

## **Ministry of Investment Collaborates with Hyundai Consortium Build Electric Vehicle Battery Cell Industry**

Jakarta, July 29, 2021 – Minister of Investment/Chairman of Investment Coordinating Board (BKPM) Bahlil Lahadalia has signed a Memorandum of Understanding with Hyundai Consortium and PT Industri Baterai Indonesia (IBI) represented directly by Hyundai Mobis Co. Ltd CEO Sung Hwan Cho and LG Energy Solution (LGES) CEO Jonghyun Kim, as well as President Director of of PT Industri Baterai Indonesia Toto Nugroho. This signing activity was conducted online through a video conference at the Office of the Ministry of Investment / BKPM on Wednesday afternoon (28/7).

The Hyundai Consortium, consisting of Hyundai Motor Company, KIA Corporation, Hyundai Mobis, and LG Energy Solution in collaboration with PT Industri Baterai Indonesia, also known as Indonesia Battery Corporation (IBC), will build an electric vehicle battery cell factory with a total investment of approximately USD 1.1 billion with a labor absorption plan of approximately 1,000 people. This investment cooperation is one of the stages of the overall plan for an integrated electric vehicle battery project worth USD9.8 billion.

This battery cell investment collaboration project is one of the government's steps to encourage the upstream-downstream industry of electric vehicles in Indonesia.

The Minister of Investment/Chairman of BKPM expressed his appreciation to Hyundai, LG, and PT Indonesia Battery Industry for the implementation of this collaboration. Bahlil acknowledged that this cooperation agreement was realized through a long process and negotiation so that it could benefit all parties. He also reminded that in the implementation of this cooperation, companies are obliged to cooperate with local Micro, Small, and Medium Enterprises (MSME) entrepreneurs. This is a mandate from Law no. 11 of 2020 concerning Job Creation (Law CK).

The Hyundai Consortium plans to form a joint venture (JV) with PT Industri Battery Indonesia as the holding of the Battery BUMN which is a combination of 4 (four) BUMN, namely PLN, Pertamina, MIND ID, and Antam. The investment cooperation is targeted for groundbreaking this year. The battery cell facility is planned to have a production capacity of 10 Giga Watt Hour (GWh), which will later supply Hyundai's electric vehicles.