PRESS RELEASE

Minister of Investment is Optimistic Indonesia Can Be a Major Electric Battery Player in the World

Dubai, 4 November 2021 – A current vision of Indonesian President Joko Widodo is realizing an economic transformation by creating added value through industry downstreaming. The Minister of Investment/Indonesia Investment Coordinating Board (BKPM) Chairman Bahlil Lahadalia explained that industries encouraged are environmentally friendly industries and those that highlight Indonesia's contribution to the world, one of them downstreaming the electric car industry.

"Indonesia's target is to become a world player in electric car," said Bahlil during his visit to the Indonesia Pavilion at the Dubai Expo 2021 last Tuesday (2/11).

The Ministry of Investment/BKPM will sign a Memorandum of Agreement with Foxconn regarding their investment plans in Indonesia. The agreement is a follow-up to the Minister of Investment/BKPM visit to Taiwan last week.

"InshaAllah Foxconn is interested in investing in Indonesia. I don't have the details as to the value and when the investment will begin. We have signed the agreement but not in the form of an MoU. We are certain they will invest, but we cannot give out detailed announcement yet. Hopefully this year," revealed Bahlil.
Bahlil conveyed that the Indonesian President has given special instructions to the Ministry of Investment/BKPM to attract Foxconn investment to Indonesia. Investment from this Taiwanese component and electronic products manufacturing company will later be divided into several sectors: production of the electric battery, car and motorcycle, and telecommunications equipment spare parts.

Foxconn's investment in Indonesia will involve national businesses and Micro, Small and Medium Enterprises (UMKM). Foxconn will manufacture electric cars in Indonesia and develop the component and raw material industry used.

"This will have incredible added value, and the price will be very competitive," said Bahlil.

Indonesia has an excellent opportunity to become a significant player in the world's electric car industry. Bahlil also related that there would be other electric car investments entering Indonesia.

"I have just come from Germany, spoke with Volkswagen and BASF, they have confirmed to invest in Indonesia and become part of the supply chain for electric car battery. They will enter at the downstream part of the chain, not the upstream. This will require collaboration. This is our target going forward," explained Bahlil.

Previously the Ministry of Investment/BKPM has facilitated the investment of LG company from South Korea in the electric car battery industry for USD9.8 billion or IDR142 trillion, and CATL from China for USD5.2 billion or IDR75.4 trillion (assuming a rate of IDR14,500 per USD). LG and CATL will enter the Indonesian electric car battery industry supply chain from upstream to downstream. The significant investments prove that Indonesia can realize its target of becoming a player in the world's electric car industry. (***