



BKPM Facilitates Cooperation between PT Pos Logistik Indonesia and Thai Investors

Jakarta, 14 October 2020 – The Indonesia Investment Coordinating Board (BKPM) facilitates the interest of investors from Thailand in the sugar industry and plantation business with an investment value of USD200 million and the salt industry with an investment value of USD120 million in Indonesia. The investment plan of the sugar industry will have a production capacity of 1.5 million MT per year. Meanwhile, the development of the salt industry has a production capacity of 2.2 million MT per year.

As a form of commitment to realizing their investment plans, several Thai investor-affiliated companies signed a Memorandum of Understanding (MoU) with PT Pos Logistik Indonesia to cooperate in logistic services for their products. The signing was witnessed by Deputy Chairman for Investment Supervision and Controlling of BKPM, Imam Soejoedi, and Special Staff to the Chairman of BKPM on Economic Affairs, Eka Sastra, at the BKPM Office Jakarta on October 12.

In his remarks, Imam Soejoedi expressed his appreciation for the cooperation plan which is a positive signal for the Indonesian economy amid the COVID-19 pandemic. According to Imam, the planned cooperation for the development of the sugar and salt industry is not only for strengthening the industrial sector but also for import substitution, to provide multiplier effects for the Indonesian government.

"This is a request from BKPM, please involve Micro, Small and Medium Enterprises (MSMEs) in the investment location areas, both as supply chains and suppliers, so that this investment seepage can be enjoyed in the regions. So that local companies also get benefit from this investment. The economy should be encouraged in the regions as well. At least 20% of supply chain activities are given to the regions, provided that local companies have the capability, capacity and equity," said Imam.

Optimizing the absorption of labor in investment locations is also very necessary. BKPM will coordinate with local governments in business locations, regarding the readiness of the number of local workers who can be absorbed by this investment.

On the same occasion, Special Staff to the Chairman of BKPM on Economic Affairs, Eka Sastra, explained that BKPM has to facilitate investment in Indonesia, both foreign and domestic investment. In this case, BKPM will invite the private sector and state-owned enterprises (BUMN) to collaborate so that more and more quality investment will come and the industrial sector can develop better.

"I conveyed a direction from the BKPM Chairman so that this investment plan does not stop at the MoU. But it can be carried out well, by maximizing the potential we have," said Eka.

Indonesia was chosen as the right location to build this industry because it is considered to have a strategic location to meet the domestic, ASEAN, and global market needs for sugar and salt. Companies can also take advantage of halal certification from Indonesia as a country with the largest Moslem population in the world to enter the Middle East market.

President Director of PT Dinamika Utama Jaya Group, Zaenal Aziz, explained that this collaboration was carried out with a long discussion. Zaenal expressed his hope to continue to get support from BKPM to realize this investment.

"There will be several supports that we need from BKPM. Hopefully, this investment will run smoothly and be a beneficial investment for the people of Indonesia. BKPM can monitor the development of this investment in the next 1-2 months because this is a development, so it's already in progress," explained Zaenal.

In line with what Zaenal Aziz said, Director of Operations and Overseas TMM PT Kingsford Art Queen Int, Yanvi Alex, expressed his gratitude for the support of BKPM. "In principle, I am ready as a courier. Let the industry run. Please be supported, administratively in the management," said Yanvi.

The signing of the MoU involved PT Pos Logistik Indonesia with six investment companies from Thailand, namely Dinamika Utama Jaya Group, Angkasa Jet Terminal Bandung, PT Kingsford Art Queen Int, PT Qiana Sugar Inathai, PT Indira Garam Inathai, PT Yanvira ASSET Inathai.

The sugar and salt industry from Thailand is known as one of the best in the world. Therefore, the presence of investors in the sugar and salt processing sector will strengthen Indonesia's position as part of the global supply chain. (*)

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