

**PETROKIMIA GRESIK SUPPORTS THE GOVERNMENT  
TO ACHIEVE INDONESIA EMAS 2045**

PT Petrokimia Gresik (PG), a member of PT Pupuk Indonesia (Persero) Holding Company is committed to support government in realizing "Indonesia Emas 2045". The support was delivered by PG President Director, Rahmad Pribadi, in response to presentation by Minister of National Planning and Development (PPN) / Head of National Planning and Development Agency (Bappenas), Bambang Brodjonegoro on Vision of Indonesia Year 2045 in Gresik, East Java several days ago.

Through his presentation, Bambang explained that government projected the Indonesian economy to be the fifth largest in the world in 2045, with one condition that the manufacturing industry growth should reach 6.3 percent, and its contribution to Gross Domestic Product (GDP) reaches 26 percent.

The target can be achieved by industrial modernization that focuses on the regional-based natural resources management industries, implementation of smart and sustainable manufacturing to improve national industrial efficiency, utilization of Industrial Revolution 4.0 adjusted to each of their characteristics, and support to industries to become part of Global Value Chain (GVC).

"The challenge is the limited production capacity, including basic chemicals. We are also still highly dependent on imports of raw materials, for example more than 90 percent of our Naphtha are imported. In addition, chemical factories industrial zones are still not optimal. Finally, limited available engineers and current research and development capabilities, so that industries are still in basic chemical industries stage", explained Bambang.

Further, Bambang said that there were five main necessities of chemical industries in Indonesia. First, increasing domestic petrochemical capacity and reducing imports dependency. Second, optimizing industrial zones to increase domestic oil and gas resources. Third, improving productivity by adopting 4IR technology. Fourth, accelerating R&D activities to build new generation of biofuels and bioplastics. And fifth, doing exports to increase economics scale.

Responding to those, PG President Director Rahmad Pribadi revealed, PG as one of manufacturing industries in Indonesia had prepared a number of strategic orientations to support the government in realizing "Indonesia Emas 2045".

"We have launched our business transformation programme to reach company hopes to be an agro-industry solution. With a number of strategic orientations that have been prepared, Petrokimia Gresik will have infinity power to dominate agro-industry sector commercial market", Rahmad said.

Previously, as a manufacturing industry, PG had strengthened its business structures by establishing new factories, such as joint ventures with Jordan Phosphate Mine Company (JPMC) in 2014 and revamping phosphoric acid plant (2015) to reduce the dependency of phosphoric acid imports (raw materials for NPK fertilizers), and by establishing Ammonia-Urea II plant to increase Urea production capacity and to reduce Ammonia imports (2018).

The business structures that have been strengthened are then being optimized, one of which was handling the commercial markets and exploring several potential markets in agro-industry sectors that have not been touched. The seriousness was realized by launching a series of superior non-subsidized products, the latest was NPK Petro Ningrat fertilizer for plantations, fruits and tubers horticultures which were launched last July 2019.

"The need for fertilizers, in the future, will continue to increase, while the subsidized fertilizer allocation is slowly decreasing. Therefore, Petrokimia Gresik has prepared three superior non-subsidized products that will become backbone in 2020, those are NPK Phonska Plus, NPK Petro Nitrate and NPK Petro Ningrat," Rahmad added.

This was in line with the statement of PG President Commissioner, M. Djohan Safri who explained that the future growth of fertilizer industry was still very potential. According to Djohan, food and energy would remain global issues in 2020, because of their increasing demands, but on the other hand, the carrying capacity of natural resources were declining. Therefore, the next innovation challenge was to increase productivity and important components in increasing food production, was agro-input, one of which was fertilizer.

"Petrokimia Gresik as the most complete manufacturing industry that produces fertilizers, has an enormous potential. For this reason, the company must make greater use of its whole ability and being able to motivate employees to meet targets for supporting the realization of Indonesia Emas 2045", concluded Djohan.

PT Petrokimia Gresik

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