BAUXITE DOWNSTREAM INDUSTRY

Strategic Investment Project Opportunities to Support the Development of the New Capital City Nusantara

WEST KALIMANTAN PROVINCE

MINISTRY OF INVESTMENT/ INDONESIA INVESTMENT COORDINATING BOARD

Project Profile

Types of Projects Offered and Advantages

Based on Law Number 3 of 2020 the Government of the Republic of Indonesia officially imposed a ban on the export of bauxite ore and promoted the downstream of bauxite industry in the country.

In addition domestic aluminium consumption reach 1-2 million tons/year, especially in supporting physical construction in The New Capital City Nusantara.

Existing aluminium production only reaches 250 thousand tons/year, so the shortage of domestic aluminium demand is fulfilled from imports

Types of Raw Materials and Production Capacity/Output Targets

Raw Materials

Smelter Grade Alumina (SGA) 1.000,000 tons/year

Production Capacity

- Aluminium Alloy 100,000 tons/year
- Aluminium Billet 250,000 tons/year
- Aluminium Slab 150.000 tons/year

Market Opportunity

Supply & Demand

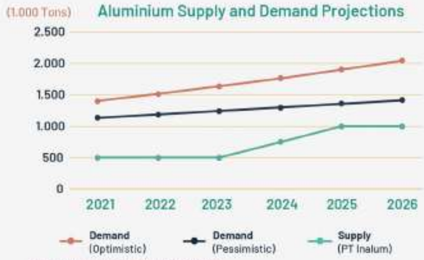
- The raw materials required are 1 million tons of SGA
- Sources of raw materials come from PT Borneo Alumindo Prima and PT Well Harvest Winning
- The global need for aluminium is very large, especially in China, USA, Japan, Germany and South Korea

Import Of Alloy, Slab and Billet Products

Source: KSO Amythas - Sucofindo (analyzed)

Market Share

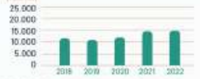
Aluminium Supply and Demand Projections



Source: Inalum Annual Report (analyzed)

OFFTAKER GLOBAL

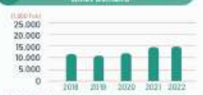
Total Global Aluminium Alloy Needs



In 2022, the global demand for aluminium alloy products will be 14,468,988 tonnes.

5 Countries with the largest demand for alloys in the world

Total Global Aluminium Slab and Billet Demand



In 2022, the global demand for aluminium slab and billet products will be 13,462,222 tonnes.

5 Countries with the largest demand for slabs and billets in the world

Source: trademap.org (analyzed)

Ketapang Industrial Estate

Matan Hilir Selatan District, Ketapang Regency

Zone

Zone E land for the Aluminium Smelter Industrial Area

Zone B land for CPP

Business Field(s)

KBLI **24202** Non-ferrous Base Metal Manufacturing Industry

Investment Value

IDR 37.18 T

Technical Aspects

Business Scheme

Infrastructure

Raw Water
Requirement:
Smelter aluminium 600,000 m³
CPP 3,213 m³
Resource:
Tengar River
rate **100 m³**/sec.
and **Sea water purification.**

Electricity
Existing:
70 MW (CPP 2x35 MW)
Project:
1,140 MW (CPP 3x380 MW)

Telecommunication
Telecommunication network available
STO : 12,000 SST

Hospital
RSUD Agoesdjam
Ketapang Regency

Gas
Gas Inert
(Argon or Nitrogen) 7.000m³

WWTP
Utilizing Industrial Area Waste Water Treatment Plants

Supporting Facilities
Special terminal
Capacity **27 million tons**
Depth **8 meters**

Accessibility

	Location	Distance	Time
A	Rahadi Oesman Airport, Ketapang	63 km	1 hour 40 minutes
B	Jetty Industrial Area	1-2 km	5 minutes
C	Kendawangan Port	37 km	1 hour
D	Provincial Road (Ketapang - Kendawangan)	1 km	5 minutes

Financial Feasibility

CAPEX (Capital Expenditure)	IDR 26.03 T	NWC (Net Working Capital (OPEX 1.5 years))	IDR 11.16 T
WACC (Weighted Average Cost of Capital)	12.16%	NPV (Net Present Value)	IDR 21.37 T
IRR (Internal Rate of Return)	17.53%	PP (Payback Period)	7 years 11 months
FUNDING STRUCTURE	70% Debt 30% Equity		

Revenue Structure

4th year revenue **IDR 9.87 trillion** consists of :

Aluminium Alloy	22%
Aluminium Billet	55%
Aluminium Slab	23%

Project Location

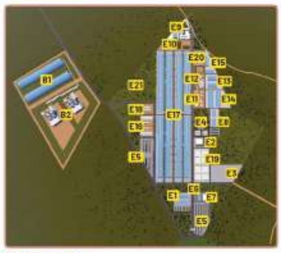
Managing Company
PT Ketapang Bangun Sarana

Land Area
Total Land Area **233 ha**
Smelter **178 ha** | CPP **55 ha**

Land Titles
Clean and Clear (CNC)
Has Industrial Estate Business Permit (IUKI)

Land Purchase Price
IDR 800,000/m²

Development Plan



Legend :

- E1 Management office 1
- E2 Management office 1
- E3 Stockpile Aluminium Product
- E4 Public Facilities
- E5 Public Parking
- E6 Indoor Parking
- E7 Outdoor Parking
- E8 Workshop
- E9 Waste Water Treatment Area
- E10 Slag Stockyard Area
- E11 Petroleum Coke & Liquid Pitch Storage
- E12 Calcination Shop
- E13 Green Anode Shop
- E14 Baking Furnace
- E15 Anode Transfer Station
- B1 Steam Coal Storage
- B2 Coal fired Power Plant
- E16 Alumina Storage
- E17 Potroom (Smelting Plant)
- E18 Gas Treatment Center
- E19 Casthouse & Bath Tratment system
- E20 Anode Roading Shop
- E21 Green Open Space Area

Government Support

Technical Policy

- **Law Of The Republic Of Indonesia No. 3 Of 2014**
  On Industrial Affairs Any Industrial Company undertaking Industrial activities must be located in an Industrial Estate.
- **Minister of Energy and Mineral Resources Regulation No. 11 of 2021**
  Concerning Implementation of Electricity Businesses.
- **Regulation of the Province of West Kalimantan No. 1 of 2017**
  Regarding the Industrial Development Plan for West Kalimantan Province for 2017 - 2037.
- **Ketapang District Regulation No. 3 of 2015**
  Regarding Regional Spatial Planning.

Incentives

Fiscal

Import Duty Exemption
- **Mof Regulation No. 188/2015 Jo. 176/2009**
  Exemption from import duties on imports and goods and materials for construction or industrial development in the context of capital investment.

Super Tax Deduction
- **MoF Regulation No. 153/2020**
  On the Provision of Gross Income Deductions for Certain Research and Development Activities in Indonesia.

Non Fiscal

Ketapang Regent Regulation No. 84 of 2022
- Providing data and information on investment opportunities
- Accelerate the granting of integrated permits
- Providing security and comfortmity guarantees to investors

Business Licensing Process in the OSS - RBA System

Registration
- Access rights
- Register Business Actor Data and Business Data

Basic Requirement
- Spatial Confirmity (KKPR)
- Environmental Approval
- Building Approval and Functional Certificate (if required)

Business License
- Business Identification Number (NIB)
- Standard Certificate (SS)
- Licenses based on the risk

The business licensing application guide can be downloaded at:

https://oss.go.id/en/panduan

Contact Information

Ministry of Investment/Indonesia Investment Coordinating Board
Directorate of Investment Planning for Manufacturing Industry
(+62) 215207022
tu.ditpim@bkpm.go.id
Jl. Jend. Gatot Subroto No. 44, Jakarta 12190, Indonesia
https://regionalinvestment.bkpm.go.id/

FOR MORE INFORMATION SCAN QR HERE