Jakarta, 3 May 2016 – Indonesia Investment Coordinating Board (BKPM) has developed Direct Construction Services Program (or known as KLIK) that currently has been implemented in 14 industrial estates throughout Indonesia. According to BKPM, up to a total of 31 projects have utilized the facility with a total value of investment accounted for IDR 55.5 Trillion. The projects consist of 10 projects in the construction phase and 21 other projects in the stages of interest as well as the commitment and licensing.

The Chairman of BKPM, Franky Sibarani explained that BKPM aims to improve the coverage of KLIK by adding more industrial estates that are eligible to implement such facility, thus attaining a total of 25 industrial estates by the end of 2016. “As a consequence, there are at least 11 additional industrial estates of which already exist today. In relation to that, there are at least three components that needs to be taken into account such as the support of industrial estates, regional government support as well as cross-sector ministries,” he said in an official statement to the media, Tuesday (3/5).

According to Franky, this year investment target which accounted for IDR 594.8 Trillion requires concrete measures so as to help achieve such target. “KLIK is one of the programs that is expected to subsequently boost investment realization. Investor can directly commence the construction phase within the selected industrial estates, thus expediting the process from commitment to investment realization,” he added.

Moreover, Frank pointed that as of 30 April 2016, a total of 31 projects with an investment value of IDR 55.5 Trillion have been utilizing the land area of 576.64 hectares in 6 industrial estates. “By the end of March 2016, 2 projects worth IDR 1 Trillion have utilized KLIK facility,” he said.

BKPM has been actively gaining feedbacks from stakeholders and relevant businesses. One of which is by holding an investment dialogue forum on 3 May 2016 taking place at Nusantara Room BKPM which presented a number of prominent speakers, namely Tamba P. Hutapea (Deputy Chairman of BKPM for Investment Planning), Sanny Iskandar (Chairman of Indonesia Industrial Estates Association, or known as HKI) and Tonny Hadhiwalujo (Managing Director of PT Modern Industrial Estate), which is also one of the members of HKI.

Tamba added that KLIK has two strategic implications, the first is to support the realization of national investment target, then the second is related to the sheer coordination between central and regional government. "So, both of them are deemed crucial, which underpin the achievement of annual investment target and also reflect the coordination between central and regional government," he said.
Moreover, Tamba also argued that the implementation of KLIK may lead to a variety of investment convenience enjoyed by the investors. Among these, investors may immediately start project construction after obtaining principle license issued by BKPM or regions within their authority, as long as in compliance with applicable Estate Regulation.

“The processing of technical licenses such as building permit (e.g. IMB), environmental permit (e.g. UKL/UPL and Amdal) and other regional technical licenses submission are conducted in parallel with the building construction and later those permits shall be held prior to the project commercial production,” added Tamba

In the meantime, the Chairman of HKI Sanny Iskandar argued that before deciding an industrial estate can receive KLIK facility, the communication and coordination among BKPM and relevant line ministries are expected to be sound and clear.

“Particularly with the Directorate General of Industrial Zoning Development – Ministry of Industry, National Commission on Industrial Zone and also HKI. It is eventually intended to elucidate the actual condition of an industrial estate that will receive KLIK facility both in terms of licensing and physical aspect of the estate,” said Sanny.

Sanny also emphasized that industrial zone (or known as Zona Industri) can be technically distinguished from industrial estates (or known as Kawasan Industri). For instance, there is no developer or estate administrator in the industrial zone since it is already designated specifically for industry. Moreover, industrial zone does not file an application to obtain industrial estate permit, therefore the implementation of KLIK facility only in selected industrial estates rather than industrial zones is already in the right course.

In line with Sanny, Managing Director of PT Modern Industrial Estate Tonny Hadhiwalujo added that the administrator of industrial estates expects the government to help overcome the existing problems and issues such as unsynchronized regulations across ministries and agencies, thuggery and land acquisition.

Currently, there are 14 industrial estates that have been established in order to implement KLIK with a total area of 10,022 hectares. 14 industrial estates are spread across six provinces namely Central Java which consists of three industrial estates covering an area of 840 hectares, East Java which consists of one industrial area covering 1,761 hectares, South Sulawesi with one industrial area covering 3,000 hectares, Banten which consists of 3 industrial estates with a total land area of 3,170 hectares, West Java which consists of five industrial estates with a total land area of 1,111 hectares and North Sumatra which consists of 1,100 hectares of industrial area.

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