



REPUBLIC OF INDONESIA
MINISTRY OF NATIONAL DEVELOPMENT PLANNING/
NATIONAL DEVELOPMENT PLANNING AGENCY

PUBLIC PRIVATE PARTNERSHIP

INFRASTRUCTURE PROJECTS PLAN IN INDONESIA

2022

Bintuni Industrial Zone

Location : West Papua

Sector : Zone



Government Contracting Agency:
Minister of Industry

Type of PPP:
Solicited

Return of Investment:
Availability Payment

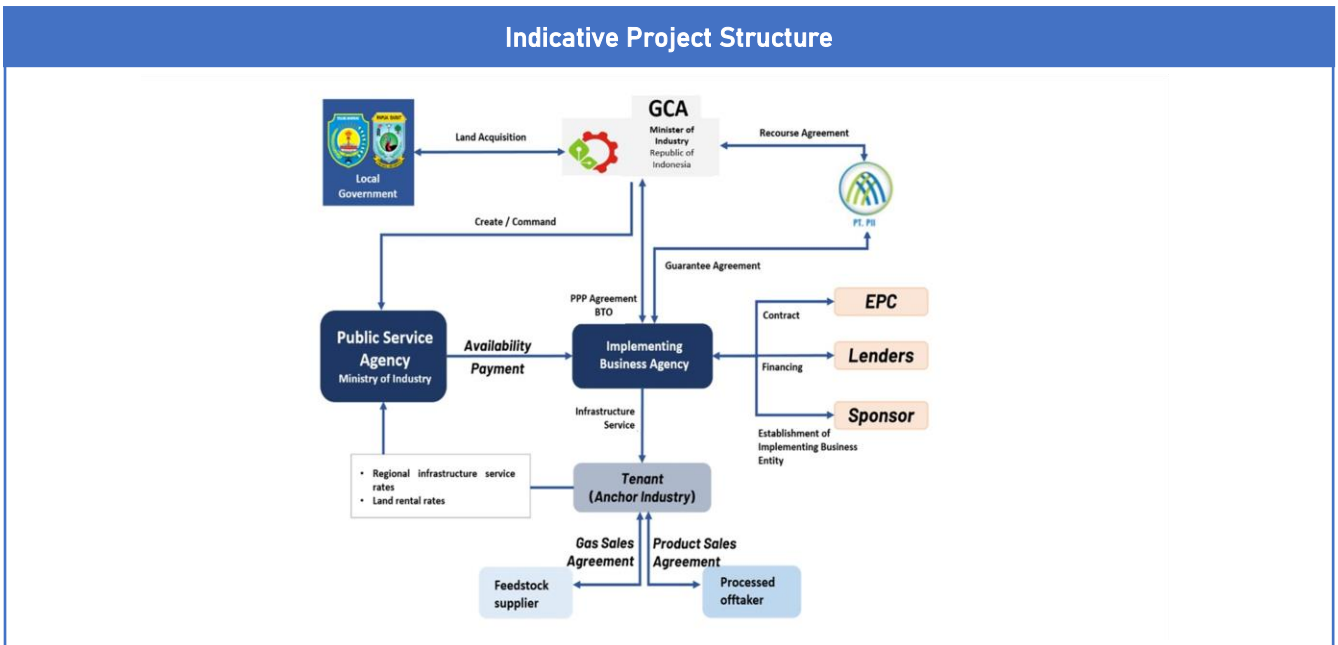
Sub-Sector : Industrial Estate

Description:
Bintuni Industrial Zone is a National Strategic Project according to Presidential Regulation No. 109 Year 2020. This Industrial Estate consists of some natural gas plant processing to methanol, polyethylene, and polypropylene.

Estimated Project Cost: USD 458.96 Million

Financial Feasibility:
IRR : 10.17%
NPV : USD 13.43 Million

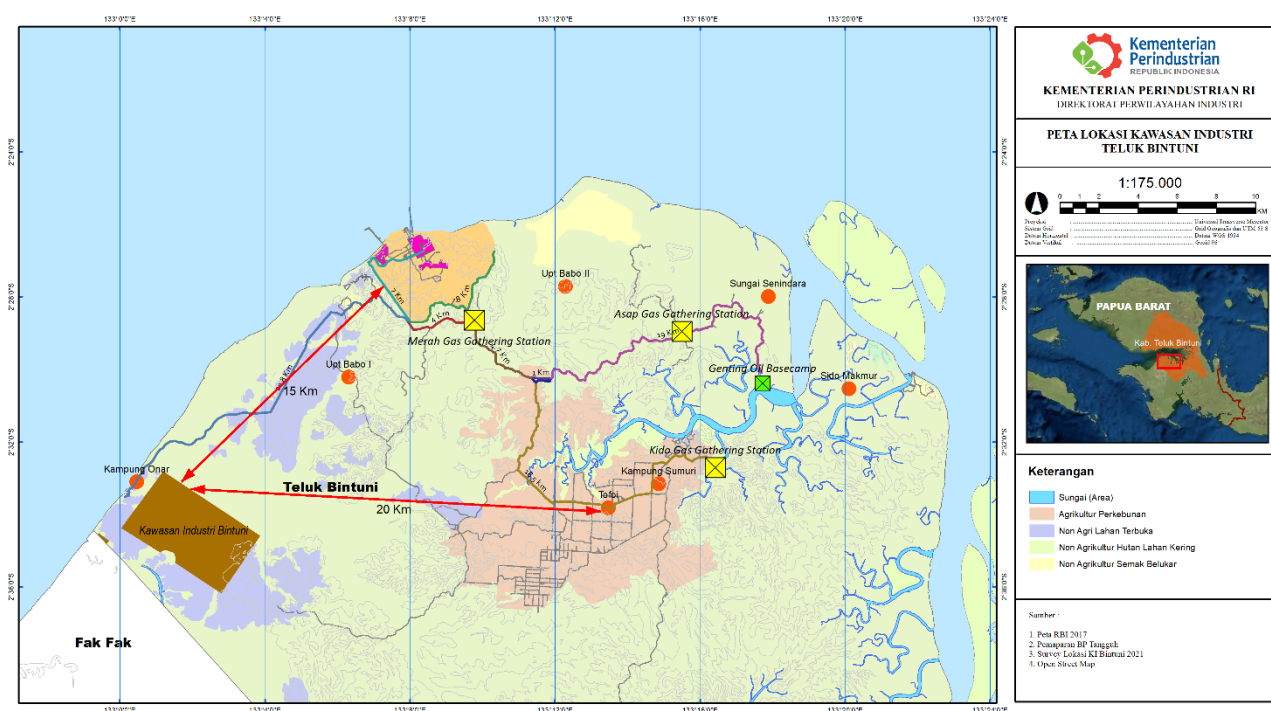
Estimated Concession Period: 23 years



Project Digest

Project Title	Bintuni Industrial Zone
Government Contracting Agency	General Secretary, Ministry of Industry
Implementing Agency	Directorate General of Industrial Resilience, Regional Industry and International Access
Preparation Agency	PT Sarana Multi Infrastruktur (PDF assignment by the Ministry of Finance)
Project Cost	USD 458.96 Million
Estimated Concession Period	23 Years (including 3 years EPC period)
Location	Teluk Bintuni Regency, West Papua

1. Project Picture (Map and/or Illustration of Project)



Picture 1 – Map of Bintuni Industrial Zone

2. The Opportunity

2.1. Project Background

Teluk Bintuni Regency has an abundance of natural resources especially oil and gas resources. Oil and Gas resources there have been exploited by various companies both national and inter-national and generate a large amount of revenue to the government of Indonesia.

Most of the resources here are exported in the form of natural gas or oil without further processing. This practice while still economically viable and profitable, can be improved if there is a processing plant nearby, creating an added-value product that can increase

revenue for Indonesia. Therefore, it is necessary to have an industrial zone dedicated to processing the natural resources in Teluk Bintuni Regency, so that the economic aspect of natural gas processing remains efficient and creates a new economic growth node in the eastern side of Indonesia.

2.2. Project Description

The first phase of industrial zone development will be focused on the methanol plant that is designated to be an anchor tenant in the industrial zone. Methanol plant will process natural gas supplied from BP Tangguh refinery nearby and then be exported or used by other tenants in the industrial zone.

BP Tangguh has indicated to supply up to 90 mmscfd of natural gas in the first phase up to 2035. This plan is added with potential to supply another 90 mmscfd of natural gas in when another tenant has arrived, and methanol demand increases.

Methanol plant is expected to churn out about 900 mtpa of methanol in its first phase of development. In the future, the industrial zone will be designated as a center for the petrochemical industry in Indonesia.

The construction of Teluk Bintuni Industrial Zone is planned to use PPP scheme with a return on investment of the business entity through Availability Payment, and is offered to a business entity that has the potential to build and operate all facilities, and transfer the asset at the end of the term of cooperation.

2.3. Project Objectives

- To develop an industrial zone in West Papua province to process natural gas
- To find an anchor tenant for methanol plant.

3. Business Entity's Scope of Work

Scope of work for the business entity is D – B – M – T (Design - Build – Maintenance – Transfer). While the Operation scheme will be run by special purpose vehicle created by the Government.

4. Technical Specification

As Teluk Bintuni Industrial Zone will be designated as petrochemical industry center in Indonesia, the various petrochemical industry will be encouraged to build their plant there. So, there is a need to cater to their need regarding natural gas supply and land area.

In the year 2027 when the industrial zone comes to operational, it is predicted that there will be only the methanol plant which needs a supply of 90 mmscfd natural gas with the land requirement of 50 ha. In the second phase, it is expected the industrial zone will add another methanol plant in conjunction with other petrochemical plants (PE) which will require an additional 90 mmscfd natural gas and up to 200 ha of land in total.

In the final phase of development, another petrochemical plant will be added that required another 200 mmscfd of natural gas and approximately and there would be about 2112 ha of land available for future development.

Teluk Bintuni regency is also famous for its palm oil and its potential coal reserves which could be utilized as raw material for various industries. Hence the development for future petrochemical complex is widely open and sustainable.

5. Environmental Impact Assessment (EIA/AMDAL) Findings

Environmental Impact Assessment report is being prepared.

6. Land Acquisition and Resettlement Action Plan

Land acquisition for 50 ha of Teluk Bintuni Industrial Zone is being carried out by the Teluk Bintuni Regency Government.

7. Project Cost Structure

Estimated Project Cost		USD 458.96 Million
Indicative Debt to Equity Ratio		
- Debt Level		70%
- Equity Level		30%
IRR		10.17%
NPV		USD 13.43 Million

8. Government Support and Guarantee

Government support and guarantee will be determined in the Final Business Case.

9. Contact Information

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