



Investment Opportunities in the New Economic Center in ASEAN Region



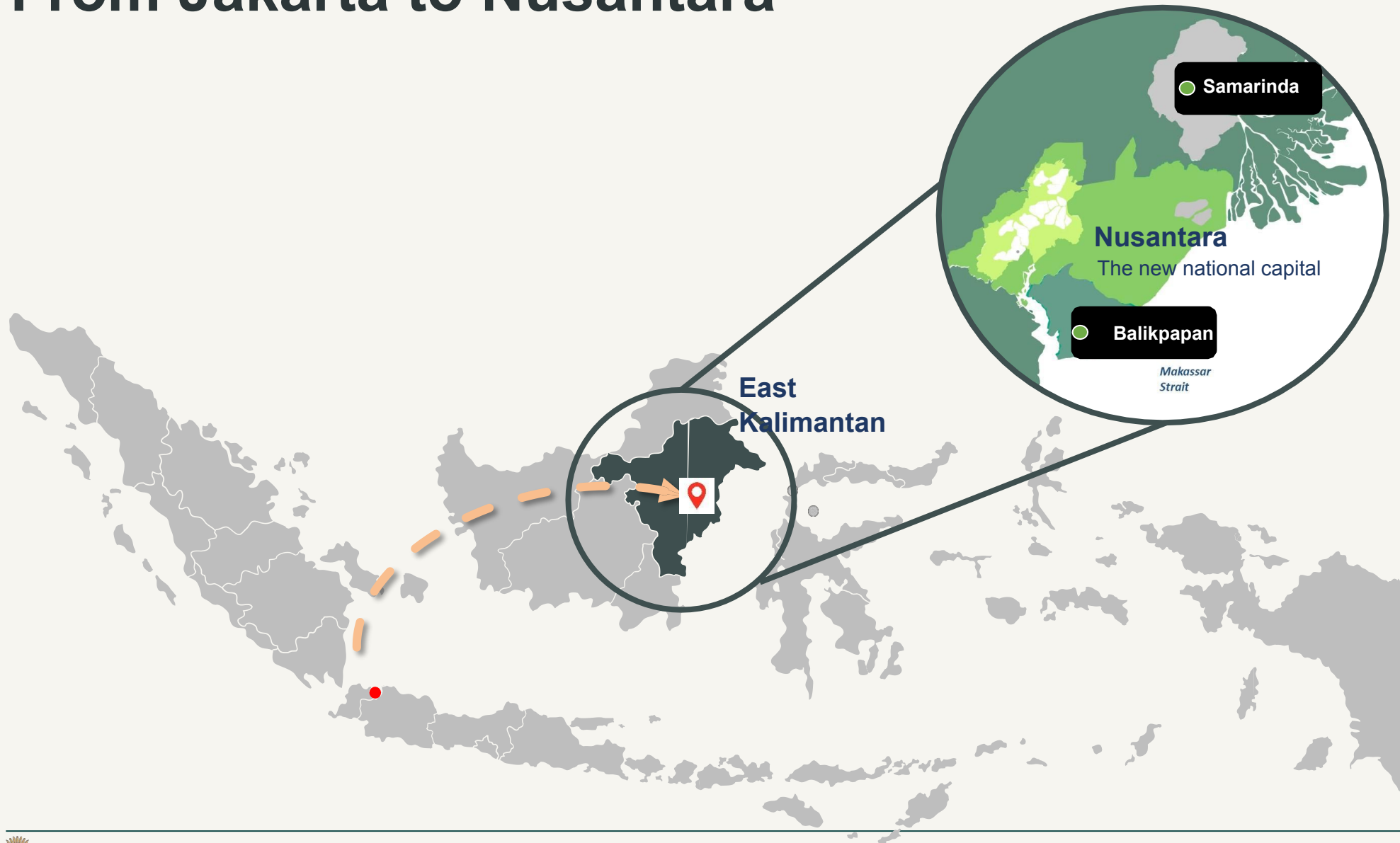
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Vice President REI for Foreign Affairs
President FIABCI Asia Pacific
Advisory Council Member of KADIN Indonesia



NUSANTARA

From Jakarta to Nusantara





NUSANTARA
Capital City of Indonesia

Borneo for Nusantara

Tri-City Economy for Three-Countries Connectivity

Nusantara as Indonesia's
economic superhub



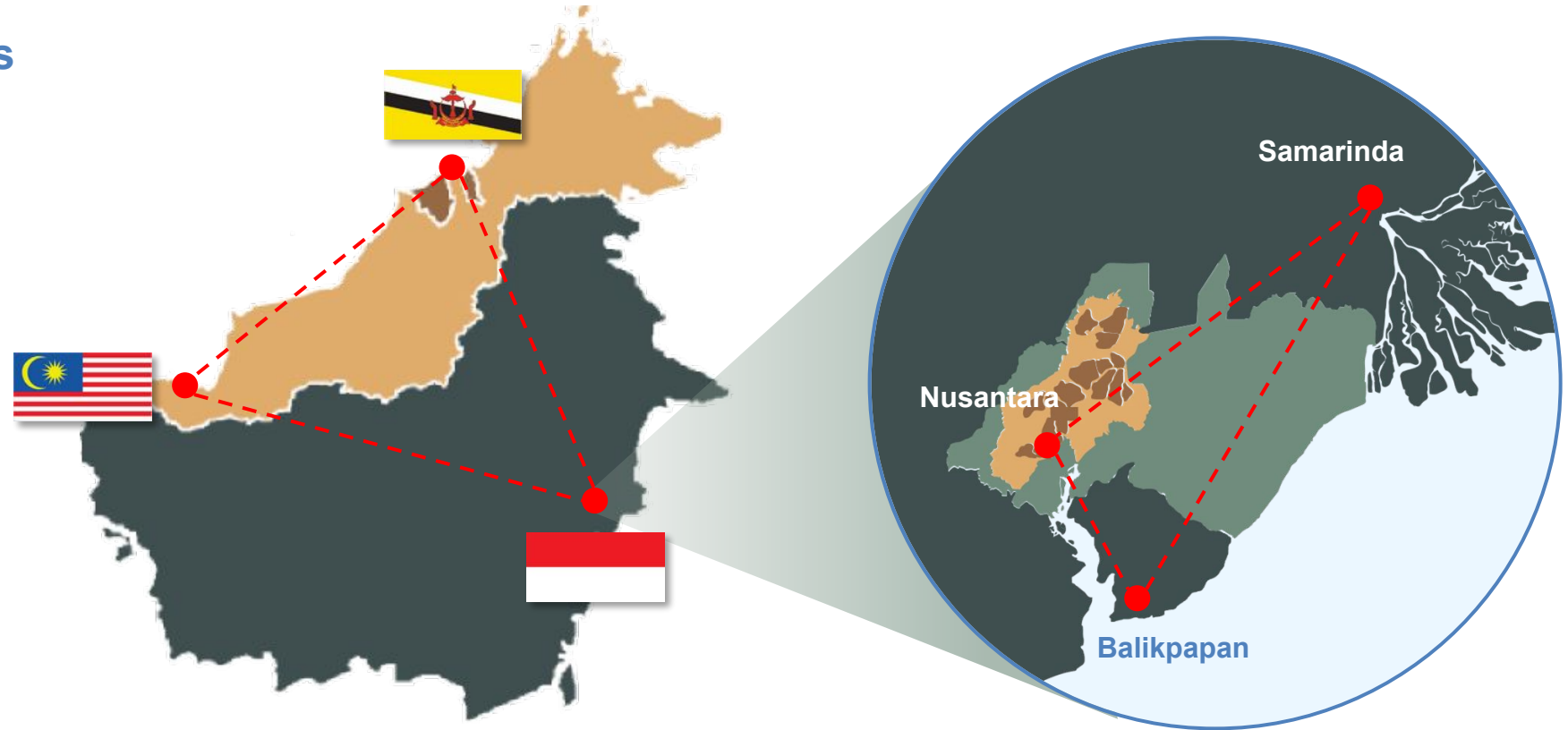
Locally
Integrated



Regionally
Connected



Globally
Inspired



Backboned by **Tri-City Economy** (Samarinda-Nusantara-Balikpapan), Nusantara will be the catalyst of Borneo's **Three-Countries Connectivity** (Indonesia-Malaysia-Brunei)

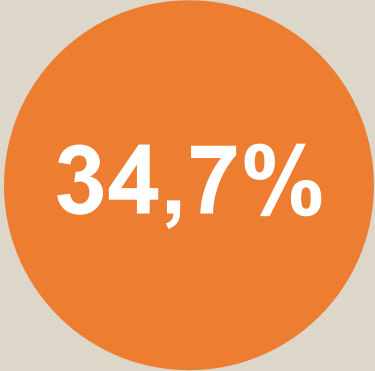
Regional Economic Cooperation:

BIMP-EAGA

BIMP-EAGA's economy in 2022 grew by 7.7%

The four countries want to generate balanced and inclusive growth as well as contribute to regional economic integration in the ASEAN Economic Community. Through boosting:

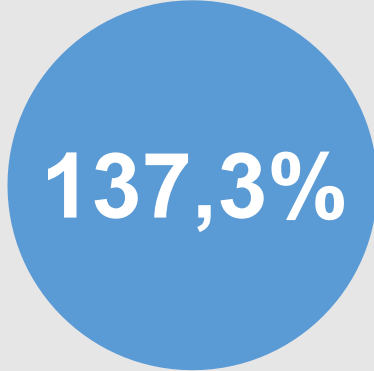
Trade



34,7%

Total trade in goods last year increased by 34.7% to \$198.7 billion, comprising exports and imports.

Tourism



137,3%

Tourism is on track to full recovery with arrivals increasing by 137.3% to 114.8 million in 2022 from 48.4 million in 2021.

Investment



66%

Foreign direct investment went up by 46.7% to \$19.9 billion and domestic investment by 19.3% to \$ 8.7 billion.

Regional Economic Cooperation: BEC



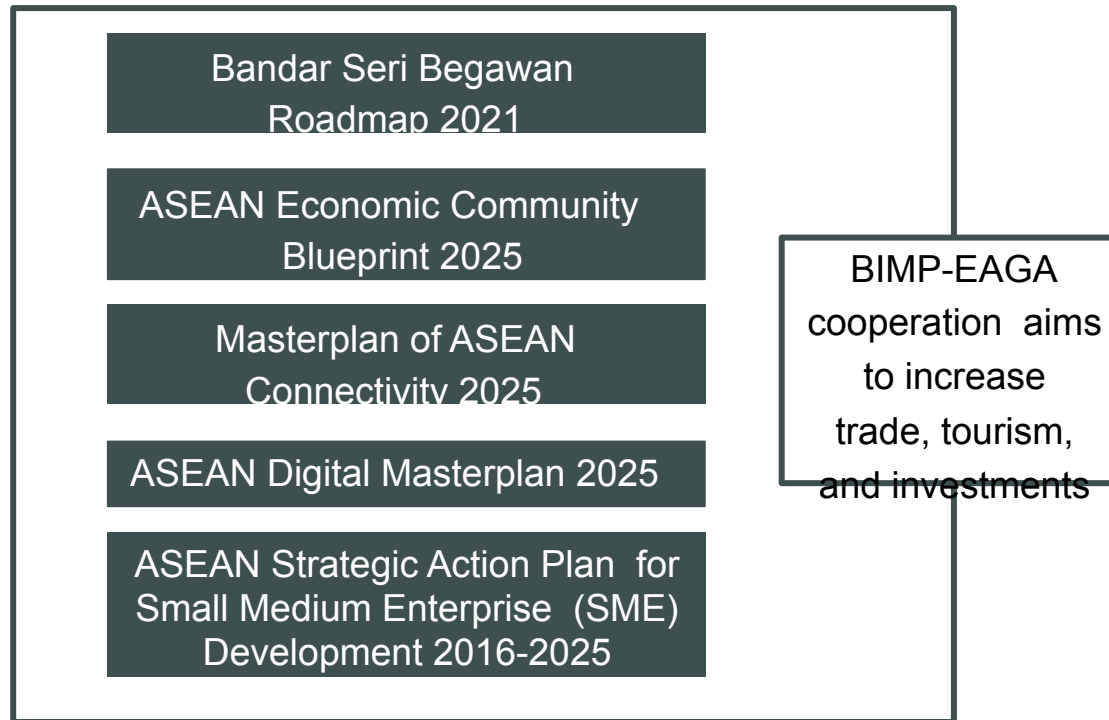
The Borneo Business Roundtable reached an agreement called the Borneo Economic Community (BEC).

On 5 September 2023, it was agreed that a formal and non-legally binding agreement is to be established for the collaboration of Borneo stakeholders, **on coherent and aligned purpose of shaping the island as a dynamic epicenter of Green Economy in ASEAN, built on shared sustainable development goals for people, planet and prosperity.**

Regional Economic Cooperation: BEC

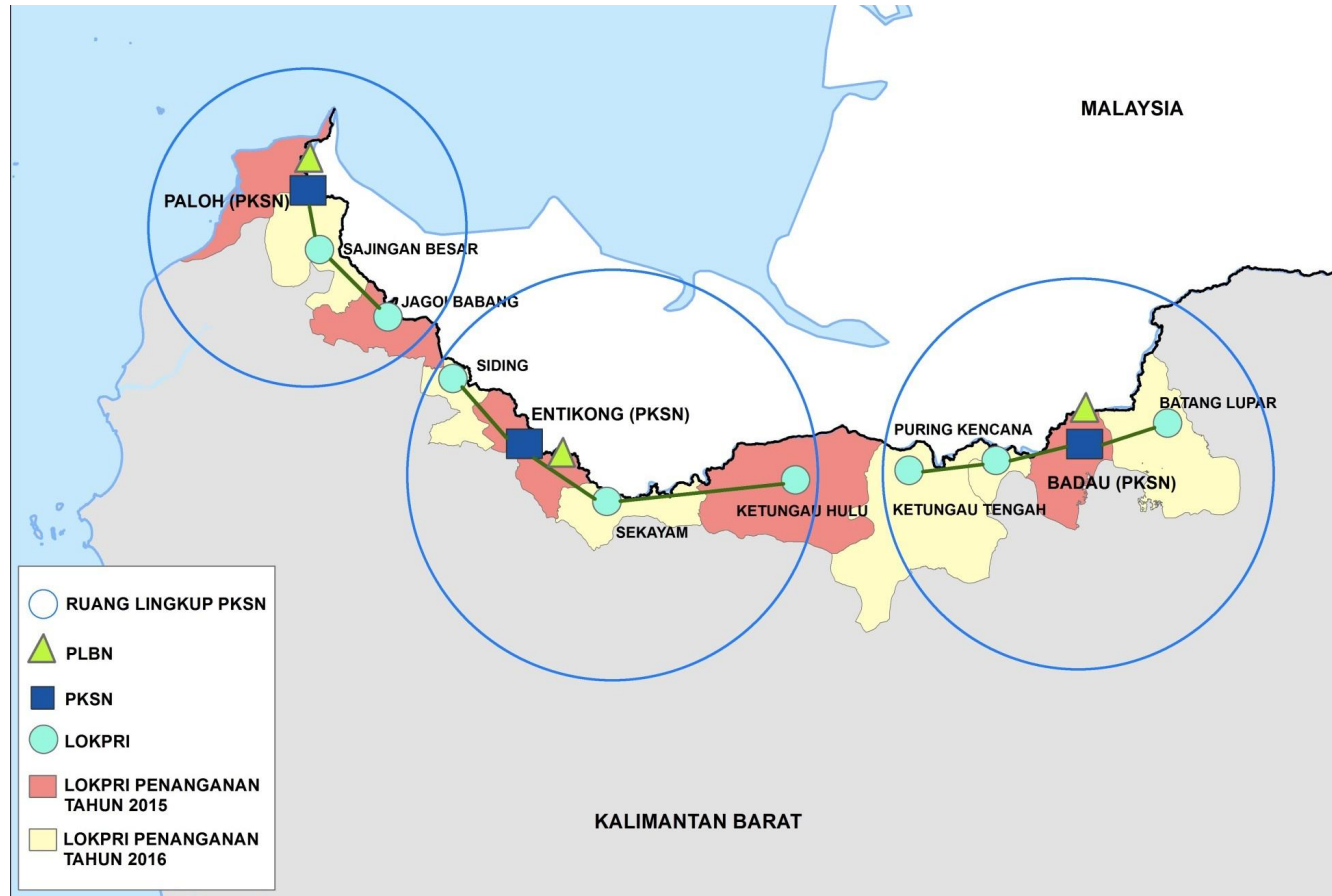
BEC is envisioned to serve as the inclusive and sustainability-focused business impact group for Bornean businesses as well as professionals in emerging disciplines, including those in the gig, creator and remote work

On a sub-regional level, BEC aligns with and implements ASEAN and Brunei Darussalam-Indonesia- Malaysia- Philippines East ASEAN Growth Area (BIMP-EAGA) priorities:



BEC seeks to ensure the continuity of ASEAN Indonesia Year 2023 priorities, aligned with the sustainable development strategy of each territory in Borneo including opportunities created by the building of Nusantara as Indonesia's new capital city on the island. (SOC for BEC, 2023)

Investment Opportunities: Economic Generators Development



Prospective development of Free Trade Zones, around the Entikong Border with over 500 ha

ASEAN CONTRIBUTIONS

ASEAN countries have actively support to tract investment in Nusantara...

Key ASEAN contribution highlights



Formal **Malaysian government support** of pioneering the submission of 11 Lols to Nusantara Capital Authority

(Feb 2023)



Singaporean Embassy arranged **site visit to Nusantara Capital City** for 100+ Singaporean businessmen

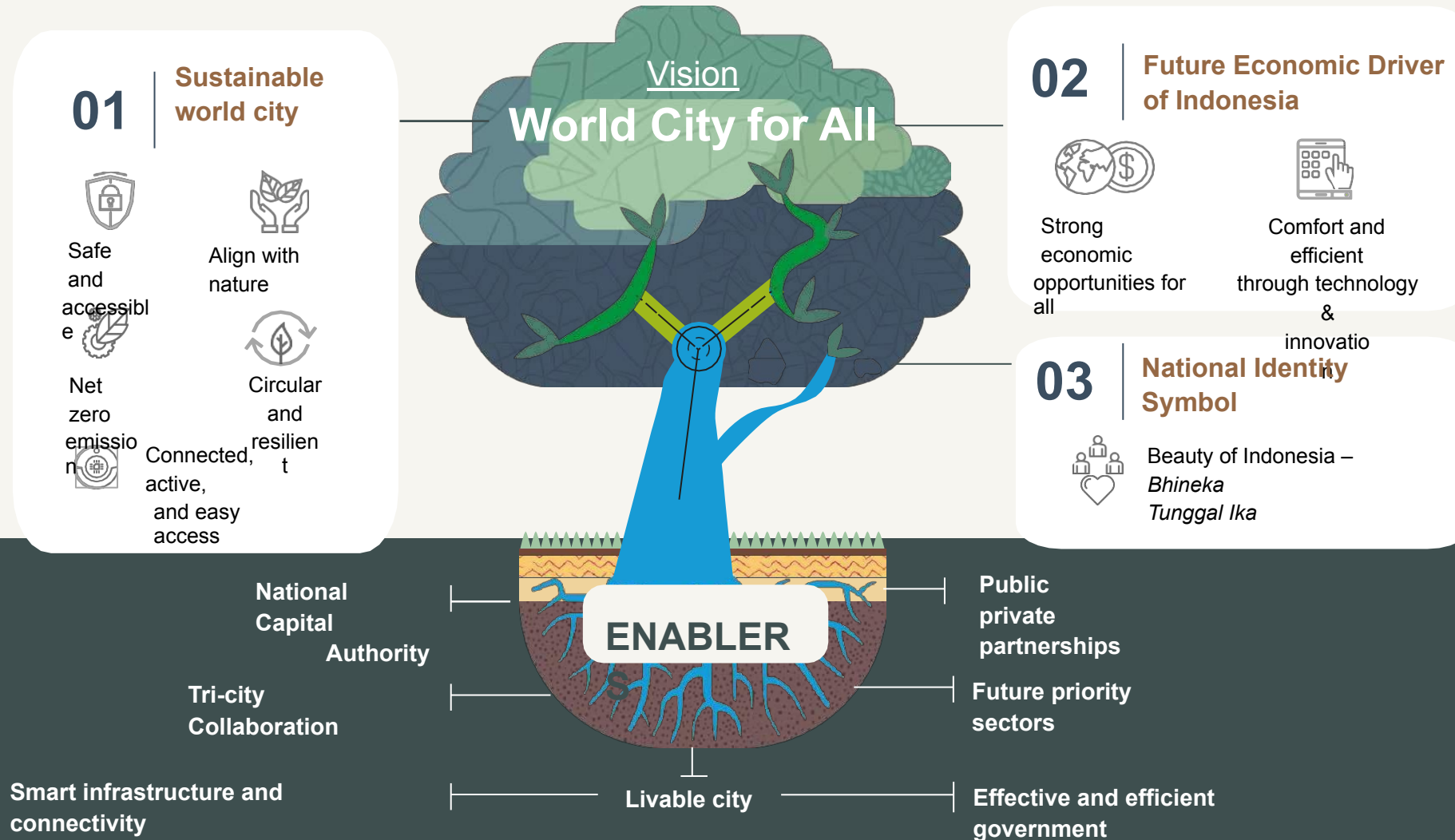
(May 2023)



Opportunity to showcase Nusantara's investment opportunities at **Temasek's Ecosperity** in Singapore

(Jun 2023)

IKN is aiming to be the World City for All – become **sustainable city** and be the **epicentrum of economic growth** for Indonesia



Nusantara's Development Principles

Green



Smart



Inclusive



Resilient



Sustainable



Nusantara: Sustainable Forest City

Indonesia's Contribution to Global Climate Agenda

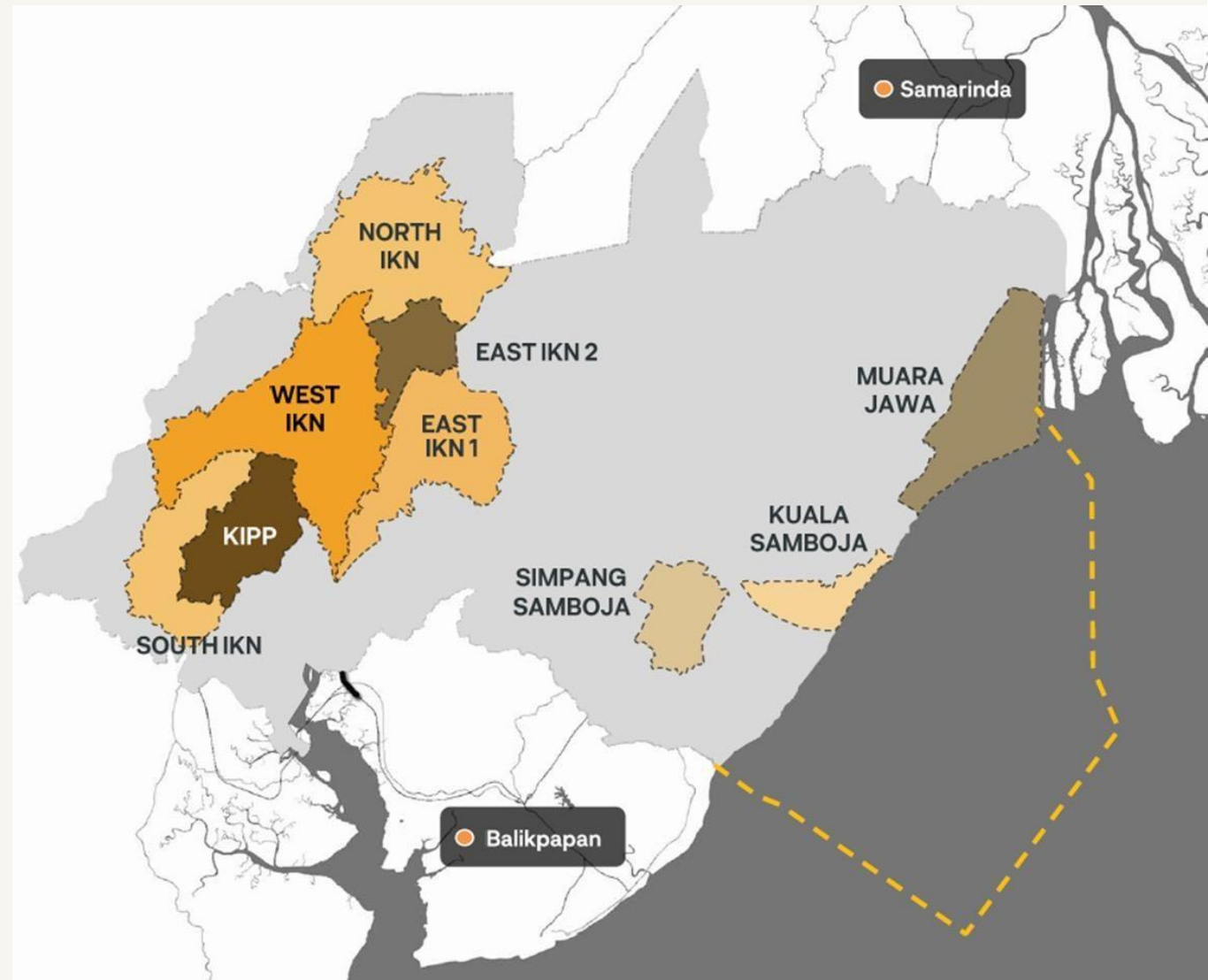


Turning production forest into tropical forest, preserving it as a carbon sink,
and controlling the built-up area to minimize emission

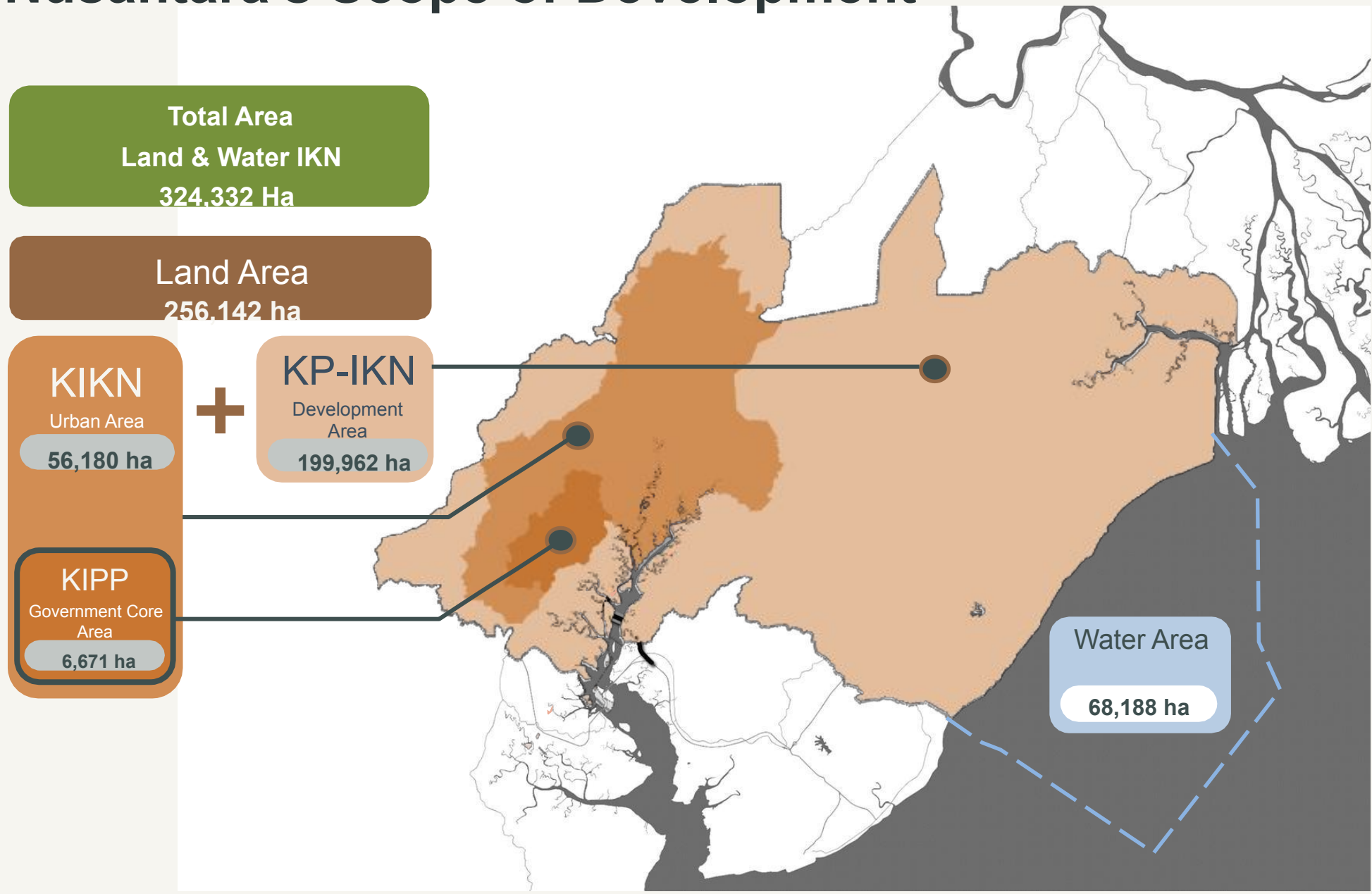
Goal: Carbon-neutral city by 2045

Development Areas | Nusantara's 9 Economic Generators

- 1 **Core Government Area**
KIPP – 6,671Ha
- 2 **Economic and Financial Center**
West IKN – 17,206 Ha
- 3 **Renew able Energy Area**
South IKN – 6,753 Ha
- 4 **Tourism and Leisure**
East IKN 1– 9,761Ha
- 5 **Education Services**
North IKN – 12,067 Ha
- 6 **Innovation and Research**
East IKN 2 – 3,720 Ha
- 7 **Agro- commodities, Trade & Logistics**
Simpang Samboja – 2,986 Ha
- 8 **Agriculture Industry**
Kuala Samboja – 4,299 Ha
- 9 **Fisheries and Agricultural**
Muara Jawa – 9,084 Ha



Nusantara's Scope of Development



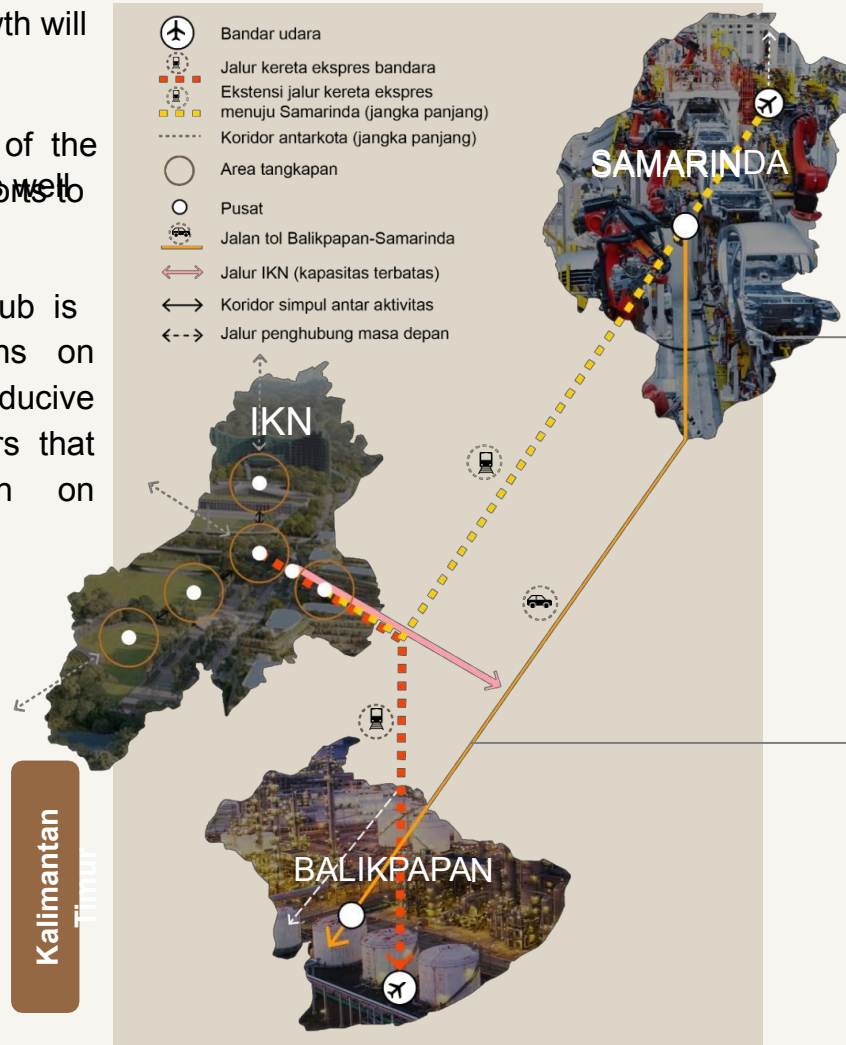
Tri-city economy: Future Economic Superhub of Indonesia

A more inclusive and equitable economic growth will be leveraged by the development of IKN as an economic superhub, which will be an integral part of efforts to transform the economy in the Capital City of the Archipelago and East Kalimantan Province as well as Partner Regions on Kalimantan Island. The presence of the IKN economic superhub is expected to provide benefits to Partner Regions on Kalimantan Island in the form of conducive ecosystem development and economic clusters that will become new sources of growth on Kalimantan Island.

Three Cities cooperation strategy

Upstream Agriculture and Nature Tourism Center

- Development of nature tourism and wellness tourism
- Development of upstream agricultural production connected with the downstream agri-industrial sector



Samarinda

Historical center of East Kalimantan with a rejuvenated energy sector

- The administrative center for East Kalimantan
- New manufacturing base for renewable energy
- New manufacturing base for renewable energy

IKN

Government core and green innovation center

- Government and community service center
- Government core and green innovation center

for the region

- Government and community service
- Innovation center and talent center
- Clean and high-tech industry

Balikpapan

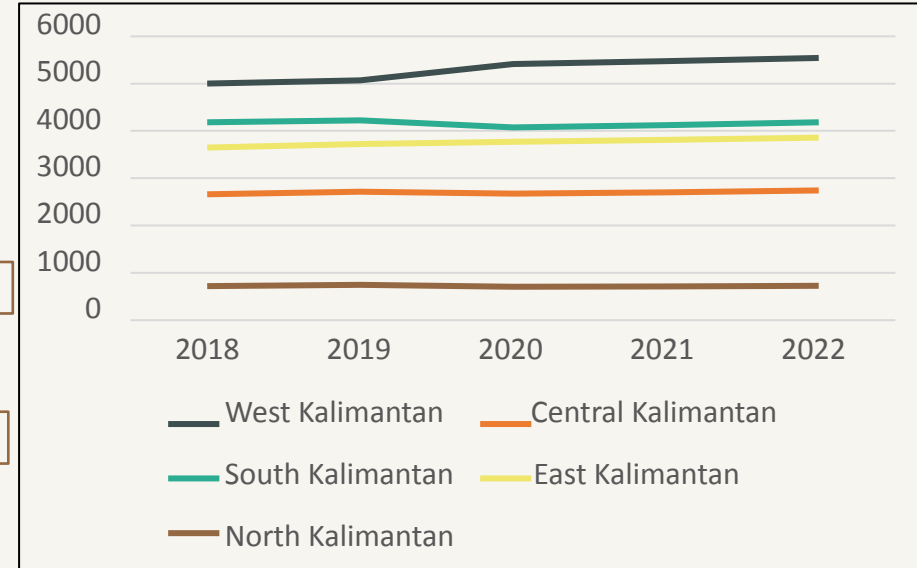
Oil and gas and logistics downstream node for East Kalimantan

- Downstream processing of oil & gas industry into gas & petrochemicals
- The main seaport for the province and region

Existing Population Condition



Population growth in Kalimantan

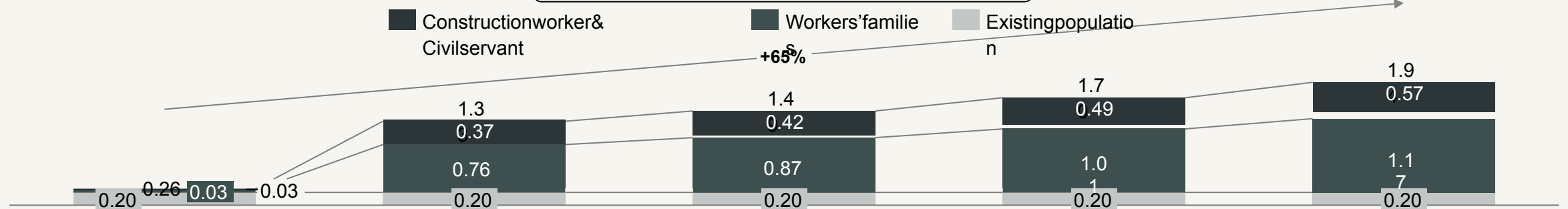


Population growth in East Kalimantan has shown a **significant increase** in the last five years. Based on data from BPS East Kalimantan, the total population in East Kalimantan in 2020 was around 4.08 million people, with a growth rate of **1.93%** from 2019[2]. The projected population growth after the existence of IKN in Kalimantan Island will increase which is **in line with the increasing need** for basic and supporting utilities, one of which is access to **education**.



IKN is expected to have **~0.3 Mn population by 2024**, and continuously grow by **41% growth rate until 2045**

Projected IKN population (Mn people)



2022-2024

24
For the initial population, the fundamental infrastructure (drinking water supply infrastructure, electricity, ICT, waste management, and waste water) is complete and functioning.
Construction of major facilities (such as the Presidential Palace, offices, and residences) at KIPP Transfer of early stages of ASN (including TNI and Polri)
Priority economic sectors are being developed.

2025-2029

Both primary and secondary public transit options available
Expansion of housing zones for civil servants, military personnel, and police officers, as well as central government offices.
The relocation of civil servants is likely to be completed soon
Research and talent development, as well as exceptional colleges.
Basic infrastructure construction & maintenance will keep going

2030-2034

34
Integrated utilities construction and access railway to Balikpapan-KIPP Airport
Military/police personnel are still being transferred.
Industrial estate and other industry development in the superhub economic cluster
Enhancing smart cities, digital hubs, and education for the twenty-first century
Increasing the economic cluster's investment and ability to produce

2035-2039

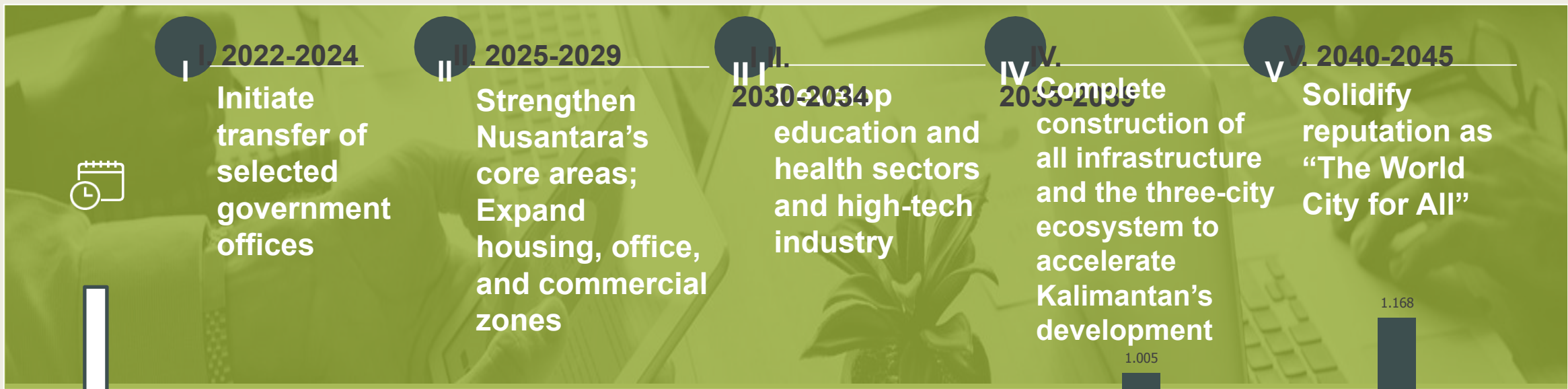
39
Rapid improvements in education & health care are the economic sector's driving force
Increasing the competitiveness of educational and research institutions and strengthening the community's socio-cultural resilience
Increase in basic infrastructural capacity in response to population growth
Building capacity and diversifying economic clusters as well as enabling infra., in neighboring cities

2040-2045

Development of road-based mass public transit from trains in IKN and neighboring cities
Enhancing integrated infrastructure and utilities
IKN is seeing stable population growth
Achieve net zero emissions and 100% renewable energy
Industrial development is considered ongoing
To be the most competitive city in the world

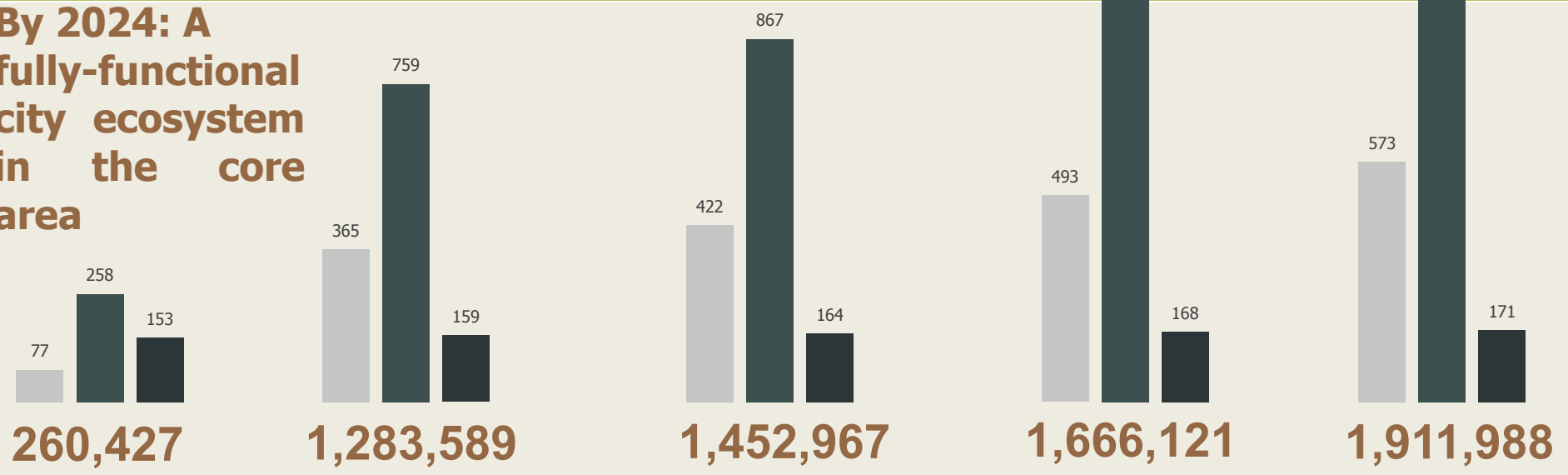


Nusantara's Development Phases



By 2024: A fully-functional city ecosystem in the core area

Construction Workers
Dependent
Population Population
in
Nusantara





NUSANTARA

Ibu Kota Negara
Indonesia

Nusantara Development Progress & Investment Potential

**APRIL
2025**

As of April

2025

Achievement Summary - Three key achievements in the first phase of IKN development

1

Development progress for phase 1 main physical infrastructure has reached 97%



- Garuda Palace
- State Palace
- Ceremonial Court
- Ceremony Plaza
- 4 Coordinating Ministry Offices
- 12 ASN Residence Towers
- Memorial Park, Visitor Center, as well as West and East Side Sumbu Kembangan Roads

2

Total investments and partnerships achieved



- Total private investment reached ~3.90 Bn USD¹ (as of Batch 7 of the Land Allocation Cooperation Agreement Signing)
- Investments for Groundbreaking Phase 9 will be implemented as soon as possible
- 545 Letter of Intent have been submitted by global investors



3

Development of supporting infrastructure and ecosystem connectivity



- Connectivity supported by 27 km toll roads for IKN accessibility
- Development of Bendungan Sepaku Semoi to fulfill IKN basic water needs
- Two urban bus services have been developed with a 15-minute headway for the KIPP area
- Telecommunications: 24.5km fiber optic installed (out of a total of 29.5 km planned in KIPP 1A)

Source: Investa Nusantara – Retail Investment Opportunities in Nusantara

1. Rp62,43 Trillion; 1 USD ≈ 16,000 IDR (please note this fluctuates slightly)

Foreign Investment Through Direct Investment (Already Groundbreaking) and PPP (In Process)

Foreign Investment in the Direct Investment Process

Foreign Investment


DELONIX

1 PT Delonix Bravo Investment


Hotels, Apartments, Offices, Shopping Malls

Luas ~2.42 Ha | KIPP 1B
Est. Investment Value IDR 500 Rn
Development Plan: 2026


MAGNUM

2 PT Magnum Investment Nusantara


Residential & Commercial

Area ~1,32 Ha | KIPP 1B
Est. Investment Value Rp 800 Bn
Development Plan: 2025

6 Foreign companies have cooperated as domestic investor partners



1 PT Anugerah Inti Karya


Mayapada Hospital Nusantara
Operator: Apollo Hospitals


2 Putra Alam Consortium Hotel


Nusantara Operator: Swissotel



3 PT PLN (Persero) - NSSE


Solar PV 50 MW
Joint Venture - Sembcorp Utilities Pte. Ltd.



4 Pertamina – PatraJasa & Bakrie Group


Nusantara Sustainability Hub (Research Center) Partner: Stanford Doerr School of Sustainability



5 PT Hotel Papua Internasional


4-star Hotel
Operator: Swiss-belhotel



6 PT Pakuwon Nusantara Abadi


Hotel & Apartment
Operator: Marriott

Foreign Investment in the PPP Process



> **RP 21.4 Tn**

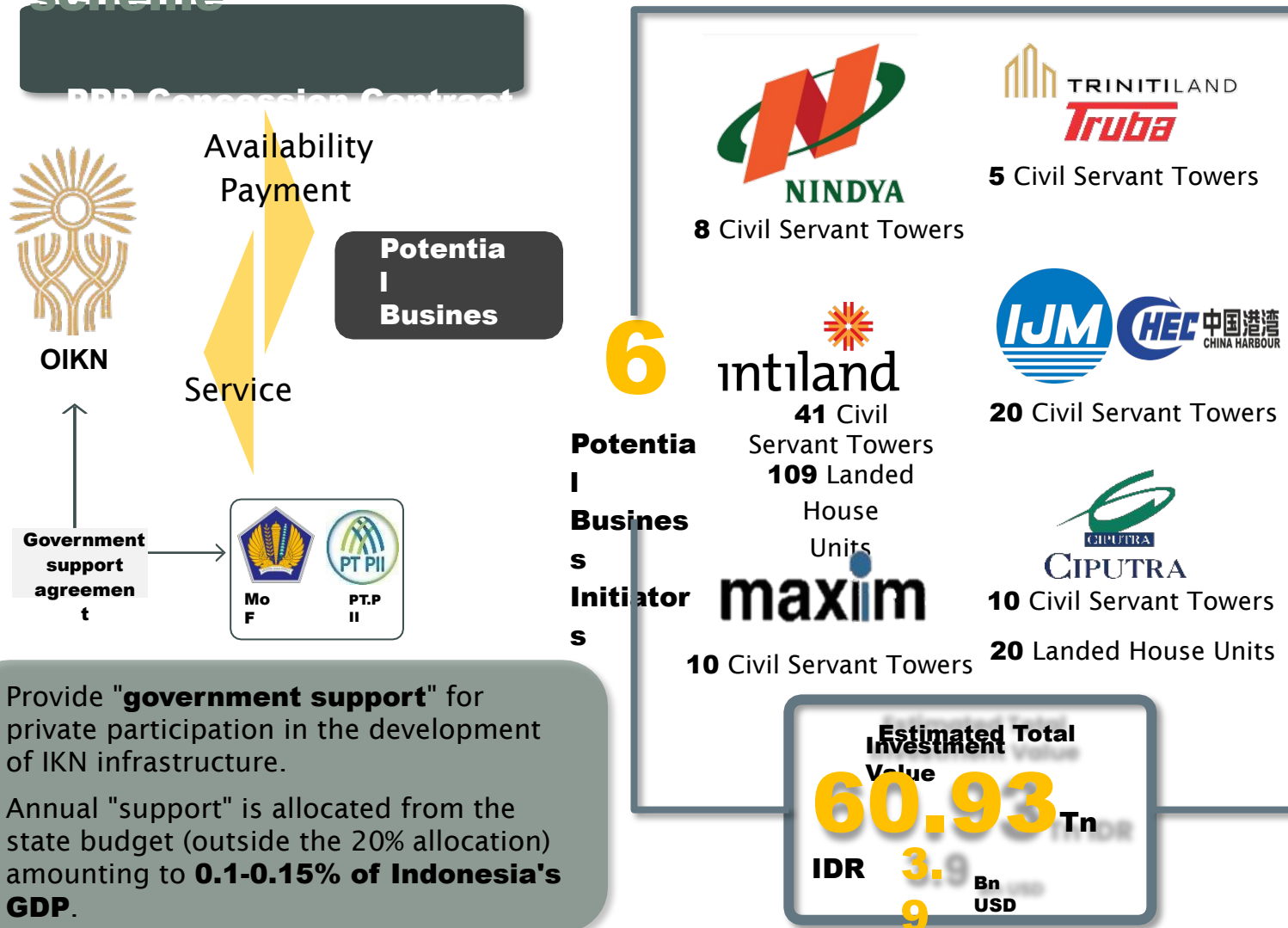
PPP Foreign Investment*
(value continues to grow)



From 6 Foreign Countries

NOTE: (*) Investment figures are constantly evolving and subject to change; 1. Letter to Proceed; 2. Feasibility Study.

PPP Housing Sector in Nusantara With availability payment (AP) scheme



PPP in Multi Utility Tunnel (MUT) Construction with Availability Payment scheme

9

Potential
Business
Initiators



Estimated Total Investment
Value

>70 Tn

IDR 4.4 Bn

USD



Government Assignment & PPP Renewable Energy for Nusantara



sembcorp

Government Assignment

Infrastructure Development

Collaboration between
PLN and Sembcorp as
the Government's
Assignment for
Renewable Energy
Development of 50 MW

Estimated
Investment
Value **\$60
Mn**



Public-Private Partnership

Investor

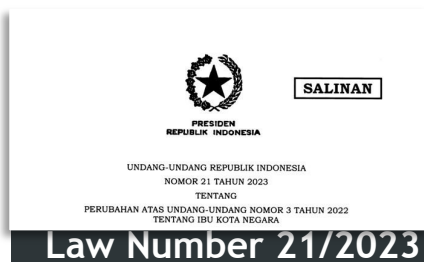
Abu Dhabi Future Energy
Company PJSC - Masdar, plans
to conduct feasibility study to
develop a 200 MW renewable
energy project

Estimated Investment
Value **\$30
0 Mn**



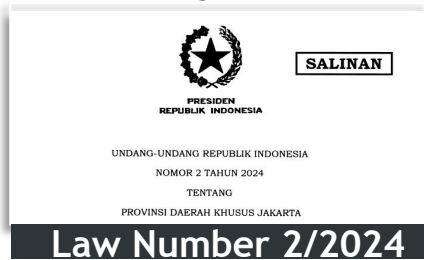
Laws, Presidential Regulations, Head Decrees, and Head Regulations as legal foundations for business actors in the IKN

"42 Domestic & Foreign Business Actors have carried out **Groundbreaking** and signed **Land Allocation Cooperation Agreements**"



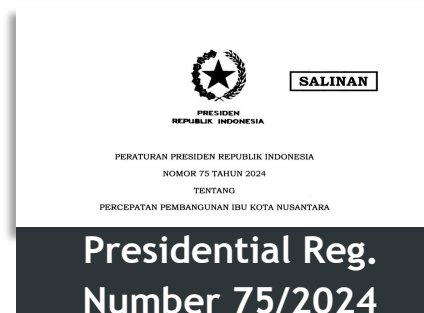
Law Number 21/2023

Updating Development Planning in the IKN



Law Number 2/2024

Change of Status of Jakarta as the State Capital (from Jakarta to IKN)



Presidential Reg. Number 75/2024

5 Fundamental Elements for Accelerating Development in the Capital City - Especially to Support Investment



Head Reg. Number

Procedures for Granting Ease of Doing Business Facilitation



Head Decree Number

Gross Income Reduction Facility



Pioneer Investors:



As of April

Development Progress - Various phase I IKN infrastructure and development priorities, to still be prioritized (1/5)



As of April

Development Progress - Various phase I IKN infrastructure and development priorities, to still be prioritized (2/5)



As of April

Development Progress - Various phase I IKN infrastructure and development priorities, to still be prioritized (3/5)



As of April

Development Progress - Various phase I IKN infrastructure and development priorities, to still be prioritized (4/5)



As of April

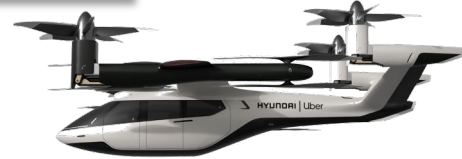
Development Progress - Various phase I IKN infrastructure and development priorities continue to accelerate (5/5)



Development Progress – Various experts and external institutions have been involved to ensure the realization of IKN vision as a World Class City for All



Nusantara's Smart City Masterplan



Advanced Air Mobility



Development of a lovable city



Measuring happiness index



Delta Management and Water Security



SDG Token for

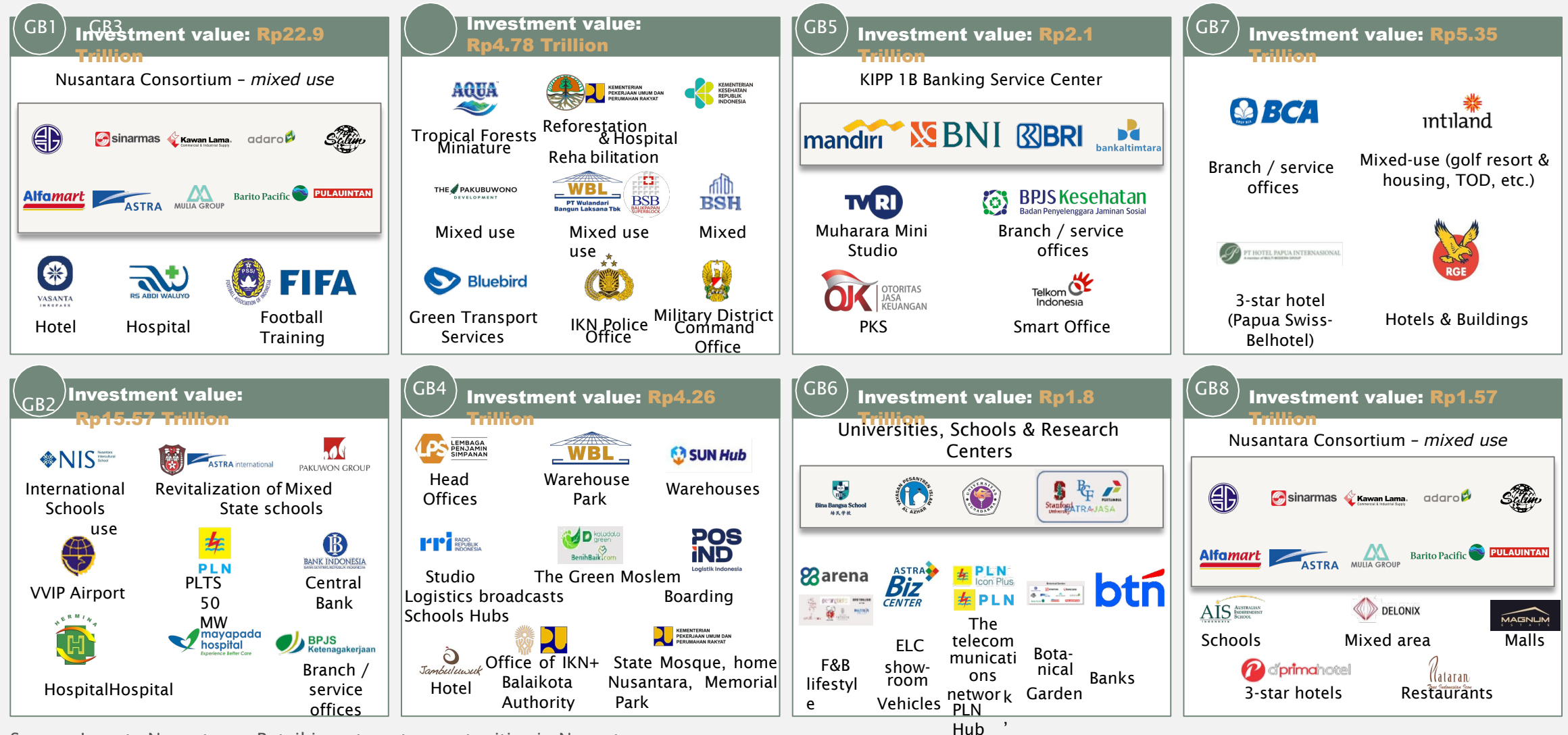


Development of sustainable forest city



Education and health sectors development

Investment Progress – Leading Institutions & Private Sectors have been involved in the investment process since Groundbreaking 1 to Groundbreaking 8



Source: Investa Nusantara – Retail investment opportunities in Nusantara

Investment Progress – Various investment incentives have been established to accelerate investment and development in IKN



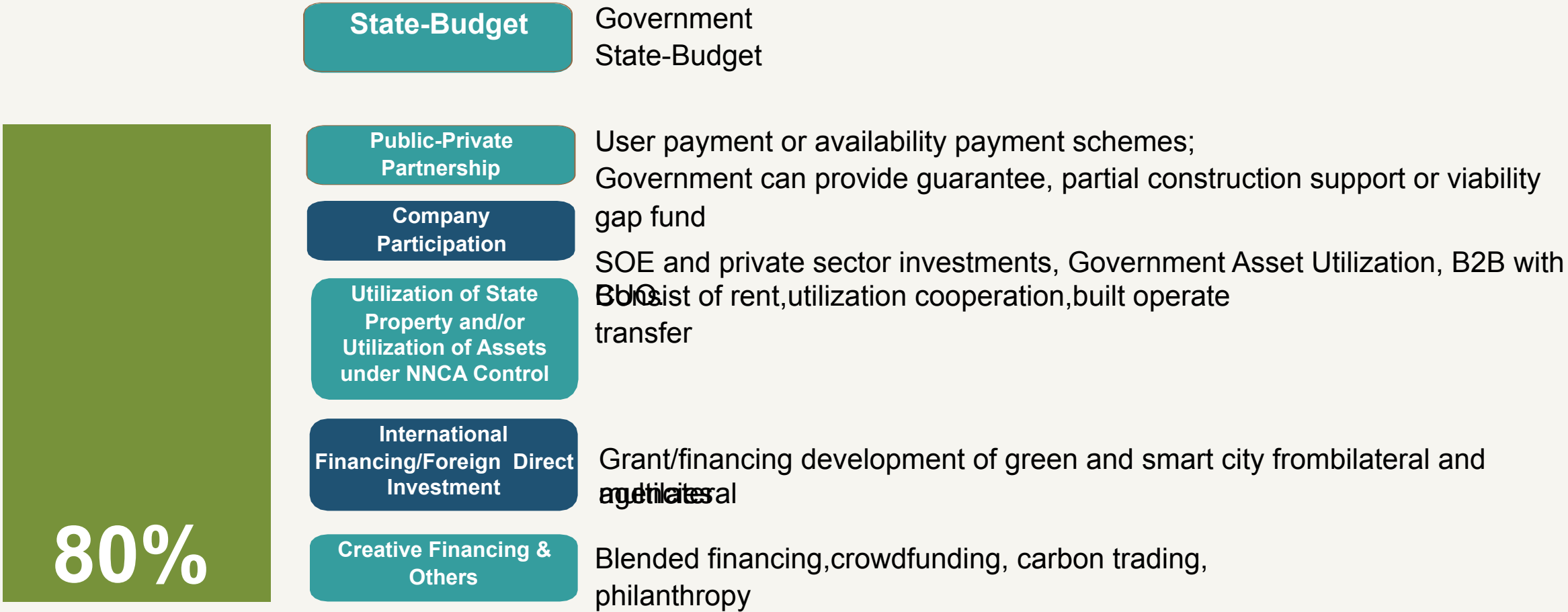
Ease of doing business



Fiscal incentives

 Land ownership	 Foreign workers	 Housing	 Tax holiday	 VAT & luxury	 Tax breaks	 Customs
0% BPHTB (Fees on Acquisition of Land & Building Rights) Ownership/Use Rights ➤ HGU (Hak Guna Usaha) is valid for up to 95 years ➤ HGB (Hak Guna Bangunan) is valid for up to 80 years ➤ HPL (Hak Pengelolaan) is valid for up to 80 years	Exemption of compensation fees for investors to expatriate workers covered by the Government of Indonesia	OIKN to support the provision of the essential housing for investors and employees	Tax holiday for investors with > IDR 10 billion investment value of MSME business owners PPH 21 is covered by the Government of Indonesia for all employees residing in IKN	VAT not collected on Property, Electric Property Rental Services, Construction Services, and Waste Treatment Services	Donations – Gross income deduction up to 200% of the donation cost Vocational Training - Gross income deduction of up to 250% of the expenses (internship, apprenticeship, and/or learning) R&D – Gross income deduction up to 350% of R&D costs	Customs duty exemption period extended to 4-6 years (previously 2-4 years)

Nusantara's Funding Schemes and Potential Investment Opportunities

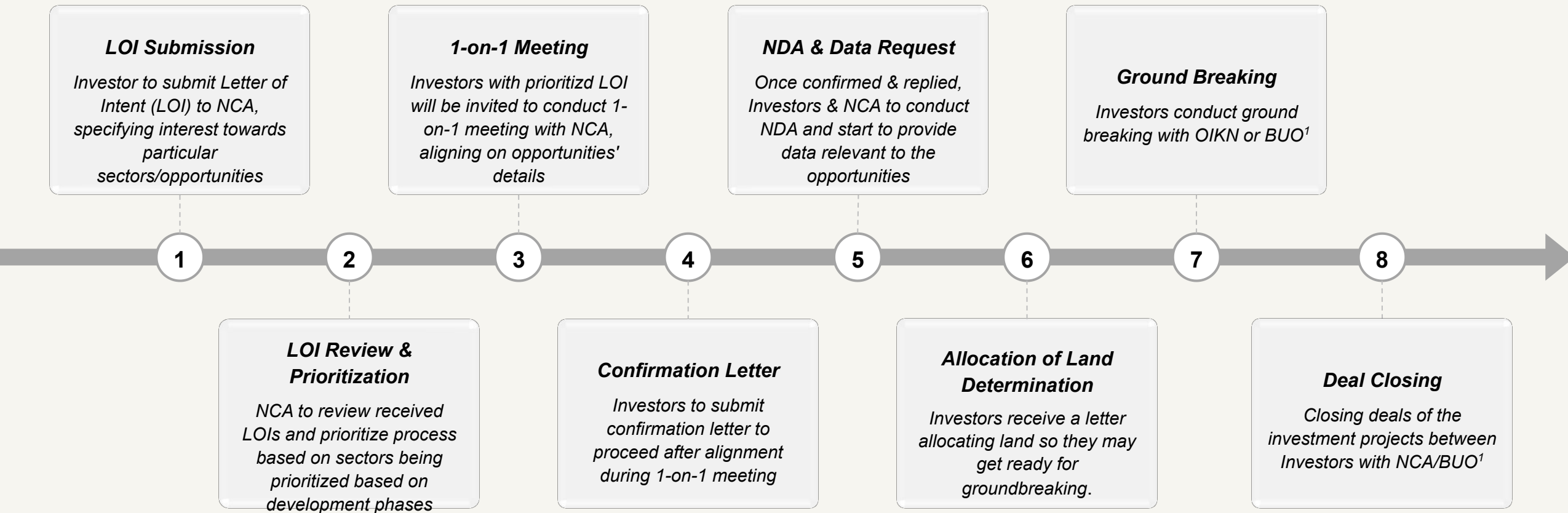


1. BUO = Authority Owned Enterprise



Investing in Nusantara follows 8 steps process

– that can be further specified depending on investment schemes being pursued



1. BUO = Authority Owned Enterprise





NUSANTARA

**Thank
you**