

Project in Indonesia

IOH-C

April 2018

Organizational
Partner

SUPPLYCHAIN
INDONESIA

Indonesia' s Appetite for Projects

With 17,400 islands, close to 2 million square miles of land, and three time zones, Indonesia is almost half the size of continental Europe. It has a population of 257 million and a huge appetite for water processing systems, power plants, and electrical transmission grids. Many projects are planned throughout Indonesia, including Road & Bridge, Railway, Public Transportation, Water & Sanitation, Refinery, Electricity & Power plant, Port, Information Technology

Indonesia's Need for Infrastructure

Indonesia's scarce and poor-quality infrastructure hampers economic and social development. The Indonesian Archipelago -- roughly 17,400 islands -- creates a need for maritime infrastructure. Many of the islands, even the larger ones, have very few roads. Development requires [connectivity](#).

There are plans for a Trans-Sumatra toll road; a Trans-Java toll road and more; railways in Java, Sumatra, Kalimantan and other regions; and seaports and airports. President Jokowi plans to add at least 1,100 kilometers of road by the end of his term in 2019. However, this still only scratches the surface of the infrastructure needed.

CRITERIA PROJECT IN INDONESIA

- **NATIONAL STRATEGIC PROJECTS**
- **PRIORITY PROJECTS**
- **MINING PROJECTS**

CRITERIA PROJECT IN INDONESIA

• **NATIONAL STRATEGIC PROJECTS**

- Road Sector
- Airport Sector
- Public Housing Sector
- Water and Sanitation Sector
- Cross-Border Sector
- Irrigation Sector
- Strategic Zone Sector
- Agricultural / Maritime Sector
- Electricity Program

Railway Sector

Port Sector

Energy Sector

Flood Embankment Sector

Dam Project

Technology Sector

Smelter Sector

Aircraft Industry Program



Proyek Strategis Nasional

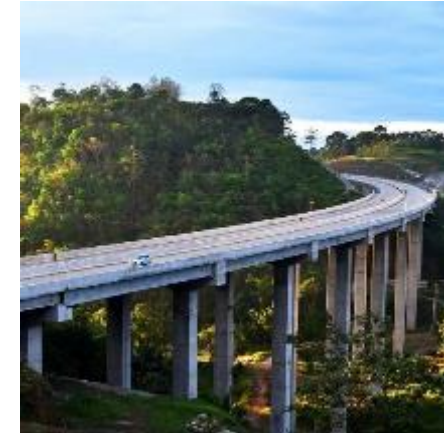
Meliputi 15 Sektor pada Tingkat Proyek dan 2 Sektor pada Tingkat Program



CRITERIA PROJECT IN INDONESIA

- **PRIORITY PROJECTS**

- Road & Bridge
- Railway
- Public Transportation
- Water & Sanitation
- Refinery
- Electricity & Power plant
- Port
- Information Technology



DAFTAR 37 PROYEK PRIORITAS KPPIP



Air dan Sanitasi



Minyak dan Gas



Jalan dan Jembatan



Transportasi Perkotaan



Ketenagalistrikan



Pelabuhan



Kereta Api



Teknologi Informasi

PRIORITY PROJECTS

Road & Bridge

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	Balikpapan - Samarinda Toll road	IDR 9.9 Trillion	Public-Private Partnership (PPP) with government support in the form of partial	East Kalimantan	Indonesia Toll Road Authority (BPJT)	2016	2018	This 99 km toll road will connect two largest cities in East Kalimantan, namely Balikpapan and Samarinda. This project is divided into two sections, Section 1 consists of Package 1 (25.07 km) and Package 5 (11.09 km) and Section 2 consists of Package 2 (23.26 km), Package 3 (21.9 km) and Package 4 (17.7 km).
2	Serang - Panimbang Toll Road	IDR 10.8 Trillion	Potential for Public-Private Partnership (PPP)	Banten	Indonesia Toll Road Authority (BPJT)	2017	2018	This toll road is expected to reduce logistic costs for goods delivery from the industrial estate in Pandeglang to the port in Jakarta and vice versa.
3	8 Section of Sumatera Toll Road	IDR 81 Trillion (8 sections)	Assignment PT. Hutama Karya	North Sumatera, Riau, South Sumatera and Lampung	Assignment PT. Hutama Karya	2015	2016 (Section 3 of the Medan – Binjai Section)	The 304 km Trans Sumatra Toll Road will connect Sumatra Island from Aceh to Bakauheni. Phase 1 consists of 8 sections, which are divided into four initial sections: (1) Medan – Binjai, (2) Palembang – Indralaya, (3) Pekanbaru – Dumai, (4) Bakauheni – Terbanggi Besar; and four additional sections: (5) Terbanggi Besar – Pematang Panggang, (6) Pematang Panggang – Kayu Agung, (7) Palembang – Tanjung Api-Api and (8) Kisaran – Tebing Tinggi.
4	Manado - Bitung Toll Road	IDR 5.1 Trillion	Public-Private Partnership (PPP) with government support in the form of partial construction	North Sulawesi	Indonesia Toll Road Authority (BPJT)	2017	2018	This 39 km toll road will connect two largest cities in North Sulawesi, namely Manado and Bitung. This project is divided into two phases, namely (1) Section 1: Manado – Airmadidi and (2) Section 2: Airmadidi – Bitung.
5	Yogyakarta – Bawen Toll Road (71km)	IDR 12,139 Trillion	-	Yogyakarta	Ministry of Public Works and Housing	2018	2020	
6	Probolinggo – Banyuwangi Toll Road (170,36km)	IDR 11.700 Billion	-	East Java	Ministry of Public Works and Housing	2017	2019	

PRIORITY PROJECTS

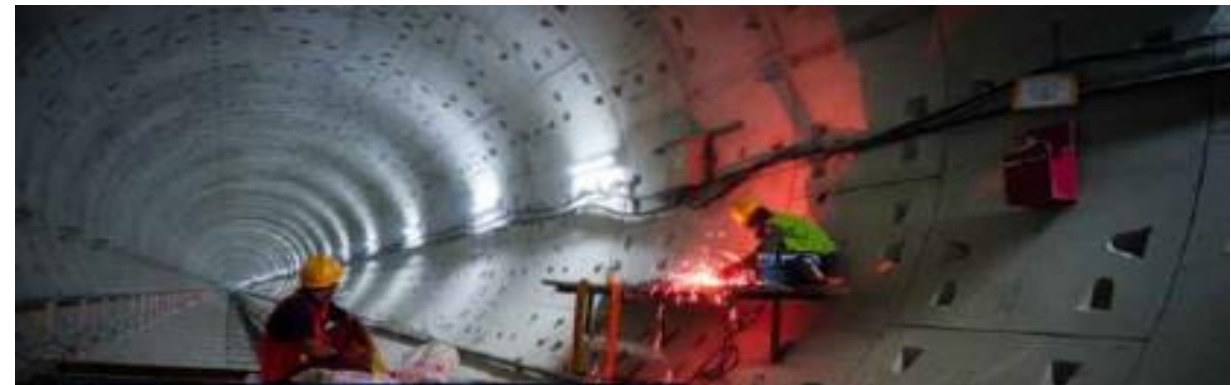
Railway

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	Soekarno-Hatta International Airport (SHIA) Express Railway	IDR 24 Trillion	Potential for SOE Assignment	DKI Jakarta and Banten	Ministry of Transportation	2018	2022	SHIA Express Railway project serves as an alternative transportation to SHIA with a 30-minute estimated maximum travel time from the city center to the airport. The SHIA Express Railway, with a 37 km track from Soekarno-Hatta Airport to Halim Perdanakusuma Airport,
2	Makassar - Parepare Railway	IDR 6.4 Trillion	State Budget	Makassar and Parepare, South Sulawesi	Ministry of Transportation	2015	2018	The Makassar – Parepare 144 km railway project constitutes part of the Trans Sulawesi railway network that will connect the entire Sulawesi Island.
3	East Kalimantan Railway	IDR 25 Trillion	Consortium PT. Kereta Api Borneo	West Kutai-Paser-Penajam Paser-Balikpapan, East Kalimantan	PT. Kereta Api Borneo / Rusia RZhD (Russian Railways)	2016	2020	East Kalimantan railway project is a development of 203 km single track railway to be supported with other infrastructure such as the stations, coal jetty, seaport, and coal fired power plant (15 MW). PT. Kereta Api Borneo will operate the project. The project scope includes West Kutai Regency, Paser Regency, Penajam Paser Utara regency, and Balikpapan city.
4	General Railway Organization in Jakarta	IDR 4,000 Trillion	State-Owned Enterprise	Tangerang, Banten		May-18	Agustus 2019	Public hearing was held on 12 May 2016 (East Jakarta) and 25 May 2016 (North Jakarta). Work contract P101/corridor 1, has commenced on 22 Juni 2016 (at the Commemoration of Jakarta Anniversary) which includes preparation, green areas determination, traffic management, etc. Currently, tracing process is underway. A sketch map for road axis determination to obtain approval is in the verbal process at the relevant Technical Agencies, namely Transportation Agency, City Planning and Jakarta City Administration

PRIORITY PROJECTS

Public Transportation

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	MRT Jakarta (North – South Corridor)	IDR 25 Trillion	State Budget and DKI Jakarta Regional Budget with Foreign Loan	DKI Jakarta	Provincial Government of DKI Jakarta	2013	2019	The development of Mass Rapid Transit (MRT) in the capital city is aimed to improve public transportation facilities and reduce traffic congestion in Jakarta. The first stage of this project consists of 2 phases: (1) Lebak Bulus – Bundaran HI and (2) Bundaran HI – Kampung Bandan.
2	LRT Jakarta, Bogor, Depok, Bekasi	Estimated at IDR 34.3 Trillion (corridor 1-6)	SOE Assignment to PT. Adhi Karya	Jakarta, Bogor, Depok and Bekasi	Ministry of Transportation	2015	2018	The LRT development consists of six corridors: (1) Cawang – Cibubur, (2) Cawang – Kuningan – Dukuh Atas, (3) Cawang – Bekasi Timur, (4) Dukuh Atas – Senayan, (5) Cibubur – Bogor, and (6) Palmerah – Bogor. The LRT is expected to start operating in 2018 in accordance with the Asian Games 2018
3	LRT Palembang	IDR 7.15 Trillion	SOE Assignment to PT. Waskita Karya	Palembang, South Sumatera	Ministry of Transportation	2015	2018	This LRT will have 13 stations, starting from Sultan Mahmud Badaruddin II Airport to Jakabaring Sport City. This LRT will also support the Asian Games 2018 that will be held in Jakarta and Palembang.



PRIORITY PROJECTS

Water & Sanitation

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	Jakarta Sewage System	IDR 8.1 Trillion (Zone 1)	Potential for state budget with foreign loan (Japan) for Zone 1, Funding scheme for other zones has yet to be determined.	DKI Jakarta	Provincial Government of DKI Jakarta	2016	2022 (Zona 1)	Jakarta Sewerage System project will manage domestic waste treatment in 15 zones (including zones that have been in operation), with the initial focus on Zones 1 and 6. Both are targeted for operation in 2021. Zone 1 will serve the central and north areas and Zone 6 will serve the west area. Total cost of Zone 1 project is ± IDR 8 Trillion, while the development of Zone 6 will cost ± IDR 5 Trillion.
2	West Semarang Drinking Water Supply System	IDR 1.170 Trillion	Potential for Public Private Partnership (PPP) – Under review process	Semarang, Central Java	Municipal Government of Semarang	2017	2017	West Semarang Drinking Water Supply System is a project to supply drinking water under PPP scheme. The Government Contracting Agency is the Municipal Government of Semarang, supported by PT Indonesia Infrastruktur Finance (IIF) as the transaction advisor. It has become one of the pilot projects for PPP with availability payment scheme from the Regional Budget.
3	National Capital Integrated Coastal Development (NCICD) Phase A	IDR 600 Trillion (All phases); Investment value	State and regional budget (50:50) for Phase A, potential for PPP for other phases	DKI Jakarta	Provincial Government of DKI Jakarta	2016	2018	National Capital Integrated Coastal Development (NCICD) includes the construction of a giant seawall in the north of Jakarta Bay as an effort to protect the capital city from floods. Large lagoons will be built within the walls to accommodate the water flow from 13 rivers in Jakarta (water reservoirs).
4	Drinking Water Supply System (SPAM) Regional Jatiluhur	RP. 1,670 Trillion	Public-Private Partnership	Jatiluhur, West Java	Perum Jasa Tirta	August 2018	Aug-22	
5	Drinking Water Supply System (SPAM) Lampung	RP. 718 Billion	Public-Private Partnership	Lampung	Regional Drinking Water Company (PDAM) Bandar	Jan-18	December 2020	

PRIORITY PROJECTS

Refinery

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	Oil Refinery in Bontang	IDR 75-140 Trillion	To be determined based on the result of OBC	Bontang, East Kalimantan	PT Pertamina (Awaiting Official Assignment)	2018	2022	Bontang Refinery is a refinery construction project in Bontang, East Kalimantan, aiming to produce fuel at the minimum of 235 thousand barrels per day. The refinery is planned to use a configuration system which includes system collaborations like petrochemicals system. The output of the refinery will be prioritized to satisfy domestic fuel demand.
2	Oil Refinery in Tuban	Rp 108 Triliun	Strategic Partnership with Rosneft (Business to Business)	Tuban, East Java	PT Pertamina	2018	2021	Tuban Refinery is a refinery construction project in Tuban, East Java, with total capacity 300 thousand barrels per day. The refinery is planned to use petrochemical configuration and integrated with PT Trans Pacific Petrochemical Indotama.
3	Refinery Development Master Plan (RDMP)	IDR 210 Trillion	Business to Business/Strategic Partnership	Cilacap, Balongan, Dumai, Balikpapan, Plaju	PT Pertamina	2017	2021	RDMP project is the revitalization of 5 existing refineries in Cilacap, Central Java; Balongan, West Java; Dumai, Riau; Balikpapan, East Kalimantan; and Plaju, South Sumatra; to improve the capacity and competitiveness of refineries in Indonesia.
4	Masela Field Development	Rp 289.900 Milyar	Private Sector	Maluku	Kementerian ESDM	2022	2027	
5	JAMBARAN – TIUNG BIRU GAS FIELD UNITIZATION	IDR 26,728 Billion	State Owned Enterprise	East Java	Pertamina EP Cepu	2016	2019	
6	Indonesia Deepwater Development Project/IDD (Gendalo, Maha, Gandang, Gahem,	IDR 124,800 Billion	Private	East Kalimantan	Ministry of Energy and Mineral Resources	2012	2027	
7	Tangguh LNG Train 3 Project	IDR 104,800 Billion	Private	West Papua	BP Bureau Ltd.	2016	2020	

PRIORITY PROJECTS

Electricity & Power plant

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	South Sumatra Mine-Mouth Coal-Fired Power Plant	IDR 18 Trillion	IPP where the tender winners are PT Bukit Asam and China Huadian	South Sumatera	PT PLN	2017	2020	South Sumatra Mine-Mouth Coal-Fired Power Plant 8 (PLTU Sumsel 8) is a coal- red power plant with 'mine-mouth' scheme where the power plant is located adjacent to the coal mine, thus reducing logistic costs. This PLTU will have 1,200 MW capacity and will be connected with HVDC transmission line.
2	The 500kV Sumatera Transmission	IDR 24.4 Trillion	Out of a total of 1,330 km, 430 km has a potential of being financed by domestic Soes and	Sumatera Island	PT PLN	2016	2017 – 2023	The construction of the 500 kV 1,330 km Transmission to transmit the electricity generated in the south part to the north part of Sumatra, that is from Muara Enim, South Sumatra up to Langsa, Aceh.
3	Central – West Java Transmission Line 500 kV	IDR 7.64 Trillion	Direct lending with loan from KfW and JICA)	West Java and Central Java	PT PLN	2017	2019	The 500 kV transmission construction to transmit electricity generated in Central Java to load center Jakarta which is located in the western region of Java Island.
4	PLTU Indramayu- Powerplant	IDR 20 Trillion	State budget with foreign loan (JICA)	Indramayu, West Java	PT PLN	2017	2019	The construction of coal- red power plant with a capacity of 1,000 MW to generate electricity required for Java and Bali Islands.
5	Batang Power Plant / Central Java Power Plant	IDR 40 Trillion	IPP with PT Bhimasena Power Indonesia (BPI) as the selected investor	Batang, Central Java	PT PLN	2016	2019	PLTU Batang or Central Java Power Plant (CJPP) is an ultra critical coal- red power plant with 2 x 1,000 MW capacity in Batang Regency, Central Java. PLTU Batang will be constructed by the Special Purpose Vehicle (SPV) of PT Bhimasena Power Indonesia consisting of J-POWER (34%), Adaro (34%), and Itochu (32%). This project is guaranteed by the Indonesia Infrastructure Guarantee Fund (IIGF) and the Central Government for
6	Energy from big cities' waste (Semarang, Makassar, Tangerang)		Private		Ministry of Energy and Mineral Resources (ESDM)			On average the latest status is in the stage of tender preparation, except Solo. Last Friday the city signed a contract with tender winner. Tangerang is preparing Outline Business Case (OBC) with International Finance Corporation (IFC). The latest status in Surabaya is as follows: tender winner of gasification has been determined as for incinerator, it has not been put out to tender. Semarang is still in the preparation of

PRIORITY PROJECTS

Port

No	Project Name	Invesment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	Kuala Tanjung International Hub Seaport	Estimated at IDR 30 Trillion	Potential for Public-Private Partnership (PPP)	Kuala Tanjung, North Sumatera	Ministry of Transportation	2017	2020	The Kuala Tanjung international hub port aims to create an entrance for logistic flow to the western region of Indonesia. Based on the assessment result conducted by the Ministry of Transportation in 2015, the development of this seaport will increase the volume of container traffic up to 12.4 million TEUs in 2039.
2	Bitung International Hub Seaport	Estimated at IDR 34 Trillion	Potential for Public-Private Partnership (PPP)	Bitung, North Sulawesi	Ministry of Transportation	2017	2019	
3	Seaport in the Northern Part of Java Island	Not Yet Determined	Not Yet Determined	Patimban, Subang, West Java	Ministry of Transportation	2017	2019 (Phase 1)	This project is aimed to develop a seaport with container terminal with expected capacity of 7.5 million TEUs per year, to cater for the expected growth of logistic demand in eastern part of West Java.
4	Inland Waterways / Cikarang-Bekasi-Java Sea (CBL)	IDR 3.4 Trillion	Not Yet Determined	DKI Jakarta and West Java	PT Pelabuhan Indonesia II	2016	2020	Inland Waterways/CBL development will utilize the river canal route as an alternative logistics transportation. This optimalization will connect the off-the-road area in Tanjung Priok Seaport with the hinterland area. In phase 1, the canal transportation system will utilize the existing canal developed by Ministry of Public Works and Public Housing, which is Cikarang Bekasi Laut (CBL) through Marunda, North Jakarta. In phase 2, PT Pelindo II plans to add the canal route from Tanjung Priok to Cikampek where the canal will connect the logistics stream from Tanjung Priok to the Cibitung-Cikarang industrial area in Bekasi as well as in Cikampek, Karawang.

PRIORITY PROJECTS

Information Technology

No	Project Name	Investment Value	Funding Scheme	Location	Project Owner	Construction Period		Project Status
						Plan	Operation	
1	PALAPA RING BROADBAND	Rp 5,84 Triliun	Kerjasama Pemerintah dengan Badan Usaha (KPBU)		Kementerian Komunikasi dan Informatika	Paket Barat pada Kuartal 1 2018, Paket Tengah pada Kuartal 1 2018, Paket Timur		Palapa Ring Broadband adalah proyek pembangunan jaringan serat optik sebagai tulang punggung system telekomunikasi nasional yang menjangkau seluruh kota/ kabupaten di Indonesia (514 kota/kabupaten).

Issues with Regulation

The Government has released 8 Economic Policy Packages from 9 September 2015 to 21 December 2015. The 8 packages are aimed at reorganizing Indonesia's regulations that hinder economic growth (deregulation), restructuring Indonesian bureaucracy, and offering conveniences to create conducive investment climate and strengthen Indonesia's economy.



Each Economic Policy Package and the expected positive impacts are as follows.

Economic Policy Package I

To deregulate 165 regulations, reduce bureaucracy in obtaining licenses related to land acquisition and other licenses for infrastructure projects, provide the legal certainty over land ownership as well as clarify procedures for and completeness of documents required in obtaining certain licenses.

Economic Policy Package II

To improve services in granting investment licenses in industrial areas, to cut the length of time needed to apply for tax allowance and tax holiday, and to remove value added tax for transportation equipment.

Economic Policy Package III

To decrease fuel prices, gas prices, and basic electricity rate for industry and to simplify licensing process over land for the purpose of investment.

Economic Policy Package IV

To reform the labor system as well as annual salary increase mechanism and to implement policy on a larger-scale and affordable Credits for Micro, Small and Medium Businesses.

Economic Policy Package V

To give incentives in the form of tax relief and revaluation of assets of a company, state-owned enterprises (SOE), and individuals to create a more transparent and efficient economic and investment scheme.

Economic Policy Package VI

Providing incentives in the form of ease of investment of SEZ region, water resources regulation and fast licensing process (paperless).

Economic Policy Package VII

To give incentives in the form of ease of investment process of Special Economic Zone (SEZ), regulations on water resources, and expedited licensing process (paperless).

Economic Policy Package VIII

To provide labor intensive industry, where income tax (PPH 21) is paid by the company, with relief.

Freight Forwarding Licenses Simplified by Indonesian Government

Issues with port and **land infrastructure**

and the need for government investment

Roads and highways have become Indonesia's overriding priority items. The toll roads are part of Jokowi's plan to add at least 1,100 kilometers of functionally operable roads by the end of his term in 2019.. Also in the pipeline are the Balikpapan-Samarinda Toll Road, Manado-Bitung Toll Road, Serang-Panimban Toll Road, Soekarno-Hatta Railway, North-South Line Jakarta MRT, Makassar-Parepare Railway, Light Rail Train (LRT) South Sumatra, and the East Kalimantan Railway, among others.



8 Section of Sumatera Toll Road.

The 304 km Trans Sumatra Toll Road will connect Sumatra Island from Aceh to Bakauheni. The purpose of this project is to improve connectivity, reduce logistic costs, and stimulate industrial growth on Sumatra Island.

Balikpapan - Samarinda Toll Road.

This 99 km toll road in East Kalimantan.



Manado – Bitung Toll Road.

This 39 km toll road will connect two largest cities in North Sulawesi, namely Manado and Bitung.

Serang – Panimbang Toll Road.

The toll road development for the length of 83.6 km. This toll road is expected to reduce logistic costs for goods delivery from the industrial estate in Pandeglang to the port in Jakarta and vice versa

RENCANA JALAN TOL SERANG-PANIMBANG



Local Partner Issues

- CAPABILITY
- RELIABILITY
- QUALITY
- SAFETY



Labor, Safety, Training issues

The government had a target of 10,000 logistics workers to be certified in 2015 to ASEAN standards. However, only 3,000 have been certified, and industry players often hire logistics personnel from abroad.

Certification is a benchmark for measuring a country's logistics competence.

Currently, Indonesia is in position #53 of the world in logistics performance (Logistics Performance Index). This position is less than other ASEAN countries such as Thailand, Vietnam, and Malaysia.

Source :

<http://industri.kontan.co.id/news/baru-3000-pekerja-logistik-yang-tersertifikasi>



KPPIP (CFAPID)

- The Committee for Acceleration of Priority Infrastructure Delivery (KPPIP) was established with the main objective of becoming a coordinating unit in decision-making processes to encourage settlement of issues arising from the lack of effective coordination between the various stakeholders. KPPIP acts as the point of contact to facilitate coordination in debottlenecking efforts for National Strategic Projects and Priority Projects.
- KPPIP was formed by revitalizing KKPPI (National Committee for the Acceleration of Infrastructure Provision), which was considered ineffective for several reasons such as lack of decision-making authority, limited roles at all stages of the projects starting from the design stage until the commencement of the construction, inability to provide incentives or disincentives in order to encourage projects acceleration, and an organizational structure that was too large that often caused arduous decision-making process. Taking such limitations into consideration, Presidential Regulation No. 75 of 2014 on Acceleration in Priority Infrastructure Delivery was issued for the purpose of establishing KPPIP

KPPIP (CFAPID)

- **Vision**

- Champion in Managing and Delivering the Strategic and Priority Infrastructure Projects in Indonesia

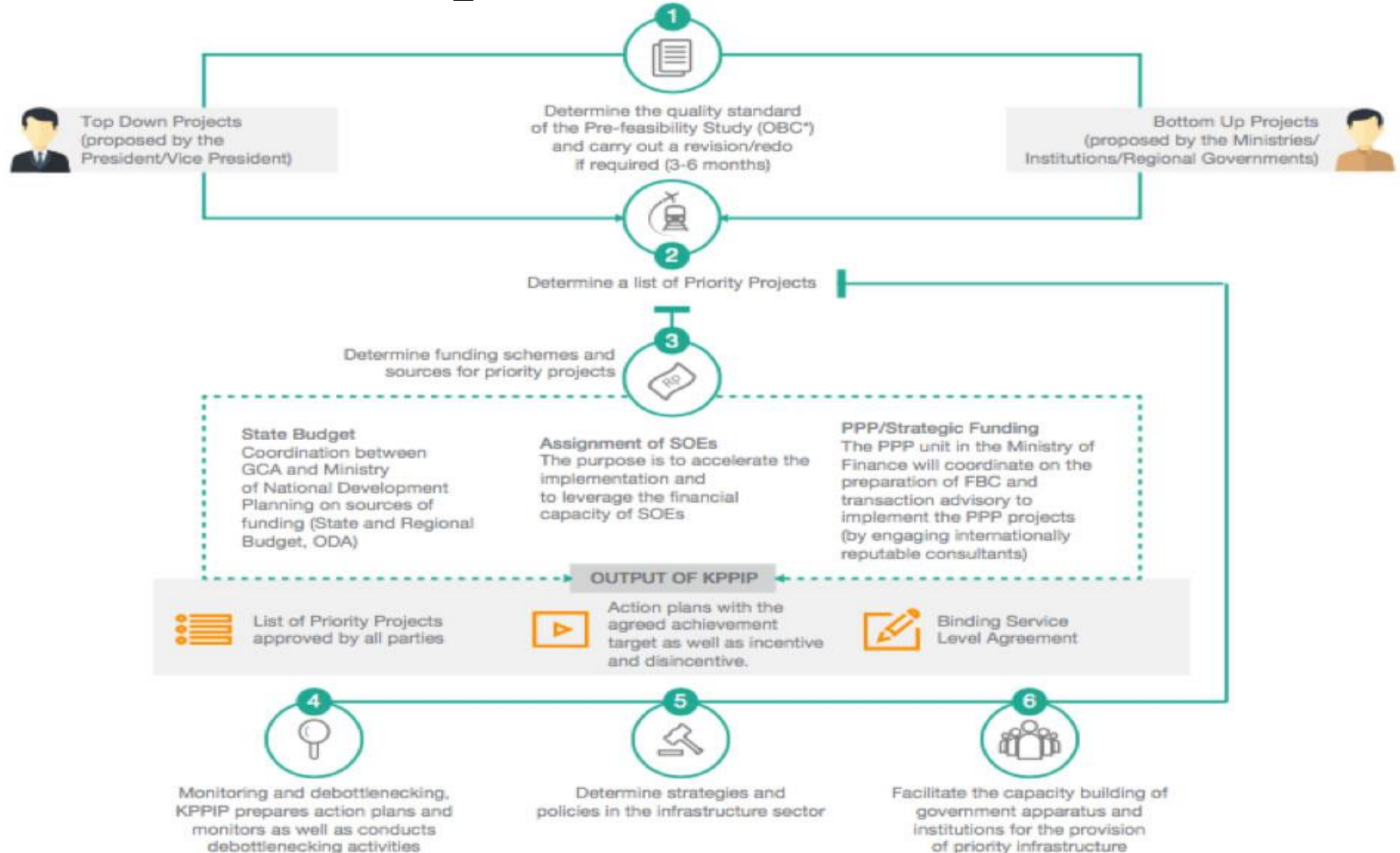
- **Mission**

- Act as the single point of contact for all government agencies, potential funders and private sector investors for coordinating and delivering the Strategic & Priority Infrastructure projects;
- Coordinate the delivery of the projects to be on-time, within the budget and at the best quality;
- Enable and facilitate the GCA's capabilities to deliver projects via various fiscal and technical support schemes.



Committee for Acceleration
of Priority Infrastructure Delivery

6 Main Duties of KPPIP as Mandated in The Presidential Regulation No. 75 of 2014





Overview of Indonesia's Mining Industry

<http://sesprofessionals.com/overview-of-indonesias-mining-industry/>

Overview

- The country is blessed with abundant world class deposits and a history of successful mining projects.
- The mining sector has been one of the key sectors supporting Indonesia's economic growth for a number of years. The sector makes a significant contribution to Indonesian GDP, exports, government revenues, employment, and perhaps most importantly, the economic development of the remote regions where mining operations are located.
- A new more business friendly government has just been inaugurated and is offering hope to grow the industry.
- Coal makes up for 9% of exports globally and 95% of exports from ASEAN. The country has a repository of coal equivalent to that of the US.
- There are more than 500 mining projects and operating properties making the country the most important mining country in the region.
- There are three large international mining companies with long term operating experience in Indonesia: Vale, Newmont & Freeport McMoRan.
- Many Canadian mining engineering and supply companies are entrenched in Indonesia. There is a great respect and opportunity for Canadian services and supplies.
- Canada's Redpath has spent the past 32 years contracting at Freeport's Grasberg mine and presently have 1200 workers on site. Redpath is developing the massive underground expansion plans which will grow UG production from 100K tpd to 200K tpd making it one of the largest and longest term underground mines in the world.

Projects

Agincourt Resources

gold

ANTAM (Persero)

nickel, bauxite, iron sand, silver, gold

Batutua Tembaga Raya

copper

Freeport Indonesia

copper, gold

Cibaliung Sumberdaya

gold

Harita Prima Abadi Mineral

bauxite

Koba

tin

Newmont Nusa Tenggara

silver

Nusa Halmahera Minerals

gold

J Resources Asia Pasifik

gold

Rio Tinto Indonesia

gold

Sebuku Iron Lateritic Ores

iron ore

Meares Soputan Mining

gold

Vale Indonesia

nickel

Projects

- Adaro Energy is engaged in development of infrastructure, trading, logistics and power generation. Adaro also offers mining contractor services, materials hauling and workshop activities. Adaro is the largest coal mining operation in Indonesia and also the world's largest truck/shovel mining operation in the world with 350 haul trucks and 22,000 employees. The company is presently developing a strategy to re-size its fleet with major expansion plans in the future.
- Antam is an integrated, export-oriented, diversified state owned mining and metals company with operations located throughout the mineral rich archipelago of Indonesia. ANTAM undertakes all mining activities including exploration, excavation, processing, and marketing of nickel, ferronickel, gold, silver, bauxite and coal. The company develops joint venture partnerships with international companies to bring in expertise and capital.
- Freeport-McMoRan Grasberg has begun mining their Block Cave mine and the Deep Mill Level Zone (DMLZ) project. Production commenced in 2015, evolving the mine from an open pit to one of the largest and long term underground mines of the future. Grasberg is the largest gold mine in the world and one of the largest copper mines. Freeport continues to look for the latest technologies to improve efficiencies and safety programs in their \$17B expansion plans. There is a great need and interest for new technologies including automation, safety and environmental solutions that offer opportunities for Canadian supply and service companies.
- BHP Billiton operates the Indomet coal project, a joint venture with Adaro Energy. This project consists of an estimated 774 million tonnes of coal reserves in five coal deposits, spread over an area of 865,000 acres.
- Vale Indonesia since the 1970's has developed and operates a lateritic nickel deposit on the Indonesian island of Sulawesi. Vale is listed in the top 100 companies in Asia with the highest sustainability performance. Vale is presently developing an in country smelting capacity to comply with Indonesian law.
- Newmont operates Batu Hijau, a large, surface mine operation, primarily producing copper and small amounts of gold and silver. Originally discovered in 1990, commercial production began in 2000. The Batu Hijau mine is located on the island of Sumbawa. The company is presently developing plans to comply with in country smelting operations.
- Asia Mineral Corporation, Bracken International Mining, Kupang Resources and Western Mining Network Ltd are all developing high grade manganese deposits in Indonesia.

Opportunities

- Indonesia is the strongest potential in SE Asia for mining supply industry growth.
- The Government regulating ore processing is encouraging investment in downstream value, as companies have announced investments in Indonesian based processing facilities.
- Local representation for Canadian mining suppliers is a must. Strong industry service partners are available and looking for quality mining solutions
- Always understand who the key EDC player is in the region you are expanding into. EDC offers guidance for Canadian mining suppliers and also major funding for mining companies on their new projects. Get you value into the equation as EDC spends Canadian dollars.
- The Canadian Trade Commission Service is critical to building and implementing your strategy into a new market. Always introduce yourself to the TCS before doing business in a new country.
- Comprehensive mining intelligence reports are available and are considered an important early step to developing strategy into the SE Asia region.

Challenges

- The country is dealing with restrictive mining legislation enacted during a period of low mineral prices. In 2009 the Indonesian government carried a law that restricted the sale of raw ore out of the country. In 2014 the law took hold and the result was a calamitous shake up of the nickel, copper and gold industries.
- Presently the mining industry is working with the government to find compromise solutions to keep mining. There is light at the end of this tunnel as the majors have or are near agreements to keep their properties mining. Although the present situation is serious there is every reason to believe that the Indonesian mining industry will project a strong forecast of growth.
- Resource nationalism is being discussed at a level consistent with many emerging countries.

SUMMARY

- 248 Projects and Mining Projects in Indonesia need equipment, tools, Parts, Spare-parts, component, and materials from any countries from any continents
- Government and Private Sectors need **Connectivity** from and to any countries and any continents
- CMA – CGM Indonesia may take this Connectivity role by utilized their fleets, especially Cargo Vessel types



IOH-C

INDONESIA OVERDIMENSION CARGO & HEAVY-LIFT COMMUNITY

IOH – C Overview

- IOH - C stands for **I**ndonesia **O**verdimension Cargo & **H**eavy-Lift **C**ommunity (Indonesian Overdimension & Heavy-Lift Cargo Community)
- IOH-C was formed on September 6, 2017 which was originally the Whatsapp Group (WAG IOH-C) which is a Focus Group Discussion on Overdimension & Heavy-Lift Cargo. Currently registered 200 more volunteers membership from many education, expertise, and company background (incl. several expatriates from Logistics companies)
- ACTIVITIES:
 - IOH-C 1st Gathering, September 28, 2017, Krossroad-Kelapa Gading,
 - IOH-C 2nd Gathering, 24 October 2017, Tavern-Aryaduta, Sharing session from ALE Heavylift Indonesia – MPC (Samudera Group)
 - Initiate Directorate Multi-Moda Land Transportation of Indonesia Transport Ministry for Draft SOP of Overdimension cargo & Heavy-Lift on Public Road, 8 Jan 2018
 - IOH-C present exclusively on TruckMagz April 2018 edition, which special reporting on Indonesia Project Cargo (26 Pages) development

IOH – C VISION & MISSION

- Communication and networking facilities for practitioners, academics, and Government who pay special attention to biz handling process of Overdimension and Heavy-Lift Cargo
- To improve and develop human resources that can compete internationally
- Able to cooperate with relevant stakeholders in the country (Association, Company, Educational Institution and Government) and ODC & ODCHL associations abroad
- ODCHL Consultancy, Training and Certification

