COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
NATIONAL COUNCIL
SPECIAL ECONOMIC ZONE



Indonesia Special Economic Zones and Port Development

Business Opportunity in Indonesia

November 29, 2016

INDONESIA SEZ

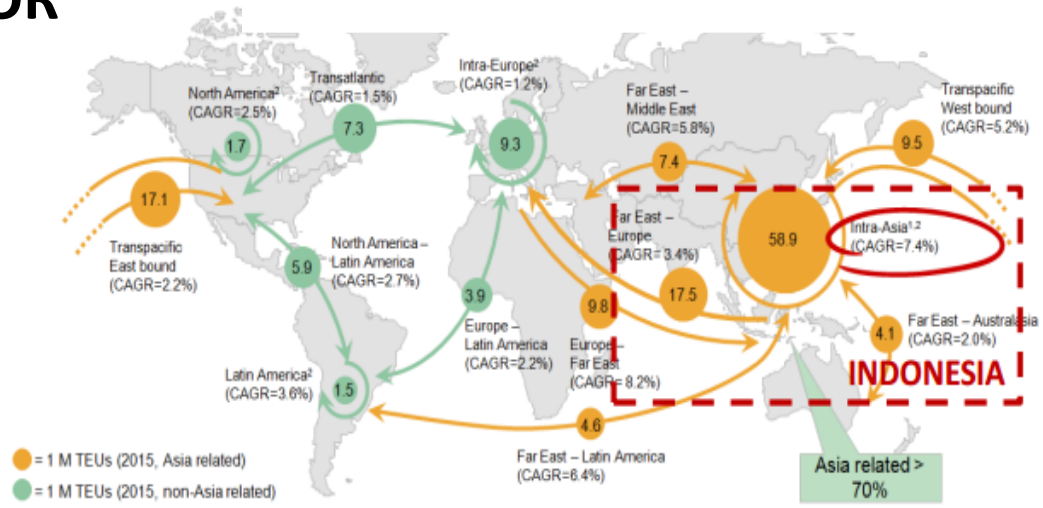
INDONESIA SEZ

Development & Opportunity

STRATEGIC LOCATION FOR GLOBAL BUSINESS

Manufacturing & Logistics

International Mainliner Routes (Containers)



1. Includes NE, SE, and S. Asia 2. Includes domestic
Note: Container flows based on forecasts excluding empties and transshipment but including domestic for intra-regional trade; some trades excluded for display purposes; CAGR based on 2007-2015

Source: BCG analysis (2013) **CAGR** Growth Average 2007 – 2015

Global Container Flows in International Trade 2015
(Mil Teus)

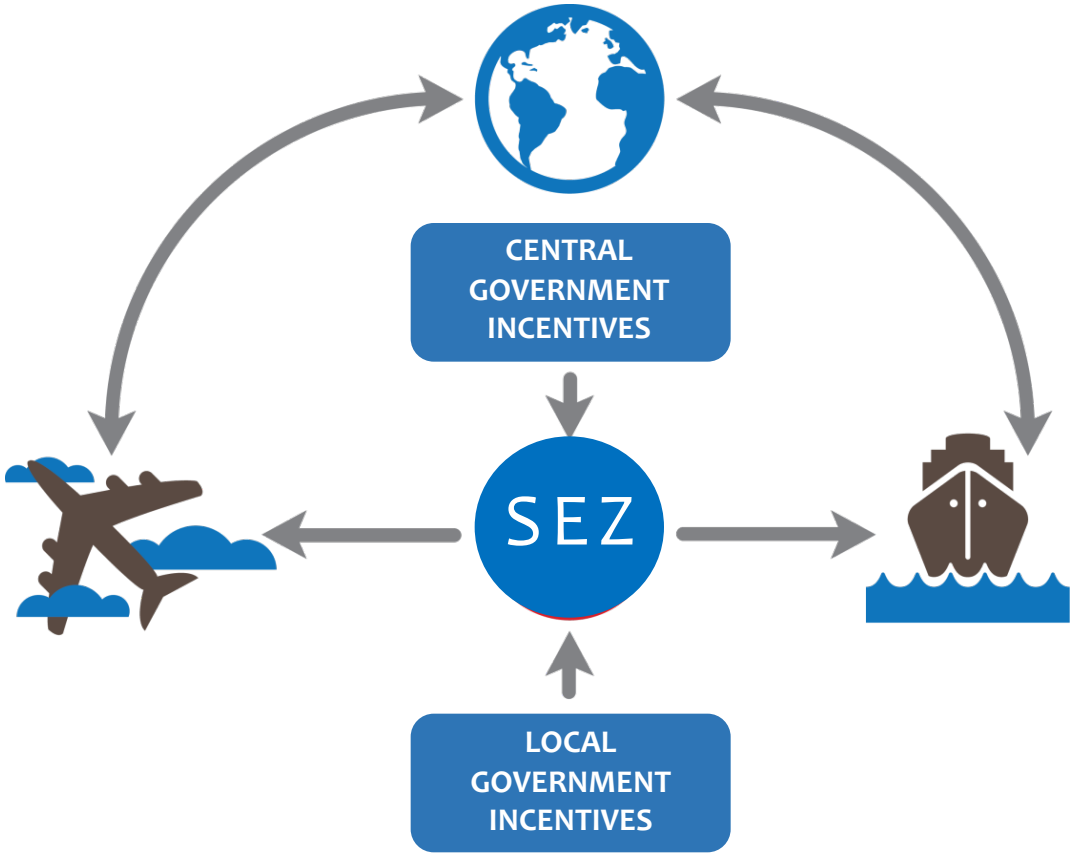


BASIC CONCEPT OF SEZ ESTABLISHING

Indonesian Special Economic Zone Development

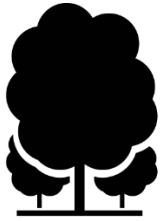
The basic concept of Indonesia SEZ is the preparation of areas which have accessibility to the global market or the main resource (access to the sea port and or airport)

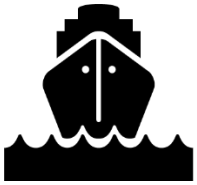
The areas are given certain incentives in order to increase the competitiveness among the countries nearby. Both the increasing of competitiveness and the incentives are expected to be the pull factors to attract investors to the region.



Location Criteria
Special Economic Zone

1.  Fully supported by the Local Government, both provincial and city/regency government

2.  In accordance with the regional spatial planning and not disruptive to conservation areas

3.  Situated in strategic location which is close to the international trade/international shipping lanes in Indonesia, or located nearby raw material

4.  Has a clear boundaries

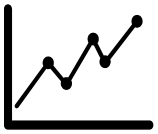
Readiness Criteria
Special Economic Zone

1.  Local Government support

2.  Strategic Location and Raw Materials

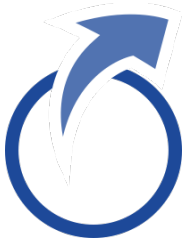
3.  Spatial planning and Land Acquisition

4.  Proper studies and Development Plan

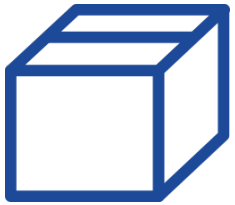
5.  Business Potential

BUSINESS

Indonesia Special Economic Zone



Export Processing Zone



Logistic



Industry



Technological Advancement



Tourism



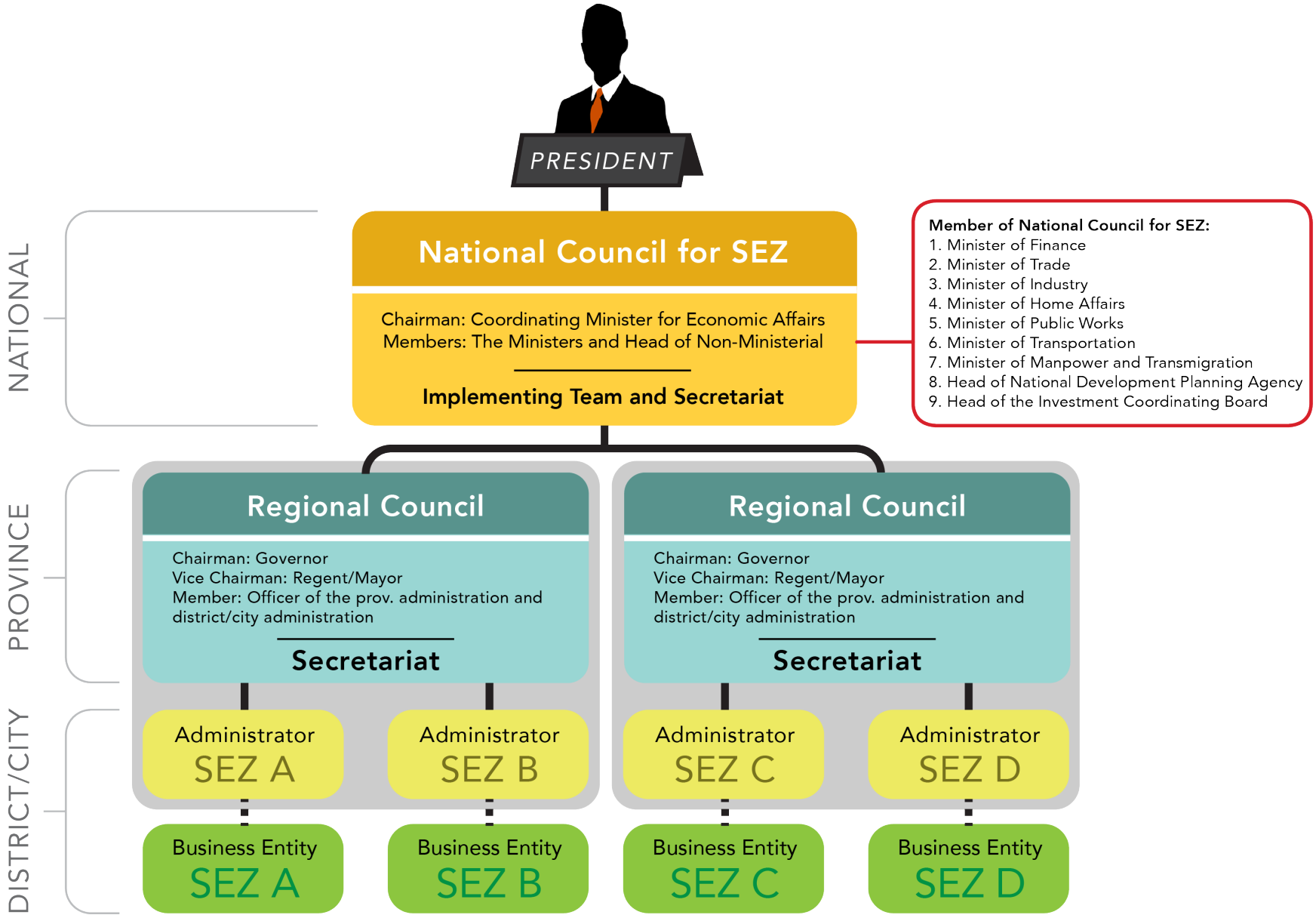
Energy



Other Economic Activities

Government Regulation 2/2011

SEZ INSTITUTION



INVESTMENT OPPORTUNITY



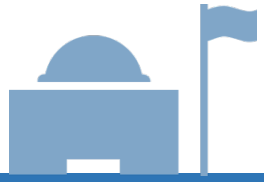
Investment as a Tenant/ Investor

- Invest in SEZ Business Sector (Industry: Palm oil, rubber, petrochemical, agro industry, fishery, manufacturing; Logistic; Tourism; etc)
- Joint Venture with SEZ developer as an Investor



Investment in SEZ Operational

- Joint Venture with SEZ developer in operating and managing SEZ



Investment as Supporting Infrastructure Provider

Invest to Provide SEZ Infrastructure

- Inside SEZ Infrastructure (road, drainage, power plant, water treatment plant, waste water treatment plan, etc)
- Supporting Infrastructure surrounding SEZ (road, port, airport, railway, electicity, water supply, gas, etc)

SEZ BENEFIT

Benefits	SEZ
Integrated Fiscal Facilities	• In SEZ will be provided fiscal incentives, both from central and local government • Fiscal Facilities in SEZ will be the ultimate incentives in Indonesia
Integrated Regional Infrastructure Support	• Integrated Infrastructure provision in terms of connectivity, accessibility, capacity and timing synchronization. • The regional infrastructure will be fully supported both by Central and Local Government (Airport, Seaport, railways, roads, electricity, gas, and water supply)
Integrated Business Licensing	• Business permit and licensing will be processed in SEZ Administrator (on-site one stop service)
Negative List	• Negative Investment List shall not applied in SEZ
Easiness doing business in SEZ	• facilities and cost reduction to get permits or licenses to run businesses, carry out business activities, trade, seaport administration, and immigration for foreign business players, as well as security facilities are given.

SEZ INCENTIVES

NO.	SUBJECT
1.	CORPORATE INCOME TAX (PPh)
2.	VALUE ADDED TAX (PPN) AND SALES TAX ON LUXURY GOODS (PPnBM)
3.	IMPORT DUTIES AND EXCISE
4	NEGATIVE LIST
5	RESTRICTION AND LIMITATION TO EXPORT AND IMPORT
6	BUSINESS LICENSES
7	FOREIGN PROPERTY OWNERSHIP IN TOURISM SEZ
8	LOCAL TAXES IN TOURISM SEZ
9	LABOUR AND EMPLOYMENT
10	IMMIGRATION
11	LAND TITLING

SEZ INCENTIVES – Details (1/2)

NO.	SUBJECT	INCENTIVES/FACILITIES
1.	**CORPORATE INCOME TAX (PPh)**	**1. Primary Industry:** • Reduction by 20-100% for 10-25 years for investment more than Rp. 1 trillion (USD 77 million) USD 1 = IDR 13,000 • Reduction by 20-100% for 5-15 years for investment between Rp. 500 billion-1 trillion (USD 38.5 - 72 million) USD 1 = IDR 13,000 • Reduction by 20-100% for 5-15 years for investment between for investment less than Rp. 500 billion (USD 38.5 - 72 million) USD 1 = IDR 13,000 in particular area **2. Other than Primary Industry(Tax Allowance):** • Net income reduction by 30% of the amount invested, spread in 6 years (5% per year); • Accelerated depreciation and amortization; • Reduction of the withholding tax rate on dividends paid to non residents to 10% (or lower if treaty is available); • Loss carried forward facility for period up to 10 years.
2.	**VALUE ADDED TAX (PPN) AND SALES TAX ON LUXURY GOODS (PPnBM)**	• Imported goods: exempted • Goods delivered among companies in SEZ: exempted • Goods delivered among companies in other SEZ: exempted
3.	**IMPORT DUTIES AND EXCISE**	• Deferred import duties for imported goods • Exempted excise for imported goods • For goods delivered to custom areas (domestic), import duties follows FTA tariff rates
4	**NEGATIVE LIST**	Negative list not applied in SEZ, except for: • Prohibited activities • business reserved for SME
5.	**RESTRICTION AND LIMITATION TO EXPORT AND IMPORT**	• Restriction and export limitation is apply in SEZ • Import limitation is not applied until the goods entering the custom areas (domestic area)

SEZ INCENTIVES – Details (2/2)

NO	SUBJECT	INCENTIVES/FACILITIES
6.	**BUSINESS LICENSES**	• Start up business license will be proceed by SEZ administrator within 3 hours. • All procedures related to export, import, immigration, working permit, etc., will be handled by SEZ Administrator.
7.	**FOREIGN PROPERTY OWNERSHIP IN TOURISM SEZ**	• Exempted from Luxury and Very Luxury Sales Tax • Foreign individual and foreign corporate can own properties in SEZ, including landed house • The status of the properties are Right to Use (Hak Pakai) for 25 years and could be renewed up to 70 years • Stay Visa will be given to property owner in SEZ
8.	**LOCAL TAXES IN TOURISM SEZ**	• Reduction of local taxes • Reduction of local retribution
9.	**LABOUR AND EMPLOYMENT**	• Special Wage Council and Special Tripartite Consultation will be established in SEZ • Limitation of Labour Union Forum • Agreement and extension of Expatriate Employment Plan by SEZ Administrator
10.	**IMMIGRATION**	Immigration facilities for Individual working in SEZ, including his/her family: • VOA for 30 days and could be extended 5 times • Multiple entry Visa for expatriate and his/her family • Stay Visa for foreign individual who owned property in Tourism SEZ • Retirement Visa for individual who intended to stay in Tourism SEZ
11.	**LAND TITLING**	**Land Titling in SEZ:** • Right to Build (HGB) will be given for Indonesian citizen or corporate bodies established in Indonesia, for 30 years, could be extended for 20 years dan renewed for 30 years (total 80 years) • Right to Use will be given for foreign individual and foreign corporate, for 25 years, could be extended for 20 years and renewed for 25 years (total 70 years) • Extension and renewal of Right to Build could be applied after the business entering commercially operated period • Extension and renewal of Right to Use could be applied after the propertie(s) is fully owned

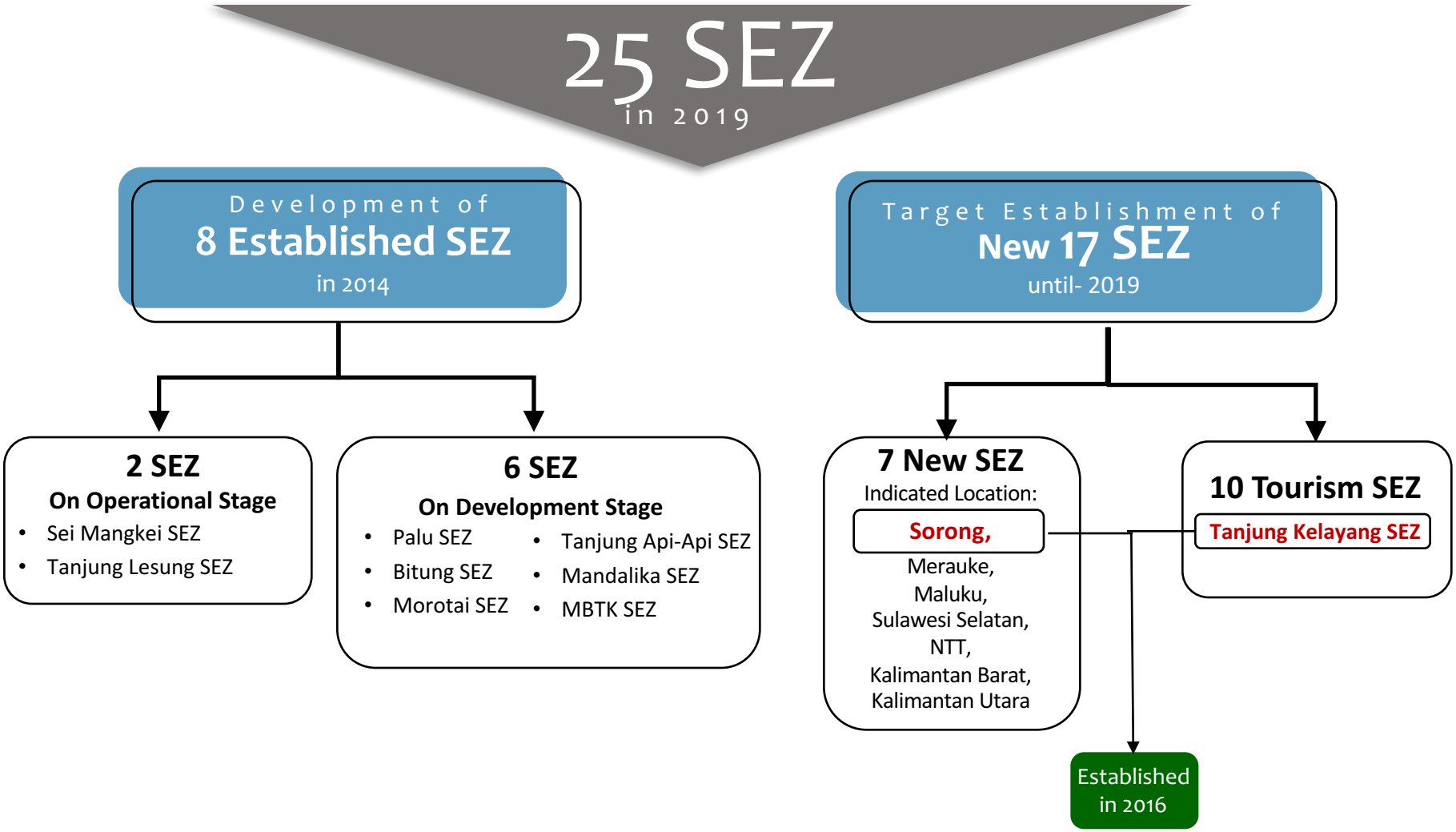
INDONESIA SEZ

Profiles

SEZ National Target: 2015 - 2019

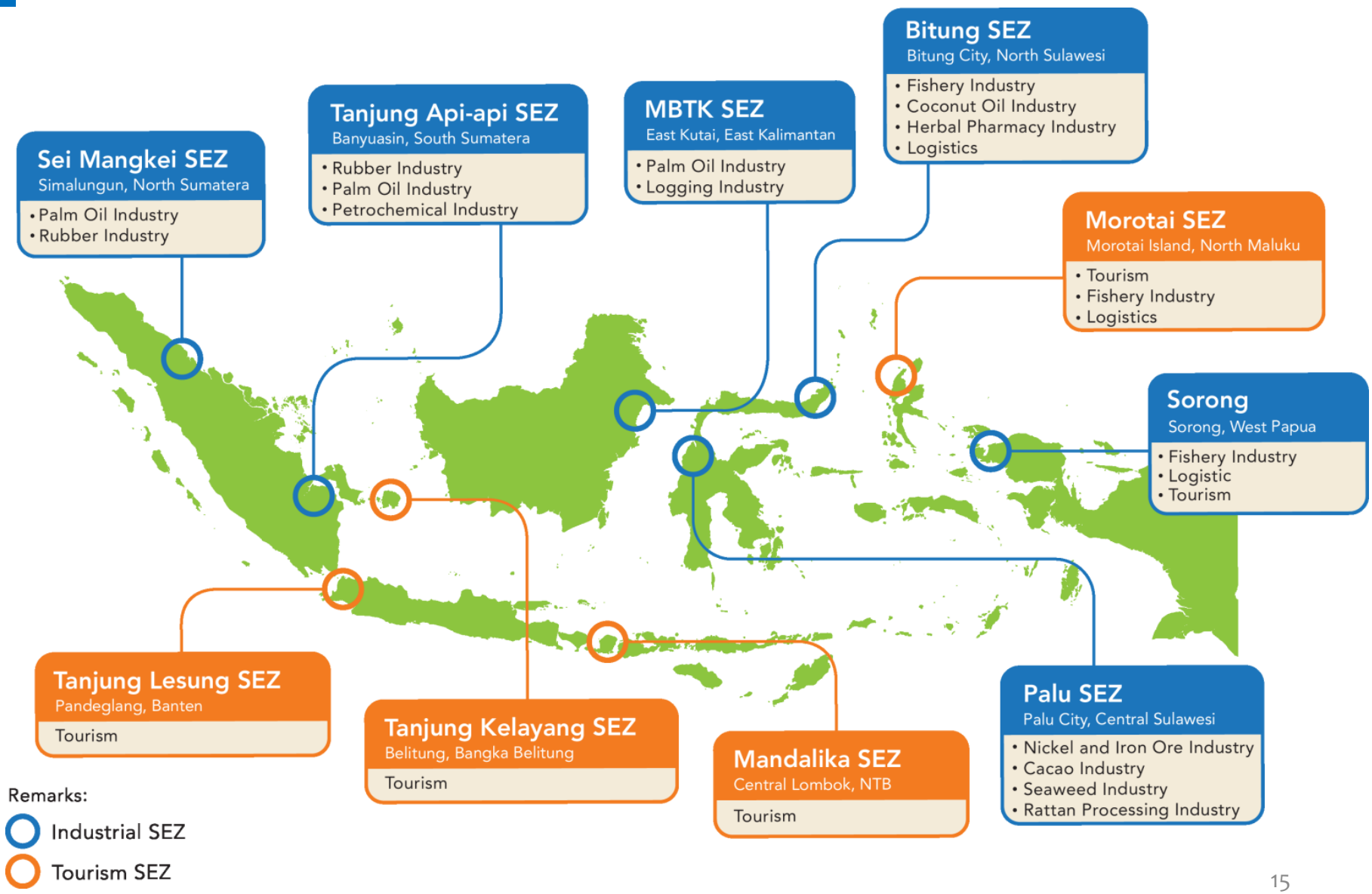
Location Distribution 2009-2014 & Location Indication 2015 – 2019

Based on Mid and Long Term Development Plan (2015-2019)



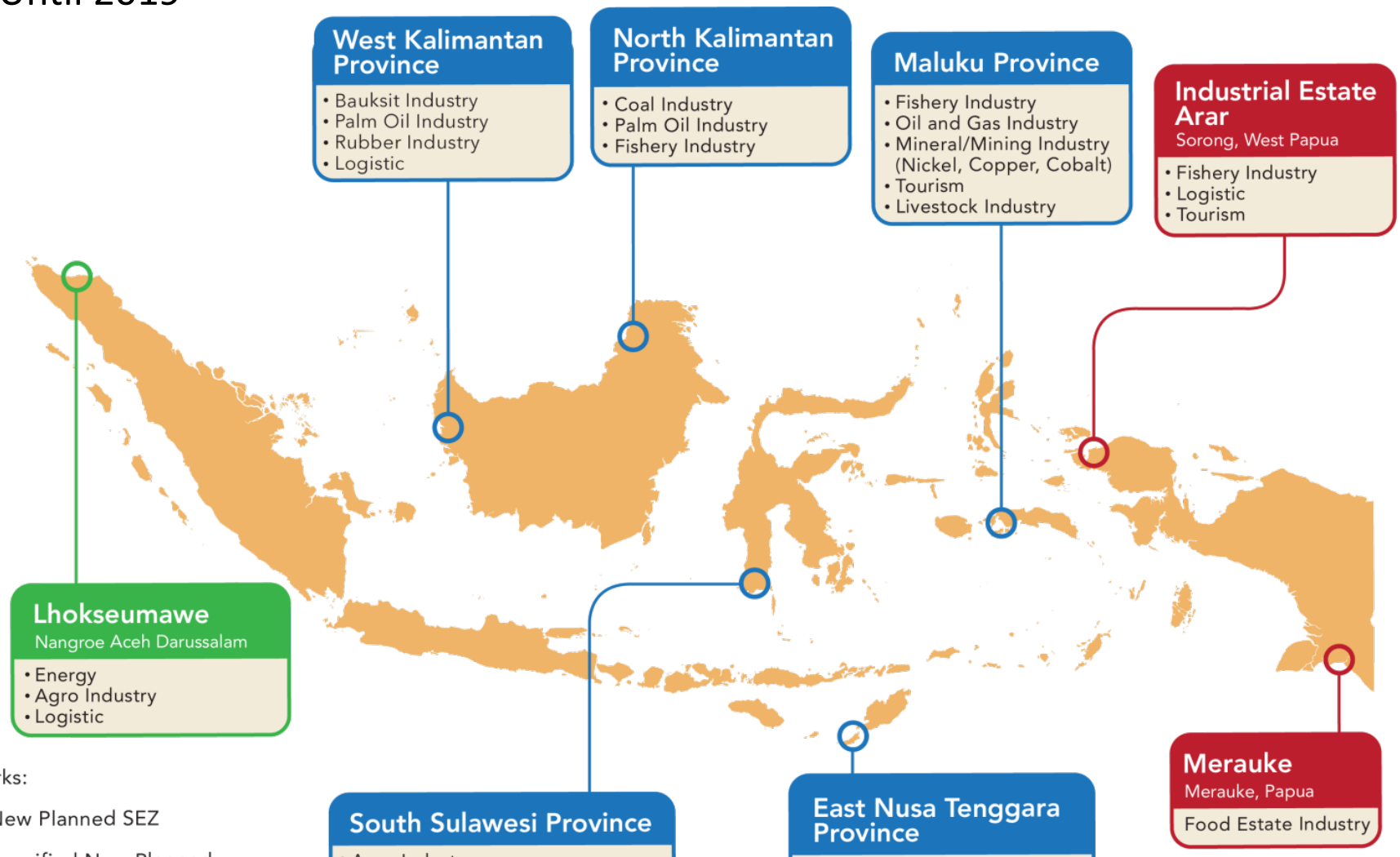
10 ESTABLISHED SEZ

6 Industrial SEZ, 4 Tourism SEZ



NEW SEZ IN PLAN

Until 2019



Industrial SEZ

Bitung SEZ
Sei Mangkei SEZ
Palu SEZ
Tanjung Api Api SEZ
MBTK SEZ
Sorong SEZ



Bitung SEZ LOCATION



China
Korea
Japan
India
Malaysia
Singapura
Bitung SEZ
Indonesia
Australia
Bitung SEZ
Indonesia



Bitung SEZ PROFILE

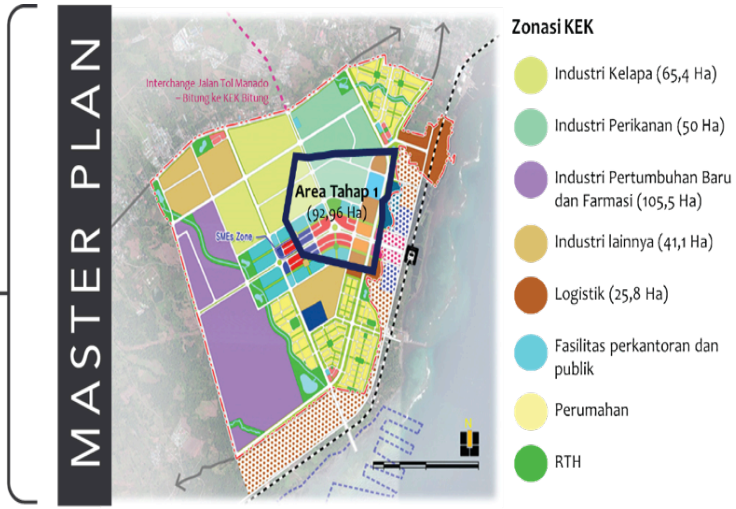
PROFILE

Location

- Bitung, North Sulawesi Province
- 1 hour driving from Sam Ratulangi Airport, Manado
- Will be supported with designated Bitung International Hub Port



MASTER PLAN



Development Plan:

- Total area: 534 Ha
- Type: Industry, Logistic, and Export Processing Zone
- Business Plan:
  a. Fishery Industry
  b. Coconut Industry
  c. Pharmaceutical Industry
  d. Logistic

Bitung SEZ

BUSINESS OPPORTUNITY

PROFILE

- Located near Sea Port of Bitung with an average depth of more than 22-30 meters which will be deignated as an international hub port
- Located near Indonesia archipelagic Sea lines (ALKI 3) which is passed by container ships and large capacity tanker from Eastern Australia and east Asia
- It has strategic access to BIMP-EAGA, AIDA, East and Pacific Asia and Sam Ratulangi airport



Fishery Processing Industry

- Fisheries Processing industry
- Fisheries Canning



Agro Industry

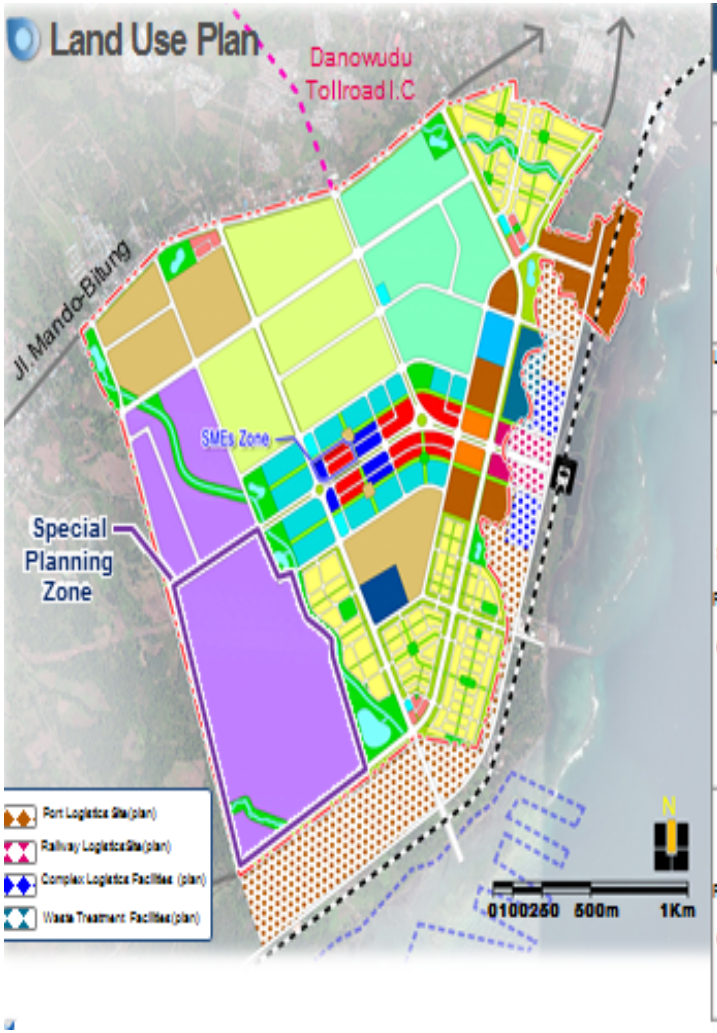
- Vegetable oil
- Coco-chemical
- Industrial plants



Logistic

- Packaging
- Inspection service
- Container
- Warehousing

Bitung SEZ MASTERPLAN



Classification			Area (ha)	Proportion (%)	Remarks
Total			**534.0**	**100.0**	
Industrial Site (49.1%)	Regionally Specialized Industries	Coconut Industry	65.4	12.2	
		Fishery Industry	50.0	9.4	
	New Growth Industries (Special Planning Zone)		105.5	19.8	Pharmaceutical
	Supportive(other) Industries		41.1	7.7	Industries that conflict with major industries, such as coal or refinement are not permitted
Logistics Land (5.1%)	Port Logistics Site		25.8	4.8	
	Railway LogisticsSite		1.6	0.3	
Supportive Facilities Site (17.7%)	Commercial Facilities	Main Commerce	8.6	1.6	Shopping Malls, Commercial Buildings
		Neighborhood Commercial	2.4	0.5	
	Business Facilities	General Business	3.5	0.7	
		Public Activities	2.0	0.4	Public Activities Trade Center Office Support Center
	Expatriate and worker housing		54.8	10.2	Workers' Housing Neighborhood Living Facilities
	Educational and Research Facilities	R&D Facilities	20.1	3.8	
		Education Facilities	2.8	0.5	Occupational Training Center, Special Training Institutions
Public Facilities Site (28.1%)	Road		76.7	14.4	
	Open Space	Park	35.2	6.6	Including Detention Facilities
		Green area	0.8	0.1	
		Square	17.4	3.3	
		Green Sidewalk	9.6	1.8	
	Utilities	Substation	3.9	0.7	
		Environmental Treatment Facilities	3.7	0.7	Wastewater Treatment Facilities Waste Treatment Facilities
		Reservoir	3.1	0.6	





Bitung SEZ INFRASTRUCTURE

PROFILE

ON SITE INFRASTRUCTURES & FACILITIES



Main Road



SEZ Administrator Office

LAND USE PLAN



- Coconut Industry
- Pharmaceutical and Medical Equipment Industry
- Fishery Industry
- Logistic

Bitung SEZ INFRASTRUCTURE

REGIONAL INFRASTRUCTURES/ CONNECTIVITY



Manado-Bitung Toll Road (Under Construction)



Sam Ratulangi Airport



Bitung Sea Port



Sei Mangkei SEZ LOCATION



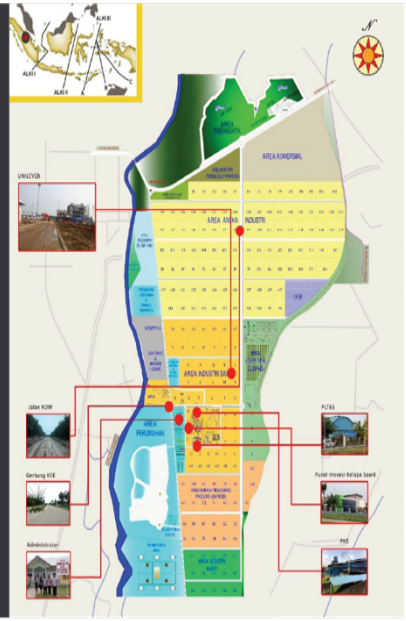
Sei Mangkei SEZ PROFILE

Location

- Simalungun District, North Sumatera Province
- 40 km to Kuala Tanjung International Port
- 118 km to Kuala Namu International Airport



MASTER PLAN



Development Plan

- Total area: 2.002 Ha
- Type: processing industry
- Business Plan:
    a. **Agro Industry:**
        1. Palm Oil processing: oleochemical industry, refinery industry/olein, and biodiesel industry.
        2. Rubber Industrial Zone
        3. Other Industry
    b. **Logistic Zone**
    c. **Tourism Zone** (MICE, Golf Area, Hotels)



Sei Mangkei SEZ BUSINESS OPPORTUNITY

PROFILE

- Downstream industrial estate for oleo-chemical industry and processing center of other agriculture commodities.
- Located In the heartland of world palm oil and rubber producing region.
- Almost no history of social unrest and known as highly tolerant community within diverse religious believers.
- Will have 30 minutes travel time thorugh railways to Kuala Tanjung Multipurpose Sea Port that is located in the main international sea route of Malaka Strait
- Abundant water supply potential from nearby Bah Bolon River
- Geologically stable and far from tsunami, earthquake or other natural disaster area



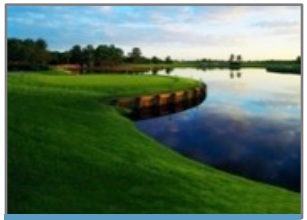
Agro Industry

- Palm Oil Downstream (oleokimia, fatty acid, fatty alcohol, surfactant, refinery, biodiesel, biogas)
- Rubber downstream
- Various industrial (e.g: fertilizer, electronics)



Logistic

- Warehousing
- Packaging



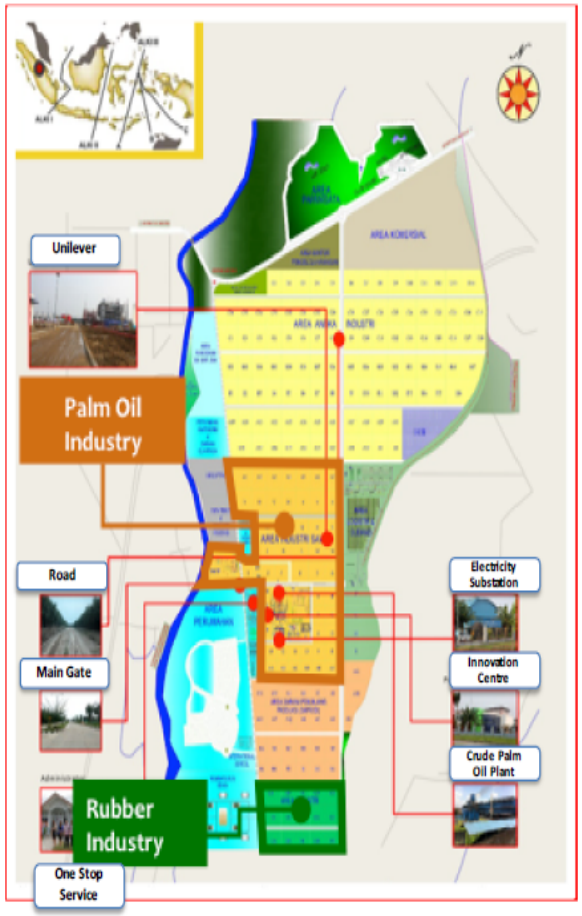
Tourism

- Hotel
- Golf Course
- MICE

Sei Mangkei SEZ MASTER PLAN

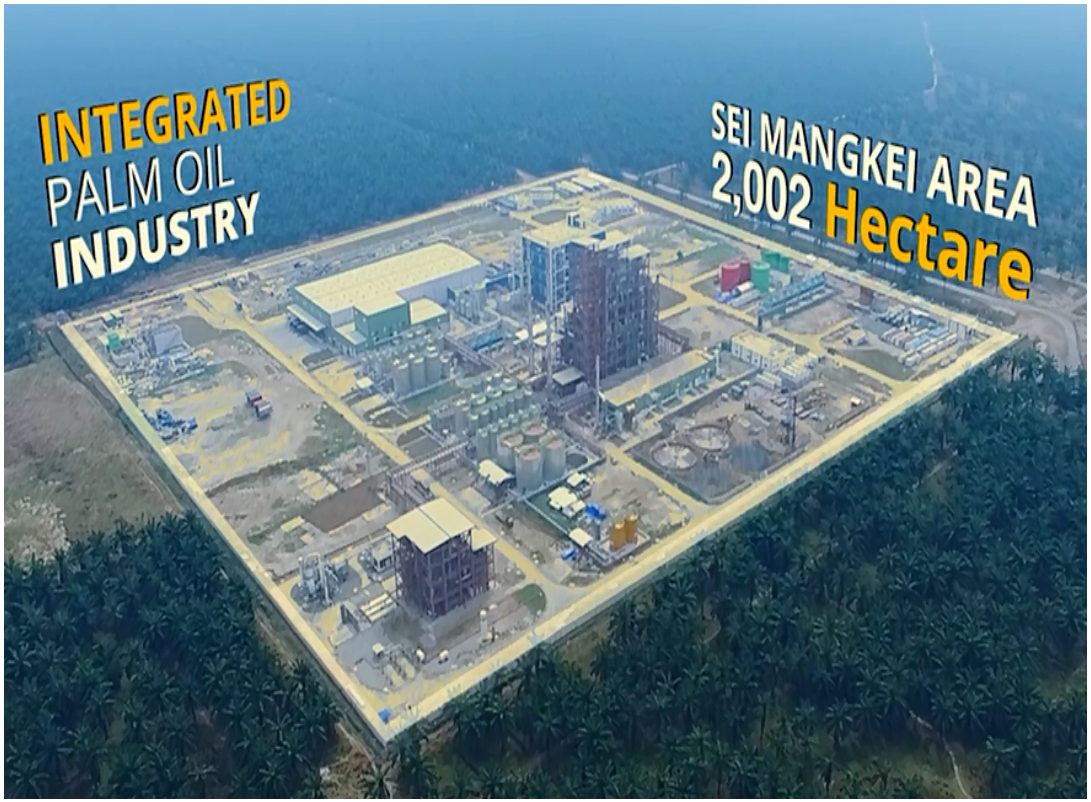
PROFILE

LAND USE PLAN



Palm Oil Industry

Rubber Industry





Sei Mangkei SEZ INFRASTRUCTURE

ON SITE INFRASTRUCTURES & FACILITIES



Areal Road



WWTP 250 m3/hour



Electricity



WTP 250 m3/hour



Gas Pipe



Dry Port



Telecomunication



Tank Farm

Sei Mangkei SEZ INFRASTRUCTURE

PROFILE

REGIONAL INFRASTRUCTURES/ CONNECTIVITY





Electricity



Kualanamu International Airport



Train Railway



Belawan Port



National Road (Toll)



Kuala Tanjung Sea Port



Metering Gas

Palu SEZ LOCATION



China
Korea
Japan
India
Singapura
Malaysia
Palu SEZ
Indonesia
Australia
Palu SEZ
Indonesia



Palu SEZ PROFILE

PROFILE

Location

- Palu, Central Sulawesi Province
- 30 minutes driving from Mutiara Airport, Palu
- Integreted accessibility to Pantoloan Sea Port



MASTER PLAN



Development Plan:

- Total area: 1500 Ha
- Type: Industry, Logistic, and Export Processing Zone
- Business Plan:
  a. Manufacturing Industry
  b. Agro Industry
  c. Mining Processing Industry
  d. Logistic



Palu SEZ BUSINESS OPPORTUNITY

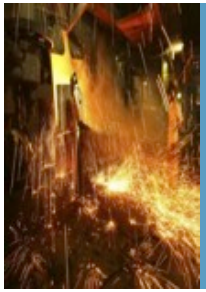
PROFILE

- Located in Palu bay, which encompasses 9,300 square meters with an average depth of more than 200 meters. Connected with Pantoloan Port, which is able to accommodate VLCVs.
- Located near Indonesian Archipelagic Sea Lanes (ALKI 2), which is crossed by more than 6.400 ships/year.
- Strategically accessible to various places i.e Kalimantan, Sulawesi, Maluku, Papua,Malaysia and Philippines.

Manufacturing Industry

- Assembling Volvo
- Assembling Sino Truck
- Enhancement of Local Contain
- Product Electricity



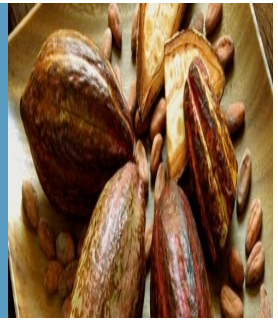


Mining Processing Industry

- Processing & Purifying iron, gold, nickel, and galena
- Metallurgial & derivatives industrial

Agro Industry

- Seaweed processing industry
- Rattan processing industry
- Cocoa processing industry





Logistic

- Warehousing
- Packaging

Palu SEZ MASTER PLAN







Palu SEZ INFRASTRUCTURE

PROFILE

ON SITE INFRASTRUCTURES & FACILITIES



SEZ Administrator Office



Main Road

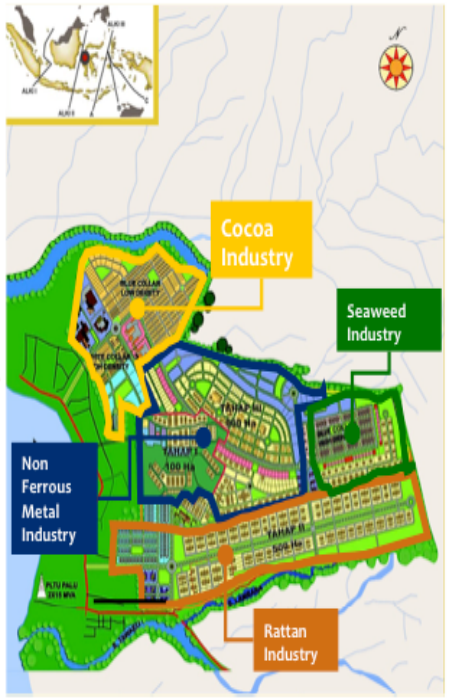


Drainage



Gate House

LAND USE PLAN



- Cocoa Industry
- Non Ferrous Metal Industry
- Seaweed Industry
- Rattan Industry

Palu SEZ INFRASTRUCTURE

REGIONAL INFRASTRUCTURES/ CONNECTIVITY



Mutiara Airport



Electricity



Pantoloan Sea Port



Tanjung Api-Api SEZ LOCATION



Enormous Rubber Resources Right Upon The Heart of

Asia

China
Korea
Japan
India
Singapura
Malaysia
Tanjung Api Api SEZ
Indonesia
Australia

Tanjung Api Api SEZ

Indonesia

Tanjung Api-Api SEZ

BUSINESS OPPORTUNITY PROFILE

- South Sumatera Province is the biggest rubber producer in Indonesia and also rich for its natural gas, coal and CPO
- Potential to be developed as of rubber and palm oil processing, petrochemical industry through coal gasification and ethanol
- As a functional zone which support the Sea Port Activity and medium through big scale of manufacture activity



Rubber Industry

- Tire
- Rubber gloves
- Condom
- Crumb Rubber



Palm oil Industry

- Oleochemical
- Palm oil diesel



Petrochemical Industry

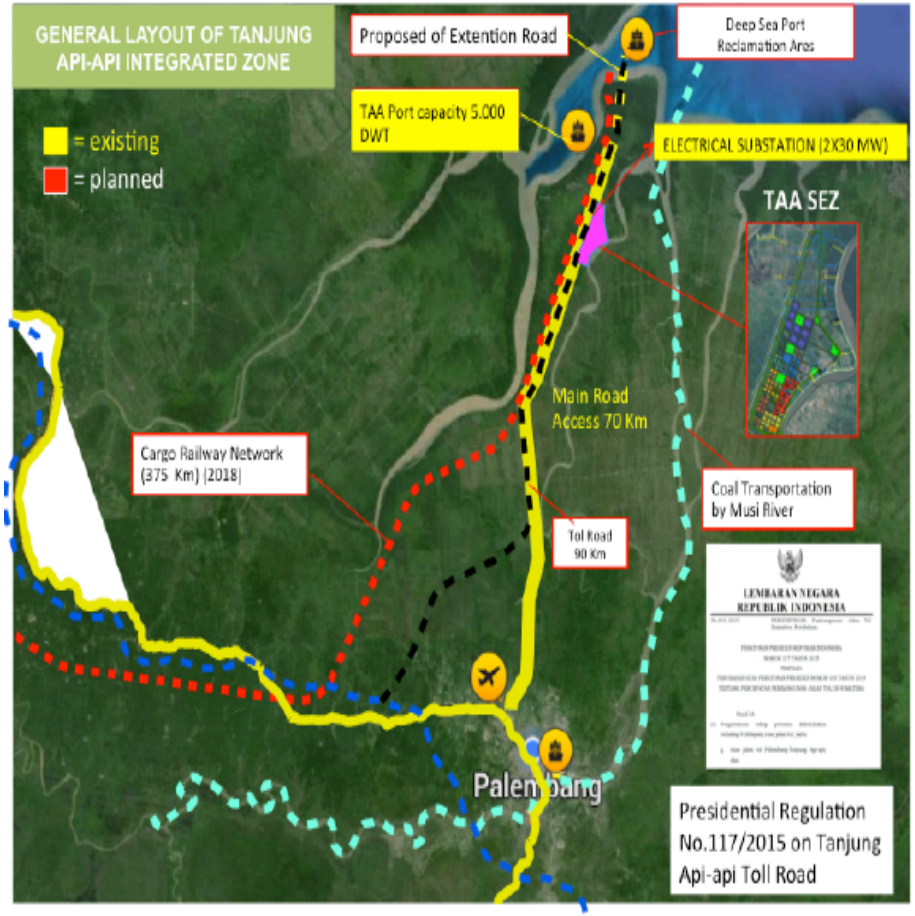
- Coal gasification
- Chemical industry (Ethanol)

Tanjung Api-Api SEZ

INFRASTRUCTURE

PROFILE

REGIONAL INFRASTRUCTURES/ CONNECTIVITY



- Access to International port Badarrudin 70 Km
- Palembang – Tanjung Api-Api National Road (62,8km)
- Tanjung Api-Api Cap 5000 DWT (2,5 Km), and Tanjung -Carat Port Cap 77000 DWT (KM)
- Tanjung Api-Api – Palembang Toll Road (80km)
- Tanjung Enim – Tanjung Api-Api rail road (375km)
- Power Plant has been developed

MBTK SEZ LOCATION



China
Korea
Japan
India
Malaysia
Singapura
MBTK SEZ
Indonesia
Australia
Indonesia

Maloy Batuta Trans Kalimantan SEZ



MBTK SEZ PROFILE

Location

- Kutai Timur District, Kalimantan Timur Province
- 2 hours from Sangatta Airport





Development Plan:

- Total area: 557,34 Ha
- Type: Industry, Logistic, and Export Processing Zone
- Business Plan:

a. Integrated Palm Oil Cluster in Kalimantan

b. Logistic Center for East Coast Kalimantan
   - Warehousing
   - Packaging



MBTK SEZ BUSINESS OPPORTUNITY

PROFILE

- Located In the biggest of Indonesia's agro industry producing region.
- Located near Indonesia Archipelagic sea Lanes (ALKI 2) and Makasar Strait.
- Abundant potential water supply from nearby strait
- Located near Makasar strait



Industry

- Integrating all palm oil and also for other various agro industries.
- Product, ex: surfactant, glycerin, soap noodle, papers, organic fertilizer, tyre, rubber thread, rubber glove, dan cattle feed



Logistic

The other business activity are tank farm service, warehousing, and packaging

MBTK SEZ INFRASTRUCTURE

ON SITE INFRASTRUCTURES & FACILITIES



Areal Road



Supporting Facilities



Solar Cell



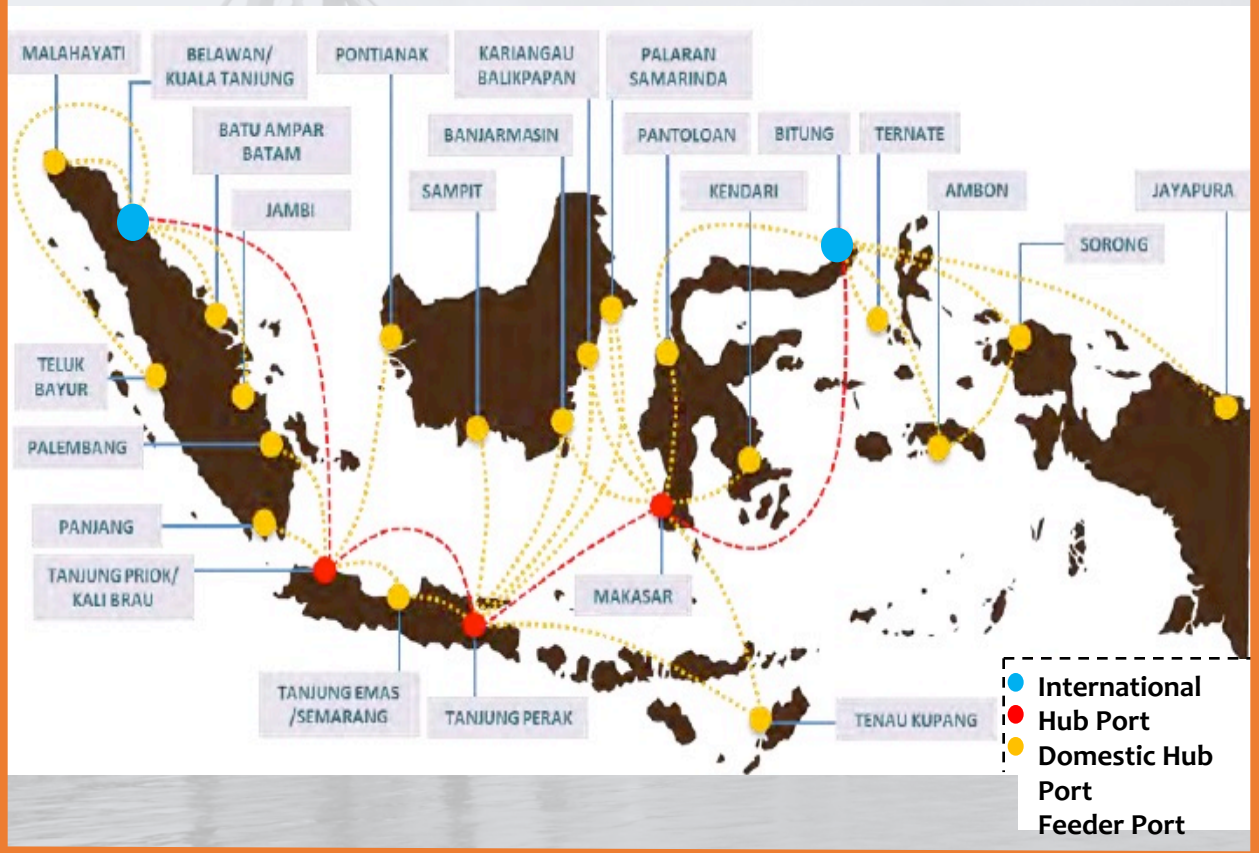
Communication Tower

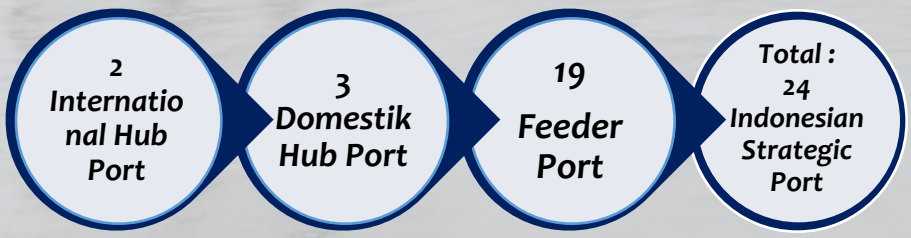
LAND USE PLAN



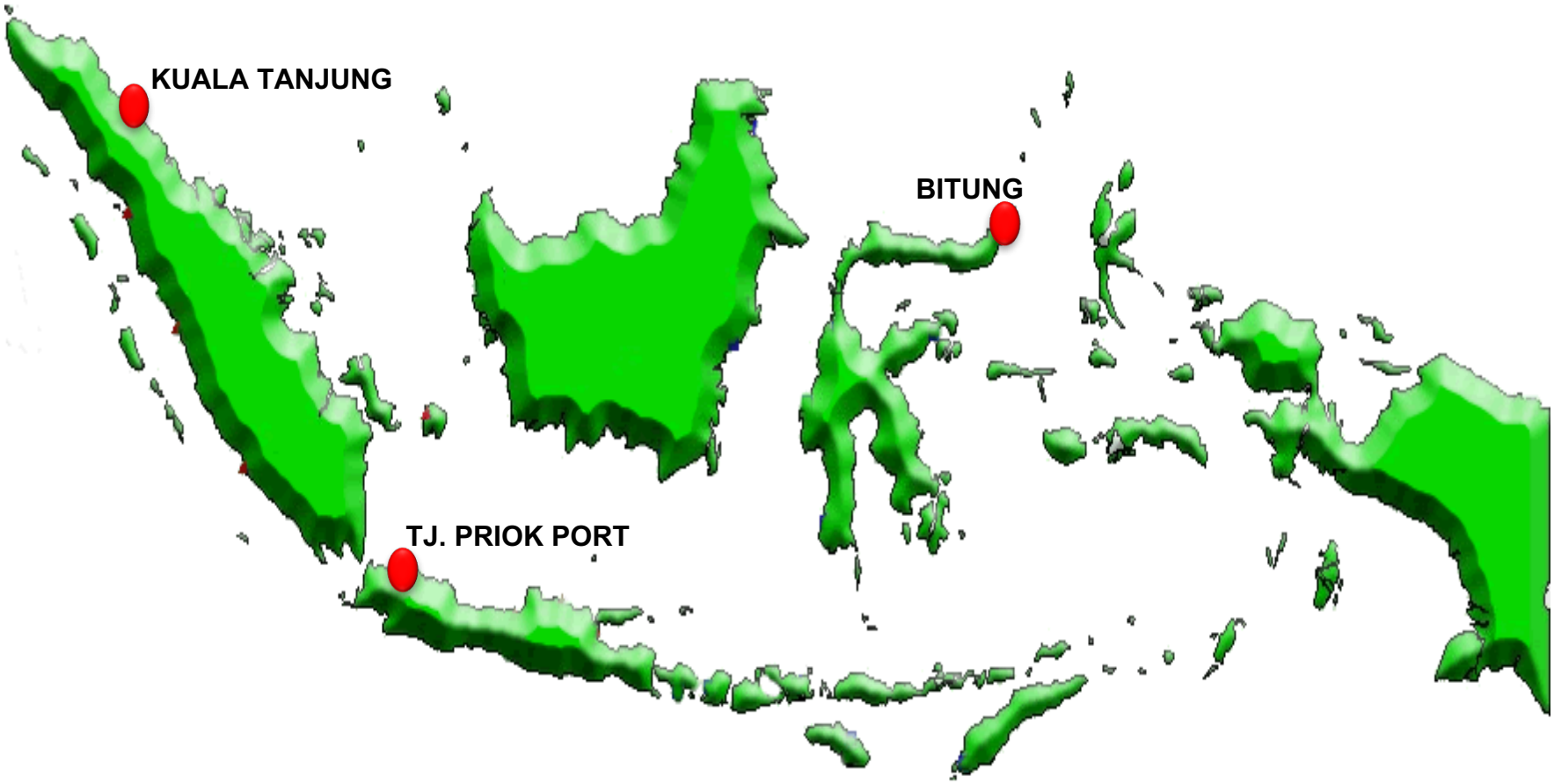
INDONESIA PORT
Profiles

INDONESIAN MARINE HIGHWAY PROGRAM





The Purpose of Indonesian Marine Highway Program is to **streamlining the flow of goods effectively and efficiently** to ensure the fulfillment of basic needs, and also **to Lowering logistics costs,** facilitate the flow of goods and logistics services that enhance the **competitiveness of national products** increase in the global market and domestic market.



HIGHLIGHT OF INDONESIAN SEAPORT

FOCUS ON TANJUNG PRIOK PORT, KUALA TANJUNG PORT & BITUNG PORT



TANJUNG PRIOK PORT

OVERVIEW OF TANJUNG PRIOK PORT

Tanjung Priok Port is one of the biggest ports in Indonesia and is one of the domestic hub port in Indonesia marine highway program. This port handles more than 30% of Indonesian non-oil commodities and about 50% of the entire flow of goods in / out Indonesia passed through this port.

SHIP CALL GT



	2010	2011	2012	2013	2014	2015	2016 (Mar)
OCEAN GOING	67,953,098	73,147,578	78,206,546	79,566,512	72,989,708	79,795,459	18,174,061
INTER ISLAND	34,549,270	40,107,597	41,402,044	44,810,987	40,456,261	40,473,516	9,323,205
TOTAL	102,502,368	113,255,175	119,608,590	124,377,499	113,445,969	120,268,975	27,497,266

Tanjung Priok's Facilities

Channel	
Length	19,85 km
Width	30 up to 150 m
Depth	-5 up to -14 mLWS
Breakwater	
Breakwater Length	9,25 km
Basin	
Total Basin Area	103,37 ha
Berth	
Commercial Ship Berth Length	14,11 km
Non-commercial Berth Length	4,55 km
Depth	-4 up to -14 mLWS
Storage	
Unit	11 unit
Total Storage Area	6,33 km2
Yard Area	
Conventional Yard Area	17,42 ha
Container Yard Area	180 ha

Source: PT. Pelindo II, 2016

DEVELOPMENT OF TANJUNG PRIOK PORT:
KALIBARU CONTAINER TERMINAL



PROJECT NAME	Construction of Kalibaru Terminal Phase I
PROJECT COST (Rp Billion)	9.500
DEVELOPMENT	2012 – 2017
DRAFT	- 16 mLWS (Design Depth -20 mLWS)
VESSEL CAPACITIES	12.000 – 15.000 TEUs

Construction of **Kalibaru Container Terminal** is the development of the Port of Tanjung Priok. Kalibaru Container Terminal was built to gradually **step up the capacity in Tanjung Priok Port**, in **anticipation of container and cargo traffic growth** in the port.

Construction of Kalibaru Container Terminal is divided into two phases:

- **Phase 1 (2012 – 2016) :** construction of Container Terminal (CT) 1, CT 2, CT 3, Product Terminal (PT) 1, dan PT 2.
- **Phase II (2017 – 2023) :** construction of CT 4, CT 5, CT 6, dan CT 7.

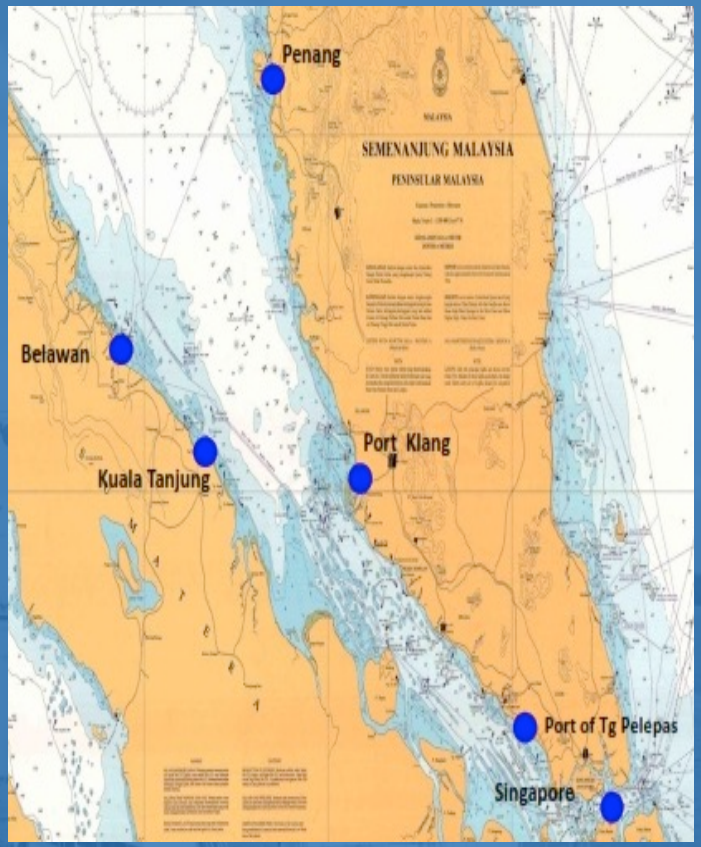
Source: PT. Pelindo II, 2016



KUALA TANJUNG PORT &
SEI MANGKEI SEZ

OVERVIEW OF KUALA TANJUNG PORT

- According to **Presidential Decree No. 3/2016** about Acceleration of National Strategic Project**, Kuala Tanjung Port** is projected as **International Hub Port**.
- Kuala Tanjung Port is located in **The East Cost, North Sumatera Province, Batubara Region**, with the geographical location in 03° 22' 30" LU dan 99° 26' 00" BT.
- Kuala Tanjung Port has the **natural depth – 14 LWS** at a distance 2,7 km from the beach, which doesn't **require any further dredging**.
- Geopolitically, Kuala Tanjung Port is the **gateway of the cabotage principle** implementation (UU No. 17/2008 about The Shipping), especially on Ocean Going commerce traffic to Atlantic Ocean.
- Kuala Tanjung Port has the specification area which is suitable to be developed **as International Hub Port**. It could catch the **International Transshipment** opportunity.
- In this current condition, Kuala Tanjung Port is developed as **multipurpose terminal** with operation target in 2017.



Kuala Tanjung Port has strategic location which is located in Malacca Strait which is world major shipping lane with more than 50 million TEUs container traffics (2014).

KUALA TANJUNG PORT DEVELOPMENT PLAN

Based on Ministerial Decree No. 148/2016

1st Phase of Development Plan

- In the **first phase** will be developed as **International Hub Port**.
- **Multipurpose Port** development will begin in 2015, while International Hub Port will begin in 2017.
- In this phase, the capacity of optimum ship is **panama post ship (2000)** but port facility will be prepared to service **Malacca Max and Triple E-Class Ship**.
- The development in this phase is intended to service the overall **demand amount to 1,5 million TEUS** which is expected to be achieved in **2021**.

4th & 5th Phase of Development Plan

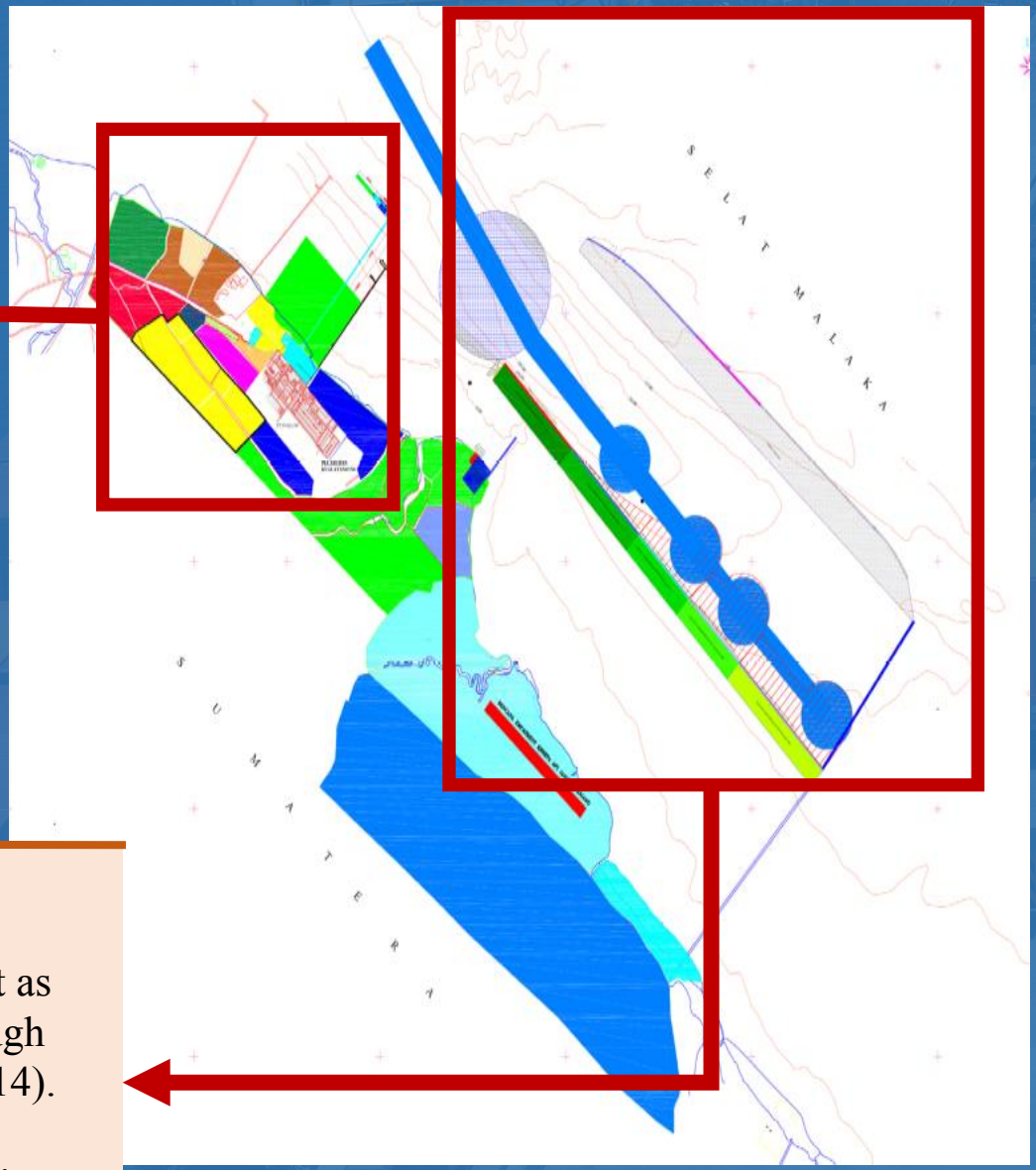
- In the **fourth phase**, the expected demand will **reach 11,4 million TEUS** in 2014. Therefore, the need of facility in Kuala Tanjung Port is assumed using that amount of demand.
- In the **fifth phase** (after 2042), the port is assumed to be the **mature port** with expected demand amount to **13 million TEUS**, therefore the growing of the demand is not as fast as previous phases.

Source : Kuala Tanjung Port Master Plan KP No 148/2016

KUALA TANJUNG PORT DEVELOPMENT

Water Bulk Terminal and Multipurpose (Phase 1)

- Based on Port Master Plan KP 148/2016.
- Concession agreement of water bulk pier cultivation between KSOP Kuala Tanjung and PT. Pelindo I (Persero) in January 23rd 2015.
- Finalization of Concession Agreement Addendum will be the cultivation of Multipurpose Terminal.
- The progress of physic construction is 59%.



Container Terminal (Phase 2 up to 5)

- Based on Port Master Plan KP 148/2016.
- Study of Kuala Tanjung Port development as international hub has been budgeted through State Budget (APBN Ditjen Hubla TA 2014).
- Study of Outlined Business Case by Coordinating Ministry for Economic Affairs (CMEA) 2016.

Source: Ministry of Transportation, 2016

ESTIMATED BUDGET NEEDS
FOR KUALA TANJUNG PORT DEVELOPMENT

Port	Budget Needs (IDR)				
	Phase I 2016-2021	Phase II 2022-2026	Phase III 2027-2031	Phase IV 2032-2041	Phase V Beyond 2042
Multipurpose*	439 M	-	-	-	-
Hub International	13.728,75 M	5.520,904 M	9.041,382 M	8.809,793 M	12.360,45 M

* : Container Terminal Construction has been started in 2015 by PT. Pelindo I

Total Estimated Budget Needs for Development International Hub Port Kuala Tanjung from Phase I up to Phase V Rp. 49.461,28 Billion

Source: Ministry of Transportation, 2016

ECONOMIC REGIONAL DEVELOPMENT PLANS

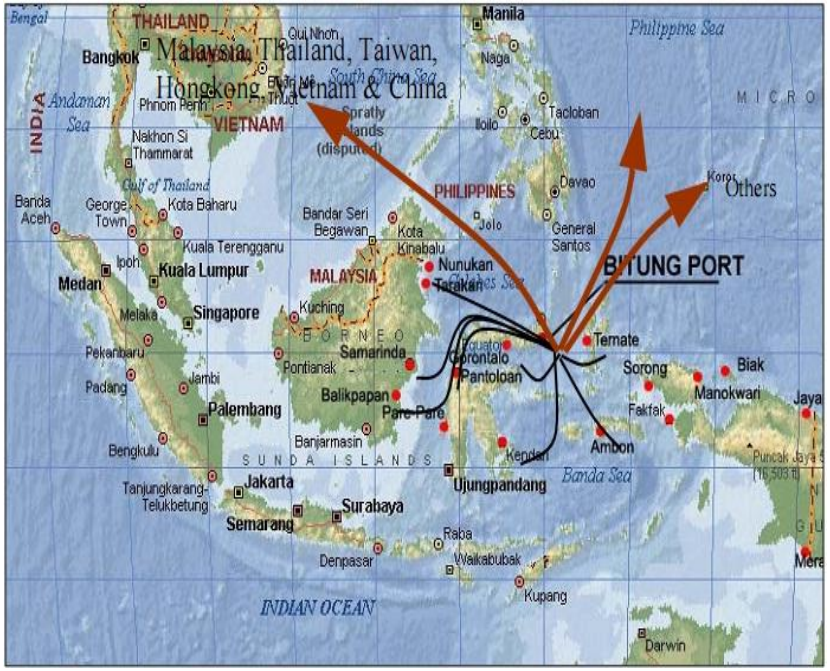


Source: Ministry of Transportation, 2016

BITUNG PORT & BITUNG SEZ



OVERVIEW OF BITUNG PORT



- According to **Presidential Decree No. 3/2016** about Acceleration of National Strategic Project, **Bitung Port** is projected as **International Hub Port**.
- Geopolitically Bitung Port is the **gateway of the cabotage principle** implementation (UU No. 17/2008 about The Shipping), especially on Ocean Going commerce traffic to Pacific Ocean.
- Bitung Port is **Global Connectivity Gateway** that optimize the location of SloC (Sea Lane of Communication) and ALKI. It will become the gateway of **North Sulawesi to Asia Pacific area**, which can simplify the goods and services distribution to the Asia Pacific market.

The Existing Facility of Bitung Port (2014)



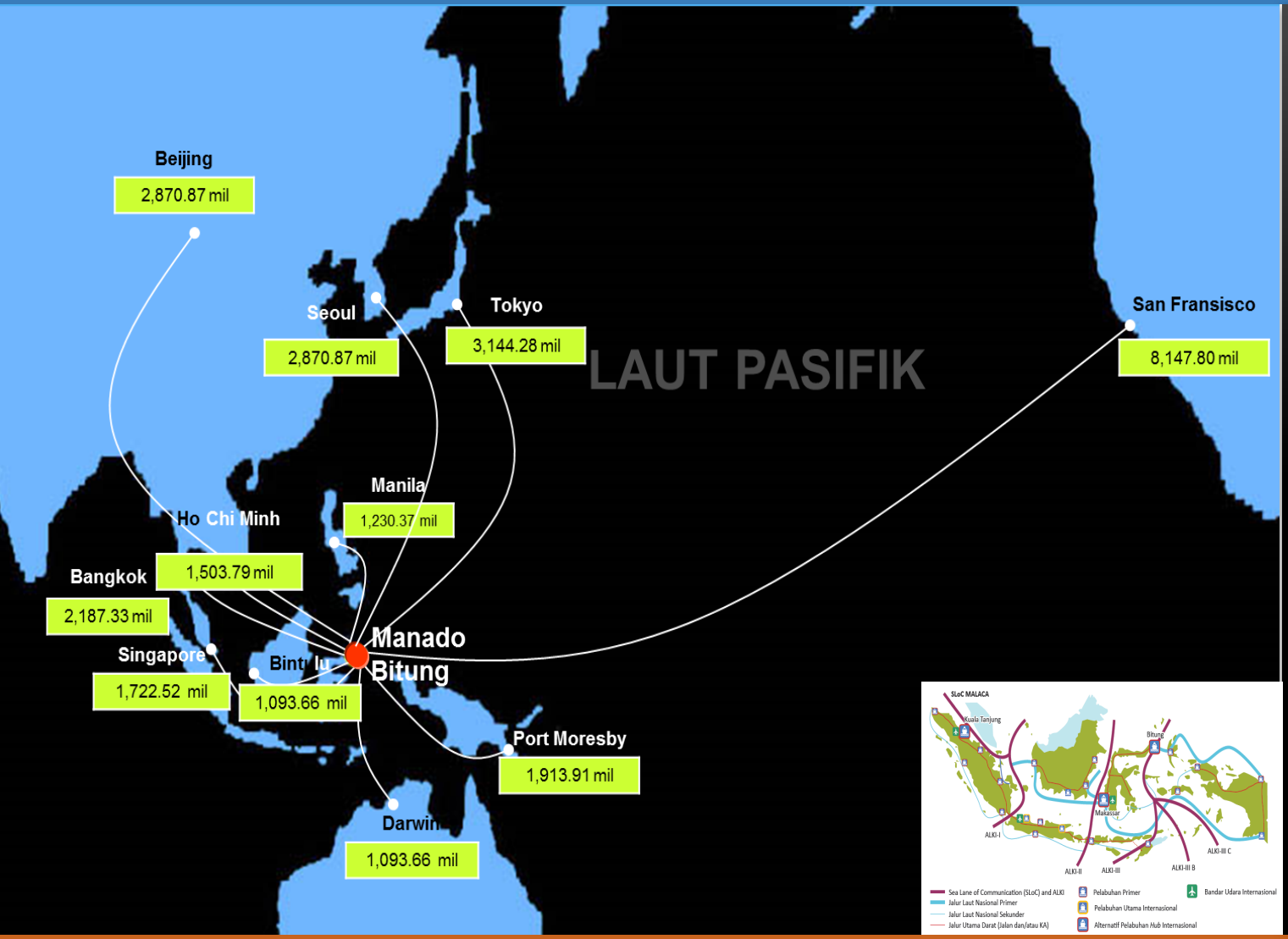




Dock	Length (m)	Draft
Samudera	607	-10 s.d -15 m LWS
Nusantara	652	-6 m LWS
Local	80	-5 M lws

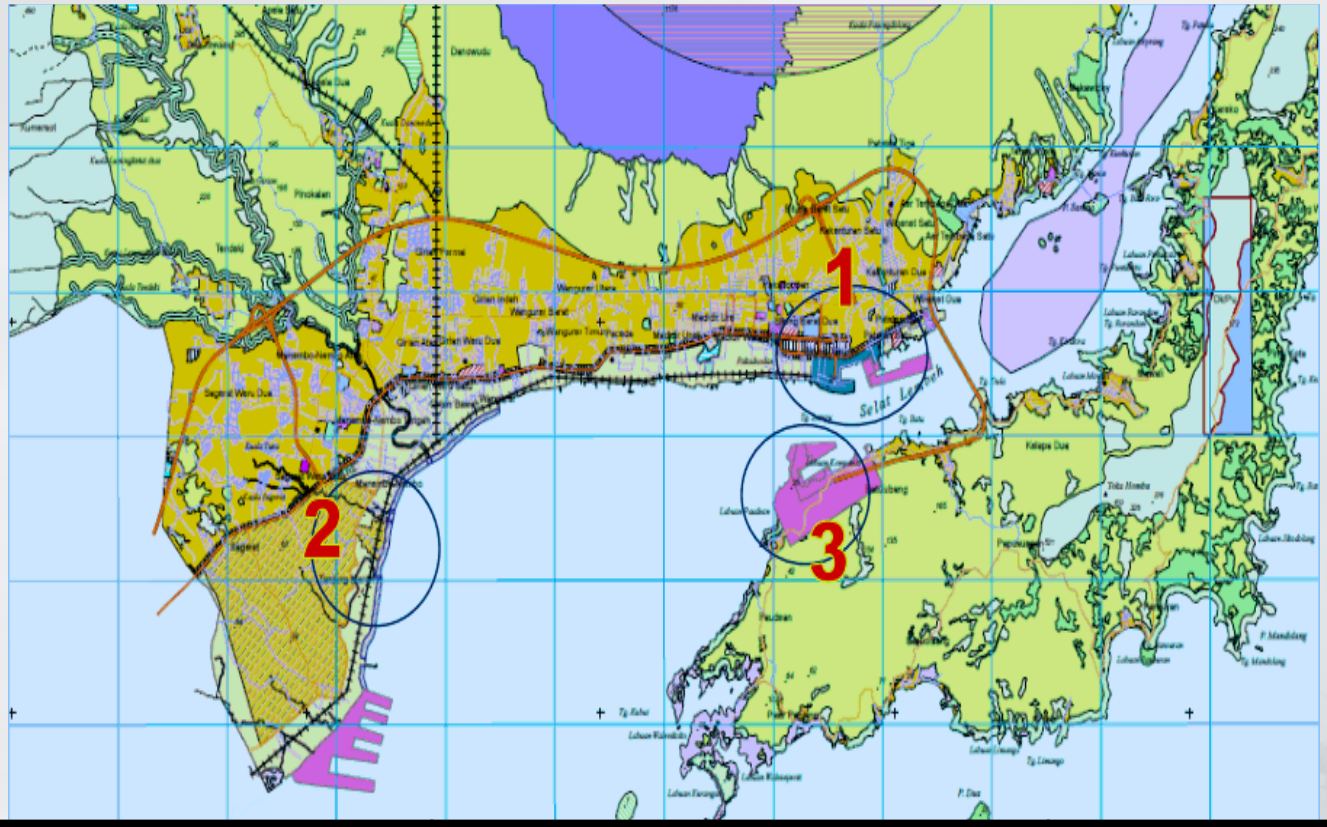
Container Terminal	Length (m)	Draft
Dock VIII	357	-10 s.d -12 m LWS
Dock IX	233,5	-10 s.d -12 m LWS
Total	590,5	

STRATEGIC POSITION OF BITUNG PORT



- Bitung Port has very strategic location, in ALKI III (Indonesia Archipelagic Sea Lanes III), which relate directly with Pacific Ocean (East Asia and Pacific Asia).
- For the example: From Bitung to Japan will only take 4 days sealing, while if from Jakarta – Singapore – Japan will only take 9 days sealing.

THE LOCATION PLAN OF BITUNG PORT DEVELOPMENT AS INTERNATIONAL HUB



The Location Plan Of Bitung Port Development as International Hub	Capacity (TEUs)	Development Plan	Financing Scheme
1. Bitung Port Development in the existing location	1.500.000	2015 s.d 2023	Concession to PT. Pelindo IV
2. Bitung Port Development in Special Economic Zone (SEZ)	600.000	2023 s.d 2034	Concession through KPBU scheme
3. Bitung Port Development in Lembeh	600.000		
Total capacity	**2.700.000**		

BITUNG PORT's DEVELOPMENT PLAN

Short Term Development Scenario (2015 -2019)





Multipurpose Terminal

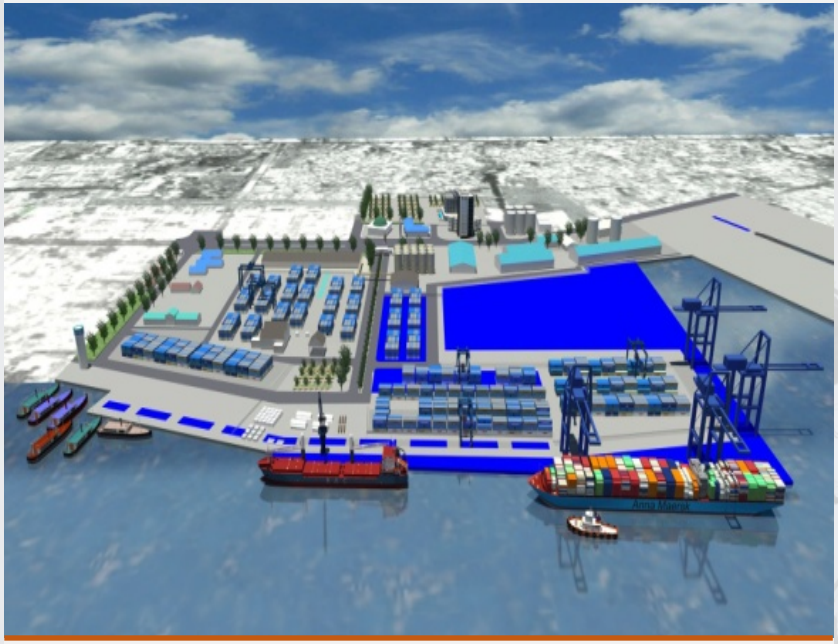
1. Container Yard Reconfiguration
2. Underdeck repair
3. Procurement loading and unloading equipment

Container Terminal

1. Dock extension 131 x 35
2. Trestle construction 74 x 11,5 M2
3. Container Yard expansion 5 Ha
4. 2 units Container Crane
5. 4 units RTG
6. Port Capacity 500.000 teus/year

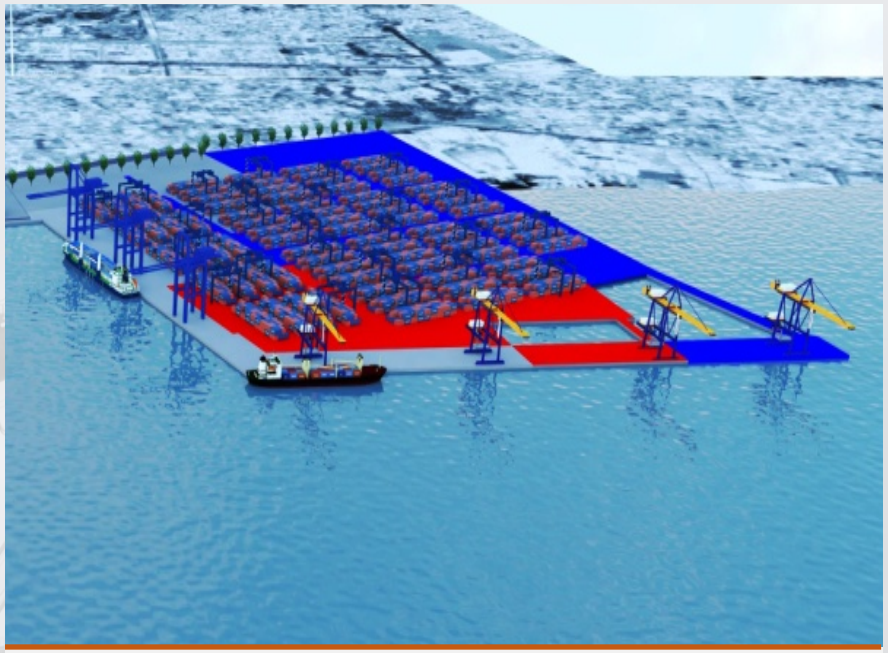
BITUNG PORT's DEVELOPMENT PLAN

Middle Term Development Scenario (2020 - 2024)



Multipurpose Terminal

- Facility conversion from multipurpose to container terminal
- Passenger terminal will be relocated to Tuminting Manado (New Port Development Plan)
- Reclamation in Nusantara and container dock development.
- Dock replacement gradually
- CC and RTG procurement
- Zoning arrangement service
- Pelra Dock relocation

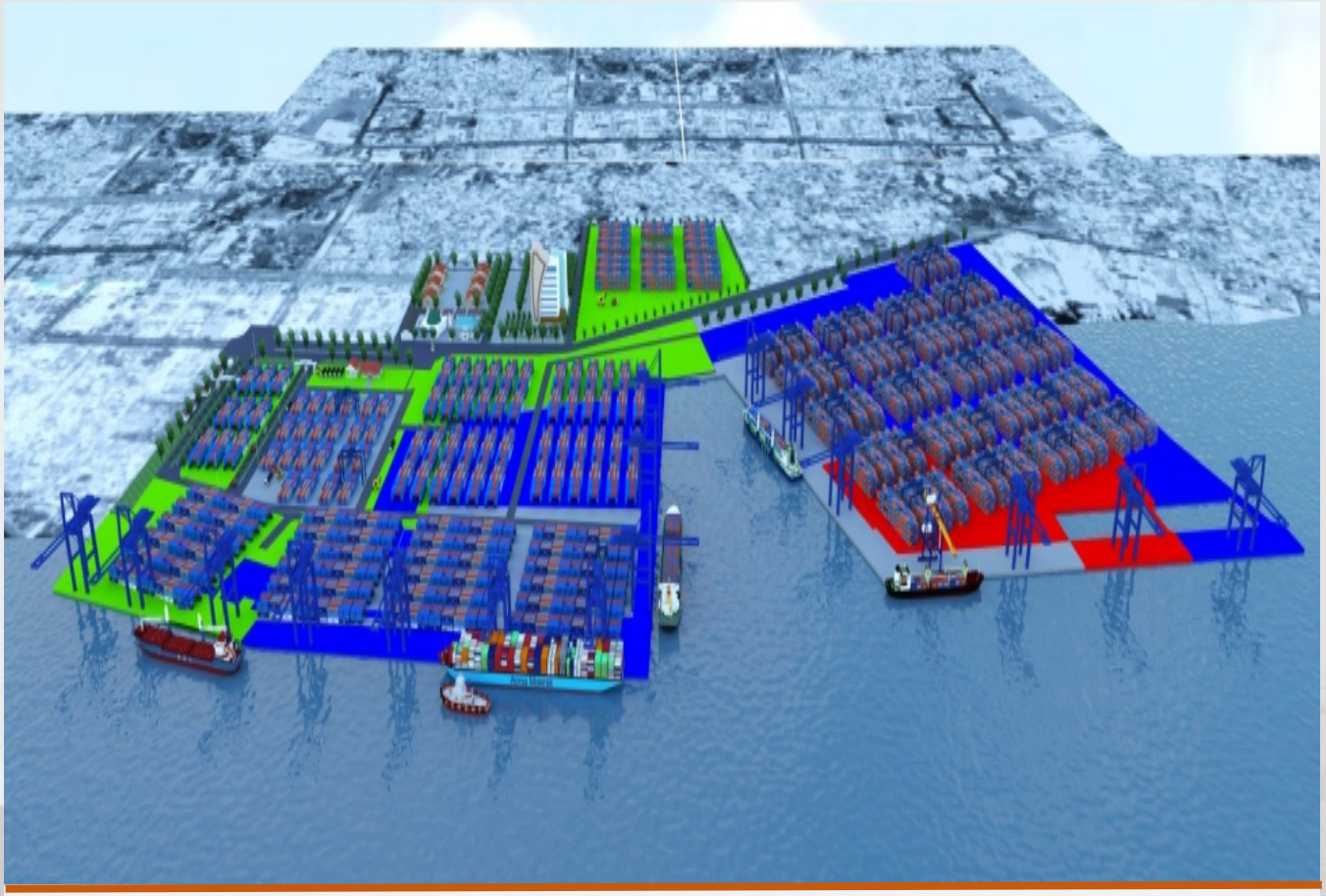


Container Terminal

- Expansion of Container Yard
- Expansion of Container Yard to the location Ex. ASDP
- Addition Pier
- Container Crane addition of 2 units
- RTG addition of 4 Units
- Installed capacity of 1.5 million TEUs /year

BITUNG PORT's DEVELOPMENT PLAN

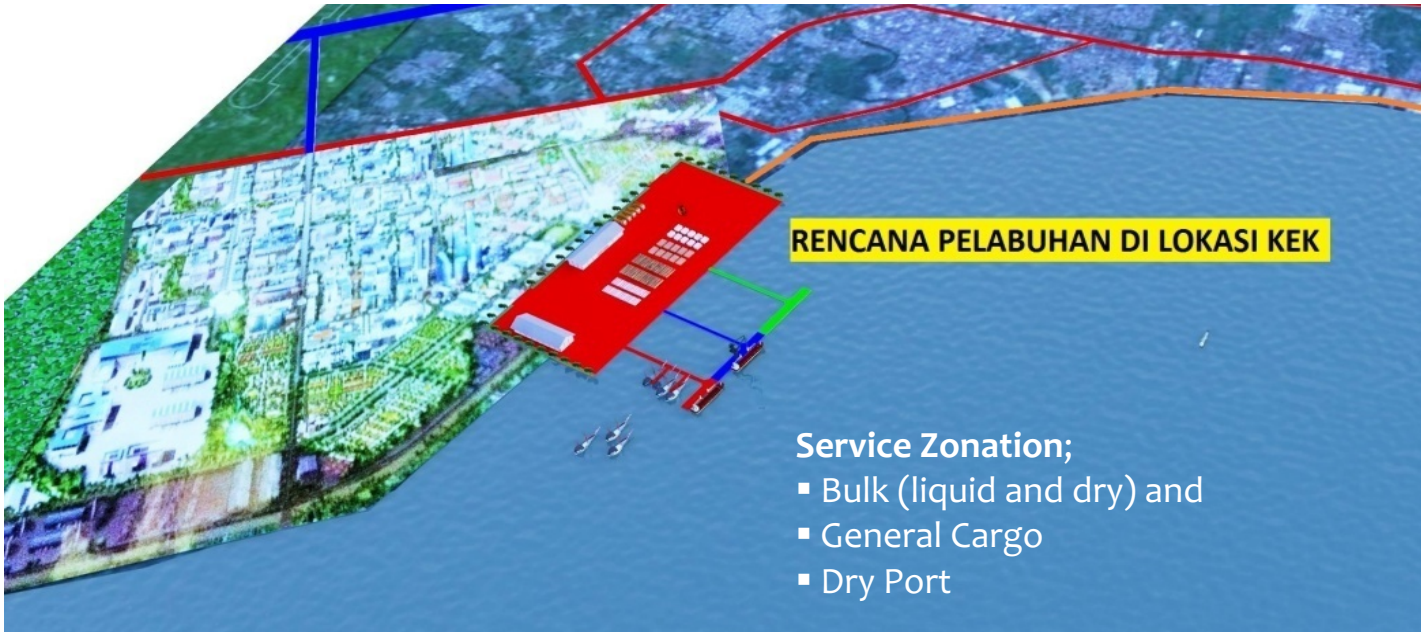
Long Term Development Scenario (2023 - 2034)



All the facility and activity in Bitung Port will be developed to be container service, the activities which will be done is resume conversion activities:

- Land acquisition, zoning arrangement service
- Replacement Multipurpose Pier into Pier Container
- Procurement of loading and unloading equipment (CC, RTG, RS, HT, etc.) as well as system information.

PORT DEVELOPMENT IN BITUNG SEZ (TANJUNG MERAH)



No	Details	1st Phase	2nd Phase	3rd Phase
		Vol	Vol	Vol
1	Length of Multipurpose Dock (M')	150 x 30	250 x 30	250 x 30
2	Trestle	12 x 360	12 x 360	12 x 360
3	Backup fields area (Ha)	50		
4	Fix Crane procurement		2	
	TOTAL			

SHORT-TERM

1. The land acquisition
2. Relocating the existing industry in Bitung Port to the location of the existing SEZ
3. Relocation of PELRA eksiting dock to the site of the SEZ

MEDIUM-TERM

1. General Cargo service activities in the Port of Bitung to SEZ
2. Preparation of Dry Port

LONG-TERM

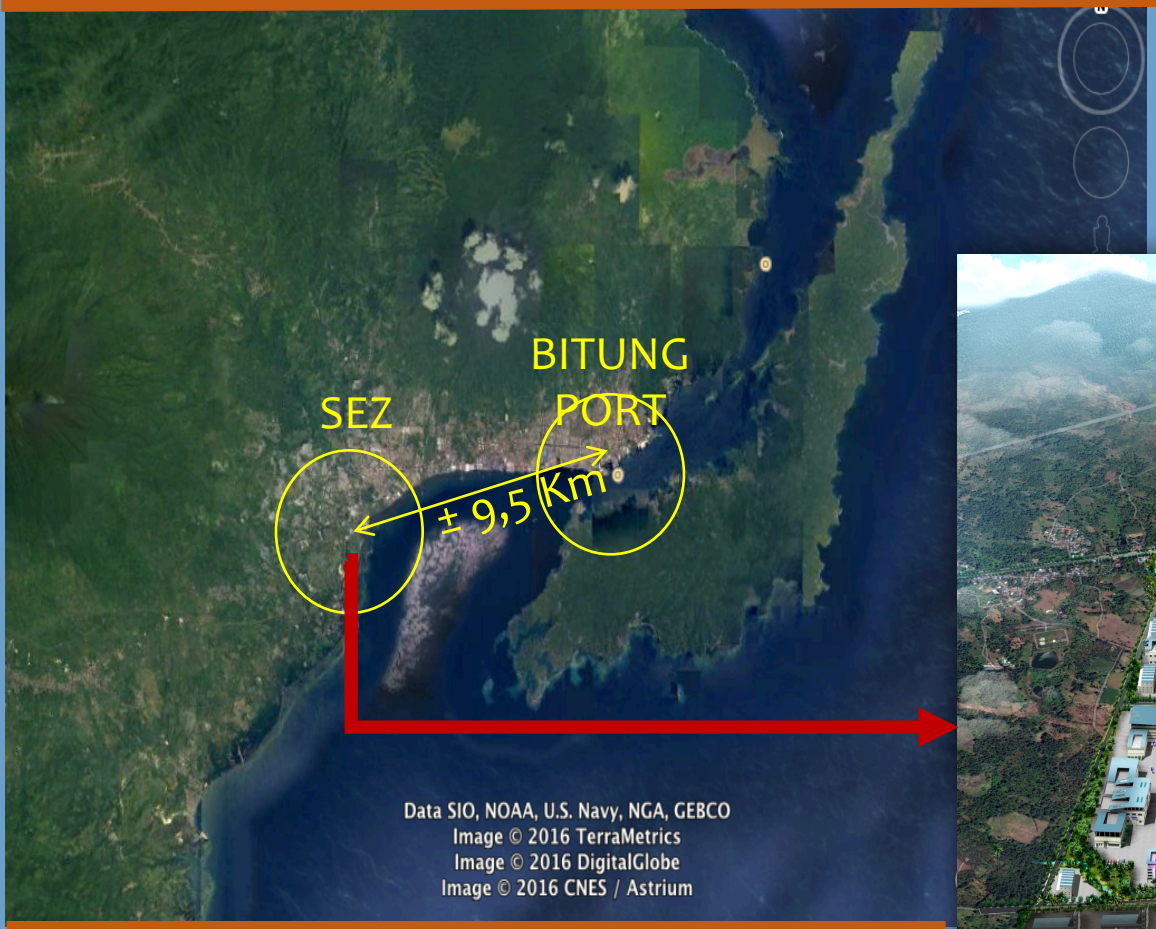
1. Port development in the area of SEZ
2. Development of Dry Port

ESTIMATED BUDGET NEEDS OF BITUNG PORT DEVELOPMENT

Details	Short Term	Middle Term	Long Term
	IDR	IDR	IDR
MULTIPURPOSE TERMINAL	6 B	1,9 T	704 B
CONTAINER TERMINAL	1,08 T	927B	1,1 T
TANJUNG MERAH TERMINAL	878 B	1,32 T	1.25 T

Source: PT Pelindo IV, 2016

BITUNG PORT AND THE LOCATION OF BITUNG SPECIAL ECONOMIC ZONE (SEZ)





- *Bitung SEZ is **one of three alternatives location** of Bitung Port development plan as International Hub. Bitung SEZ is recommended by Province Government of North Sulawesi by area of 534 Ha.*
- *Bitung SEZ zone development is divided into three zone **(export processing zone, industrial zone and logistic zone)**.*

Thank You



Republic of Indonesia
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The National Council Secretariat
for Special Economic Zone

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