



Visiting Labor-Intensive Industry in West Java, BKPM Chairman Ensures there will be no Layoffs of Workers

Jakarta, 27 July 2020 – Indonesia Investment Coordinating Board (BKPM) Chairman, Bahlil Lahadalia, reviewed the operational activities of companies amid the COVID-19 pandemic on July, 21. There were two labor-intensive industrial companies he visited, namely PT Taekwang Industrial Indonesia (TKII) in Subang, West Java, and PT Asahimas Flat Glass Tbk in Karawang, West Java.

TKII is a footwear industry from South Korea. This company has been established in Indonesia since November 9, 2011, and has an investment of USD160 million. No wonder that TKII is currently able to produce around 2 million pairs of shoes per month, 100% of which are exported. Earnings from current shoe sales can reach USD350 million per year.

TKII employs 25,000 Indonesian workers, all of whom were still working during the COVID-19 pandemic. BKPM Chairman appreciated TKII for continuing to employ their employees during the COVID-19.

"Please keep on producing but still maintaining the health protocol. We have to ensure that our health is safe and our business continues. There must be no layoffs of workers. If the company is having trouble, let's talk to BKPM. We will find a solution. We will discuss with the Central and Regional Government as well as the Provincial and District One-Stop Service. The point is that there should be no layoffs," Bahlil stressed during his visit.

President Director of PT. Taekwang Industrial Indonesia, Lee Young Suk, expressed his appreciation for this visit and thanked the support of BKPM, West Java Provincial Government, and Subang Regency Government for the convenience of the business activities provided.

"TKII has a strategy. Despite the difficult times with changing working days and hours, none of our employees were laid off. Thanks to our business management which always prioritizes going forward together with the surrounding community," Lee Young Suk stated.

TKII has a factory area of more than 44 hectares, but only 27 hectares have been built. TKII predicts that by 2025, the investment will increase by USD 100 million.

"At present, our production is 2 million pairs of shoes per month, we will add to 4 million pairs of shoes per month. So we plan to create a good workplace for employees which will amount to 40,000 people," added Lee.

On the same day, Bahlil continued his agenda towards the PT Asahimas Flat Glass Tbk (Asahimas) factory in Karawang, West Java. This Japanese company has long been known as the world's leading glass manufacturer and able to meet the supply of 43% of the national glass needs.

Asahimas said that they had significantly increased the installed production capacity of 630,000 tons for flat glass, 5,800,000 square meters for safety glass, and 2,400,000 square meters for mirrors. This capacity demonstrates Asahimas' existence as the largest glass producer in Indonesia and Southeast Asia.

"The direction of the President in the COVID-19 era, BKPM not only serves new investment but also existing and expansion investments. Therefore, the purpose of BKPM here is to follow up on obstacles in the process of expanding Asahimas investment," Bahlil said.

Bahlil also appreciated Asahimas' consistency to keep being productive amid the COVID-19 pandemic. Ongoing investment activities like this will help Indonesia in the National Economic Recovery (Pemulihan Ekonomi Nasional/PEN).

"We appreciate the support and services of BKPM that are getting better and more responsive. We hope that the Government continues to support Asahimas as a longtime player in glass producers and in the process of expanding this business," said Vice President Director of PT Asahimas Flat Glass Tbk, Emanuel David Satria Soetedja.

Asahimas is listed in the OSS (Online Single Submission) licensing system which has an investment of Rp3.7 trillion (around USD254 million) and has employed 3,000 domestic workers. (*)

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