

# ALUMINIUM EXTRUSSION INDUSTRY

## KUALA TANJUNG INDUSTRIAL ESTATE

### BATU BARA REGENCY - NORTH SUMATRA PROVINCE

# WHY INVEST ?

### MARKET OPPORTUNITIES

#### DOMESTIC MARKET OPPORTUNITIES OF ALUMINIUM EXTRUSSION



"There is considerable market opportunity for the aluminium extrusion industry"

**MARKET SIZE ALUMINIUM EXTRUSSION**  
**500 thousand tons**  
(25% of Total Aluminium Market)



#### RAW MATERIAL SUPPLY

PT Indonesia Asahan Aluminium **25,000 tons/year**  
Aluminium Billet

PT Indonesia Aluminium Alloy **50,000 tons/year**  
Secondary Aluminium Billet

### PROJECT DESCRIPTION

- INDUSTRY TYPE**  
Non-Ferrous Metal Extrusion Industry  
KBLI : 24204
- INVESTMENT VALUE**  
Investment for Aluminium Extrusion Industry worth **Rp 3.86 triliun**
- PRODUCT OUTPUT**  
Aluminium extrusion for construction purpose
- INDUSTRIAL ESTATE DEVELOPER**  
**PT Prima Pengembangan Kawasan**  
Graha Pelindo I Lantai 6B  
Jl. Lingkar Pelabuhan No. 1,  
Belawan II, Medan City  
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- PRODUCTION CAPACITY**  
Aluminum extrusion output capacity  
**35,640 tons/year**

**LOCATIONS READY TO OFFER PHASE 1**  
11 Ha (clean and clear) from 55.65 Ha  
Phase 1 (COD tahun 2022)  
Land Rental Price : **Rp 150,000/m<sup>2</sup>**

**LOCATION**  
District Sei Suka, Limapuluh, Medangberas, and Air Putih, Batu Bara Regency North Sumatra Province



### ACCESSIBILITY



### GOVERNMENT SUPPORT

**TAX INCENTIVES PPH**  
**Tax Holiday**  
Minister of Finance Regulation No. 130/PMK.010/2020 and Regulation of the Minister of Investment No.7/2020

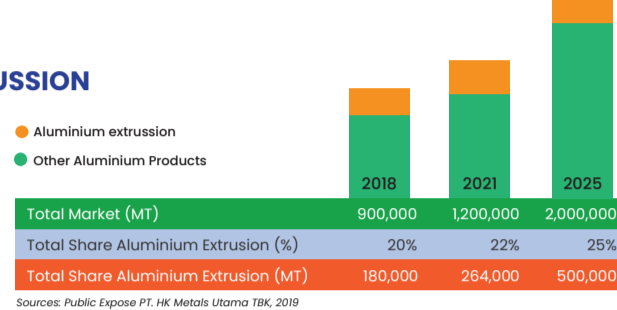
**CUSTOMS TAX**  
Minister of Finance Regulation No. 176/2019 Jo as amendment No. 188/2015

**SUPER DEDUCTION TAX**  
Incentive to reduce net income tax by 30% for industry players who conduct apprenticeships/trainings for Indonesian workers and/or research in the country.  
(Minister of Finance Regulation No 128/2019 and No. 153/2020)

**FURTHER DEVELOPMENT**  
The commitment of the government in developing the Kuala Tanjung Industrial Estate by compiling the Detailed Spatial Plan (RDTR) for the Kuala Tanjung Industrial Estate and its surroundings.

**EASE OF LICENSING**  
There is an acceleration in the issuance of permits in industrial areas in preparation and operational activities for further improve the investment ecosystem and business activities through risk-based Online Single Submission (OSS).  
(Ministry of Investment Regulation No. 4/2021)

### DOMESTIC MARKET OF ALUMINIUM



### FOCUS MARKET

- Construction
- Property Developer
- Creative Engineering
- Iron and Wood Substitution
- Automotive
- MSME

### MARKET SHARE

40 Percent Global | 60 Percent Domestic

### Block Plan



### FINANCIAL FEASIBILITY

- WEIGHTED AVERAGE COST OF CAPITAL (WACC)**: 8.40%
- INTERNAL RATE OF RETURN (IRR)**: 11.99%
- NET PRESENT VALUE (NPV)**: **RP 236.19 BILLIONS**
- PAYBACK PERIOD**: **9 YEARS 1 MONTH**

### WORKFORCES

**MANPOWER NEED DURING CONSTRUCTION**: 2,804 labors

**MANPOWER NEED DURING OPERATION**: 312 labors

Batu Bara Regency Minimum Wages (UMK)  
In 2021 is **IDR 3.19 millions**

### INFRASTRUCTURE SUPPORT

- RAW WATER SOURCES**  
Raw water sources from the Sei Padang and Sei Tanjung rivers of 148 m<sup>3</sup>/s, which are 3 km and 4 km respectively from the development site for phase 1, the water demand is 64 m<sup>3</sup>/month.
- ELECTRICITY**  
The 275 kV Very High Voltage Power Lines that has been built and the existence of a 150 kV substation to manage the load, which is sourced from the Asahan 2 x 90 MW hydropower plant and the Asahan III hydropower plant with a capacity of 174 MW. The electricity demand is 1,704.45 MWH per month.
- TELECOMMUNICATION**  
There are networks in the form of Fiber Optic and BTS (Base Transceiver Station).
- WASTEWATER**  
Regional WWTP development plan
- GAS PIPE**  
The need is 8,554 MMBTu per month, which can be met through the installed gas distribution pipeline network with a capacity of 6 million MMSCFD inside the Kuala Tanjung Industrial Estate. The highest gas price is US\$ 10.
- JETTY**  
60 X 500 m: 2.85 meters Trestle with depth - 17 LWS (Low Water Spring).