

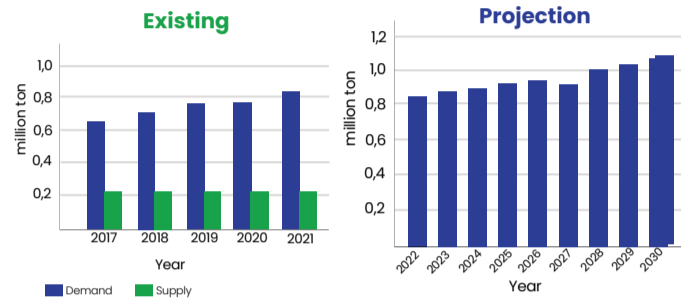
# COAL BASED MONO-ETHYLENE GLYCOL (MEG) INDUSTRY

TANJUNG ENIM INDUSTRIAL ESTATE  
MUARA ENIM REGENCY - SOUTH SUMATRA PROVINCE

## WHY INVEST?

### MARKET OPPORTUNITY

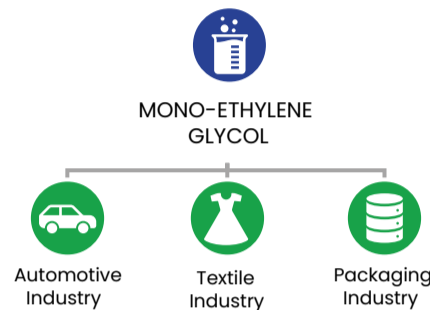
#### Supply & Demand MEG (Domestic)



The supply of MEG products in Indonesia from 2017 to 2021 did not increase, which was 216,000 tons/year. Meanwhile, domestic demand increases 1-2% every year, where in 2020 it will reach 758,000 tons/year. Meanwhile, the number of MEG production targets in the Tanjung Enim Industrial Estate is planned at 750,000 tons/year or reaching 300% of the total national production this year.

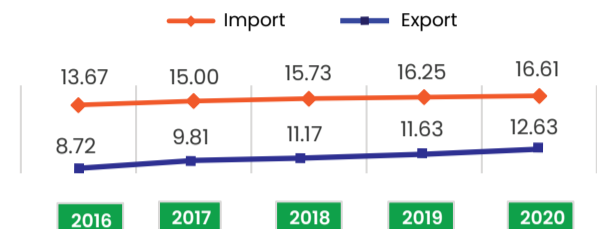
With an increase of 1-2% every year, the demand for MEG products in 2030 will reach more than 1 million tons every year. There are several large-scale textile companies that use MEG raw materials, such as PT MC Pet Film Indonesia, PT Polychem Indonesia, Tbk, PT Indorama Synthetics, Tbk

#### DERIVATIVE INDUSTRY OPPORTUNITIES



MEG industry is very interesting because it plays an important role in the derivatives of the automotive industry, textile industry and packaging industry. The derivatives of the three industries increase by looking at the development of population growth in Indonesia

#### Export and Import MEG (Global)



Source: ITC Trademap

The trend number of MEG imports on the global market has increased until 2020. In 2020 it reached 16.61 million MEG tons. In the global market, the country with the largest number of imports is China.

### PROJECT PROFILE

**INDUSTRY TYPE**  
OTHER COAL-BASED  
CHEMICAL INDUSTRY

**KBLI : 20117**

**INDUSTRIAL ESTATE DEVELOPER**

**PT BUKIT ASAM, Tbk**

**CONTACT**

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**INVESTMENT VALUE**

**IDR 19.51 trillions**

**LOCATION**

Muara Enim Regency,  
South Sumatra Province

**PRODUCTION CAPACITY**

**750,000 tons/year**

### RAW MATERIALS SUPPLY

**Volume of Raw Materials Available**

5.05 million tons Coal resources potential

2.7 million tons Coal reserves

**Raw Material Prices**

Coal price set by the Ministry of Energy and Mineral resources with PT Bukit Asam is **USD 34**

**MEG Selling Price**

**USD 780/ton**

Debt to equity: 60% Domestic: 40% Global  
Total MEG Production: 750,000 Tons/Year

### ACCESSIBILITY



#### ROAD

Sumatra Causeway (Existing)

The Palembang-Lampung-Tarahan Port Toll along 119.86 km (Existing)

Indralaya-Muara Enim Toll Road along 366.3 km

#### SEAPORT

Port of Kertapati

(165 km from Tanjung Enim Industrial Estate) Existing

Port of Tarahan

(338 km from Tanjung Enim Industrial Estate) Existing

#### RAILWAY

Trace KITE - Kertapati Station

Status : railway (164 km)

Trace KITE - Tarahan Locomotive Depot (409 km)

Status : railway (409 km)

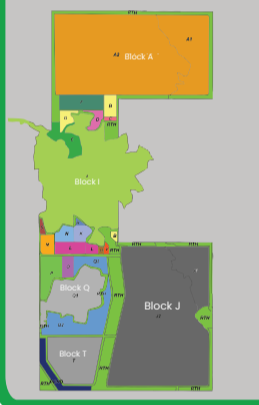
#### AIRPORT

The existence of Sultan Mahmud International

Airport Badaruddin II

(218 km from Tanjung Enim Industrial Estate)

### Block Plan



#### LOCATION OFFERED: BLOCK A

- Block Area: **155.4 Ha**
- MEG Industrial Area: **100 Ha**
- Land Rental Area: **Rp 750,000/m<sup>2</sup>**

### FINANCIAL FEASIBILITY

<b>1</b>	<b>WEIGHTED AVERAGE COST OF CAPITAL (WACC)</b>	<b>9,96%</b>
<b>2</b>	<b>INTERNAL RATE OF RETURN (IRR)</b>	<b>10,2 %</b>
<b>3</b>	<b>NET PRESENT VALUE (NPV)</b>	<b>IDR 557,57 BILLION</b>
<b>4</b>	<b>PAYBACK PERIOD</b>	<b>12 YEARS 5 MONTH</b>



### LABOR NEEDS

**1,000 Employee** During Operation

The amount of Regency Minimum Wages (UMK) of Muara Enim in 2020 IDR 3,144,446



### INFRASTRUCTURE



#### Raw Water Source (COD 2024)

Sources raw water comes from the Enim River, water production discharge capacity 56,1 m<sup>3</sup>/detik and industrial raw water needs of **1.01 m<sup>3</sup>/second**



#### Electricity (COD 2022)

Capacity of 2 x 630 MW or 2 x 5.52 million kWh/year and electricity demand for MEG industry is **142.4 thousand kWh/years**



#### Wastewater (COD 2024)

The plan for the development of the Regional IPAL in the North Block with a **capacity of 1.000 m<sup>3</sup>/day** will flow into the Enim River



#### Gas Pipe

The production gas requirement for MEG is generated from the engine used



#### Telecommunication

There are **2** networks in the form of Fiber Optic and Base Transmission Station (BTS)

### GOVERNMENT SUPPORT

#### A. FISCAL INCENTIVES

##### Tax Holiday (TH)

MOF Regulation No. 130/PMK.010/2020 and BKPM Regulation No.7/2020

##### Tax Allowance (TA)

MOF Regulation No. 96/PMK.010/2020 and BKPM Regulation No.5/2020

##### Tax Royalty

The imposition of royalty tax of **0%** on business actors who increase the added value of coal

##### Import Duty Exemption

Regulation of the Minister of Finance of the Republik of Indonesia No. 105/PMK.010/2016

#### B. NON-FISCAL INCENTIVES

##### Other Incentives

- Human Resources Improvement Through the provision of school facilities
- Acceleration of accessibility network development by the central government
- Distribution network support through the road network, rail and pipeline network

#### Ease Of Licensing

The regional government and the central government will oversee the process of facilitating the licensing process until the licensing documents are issued

**Business Licensing process on OSS System**

**KBLI : 20117** Other Coal-Based Chemical Industry

Large Scale Business : **High Risk**

Business Licensing

**Business Identification Number (NIB) + Licensing**