

NUSANTARA CONVENTION CENTER

5 STARS HOTEL & INTERNATIONAL CONVENTION CENTER
EAST KALIMANTAN PROVINCE

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

MINISTRY OF INVESTMENT/
INDONESIA INVESTMENT COORDINATING BOARD



Project Profile



Scenario of transferring State Civil Apparatus (ASN), TNI and the Police of the Republic of Indonesia, as well as the Executive to the development areas of the New Capital City Nusantara (IKN) are projected to reach 327,275 people in 2045, becoming an investment opportunity to fill in MICE venue demand.



The need for Hotels and MICE venues will increase along with activity generation and also in line with the increase in IKN's population and its surroundings.



According to 2019 International Congress and Convention Association (ICCA) data, Indonesia is ranked 41st in the world, 10th in the Asia Pacific level, and 4th in Southeast Asia in organizing international association meetings with 37,874 global participants.



Market Opportunity

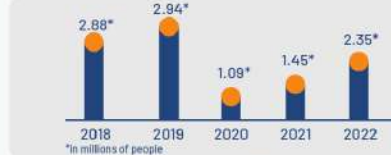
From 2018 to 2022, Balikpapan City had the highest number of tourist visits among all regencies/cities in East Kalimantan (38.5%).

Total Tourist Visits in East Kalimantan Province (2018-2022)



Source : Department of Tourism of East Kalimantan Province, 2022

Total Tourist Visits in Balikpapan (2018-2022)



Source : Department of Tourism of East Kalimantan Province, 2022

Market Analysis Based on Projections of Domestic and International Tourist Visits in Balikpapan City, as well as the IKN Population in the Next Three Years

The increase in foreign and domestic tourists is in line with the rise in the IKN population.



Source : KSD Anyther-Scotindo (analyzed)

Hotel Distribution and Potential for Organizing MICE

The existence of MICE tourism can encourage increased hotel occupancy. In 2023, the number of hotels in Balikpapan City that are equipped with MICE will reach a total number of 2,682 rooms. The need for hotel rooms until 2026 is projected to reach 4,515 rooms.



Capacity Projections and Number of MICE Participants in Balikpapan City in the Next Three Years



Source : KSD Anyther-Scotindo (analyzed)

In 2023, the availability of hotels in Balikpapan City equipped with MICE will have a total capacity of 1500-6000 people. The need for MICE in Balikpapan City is estimated to continue to increase, requiring an additional capacity of 391,099 people.

Hotels and MICE Location

Batu Ampar Sub-District,
North Balikpapan District,
Balikpapan City

Land Area	3.5 ha
Land Price	IDR 7,000,000/m ²

Business Field(s)	68112 KBLI MICE, 55110 KBLI Five Stars Hotel
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Technical Aspects

Infrastructure

Water	Water Installation Source Water Management (IPA) Batu Ampar 500 ltr/sec.
Waste	There is a Manggar Waste Water Disposal Site (TPA) with a capacity of 350 - 450 tons.
Higher Education	11 Higher Education Institutions



*Distribution in Radius Multiples of 5 km

Financial Feasibility

CAPEX Capital Expenditure	IDR 1.13 T	NWC Net Working Capital (3 Months OPEX)	IDR 25.82 M
WACC Weighted Average Cost of Capital	10.14%	NPV Net Present Value	IDR 336 M
IRR Internal Rate of Return	12.25%	PP Payback Period	13 years

FUNDING STRUCTURE

70% Debt	30% Equity
1 st year revenue IDR 348.51 billion consists of :	
Rooms	25.3%
MICE	66%
Other Income	8.7%

Revenue Structure

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Rooms	25.3%
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Project Location



Siteplan Hotel & MICE



Rooms Capacity: 348 Rooms Total MICE Capacity: 3280 Persons

Legend

- 1 Ballroom 2nd Floor
- 2 Exhibiton GF
- 3 Conference 2nd Floor, Restaurant, Cafe
- 4 Meeting room 1st Floor, Hall-lobby, FO
- 5 Hotel tower 1 (18 Floors)
- 6 Roof garden, Special offers
- 7 Tower 2 (Development)
- 8 Back Office, Services 1st BF
- 9 Parking (semi-basement)
- 10 Utilities 4th BF
- Main entrance
- Side entrance/Services



Government Support

Technical Policy

- Presidential Regulation Number 63 of 2022 Concerning the New Capital City Nusantara Master Plan
- Regional Regulation of Balikpapan City Number 7 of 2016 Regarding the Balikpapan City Regional Tourism Development Master Plan for 2016-2026
- Regent Regulation Number 22 of 2021 Regarding the Detailed Spatial Plan and Zoning Regulations for the City of Balikpapan for 2021-2041

Fiscal Incentives

- MoF Regulation No. 178/011/2009 Jo. No. 188/010/2015 Exemption facilities for imports of machinery and goods and materials for construction or industrial development in the context of capital investment

Non-Fiscal Incentives

- Licensing is accelerated through OSS RBA (Online Single Submission Risk Based Approach)

Business Licensing Process in the OSS - RBA System



You can download the business licensing application guide at:

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



Contact Information

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SUSTAINABLE
DEVELOPMENT
GOALS



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