Visiting Central Sulawesi, Minister of Investment/Chairman of BKPM Reforms the Strategy and Policy to Attract Investors to Palu SEZ

The Ministry of Investment/Investment Coordinating Board (BKPM) continues to encourage investment through the development of Special Economic Zones (SEZ). On May 19, the Minister of Investment/Chairman of BKPM, Bahlil Lahadalia, inspected the development of Palu SEZ. He revealed that this is a special order by President Joko Widodo to visit 15 SEZs and make the necessary formulations to accelerate the filling of tenants.

Since Palu SEZ is included in the PSN (National Strategic Project) and the eastern region development is a special concern to the central government, we need to formulate some policies to attract tenants to the Palu SEZ. If necessary, we will make investment policies that provide more incentives than other SEZs. The goal of SEZs development is to make it easier for investors in terms of licensing and implementation. To attract investors, we should not increase the land prices. The licenses are managed by the state and then we provide incentives to investors”, said the Minister of Investment.

Andi Mulhanan Kunciotutu, President Director of PT Bangun Palu Central Sulawesi as the Management Business Entity (BUP) of the Palu SEZ, expressed his gratitude for the arrival of the Minister of Investment/Chairman of BKPM.

"Our obstacle in developing the Palu SEZ is infrastructure within the region because of funding difficulties due to disaster recovery and the COVID-19 pandemic. We are working hard to find partners to build infrastructure in the area, such as roads, drainage, water, gas, electricity, and other supporting facilities. From a geostrategic and geo-economic point of view, the Palu SEZ is very superior to the others. Hopefully, with the presence of the Minister, we can be supported in infrastructure development in the area and bring in 'anchor tenants' to help us build and manage the Palu SEZ.” Mulhanan explained.

The Palu SEZ in Central Sulawesi Province is the first area designed by the government as an integrated logistics center and mining processing industry in the Sulawesi economic corridor. Currently, six tenants are occupying 400 hectares, out of a total of 1,500 hectares of available land. They are engaged in the asphalt, ceramics, furniture, agriculture, and processing industries. The Palu SEZ development plan reaches Rp. 8.7 trillion, with an incoming investment of Rp. 92.4 trillion. In the future, the Palu SEZ is projected to absorb as many as 97,500 Indonesian Workers (TKI).

Minister of Investment/Chairman of BKPM together with the Governor of Central Sulawesi, Longki Djanggola, also held a meeting with nine companies, of which 5 companies are in the Palu SEZ, including PT Trinitan Metals and Minerals, PT Asbuton Jaya Abadi, PT Hong Thai International, PT Pelabuhan Indonesia IV, and PT Bangun Palu, Central Sulawesi. Other companies in Central Sulawesi Province are PT
Huayue Nickel Cobalt, PT Macrolink Omega Resources, PT Citra Palu Mineral, and PT Sulawesi Cahaya Mineral. They conveyed some of the obstacles they faced while investing in the Palu SEZ, such as land acquisition constraints and insufficient availability of raw materials for the production process.

One of the main obstacles in the development of the Palu SEZ is land acquisition. This was conveyed by Insmerda Lebang, President Commissioner of PT Trinitan Metaland Minerals (PT TMM). They will bring environmentally friendly technology to be applied to the smelter industry, so that it can contribute to the global supply chain, especially for electric batteries and their derivatives. The company, which has an investment value of Rp. 34.5 trillion, is engaged in the Non-Iron Base Metal Processing Industry and has been around for 70 years. Currently, about 10 hectares of land have been acquired out of the 200 hectares needed.

PT TMM is a pioneer in the use of Step Temperature Acid Leach (STAL) technology in the environmentally friendly smelter industry. STAL is a nickel processing technology that focuses on ESG (Environmental, Social, and Governance) aspects. This STAL technology is 100% the work of the nation's children.

On the same occasion, PT Asbuton Jaya Abadi, which is engaged in asphalt processing, conveyed the problem in the production process. Johan Agan, Director of PT Asbuton Jaya Abadi, said that the use of Buton asphalt is still very lacking. The Minister of Investment/Chairman of BKPM explained that all Buton asphalt products will be absorbed according to the Regulation of the Minister of Public Works and Public Housing Number 18/PRT/M/2018 of 2018 concerning the Use of Buton Asphalt for Road Construction and Preservation.

Based on the data of the Ministry of Investment/BKPM, in the first quarter (January-March) 2021, Central Sulawesi province became one of the 3rd largest foreign investment destinations after West Java and DKI Jakarta. The total realization of investment in Central Sulawesi province for PMA reached USD 577.4 million, while Domestic Investment (PMDN) was Rp. 854.1 billion. (*)