



INVESTMENT OPPORTUNITIES IN INDONESIA

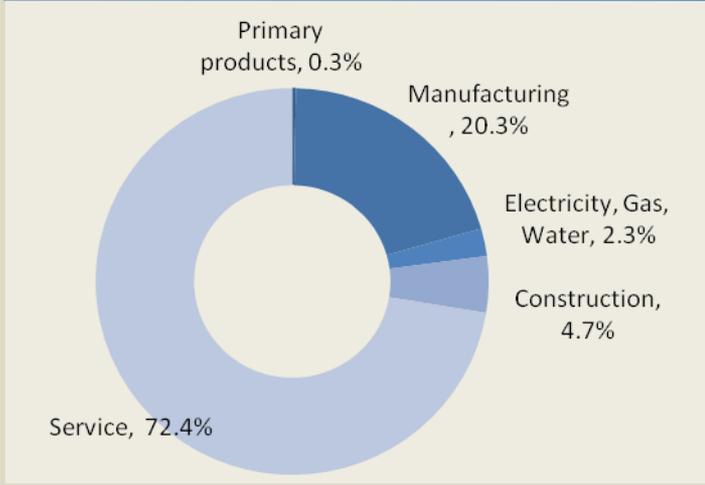
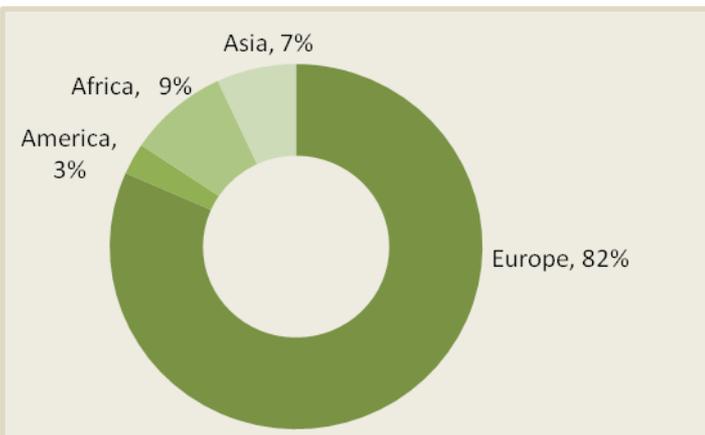
Presented by: Deputy Chairman For Investment Planning

Jakarta, May 2013

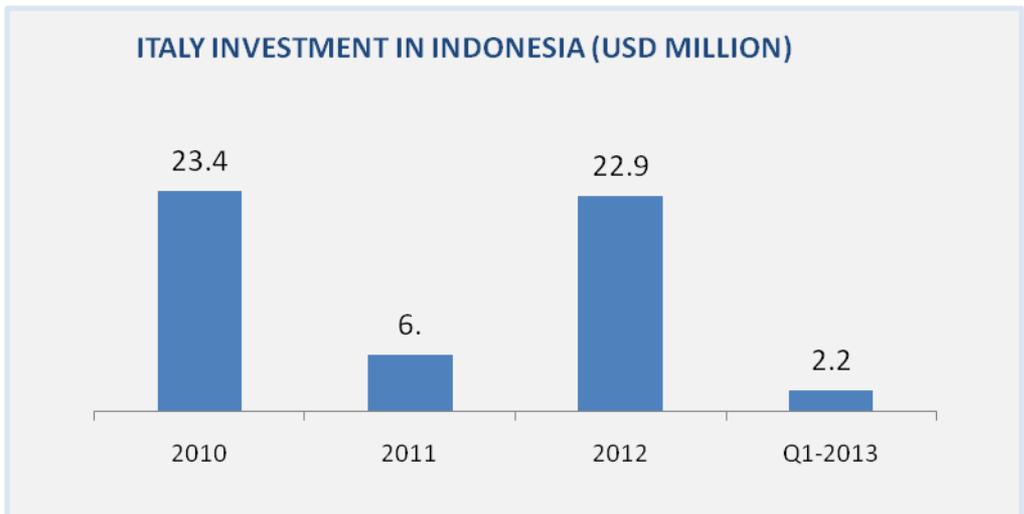


Italy Investment in the World and Indonesia 2010-2012

In USD Million	2010	2011	2012
Italy Outward Investment Position To The World	489,646	520,582	567,000 (Forecast)
Italy Outward Investment Flow To The World	32,657	47,253	30,000 (Forecast)



Italy Investment Positions ←



Italy Investment In Indonesia Based On Sector 2010 - 2012

- 1 Transportation, Storage, and Telecommunication (19,5 Million USD)
- 2 Mining (16 Million USD)
- 3 Food Industry (6.5 Million USD)
- 4 Metal, Machinery and Electronic Industry (6 Million USD)
- 5 Hotel and Restaurant (2.3 Million USD)

Sources: OECD & BKPM, 2013 (Processed by BKPM)



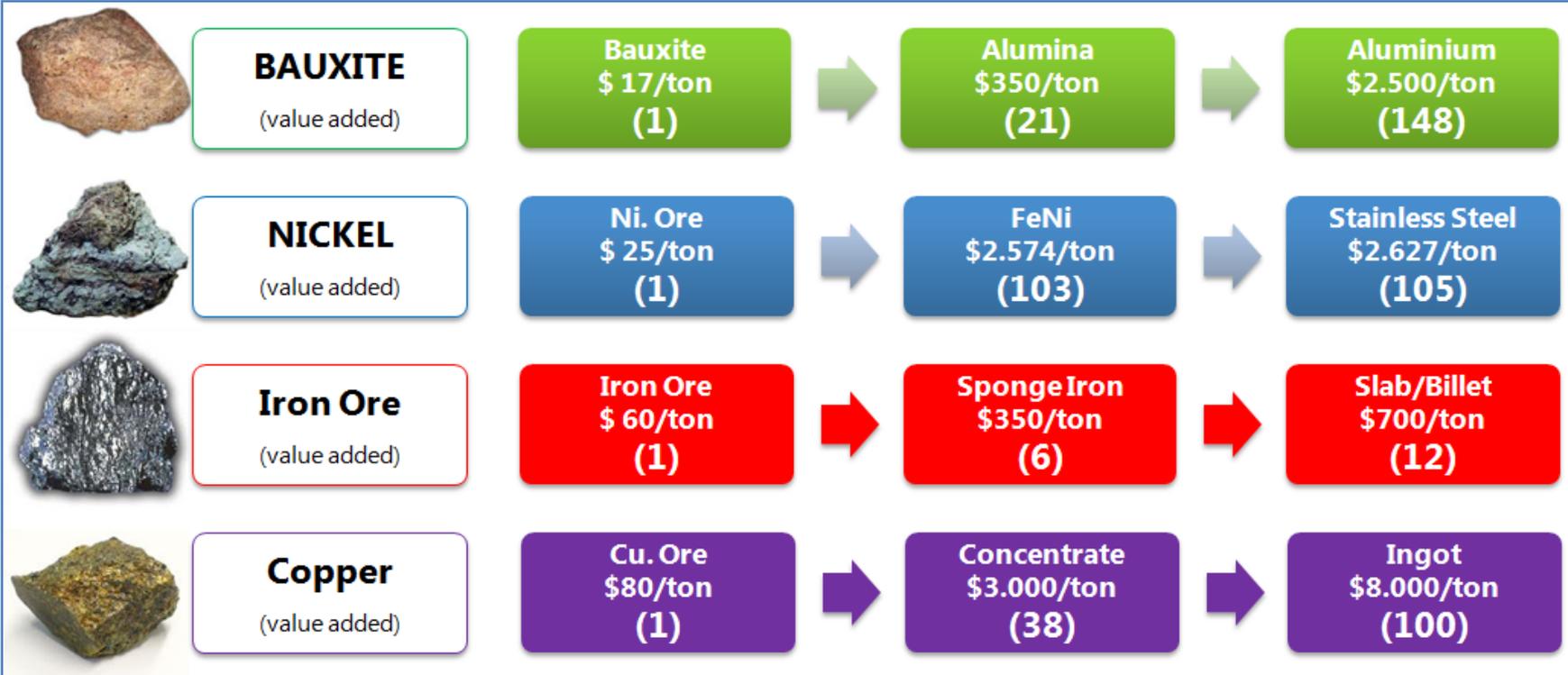
Investment Opportunities in Value Added: Mining Based Industry

Indonesia Natural Resources: Mineral And Energy Sectors

NO	COMMODITY	RESOURCES	PRODUCTION	LOCATION	WORLD RANK (PRODUCTION)
1	Coal	105,187 Million Ton	275 MT (2010)	Sumatera, Kalimantan	6 th
2	Natural Gas	153 Trillion Square Cubic Feet	3.40 TSCF (2010)	Sumatera, Kalimantan, Maluku, Papua	12 th
3	Oil	7732 Million Stock Tank Barrel	344 MSTB (2010)	Sumatera, Java, Kalimantan	23 th
4	Geothermal	29,038 GWe	1,226 MWe(2010)	Sumatera, Java, Sulawesi, Maluku	3 th
5	Tin (Metal)	623 Thousand metric tons	105 thousand metric tons (2009)	Sumatera	2 nd
6	Copper (Metal)	68,960 Thousand metric tons	868 thousand metric tons (2009)	Papua, Maluku, Nusa Tenggara	5 th
7	Nickel	1,650,418 thousand metric tons	189 thousand metric tons (2009)	Sulawesi, Sumatera, Maluku, Papua	2 nd
8	Gold (Metal)	4,163 metric tons	105 metric tons (2009)	Kalimantan, Sumatera, Maluku, Papua	7 th
9	Silver (Metal)	505,151 metric tons	215 metric tons (2009)	Sumatera, Sulawesi, Nusa Tenggara, Papua	14 th
10	Bauxite (Metal)	470 million tons	16 million tons (2009)	Kalimantan	5 th
11	Iron Sands (Concentrate)	267,337 thousand tons	63 thousand metric tons (2009)	Sumatera, Java, Kalimantan	37 th
12	Manganese (Metal)	866,795 tons	--	Java, Kalimantan, East Nusa Tenggara	--
13	Diamonds	539,800 carat	--	Kalimantan	--
14	Granite (Non metal)	54,731 million tons	--	Kep Riau (Sumatera)	--

1. Investment Opportunities in Value Added: Mining Based Industry

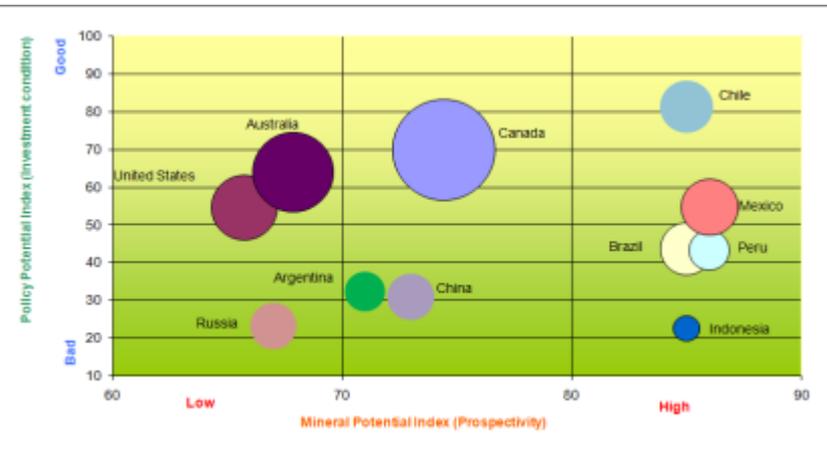
1. PURIFICATION AND PETROLEUM REFINING INDUSTRY (petrochemical industry);
2. CHEMICAL INDUSTRY (including the fertilizer industry, cement, and ceramic);
3. PRIMARY METAL INDUSTRIES (steel, nickel processing industry, aluminum industry and copper processing industry);



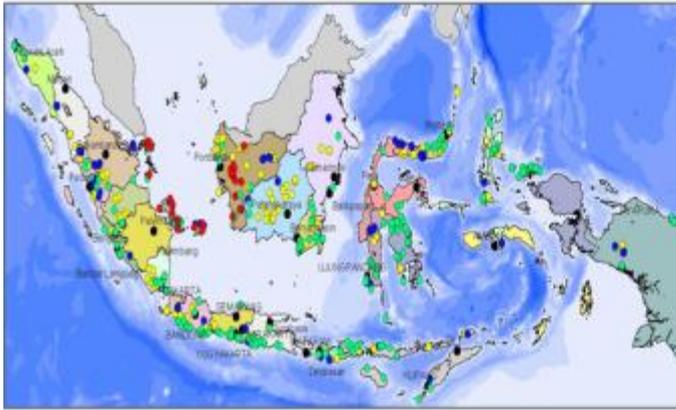
Sources: London Metal Exchange/LME, 2011 (Processed)

Investment Opportunities: Mineral Sector

Mining Investment Climate in Indonesia Survey Result



Source: Fraser Institute and Metal Economics Group



- Ferro and Associates : Fe, Nickel, Cobalt, Chromit, Mangan, Molibdenum, Titanium
- Precious Metal : Gold, Silver, Platinum
- Base Metal : Zinc, Copper, Tin, Lead, Mercury
- Light and Rare metal : Bauxite, Monasit

NO	COMMODITY	RESOURCES (MILLION TON ORE)	RESERVES (MILLION TON ORE)
1	Copper	4.925	4.161
2	Bauxite	551	180
3	Nickel	2.633	577
4	Iron Sand	1.649	5
5	Lateritic Ore	1.462	106
6	Primary Ore	563	30
7	Sedimentary Ore	18	-
8	Manganese	11	4
9	Alluvial Gold	1.455	17
10	Primary Gold	5.386	4.231
11	Silver	3.406	4.104
12	Zinc	577	7
13	Tin	354	0,7
14	Lead	363	1,6

Timeline Of Mineral Processing And Refining



- Certainty of supply
- Development of upstream industry
- Research and development

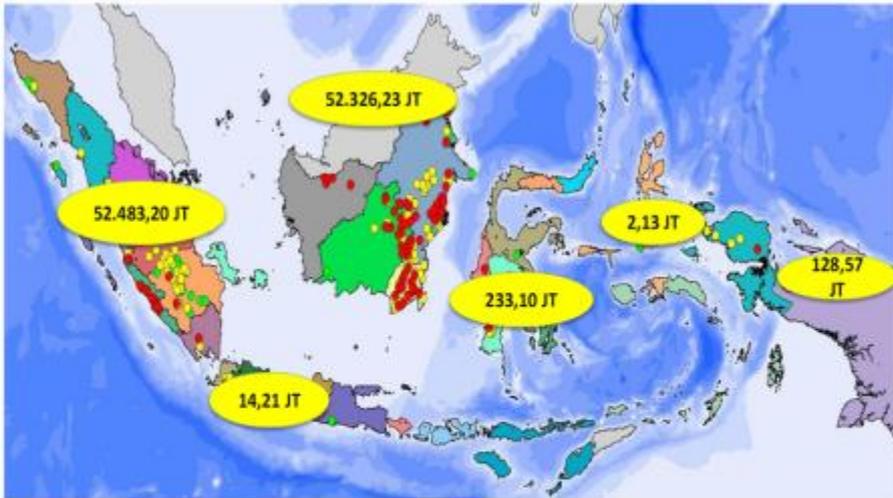
- **MARKET OUTLOOK: CAUTIOUS**
- **INVESTMENT OPPORTUNITIES: Smelter Industry (Processing and Refining)**

Recapitulation of Processing & Refining Plan Document (Update December 2012)

No	Status	Company
1	Processing & Refining Existing	7
2	Processing & Refining Proposal Before Ministry of Energy and Mineral Resources (MEMR) Regulation No 7 Year 2012	24
3	Processing & Refining Proposal After MEMR Regulation No 7 Year 2012	186
Total		217

Source: Ministry of Energy (2012)

Investment Opportunities: Coal Industry

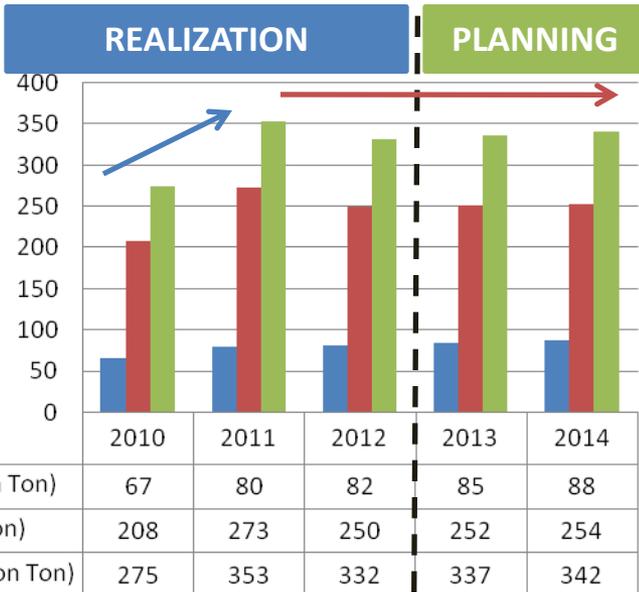


RESOURCES: 105.19 Billion Ton
RESERVES: 21.13 Billion Ton

● Very High (anthracite) (> 7.100 cal/gr) ● Medium (Sub Bituminus) (5100 - 6100 cal/gr)
● High (Bituminus) (6.100 - 7.100 cal/gr) ● Low (Lignite) (< 5.100 cal/gr)

Source: Geological Agency, 2011

DEMAND VS SUPPLY



2011 MARKET LEADERS (MIO TONS)



2011 production (in MT)
Source: Petromindo

MARKET OUTLOOK: CAUTIOUS

Indonesian coal production will be flat in 2013 as the downturn in the market continued. The slowdown in China's economic growth is cutting deeper into Indonesia's coal sector, forcing producers to reduce output and slash costs.

INVESTMENT OPPORTUNITIES:

1. Coal Infrastructure: Coal Hauling network , railways , stockpile & Seaport, Coal Blending facility
2. Mine mouth power plant development
3. Coal processing plant development: coal upgrading and conversion

Source: Ministry of Energy and Mineral Resources, 2012



Investment Opportunities in Value Added: Agro Based Industry

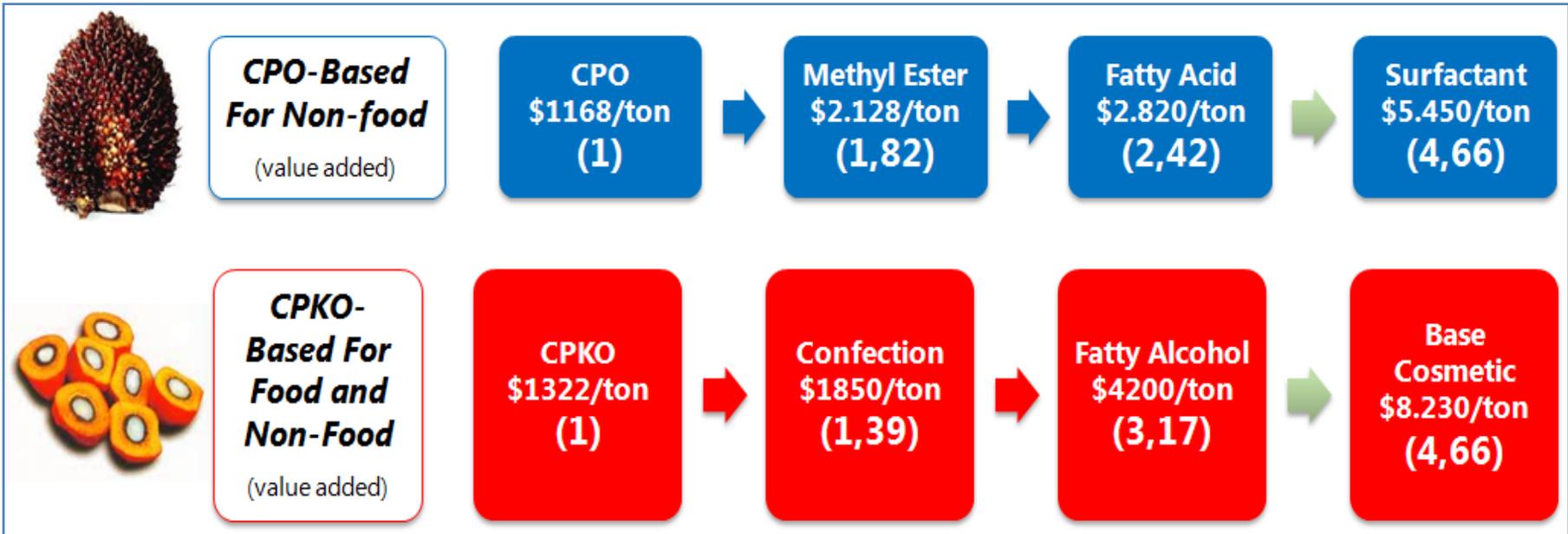
Indonesia Natural Resources: Agriculture Sectors

NO	COMMODITY	WORLD RANK (RESOURCES)
1	Kapok fiber	1
2	Cinnamon (Canella)	1
3	Bebih Cotton In The Shell	1
4	Palm Kernels	1
5	Coconut	1
6	Vanilla	1
7	Palm Oil	1
8	Spring Onions	1
9	Clove	1
10	Pepper (Piper Spp.)	2
11	Green Beans	2
12	Nuts	2
13	Cocoa Beans	2
14	Natural Rubber	2
15	Ginger	3
16	Papaya	3
17	Cassava	3
18	Sugar crops (sugar crops)	3
19	Rice, Rice	3
20	Roots and tubers, nes	3
21	Other bird eggs, in shell	3
22	corn	4
23	Fresh tropical fruits	4
24	Manila Fibre (Abaca)	4
25	Peppers and green peppers	4

NO	COMMODITY	WORLD RANK (RESOURCES)
26	avocado	4
27	Mango, Guava, mangosteens,	4
28	sweet potatoes	4
29	green coffee	4
30	pineapple	4
31	spinach	5
32	Nutmeg, mace and cardamoms	5
33	Fresh fruits	5
34	areca nut	5
35	banana	6
36	eggplant	6
37	Cabbage and other brassicas	6
38	cashew nuts	6
39	Tobacco, unmanufactured	6
40	tea	7
41	Native chicken	7
42	peanuts	8
43	green corn	8
44	chicken eggs	8
45	Goat Meat	9
46	orange	10
47	soybean	10
48	cane	10
49	Cucumbers and gherkins	10
50	other fibers	10

1. Investment Opportunities in Value Added: Agro Based Industry

- 1. PALM OIL INDUSTRY;
- 2. COCOA PROCESSING INDUSTRY AND CHOCOLATE MAKING;
- 3. RUBBER GOODS INDUSTRY;
- 4. PULP/PAPER INDUSTRY;
- 5. WOOD WORKING, FURNITURE INDUSTRY, AND RATTAN
- 6. SEAWEED PROCESSING INDUSTRY



Sources: London Metal Exchange/LME, 2011 (Processed)



Investment Opportunities in Import Substitution for Industry

2. Investment Opportunities in Import Substitution for Industry

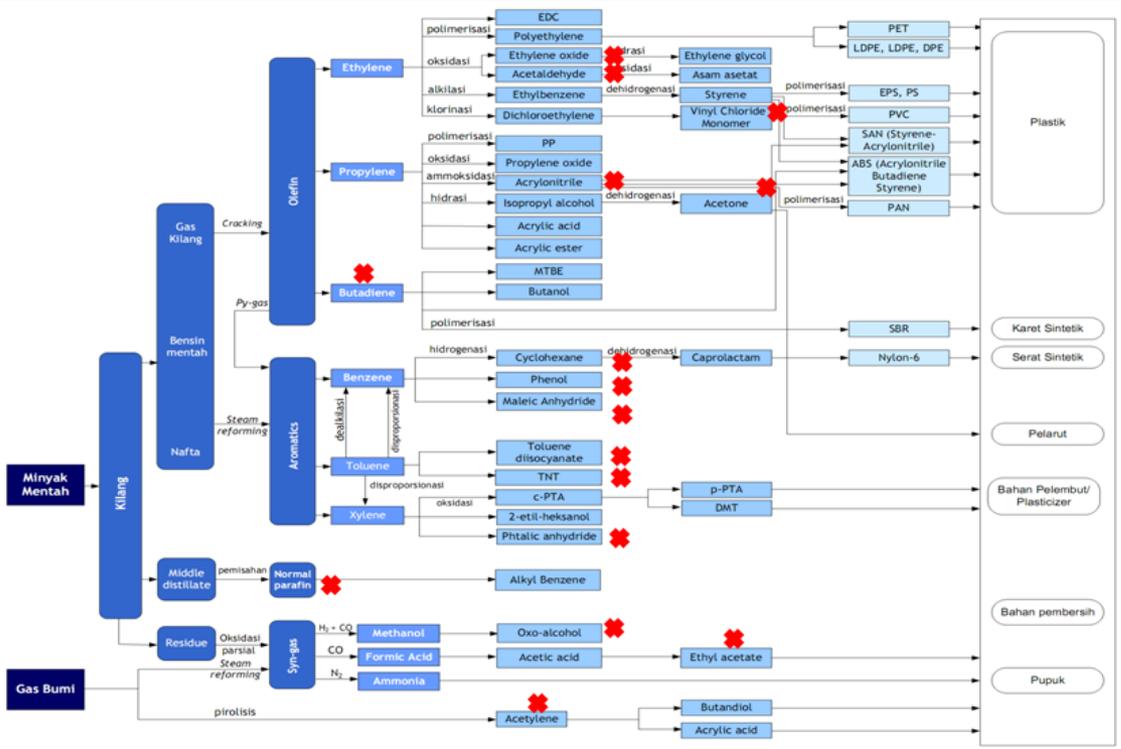
12 MAIN IMPORTED INDUSTRY PRODUCT (USD MILLION)

NO	URAIAN	2009	2010	2011	2012	GROWTH 2012	SHARE 2012
1	Iron and Steel, Machinery, and Automotive	31,684	43,219	52,472	62,605	19.3%	45%
2	Electronics	10,497	14,176	16,117	16,701	3.6%	12%
3	Base Chemical	8,095	11,432	15,413	16,076	4.3%	12%
4	Textile	3,397	5,031	6,735	6,805	1.0%	5%
5	Food and Beverages	2,811	4,514	6,852	6,159	-10.1%	4%
6	Electricity tools	2,106	3,143	3,769	4,190	11.2%	3%
7	Pulp and paper	1,883	2,732	3,263	3,020	-7.4%	2%
8	Other chemical products	1,662	2,199	2,592	2,757	6.3%	2%
9	Feed stock	1,679	1,872	2,221	2,800	26.1%	2%
10	Copper processing, Tins, dll.	1,027	1,822	2,195	2,377	8.3%	2%
11	Fertilizer	929	1,509	2,707	2,918	7.8%	2%
12	Aluminum processing		1,398	1,937	1,973	1.9%	1%
Total of 12 Main Industry		66,804	93,047	116,272	128,381	10.4%	92%
Other Industry		5,734	8,069	9,828	11,333	15.3%	8%
Total of Manufacture Industry		72,398	101,115	126,100	139,714	10.8%	100%

Iron and steel industry, Automotive Components Industry, Chemical Industry (Petrochemicals) and Industrial Electronics and Machinery

Investment Opportunities: Petrochemical Industry

INDONESIA PETROCHEMICAL INDUSTRY STRUCTURE



*: Industry not exist



- ### PETROCHEMICAL CLUSTER
1. Anjer, Merak, Cilegon, Serang And Bojanegara – Banten Province (*Olefin Center*)
 2. Gresik, Lamongan, Tuban Dan Cepu – East Java (*Aromatic Center*)
 3. Bontang Dan Balikpapan, East Kalimantan (*Methane Center*)
 4. Balongan – West Java
 5. Cilacap – Central Java

we are now encouraging investment on “missing middle” on petrochemical industries

INDONESIA PETROCHEMICAL INDUSTRY (EXISTING CONDITION)

Basis	Produk	Produsen	Kapasitas (Ton)
Olefin	Ethylene	PT. Chandra Asri	600.000
	Propylene	PT. Chandra Asri PT. Pertamina	460.000 405.000
	Methanol	PT. Kaltim Methanol Industri	660.000
Methane	Ammonia	PT. Pupuk Kaltim	1.848.000
		PT. Kaltim Pasifik Amoniak	660.000
		PT. Kaltim Parna Industri	495.000
		PT. PKG	445.400
		PT. Pupuk Kujang	713.000
Aromatik	Benzene	PT. Pertamina	120.000
		PT. TPPI	320.000
		PT. TPPI	100.000
	Paraxylene	PT. Pertamina	296.000
		PT. TPPI	500.000
	Orthoxylene	PT. TPPI	120.000

MARKET OUTLOOK: PROSPECTIVE

INVESTMENT OPPORTUNITIES: Indonesia is still suffering an insufficient supply of petrochemical products (net importers)

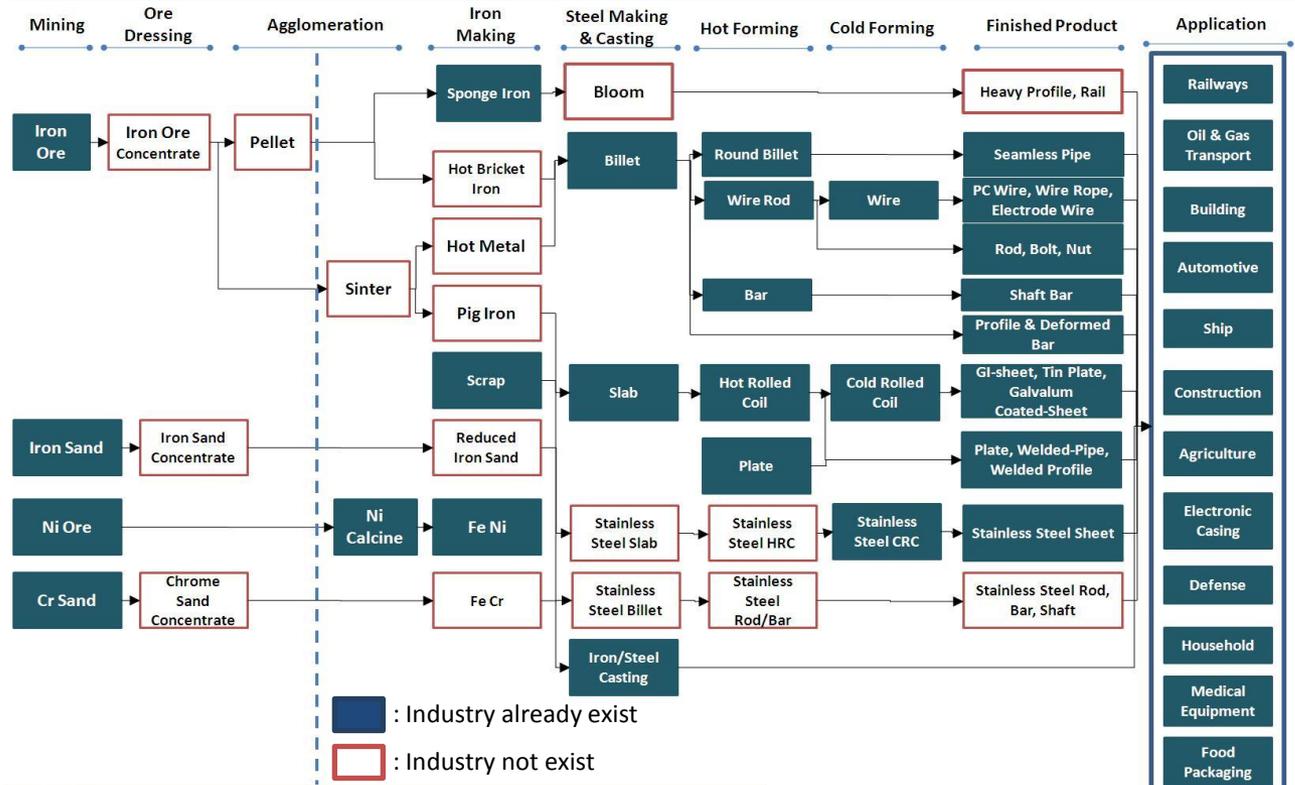
SUPPLY VS DEMAND (YEAR 2011)

PRODUCT	DEMAND	SUPPLY	BALANCE
Ethylene	1.109.000	600.000	(509.000)
Propylene	950.000	813.000	(137.000)
Polyethylene (PE)	816.000	770.000	(46.000)
Monoethylene Glycol (MEG)	425.000	220.000	(205.000)
Polypropylene (PP)	1.055.000	955.000	(100.000)
Butadiene (BD)	66.000	0	(66.000)

Source: Ministry of Industry (2012)

Investment Opportunities: Steel Industry

INVESTMENT OPPORTUNITIES: INDONESIA STEEL INDUSTRY STRUCTURE



STEEL CONSUMPTION

Country	Kg/Capita/Year
INDONESIA	37.3
Malaysia	315.8
Thailand	211
Vietnam	139.8
Singapore	570.1
Japan	500.9
Korea	1,077.2
China	427.4
India	54.9
United States	267.3
Asia	255.8
European Union	299.1
World	206.2



Potential Locations

we encourage investment on "missing middle" on petrochemical industries

MARKET OUTLOOK: STABLE

- Until now, the domestic steel market is still in deficit. There is over demand both in the upstream, intermediate and downstream.
- National steel demand to reach 10 million tons per year. While the national steel products reached 5.5 million tons. The rest, amounting to 4.5 million tonnes, supported by imports.
- Electricity and gas supply constraints are an obstacle for the production of the national steel industry.

Source: Ministry of Industry (2012)



Investment Opportunities on Import Substitution for Consumption

3. Investment Opportunities on Import Substitution for Consumption

1. Agriculture (fruits, rice, vegetables)
2. Food and Beverage Industry (processed foods)
3. Household Appliances Industry
4. Automotive industry
5. Industrial Oil Refinery (oil, lubricants)

IMPORTED CONSUMPTION GOODS 2012

	SECTOR (MILLION USD)	VALUE	SHARE
1	Food and beverages, primary, mainly for household	2,837	21%
2	Food and beverages, processed, mainly for household	1,954	15%
3	Passenger motor cars	1,927	14%
4	Transport equipment, nonindustrial	1,585	12%
5	Durable consumer goods	1,541	11%
6	Semi-durable consumer goods	1,515	11%
7	Non-durable consumer goods	1,435	11%
8	Fuels and lubricants, processed, oil products ¹⁾	350	3%
9	Goods not elsewhere specified	264	2%
	BARANG KONSUMSI	13,409	100%

4. Indonesia high growth spending on consumption

MONTHLY SPENDING PER CAPITA BY COMMODITY GROUP(RP), 2010-2012

Kelompok Barang/ <i>Commodity Group</i>	2010 ¹⁾	2011 ²⁾	2012 ¹⁾
A. Makanan/<i>Food</i>	254 520	285 413	323 478
Padi-padian/ <i>Cereals</i>	44 004	49 316	57 908
Umbi-umbian/ <i>Tubers</i>	2 422	2 800	2 785
Ikan/ <i>Fish</i>	21 467	24 289	26 600
Daging/ <i>Meat</i>	10 370	12 901	13 075
Telur dan susu/ <i>Eggs and milk</i>	15 834	16 855	19 024
Sayur-sayuran/ <i>Vegetables</i>	18 995	21 932	23 949
Kacang-kacangan/ <i>Legumes</i>	7 387	7 689	8 443
Buah-buahan/ <i>Fruits</i>	12 335	12 134	15 443
Minyak dan lemak/ <i>Oil and fats</i>	9 486	10 517	12 344
Bahan minuman/ <i>Beverage stuff</i>	11 195	11 368	10 934
Bumbu-bumbuan/ <i>Spices</i>	5 390	5 998	6 440
Konsumsi lainnya/ <i>Miscellaneous food items</i>	6 368	6 322	6 962
Makanan dan minuman jadi/ <i>Prepared food and beverages</i> ³⁾	63 286	69 560	80 532
Tembakau dan sirih/ <i>Tobacco and betel</i>	25 982	33 732	39 038
B. Bukan Makanan/<i>Non Food</i>	240 325	303 548	309 791
Perumahan dan fasilitas rumah tangga <i>Housing and household facility</i>	100 750	111 410	133 331
Barang dan jasa/ <i>Goods and services</i>	83 050	105 814	112 980
Pakaian, alas kaki, dan tutup kepala <i>Clothing, footwear and headgear</i>	16 747	40 997	11 044
Barang-barang tahan lama/ <i>Durable goods</i>	25 455	28 018	32 597
Pajak dan asuransi/ <i>Taxes and insurance</i>	7 770	8 885	9 361
Keperluan pesta dan upacara/ <i>Parties and ceremonies</i>	6 554	8 423	10 478
Jumlah/<i>Total</i>	494 845	588 961	633 269

1. Agriculture Industry
2. Food and beverages Industry
3. Cement industry
4. Building materials industry

“Increase on high quality imported consumption goods due to increasing on income percapita”

Source: Indonesia Statistics (2013)



Investment Opportunities on High Growth Domestic Demand Industry

Investment Opportunities: Cement Industry

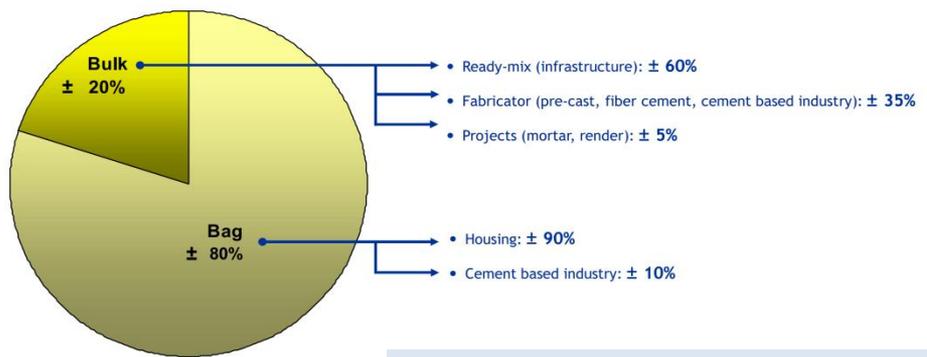


CEMENT INDUSTRY	2011	2012F ¹⁾	2013F ¹⁾
• Design Capacity	: 54.4 mio tons	57.8 mio tons	64.8 mio tons
• Production Capacity	: 51.0 mio tons	55.4 mio tons	61.2 mio tons
• Domestic Growth	: 17.7%	14.0%	10.0%
• Domestic Utilization	: 94%	98%	98%
• Total Utilization	: 96%	99%	99%
• Supply			
➢ Domestic	: 48.0 mio tons	54.7 mio tons	60.1 mio tons
➢ Export	: 1.2 mio tons	0.07 mio tons	0.15 mio tons
➢ Import	: 1.8 mio tons ²⁾	1.0 mio tons ³⁾	1.75 mio tons ³⁾

¹⁾ Based on the Company's forecast
²⁾ Imported cement by PT Semen Andalus (1.0 mio ton) and clinker by Bosawa and Kupang
³⁾ Imported cement & clinker

THE PLAYERS and CAPACITY (2012)	
1. SMGR	22.5 mn ton
- Semen Padang	: 6.4 mn ton
- Semen Gresik	: 11.4 mn ton
- Semen Tonasa	: 4.7 mn ton
2. Semen Andalus ²⁾	1.6 mn ton
3. Semen Baturaja	1.3 mn ton
4. Indocement TP	18.6 mn ton
5. Holcim Indonesia	8.5 mn ton
6. Semen Bosowa	4.8 mn ton
7. Semen Kupang	0.5 mn ton
TOTAL	57.8 mn ton

DOMESTIC MARKET CONSUMPTION (2011)



Retail (residential) sector is the largest consumer of cement in Indonesia

Source: Semen Indonesia (2012)

CEMENT CAPACITY COULD ALMOST DOUBLE IN THE NEXT 5 YEARS

No	Company	Targeted Plant Location	Capacity (mn tons)	Investment (US\$ mn)	Remarks
1	Semen Gresik Group	Java, Sumatera, Sulawesi	12.8	1,500	Upgrading + green/brownfield
2	Indocement	Java, Kalimantan	7.0	1,100	Cement Mill + brown/greenfield
3	Holcim	East Java	1.7	400	Greenfield
4	Bosowa	Java, Sulawesi	2.8	300	Cement Mill + Brownfield
5	Semen Andalus	Sumatera	1.5	556	Greenfield
TOTAL			25.8	3,856	

New Cement Capacity from Potential Foreign and Domestic Players (By 2017)					
No	Company	Targeted Plant Location	Capacity (mn tons)	Investment (US\$ mn)	Remarks + Local Partner
1	Siam Cement (Thailand)	West Java	2.0	250	Greenfield, Sukhabumi
2	CNBM (China)	Central Java	2.6	350	Greenfield, Semen Grobogan
3	Banten - Zhejiang	Banten	2.0	700 (?)	Plant relocation frm Zhejiang to Banten
4	Anhui Conch Cement (China)	Various	15.0	2,350	Greenfield
		- Tanjung	4.1	400	Greenfield
		- Tanah Grogot	4.1	600	Greenfield
		- Pontianak	4.1	600	Greenfield
		- West Papua	2.6	750	Greenfield
5	Wilmar (Local)	West Java	1.5	n.a	Greenfield
TOTAL			23.1	3,650	

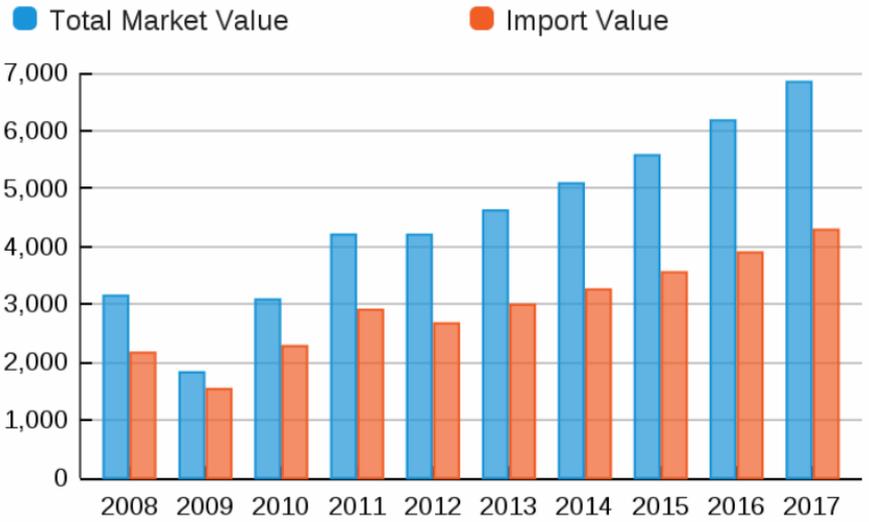
MARKET OUTLOOK: PROSPECTIVE

Key Drivers of Domestic cement demand:

1. National Economic Growth
2. Favorable Interest Rate Environment
3. Infrastructure Expansion
4. Per Capita Consumption increase from current low levels (kg/capita) → Indonesia (199); China (1.900); Singapore (900); Malaysia (700); Vietnam (500); Thailand (400)

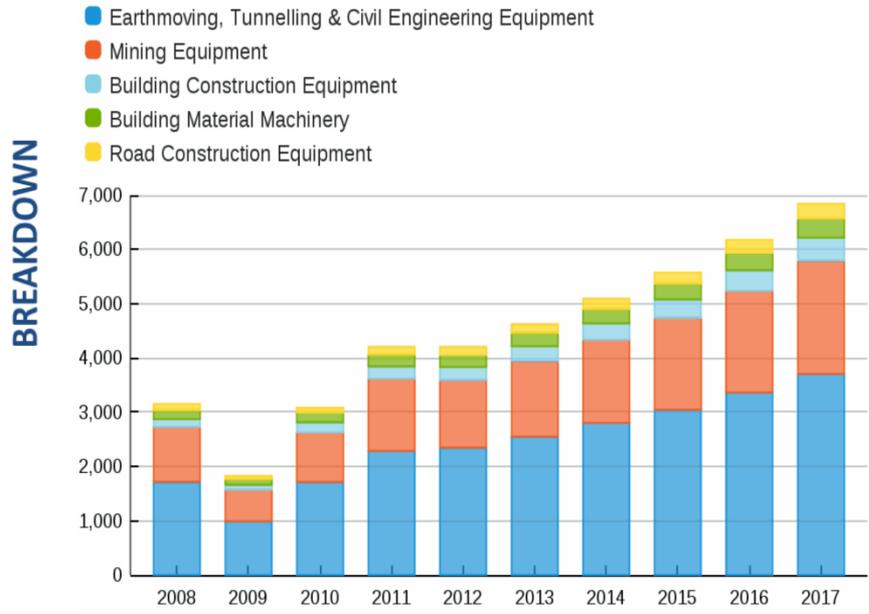
Investment Opportunities: Other Building Materials

BUILDING MATERIALS/EQUIPMENT MARKET VALUE [USD MILLION]



Source: Timetric Analysis

The market will grow at around 10% a year over the next five years, with imports continuing to account for a large share



CONSTRUCTION MACRO RISK MODEL FOR EMERGING MARKETS

Construction "Macro Risk" Is Low In Indonesia

Rank	Country	Risk
1	Chile	Very low
2	Mexico	Low
3	Czech Republic	Low
4	Malaysia	Low
5	Poland	Low
6	Colombia	Low
7	Indonesia	Low
8	China	Low
9	Russia	Low
10	Taiwan	Low
11	Peru	Moderate
12	Saudi Arabia	Moderate
13	India	Moderate
14	Turkey	Moderate
15	Brazil	Moderate
16	Thailand	Moderate
17	Romania	Moderate
18	Hong Kong	Moderate
19	Philippines	Moderate
20	South Africa	High
21	Argentina	High
22	Hungary	High
23	Vietnam	Very high
24	Egypt	Very high
25	Nigeria	Very high

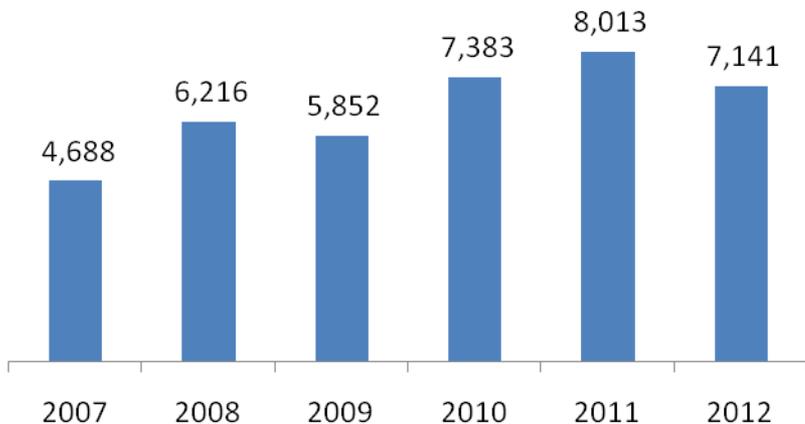
Source: Timetric analysis

MARKET OUTLOOK: PROSPECTIVE

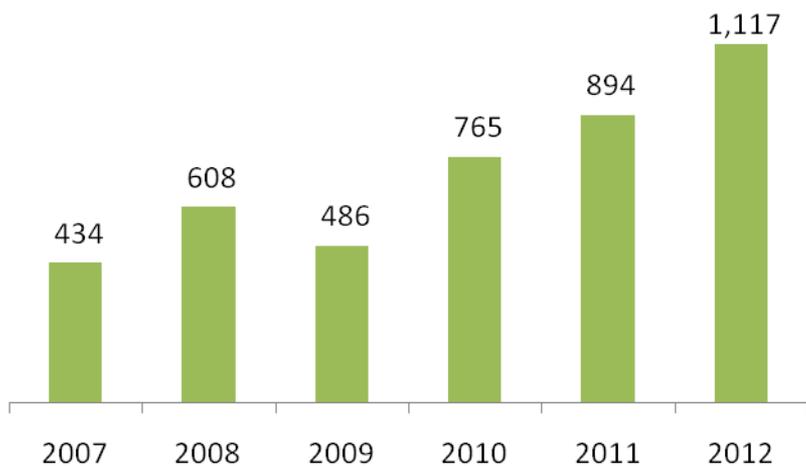
- the total value of equipment sales in Indonesia reached USD4.2 billion in 2012. This market data includes building construction equipment, earthmoving and tunnelling equipment, road building equipment, construction materials manufacturing equipment, and mining equipment.
- The compound annual growth rate (CAGR) 2008-2012: over 10% , with sales rebounding quickly from the slump in 2009.
- In the next five years, sales growth will continue to expand at an annual average rate around 10%.
- The outlook for the overall market will be heavily dependent on the government's success in driving through its ambitious infrastructure development plans. It will also depend to a great extent on the mining sector's performance.

Investment Opportunities: Tire Industry

Domestic Motorcycle Sales (Thousand units)



Domestic Car Sales (Thousand units)



INDONESIA TIRE MARKET (THOUSAND)

	2010	2011	2012
Production	49,855	51,812	49,859
Domestic sales - Replacement	10,467	11,107	11,923
Domestic sales - Original Equipment	3,983	4,344	5,519
Export	35,117	35,882	32,117

MARKET OUTLOOK: PROSPECTIVE



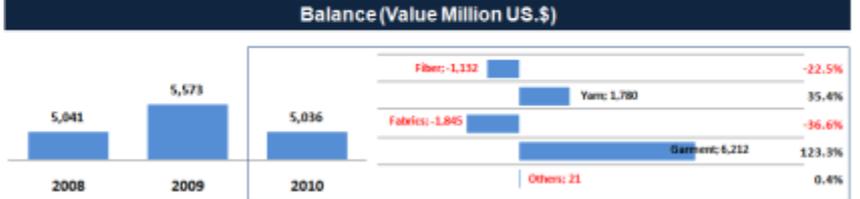
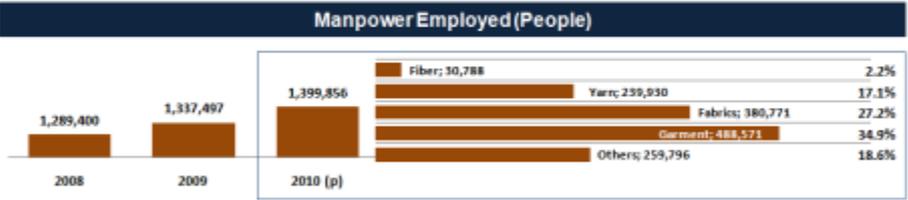
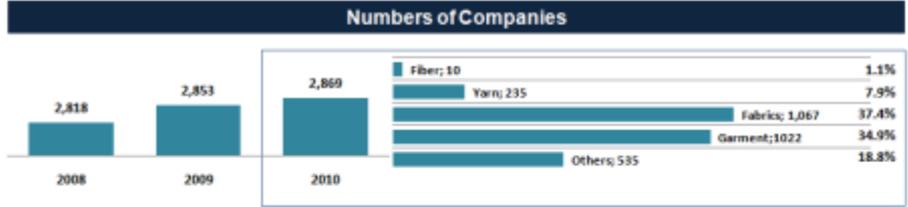
Investment Opportunities on Export Oriented Industry

5. Investment Opportunities in Export Oriented Industry: 10 Main Commodity

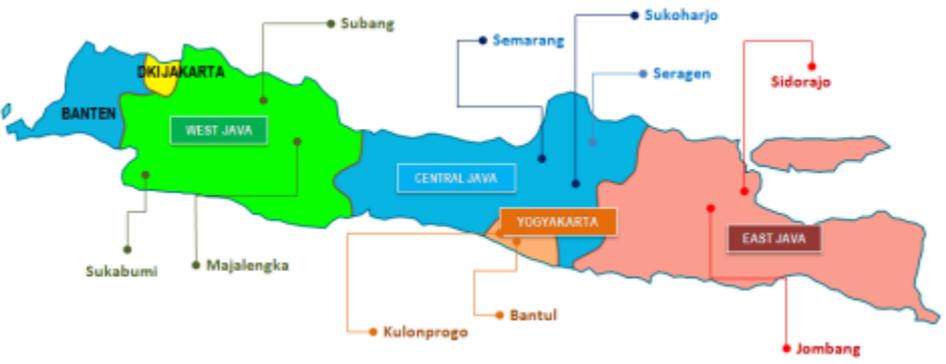
“Indonesia as Production Hub For International Market”

NO	10 MAIN COMMODITY	DESTINATION COUNTRY	DEPENDENCY OF IMPORTED RAW MATERIALS
1	TEXTILE AND TEXTILE PRODUCT	United States, Japan, Germany, Turkey, Korea,	MEDIUM
2	ELECTRONIC	Singapore, United States, Japan, Hong Kong, China,	HIGH
3	RUBBER	United States, Japan, China, Korea, Singapore,	LOW
4	PALM OIL	India, China, Malaysia, Bangladesh, Netherlands,	LOW
5	FOREST PRODUCTS	Japan, China, United States, Korea, Australia,	LOW
6	FOOTWEAR	United States, Belgium, Germany, United Kingdom, Netherlands,	MEDIUM
7	AUTOMOTIVE	Thailand, Japan, Saudi Arabia, Philippines, Malaysia,	HIGH
8	SHRIMPS	United States, Japan, China, United Kingdom, Belgium,	LOW
9	COCOA	Malaysia, United States, Singapore, China, Spain,	LOW
10	COFFEE	United States, Japan, Germany, Italy, Malaysia,	LOW

Investment Opportunities: Textile and Clothing Industry



Potential Location: Focus on Java Island



MARKET OUTLOOK: PROSPECTIVE

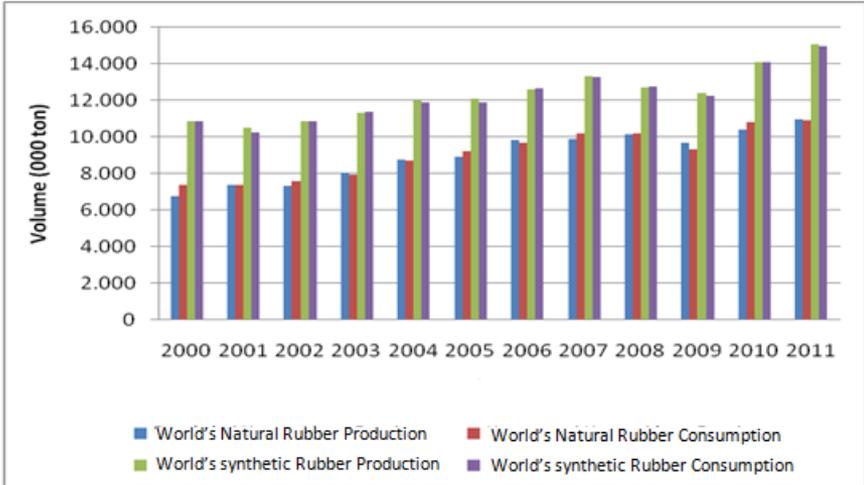
INVESTMENT OPPORTUNITIES

- Indonesia has great potential in developing products garments, yarn, textile products as well as other man-made fibers.
 - a. Garment products: male and female clothes, jackets, underwear and wedding dress.
 - b. For yarn products: sewing thread, yarn for knitting fabric and yarn.
 - c. other textile products: rugs, tablecloths, net curtains, towels, socks, embroidery, and curtains.
- Indonesia position in World Main Markets are (US: 5th); (UK: 13th); (Germany: 12th); (Japan: 5th); (Korea: 4th)

Source: Ministry of Industry and Textile Association (2012)

Investment Opportunities: Rubber Industry

Rubber Production and Consumption (Source: IRSG 2011)



Indonesia Rubber Production And Consumption (Source: IRSG 2011)

Year	Production (Thousand Tons)	Consumption (Thousand Tons)	Surplus Production (Thousand Tons)
2002	1.630	145	1.485
2003	1.792	156	1.636
2004	2.066	196	1.870
2005	2.271	221	2.050
2006	2.637	355	2.282
2007	2.755	391	2.364
2008	2.751	482	2.269
2009	2.594	594	2.000
2010	2.770	733	2.037

INDONESIA RUBBER CONDITION

- Indonesia is the largest area of rubber in the world.
- From the production side, Indonesia is the No. 2 as a major producer of rubber in the world (24% of market share) under Thailand (33%)
- Sumatra is the largest producer of raw rubber in Indonesia: 65% share of the national rubber production.
- Based on BPS data (2011) the largest plantation area (top 3) are:
 1. South Sumatra: 665 thousand ha
 2. North Sumatra: 463 thousand ha
 3. Jambi: 443 thousand ha.
- Potential areas for rubber plantation: Sumatra dan Kalimantan.

Source: Ministry of Agriculture(2012)

MARKET OUTLOOK: PROSPECTIVE

INVESTMENT OPPORTUNITIES: DOWNSTREAM INDUSTRY

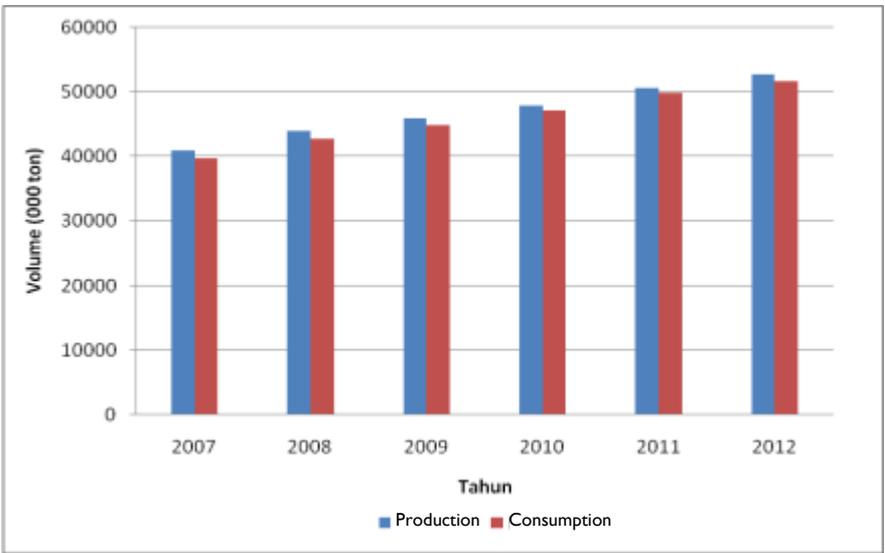
1. Manufacture of motor vehicle tires
2. Latex industry
3. Rubber goods industry
4. Engineering goods for industrial and automotive

WORLD RUBBER CONDITION

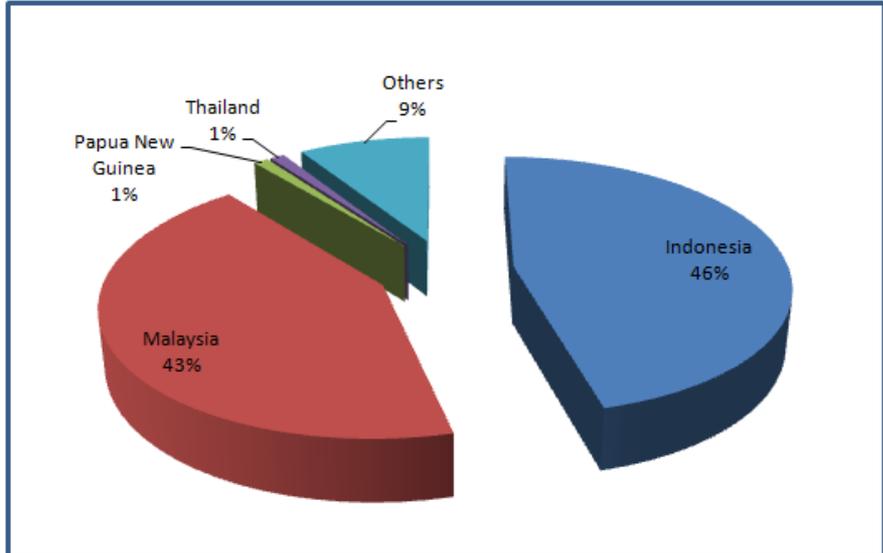
- Consumption is higher than production
- The world market is dominated by 6 countries are: Thailand, Indonesia, Malaysia, India, China, and Vietnam.
- The largest rubber consumer in the world are: China, United States, and Europe.

Investment Opportunities: Palm Oil

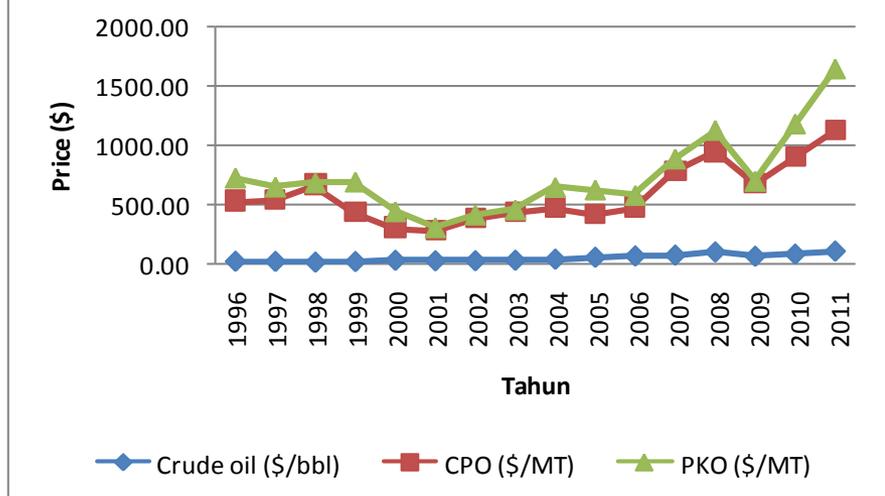
Production and Consumption of Palm Oil World



Palm Oil Production (2011)



Price World of Crude Oil, Crude Palm Oil, and Palm Kernel Oil



MARKET OUTLOOK: PROSPECTIVE

Indonesia is the largest producer and exporter of palm oil / CPO in the world previously dominated by Malaysia.

INVESTMENT OPPORTUNITIES: PALM OIL INDUSTRY

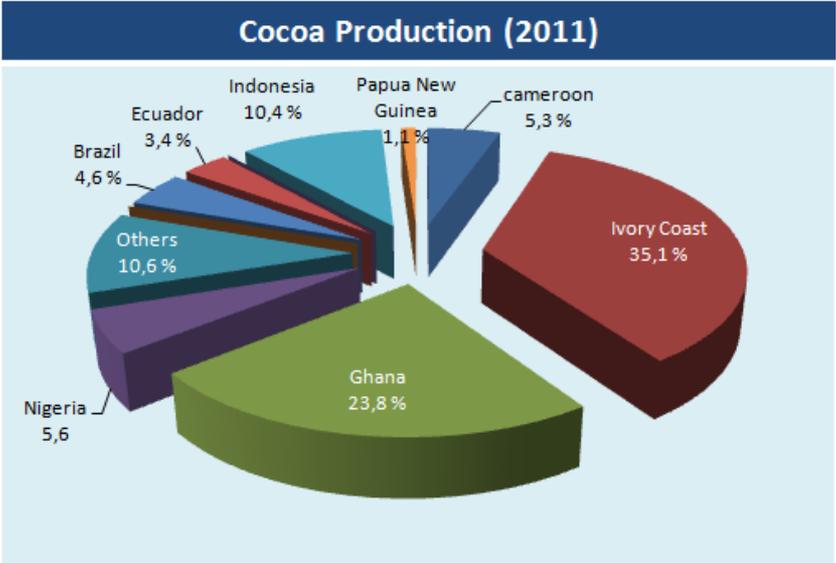
1. Primary Industries: Crude Palm Oil (CPO), Palm Nucleus Oil (PKO), shell, fiber, empty fruit bunches, and sludge
2. Upstream Industry: carotene, tocopherol, oil cake, soap stock
3. Manufacture of: pro-vitamin A, pro-vitamin E, cocoa butter
4. Downstream Industry: bio diesel oil.

POTENTIAL LOCATION FOR PALM OIL INDUSTRY:

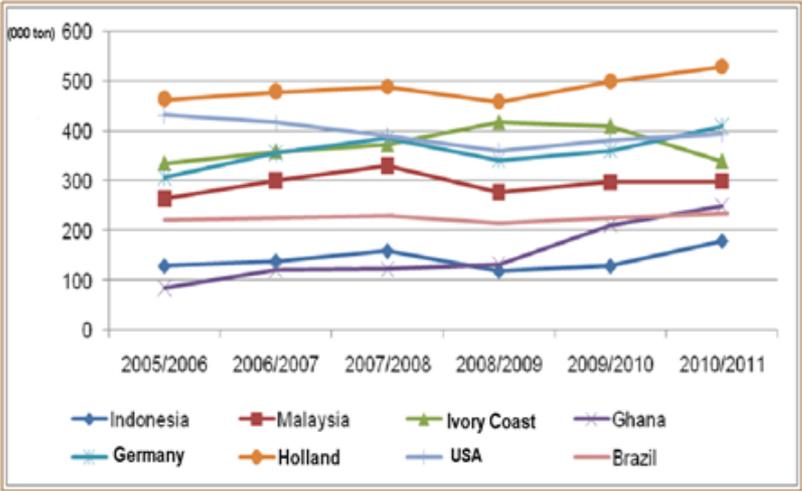
Sei Mangkei in North Sumatera, Dumai in Riau Province, and Maloy in East Kalimantan.

Source: Ministry of Agriculture(2012)

Investment Opportunities: Cocoa Industry



Volume World Cocoa Grinding



Source: Ministry of Agriculture(2012)

Cocoa and Chocolate company Indonesia (2011)

NO	COMPANY	LOCATION	INSTALLED CAPACITY (TON)	REMARKS
1	PT. General Food Industry	Bandung	100.000	Expansion
2	PT. Bumitangerang Mesindotama	Tangerang	96.000	Expansion
3	PT. Cocoa Ventures Indonesia	Medan	14.000	Expansion
4	PT. Asia Cocoa Indonesia	Batam	65.000	New Investment
5	PT. Teja Sekawan	Surabaya	24.500	Expansion
6	PT. Kakao Mas Gemilang	Tangerang	450	Expansion
7	PT. Mas Ganda	Tangerang	5.000	Normal
8	PT. Tri Keeson Utama	Jakarta	7.800	Normal
9	PT. Effem	Makasar	17.000	Re-operate
10	PT. Budidaya Kakao Lestari	Surabaya	15.000	Re-operate
11	PT. Jaya Makmur Hasta	Tangerang	15.000	Re-operate
12	PT. Unicom Kakao Makmur Sulawesi	Makassar	10.000	Re-operate
13	PT. Davomas Abadi	Jakarta	140.000	Re-operate
14	PT. Maju Bersama Cocoa Industries	Makassar	20.000	Re-operate
15	PT. Poleko Cocoa Industry	Makassar	4.000	Re-operate
16	PT. Kopi Jaya Kakao	Makassar	24.000	Re-operate
17	PT. Industri Kakao Utama	Kendari	25.000	Not yet operate
TOTAL COCOA INDUSTRY			582.750	
18	PT. Gandum Mas Kencana	Tangerang	15.000	Expansion
19	PT. Freyabadi Indotama	Karawang	25.000	Expansion
20	PT. Ceres	Bandung	60.000	Normal
21	PT. Sekawan Karsa Mulia	Jakarta	7.000	Expansion
TOTAL CHOCOLATE INDUSTRY			107.000	
TOTAL COCOA INDUSTRY AND CHOCOLATE INDUSTRY			689.750	

MARKET OUTLOOK: PROSPECTIVE

- Total area of Indonesia cocoa increased sharply to reach 1,677,254 ha in 2011. This condition is expected to continue to increase to 1,805,986 ha in 2014.
- In 2011, Indonesian cocoa production amounted to 712,231 tons.
- Potential Locations :
 1. Sulawesi (South Sulawesi, Southeast Sulawesi, Central Sulawesi and West Sulawesi)
 2. Other provinces (North Sumatra, West Sumatra, Aceh and East Java)

INVESTMENT OPPORTUNITIES: PROCESSING INDUSTRY

Indonesia's cacao agribusiness development geared to increase value-added cocoa with integrated agribusiness development from upstream to downstream.



Investment Opportunities on PPP Infrastructure projects

6. Investment Opportunities in PPP Infrastructure Projects: 24 Proposed Projects

A. KORIDOR JAWA

NO.	PROJECTS	INVESTMENT (US\$ MILLION)	PROJECT STATUS (2012)
1.	Cisumdawu Toll Road	1.015,8	FS is finished, Land procurement progress of 23%
2.	Pandaan – Malang Toll Road	420	Land procurement progress of 10%
3.	Kertajati International Airport	130	Pre FS, Masterplan dan Business plan are finished, Coordinate permit has been approved, Land procurement 2012 : 715 Ha, target until 2014 : 1800 ha
4.	KulonProgo International Airport	500	Pre FS (location) is finished, but the project status has not decided by Ministry of Transportation
5.	Expansion of Pelabuhan Tanjung Priok-Cilamaya, Karawang Barat	1.032	Pre FS finished
6.	Soekarno Hatta – Manggarai International Railway Development	2.000	FS, Environmental Impact Assessment, and other permits are on progress
7.	Integrated Terminal Gedebage Railway, Bandung	133	FS is finished
8.	Revatilation of Yogyakarta Rail Station dan Pedestrianisasi Malioboro	870	FS is finished
9.	Lamongan Regency Water Supply	16,67	<ul style="list-style-type: none"> - OBC is finished in 2012 - FBC in 2013 - VGF is on discussion by Ministry of Finance
10.	West Semarang Water Supply	78	<ul style="list-style-type: none"> - Interested investors is from Singapore, Spain, China, Malaysia, South Korea, and Japan. - Project launching is on July - August 2013
11.	Solid Waste Treatment & Final Disposal Putri Cempo, Solo	30	
12.	Solid Waste Treatment & Final Disposal Bandung Raya	80	<ul style="list-style-type: none"> - FS by JICA is finished - JICA willing to fund for construction and waste management technology
13.	Solid Waste Treatment & Final Disposal Bogor - Depok	40	<ul style="list-style-type: none"> - FS by JICA is finished - Procurement document is already finished
TOTAL		6.345,5	

6. Investment Opportunities in PPP Infrastructure Projects: 24 Proposed Projects

B. KORIDOR SUMATERA

NO.	PROJECTS	INVESTMENT (US\$ MILLION)	PROJECT STATUS (2012)
1.	Kuala Tanjung Port , North Sumatera	-	Pre FS is finished
2.	Jambi Coal Fired Power Plant	1.040	-
3.	Geothermal Bengkulu	-	Waiting the permit from Ministry of Energy
4.	Batam Municipal Solid Waste	60 – 120	<ul style="list-style-type: none"> - Pre FS is finished - Outline Business Case is finished - Environmental Impact Assessment on progress (will be finish in 6-8 mounth) - Government guartantee is on evaluation by PT. PII - Interested investors are from France, United States, and Japan.
TOTAL		1.160	

C. KORIDOR KALIMANTAN

1.	Balikpapan – Samarinda Toll Road	1.200	<ul style="list-style-type: none"> - FS is finished - The construction permit for “roads on Preservation Forest” is still on process at the Ministry of Forestry - NGOs problem
2.	Development Maloy International Port	2.130	Pre FS is finished
3.	Greater Pontianak Water Supply	143	FS is finished
TOTAL		3.474	

D. KORIDOR SULAWESI

1.	Manado – Bitung Toll Road	353	Land procurement progress of 25%
2.	New Makasar Port	-	Pre FS is finished
3.	Karama Hydro Power Plant	1.336	-
4.	Palu Municipal Water Supply	30	FS is finished
TOTAL		1.719	



Investment Opportunities on Tourism and Creative Industry

7. Tourism and Creative Industry



Year	International Visitor		Average Length Of Stay (Day)	Average Expenditure Per Person (USD)		Revenue	
	Total	Growth (%)		Per Day	Per Visit	Total (Million USD)	Growth (%)
2007	5,505,759	13.02	9.02	107.7	970.98	5345.98	20.19
2008	6,234,497	13.24	8.58	137.38	1178.54	7347.6	37.44
2009	6,323,730	1.43	7.69	129.57	995.93	6297.99	-14.29
2010	7,002,944	10.74	8.04	135.1	1085.75	7603.45	20.73
2011	7,649,731	9.24	7.84	142.69	1118.26	8554.39	12.51
2012	8 044 462						

NUMBER OF PASSENGER CRUISE TOURISM



TARGET OF TOURISM VISITOR

2013
Foreign: 9 million
Domestic: 250 million

2014
Foreign: 10 million
Domestic: 255 million

MARKET OUTLOOK: PROSPECTIVE

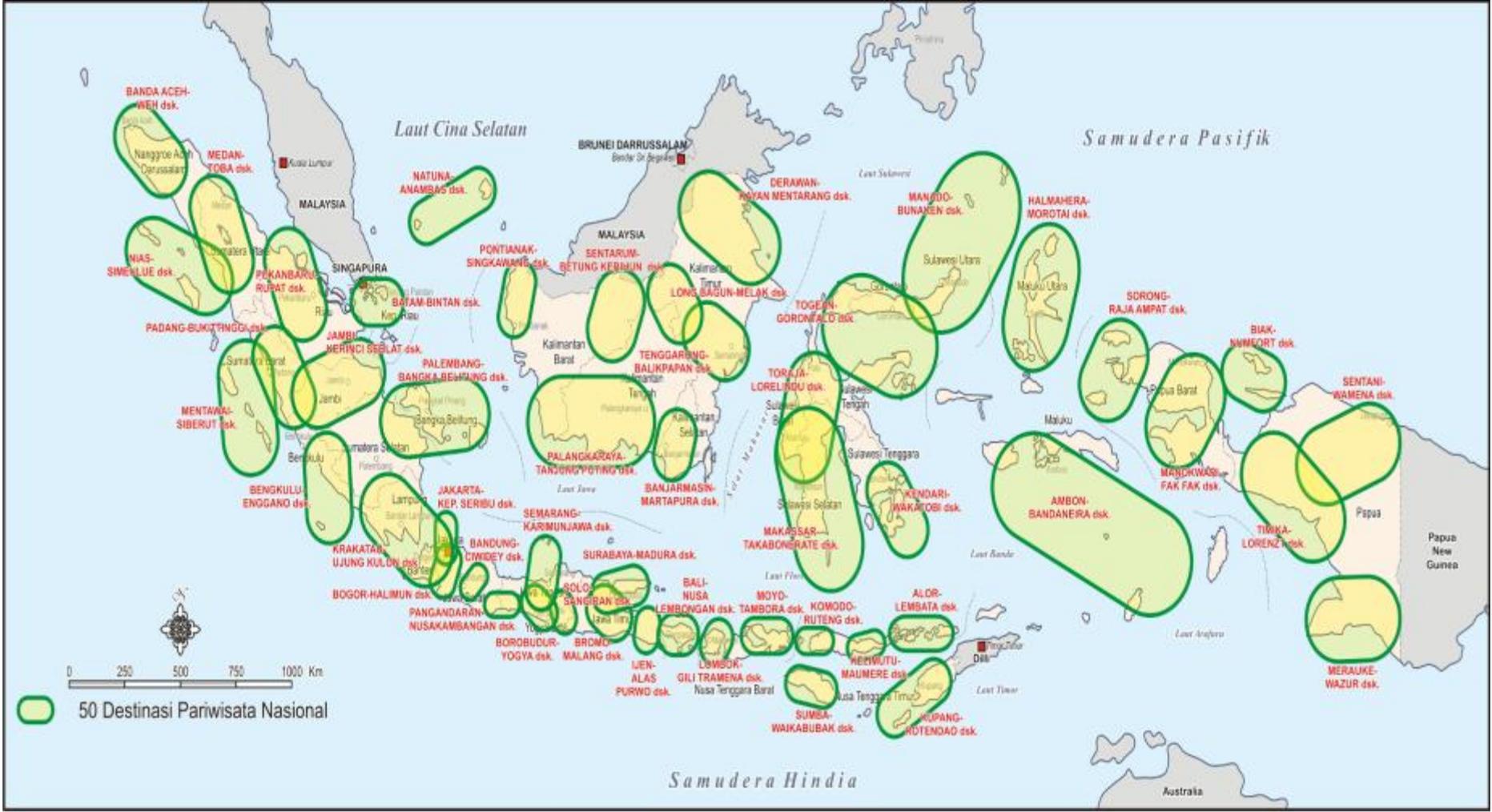
INVESTMENT OPPORTUNITIES:

Seven Special Interest Tourism Areas

1. Cruise tourism
2. Meetings, Incentive, Convention, Exhibition/ Event
3. Nature based and ecotourism
4. Culture and historical based tourism
5. Shopping and culinary
6. Wellness and medical tourism
7. Recreational sports: golf, diving, etc

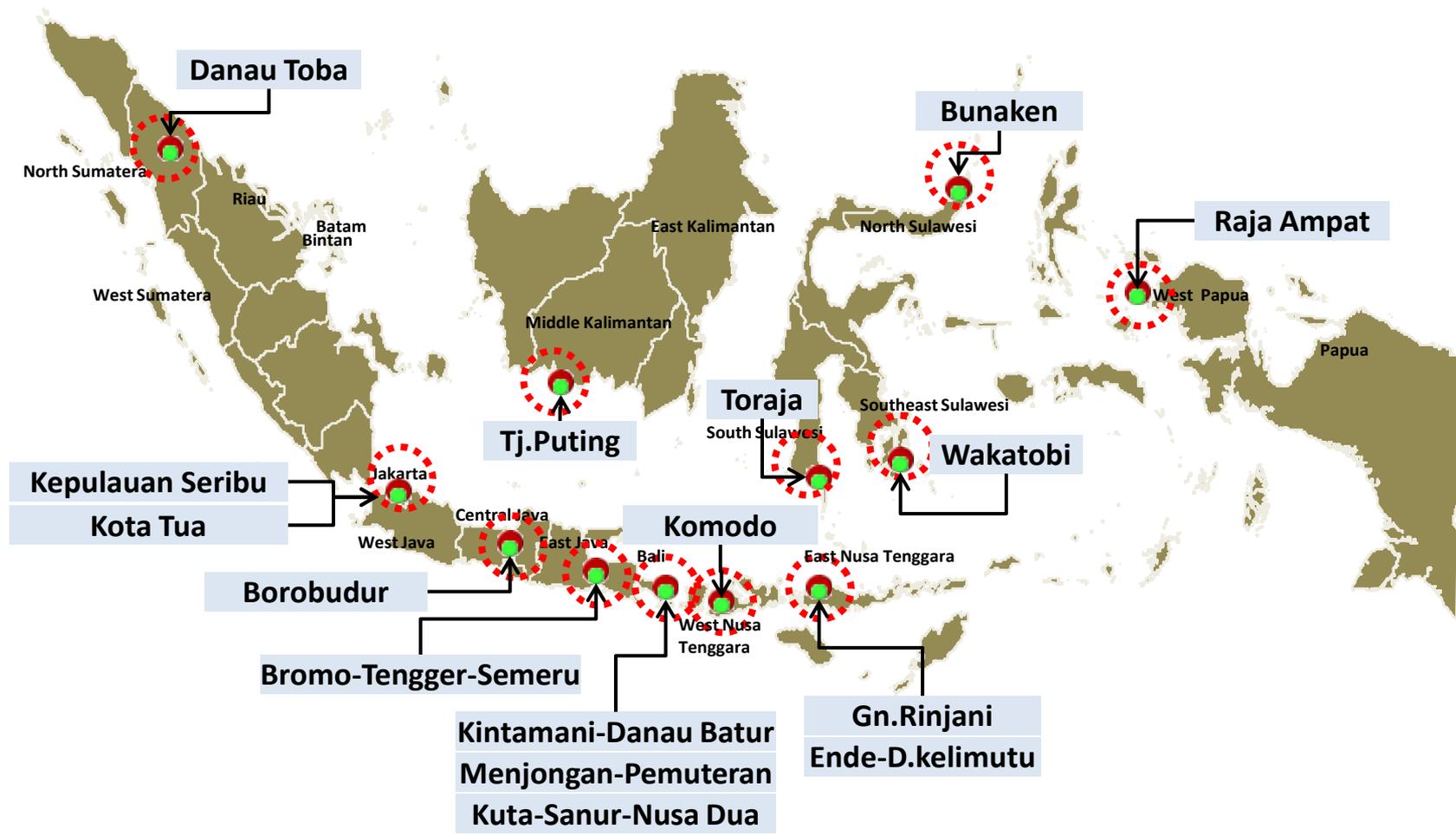
Sources: Ministry of Tourism and Creative Economy , 2012

Distribution of 50 National Tourism Destination (DPN)



Sources: Ministry of Tourism and Creative Economy , 2012

16 National Tourism Priority Area 2012 – 2014



Sources: Ministry of Tourism and Creative Economy , 2012

Main Tourism Locations

Shopping Paradise

(MORE THAN 450 SHOPPING PLACES IN INDONESIA)



SPA Destinations



Golf Courses



Surfing Spots



National Parks



Diving Spots



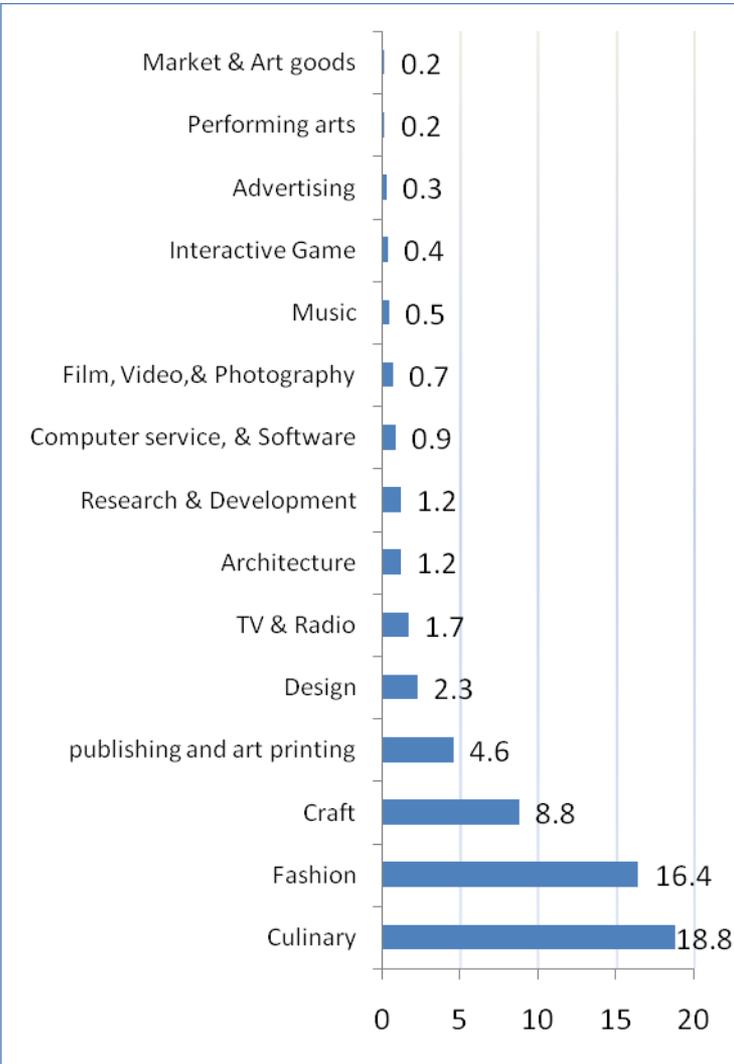
MICE Destinations



Sources: Ministry of Tourism and Creative Economy , 2012

7. Tourism and Creative Industry

ECONOMIC VALUE (USD BILLION)

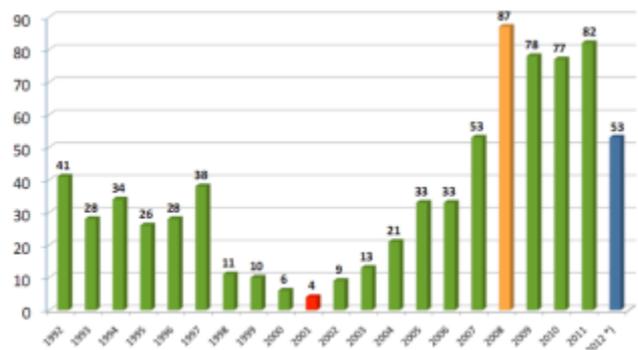


Sources: Ministry of Tourism & Economy creative industry, 2012

MARKET OUTLOOK: PROSPECTIVE

- In Indonesia, the creative industries are defined as industry derived from the utilization of creativity, skills and individual talents of individual to make create wealth and generate employment by producing and exploiting individual creativity.
- Creative industry accounted for 7.29 percent of Indonesia’s GDP. In 2012, Indonesia’s creative industries have employed 11. 57 million people, accounting for 10.63 percent to the nation's overall employment (rank 3 on employment absorption).
- the creative industries have a bright export prospects in the future. In 2011, exports of creative industries to reach of USD 800 million. Targeted in 2015 to exceed UUD 1.5 billion.
- Majority export comes from fashion (60% of market share) and crafts (36.5% market share)

FILM PRODUCTION IN INDONESIA 1992 – 2012



*)Data until Aug 12





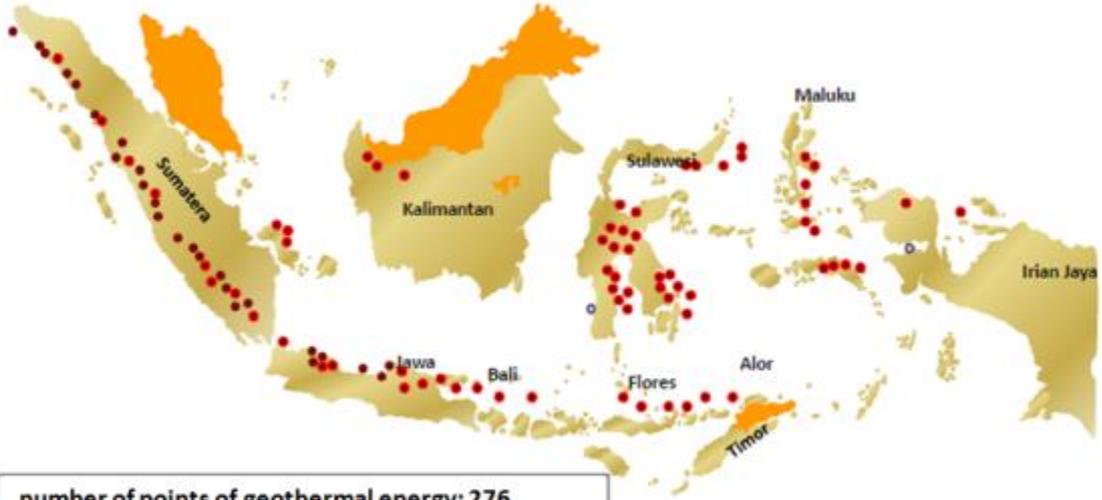
Investment Opportunities on Renewable Energy Sectors

Indonesia Potential on Renewable Energy

NO	RENEWABLE ENERGY	POTENTIAL	INSTALL CAPACITY (MW)	UTILIZATION
1	Large Hydro (MW)	75,670	5,705.29	7.54%
2	Small Hydro/Microhydro (MW)	769.69	217.89	28.31%
3	Geothermal (MW)	29,038	1,226	4.2%
4	Biomass (MW)	49,810	1,618.4	3.25%
5	Solar	4.80 kWh/m ² /day	13.5	-
6	Wind	3 – 6 m/s	1.96	-
7	Ocean/Sea (MW)	43,000	-	-

Source: Ministry of Energy, 2012

Investment Opportunities: Geothermal Industry

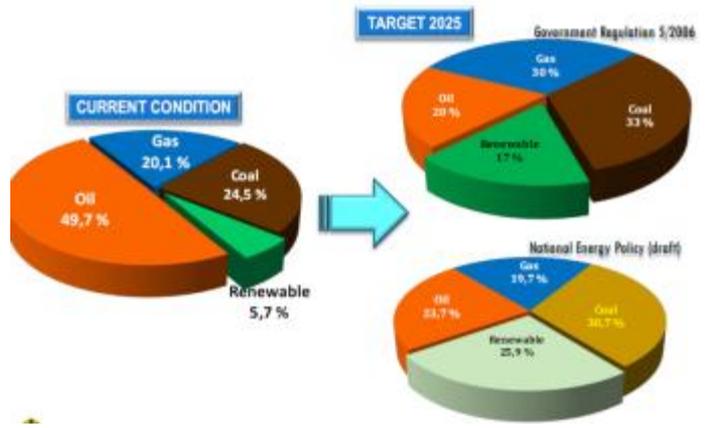


number of points of geothermal energy: 276
 Geothermal Potential: 29,038 GWe

MARKET OUTLOOK: PROSPECTIVE

- **Geothermal power in Indonesia** is an increasingly significant source of renewable energy. Indonesia has 40% of the world's potential geothermal resources, estimated at 29,000 GWe.
- Currently Indonesia is the world's third largest geothermal electricity producer after the United States and the Philippines. Installed production capacity (2011) is almost 1,226 MW from seven geothermal fields in Jawa, North Sumatra and North Sulawesi.
- In 2007, geothermal energy represented 1.9% of the country's total energy supply and 3.7% of its electric power.
- Indonesia plan to build 44 new geothermal plants by 2014, more than tripling capacity to 4,000 MW. By 2025, Indonesia aims to produce more than 9,000 MW of geothermal power, becoming the world's leading geothermal energy producer. This would account for 5% of Indonesia's total energy needs.

Target Of National Energy Mix



Geothermal Project in Indonesia (Installed Capacity) 2011

No	Lokasi	PLTP	INSTALLED CAPACITY (MW)	%
1	JAWA	Kamojang	200	17
2		Salak	377	32
3		Darajat	270	23
4		Wayang Windu	227	19
5		Dieng	60	5
6	LUAR JAWA	Lahendong	80	7
7		Sibayak	12	1
TOTAL			1.226	103

Source: Ministry of Energy, 2012



Indonesia Investment Promotion Center (IIPC)

THANK YOU

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