



## **PRESS RELEASE**

**Jakarta, 26 September 2020**

### **Bahlil: One More Korean Company Has Relocated Investment to Indonesia.**

Jakarta, 26 September 2020 - Chairman of Indonesia Investment Coordinating Board (BKPM) Bahlil Lahadalia and Minister of State-Owned Enterprises (BUMN) Erick Thohir visited South Korea on 23-24 September 2020. The visit's purpose was to follow up on several investment plans made by the South Korea in Indonesia.

Good news brought by the Indonesian delegation upon arriving home is the addition of one South Korean company relocating their factory to Indonesia. That company is PT Sejin Fashion Indonesia. Sejin is a subsidiary of Parkland Co., Ltd., which has been investing in Indonesia in the footwear industry for 15 years.

PT Sejin Fashion Indonesia is relocating their factory from Dalian, People's Republic of China (PRC) to Pati, Central Java. The company is in the industry of export-oriented garments. Total company investment is estimated to be worth USD35 million.

"This is excellent news. Following the President's directive, we are required to continue to actively pursue companies relocating their business from China and several other countries. After the Korea visit, one more company will be relocating to Indonesia from China. This is a labor-intensive industry, capable of adding up to 4,000 new jobs. We hope this will help the economy during this pandemic," said Bahlil.

In addition to new jobs, PT Sejin Fashion Indonesia's investments will also increase Indonesia's foreign exchange as 100 percent of its products will be exported. For that reason, PT Sejin Fashion Indonesia asks for the Indonesian government's support to hasten the relocation process to Indonesia so it can immediately start operations.

The support expected, among others, is related to the acceleration of the technical inspection process on Used Capital Goods (BMTB) to be relocated from the factory in China, application submission for factory location as Bonded Zone (Entrepreneur in Bonded Zone/ PDKB), support in bringing in expert Foreign Labor (TKA) during COVID-19 pandemic, as well as facilitating application submission on Tax Allowance incentive.

"In accordance with BKPM commitment, investors will be facilitated and looked after. Some of the company's requests has been facilitated. During this visit, I also delivered the approval of the Tax Allowance Sejin has applied for. It is all done. Regarding permits still in process, we have special team handling it. The company only has to wait for the all-clear," stated Bahlil.

Approval of the Tax Allowance incentive for PT Sejin Fashion Indonesia became the first Tax Allowance issued by BKPM since the delegation of authority from the Ministry of Finance of the Republic of Indonesia (RI). BKPM will continually push for Sejin to meet its commercial production target in the fourth quarter of 2020.

Parkland CEO Myeong-gyu Park is optimistic their subsidiary will flourish in Indonesia. Parkland's business activities in Indonesia have shown satisfactory results so far. This was the background for the company's move in relocating their factory to Indonesia.

"We are very grateful to BKPM Chairman and Team for helping us relocate investment to Indonesia. We are more confident and convinced that our investment can grow well in Indonesia. This, of course, is due to the support from the South Korean Government and Indonesian Government, specifically BKPM," said Park.

On the same occasion, the President Director of PT Sejin Fashion Indonesia Ho-jung Park conveyed his utmost appreciation for all the facilities made by BKPM regarding their requests for supporting their investment in Indonesia.

"I am amazed by the quick response of BKPM Chairman and Team. We are greatly aided by the support given. We will do our best to realize our investment in Indonesia soon. Thank you," said Ho-jung Park.

Parkland Co., Ltd. is a South Korean company established in 1973 in Busan, South Korea. One of Parkland's investments in Indonesia is PT Parkland World Indonesia, which has had several factories in Indonesia since 2005, among others in Serang-Banten, Jepara, Rembang, and Pati. The company produces footwear/ sports shoes for New Balance, Adidas, Reebok, and others. (\*)

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