Press Release

USD 18 Billion Business Deal Marks President Joko Widodo Visit to South Korea

Seoul, May 16 2016 - Indonesia – South Korea Business Deals in the amount of USD 18 Billion were announced with the President Joko Widodo visit to South Korea on May 16, 2016. The Chairman of Indonesia Investment Coordinating Board (BKPM), Franky Sibarani said that the business agreement included the investment commitments from seven South Korean businesses, in the amount of USD 15.8 Billion and the signing of four Memorandum of Understanding (MOU) between South Korea and Indonesia in the amount of USD 2.2 Billion. The business deals covered the electricity sector, including renewable energy; feed industry; film industry; shoes industry; and pharmaceutical industry.

“The announced business deals show the Korean investors’ trust in Indonesia’s investment climate, including various investment reforms that our government has done and is doing right now”, Franky added in the conference to the media, on Monday (16/05).

Franky further explained that the announced investment commitments and signed MOUs were serious agreements to be realized. According to him, BKPM and the Indonesian Embassy in Seoul have verified the realization commitment from the Korean investors that we announced today.

“Indonesian President Joko Widodo emphasized that there will be a close follow up to make sure that today’s signed deals are going to be realized. BKPM and the Indonesian Embassy in Seoul will oversee today’s business agreements until their realization”, Franky confirmed.

The Korean Minister of Trade, Industry and Energy, Joo Hyung Hwan attended today’s announcement and the signing ceremony. The announcement included the following business agreements:

A. The seven companies who announced their investment commitment were:
   1. Investment commitment in Natural Gas Infrastructure in the amount of USD 10 Billion (including MoU Kogas and PDPDE South Sumatera in the amount of USD 600 million);
   2. Investment commitment in Petrochemical industry in the amount of USD 4 Billion;
   3. Investment commitment in Feed Industry and Film Industry in the amount of USD 2.1 Billion.
   4. Investment commitment for waste to energy project in the amount of USD 140 million;
5. Investment commitment in Bio Pharmaceutical Raw Materials in the amount of USD 100 Million.
6. Investment commitment in Shoes Industry in the amount of USD 83.5 Million.
7. Phase II Expansion of Production Capacity in the Steel Industry up to 10 Million tonnes.

B. The four signed Memorandum of Understanding were:
1. KOGAS and PDPDE South Sumatera, to build the gas pipe from Tanjung Api-Api to Bangka island in the amount of USD 600 Million.
2. KORBI and PT Coffindo, to build solar power plant in the amount of USD 100 Million.
3. Komipo, Posco Engineering and PT Sulindo Putra Timur, for hydro power project in Southeast Sulawesi in the amount of USD 230 Million.
4. Komipo, Samtan, PT Indika Multi Energi Internasional and Marubeni Corporation, for the third expansion of power plant in Cirebon in the amount of USD 1.27 Million.

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