



**EAST KALIMANTAN
PROVINCIAL GOVERNMENT**

DEVELOPMENT POLICY DIRECTIONS OF EAST KALIMANTAN

By :

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Vice Governor of East Kalimantan

*In the event of
KNKS Executive Leaders Forum
On 6th ISEF 2019*

Jakarta, November 13th 2019

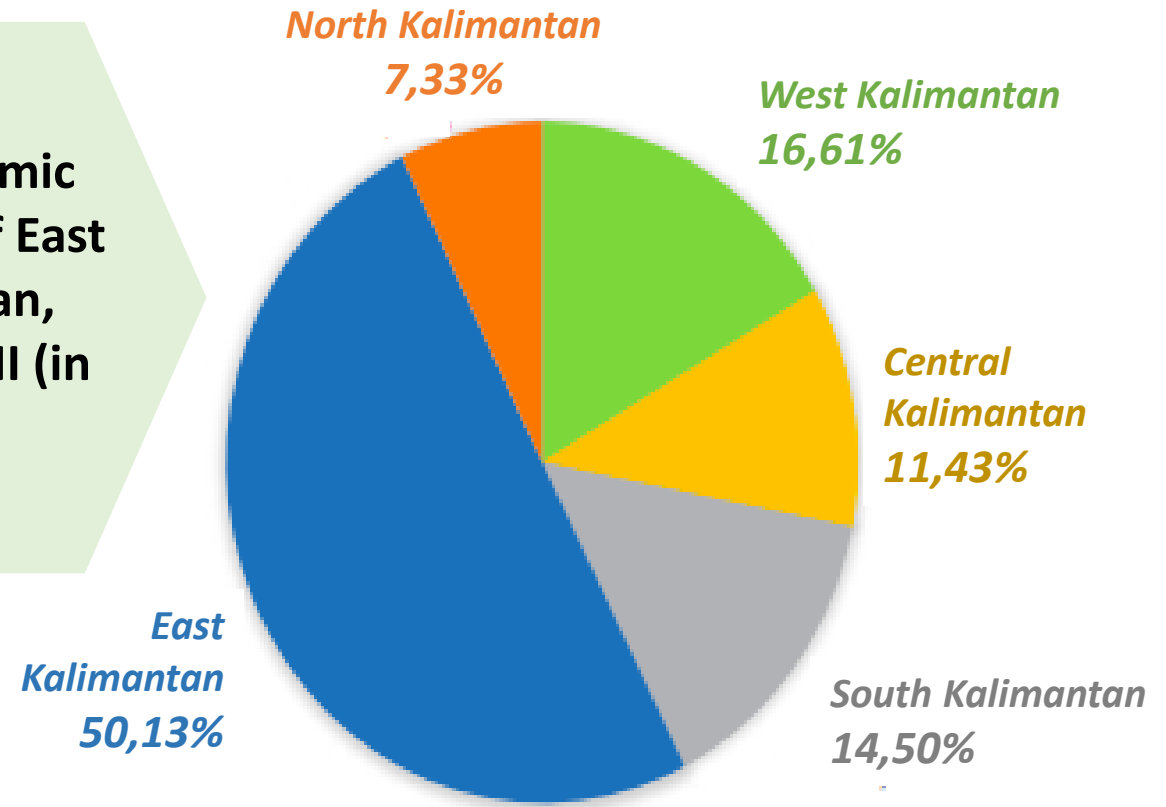
THE PORTRAIT OF THE EAST KALIMANTAN ECONOMY

MACROECONOMIC EAST KALIMANTAN (2018)

PDRB (Prices Apply)	Rp 638,12 T
Population	3.721.389 inhabitants
Economic Growth	2,7%
IPM	75,12
Poverty	6,06%
Unemployment	6,6%
Inflation	3,24%

*PDRB: Gross Region Domestic Product

The Economic Structure of East Kalimantan, Quarterly III (in 2019)



- East Kalimantan has a 50% contribution to PDRB Kalimantan Island



Sources: Statistics of East Kalimantan in 2019, and Official News Statistics quarterly III of 2019

Structure of Growth Contributors PDRB



Year	Pertambangan & Penggalian (%)	Industri Pengolahan (%)	Pertanian, Kehutanan dan Perikanan (%)
Yr 2018	46,35%	18,27%	7,88%
Yr Q3 2019	45,14%	18,01%	7,83%

THE FUTURE ECONOMY OF EAST KALIMANTAN WITH THE ECONOMY TRANSFORMATION

RELIANCE ON PRIMARY PRODUCTS & UNSUSTAINABLE NATURAL RESOURCES

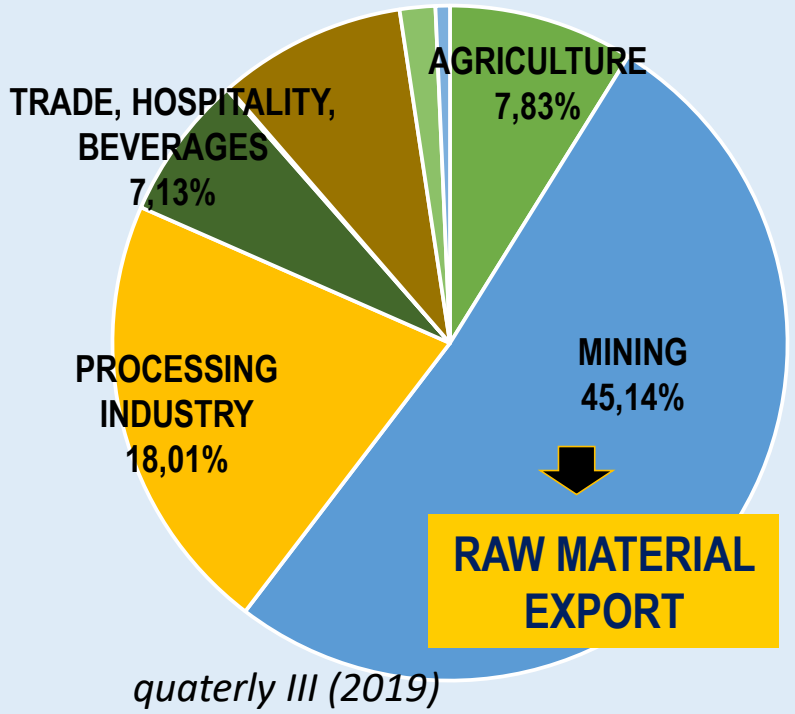


Unsustainable Economic Development

Regional Income Reliance on Changes in Primary Commodity Prices



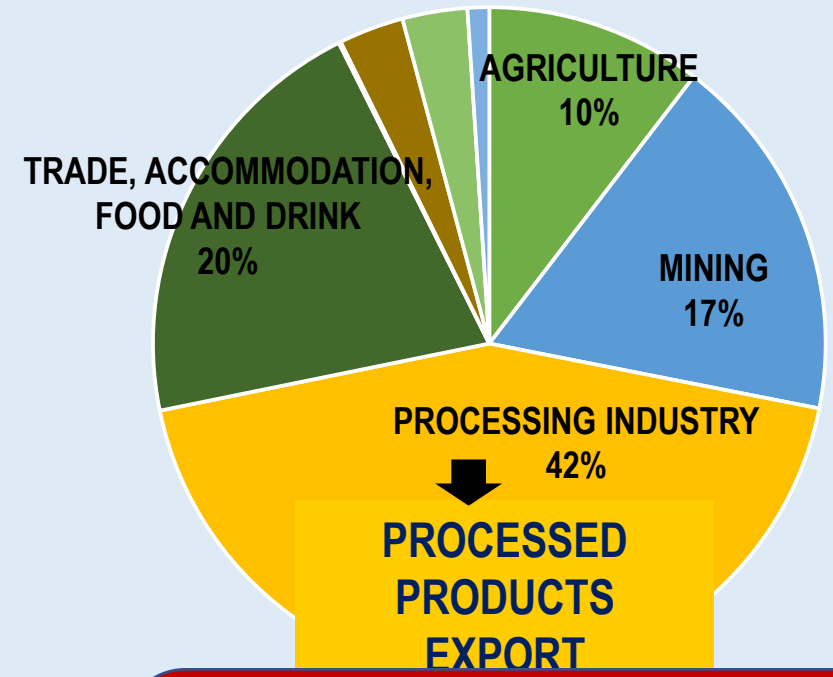
CURRENT CONDITIONS



RAW MATERIAL EXPORT

Strategy: Development of derivative industries from the plantation, food crops, fisheries and mining sectors.

OUTLOOK EXPECTATION (2030)



PROCESSED PRODUCTS EXPORT

By Building a Growth Center and Industrial Estates as A BACKBONE OF THE SUSTAINABLE EAST KALIMANTAN'S ECONOMY

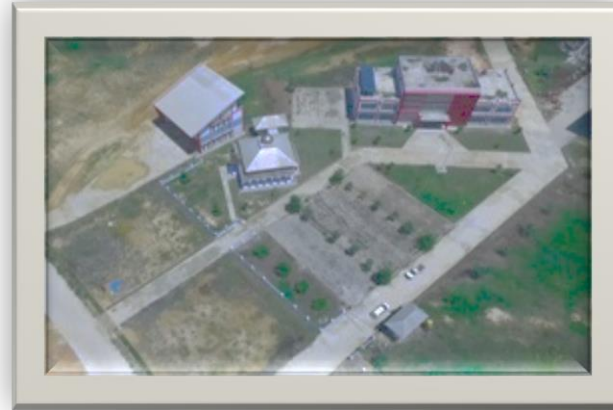


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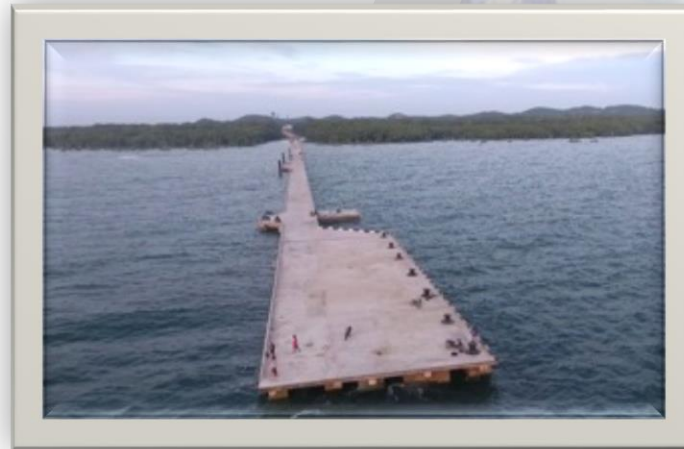
INDUSTRIAL AREA OF MALOY BATUTA TRANS KALIMANTAN



Officially launched by President Joko Widodo on April 1st 2019 in Manado



Administration Office



650 meters of Trestle CPO dock/terminal



1.030 meters of Causeway (finished)

ELECTRICAL POWER NECESSITY ESTIMATION

ALOCATION	LAND AREA	ELECTRICAL POWER
INDUSTRIAL ZONE	290,22 Ha	44,4 MW
INFRASTRUCTURES	77,73 Ha	3,3 MW
GENERAL SERVICES FACILITY	15,00 Ha	0,63 MW
SUPPORTING FACILITIES	8,30 Ha	0,35 MW
TOTAL	391,25 Ha	48,68 MW

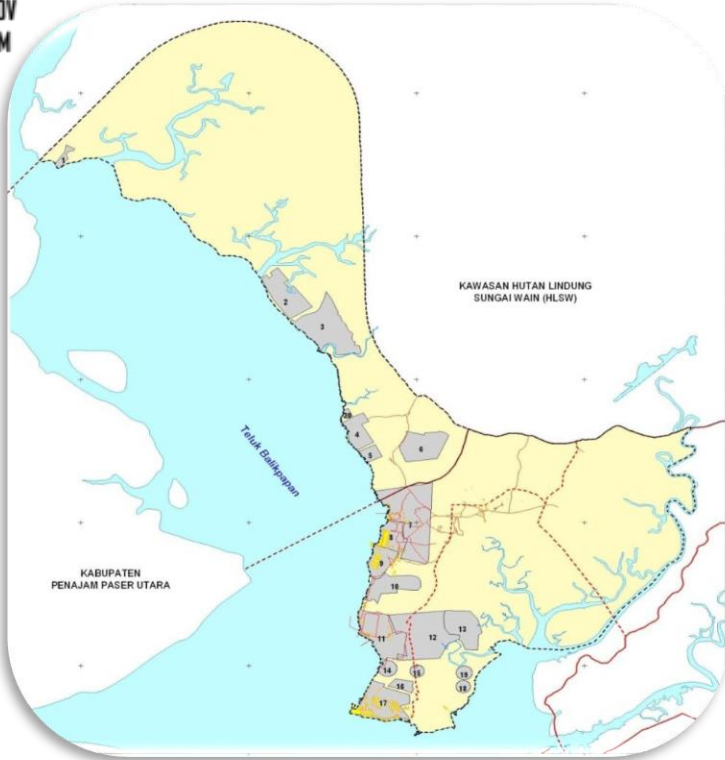
Source: DED KEK MALOY
*units changed in MW



INDUSTRIAL AREA OF KARIANGAU



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KARIANGAU INDUSTRIAL AREA IS ON THE INDUSTRIAL RIGHTS AREA WITH TOTAL AREA OF 2,721 HA



Kariangau Harbor
Capacity of 350,000 TEUs



Capacity Load-Unloading Port
25 Box Container / Crane / Hr



PLTU Kariangau
2 x 10 MW

- Until the end of 2018, it is estimated that the total container flow will reach 210,000 TEUs with an average monthly increase of 8,000 TEUs.
- Of the 52 companies that have received Principle licenses by the Balikpapan City Government, the latest evaluation's results in July 2019, there are 13 companies that have operated and utilized land with total area of 896.7 hectares.

ESTIMATED NEEDS OF ELECTRICAL POWER

Needs	Electrical Power
INDUSTRY	380,9 MW
SETTLEMENT	27,9 MW
PUBLIC & SOCIAL FACILITY	6,5 MW
STREET LIGHTS	41,4 MW
TOTAL	456,7 MW

Source: REVIEW MASTERPLAN KARIANGAU

UPGRADING KILANG MINYAK BALIKPAPAN

Refinery Development Master Plan (RDMP)

Location	East Kalimantan
Investment Value	Rp 185,2 Trillion
Funding Scheme	BUMN
Project PIC (Person in Charge)	PT Pertamina
Construction Target	2018
Operation Target	2021
Strategic Value	Increased production capacity from 260 thousand barrels/day to 360 thousand barrels/day



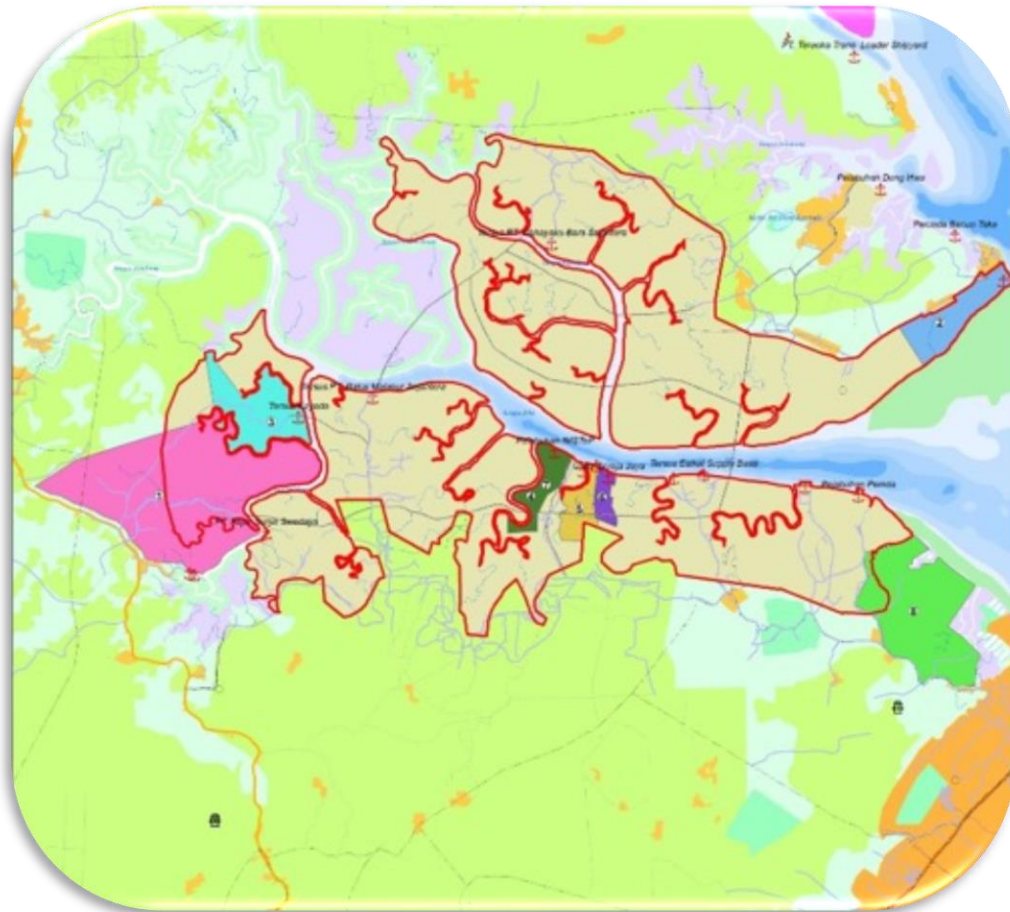
Project Status

- RDMP Balikpapan will be done by PT Pertamina
- The SKKL and Environmental Permit were issued in early April 2017
- FEED (*Front End Engineering Design*) Phase 1 has been completed and is in the review stage

INDUSTRIAL AREA OF BULUMINUNG



AREA OF BULUMINUNG-GERSIK-LANGO BEACH INDUSTRY OF 5,300 HA



ESTIMATED NEEDS OF ELECTRICAL POWER

Allocation	Land Areas (Ha)	Electrical Power (MW)
AGRICULTURAL PROCESSING INDUSTRY ZONE	710	113,6
OIL AND GAS PROCESSING INDUSTRY ZONE	958	153,3
MINING PROCESSING INDUSTRY ZONE	861	137,8
TRANSPORT & MACHINERY INDUSTRY ZONE	1060	169,6
FOREST PRODUCTS PROCESSING INDUSTRY ZONE	1118	178,9
SUPPORTING FACILITIES AREA	352	42,2
TOURISM AREA	9	1,1
PORT AREA	162	19,4
WAREHOUSE AREA	192	23,0
TOTAL	5.422 Ha	838,92 MW

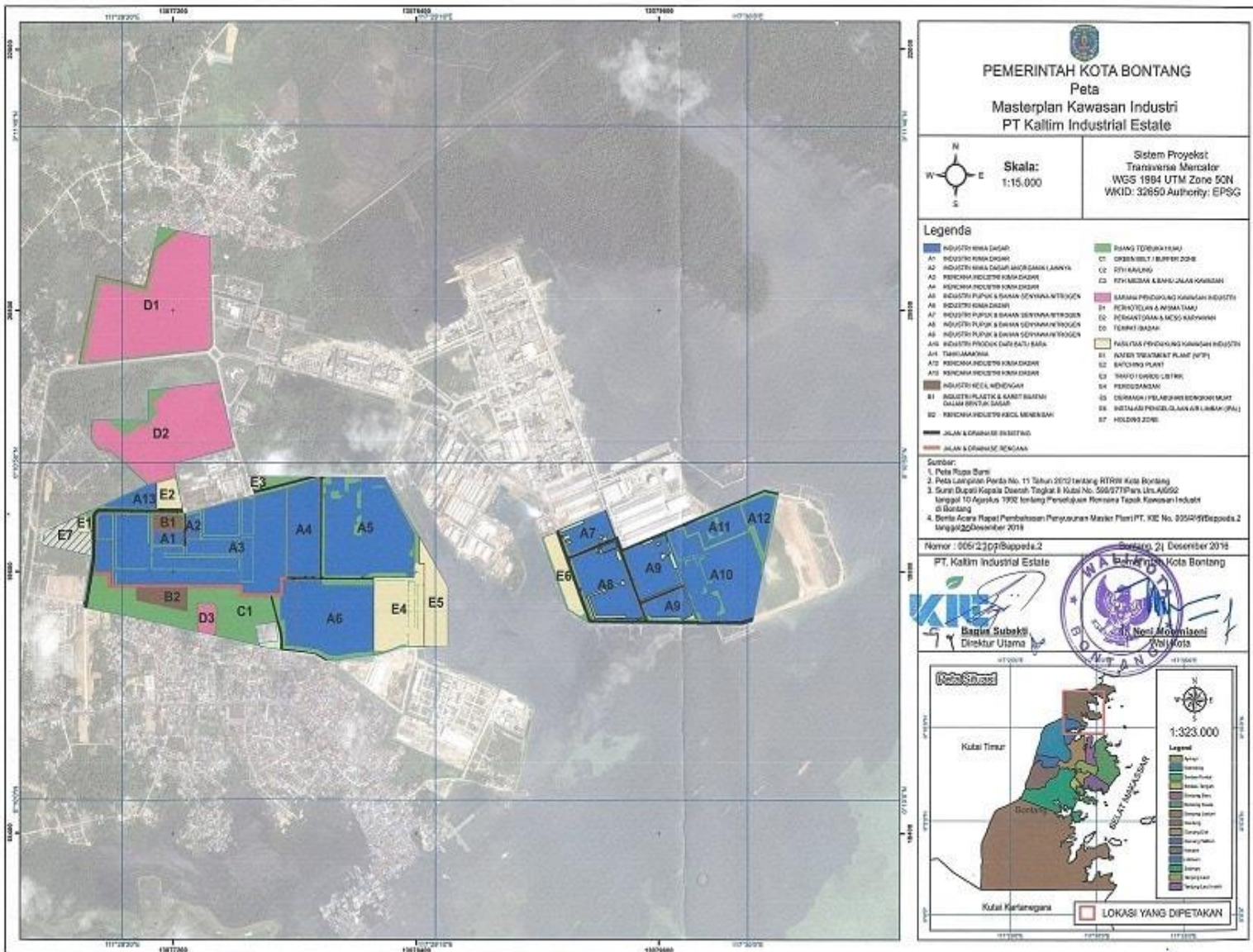
➤ So, the need for electricity for Industrial Estates is ± 838.92 MW which requires around 18 substations with a capacity of 48 MW each

Source: Buluminung Industrial Development Master Plan, Gersik, Lango Beach



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INDUSTRIAL AREA OF BONTANG



- The Kaltim Industrial Estate industrial area is managed by PT Kaltim Industrial Estate (KIE)
- Overall, industrial areas KIE has an area of 265.6 hectares of industrial land which is divided into four regions, as follows:
 1. Tanjung Harapan area (covering 48.7 Ha): Large scale chemical industry
 2. East Tursina Area (covering 60.3 Ha): Large-scale industry (various business fields)
 3. West Tursina Area (covering 77.3 Ha): Small and medium scale industries (various business fields)
 4. Industrial Supporting Areas (covering 53,6 Ha): Supporting facilities and office areas

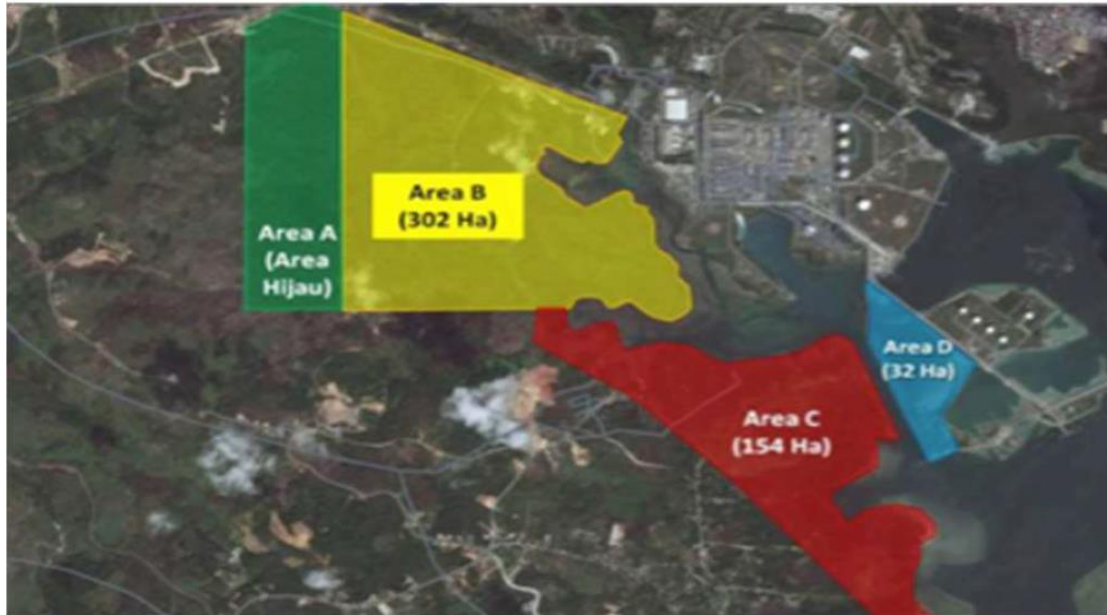
Source: https://id.wikipedia.org/wiki/Kaltim_Industrial_Estate

- In 2019, PT. Energi Unggul Persada has submitted RKL-RPL Documents for Palm Oil Downstream Industry Development Activities and Supporting Facilities with an Area of 118.98 Ha and the Construction of a Special Terminal (TERSUS) of an Area of 3.9 Ha
- Electrical energy needs to fulfill the work area of PT. EUP of 11 MW



BONTANG'S OIL REFINERY DEVELOPMENT

(New Grass Root Refinery – NGRR) – Perpres 56 Tahun 2018 Tentang PSN



Issues & Proposed Follow Up

- Encourage acceleration of the finalization of the Frame Work Agreement (FWA) between OOG and Pertamina
- Encourage OOG to start Front End Engineering Design (FEED) in 2019
- Encourage the issuance of recommendations on Spatial Conformity (RTRW) - Ministry of ATR
- Issuance of location determination by the Mayor of Bontang
- The discussion process with the State Asset Management Institute (Lembaga Manajemen Aset Negara / LMAN) for the KSP scheme is based on appraisal studies

Location	East Kalimantan
Investment Value	Rp 197,59 Trillion
Funding Scheme	BUMN (Pertamina will form a joint venture)
Project PIC (Person in Charge)	PT Pertamina
Construction Target	2019
Operation Target	2024
Electricity needs	150 MW
Strategic Value	Fulfill the needs of oil in Eastern Indonesia amounting to 300 thousand barrels / day with an investment of Rp. 14.9 Billion Dollars with a Capacity of 300,000 Barrels / Day.

Project Status

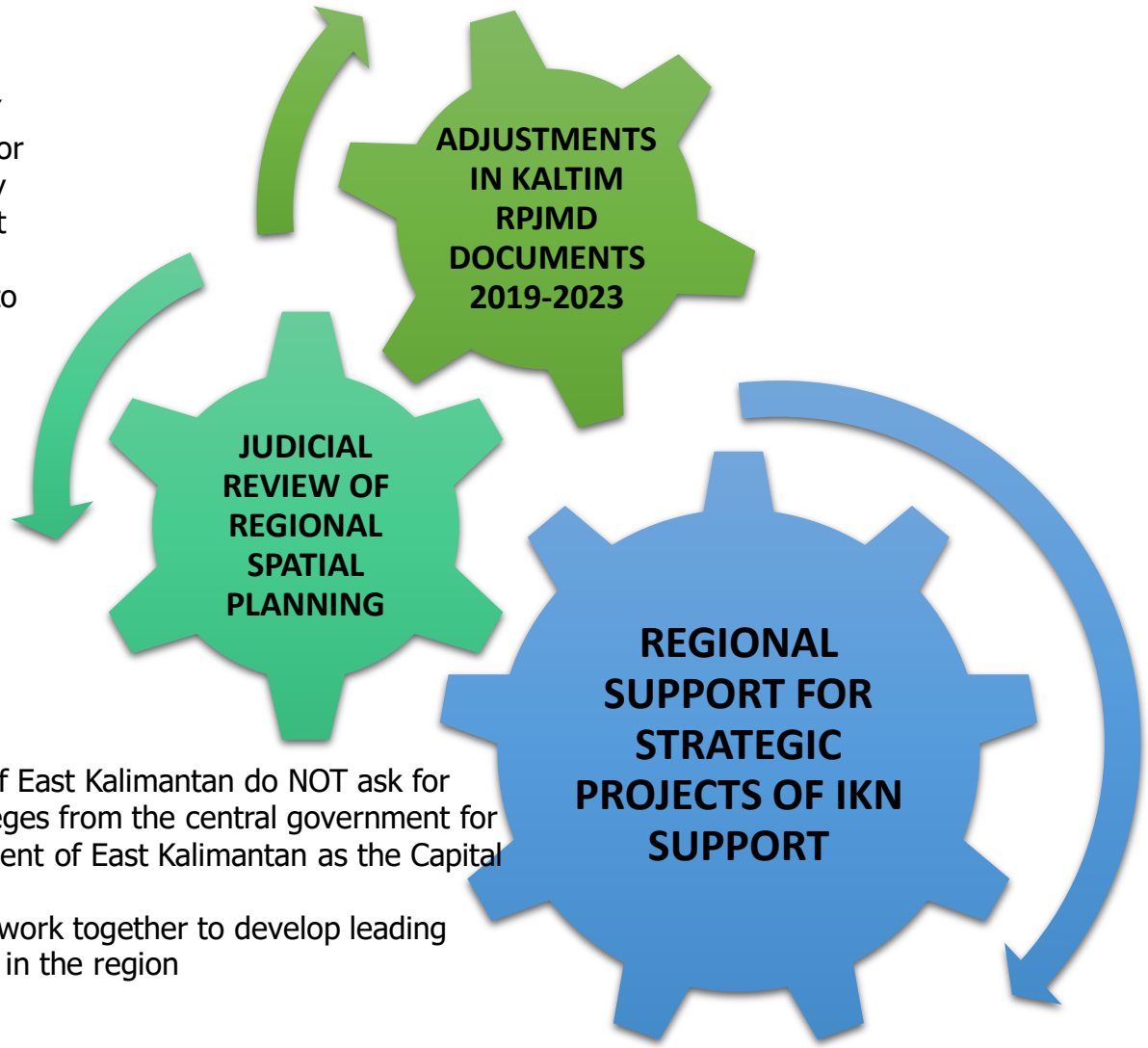
- Pertamina has chosen the Overseas Oil and Gas (OOG) consortium as a strategic partner in January 2018.
- Pertamina will start processing LMAN's land with consideration of the terms, of the utilization scheme that are suitable for investors.



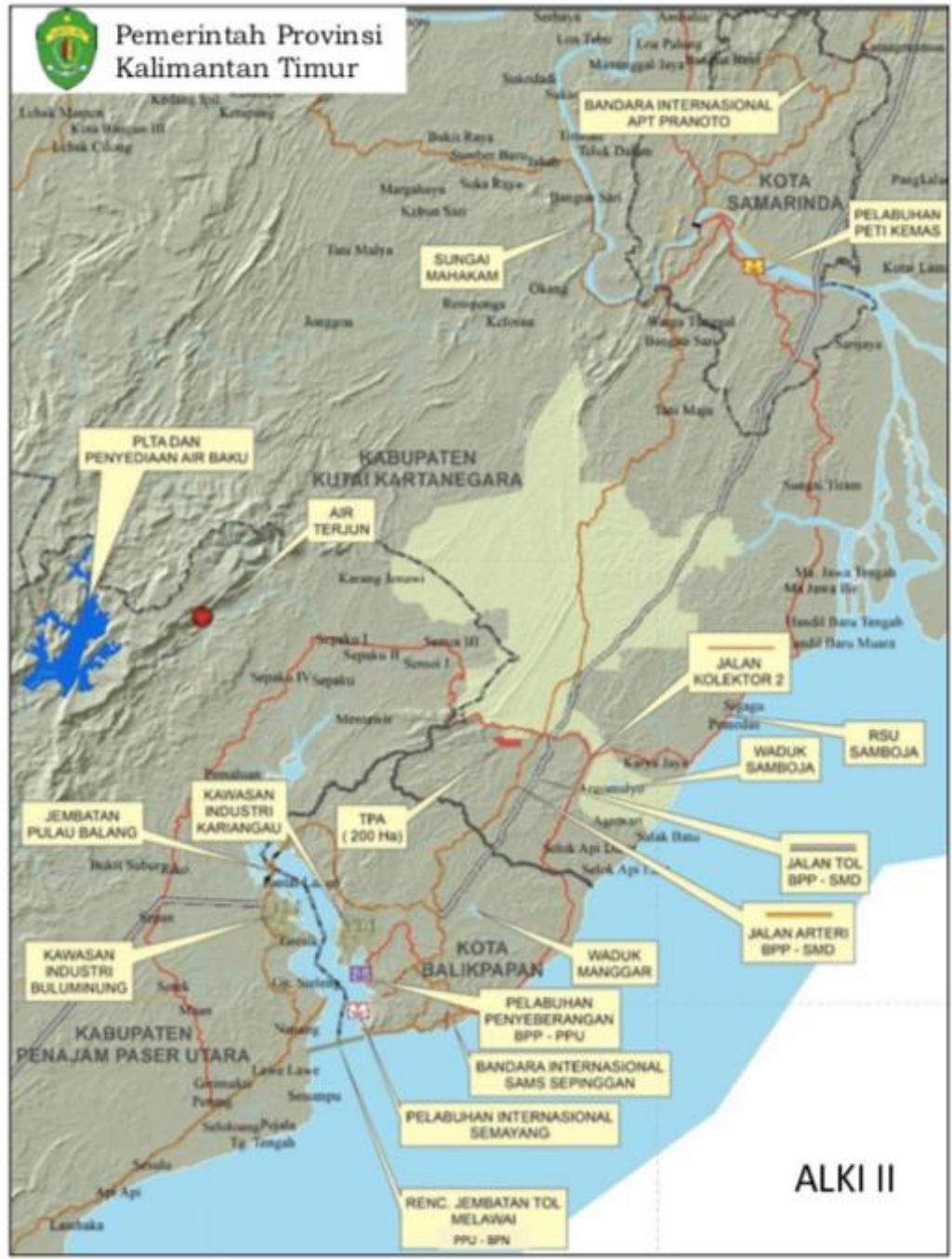
THE CAPITAL CITY TRANSFER PLAN AND READINESS OF THE EAST KALIMANTAN

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- The East Kalimantan People is VERY SUPPORTIVE for the Capital City transfer in East Kalimantan, as well as trying to minimize the Socio-cultural Conflict



- The people of East Kalimantan do NOT ask for special privileges from the central government for the appointment of East Kalimantan as the Capital City IKN. But still trying to work together to develop leading economic sectors in the region





THANK YOU

**EAST KALIMANTAN
PROVINCIAL GOVERNMENT**
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