A definitive guide on macroeconomic condition, data & information, key contacts, and potential investment projects in North Sumatra

Quarter 2 - 2019 edition
About Us

North Sumatra Invest (NSI) is a dedicated task force comprised of all North Sumatra’s policy makers, including the Government of North Sumatra and Bank Indonesia, with full cooperation of Kamar Dagang dan Industri Indonesia (KADIN).

Our mission is to attract Foreign Direct Investment (FDI) in North Sumatra to foster economic growth.

Our Mission

- **Providing** Providing Investors with the necessary data and information
- **Promoting** Promoting the right investment opportunities and projects
- **Connecting** Connecting investors with the right business contacts
<table>
<thead>
<tr>
<th>Main informations you will find</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01</strong> Indonesia’s Strong Performance</td>
</tr>
<tr>
<td>Indonesia is one of the fastest growing economy in the world. Find how we perform relative to our peers.</td>
</tr>
<tr>
<td><strong>02</strong> Why North Sumatra?</td>
</tr>
<tr>
<td>North Sumatra isn’t only a great market for your products, but also a perfect place for production base.</td>
</tr>
<tr>
<td><strong>03</strong> Potential Projects &amp; Tourism Potential</td>
</tr>
<tr>
<td>Our handpicked potential projects for you, guaranteed by the government. In addition to that, we specifically collect the potential tourism site in North Sumatra.</td>
</tr>
<tr>
<td><strong>04</strong> Licensing in Indonesia</td>
</tr>
<tr>
<td>A quick guide on getting business license in Indonesia. It’s never been easier to do business here.</td>
</tr>
<tr>
<td><strong>05</strong> Key Contacts</td>
</tr>
<tr>
<td>Who to contact if you want to invest and grow your business in North Sumatra?</td>
</tr>
</tbody>
</table>
INDONESIA’S STRONG PERFORMANCE
Seasonal factors at the beginning of the year as well as the impact of weaker-than-expected global economic gains contributed to the moderate economic downturn in Indonesia.

### Institutions

<table>
<thead>
<tr>
<th>Institution</th>
<th>2019 Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Budget</td>
<td>5.3</td>
</tr>
<tr>
<td>Bank Indonesia</td>
<td>5.0-5.4</td>
</tr>
<tr>
<td>IMF</td>
<td>5.1</td>
</tr>
<tr>
<td>World Bank</td>
<td>5.2</td>
</tr>
<tr>
<td>ADB</td>
<td>5.2</td>
</tr>
<tr>
<td>Consensus Forecast (May 2019)</td>
<td>5.1</td>
</tr>
</tbody>
</table>
Although the impact of weaker-than-expected global economic gains contributed to the moderate economic downturn in Indonesia, net exports still maintained a positive position.

### Institutions 2019 Growth (YoY)

<table>
<thead>
<tr>
<th>Institutions</th>
<th>2019 Growth (YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Budget</td>
<td>5.3</td>
</tr>
<tr>
<td>Bank Indonesia</td>
<td>5.0-5.4</td>
</tr>
<tr>
<td>IMF</td>
<td>5.1</td>
</tr>
<tr>
<td>World Bank</td>
<td>5.2</td>
</tr>
<tr>
<td>ADB</td>
<td>5.2</td>
</tr>
<tr>
<td>Consensus Forecast (May 2019)</td>
<td>5.1</td>
</tr>
</tbody>
</table>
Our concern to Business

Business has never been easier in Indonesia. In recent years, our government has put significant effort to boost business climate and we’re happy to tell you that our ease of doing business rank has improved significantly.

Our efforts to cut licenses gave an impact to the business player. And we plan to make it even easier. There is no better time than now to invest in Indonesia.
STABILITY

External risk reduced by adequate reserve

**Rupiah exchange rate**

<table>
<thead>
<tr>
<th>USD/IDR</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.50</td>
</tr>
<tr>
<td>15.00</td>
</tr>
<tr>
<td>14.50</td>
</tr>
<tr>
<td>14.00</td>
</tr>
<tr>
<td>13.50</td>
</tr>
<tr>
<td>13.00</td>
</tr>
</tbody>
</table>

*Data as of May June 19, 2019*

**Inflation rate**

<table>
<thead>
<tr>
<th>% year-on-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.55</td>
</tr>
<tr>
<td>3.28</td>
</tr>
<tr>
<td>3.25</td>
</tr>
</tbody>
</table>

**Balance of Payment**

<table>
<thead>
<tr>
<th>USD bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

**FX Reserves**

<table>
<thead>
<tr>
<th>US$bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>160</td>
</tr>
<tr>
<td>120</td>
</tr>
<tr>
<td>80</td>
</tr>
<tr>
<td>40</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

*Monthly Import & Debt Service (LHS)*

*Reserve Asset (RHS)*

*Overall Balance (LHS)*

*Current Account (LHS)*

*Capital and Financial Account (LHS)*

*Reserve Asset (RHS)*
Investment grade approved!

Fitch Ratings
Dec 2017, BBB, Rating Upgraded
"Indonesia’s resilience to external shocks has steadily strengthened in the past few years, as macroeconomic policies have consistently been geared towards maintaining stability.

S&P Global Ratings
May 2019, Rating Upgraded at BBB/Stable
“We raised the ratings to reflect Indonesia’s strong economic growth prospects and supportive policy dynamics, which we expect to remain following the reelection of President Joko Widodo recently.”

Moody’s
Apr 2018, Baa2, Rating Upgraded
“The upgrade to Baa2 is underpinned by an increasingly credible and effective policy framework conducive to macroeconomic stability. Together with a build-up of financial buffers, prudent fiscal and monetary policy strengthens Moody’s confidence that the sovereign’s resilience and capacity to respond to shocks has improved.”

April 2019, Rating Affirmed at BBB/Stable
“Indonesia’s economy is growing at a solid pace. The fiscal deficit to GDP ratio narrowed from a year earlier, and the government debt to GDP ratio remains low. While the CAD somewhat widened, foreign reserves are ample relative to short-term external debts. Its economic resilience to external shocks is maintained, supported by the government and central bank’s policies emphasizing macroeconomic stability.”

April 2019, Rating Affirmed at BBB, Outlook Revised to Positive
“The ratings mainly reflect Indonesia’s solid economic growth underpinned by domestic consumption, restrained level of budget deficit and public debt, and resilience to external shocks stemming from flexible exchange rate policies and accumulation of foreign exchange reserves. The administration led by President Joko Widodo has formulated a large-scale infrastructure development plan and is vigorously promoting it to eliminate the infrastructure shortage. In addition, it has succeeded in expanding infrastructure expenditures and expenditures on human capital, and has been curbing the budget deficit by reducing fuel subsidies.”
Investors are flocking to Indonesia

The Economist: Indonesia rounds out the top five of Asian economies that can look forward to increased investment spending. (January 2019)

JBIC: Amongst ASEAN countries, Indonesia is the most preferred place for business investment (November 2018)

UNCTAD: Indonesia is listed in the top 20 host economies based on FDI inflows, 2016 and 2017 (June 2018)

Indonesia Enjoyed Large Investments Relative to Peers within the Region

1. Source: The Economist – Asia Business Outlook Survey 2018
2. Source: IMF World Economic Outlook, Database April 2019
Strengthening Productive Spending

Allocating budget to a more productive spending

Central Government Spending

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget (IDR tn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Rp1,183.3 T</td>
</tr>
<tr>
<td>2016</td>
<td>Rp1,154.0 T</td>
</tr>
<tr>
<td>2017</td>
<td>Rp1,259.6 T</td>
</tr>
<tr>
<td>2018</td>
<td>Rp1,453.6 T</td>
</tr>
</tbody>
</table>

- Supporting competitiveness improvement, exports and investment increase, followed by strengthening value for money.
- Accommodating initiatives (i.e. natural disaster rehabilitation, democratic agenda).

Non Line Ministries: Rp778,9 T
Line Ministries: Rp855,4 T

- Improving the quality of state apparatus by strengthening bureaucratic reform
- Strengthening social assistance
- Capital Expenditure optimization
- Goods Expenditure management

Budget for education program

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget (IDR tn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>353,4</td>
</tr>
<tr>
<td>2015</td>
<td>390,3</td>
</tr>
<tr>
<td>2016</td>
<td>370,8</td>
</tr>
<tr>
<td>2017</td>
<td>406,0</td>
</tr>
<tr>
<td>2018</td>
<td>435,0</td>
</tr>
<tr>
<td>2019</td>
<td>492,5</td>
</tr>
</tbody>
</table>

Budget for health program

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget (IDR tn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>59,7</td>
</tr>
<tr>
<td>2015</td>
<td>65,9</td>
</tr>
<tr>
<td>2016</td>
<td>91,4</td>
</tr>
<tr>
<td>2017</td>
<td>92,4</td>
</tr>
<tr>
<td>2018</td>
<td>107,4</td>
</tr>
<tr>
<td>2019</td>
<td>123,1</td>
</tr>
</tbody>
</table>
Simultaneous growth all over the region

REGIONAL ECONOMIC GROWTH Q1 2019 (% YOY)

SUMATRA (22%)

Aceh 3.88
North Sumatra 5.30
Riau 2.88
West Sumatra 4.78
Jambi 4.73

KALIMANTAN (8%)

Riau Islands 4.76
Bengkulu 5.01
Babel Islands 2.79
South Sumatra 5.68
Lampung 5.18

West Kalimantan 5.07
Central Kalimantan 6.03
South Kalimantan 4.08
East Kalimantan 5.36
North Kalimantan 7.13

SULAWESI (6%)

Central Sulawesi 6.77
West Sulawesi 5.21
South Sulawesi 6.56
Southeast Sulawesi 6.33

JAVA (58.5%)

Banten 5.42
Jakarta 6.23
Jawa Barat 5.43
Jawa Tengah 5.14
Jawa Timur 5.51
Yogyakarta 7.50

BALI-NUSA TENGGARA (3%)

Bali 5.94
West Nusa Tenggara 2.12
East Nusa Tenggara 5.09

MALUKU-PAPUA (2.5%)

Maluku 6.32
North Maluku 7.65
Papua -20.13
West Papua -0.26
WHY NORTH SUMATRA?
Geographic advantages of North Sumatra

Strategic position along the Malacca Strait, a global trade route.

Located in the vast and prosperous area of Sumatra island, with total area of 73,000 km².

A major gateway for trade, both into and out of Sumatra island.
One of the most thriving economy

7 biggest province by economy comparison
| % share to National, % growth year-on-year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DKI Jakarta</td>
<td>17.3%</td>
<td>5.90%</td>
<td>5.90%</td>
<td>6.20%</td>
<td>6.20%</td>
<td>6.23%</td>
</tr>
<tr>
<td>East Java</td>
<td>14.6%</td>
<td>5.40%</td>
<td>5.60%</td>
<td>5.50%</td>
<td>5.60%</td>
<td>5.51%</td>
</tr>
<tr>
<td>West Java</td>
<td>13.1%</td>
<td>5.10%</td>
<td>5.70%</td>
<td>5.30%</td>
<td>5.60%</td>
<td>5.43%</td>
</tr>
<tr>
<td>Central Java</td>
<td>8.5%</td>
<td>5.50%</td>
<td>5.30%</td>
<td>5.30%</td>
<td>5.30%</td>
<td>5.14%</td>
</tr>
<tr>
<td>Riau</td>
<td>5.1%</td>
<td>0.20%</td>
<td>2.20%</td>
<td>2.70%</td>
<td>2.30%</td>
<td>2.88%</td>
</tr>
<tr>
<td>North Sumatra</td>
<td>5.00%</td>
<td>5.10%</td>
<td>5.20%</td>
<td>5.10%</td>
<td>5.20%</td>
<td>5.30%</td>
</tr>
<tr>
<td>East Kalimantan</td>
<td>4.3%</td>
<td>-1.20%</td>
<td>-0.40%</td>
<td>3.10%</td>
<td>5.10%</td>
<td>5.36%</td>
</tr>
<tr>
<td>National</td>
<td>100%</td>
<td>4.80%</td>
<td>5.00%</td>
<td>5.10%</td>
<td>5.20%</td>
<td>5.07%</td>
</tr>
</tbody>
</table>
An advantage like no other

**DEMOGRAPHIC**

**HUGE & GROWING POPULATION**
Our 14 million population means huge untapped market for investors, and it grows around 1.8%/year.

**A MILLENNIAL PROVINCE**
Half of our population is under 25 years old and we are open to the great new idea.

**HIGH LEVEL OF INCOME**
Our income per capita is around 44 million Rupiah and constitutes a huge market for any products.

**LOW MINIMUM WAGE LEVEL**
At 2.1 million Rupiah / month, our wage level is 40% cheaper than the wage level in Jakarta.

**ROOM FOR NEW BUSINESS**
With 70% employment rate, we will support new business with adequate human resources.

**SKILLFUL LABOR**
Our Human Development Index score is among the best in the nation.

**NORTH SUMATRA**

Source: Badan Pusat Statistik (BPS), 2017
<table>
<thead>
<tr>
<th>Economic share by sector 2018</th>
<th>Employment by sector 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agriculture, forestry &amp; fishing</strong></td>
<td><strong>Agriculture, forestry &amp; fishing</strong></td>
</tr>
<tr>
<td>21%</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td><strong>Manufacturing</strong></td>
</tr>
<tr>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td><strong>Trade</strong></td>
</tr>
<tr>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td><strong>Construction</strong></td>
</tr>
<tr>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Other sectors</strong></td>
<td><strong>Other sectors</strong></td>
</tr>
<tr>
<td>27%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Supplying the world’s biggest markets

**Biggest export products**  
| % share to total export in 2018 |

**Palm Oil (34%)**  
North Sumatra is 2nd biggest palm oil producer in the country. Products ranging from crude oil to finished products like soap and cooking oil.

**Natural Rubber (8%)**  
While price’s declining then suppress the production, rubber is still one of the greatest. Most of the export is in the form of rubber sheet,

**Arabica Coffee (4%)**  
Our Arabica coffee (ie. Sidikalang) is among the most highly priced and sought coffee product in the global market.

**Biggest market for export**  
| % share to total export in 2018 |

**China (15%)**  
The single biggest export market for North Sumatra’s products, including palm oil products, chemical and rubber

**United States (12%)**  
United States is the biggest importer for food and animals products. Other products include palm oil and rubber glove.

**India (9%)**  
India is one of the biggest importer of palm oil products from North Sumatera, mostly in the form of CPO.
Focus on Improvement

Due to the scale of the road, maintaining the quality of the road has proven as a challenge for the government. But it’s going to change as we swift focus to improve quality.

ON CONNECTIVITY

Trans Sumatra Highway
A grand scale project to bring fluid connectivity among provinces in Sumatra island. Everything will be more connected, not less.

Intra Province
North Sumatra is among the most connected province in Sumatra. The ‘spider web’ above shows how connected we are, even to the most rural area.
3 POTENTIAL PROJECTS AND TOURISM POTENTIAL
Lake Toba as Priority Tourism Area

World's Largest Volcanic Lake
Stunning Landscape in Nature
Formed by 3 Major Volcanic Eruptions (last was 74,000 years ago)

All-year-round Comfort Climate ± 18-24°C
Water Surface Elevation at ± 900 m above sea level
Unmatched Scenery

It’s a place where nature and culture met, preserved and nurtured.

Simply beautiful.
OPPORTUNITIES Investing in the jewel of North Sumatra

**Greater Lake Toba: Coordinative Area**

1. Floating Jetty  
2. Lake Cruise  
3. Sea Plane  
4. Aerosport  
5. Cable Car  
6. International Hotel & Resort  
7. International Hospital  
8. Cultural Performance  
9. Tourist Bus Service  
10. International Event

**Within Designated Development Area: Authoritative Zone**

1. International Hotel & Resort  
2. Premium Golf Course  
3. Sustainable Energy Plant  
4. Water Treatment Plant  
5. Waste Water Treatment Plant  
6. Waste Management  
7. Outdoor Elevator / Cable Car  
8. Flower Garden  
9. Farm / Agri-tourism  
10. Eco Theme Park
An integrated resort complex located on the cliffs surrounding the naturally sculpted Lake Toba

**TOBA CALDERA RESORT**

Located on top of a valley with a total authorized area of +500 Ha and development area of ± 386.72 Ha, Sibisa is the key region to be developed by the Lake Toba Tourism Authority. The site overlooks the vast Lake Toba and Samosir Island in the front, as well as Bukit Barisan mountain range in the back.

<table>
<thead>
<tr>
<th>Development Site Breakdown</th>
<th>Area (Ha)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitality</td>
<td>121.67</td>
<td>31.46%</td>
</tr>
<tr>
<td>MICE</td>
<td>2.72</td>
<td>0.70%</td>
</tr>
<tr>
<td>Commercial</td>
<td>8.36</td>
<td>2.16%</td>
</tr>
<tr>
<td>UMKM Centre</td>
<td>0.9</td>
<td>0.23%</td>
</tr>
<tr>
<td>Geo Cultural Park</td>
<td>9.78</td>
<td>2.53%</td>
</tr>
<tr>
<td>Cultural Centre</td>
<td>1.35</td>
<td>0.35%</td>
</tr>
<tr>
<td>Supporting Facilities</td>
<td>2.06</td>
<td>0.53%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>1.66</td>
<td>0.43%</td>
</tr>
<tr>
<td>Botanical Garden</td>
<td>14.54</td>
<td>3.76%</td>
</tr>
<tr>
<td>Agro Farm</td>
<td>21.47</td>
<td>5.55%</td>
</tr>
<tr>
<td>Sustainable Golf</td>
<td>71.53</td>
<td>18.50%</td>
</tr>
<tr>
<td>Back of House</td>
<td>3.25</td>
<td>0.84%</td>
</tr>
<tr>
<td>Green Space</td>
<td>127.43</td>
<td>32.95%</td>
</tr>
</tbody>
</table>
To create a unique eco-friendly and sustainable tourism destination in Toba that develops and empowers local communities by integrating technology, diversity, and innovation.
Investing in the jewel of North Sumatra

Masterplan Concept

TOBA CALDERA RESORT

Natural Tourism

Marvelous geological attraction at one of the greatest Supervolcano on earth

Heritage Tourism

Heartwarming Batakinese cultural & historical pilgrimage at the heart of North Sumatera

Leisure Tourism

Vibrant and lively creative villages that enlivened the local economy

Community Tourism

Serene retreating resorts and lakeside delights at the natural wonder of Toba Highland
A map showcases the different areas within the TOBA CALDERA RESORT. It highlights the VILLA and HOTEL zones with specific hectares indicated.

**VILLA**
- NR1: 10.75 Ha
- NR2: 10.2 Ha
- NR3: 9.18 Ha
- NR4: 12.94 Ha
- NR5: 9.6 Ha

**HOTEL**
- CV1: 6.62 Ha
- CV2: 6.82 Ha
- CV3: 5.71 Ha

**SR1:** 6.13 Ha, **SR2:** 6.71 Ha, **SR3:** 5.42 Ha, **SR4:** 5.83 Ha, **SR5:** 7.51 Ha, **SR6:** 7.59 Ha, **SR7:** 6.44 Ha

Legend:
- Hospitality
- MICE
- Commercial
- Geo Cultural Park
- Supporting Facilities
- Healthcare
- UMOM centre
- Green Space
- Botanical Garden
- Agrofarm
- Golf Area
- Bank of House
- Culture Center
- Set Back 60 m
- Set Back 20 m (Public Space)
Investing in the jewel of North Sumatra

Green Destination

TOBA CALDERA RESORT

BOTANICAL GARDEN NR6: 15.55 Ha

FARMHOUSE CV14: 32 Ha

GOLF COURSE SR9: 71.53 Ha

Legend:
- Hospitality
- MICE
- Commercial
- Geno Cultural Park
- Supporting Facilities
- Healthcare
- UNKM centre
- Green Space
- Botanical Garden
- Agrofarm
- Golf Area
- Back of House
- Culture Center

Set Back 60 m
Set Back 20 m (Public Space)
Investing in the jewel of North Sumatra

Commercial

TOBA CALDERA RESORT

COMMERCIAL
CV4: 1.79 Ha
CV6: 3.35 Ha
CV7: 1.30 Ha

UMKM
CV15: 0.9 Ha

F&B
SR8: 0.84 Ha
Investing in the jewel of North Sumatra

Geo Cultural Park

TOBA CALDERA RESORT

GEO CULTURAL PARK

CV 5: 10.95 Ha
CV 12: 1.35 Ha

Legenda
- Hospitality
- MICE
- Commercial
- Geo Cultural Park
- Supporting Facilities
- Healthcare
- UMKM centre
- Green Space
- Botanical Garden
- Agrofarm
- Golf Area
- Back of House
- Culture Center
- Set Back 50 m
- Set Back 20 m (Public Space)
Investing in the jewel of North Sumatra

Healthcare

TOBA CALDERA RESORT

HEALTHCARE

CV 11: 1.66 Ha

Legend

- Hospitality
- MICE
- Commercial
- Geo Cultural Park
- Supporting Facilities
- Healthcare
- IMIKN centre
- Green Space
- Botanical Garden
- Agrofarm
- Golf Area
- Back of House
- Culture Center
- Set Back 60 m
- Set Back 20 m (Public Space)
Investing in the jewel of North Sumatra
It’s easier than ever to reach Toba

ACCESSIBILITY

Air Connectivity

**Kualanamu (KNO)**
- **International** Direct Flights: Kuala Lumpur, Singapore, Bangkok
- **Domestic** Direct Flights: Jakarta and many cities in Indonesia

**Silangit Airport (DTB)**
- **Domestic** Direct Flights: Jakarta and Kualanamu
- **International** Direct Flights: Singapore, Kuala Lumpur (Malindo Air)

**Sibisa Airport (SIW)**
Open for special flights
Kuala Tanjung Port is developed with 3 functions at its core

The seaport will function as **Sumatra gateway**, which means flow of goods will be centered in Kuala Tanjung. **Benefit**: reducing logistic cost

As a **trans-shipment hub**, Kuala Tanjung will be the new distribution center for container and cargo. **Benefit**: reducing logistic cost and distribution

**Integrated industrial cluster**, benefitting companies with better distribution chain, more efficient operation cost, while bringing companies closer to raw material
The Kra Canal bring a potential rapid growth for Kuala Tanjung Port as the biggest International hub port. Kuala Tanjung international hub is ready to tap overseas strategic partners.

New canal route would shorten transit between the Indian and Pacific oceans by 1,200 kilometers.
## Development Timeline

1. **Multipurpose Terminal**
2. **Industrial Area 3000 Ha**
   - (2016-2018)
3. **Dedicated Terminal (Hub Port)**
   - (2017-2019)
4. **Integrated Urban Area**
   - (2021-2023)

## Multipurpose Terminal Project Spec

- **CAPEX**: 3.7 Trillion Rupiah
- **JETTY**
  - Dimension 60 x 500 Mtr
  - Length of Trestle 2.85 KM
  - Length of Berth 1.000 Mtr (2x 500 Mtr)
  - Bearing Capacity 3 Ton/M2
  - Water Depth -17 M. LWS
- **BERTHS CAPACITY**
  - Liquid Bulk Carrier: max. DWT 50.000
  - Container Vessel: max. DWT 60.000

## Industrial Gateway Port Project Spec

- **JETTY**
  - Dimensi: 60 x 300 Mtr
  - Trestle: 825 Mtr
  - Causeway: 1500 Mtr
  - Jetties: 600 Mtr (2x 300 Mtr)
  - Capacity: 3 Ton/M2
  - Draft: -15 M. LWS
- **JETTY CAPACITY**
  - Coal Carrier: max. DWT 60.000
  - Clinker Vessel: max. DWT 60.000
- **AREA CAPACITY (100 Ha by 2017)**
  - Power plant: 20 Ha
  - Coal Storage: 20 Ha
  - Cement factory: 7 Ha + 15 Ha
  - Public area: 5 Ha
  - Supporting Power: 6 - 8 T/M2
- **INFRASTRUCTURE**
  - Railway, Trans Sumatera Highway
Investing in the jewel of North Sumatra

Kuala Tanjung, together with Sei Mangkei SEZ, Kuala Namu Airport, Belawan Port, and the new Trans Sumatra Highway are built to be the new growth drivers in the region. It is highly connected. These National Strategic Projects will bring a new level of efficient logistic chain and fully integrated production base.

Economic Growth Driver
To be a modern industrial city with high competitiveness and eco-friendly mindset, through optimal development of local natural resources.

<table>
<thead>
<tr>
<th>Legality</th>
<th>PP No. 29 Tahun 2012 Tentang KEK Sei Mangkei</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Simalungun Regency, North Sumatera</td>
</tr>
<tr>
<td>Area</td>
<td>1,933.80 ha</td>
</tr>
<tr>
<td>Area Manager</td>
<td>PT Perkebunan Nusantara III (PTPN III)</td>
</tr>
<tr>
<td>Administrator</td>
<td>Badan Pelayanan Perijinan Terpadu dan Penanaman Modal Kab. Simalungun</td>
</tr>
</tbody>
</table>
| Investment amount | • Infrastructure : Rp. 5,14 trillion  
                     • Est. total investment by 2025 : Rp. 129 trillion |
| Labor force   | 83,304 people by 2031                      |
| Infrastructure and facilities | Railroad, electricity, water treatment, palm oil R&D center, industrial gas available |
| Connectivity into and out of SEZ | Highway, electricity, gas pipe, dedicated train connectivity direct to Kuala Tanjung sea port, Kualanamu airport |
Sei Mangkei Special Economic Zone

SEZ Sei Mangkei is well-linked to strategic distances:

- to Kuala Tanjung Seaport = 36 km
- to KNO Airport = 106 km
- to Medan City = 125 km
- to Belawan Seaport = 146 km

Supported by both regional and local infrastructures that built connectivity from inside to outside of the estate.

**Inside the estate:** Concrete Road, Electricity, Gas Pipeline, IT Network, Water Treatment Plant, Electricity, Waste Water Treatment Plant, Tank Farm, Dryport connected by train directly to the port.

**Outside the estate:** Railway track, Highway, Kuala Namu International Airport, Belawan Seaport and Kuala Tanjung Seaport.
Development Timeline

1. Base Industrial Zone of 104 Ha
   (2010-2015)

2. Industrial Zone + Infrastructure add 640 Ha
   (2015-2020)

3. Integrated Industrial Zone add 1,993 Ha
   (2020-2035)

Companies Investing in Sei Mangkei SEZ

- PT. All Cosmos Indonesia
- PT. Alternative Protein Indonesia (a multinational consortium)
- PERTAMINA BGS PLTBg
- PT USINING DARMA (PERUSAHAAN NASIONAL)
- PT. UNILEVER OLEOCHEMICAL INDONESIA
- PT. REALSTRONG AGRI CULTURE INNOVATION
- PT PERKEBUNAN NUSANTARA III (PERSERO)
**Rubber Industry Zone**

- **Tyres Product**
  (Inner & Outer tyres for bicycle, motorcycle, cars)

- **Automotive Products**
  (*Dockfender*, *conveyor belt*, rubber roller, *bridge bearing*, rail pad)

- **Latex Goods**
  (gloves, condom, rubber thread, balloon, foam)

- **General Rubber Goods**
  (carpets, footwear, sport apparels, household appliances)

---

**Various Industry Zone**

- **Textile Industry**
  (yarn, fabrics, apparel)

- **Electrical appliances & Metal Industries**
  (fan, refrigerator, sewing machine, television, and radio)

- **Chemical Industry**
  (medicine, pharmacy)

- **Food & Beverage Industry**
  (flour, sugar, tea, coffee, salt, food packaging)

- **Building materials and general industry**
  (sawn timber, plywood, marble)
Subsidy and incentives for SEZ

**FISCAL**

**Income Tax**
- Tax holiday for investment > Rp 500bn
- Tax allowance of 30% from NI
- Faster depreciation allowed

**VAT**
- No VAT for import
- No VAT for transactions with tenant in Sei Mangkei

**Foreigner Property Right**
- Foreigners can own property
- Owner of property can get living permit

**Tourism Sector**
- Deduction between 50-100% for construction and entertainment tax

**NON FISCAL**

**Labor**
- Dedicated wage council
- One Labor Union allowed
- Better regulation for expat workers

**Immigration**
- Visa on arrival for 5 visits
- Multiple visa for 1 year
- Living permit to owners of property

**Land Regulation**
- Rights to build permit
- Easier process for land permit

**Licensing**
- 3 hours licensing
- All licensing can be done through SEZ administrator
As one of the biggest cities in Indonesia, Medan’s limited public transport and huge growth of private car ownership are predicted to lead to gridlocks in major roads in Medan by 2022. The integrated Light Rail Transit (LRT) and Bus Rapid Transit (BRT) scheme is the government’s solution to it and will become an important infrastructure to the city with 2.2 million people.
The Inadequacy of Current Mode

Currently, the public car (pictured) is the most widely used public transport in Medan city. It’s not only inadequate, but also messy since they don’t have a station.

The LRT & BRT scheme will not only help untangled predicted gridlock, but also become a reliable transportation mode for the city.
Scheme: Public – Private Partnership

Apx. Distance: 20 km (LRT) & 14 km (BRT)

Inv. Opportunity: IDR 20 tn (LRT) & IDR 1 tn (BRT)

Concession Period: 35 years

Payback Period: 16.47 years

Project IRR (35 years): 14.7%

*Latest feasibility study result
Current electricity supply in Pangkalan Susu, 2300 MW.

Future need in 2025, 5800 MW

Energy investment potential:
- Asahlan Hydro Power Plant III
- Sumbagut Power Plant II (250 MW)
- Batang Toru Hydro Power Plant (510 MW)
- Biomas Power Plan
- Solar Power Plant

Potential Investment in renewable energy
TEBING TINGGI - KISARAN
(Trans Sumatera Toll Road 1st Phase)

Target operational in 2019:
- Bakaheuni-Terbanggi Besar
- Medan-Binjai
- Medan-Tebing Tinggi
- Terbanggi Besar-Kayu Agung

Total investment for 2.765km Rp476T
Target in 2024

Feasibility Study by KOICA (Korea International Cooperation Agency), Route Selection Stage

To support the development of Special Economic Zone Sei Mangke (KEK Sei Mangke), which is the main project for MP3EI Sumatera Corridor

As a segment of Trans Sumatera Toll Road Project (Phase I) in North Sumatera Province
As the capital of North Sumatra, Medan city develops economically. Its 2,2 million people need various of entertainment. One of them is Medan Zoo, which has become attraction for visitors. Expecting similar growth in the future, the Government offers investors to partner up and develop the zoo.
Well who doesn’t love a theme park?

Adding a touch of botanical garden to further increase the attractiveness

Revamping the zoo by increasing the variety of the animal.

Our concept for the ± 30,000 m²

Investment Opportunity IDR 250 bn
Medan Public Hospital Expansion

Public Private Partnership opportunity to expand the Dr. Pirngadi Public Hospital in Medan city. The project includes building the VIP wing in an area of ± 10,000 m².
Potential Tourism Site

1. Pantai Muara Opu
   South Tapanuli Regency

2. Orang Utan Batang Toru
   South Tapanuli Regency

3. Mursala Island
   Central Tapanuli Regency

4. Poncan Island
   Sibolga City

5. Silahi Sabungan
   Dairi Regency

6. Tangkahan
   Langkat Regency
The Home of Turtles

*Muara Opu Beach*

With 14 km shore length, Muara Opu beach is home for thousands of turtles to breed once a year. And at that majestic moment, the experience is breath taking.
The Oldest Orang Utan

Batang Toru Forest

Batang Toru forest is home to one of the oldest orang utan, the Pongo Tapanuliensis, which currently only 800 still exist.
The King Kong Island

Mursala Island

Due to its awesome scenery and authentic wilderness, Mursala Island is famous as the place for the shooting of King Kong movie (2005)
Imagine an island with a beautiful landscape, and a blue ocean. Where the water so clear you can see everything underneath. That’s exactly what Poncan Island offers you.
Blending In
Silahi Sabungan

Natural beauty, cultural experience and religious pilgrimage, Silahi Sabungan is a place like no other to find inner peace.
Some calls it “the hidden paradise”, Tangkahan is a nature wonder where you can play and have fun with the friendly elephant.
The water could stream within the power up to 13 million m² dam water discharge, which could be used as hydroelectric power plant. This project is essentials, as it’s the human being basic needs.
4 LICENSING IN INDONESIA
Investing in the jewel of North Sumatra

Enhanced business licensing through OSS

**Policy Goals**

1. Improve efficient, streamlined, & integrated business license service standards
2. Accelerate the business licensing process
3. Provide business licensing process assurance in terms of the costs and lead times
4. Increase coordination & synergy between central & regional government
5. Overcome the barriers to doing business in Indonesia
6. Implement integrated licensing process (single submission)

**Main Policy**

**1st Phase**
- Forming a Task Force to identify & overcome the end-to-end licensing barriers
- Implementing a licensing checklist for Special Economic Zones (KEK), Free Trade Zones (FTZ), Industrial Zones & Tourist Zones
- Utilizing data sharing

**2nd Phase**
- Business license regulatory reforms
- Implementation of the Single Submission system

Note: 1st and 2nd Phase are implemented in parallel

Source: Coordinating Ministry for Economic Affairs
Investing in the jewel of North Sumatra

**Direct construction permit in industrial estates**

**Priority Investment Service**

**Direct Construction (KLIK)**

Investors can directly start their project construction before obtaining construction permits. This service is supported by both Central and Regional Governments which become the first step to synergize between central and local licensing.

- **No Requirements**
  - No minimum investments or workers is required.
  - Available for **32 selected industrial estates**.
  - Construction permits can be obtained in parallel with construction process.

**Obtain** investment licence at OSS at national or regional level.

- **Survey** a land within selected industrial estates.
- **Acquire** the land for your industry.

- **Start the construction** of your project. No other permits are required.
- **Apply** for building construction permit & environmental permit, in parallel with construction process.

Source: Investment Coordinating Board (BKPM)
We are fully committed to help your investment

**OUR TEAM**

**Bank Indonesia**
Rizki Rahmawati
Investor Relation
r_rahmawati@bi.go.id
+6287722887165

**Promotion and Licensing Division**
**Government of North Sumatra**
Ninta Gandana Purba
Division Head
nintagandana@gmail.com
+628126005630

**Authority of Lake Toba**
M. Rommy Fauzi
Director of Tourism
rommyfauzi@yahoo.com
investment@bopdt.id
+6281808686886

**Sei Mangkei SEZ**
**PT. KINRA**
Aprial Syahputra
Promotion & Marketing
aprialsyahputra@gmail.com
+6281264468815

**Planning and Development Body**
**Government of North Sumatra**
Hasmirizal Lubis
Division Head
ariqlubis@gmail.com
+628126558330

**Kuala Tanjung Port**
**PT. Prima Pengembangan Kawasan**
Said Joeanna
Business Manager
sjoeanna@ptppk.co.id
+6281284347000

Saut F. Siagian
Business Director
sfsiagian@ptppk.co.id
+6281298556132
Let’s be a partner