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)

<table>
<thead>
<tr>
<th><strong>PDRB (Prices Apply)</strong></th>
<th><strong>Rp 638,12 T</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td><strong>3.721.389 inhabitans</strong></td>
</tr>
<tr>
<td><strong>Economic Growth</strong></td>
<td><strong>2,7%</strong></td>
</tr>
<tr>
<td><strong>IPM</strong></td>
<td><strong>75,12</strong></td>
</tr>
<tr>
<td><strong>Poverty</strong></td>
<td><strong>6,06%</strong></td>
</tr>
<tr>
<td><strong>Unemployment</strong></td>
<td><strong>6,6%</strong></td>
</tr>
<tr>
<td><strong>Inflation</strong></td>
<td><strong>3,24%</strong></td>
</tr>
</tbody>
</table>

*PDRB: Gross Region Domestic Product*

**Structure of Growth Contributors PDRB**

- **Yr 2018**
  - Pertambangan & Penggalian: 46,35%
  - Industri Pengolahan: 18,27%
  - Pertanian, Kehutanan dan Perikanan: 7,88%

- **Yr Q3 2019**
  - Pertambangan & Penggolahan: 45,14%
  - Industri Pengolahan: 18,01%
  - Pertanian, Kehutanan dan Perikanan: 7,83%

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

- East Kalimantan: 50,13%
- West Kalimantan: 16,61%
- Central Kalimantan: 11,43%
- South Kalimantan: 14,50%
- North Kalimantan: 7,33%

- **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
THE FUTURE ECONOMY OF EAST KALIMANTAN WITH THE ECONOMY TRANSFORMATION

Unsustainable Economic Development
Regional Income Reliance on Changes in Primary Commodity Prices

CURRENT CONDITIONS

RAW MATERIAL EXPORT
MINING 45.14%
AGRICULTURE 7.83%
PROCESSING INDUSTRY 18.01%
TRADE, HOSPITALITY, BEVERAGES 7.13%

OUTLOOK EXPECTATION (2030)

MINING 17%
AGRICULTURE 10%
PROCESSING INDUSTRY 42%
TRADE, ACCOMMODATION, FOOD AND DRINK 20%
TRADE, HOSPITALITY, BEVERAGES 17%

QUARTERLY III (2019)

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

By Building a Growth Center and Industrial Estates as A BACKBONE OF THE SUSTAINABLE EAST KALIMANTAN’S ECONOMY
INDUSTRIAL AREA OF MALOY BATUTA TRANS KALIMANTAN

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

- 1.030 meters of Causeway (finished)
- Administration Office
- 650 meters of Trestle CPO dock/terminal

ELECTRICAL POWER NECESSITY ESTIMATION

<table>
<thead>
<tr>
<th>ALOCATION</th>
<th>LAND AREA</th>
<th>ELECTRICAL POWER</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRIAL ZONE</td>
<td>290,22 Ha</td>
<td>44,4 MW</td>
</tr>
<tr>
<td>INFRASTRUCTURES</td>
<td>77,73 Ha</td>
<td>3,3 MW</td>
</tr>
<tr>
<td>GENERAL SERVICES FACILITY</td>
<td>15,00 Ha</td>
<td>0,63 MW</td>
</tr>
<tr>
<td>SUPPORTING FACILITIES</td>
<td>8,30 Ha</td>
<td>0,35 MW</td>
</tr>
<tr>
<td>TOTAL</td>
<td>391,25 Ha</td>
<td>48,68 MW</td>
</tr>
</tbody>
</table>

Source: DED KEK MALOY
*units changed in MW
INDUSTRIAL AREA OF KARIANGAU

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

ESTIMATED NEEDS OF ELECTRICAL POWER

<table>
<thead>
<tr>
<th>Needs</th>
<th>Electrical Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRY</td>
<td>380,9 MW</td>
</tr>
<tr>
<td>SETTLEMENT</td>
<td>27,9 MW</td>
</tr>
<tr>
<td>PUBLIC &amp; SOCIAL FACILITY</td>
<td>6,5 MW</td>
</tr>
<tr>
<td>STREET LIGHTS</td>
<td>41,4 MW</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>456,7 MW</strong></td>
</tr>
</tbody>
</table>

Source: REVIEW MASTERPLAN KARIANGAU

- 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.
UPGRADING KILANG MINYAK BALIKPAPAN
Refinery Development Master Plan (RDMP)

<table>
<thead>
<tr>
<th>Location</th>
<th>East Kalimantan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Value</td>
<td>Rp 185.2 Trillion</td>
</tr>
<tr>
<td>Funding Scheme</td>
<td>BUMN</td>
</tr>
<tr>
<td>Project PIC (Person in Charge)</td>
<td>PT Pertamina</td>
</tr>
<tr>
<td>Construction Target</td>
<td>2018</td>
</tr>
<tr>
<td>Operation Target</td>
<td>2021</td>
</tr>
<tr>
<td>Strategic Value</td>
<td>Increased production capacity from 260 thousand barrels/day to 360 thousand barrels/day</td>
</tr>
</tbody>
</table>

- 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

Source: Sekretariat Komite Percepatan Penyediaan Infrastruktur Prioritas (KPPiP), October 2018
INDUSTRIAL AREA OF BULUMINUNG

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

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

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Land Areas (Ha)</th>
<th>Electrical Power (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGRICULTURAL PROCESSING INDUSTRY ZONE</td>
<td>710</td>
<td>113,6</td>
</tr>
<tr>
<td>OIL AND GAS PROCESSING INDUSTRY ZONE</td>
<td>958</td>
<td>153,3</td>
</tr>
<tr>
<td>MINING PROCESSING INDUSTRY ZONE</td>
<td>861</td>
<td>137,8</td>
</tr>
<tr>
<td>TRANSPORT &amp; MACHINERY INDUSTRY ZONE</td>
<td>1060</td>
<td>169,6</td>
</tr>
<tr>
<td>FOREST PRODUCTS PROCESSING INDUSTRY ZONE</td>
<td>1118</td>
<td>178,9</td>
</tr>
<tr>
<td>SUPPORTING FACILITIES AREA</td>
<td>352</td>
<td>42,2</td>
</tr>
<tr>
<td>TOURISM AREA</td>
<td>9</td>
<td>1,1</td>
</tr>
<tr>
<td>PORT AREA</td>
<td>162</td>
<td>19,4</td>
</tr>
<tr>
<td>WAREHOUSE AREA</td>
<td>192</td>
<td>23,0</td>
</tr>
</tbody>
</table>

**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
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

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

Source: [https://id.wikipedia.org/wiki/Kaltim_Industrial_Estate](https://id.wikipedia.org/wiki/Kaltim_Industrial_Estate)
BONTANG’S OIL REFINERY DEVELOPMENT
(New Grass Root Refinery – NGRR) – Perpres 56 Tahun 2018 Tentang PSN

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.

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

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.

Source: Sekretariat Komite Percepatan Penyediaan Infrastruktur Prioritas (KPPIP), October 2018
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.

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.

Regional support for strategic projects of IKN support

Adjustments in Kaltim RPJMD Documents 2019-2023

Judicial review of regional spatial planning
THANK YOU

EAST KALIMANTAN
PROVINCIAL GOVERNMENT
Samarinda, Gadjah Mada 2nd Street
http://www.kaltimprov.go.id/