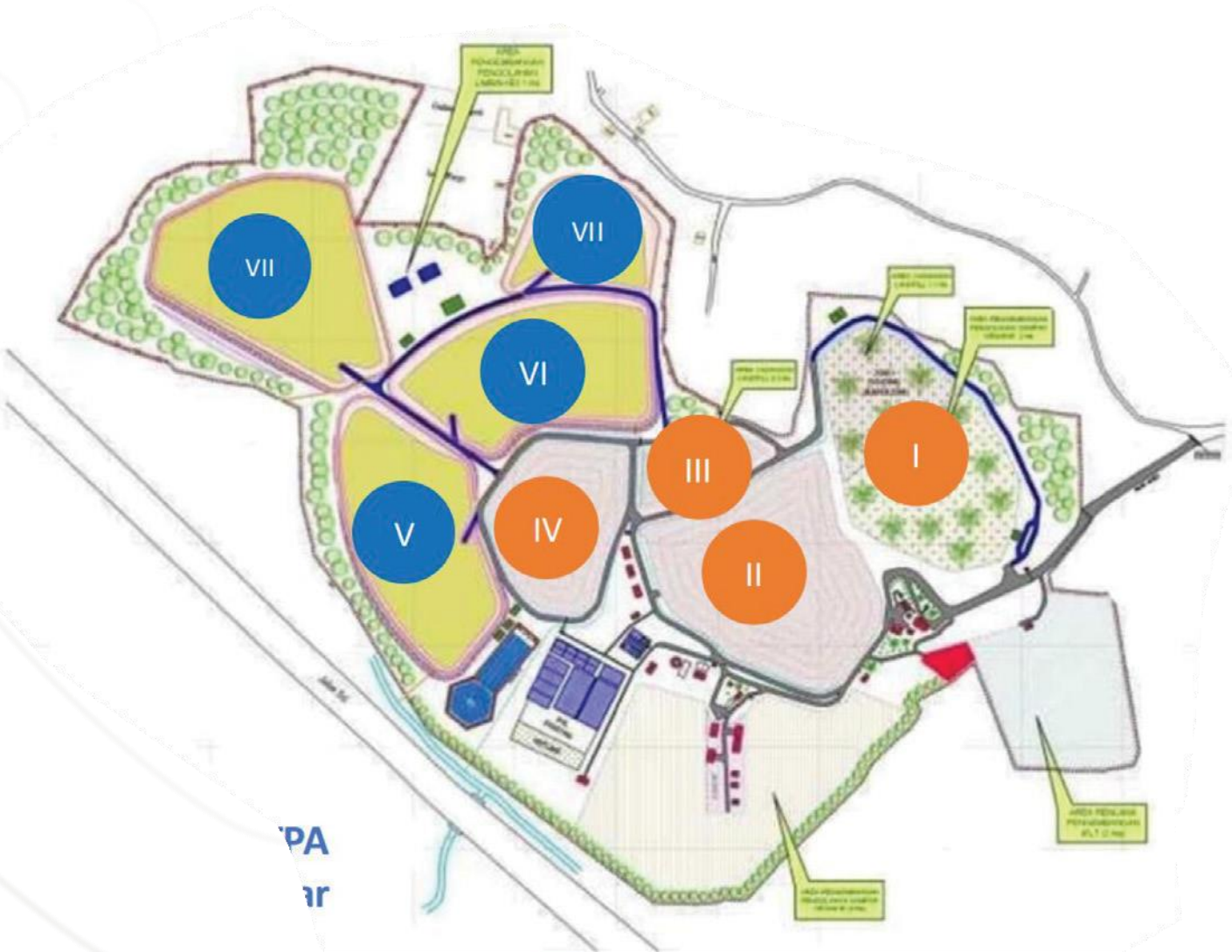
Contact Person

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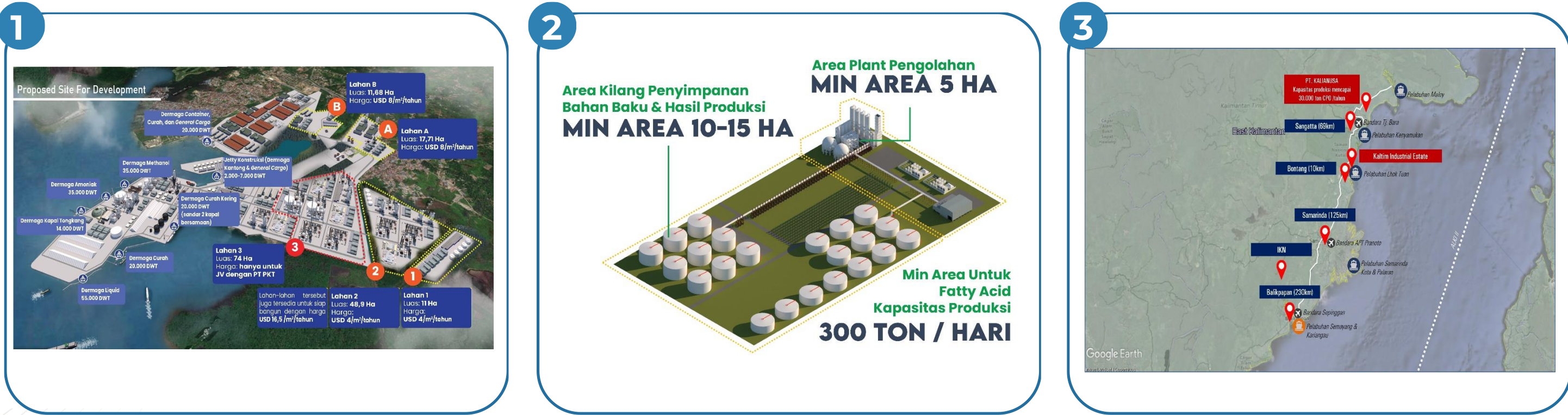


Project Description

- 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
PT. Pupuk Kaltim



- 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%



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

Penajam Paser Utara Regency



Project Description

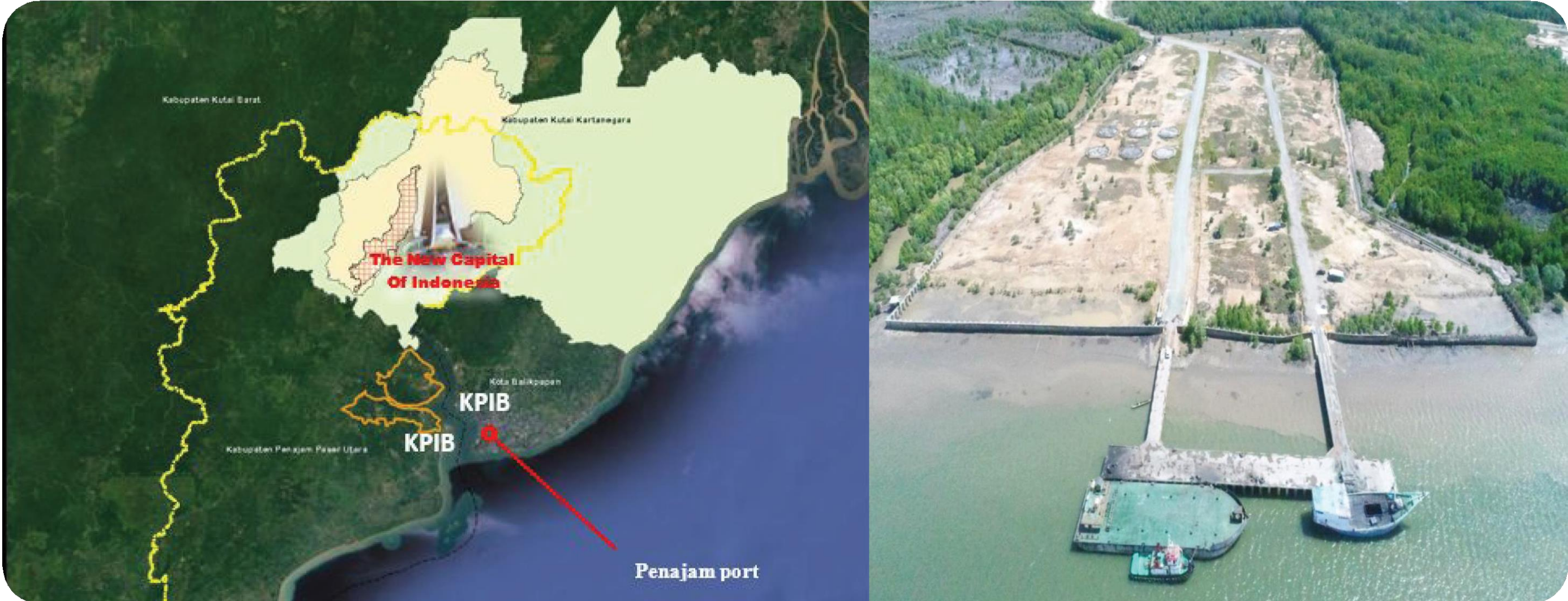
- Penajam port is already running and profitable. The port is used for loading-unloading of cargo and commodity between Penajam Paser Utara (PPU) and outside region. The project’s purpose is to expand the port’s services by developing new infrastructure.
- PPU is an important for logistic especially 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
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Key Investment highlight

Project Owner
Government of Penajam Paser Utara
Buluminung Industrial Estate, Penajam Paser Utara, East Kalimantan

Investment Target
US\$ 14.8 Million (2030)

Total Area/Land Status
17,95 Ha (Zone A1)

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 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 ± 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 ± 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

Business Scheme

Public Private Partnership

Design – Build – Finance – Maintain – Operate (DBFMO)

Est. Investment Value

CAPEX US\$ 2.95 Million

(with capacity assumption of 140.000 tpy)

Land Requisite and Status

± 10 Ha (owned by public)

Land procurement can be provided by West Kutai Government under agreement according to applied regulations.

Financial Feasibility (Prefeasibility Study)

Economic lifetime 20 years;

NPV \$1.1 million; WACC 12%

IRR 16,.53%; Payback Period: 7,6 years

Contact Person

FX Indrajaya

(Head of Sub-Division, Investment Department)

+62 822-5200-0345 indrajaya62@yahoo.com



UD. Deli Koffie Indonesia

Green bean, Roasted
bean Grinded Coffee

✉ didinhamid@gmail.co
☎ m+62 811 373 984



PT. Sekatup Sari Indonesia

Gaharu (Agarwood) Tea Bag,
Gaharu Cinamon Tea bag

✉ sekatup.sariindoensia@gmail.com
☎ +62 812 90 999 809
🌐 www.tehgaharu.com



Ibib Food

Spiced Fish Crackers
(Amplang), Shredded Tuna

✉ lln4waty@yahoo.com
☎ +62 813 5046 2849
📍 @ibibfood



CV. Azra Sentosa Jaya

Crab meat snack

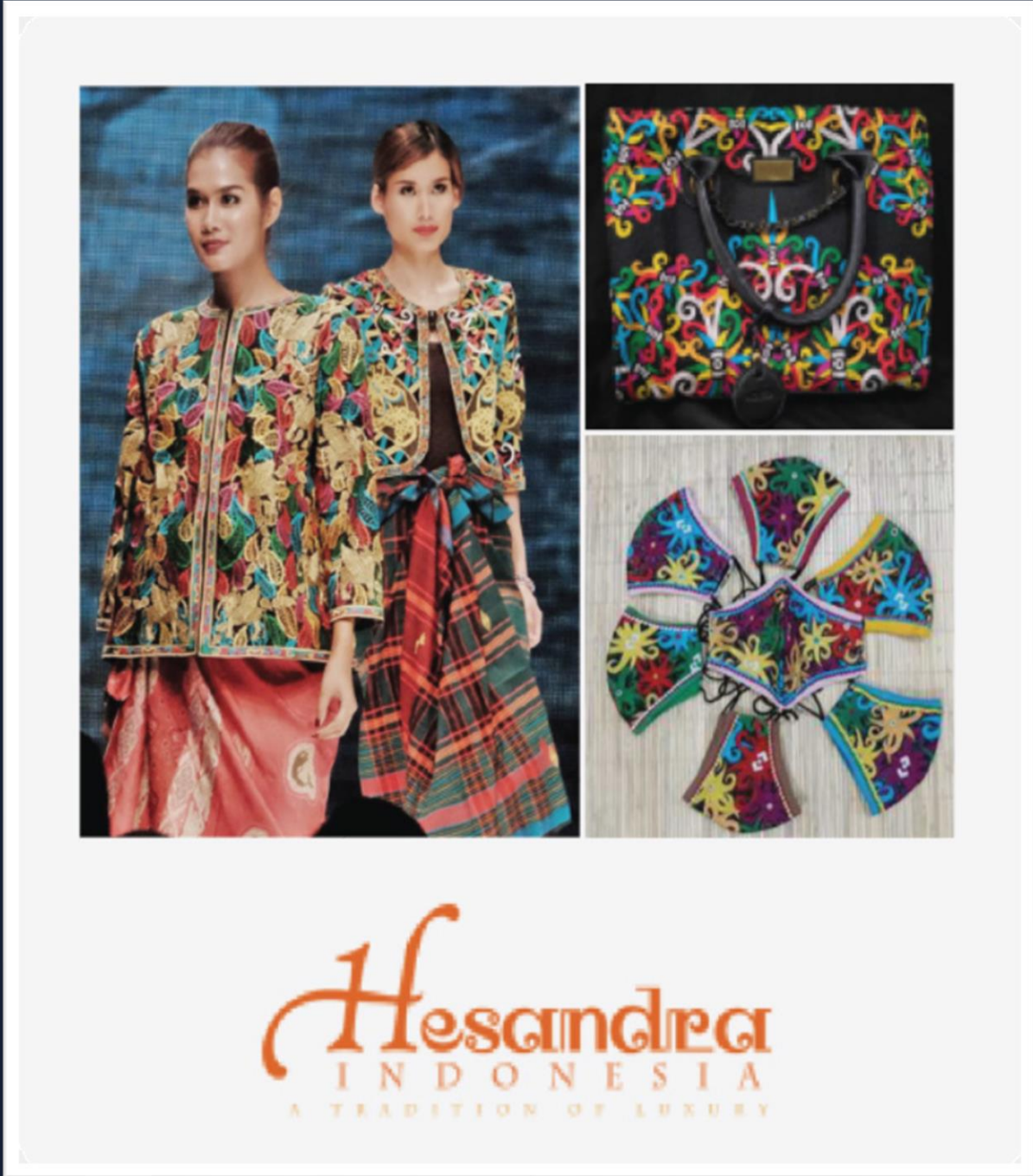
✉ kampoengtimoer@gmail.com
☎ +62 81 348 601 451
📍 @kampoengtimoer.id



Manika Kaltim

Manik (Traditional beads) Handicrafts: bags, Accessories, Home Decor

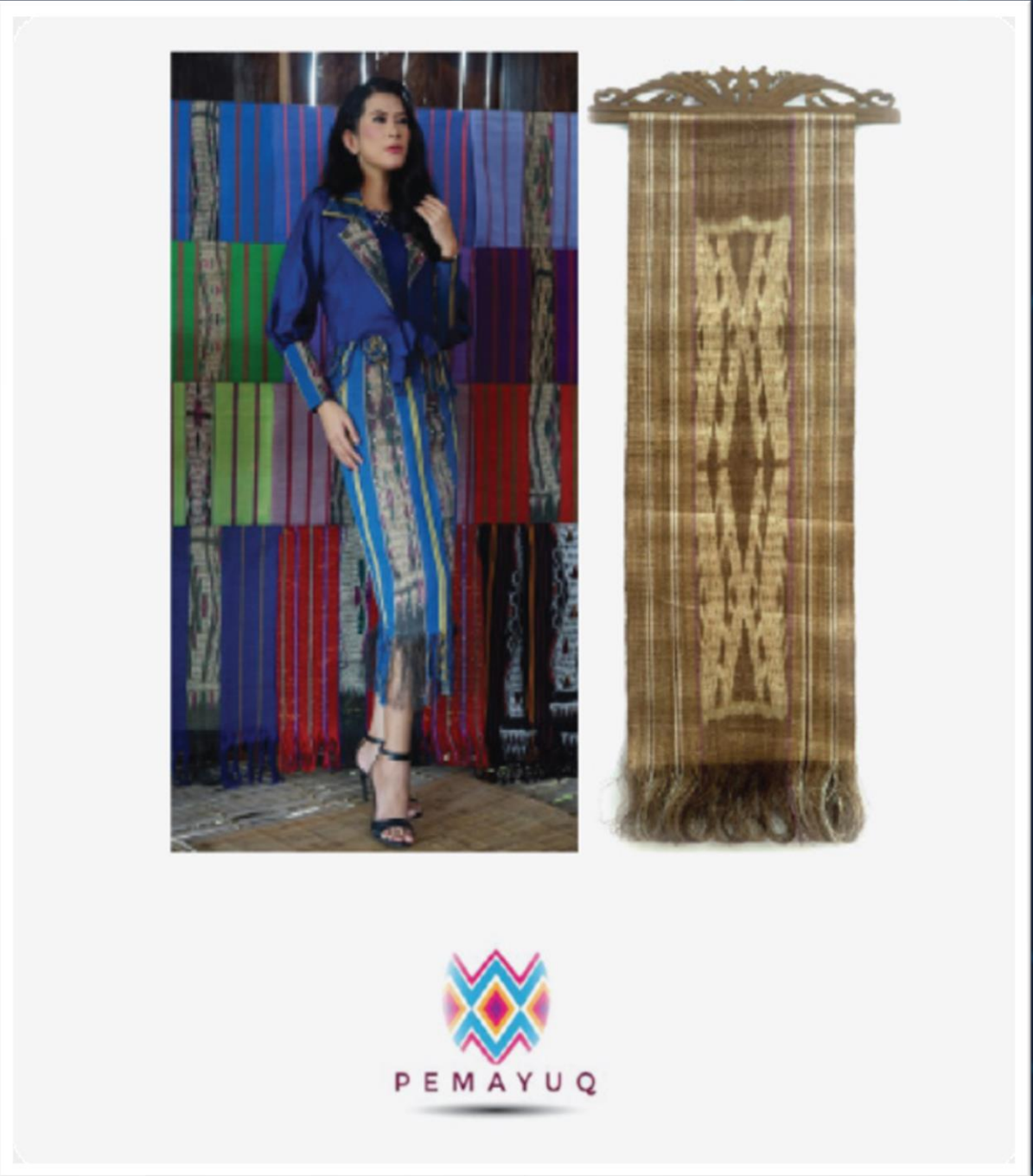
✉ manikakaltim@gmail.com
☎ +62 8524 6959 395
📱 @manika_kaltim



Hesandra Indonesia

Kalimantan Batik Clothing, Bags & Accessories

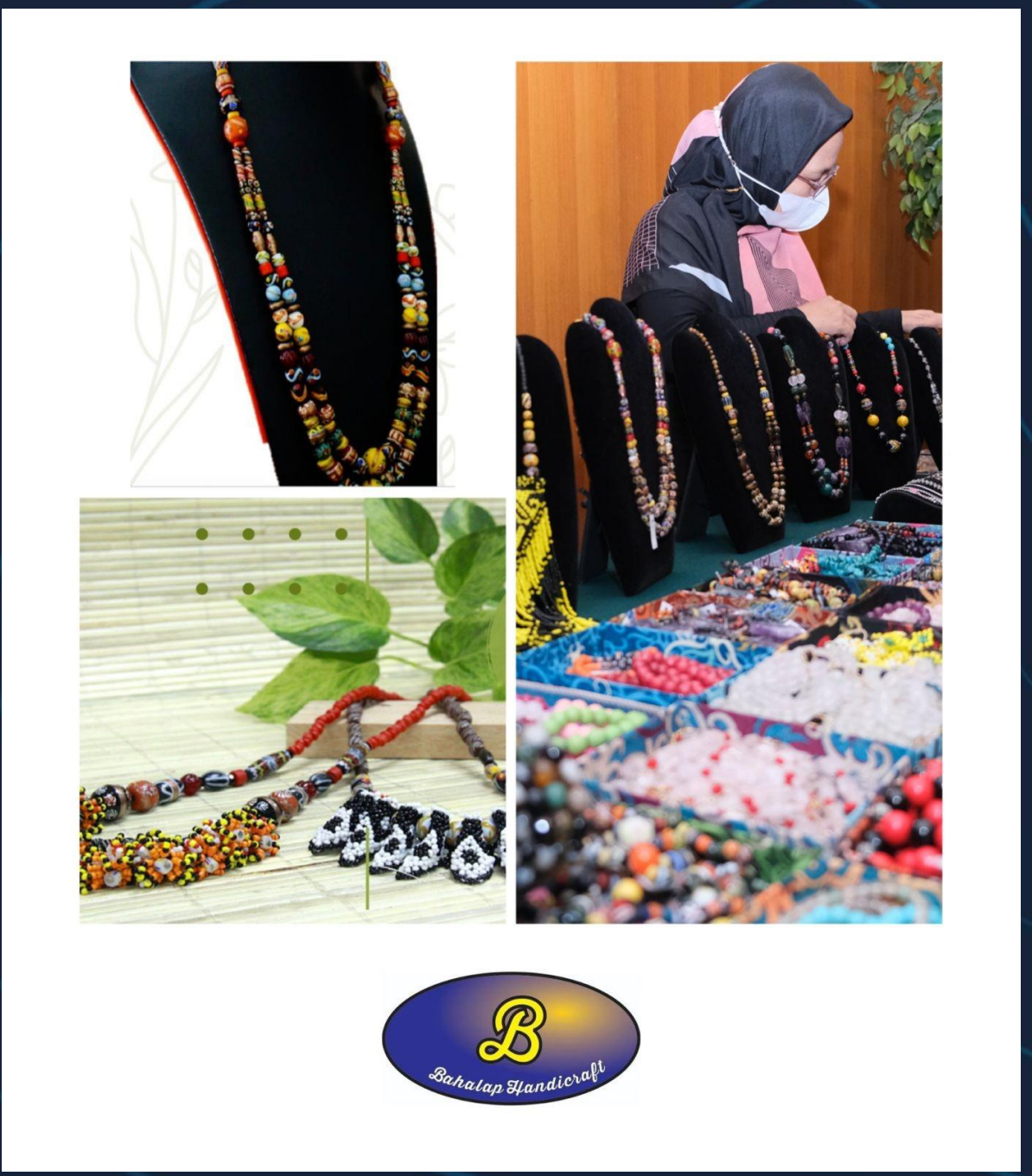
✉ business@hesandra.com
☎ +62 87 810 628 391
📱 @hesandra_indonesia



Pemayuq By Pokant Takaq

Traditional ulap Doyo (Dayak Art) Woven Fabric

✉ hamidahpokanttakaq@gmail.com
☎ +62 85 246 949 403
📱 @doyomunaq1



Bahalap Handicraft

Handmade beaded necklace and bracelets using native borneo gems

✉ bahalaphandicraft@gmail.com
☎ +62 82 154 204 849
📱 @bahalap_handicraft_



CV. Multi Sarana Jaya

Dried Eucheuma Cottonii
 Seaweed
 ✉ info@multisaranajaya.com
 ☎ +6281 255 055 38
 🌐 www.multisaranajaya.co.id



King Madu Borneo

Yellow Honey and Black Honey
 ✉ kingmaduborneo@gmail.com
 ☎ +62 852 5700 1434



CV. Perintis Mitra Mandiri Sukses

Coco peat, Coconut fiber, rope, etc.
 ✉ pmms.coconut@yahoo.com
 ☎ +628 525 030 8060

For more inquiries and investment or trade opportunities, please contact :



**Bank Indonesia Representative Office for East Kalimantan Jl.
Gajah Mada No.1 Samarinda, East Kalimantan, Indonesia**

Phone : +62 541 732644

Fax : +62 541 741022

Person in Charge :

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Mr. Bagoes Fikri H.E.S (+62 857 6664 5550 / bagoes_fikri@bi.go.id)



**Regional Board of Investment and Integrated Licensing (DPMPTSP) East
Kalimantan Province**

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Person in Charge :

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Mrs. Riawati (+62 811 5595 559)