Visiting SEZ Sei Mangkei, Minister of Investment: “We Will Apply the Batang KIT Concept.”

Simalungun, April 30, 2021 - Minister of Investment / Chairman of BKPM Bahlil Lahadalia conducted a visit to the Sei Mangkei Special Economic Zone (KEK) in Simalungun Regency, North Sumatra (30/4). In his first working visit after being inaugurated as Minister of Investment last Wednesday (28/4), Bahlil said that the purpose of the visit was to observe the problems which linger on the KEK since being built in 2012.

“Today, I came to SEZ Sei Mangkei to take a closer look and see what needs to be improved, how to speed up the land occupation. It is an area of approximately 2000 ha. It turns out that only five tenants exist and only occupy 10% of the land,” said Bahlil.

The Minister of Investment / Chairman of BKPM conveyed that President Joko Widodo's direction was to apply the Batang Integrated Industrial Zone (KIT) concept in the development of the Sei Mangkei SEZ.

"Maybe we will find out what the similarities (between Batang and Sei Mangkai). Because we also want the economic cycle in Simalungun to run well. Job creation can only occur through investment,” said Bahlil in his statement to the media.

The obstacles faced in the development of the Sei Mangkei SEZ include the incomplete construction of infrastructures such as toll roads, rail access, and uncompetitive land and gas prices.

Bahlil explained that in Job Creation Law Number 11 of 2020, SEZ administrators are given authority in managing permits, but the data is in the Online Single Submission (OSS) system. Bahlil emphasized the importance of accelerating investment licensing, with the result of obtaining the multiplier effects.

On this occasion, the Regent of Simalungun Radiapo Hasiholan Sinaga conveyed the readiness of the local government to help overcome the obstacles faced by SEZ Sei Mangkei.

"We are ready to support the development of this Sei Mangkei SEZ. Its development will support the economic growth of Simalungun Regency and also the absorption of its workforce,” said Radiapo.

Meanwhile, President Director of PT Perkebunan Nusantara III (Persero) Mohammad Abdul Ghani appreciated the presence of the Minister of Investment to the SEZ Sei Mangkei as a form of the government commitment to helping accelerate investment.

It is hoped that the Sei Mangkei SEZ can develop like the Batang Integrated Industrial Zone (KIT) in Central Java, where the first phase of 450 hectares has been successfully filled in just nine months.

"As stated by the Minister, with investment, we can grow the economy. We hope that if the industry grows, tens of thousands of people will become employees, emerging the economy and the welfare of the surrounding community. We will follow the Minister instructions, like in Batang,” said Gani.

Sei Mangkei SEZ is managed by PT Kawasan Induastri Nusantara which is a subsidiary of PTPN III. Sei Mangkei SEZ has main activities in the form of the palm oil processing industry, rubber processing, tourism and logistics. If it goes according to plan, the Sei Mangkei SEZ is projected to attract a total investment of IDR 129 trillion and absorb a workforce of 83,304 people by 2031. (*)