

FATTY ACID INDUSTRY

KALTIM INDUSTRIAL ESTATE

BONTANG CITY, EAST KALIMANTAN PROVINCE

WHY INVEST ?

MARKET OPPORTUNITY

Fatty acid as a raw material for

Soap, detergent, intermediate, plastic, rubber, paper, lubricant, coating, personal care, food and feed, wax, etc.

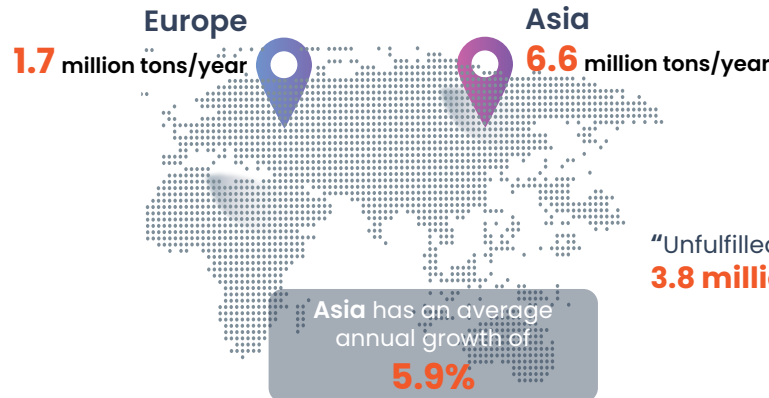
The **global demand** for these products is growing at an average rate of **7% per year**.

The by-products of fatty acid, fatty alcohol, and biodiesel in the form of **glycerin** have high economic value.

MARKET CONDITION

The potential for developing CPO processing into **fatty acid** are very diverse with the largest market share is C18 (**stearic, oleic, linoleic**) by **54.5%**

DEMAND

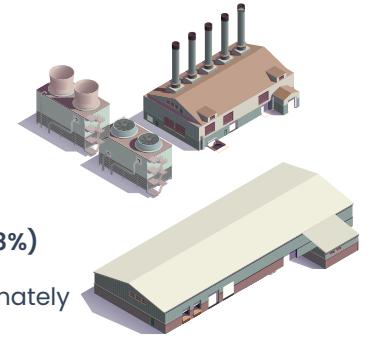


The world's **consumption** of fatty acids continues to increase at a rate of about **7% per year**

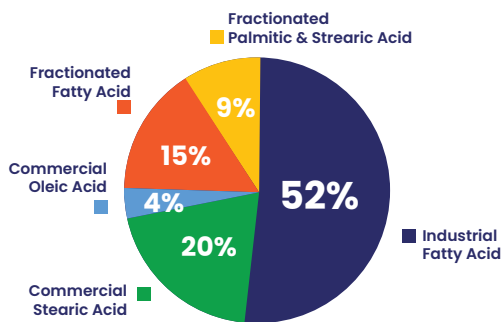
SUPPLY

Indonesia
21 producing company
Production
4.55 million metric tons
Export
2.22 million metric tons (58%)

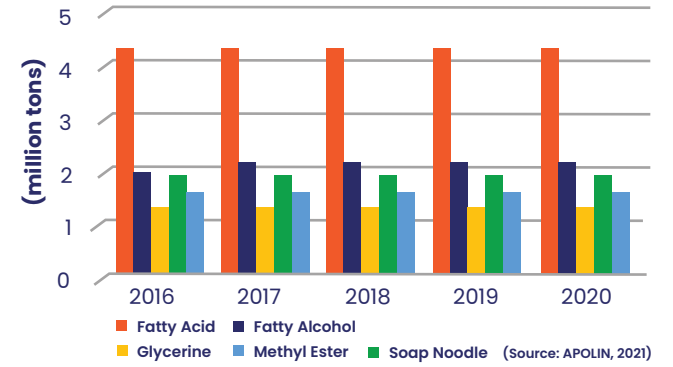
"Unfulfilled market opportunities approximately **3.8 million tons**"



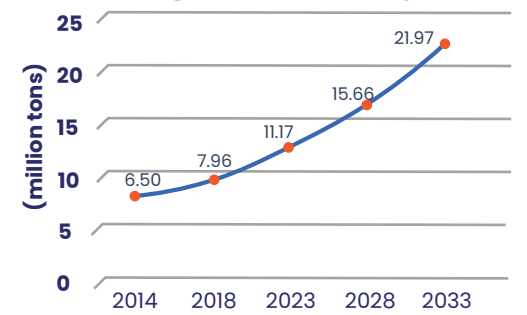
Fatty Acid Market Based On Usage Purpose 2015-2017



Oleochemical Production Capacity in Indonesia



Global Fatty Acid Demand Projection



PROJECT PROFILE

TYPE OF INDUSTRY
Indonesia Standard Industrial Classification (KBLI): 20115
Organic Basic Chemical Industry
Sourced from Agricultural Products

PRODUCTION CAPACITY
91.2 thousand tons/year

LOCATION
Kaltim Industrial Estate

OFFERED BLOCK
Site 2
Area 48.9 ha
Rental price **US\$ 16.5/m²/year**
(Site 1, 2 and 3 are available for investor)

INVESTMENT VALUE
IDR 3.77 trillion

INFRASTRUCTURE

ELECTRICITY

- Capacity : **80 MW**
- Needs : **8-10 MW**

US\$ 0.14/kWh

NITROGEN

- Capacity : **500 Nm³/hour**
- Needs : **50 Nm³/hour**

US\$ 0.35/Nm³

WASTE WATER TREATMENT

- Capacity : **3,000 m³/month**
- Needs : **300 m³/month**

0-50 ppm **US\$ 1/m³**
51-300 ppm **US\$ 2.4/m³**
301-500 ppm **US\$ 13.4/m³**
501-2,000 ppm **US\$ 28.4/m³**

CLEAN WATER

- Capacity : **550 m³/hour**
- Needs : **52.3 m³/hour**

Potable Water **US\$ 1.65/m³**
Raw Water (SWRO) **US\$ 2/m³**
Demin Water **US\$ 4.2/m³**

TELECOMMUNICATION NETWORK

Telephone
Wireless
Telecommunication Network

Data
BTS (two towers) near KIE

STEAM

US\$ 21/ton



RAW MATERIAL SOURCES
CPO production in East Kalimantan **3.8 million tons**
PT Kalimantan Agro Nusantara
CPO: **45,000 tons/year**

Docks Within The Area

- Liquid Cargo Dock **55,000 DWT**
- Bulk Dock **20,000 DWT**
- Barge Dock **14,000 DWT**
- Ammonia Dock **35,000 DWT**
- Methanol Dock **35,000 DWT**
- Dry Bulk Dock **20,000 DWT**
- Container Dock **20,000 DWT**
- Jetty for Construction **2,000 - 7,000 DWT**

WORKFORCE

Operational Period **300 people**

Minimum Wage of Bontang City (2021)

IDR 3,182,706

GOVERNMENT SUPPORT

FISCAL INCENTIVES

Tax Allowance
Government Regulation No. 78/2019, MOF Regulation No. 96/PMK.010/2020, BKPM Regulation No. 5/2020

Super Tax Deduction
MOF Regulation No. 153/PMK.010/2020 and No. 128/PMK.010/2019

Import Duty Exemption
MOF Regulation No. 176/PMK.011/2009 jo. No. 188/PMK.010/2015

NON-FISCAL INCENTIVES

Ease of Licensing
Ease of business licensing through the OSS-RBA

Support of Palm Oil Downstream Industry
Regional Regulation of East Kalimantan Province No. 7 of 2018 concerning Sustainable Plantation Development

The National Vital Object in Industry Sector
Decree of the Minister of Industry No. 466/M-IND/Kep/8/2014

OTHER GOVERNMENT POLICIES

CPO Export Levy Tariff

MOF Regulation No. 57/PMK.05/2020 jo No. 76/PMK.05/2021

BUSINESS LICENSING PROCESS ON OSS-RBA SYSTEM

Large Scale Business : **High Risk**
Business Licensing : **NIB + Permit**
Guideline can be downloaded at: <http://oss.go.id/panduan>

*NIB: Business Identification Number