

## **47th PG Anniversary LANDMARK OF TRANSFORMATION PROGRAMME TOWARDS AGROINDUSTRY SOLUTION**

Event : Ceremony of 47th Petrokimia Gresik Anniversary  
Location : Petrokimia Gresik Stadium  
Day / Date : Wednesday, July 10th, 2019

Today, PT Petrokimia Gresik (PG), a subsidiary of PT Pupuk Indonesia (Persero), is 47 years old. Starting from 1972 with two factories with a production capacity of 39 thousand tons/year, now PG has transformed into the most complete fertilizer producer in Indonesia currently operating 31 plants with total capacity of 8.9 million tons/year (fertilizer and non-fertilizer).

PG President Director, Rahmad Pribadi explains, the company will continue to adapt related to the challenges and business opportunities. Direction of PG development does not merely supporting the agricultural and food sectors, but the company is determined to provide solutions for the agro-industry sectors in Indonesia.

As concrete steps to make this happen, at the age of 47, PG runs their Business Transformation programme. Where the spirit of transformation is not to repeat past successes, but to create new successes.

"I hope this 47th anniversary will become a landmark of transformation programme or become a starting point for creating a new future for Petrokimia Gresik," he said.

Furthermore Rahmad explained that the Business Transformation programme is expected to be able to bring PG to become the most efficient company and have a new growth engine, thus delivering PG as the market leader and dominant player.

"I see in the next five years, the transformation goals should have been achieved, since some transformation stages or milestones have been achieved very well in the first half of this year," he said.

Rahmad believes that transformation in PG will not be difficult to do since PG has a strong fundamental, that is superior in non-urea fertilizers development.

In addition, there were many major changes had occurred in PG during 2018, including the highest profit achievement, which was IDR 1.79 trillion, increased by 106% compared to 2017 (IDR 873.67 billion). Company total assets reached IDR 46.47 trillion, increased by 12% compared to 2017 (IDR 41.05 trillion). And the total sales value in 2018 reached IDR 27.67 trillion, increased by 17% compared to 2017 (IDR 23.64 trillion).

In 2018, Rahmad continues, economic slowdown and weakening of rupiah exchange rate which were still affecting the company until this year had quite an impact on the company's operating expenses, considering that most of PG raw materials were imported goods.

However, with unity of determination and careful planning and action, PG was able to end 2018 with various achievements, including winning 120 awards, 55 of which were International levels and 65 were National levels.

PG Business Transformation Programme, according to Rahmad Pribadi, is 'moving to the right direction at the right based'. That means running at the speed we expect and in the right direction.

Moreover, finding that PG personnel are accustomed to change and experienced in creating a new future, such as the innovation of Phonska compound fertilizer and Petroganic organic fertilizer.

"I have a vision that in the next five years, Petrokimia Gresik will not only well-known by its Phonska and Petroganik, but there are already new things as transformative as those two products," he said.

## **Corporate Social Responsibility**

For almost half a century being present for the country, PG is determined to grow and develop with the community. This means that the company's growth over time is also followed by increasing realization of community supports.

As a form of corporate social responsibility to the local community, Corporate Social Responsibility (CSR) programmes have been implemented in the form of Partnership Program and Community Development Program known as "Petrokimia Gresik Caring and Sharing".

The amount of CSR aid in 2018 reached IDR 58.3 billion, while in 2019, up to June 2019, IDR 24.2 billion had been realized, including funds for Partnership Program amounting to IDR 15.8 billion, and funds for Community Development Programs. amounting to IDR 8.4 billion for the community around the company.

Partnership programmes include the provision of loan funds, training, and grants to small businesses that meet the requirements. While Community Development programmes include aid for natural disasters, education and training, public facilities and infrastructures, facilities for worship, public health, nature preservation and social support to distinguish poverty.

PT Petrokimia Gresik

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