Pertamina and CPC Taiwan agreed to carry out the collaboration plan of developing the Integrated Petrochemical Industrial Area in Balongan, West Java with an investment worth up to USD 8 Billion. The agreement was marked by the signing of the Head of Agreement (HoA) by Pertamina’s President Director Nicke Widyawati and the President & CEO of CPC Corporation Taiwan who was symbolically represented by the Vice President of CPC Corporation, Mr Ming-Huei Chen, in Jakarta and Taipei, Friday afternoon (5/6). Also witnessing this signing, the Chairman of BKPM Bahlil Lahadalia, Vice-Minister of BUMN I Budi Gunadi Sadikin and Pertamina Commissioner Condro Kirono.

Previously, discussions on this project had been initiated by Pertamina and CPC Taiwan since the end of 2018 and followed by the signing of the Framework Agreement and the joint feasibility studies since mid-2019.

BKPM pays special attention to the Balongan project and is grateful that the HoA signing still can be done amidst the Covid-19 pandemic. BKPM Chairman Bahlil Lahadalia made sure to oversee this investment.

"This cooperation is formed over a long and deep negotiation process. Therefore, we appreciate the efforts of Pertamina and CPC. This project is a government priority. We will fully support it. We also have given the tax holiday confirmation yesterday. Only a gentle reminder from me, when the project is running, kindly involve entrepreneurs in the area as well as the Micro, Small and Medium Enterprises (MSMEs)," Bahlil said in his remarks.

Nicke Widyawati asserted, as a national oil and gas company, Pertamina is committed to realizing a strong petrochemical industry in Indonesia, hence it can meet domestic needs and help reducing imports of petrochemical products.

"This project is an important milestone to strengthen our petrochemical business portfolio, as we expect in the next 10 years, Pertamina can become the main player in petrochemical business in the Asia Pacific," Nicke said. We hope CPC's experiences and expertise in the field of petrochemicals can help Pertamina to accelerate the petrochemical business development that is integrated with RDMP and GRR mega projects.

Nicke expressed her appreciation to CPC for the collaboration and is optimistic that CPC will continue as a strategic partner of the Joint Venture in the Balongan Petrochemical Area development project. Nicke also conveyed her gratitude to the Government for the supports, including in providing investment incentives and facilities that will help to complete projects on target to support national economic development.

"Going forward, Pertamina together with the Government and CPC Taiwan will continue to strengthen our cooperation to complete projects targeted to operate in 2026," concluded Nicke. (*)
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