A BRIEF GUIDE TO INVESTMENT IN THE INDUSTRIAL ESTATES
A BRIEF GUIDE TO INVESTMENT IN INDONESIA INDUSTRIAL ESTATES
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FOREWORD

Our deepest gratitude to God for His grace and guidance so that the Directorate of Exhibition and Promotion Media is able to publish this book titled A Brief Guide to Investment in Indonesia Industrial Estates as a promotional medium for the dissemination of investment opportunities in industrial estates in 2019.

Information about industrial estates is an important promotional material owing to their central role in the regional and national economic growth. Industrial sector investment in industrial estates can create jobs and therefore increase local residents’ source of income. For investors and businesses, industrial estates offer efficiency for production activities due to the availability of the integrated supporting facilities within the area.

The publication of A Brief Guide to Investment in Indonesia Industrial Estates is one of the manifestations of the Directorate of Exhibition and Promotion Media’s functions and tasks, to prepare promotional materials for the dissemination of investment information. This book is published in order to provide quality, up-to-date, and comprehensible information about industrial estates in Indonesia for prospective investors, particularly investors in the manufacturing sector.

Information in this book includes the location profile of industrial estates, the Government of Indonesia’s policies, and incentives offered by industrial estates to prospective domestic and foreign investors. On behalf of the Indonesian Investment Coordinating Board, we would like to extend our gratitude to all parties who have contributed to this book. We hope this book will be of use for many.

Jakarta, December 2019

Indonesian Investment Coordinating Board
Indonesia is a very attractive investment destination. It is a country that has a big market with a relatively young population and a growing middle class. The country’s population currently has exceeded more than 260 million people, and around 44% is aged below 25 years old.

Indonesia’s economy is the biggest in ASEAN. It is the only ASEAN country to become a member of the G20. In 2018, the nominal GDP of Indonesia surpassed USD 1 trillion, with the economic growth of 5.17%. According to the Standard Chartered’s forecast, Indonesia’s GDP will grow nearly ten times, of USD 10.1 trillion in 2030. By that time, Indonesia’s economy is also predicted to be larger than that of Turkey, Brazil, Russia and the G7 countries.

Several renowned credit rating agencies such as Fitch, S&P, and Moody have also consistently put Indonesia in the investment grade status. Moreover, Indonesia’s Ease of Doing Business (EoDB) ranking had shown a significant improvement for the past few years.
According to the EoDB rating, Indonesia ranked 120 in 2014. In 2018, however, Indonesia was in the 73rd position among 190 economies, and was ahead of China, India and Brazil.

To encourage a sustainable economic growth, job creation and an equal distribution of economic growth, government of Indonesia has attempted to boost an investment increase on priority sectors, including downstream industry of natural resources, export-oriented industry, infrastructure, human resource development, import substitution industrialization, tourism and labor-intensive industry.

As the primary interface between government and investor, Indonesia Investment Coordinating Board (BKPM) is mandated to boost domestic and foreign direct investment through creating a conducive investment climate. To accomplish that goal, BKPM has an active role in improving EoDB, accelerating realization of big investments, encouraging partnering between foreign investors and SMEs, ensuring the spread of quality investment throughout Indonesia, promoting specific targeted sectors and potential investing countries and increasing domestic direct investments (DDI).

To improve EoDB in Indonesia, continuous efforts to simplify the regulations and licensing procedures have been taken. One of the efforts is the Online Single Submission (OSS). OSS is an integrated electronic system that aims to fasten the procedure and ease companies, as well as SMEs, to obtain business licenses in Indonesia. The OSS system has been operating since July 2018, and BKPM has continued to improve the system by developing and adding new features ever since.

10 World’s largest economies as predicted by Standard Chartered (2030) (in US$ trillion)

- China: 64.2
- India: 46.3
- The United States: 31.0
- Indonesia: 10.1
- Turkey: 9.1
- Brazil: 8.6
- Egypt: 8.2
- Russia: 7.9
- Japan: 7.2
- Germany: 6.9

Source: Standard Chartered Plc., 2019
According to the Standard Chartered’s forecast, Indonesia’s GDP will grow nearly ten times, of USD 10.1 trillion in 2030.

Beside simplifying the regulations and licensing procedures, the government also offers tax incentives. For instance, the reduction of corporate income tax is offered to companies that encourage vocational education, R&D activities, and create a labor-intensive industry.

**Why Invest in Industrial Estates?**

According to Law No. 3 of 2014, industrial companies are required to run its activities in industrial estates. Since then, the number of industrial estates has been growing. There are 87 industrial estates at present spread all across Indonesia, with a total area of more than 86,000 acres. Hence, industrial estates can play an important role in encouraging an equal economic development across the country.

The increasing number of industrial companies operating in the industrial estates can also be seen as the increase in investment value, both from domestic and foreign investors. Investments in Indonesian manufacturing sector has certainly helped boost the export value of the country, as seen from the rise of the non-oil and gas export percentage, from 75.99% in 2016 to 90.67% in 2017. Industrial estates therefore have been significant to strengthen the competitiveness of the country’s industry.

There are several advantages of building a factory in Indonesian industrial estates. First is the availability of a complete infrastructure. Industrial estates have provided an easy and cost-effective access to electricity, water and roads since the infrastructure has been established to support industrial activities. Consequently, businesses can focus more on their core activities.

It is also easier to access ports and major transportation routes for goods distribution and logistics which certainly can save time. In addition, most industrial estates also provide support for industrial waste disposal where tenants do not need to worry about complicated processes and regulations regarding it.

Another benefit of running a company in Indonesian industrial estates is the tax incentives. For instance, the reduction of corporate income tax reduction to potential investors who will locate their businesses in the industrial estate. In some regions, local governments also create incentive programs that can benefit companies within the industrial estates. For example, VAT tax allowances for imported products or machines entering industrial estates, and customs tax allowances for goods originating from selected ports such as ports in free trade zones.
**WHY INDONESIA?**

- **GDP of more than $1 trillion (Nominal)**
- **Indonesia’s EODB ranking has improved significantly over the last 5 years**
- **Sovereign credit rating continues to trend higher**
- **Population of 260 million, with 44% under 25**
- **Biggest economy in ASEAN**
- **The only ASEAN country to become a member of the G20**
- **Indonesia has a middle class twice the size of Australia’s population**
- **5th highest number of internet users globally**
INCENTIVES
NUMEROUS INCENTIVES FOR INVESTORS

As stated in the roadmap for industry, Making Indonesia 4.0, launched in April 2018, the Government of Indonesia has priority agenda in order to promote industrial transformation in Indonesia. Among the priority agenda are improvement in the supply chain of goods and materials, development of national digital infrastructure, improvement of human resource quality, and alignment between regulations and policies.

Building infrastructure and boosting labor productivity cannot single-handedly drive industrial transformation. The Government of Indonesia offers various facilities and incentives to investors planning to develop Indonesian industry.

As stipulated in Government Regulation No. 142/2015, any industrial enterprise has to be located in an Industrial Estate. Investors having their operation within an industrial estate will not only enjoy the availability of infrastructure and other facilities, but also receive incentives from the Government.

These various incentives are stated in Minister of Finance Regulation no. 105/2016 on the Granting of Taxation and Customs Facilities to Industrial Businesses within Industrial Estates and Industrial Estate Companies. These companies in industrial estates will receive reduction on Income Tax and Value Added Tax exemption for the importation of machinery and factory equipment.

The exact amount of the tax incentives will depend on the classification of the industrial estate. In this regulation, there are four categories of Industrial Estates Development (WPI), namely Advance WPI (located on Java Island), Developing WPI (South Sulawesi, East Kalimantan, North Sumatera, except Batam, Bintan, and Karimun, and South Sumatera), Potential I WPI (North Sulawesi, West Kalimantan, Bali, and Nusa Tenggara), and Potential II WPI (Papua and West Papua).

Companies located in more advanced WPIs will receive less fiscal incentives compared to those in Potential I and II WPIs. Conversely, companies willing to invest outside Java and Developing WPI will receive more fiscal incentives.
Incentives in Developing WPI
A. Income Tax Reduction:
   1. 30% net Income Tax reduction for 6 years (5% per year)
   2. Accelerated depreciation and amortization
   3. 10% on dividend Income Tax
   4. Loss compensation for 8 years
B. Value Added Tax (VAT) exemption as stipulated in Government Regulation No. 81/2015
C. Import Duty Exemption
   Development/construction period (30% increase in capacity):
   1. Importation of machinery for 2 years, extendable in accordance with the development/construction period
   2. Importation of goods and materials up to 3 years, extendable up to 1 year
   3. Importation of machinery purchased in Indonesia for 3 years, extendable up to 1 year
   4. Importation of goods and materials provided the company uses machinery made in Indonesia at minimum 30% for 4 years

Incentives in Potential I WPI
A. Income Tax reduction:
   1. 30% net Income Tax reduction (5% per year for 6 years)
   2. Accelerated depreciation for tangible assets and accelerated amortization
   3. 10% on dividend Income Tax
   4. Loss compensation for 10 years
B. Value Added Tax (VAT) exemption as stipulated in Government Regulation No. 81/2015
C. Import Duties Exemption
   Development/construction period (30% increase in capacity):
   1. Importation of machinery for 2 years, extendable in accordance with the development/construction period
   2. Importation of goods and materials up to 4 years, extendable up to 1 year
   3. Importation of machinery purchased in Indonesia for 4 years, extendable up to 1 year
   4. Importation of goods and materials provided the company uses machinery made in Indonesia at minimum 30% for 4 years

Incentives in Potential II WPI
A. Income Tax reduction:
   1. 10-100% Income Tax reduction for 5-15 years
   2. It is valid for new businesses (legal entities legalized after 15 August 2015)
B. Value Added Tax (VAT) exemption as stipulated in Government Regulation No. 81/2015
C. Import Duties Exemption
   Development/construction period (30% increase in capacity):
   1. Importation of machinery for 2 years, extendable in accordance with the development/construction period
   2. Importation of goods and materials up to 5 years, extendable up to 1 year
   3. Importation of machinery purchased in Indonesia for 5 years, extendable up to 1 year
   4. Importation of goods and materials provided the company uses machinery made in Indonesia at minimum 30% for 5 years
Medan is the capital of North Sumatera and the third largest city in Indonesia, after Jakarta and Surabaya. Its strategic location directly faces the Strait of Malacca, the main shipping route between East Asia and the Middle East and Europe. For ages, Medan has been the primary industrial city in Sumatera. In the middle of the 19th century, Medan was the center for tobacco industry, well known for its Deli tobacco. Medan is now the main gate in the north of Sumatera, making it the center for various industries, from crude palm oil to natural rubber processing. Among the biggest businesses based in Medan are Musim Mas, Asian Agri, and SMART (Sinar Mas Group).

Established on 7 October 1988, PT Kawasan Industri Medan (KIM) used to be home for a number of small and medium enterprises around Medan. This industrial estate is one of the first generation industrial parks in Indonesia, together with Pulo Gadung Industrial Estate in Jakarta.

As a state-owned enterprise managing an industrial estate, PT KIM owns a 1,000-acre land area. This total land area is a result after its expansion starting from 1996. The huge industrial potential in the North Sumatera area has encouraged PT KIM to continue to expand its area, with the most recent development is KIM 6 in 2019. Around 560 businesses that are operating on 700 hectares of land under PT KIM management, the remaining 300 hectares is open for investors interested in doing business in the area.

Located on Sumatera land, which is rich in natural resources, the majority of businesses in PT KIM operate in the area of plantation, particularly crude palm oil and its derivatives. Besides, agroindustry and food industry are also growing well in Medan and its surrounding areas.

The availability of abundant raw materials is one of the advantages of PT KIM. Easy access to the industrial estate is facilitated by the existence of a toll gate located less than 1 km from the area. The industrial estate is also situated only 15 km away from Belawan Seaport and 41 km from Kualanamu International Airport. These two ports are accessible via the toll road which also passes downtown Medan. As for facilities, PT KIM has electricity, gas, water, and telecommunication networks as well as wastewater
treatment plant. Not only it is located near the source of raw materials and international shipping route, North Sumatera is also a highly potential market. With a population of 15 million (2018), North Sumatera is the most populous province in Sumatera and fourth in Indonesia after West Java, East Java, and Central Java.

There are four national strategic areas in Medan and its surrounding. The first is Mebidangro metropolitan area covering Medan City, Binjai City, Deliserdang Regency, and Karo Regency. As stipulated in Presidential Regulation no. 62/ 2011, all these four areas are integrated into one metropolitan area.

The second strategic area is Sei Mangke Exclusive Economic Zone in Simalungun Regency to support North Sumatera as the center for crude oil plantation in Indonesia. In order to support the development of Sei Mangke Exclusive Economic Zone and the aluminum smelter owned by PT Inalum, Kuala Tanjung Seaport will be built in Barubara Regency.

The last national strategic area in North Sumatera is Lake Toba National Tourism Strategic Area, which is designed to be one of the ‘10 New Bali’. The development of Lake Toba tourism is a main priority for the Government of Indonesia, along with other tourism areas, Labuan Bajo in East Nusa Tenggara, Mandalika in West Nusa Tenggara, and Borobudur Temple in Central Java.

Around 560 businesses that are operating on 700 hectares of land under PT KIM management, the remaining 300 hectares is open for investors interested in doing business in the area.
### GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Medan minimum wage (2019)</th>
<th>IDR 2,969,824</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of companies in the area</td>
<td>561</td>
</tr>
<tr>
<td>• PT Musim Mas</td>
<td></td>
</tr>
<tr>
<td>• PT Charoen Phokphand</td>
<td></td>
</tr>
<tr>
<td>• PT Oleochem and Shop Industri</td>
<td></td>
</tr>
<tr>
<td>• PT CJ Feed</td>
<td></td>
</tr>
<tr>
<td>• PT Socimas</td>
<td></td>
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</table>

### INFRASTRUCTURE

<table>
<thead>
<tr>
<th>Electricity</th>
<th>PLN with a supply capacity of 3 x 60 MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>PGN</td>
</tr>
<tr>
<td>Clean/raw water</td>
<td>surface water with a capacity of 250,000 m³/month</td>
</tr>
<tr>
<td>Wastewater treatment</td>
<td>Mitra Industri with a capacity of 18,000 m³/month</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>PT Telkom (SOE)</td>
</tr>
<tr>
<td>Fire service</td>
<td>993 m² by Medan City Government</td>
</tr>
<tr>
<td>Waste dumping area/landfill</td>
<td>1,604 m² area available</td>
</tr>
<tr>
<td>Management office building</td>
<td>17,353 m²</td>
</tr>
</tbody>
</table>
**ACCESS**

- **Distance to downtown Medan**
  20 km (35 minutes), via toll road and public road

- **Distance to main road or Mabar Toll Gate**
  350 m (2 minutes)

- **Distance to Medan Train Station**
  11 km (30 minutes), via toll road and public road

- **Distance to Belawan Seaport**
  14 Km (18 minutes), via toll road

- **Distance to Kualanamu International Airport**
  41.50 km (35 minutes), via toll road

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**Information**

- Customer
- Not yet classified
- Agriculture, Forestry, Mining
- Food and Beverages
- Garment and Wood Preservation
- Paper and Printing
- Chemical and Pharmacy
- Rubber and Plastics
- Non-metallic minerals
- Base metals
- Electronics and Optics
- Automotive and Furniture
- Electricity and Natural Gas
- Repairment and Spareparts
- Household tools
- Courier and Logistics
- Catering Services
- Office Administration
- Building Construction
### Estate/Property Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land area</td>
<td>1000 hectares</td>
</tr>
<tr>
<td>Area sold</td>
<td>700 hectares</td>
</tr>
<tr>
<td>Area available for sale</td>
<td>300 hectares</td>
</tr>
<tr>
<td>Planned area</td>
<td>1000 hectares</td>
</tr>
</tbody>
</table>

### Selling Price and Rent

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling price</td>
<td>IDR 2,500,000/m²</td>
</tr>
<tr>
<td>Building rent</td>
<td>IDR 15,000 – 40,000/m²/month</td>
</tr>
<tr>
<td>Other charges</td>
<td></td>
</tr>
<tr>
<td>- Service charge</td>
<td>IDR 356/m²/month (KIM I &amp; KIM II) or IDR 362/m²/month (operational partnership (KSO) area)</td>
</tr>
<tr>
<td>- Clean water connection</td>
<td>Included in the purchase of land</td>
</tr>
<tr>
<td>- Clean water</td>
<td>IDR 8,800/m³</td>
</tr>
<tr>
<td>- Wastewater</td>
<td>IDR 5,000/m³</td>
</tr>
<tr>
<td>- Electricity installation</td>
<td>as agreed between PLN and its partner</td>
</tr>
</tbody>
</table>

### Incentives and Projects Offered to Investors

**Incentives offered by PT KIM to investors**

- Ease of payment facility for small and medium enterprises.
INVESTING IN SINGAPORE’S BACKYARD

Situated only an hour away by ferry, Bintan Island in Riau Islands is like the backyard of Singapore. From the seashore of Bintan, Singapore is visible in distance with naked eyes. Ships are crossing the Strait of Malacca, separating Bintan and Batam Islands from Singapore.

Its strategic location, being a stone’s-throw away from Singapore and situated in international shipping route, gives Bintan huge potential and opportunity. To seize this opportunity, the Government of Indonesia issued Government Regulation No. 47/2007 that stated Bintan as Free Trade Zone and Free Port Area. This status is valid for 70 years.

Established in 1994, Bintan Industrial Estate is located in Lobam Bay, Bintan Regency and is a part of Bintan Free Trade Zone. With a total area of 4,000 hectares, only 325 hectares of land has been sold to 17 companies currently in operation. The remaining 3,675 hectares of land is open for investors.

Being inside a Free Trade Zone, Bintan Industrial Estate offers numerous facilities to prospective investors. Among others are exemption from import duties, Value Added Tax, Sales Tax on Luxury Goods, and excise tax. On top of that, companies can be fully owned by foreign investors.

After operating for 25 years, Bintan Industrial Estate has all the facilities. Inside the area is Bandar Sri Udana Free Port to allow incoming and outcoming as well as efficient loading and unloading of goods. Bintan Industrial Estate also provides barges, operating daily between Bandar Sri Udana and Jurong Port in Singapore.

Bintan Industrial Estate is now developing three areas, namely halal industrial zone, aerospace industrial zone, and maritime industrial zone. For the latter cluster, several investors have opened their businesses there, including Singatac Engineering.
Halal industrial zone in Bintan Industrial Estate, according to the Ministry of Industry, is one of the four halal industrial zones developed in Indonesia. The other three are under the management of Batamindo Industrial Estate, Jakarta Industrial Estate Pulogadung, and Modern Cikande Industrial Estate.

Bintan Industrial Estate already proposed integrated halal industry development permit for 100 hectares of its land area. Inside the area will be a number of halal industrial facilities such as laboratories and halal certification agency.

As a country with the largest Muslim population, Indonesia is a huge halal potential market. The export market of halal products is also large, for example Malaysia, Pakistan, and the Middle East countries.

As for the aerospace industrial zone development, particularly airplane maintenance, Bintan Industrial Estate already started the construction of Bintan Airport, which will be under the management of PT Angkasa Pura II. It is planned that Bintan Airport will be able to serve 1 million passengers a year. This airport will support the operation of the industrial estate and the development of tourism in Bintan Industrial Estate is now developing three areas, namely halal industrial zone, aerospace industrial zone, and maritime industrial zone.
PT Bintan Inti Industrial Estate
Office address: Wisma Indocement Lt.11, Jl. Jend. Sudirman Kav.70-71 Jakarta 12910
Telephone/Fax. number: (021) 5705863
Industrial zone address: Wisma Bintan Industrial Estate, Jalan Tanjung Lobam, Lobam, Bintan 29154,
Tlk.I Lobam, Seri Kuala Lobam, Bintan Regency, Kepulauan Riau 29154
WEBSITE: www.bintanindustrial.com

GENERAL INFORMATION

Bintan Regency minimum wage (2019) IDR 3,362,561

Number of companies currently operating in the industrial estate
17
  • Singatac Engineering
  • PT Esco Bintan
  • Yoshikawa Electronics Bintan
  • AMC Bintan

INFRASTRUCTURE AVAILABILITY

Electricity
10.3 MW and PLN

Clean/raw water
retention basing with a capacity of 900,000 m3

Wastewater treatment
120 m3

Telecommunication
1000 connections by PT Batam Bintan Telekomunikasi

Fire station
available within the industrial estate

Selling Price/Rent and Charges

Lot selling price
SGD 85/m2

Building rent
SGD 8/m2

Maintenance fees
SGD 353 – SGD 1,470/month

Clean water
SGD 1.50 /m3

Wastewater
SGD 1.20 /m3

Electricity
SGD 0.227/kwh

STATE/PROPERTY INFORMATION

Total land area
4000 hectares

Area sold
325 hectares

Remaining area for sale
3675 hectares
Bintan Inti Industrial Estate

ACCESS

Distance to Tanjung Pinang City
60 km

Distance to Bandar Seri Udana Seaport
50 m (within the industrial estate)

Distance to Raja Haji Fisabilillah Airport
54 km
Karawang used to be well known for its paddy fields, but now it is better known as an Industrial Town. Situated only 40 km away from Jakarta, Karawang is the biggest industrial city in Indonesia. According to Statistics Indonesia, more than 10,000 businesses and factories are currently operating in the area.

Karawang has all the potentials to be an industrial city. Trans Java toll road and train track both pass Karawang Regency, hence its strategic location. Industrial land availability is still vast. Telecommunication connection and electricity, gas and fuel supplies as well as labor supply are all warranted.

Located directly in the backyard of Jakarta metropolitan, Karawang has extensive infrastructure. By the end of 2019, the elevated toll road connecting Jakarta and Karawang will have started operating, making travel journey between the two cities even shorter. Jakarta-Bandung speed train will also pass Karawang.

Karawang New Industry City (KNIC) built in the end of 2017, offers an efficient and environmentally-friendly industrial estate through its industrial clustering system, one-stop service, and innovation center. The six clusters developed within KNIC are construction materials, automotive, electronics, logistics, food, and small and medium enterprise.

To anticipate automotive innovation growth and development in the coming years, KNIC has the Automotive Industry Park to support the automotive industry, automotive components, as well as the supply chain for this industry. Indonesia is the largest automotive market in Southeast Asia and has the second biggest automotive industry in ASEAN. More than 1 million cars and 6 million motorbikes are sold in Indonesia every year.

KNIC also has Consumer Electronics Industry Park connected to more than 250 electronics companies, including global electronics giants and other suppliers. To support small and
medium enterprises (SMEs), KNIC also has SME and Innovation Industry Park. This cluster is specially designed for SMEs and comes with several facilities such as infrastructure for e-commerce, technology, and road, as well as partnership access to global investors.

KNIC Food Industry Park will support the food and beverage industry cluster. This area is prepared to support the rapid growth of food industry market in Indonesia. Food industry has remained one of the biggest manufacturing industries in Indonesia.

Located in Karawang, companies within KNIC have direct access to the largest domestic market in Indonesia, that is Java Island. For those companies aiming at export markets, Karawang is also not far from Tanjung Priok Seaport in Jakarta and Patimban Seaport in Subang, West Java, which is still under construction.

Karawang New Industry City (KNIC) built in the end of 2017, offers an efficient and environmentally-friendly industrial estate through its industrial clustering system, one-stop service, and innovation center.
PT CFLD Karawang New Industry City Development
Equity Tower 42nd Floor, SCBD Lot 9 Jl. Jend. Sudirman Kav. 52 – 53 Jakarta 12190

Industrial zone address
Jl Raya Trans Heksa Karawang, Desa/Kelurahan Wanajaya, Kecamatan Teluk Jambe Barat, Karawang Regency, Jawa Barat 41361
Telephone +62822-60009899 or email invest@knic.co.id
WEBSITE: www.knic.co.id

GENERAL INFORMATION
Karawang Regency minimum wage (2019) IDR 4,234,010

Number of companies currently in operation
6
- PT. Wonderful Food International
- PT Binamitra Kwartasedaya
- PT Ikimura Indotools Center
- PT Wook Global Technology
- PT Brightgene Medical Indonesia
- PT Ruiyuan Karawang Industrial Innovation and Development

INFRASTRUCTURE

Supporting Infrastructure
Housing
• Grand Taruma, about 12 km away
• Employee dormitory

Education
• Universitas Singaperbangsa, Karawang, 15 km from the industrial zone
• Universitas Bina Sarana Informatika Karawang
• Japan school
• Vocational high schools

Hospital
• Rosela Hospital, 8 km
• Karawang General Hospital, 11 km
• Lira Medika Hospital, 24 km

Fire station
• Under construction
• National standard hydrants

Dumping site
Karawang Landfill

Electricity
PLN, middle voltage capacity network of 20 KVA

Gas
PGN

Clean water:
Clean water supply managed by KNIC with a capacity of 50 liter/second or 4,320 m3/day

Wastewater treatment
Wastewater treatment by KNIC with a capacity of 40 liter/second or 3,456 m3/day

Telecommunication
Fiber optic connection from PT Telkom Indonesia, Telkomsel and IconPlus
**ACCESS**

**Distance to downtown Karawang: 12 km**

- Distance to main road or toll road: 7 km
- Distance to Tanjung Priok Seaport, Jakarta: 75 km
- Distance to Kertajati Airport: 100 km
- Distance to Soekarno-Hatta International Airport: 100 km
**ESTATE/PROPERTY INFORMATION**

**Total land area**
205 hectares (first phase)

**Area sold**
20 hectares

**Available area for sale**
129.5 hectares

**Planned area for development**
300 hectares from 505 hectares total area

**Selling price and rent**

**Selling price**
IDR 2,100,000/m², exclusive of Sales Tax or VAT

**Land or building rent**
No available building for rent at the moment

**Other charges**

**Service charge**, inclusive of maintenance fees: USD 0.06/month (exclusive of Sales Tax/VAT)

**Clean water connection installation**
USD 5,000 (exclusive of Sales Tax/VAT)

**Clean water**
USD 0.65/m³ (exclusive of Sales Tax/VAT)

**Electricity**
premium rate

**Telephone**
PT Telkom rate
MAKASSAR-MAROS INDUSTRIAL ESTATE
For the past five years, the Government of Indonesia has consistently pushed investment growth in Eastern Indonesia. Ten national strategic projects were developed by the Government of Indonesia between 2014 and 2019 in this region. One is the construction of Makassar New Port that has started operation in the beginning of April 2019.

South Sulawesi, particularly its capital, Makassar, has a special position in Eastern Indonesia, and it is a province in Eastern Indonesia with the biggest GDP. For the past five years, South Sulawesi economic growth has been above 7%, one of the highest in Indonesia. Meanwhile, Makassar is the biggest city in Eastern Indonesia as well as the hub for other areas in the region. As the number of industries in South Sulawesi is increasing, the need for industrial land also continues to rise. Medium and large scale industrial growth requires more land to support its production processes. According to Statistics Indonesia, industrial growth in this province increases by 4.4% annually.

This industrial growth is shown by the positive balance of trade in this region, contributed from nickel, seaweed, and processed cacao exports. Nickel export volume reached 93.87 tons in 2018. Japan is one of the main export destination for nickel and export to Japan was recorded at US$ 839 million in 2018. There are also 27 Japanese companies in South Sulawesi industrial estate.

Makassar Industrial Estate (KIMA) was established in March 1988 with its largest stockholder (60%) is the Government of Indonesia, and the other holders are South Sulawesi Provincial Government and Makassar City Government. With more than 30 years of experience managing KIMA I, PT KIMA is now expanding its operation to KIMA II in Maros Regency.
According to Presidential Regulation No. 55/2011 on Makassar, Maros, Sungguminasa and Takalar Spatial Planning, Maros is part of the Mamminasata metropolitan development plan.

With the ever-continuing business prospect, Makassar-Maros Industrial Estate (KIMAMA) is present to respond to investors’ needs in industrial activities in South Sulawesi. Situated in Maros Regency, next to Makassar City, this industrial estate will become the new business center in South Sulawesi.

Among the advantages of Makassar-Maros Industrial Estate (KIMAMA) is the agricultural and marine commodity potential of its surrounding area. Plenty of opportunities are waiting to be seized. There are 270 businesses currently operating in the industrial estate. These businesses work in the area of marine and fishery product processing (fish, octopus, shrimp, and seaweed) and cold storage management, animal feeding, and agricultural processing such as cacao and corn.
PT Kawasan Industri Makassar (SOE)
Jl. Perintis Kemerdekaan KM. 15 Daya, Makassar, 90241, South Sulawesi – Indonesia
Telephone 0411-510 158 / Fax 0411-510 098
WEBSITE: https://ptkimamakassar.co.id/
CONTACT PERSON: Rezky Zharawan, Marketing staff, Telephone 085299-300-929 Email rezky.kima@gmail.com

#### GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Makassar City minimum wage (2019)</th>
<th>IDR 2,941,270</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of companies currently in operation</td>
<td>265</td>
</tr>
<tr>
<td>- PT Rotan Sulawesi</td>
<td>- PT Indolezat Rasa Murni</td>
</tr>
<tr>
<td>- PT Makassar Plastindo</td>
<td>- PT Sekishin Farina Wood Indonesia</td>
</tr>
<tr>
<td>- PT Indofood Sukses Makmur</td>
<td></td>
</tr>
</tbody>
</table>

#### INFRASTRUCTURE

- **Industrial infrastructure**
  - **Electricity**
    - PLN, 2 x 20 MW and 2 x 15 MW
  - **Clean water**
    - PDAM 2300 m3/second
  - **Telecommunication**
    - 2000 fiber optic connections
  - **Fire station**
    - within the industrial estate, Makassar City Government

#### ACCESS

- Distance to Sultan Hasanuddin International Airport: 5 km
- Distance to PT KIMA HQ: 7 km
- Distance to Soekarno Hatta Seaport: 18 km
- Distance to Makassar New Port (MNP): 12 km
- Distance to downtown: 15 km
- Distance to main road: 1.8 km
- Distance to toll road: 2.6 km
- Distance to train station: 7.6 km
ESTATE/PROPERTY INFORMATION

KIMA 8 and KIMA 10 Apartment Blocks

- Total land area
  - 336 hectares

- Area sold
  - 254 hectares

- Available area for sale
  - 29.3 hectares

- Planned area for new development
  - KIMA 20 hectares
  - KIMA Maros 100 hectares

Utility tariffs:

- Service charge
  - IDR 250/m²/month

- Clean water connection installation
  - 50% off connection total cost

- Clean water
  - IDR 10,000/m³

- Wastewater
  - IDR 5,000/m³

Selling price and rent

- Selling price
  - IDR 1,750,000 – 2,500,000/m²

Rent

- Land IDR 15,000 – 20,000/m²/month
- Building IDR 30,000 – 35,000/m²/month

INCENTIVES

- Ease of land purchase payment through 0% interest rate installment with repayment period as decided by PT KIMA
- Special entrance fees to KIMA for tenants
- 24-hour security and industrial land legality as guaranteed by the government
- Investors no longer need to handle the environmental impact assessment
- Direct Construction Easiness Service whereby investor can begin construction while waiting for permits
As one of the biggest provinces in Indonesia, Central Java is one of the engines to boost Indonesia’s economy. Not only it is strategically located in the heart of Java, Central Java also has numerous assets to become the driving force of Indonesia’s economy.

Last year in 2018, Central Java’s economic growth was at 5.32%, stronger than in the previous year at 5.26% and of Indonesia’s overall economic growth in the past few years. The Government of Indonesia continues to push Central Java’s economy to become stronger, it is targeted to be above 7% in 2023. The Government of Central Java is optimistic about the target.

With a population of 34.5 million, Central Java is able to provide skilled labor to support industrial growth in the area. In terms of infrastructure, this province is considerably advanced. Trans Java toll road and train track connecting all areas of Java both pass Central Java.

Central Java also has two major cities, Semarang and Solo, each has an international airport, Ahmad Yani International Airport and Adi Soemarmo International Airport, respectively, as well as Tanjung Emas Seaport in Semarang. These two cities, located 100 km apart, are two economic development centers in Central Java. Both cities enjoy a rapid industrial growth, and the same is true for two of Semarang’s bordering cities, Kendal and Demak.

Demak Regency, where JatengLand Industrial Park is located, is only 20 km away from downtown Semarang, and closer to Tanjung Emas Seaport. Demak-Semarang will be better connected after the completion of the 27 km Semarang-Demak toll road construction.

At present, the development of Semarang-Demak toll road is in the process of bidding. Its construction is targeted to be completed by 2022. This toll road will also function as a seawall to prevent high tide from flooding areas along Semarang-Demak coastline. This Semarang-Demak toll road section will be part of the northern Central Java-East Java toll road project.
PT Jawa Tengah Lahan Andalan (JatengLand)
Menara Suara Merdeka 8th Floor, Jl Pandanaran No. 30 Semarang, Jawa Tengah – Indonesia
Telephone/Fax: (024) 7692 8822
Industrial estate address:
Jl. Semarang – Demak, Km. 14.7 Desa Batu, Kecamatan Karangtengah, Demak, Central Java
WEBSITE: jatengland.com

General Information

Demak Regency minimum wage (2019)
IDR 2,240,000/ per month

Number of companies currently in operation
3

Incentives and Projects Offered to Investors

Incentives offered by PT JatengLand to investors
- ease of payment and integrated service

Incentives offered by PT JatengLand to investors:
- Electricity
  - PLN
- Gas
  - Pertagas
- Raw water
  - 160 m³/second
- Wastewater
  - 4500 m³/day
- Telecommunication
  - in partnership with PT Telkom
- Fire service
  - hydrant network within the estate

Infrastructure

Total land area
300 hectares

Area sold
15 hectares

Available area for sale
285 hectares

Selling price and rent

Selling price
IDR 1,500,000/m²
**ACCESS**

- **Distance to Tanjung Emas Seaport, Semarang:** 15 km (20 minutes)
- **Distance to Ahmad Yani International Airport, Semarang:** 30 km (30 minutes)
- **Distance to Tawang Train Station, Semarang:** 20 km (25 minutes)
- **Distance to Semarang city center:** 19 km (25 minutes)
**WEST JAVA - BOGOR**
- Cibinong Centre Industrial Estate
- Kawasan Industri Sentul

**WEST JAVA - SUMEDANG**
- Kawasan Industri Rancaekek

**WEST JAVA - PURWAKARTA**
- Kawasan Industri Lion
- Kota Bukit Indah Industrial City

**WEST JAVA - KARAWANG**
- Artha Industrial Hill
- Kawasan Bintang Puspita Dwikarya
- Karawang International Industrial City
- Bukit Indah Industrial Park
- Kawasan Industri Mitrakarawang
- Kujang Industrial Estate
- Podomoro Industrial Park
- Suryacipta City of Industry
- Kawasan Industri Mandalapratama Permai
- Pertwi Lestari Industrial Estate
- Karawang New Industry City

**CENTRAL JAVA**
- JatengLand Industrial Park Sayung
- Candi Industrial Estate
- Kawasan Industri Kendal
- Kawasan Industri Wijayakusuma
- Kawasan Industri Terboyo Semarang
- Kawasan Industri Wonogiri
- LIK Bugangan Baru Semarang
- Taman Industri BSB
- Tanjung Emas Export Processing Zone

**EAST JAVA**
- Java Integrated Industrial and Port Estate
- Kawasan Industri Gresik
- Kawasan Industri Maspion
- Ngoro Industrial Park
- Safe ‘N’ Lock Eco Industrial Park
- Surabaya Industrial Estate Rungkut
- Industrial Estate Wira Jatim
- Sidoarjo Rangkah Industrial Estate

**NORTH KALIMANTAN**
- Kawasan Industri Multi Sumber Alam Sekayan

**EAST KALIMANTAN**
- Kaltim Industrial Estate
- KI & Pelabuhan Internasional Maloy
- Delma Industrial Park
- Muara Wahau Industrial Estate

**SOUTH KALIMANTAN**
- Jorong Borneo Integrated City

**CENTRAL SULAWESI**
- Kawasan Ekonomi Khusus Palu
- Morowali Industrial Park

**SOUTH SULAWESI**
- Kawasan Industri Makassar-Maros
- Kawasan Kota Industri Terpadu Takalar
- Kawasan Industri Bantaeng