

## PETROKIMIA GRESIK COOPERATE WITH POLOWIJO GOSARI INDONESIA TO REVIEW THE ESTABLISHMENT OF KIESERITE FERTILIZER FACTORY

## Number: 34/SP/PG/VI/2021

Petrokimia Gresik is an Agroindustry Solutions company and member of the <u>Pupuk</u> <u>Indonesia</u>, cooperate with PT Polowijo Gosari Indonesia to do a review for the plan of Kieserite fertilizer factory establishment. The signing of agreement was cariied by President Director of Petrokimia Gresik, Dwi Satriyo Annurogo and President Director of Polowijo Gosari Indonesia, Deddy Harnoko Sucahyo at Jakarta, Thursday (10/6), witnessed by President Director of Pupuk Indonesia, Bakir Pasaman.

President Director of Petrokimia Gresik, Dwi Satriyo Annurogo conveyed that the establishment of Kieserite fertilizer factory is a form of company's support to decrease Indonesia dependent to Import. At this time, the needs of Kieserite's fertilizer is fulfilled by import. In the last 5 years, Kieserite fertilizer imports around 80 thousand tons/year at a price of around Rp2.1 million per ton.

"At this time, there is no fertilizer factory in Kieserite, therefore this factory will be the first in Indonesia," said Dwi Satriyo.

Dwi Satriyo explained that Kieserite fertilizer mostly used for horticultural agriculture namely commodity of coffee, rubber, and palm oil, where the area of palm land in Indonesia is 14 million hectare which the estimate of kieserite needs in a year is around 2 million tons.

"This is a very potential market to be developed, and also support companies to optimize Indonesian agriculture in order to maintain resilience national food," said Dwi Satriyo.

Kieserite fertilizer or magnesium sulphate is a positive source for magnesium and sulphur nutrient. Apart from mining, kieserite can also be obtained through the reaction and synthesis of dolomite with sulfuric acid.

As it is known, Polowijo Gosari Indonesia has dolomite deposit that contain magnesium about 18-20%. Meanwhile, Petrokimia Gresik has sulfuric acid production facilities with total capacity reach 1,1 million tons per year. So that the establishment of Kieserite fertilizer factory not only provide financial benefit, but also creates value added for the good cooperation between Polowijo Gosari Indonesia and Petrokimia Gresik.

"The production of Kieserite certainly will add the value of benefit from dolomite of Polowijo Gosari Indonesia and sulfuric acid of Petrokimia Gresik," said him.

This cooperation is appreciated by President Director of Pupuk Indonesia, Bakir Pasaman. According to him, this review is in line with the effort of Pupuk Indonesia business transformation to do business differentiation, and also in accordance with the vision to be a company which provide plant nutrition and solution for sustainable agriculture. He expects that this cooperation could be run for a long time. Remembering still there are a lot of potential market that still need to be fulfilled with this product.

"The chance is big, we can also develop other fertilizer," said Bakir.

Meanwhile, President Director of Polowijo Gosari Indonesia, Deddy Harnoko Sucahyo conveyed that the aim of this cooperation is to maximizing the own source. His company has



dolomite reserves of 550 million tons, and through this strategic cooperation Polowijo Gosari Indonesia hopes to develop derivative products magnesium or dolomite.

"All are maximizing local content, and located in Gresik as well," said Deddy.

Kieserite fertilizer itself is a fertilizer that quick to unravel and react, so that it is a right choice when plant need immediate magnesium nutrient. While magnesium is an important compound for the making of carbohydrates, fats and oil in plants, especially oil-producing crops such as oil palm.

Other benefits of the application of Kieserite fertilizer include increasing chlorophyll so that the colour perfectly green leaves. In addition, it also helps the formation of root nodules, growth tillers, increase the oil content of oil-producing crops such as oil palm and soybeans, as well as increasing soil pH.

PT Petrokimia Gresik

For further information contact: Corporate Secretary: Yusuf Wibisono Office: (031) 3981811 Ext 2218 Email: wibisono@petrokimia-gresik.com yusufwibie@gmail.com

Yusuf Wibisono Corporate Secretary