

GUIDE TO AGRIBUSINESS INVESTMENT OPPORTUNITIES IN INTEGRATED ECONOMIC DEVELOPMENT ZONES INDONESIA



**THE MINISTRY OF AGRICULTURE
REPUBLIC OF INDONESIA**



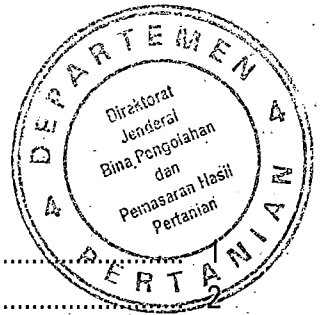
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Message From Chief Advisor



The Integrated Economic Development Zones (IEDZ) is one of instrument to create inter area balanced development between The Western and The Eastern Region in Indonesia.

There are 13 areas decided to be The Integrated Economic Development Zones. They are special areas which have potential natural resources that can be mobilized to encourage economic development in the surrounding area and possessing a high investment return.

In the other hand, these areas have prepared infrastructures including area restructuring professionally by the professionals to be offered to investor. In the implementation, there are many problem which are faced such as : the lack of young people in the productive age who eager to become a pioneers in developing potencies of business especially in agriculture/agribusiness sector. In the future, agriculture sector is expected to be the strong attractant for investors to invest in Integrated Economic Development Zones.

Besides, the monetary crisis in Indonesia since 1997 had impact the lack of job field. It is caused a lot of young people in the productive age/university degree unemployed.

The IEDZ offers opportunity to become a place for young people or university degree to develop business potential, especially in agriculture, to boost and drive investments increasing in agriculture sector. Hopefully, it would give a good impact to accelerate development in Indonesia especially in the eastern region, in which the balanced of development between Western and Eastern Region in Indonesia can be achieved.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Iskandar' with a stylized flourish at the end.

Dr. Ir. H. Iskandar Andi Nuhung, MS
Director General Of Processing and
Marketing for Agricultural Products



INTRODUCTION

I. INTEGRATED ECONOMIC DEVELOPMENT ZONE (IEDZ)

The **Integrated Economic Development Zone (IEDZ)** is a special area/zone which has potential natural resources that can be mobilized to encourage economic development in the surrounding area and possessing a high investment return potential. Its chosen by **Eastern Indonesia Development Council (EIDC)** through a series of intense dialogues, field trips and discussion and also based on the proposal from each province in the Eastern Indonesia Region (KTI) and Western Indonesia Region (KBI). The IEDZ development was confirmed when the government launched **Presidential Decree No. 89 of 1996 which has been changed become Presidential Decree No. 9 /1998 and at last the Presidential Decree No. 150 /2000** until now concerning Integrated Economic Developing Zone. Nowadays there are *12 units of The Integrated Economic Development Zone (IEDZ) throughout the KTI, and 1 unit IEDZ (Bandar Aceh Darussalam IEDZ) is located in KBI.* The title/name and location of the IEDZ in detail can be shown in the table below :

Table 1. Name and Location of IEDZ

No	IEDZ	Location (KTI/KBI)
1.	Bandar Aceh Darussalam	Nangroe Aceh Darussalam
2.	Sanggau	West Kalimantan
3.	Das-Kakab	Central Kalimantan
4.	Batulicin	South Kalimantan
5.	Sasamba	East Kalimantan
6.	Manado Bitung	North Sulawesi
7.	Batui	Central Sulawesi
8.	Parepare	South Sulawesi
9.	Bukari	South East Sulawesi
10.	Bima	West Nusa Tenggara
11.	Mbay	East Nusa Tenggara
12.	Seram	Maluku
13.	Biak	Irian Jaya

By offering some facilities and incentives it is hoped that IEDZ will be able to attract the investors to develop industries and other business activities in this area.

In line with the presidential Decree No. 150 year 2000, each IEDZ is to be managed by Management Board with Governor will be appointed as a chairman. This management board has the duty to accelerate the creation of private investment activity, to coordinate support from government, and simplifying the investment rule and procedure. The structure of IEDZ management Board is :

The development of IEDZ was intended to accelerate the development in the area, especially under the KTI umbrella by way of :

- Developing an independent and professional institution to manage and promote various investment opportunities in the area domestically and internationally as well as trying to remain dependent from the development budget that must be provided by the government.
- Providing as wide as opportunity to the business world to develop the superior sectors to become the core business of the area by way of providing several incentives and simplifying the procedure or license regulation for investment.
- Providing selective supporting in infrastructure that will truly accelerate the development of the region as well encouragement to the development of surrounding area.
- Aside from that the development of IEDZ can also be used to create an inter-support relationship between areas in the national or regional economic system sustained by the social and culture condition of the people.

Fiscal and Non Fiscal Incentives in IEDZ

Fiscal and non fiscal incentives have been given to the IEDZ in order to attract investor and interesting to set up their activities.

a. Tax Treatment and Import Duty

Exemption from the Value Added Tax (VAT) and Sales Tax on Luxury Goods (STLG) on: Domestic purchases and/or import of capital goods and other equipment by companies in IEDZ, with direct bearing on production activities.

The import taxable goods by companies operating in IEDZ for further processing. The delivery of taxable goods for further processing

- By companies outside IEDZ to companies in IEDZ
- Among companies operating in same IEDZ
- Among companies operating in different IEDZ

The delivery of taxable goods for further processing

- By companies operating in IEDZ to companies in a bounded zone or
- By companies operating in IEDZ to companies in other customs areas while the output of the work shall be redelivered to companies operating in IEDZ.

Tax Treatment

The delivery of taxable services by companies outside IEDZ to or among companies operating in IEDZ, as long as the said taxable services have direct bearing on the business activities conducted in IEDZ.

The utilization of intangible taxable goods from outside a custom area or from inside a custom area by companies operating in IEDZ, as long as the said intangible taxable goods have direct bearing on the business activities conducted in IEDZ.

Table 2. Depreciation and/or Amortization in The Income Tax

Group of Assets	Benefit Period		Tarif of Depreciation and Amortization			
	General	IEDZ	Linear Line Method		Decreasing Balance Method	
			General %	IEDZ %	General %	IEDZ %
Non buildings and intangible assets						
Class 1	4 yrs	2 yrs	25,0	50,0	50,0	100,0
Class 2	8 yrs	4 yrs	12,5	25,0	25,0	20,0
Class 3	16 yrs	8 yrs	6,5	12,5	12,5	25,0
Class 4	20 yrs	10 yrs	5,0	10,0	10,0	20,0
Buildings						
Permanent	20 yrs	10 yrs	5,0	10,0	10,0	-
Non Permanent	10 yrs	5 yrs	10,0	20,0	20,0	-

b. Other Incentives

- Companies undertaking business activity in a bounded zone inside IEDZ shall be granted the facility of non-collection of the imported duty on the imports of the capital goods, equipment and other materials needed and having direct bearing on production activities.
- Simplify administration and business procedures for companies undertaking business in IEDZ.

Permit Procedure Facilitation Through One-Stop Service

Permit procedure facilitation through one-stop service can be shown in the chart below :



The structure of EIDC :

- Chairman : President of The Republic of Indonesia
- Executive Chairman : State Minister of Science and Technology
Chairman of BPPT / Chairman of BPIS
- Members :
- State Minister of National Development Planning Agency
 - Minister of Home Affairs
 - Minister of Finance
 - Minister of Public Works (Now, Minister of Settlement and Regional Infrastructure)
 - Minister of Transportation
 - Minister of Agriculture
 - Minister of Industry and Trade
 - Minister of Forestry
 - Minister of Tourism, Pos and Telecommunication (Now, Minister of Tourism and Culture)
 - State Minister of Investment / Head of the Coordinative Agency for the Investment.
 - Minister of Security and Defense
 - Minister of Mining and Energy
 - Minister of Transmigration and Forest Squatter Resettlement (Now, Minister of Transmigration and Manpower)
 - Minister of Education and Culture (Now, Minister of National Education)
 - Minister of Manpower (The ministry doesn't exist anymore)
 - Governor of the Bank Indonesia
- Secretary : - Deputy V for regional Affairs, BAPPENAS

The organizational structure of the EIDC reflects a strong political will and government support for the development particularly in Eastern Indonesia.



The fishery sector is an excellent sector and scattered in the Sabang IEDZ area. Its covers sea fishery and fish pond/brackish water.

1. Marine Fishery

The Nanggroe Aceh Darussalam Province covers of the sea is 56,653 Km² and includes 23,563 Km² for territorial waters and 33,000 Km² for inland waters, and the fishery resources are 2.7 Ton/Km² (pelagic) and 5 Ton/Km² (demersal fish).

Table 1: Total production of fish in the Sabang IEDZ in the year 1997 - 1999

Zone	1997	1998	1999
Banda Aceh	11,246.9	12,078.0	11,517.0
Aceh Besar	9,429.9	11,209.8	10,618.9
Pidie	10,695.5	10,680.5	10,600.0

Types of fish in The Sabang IEDZ area are : big pelagis (big eyes tuna, skipjack, alalunga), small pelagic (narrow barred, trevalies), demersal (grouper, barracudas, goat fish, flat fish, yellow tails), shrimps (various kind of shrimps and lobsters)

2. Fish Culture

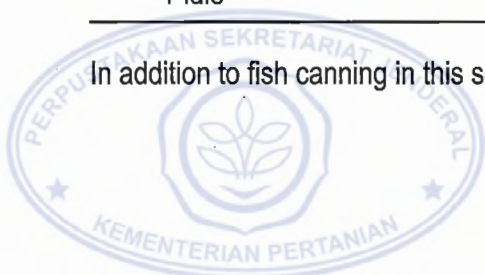
The development of fishpond cultivation includes:

1. Brackfish water culture (shrimp, milkfish, etc)
2. Fresh water culture (goldfish, catfish, snakehead fish, etc)

Table 2. Total production of fishpond in the Sabang IEDZ

Zone	1997	1998	1999
Banda Aceh	549	668,5	668
Aceh Besar	818,7	948	955
Pidie	4,342	5,100	5,107

In addition to fish canning in this sector, it can be build freezing factory, etc.



Based on the value added calculation, the estimated of the value added of GRDP in IEDZ linearly will be increase twice in year 2015. Besides, boosting increasing of value added, development strategy trough IEDZ also boosting economic transformation which will support in strengthening economic structure, namely transformation from agriculture to industry.

Table 1. The estimated value of GRDP per capita with and without IEDZ

	YEAR				
	1999	2000	2005	2010	2015
National	5,377.42	6,502.10	9,427.75	15,233.82	25,117.90
West Kalimantan	4,171.93	4,487.43	6,856.56	10,908.56	17,895.20
Sanggau Linear	3,382.03	4,436.52	6,464.13	10,474.39	16,454.71
With IEDZ					
Optimistic Scenario	3,382.03	5,420.01	10,160.09	19,090.75	28,042.76
Moderate Scenario	3,382.03	5,373.25	9,724.19	16,988.67	25,440.60
Optimistic Scenario	3,382.03	5,296.58	9,001.51	13,939.57	21,276.21

VI. INFRASTRUCTURE

The infrastructure has an important role in order to support the economic development in the region. The growth centre will be boosted if infrastructure especially transportation is provided by the related region.

6.1. Transportation Line

The Transportation infrastructure include land, sea, river and air which is support Sanggau's IEDZ available both inside and outside of Sanggau IEDZ area. Marine port in Pontianak serves navigation inter-insular as well as international. Pontianak Supadio Airport which is managed by Perum Angkasa Pura can be landed by jet F.28 – Boeing 737 A300 and smaller aeroplane.

a. Land Transportation

The area has a National highway network of Kalimantan with the total length of 1.016 km. The highway network connecting the capital of province, Pontianak, with the length of 267 km is in a good condition. Border – crossing road connect Sanggau – Entikong – Serawak Boundary (Malaysia).

Several alternatives can be done for providing electricity in Sanggau IEDZ such as:

1. Conducting cooperation with Serawak which has a huge potential electricity
2. Developing waterfall potential (Landak regency e.g. PLTA Engkangin: 10 MW, PLTA Donge: 30 MW, PLTA Pade Kembayung: 35 MW, PLTA Tangenep: 40 MW) Totalled about 115 MW.
3. Developing electricity through provided coal (Senaning Hill, Sintang regency) as raw material.
4. Build limited electricity installation utilizing diesel machine

6.3. Telecommunication

Telecommunication service covers cities in Sanggau IEDZ such as: Sanggau municipality, Singkawang, Sambas, Tebas, Pamangkat, Sungai Duri and Bengkayang. Installed capacity is 17,032 SST which is only been used about 10,161 SST. The bigger installation is in Singkawang and the smaller is in Sungai duri (288 Unit).

6.4. Water Supply

Clean water installation in Sanggau IEDZ generally only to serve citizen in the city (regency and some of district) and special settlement area with limited capacity (5-10 lt) from Water Supply Establishments. Whereas for industrial-need usually use their own water treatment.

The major restriction to develop clean water in Sanggau IEDZ such as: there is less investor who is attracted to invest in this area to construct the infrastructure and net working. In time being it should be done by the local government.

The need of clean water in Sanggau such as:

1. Oil palm estate and processing industry in a year 2005 need 3,862.309 M³ clean water, whereas in year 2015 need 12,000,000 M³.
2. Pulp industry with production capacity 557,018 ton per year with area 183,640 ha need clean water 18,250,000 M³ (year 2005) and year 2015 estimated need minimize 36,500,000 M³.
3. Pond culture and processing activity needs clean water about 10,000,000 M³ (year 2005) and year 2015 estimated 20,000,000 M³.

6.5. Bank

Bank in Sanggau IEDZ : 50 branches of government bank, and five private banks.

Forestry Sector

Instead of high demand for pulp and paper product there are still shortages in supply. At present, the shortage at least 17 million tons/year and it will be increasing and reaching 57 million ton in 2015. The pulp first production in Sanggau IEDZ is utilizing the success of 1991 plantation of 200.000 hectares. Until 1998/1999, there are only four companies planted HTI in Sanggau IEDZ . In supporting pulp industry, the plantation should be raising around 20.000 hectares annually. Up to 2015 with expected wood production reach to 5, 15 million m³, enable to establish pulp factory in 2005 and paper factory in 2010 in Sanggau IEDZ.

Fishery Sector

Figuring Of 200 km² west beach's potency of Sanggau IEDZ, there are opportunities to develop shrimp culture or other fisheries business.

For the first phase, it is planned to develop shrimp culture on 648 hectares, and in 2015 may reach to about 3.000 hectares. The following potency in shrimp production is establishment of (five) cold storage industries in Sanggau IEDZ. Shrimp production will approximately reach 51.000 tons/ year in 2015.

Fishery development is directed to open water, public surface, fishing fish and shrimp cultivation in a pool. Fishery production value in Sanggau IEDZ in 1997 reached 75, 8 billion rupiahs consist of 62, 12 %, fishery 10, 31 % general fishery and 27, 57 % fishery cultivation. Based on the production value, the cultivation of fish is promising in Sanggau IEDZ.

Meanwhile, from west beach's Sanggau IEDZ deals with Karimata Strait, Natuna Sea up to South China Sea on Indonesia ZEE is rich in shrimp, fish, ornamental fish and other exotic coral, flora and fauna as well as small islands and beaches for tourism sports.

Table 3. Investment Opportunities of Sanggau IEDZ

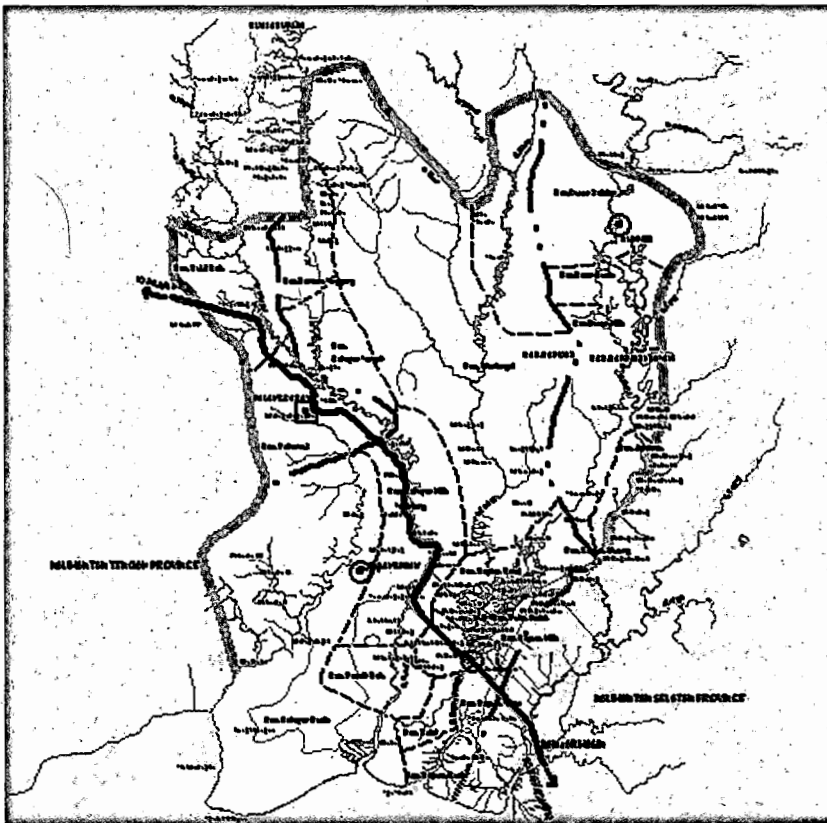
Business Comodity	Location	Scale/Volume	Approximately Investment Scale	Investor Companies	Remark
Oil Palm Plantation	Sanggau, Sambas, Bengkayang and Landak Regency	<ul style="list-style-type: none"> ● Existing : 149.522,46 ha ● Plan 450.000 ha 		<ul style="list-style-type: none"> ● 58 ● 19 	<p>In process</p> <p>Open for Domestic and Foreign Investment</p>

as Kakab

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Paddy



KETERANGAN

-  Ibukota Propinsi
-  Ibukota Kabupaten
-  Ibukota Kecamatan
-  Batas Kotamadya
-  Batas Kecamatan
-  Batas Kota Lainya
-  Jalan Lintas
-  Jalan Strategis
-  Jalan Lainya

Jl. Cilik Riwut No. 2 Palangka Raya
Telp. 62 - 536 - 21145, 38723, 28518, 28626, 286688
Fax. 62 - 536 - 21145
E-mail : kapet_daskakab@palangkaraya.wasantara.net.id
Homepage : <http://www.palangkaraya.wasantara.net.id>

V. INFRASTRUCTURE AND SUPPORTING FACILITIES

5.1. Transportation

a. Land Transportation

In 1998, Central Kalimantan has been noted that the total road network length was 6,834.54 km consisting of 1,707.35 km of state owned road there was 523.51 km provincial roads and 4,603.50 km of Regency road. Between the road networks, there was 244.86 km of state owned road and 249.4 km provincial roads in Das Kakab IEDZ.

b. River Transportation

The Das Kakab IEDZ has three great and long river namely Kahayan, Kapuas and Barito river with length not less than 300 km to 600 km and can be sailed by speedboat, longboat, river bus and other kinds of river transportations. The main function of that river is transportation mean inter regional and inter Sub District to South Kalimantan Province.

c. Sea Transportation

There are three seaports namely Kereng Bengkirai, Pulang Pisau and Kuala Kapuas with the length to the threshold out side of 112.5; 50.9 and 19.1 mill sea, respectively. The category from the port class of V with good condition and generally use to break up and contain material especially forestry sector.

d. Air Transportation

The Das Kakab IEDZ has airport namely *Cilik Riwut* in Palangkaraya Municipality serves the flight to Surabaya and Jakarta (Java Island) by the Fokker 28 and Banjarmasin (South Kalimantan Province) and *Sanggau Airport* in South Barito Regency in Buntok by Cassa 212.

5.2. Post and Telecommunication

Post and money transfer service have reached to all the capital cities at regencies. Beside that, there are four units Central Telephone Automatic (STO) : two units in Palangkaraya Municipality, 1 unit in Kuala Kapuas and 1 unit in Buntok with the total capacity of 20,740 SST.

5.3. Banking

Several government banks have their branches in Palangkaraya, Kuala Kapuas, and Buntok. Such as BNI'46, Mandiri Bank, Danamon Bank, BRI, instead of the regional Development Bank (BPD). Beside that, there are insurance companies both government and private owned including the branch offices.

Fishery Sector

Fish catching in the sea, river, and lake and cultivating is an activity since a long time ago. There are open water (river, lake, swamp) covering 759,821.21 ha, with the potency of 43,081.87 tons/year and the utilization at the present of 29, 44 %. The potential of ocean was 159,360 tons/year and now the rate of utilization up to 65.07 %. There are several types of fish in this area namely Sleeper Gobies, Toman, Patin, Howen's Crap, Knife Fishes, Freshwater Turtle and shrimp. The condition and potency mentioned above so business and investment opportunities at the fishery sub sector can be in the kinds of fish catching, aquaculture, the fish product, cold storage, marketing, the ship fish manufactures and tinned food fish.

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

Potential and opportunities of agribusiness investment in detail can be shown in the table below :

7.1. Upstream Industry

A. Infrastructure/Supporting Facility

Table 1. Infrastructure/Supporting Facility by Sub District

Sub District	Infrastructure/Supporting Facility
Kapuas Murung = Palingkau Baru	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, Kelotok (motor boat/ bamboo boat), speed boat Pos & Telecommunication : mailbox
Basarang = Basarang	Road Transportation : Bus, Truck, motorcycle Pos & Telecommunication : Auxiliary Post Office, mailbox
Kapuas Barat = Mandomai	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, motor boat/bamboo boat, speed boat Pos & Telecommunication : mailbox
Kahayan Hilir = Pulang Pisau	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, motor boat/bamboo boat, speed boat Pos & Telecommunication : Auxiliary Post Office, mailbox

Sub District	Infrastructure/Supporting Facility
Kahayan Tengah = Bukit Rawi	Road transportation : two wheel vehicle and four wheel vehicle Open water transportation : Ferry and ships Post & Telecommunication : (Part of Palangkaraya post office)
Timpah = Timpah	Road transportation : two wheel vehicle Open water transportation :ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : (Part of Palangkaraya post office)
Banama Tinggang = Bawan	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : (Part of Palangkaraya post office)
Jenamas = Rantau Kujang	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post& Telecommunication : Auxiliary post office & mailbox
Dusun Hilir = Mangkatip	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/ bamboo boat, speed boat Post & Telecommunication : Auxiliary post office
Kurau Kuala = Bangkuang	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/ bamboo boat, speed boat Post & Telecommunication : Auxiliary post office
Dusun Selatan = Buntok	Road transportation : four wheel vehicle (bus) & two wheel vehicle Open water transportation : ships, Motor boat/ bamboo boat, speed boat Air transportation : plane Post & Telecommunication : Auxiliary post office, mailbox Hotel affair : Hotel & inn



Type of Product	Location	Investment Opportunities	Potential Area
Cultivation			
a. Fresh water fish - Eel, frog, snail, crocodile/ alligator	Mantangai, Kahayan Hilir, Kahayan Kuala, Kahayan Tengah, Jenamas, Dusun Hilir, Karau Kuala, Jenamas	Open in partnership condition	
Shrimp Hatchery	Kahayan Kuala, Pandih, Batu, Kapuas Timur, Kapuas Kuala, Basarang	Open in partnership condition	
Large prawn	Kahayan Kuala, Pandih, Batu, Kapuas Timur, Kapuas Kuala, Basarang	Open in certain condition	Area : 164,468 ha
Freshwater turtle, knife fishes, sleepers gobies	- Kahayan Tengah, - Jenamas, Dusun Hilir, Karau Kuala, Jenamas - Pahandut	Open in certain condition	Area : 123,698 ha
Betok/Papuyu	Kahayan Kuala, Pandih Batu, Mentangai, Kapuas Murung, Kapuas Timur, Basarang, Kapuas Kuala	Open in certain condition	Area : 164,468 ha
Snake head	Kahayan Kuala, Pandih Batu	Open in certain condition	Area : 70,679 ha

Type of Product	Location	Investment Opportunities	Potential Area
Paddy	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Pandih, Batu, Mentangai, Kapuas Murung, Kapuas Timur, Kapuas Barat, Basarang, Selat, Kapuas Kuala, Kahayan Hilir ▪ Jenamas, Dusun Hilir, Pahandut, Dusun Selat, Karau Kuala 	Open in certain condition	Total area : 581,476 ha (462,426 + 119,050) Yield : 2.3 tons/ha Variety : IR36, IR66, Way Rarem, Siam, Unus, Major variety, Local variety
Cassava	Kahayan Kuala, Pandih, Batu, Mentangai	Open in partnership condition	Total area : 108,369 ha Yield : 11 tons/ha Variety : Aipin Mangi, Aipin Valenca, Bogor, Muara Betawi, Local Major variety
Peanut	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Mentangai, Kapuas Murung, Kapuas Barat, Kahayan Hilir ▪ Jenamas, Dusun Hilir Pahandut 	Open in partnership condition	Total area : 190,900 ha (119,640 + 50,635 + 20,625) Yield : 1.5 – 2 tons/ha Variety : Gajah variety, Macan variety, Banteng variety, Local Major variety
Pineapple	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Kapuas Murung, Kapuas Timur, Kapuas Barat, Basarang, Selat, Kapuas Kuala, Kahayan Hilir ▪ Pahandut 	Open in partnership condition	Total area : 242,056 ha (221,431 + 20,625) Variety : Bogor Pineapple, Red Pineapple, Green Blitar, Palembang Pineapple, Local Major variety
Banana	Mentangai	Open in partnership condition	Total area : 37,690 ha Variety : Janten, Muli, Raja, serai, Belitung, Kepok, Kawista, Abacca

Type of Product	Location	Investment Opportunities	Potential Area
Oil Palm		Open for PMA & PMDN	Total area : 1,056,581 ha (836,083+82,745+137,753) Yield : 20 tons/ha/year stem of the fresh oil palm
Reed		Open for PMA & PMDN	Total area : 36,475 ha
Rattan		Open for PMA & PMDN	Total area : 202,402 ha (133,987+68,415) Yield : 1.012 – 1.328 tons/ha/year

- *) PMA = Foreign Direct Investment
PMDN = Domestic Investment

c. Livestock

Table 5. Potential and Investment Opportunities in Livestock

Type of Product	Location	Investment Opportunities
Indigenous chicken	<ul style="list-style-type: none"> ▪ Kapuas Kuala, Selat, Pandih, Batu ▪ Dusun Selatan ▪ Pahandut 	Reserved for smallholders
Broiler, layer	<ul style="list-style-type: none"> ▪ Kapuas Kuala, Selat, Pandih, Batu ▪ Dusun Selatan, Pahandut, Bukit Batu 	Open in partnership condition
Duck	<ul style="list-style-type: none"> ▪ Kapuas Barat, ▪ Dusun Selatan, Karau Kuala, Jenamas ▪ Bukit Batu 	Open in partnership condition
Goat/sheep	Pandih, Batu Dusun Selatan, Karau Kuala, Pahandut	Open in partnership condition

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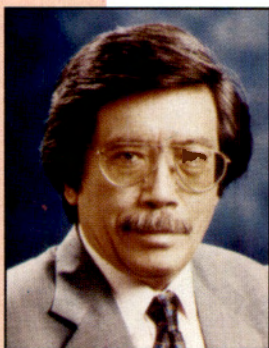
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Message From Minister Of Agriculture



The Integrated Economic Development Zone (IEDZ) is a special area / zone in Indonesia which has potential natural resources that can be mobilized to encourage economic development in the surrounding area and possessing a high investment return potential.

Being aware on the investment community requirement about a good information on which to base its decisions, this publication is aimed at giving progressive informations of 13 IEDZ in Indonesia especially about the demography, economic, infrastructure, and opportunity and potential investment.

I would like to thank the author team under supervision of the Directorate General of Processing and Marketing for Agricultural Products, Ministry of Agriculture, for their cooperation and contribution to the process of preparing this book. I would also like to extend my appreciation to PT. Endriash Ray Fanindo for publishing this book named " Guide to Agribusiness Investment Opportunities in Integrated Economic Development Zones, Indonesia " right on time.

I do hope this book will provide data and information to all parties concerned. Finally, please enjoy this book and good luck.

Sincerely,

A handwritten signature in black ink, appearing to be 'Bungaran Saragih', written over a horizontal line.

Prof. Dr. Ir. Bungaran Saragih, MEd.
Minister of Agriculture



Message From Chief Advisor



The Integrated Economic Development Zones (IEDZ) is one of instrument to create inter area balanced development between The Western and The Eastern Region in Indonesia.

There are 13 areas decided to be The Integrated Economic Development Zones. They are special areas which have potential natural resources that can be mobilized to encourage economic development in the surrounding area and possessing a high investment return.

In the other hand, these areas have prepared infrastructures including area restructuring professionally by the professionals to be offered to investor. In the implementation, there are many problem which are faced such as : the lack of young people in the productive age who eager to become a pioneers in developing potencies of business especially in agriculture/agribusiness sector. In the future, agriculture sector is expected to be the strong attractant for investors to invest in Integrated Economic Development Zones.

Besides, the monetary crisis in Indonesia since 1997 had impact the lack of job field. It is caused a lot of young people in the productive age/university degree unemployed.

The IEDZ offers opportunity to become a place for young people or university degree to develop business potential, especially in agriculture, to boost and drive investments increasing in agriculture sector. Hopefully, it would give a good impact to accelerate development in Indonesia especially in the eastern region, in which the balanced of development between Western and Eastern Region in Indonesia can be achieved.

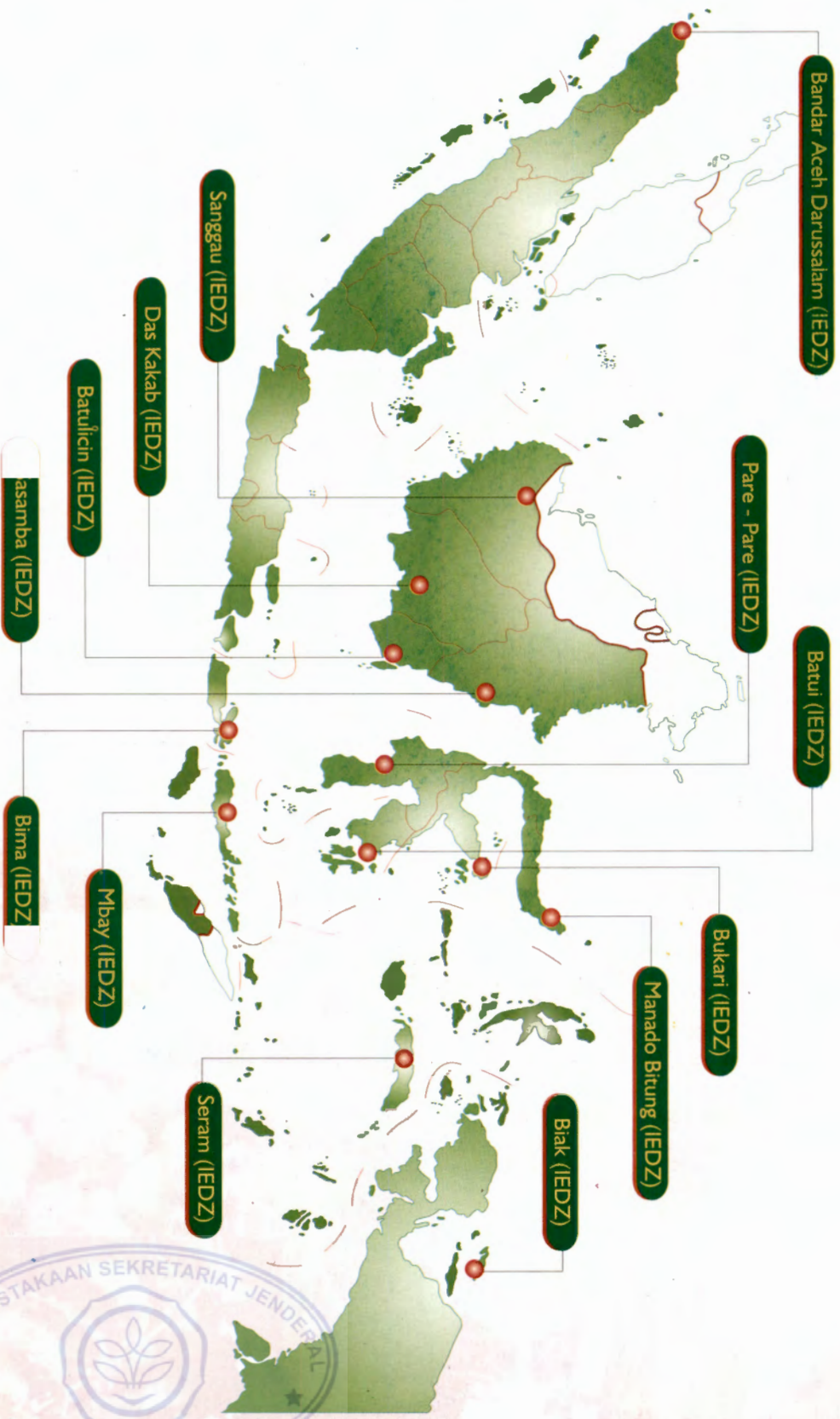
Sincerely,

A handwritten signature in black ink, appearing to read 'Iskandar'.

Dr. Ir. H. Iskandar Andi Nuhung, MS
**Director General Of Processing and
Marketing for Agricultural Products**



MAP OF INDONESIA AND LOCATION OF INTEGRATED ECONOMIC DEVELOPMENT ZONE (IEDZ)





INTRODUCTION

I. INTEGRATED ECONOMIC DEVELOPMENT ZONE (IEDZ)

The **Integrated Economic Development Zone (IEDZ)** is a special area/zone which has potential natural resources that can be mobilized to encourage economic development in the surrounding area and possessing a high investment return potential. Its chosen by **Eastern Indonesia Development Council (EIDC)** through a series of intense dialogues, field trips and discussion and also based on the proposal from each province in the Eastern Indonesia Region (KTI) and Western Indonesia Region (KBI). The IEDZ development was confirmed when the government launched **Presidential Decree No. 89 of 1996 which has been changed become Presidential Decree No. 9 /1998 and at last the Presidential Decree No. 150 /2000** until now concerning Integrated Economic Developing Zone. Nowadays there are 12 units of *The Integrated Economic Development Zone (IEDZ) throughout the KTI, and 1 unit IEDZ (Bandar Aceh Darussalam IEDZ) is located in KBI.* The title/name and location of the IEDZ in detail can be shown in the table below :

Table 1. Name and Location of IEDZ

No	IEDZ	Location (KTI/KBI)
1.	Bandar Aceh Darussalam	Nangroe Aceh Darusalam
2.	Sanggau	West Kalimantan
3.	Das-Kakab	Central Kalimantan
4.	Batulicin	South Kalimantan
5.	Sasamba	East Kalimantan
6.	Manado Bitung	North Sulawesi
7.	Batui	Central Sulawesi
8.	Parepare	South Sulawesi
9.	Bukari	South East Sulawesi
10.	Bima	West Nusa Tenggara
11.	Mbay	East Nusa Tenggara
12.	Seram	Maluku
13.	Biak	Irian Jaya

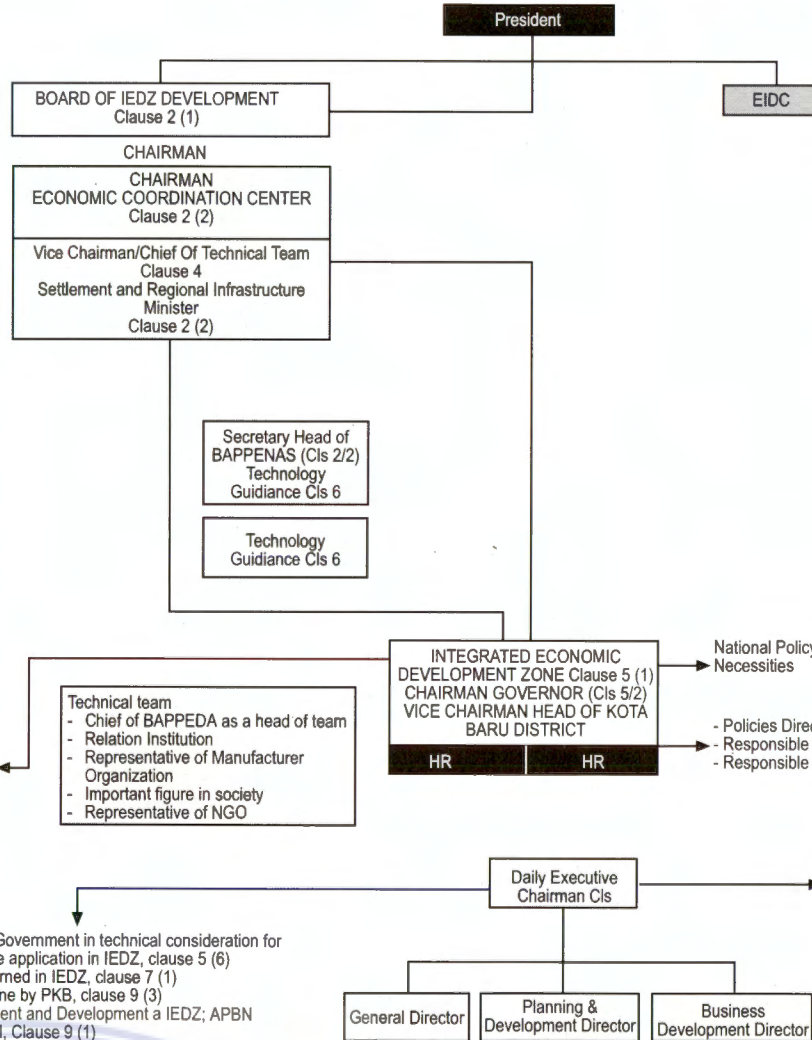
By offering some facilities and incentives it is hoped that IEDZ will be able to attract the investors to develop industries and other business activities in this area.

In line with the presidential Decree No. 150 year 2000, each IEDZ is to be managed by Management Board with Governor will be appointed as a chairman. This management board has the duty to accelerate the creation of private investment activity, to coordinate support from government, and simplifying the investment rule and procedure. The structure of IEDZ management Board is :

STRUCTURE OF IEDZ MANAGEMENT BOARD

- TASK : (Clause 3)**
- * Suggest to President regarding IEDZ refers to Governor suggestion
 - * To abbreviate and to confirm - national strategy policy to accelerate development in IEDZ
 - * To Abbreviate capability - to support and attracting investment
 - * Arranging and implementing coordination for development planning activity in IEDZ
 - * BPK task implementation cost : state budget

- Member Clause 2 (2)**
- * Finance Minister
 - * Forestry and Agriculture Minister
 - * Trade and Industry Minister
 - * Connection and Telecommunication Minister
 - * Ocean & Fishery Minister
 - * Mine Energy and Human Resource Minister
 - * Home Affairs & Regional Autonomy Minister
 - * Culture & Tourism Minister- Indonesia Eastern Regional
 - * Development acceleration Junior Minister
 - * Chief of BPN



- * BP Operational Cost : State budget / Cls 9 (2)
- * IEDZ Cover condition (Cls 1)
Potential Development Rapidly
Prima Sector
- * Potential Break Even Point in High Investment
IEDZ + Limits are Governed by Pres (Cls 1/2)
- * Managed Professionally Cls 5(3)
HR : Head of Regional
GR : Government Representative

- Supporting local Government in technical consideration for investment license application in IEDZ, clause 5 (6)
- KB could be governed in IEDZ, clause 7 (1)
- All of licensing done by PKB, clause 9 (3)
- Cost of management and Development a IEDZ; APBN /APBD/Syah Fund, Clause 9 (1)
- Operational could applies expert (Professional)

National Policy is integrated with regional Necessities

- Policies Director
- Responsible to Board of IEDZ
- Responsible to President through BPK

- Professional (Cls 5/3)
- Entrepreneurship
- Un Bureaucratic
- Technical good knowledge in prime sector
- Outward looking
- Outward oriented experienced
- Catalyst, Facilitator & Communicator
- Effective/able to attract investor
- Full Time
- Innovative/able to attract investor
- Competitive, anticipative & proactive
- Independent

The development of IEDZ was intended to accelerate the development in the area, especially under the KTI umbrella by way of :

- Developing an independent and professional institution to manage and promote various investment opportunities in the area domestically and internationally as well as trying to remain dependent from the development budget that must be provided by the government.
- Providing as wide as opportunity to the business world to develop the superior sectors to become the core business of the area by way of providing several incentives and simplifying the procedure or license regulation for investment.
- Providing selective supporting in infrastructure that will truly accelerate the development of the region as well encouragement to the development of surrounding area.
- Aside from that the development of IEDZ can also be used to create an inter-support relationship between areas in the national or regional economic system sustained by the social and culture condition of the people.

Fiscal and Non Fiscal Incentives in IEDZ

Fiscal and non fiscal incentives have been given to the IEDZ in order to attract investor and interesting to set up their activities.

a. Tax Treatment and Import Duty

Exemption from the Value Added Tax (VAT) and Sales Tax on Luxury Goods (STLG) on: Domestic purchases and/or import of capital goods and other equipment by companies in IEDZ, with direct bearing on production activities.

The import taxable goods by companies operating in IEDZ for further processing.
The delivery of taxable goods for further processing

- By companies outside IEDZ to companies in IEDZ
- Among companies operating in same IEDZ
- Among companies operating in different IEDZ

The delivery of taxable goods for further processing

- By companies operating in IEDZ to companies in a bounded zone or
- By companies operating in IEDZ to companies in other customs areas while the output of the work shall be redelivered to companies operating in IEDZ.

Tax Treatment

The delivery of taxable services by companies outside IEDZ to or among companies operating in IEDZ, as long as the said taxable services have direct bearing on the business activities conducted in IEDZ.

The utilization of intangible taxable goods from outside a custom area or from inside a custom area by companies operating in IEDZ, as long as the said intangible taxable goods have direct bearing on the business activities conducted in IEDZ.

The utilization of taxable service from outside a custom area by companies operating in IEDZ as long as the said taxable services have direct bearing on the business activities conducted in IEDZ.

Option to apply accelerated depreciation and/or amortization in the income tax.

Exemption of the income Tax on Article 22 on the import of the capital goods, raw materials and other equipment.

Compensation for losses in the income tax area, starting from the next income year until a maximum of 10 years.

Reduction in the income Tax of Article 26 on dividends, amounting to 50%

The following reduction as costs:

- Benefits in the kind obtained by employees and not calculated as the income of the employees
- Costs for the construction and development of local region, with function can be enjoyed
- by the public companies operating in IEDZ as long as the said taxable services have direct bearing on the business activities conducted in IEDZ.

Options to apply accelerated depreciation and/or amortization in the Income Tax as follows:

Exemption from the Value Added Tax (VAT) and Sales Tax on Luxury Goods (SLTG)

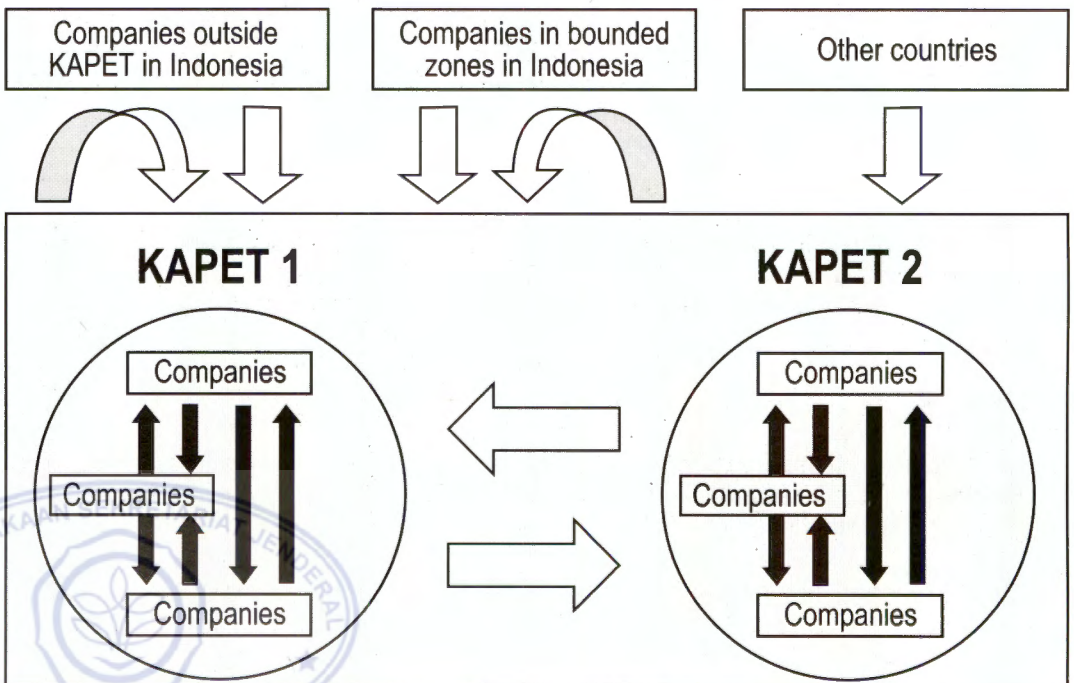


Table 2. Depreciation and/or Amortization in The Income Tax

Group of Assets	Benefit Period		Tarif of Depreciation and Amortization			
	General	IEDZ	Linear Line Method		Decreasing Balance Method	
			General %	IEDZ %	General %	IEDZ %
Non buildings and intangible assets						
Class 1	4 yrs	2 yrs	25,0	50,0	50,0	100,0
Class 2	8 yrs	4 yrs	12,5	25,0	25,0	20,0
Class 3	16 yrs	8 yrs	6,5	12,5	12,5	25,0
Class 4	20 yrs	10 yrs	5,0	10,0	10,0	20,0
Buildings						
Permanent	20 yrs	10 yrs	5,0	10,0	10,0	-
Non Permanent	10 yrs	5 yrs	10,0	20,0	20,0	-

b. Other Incentives

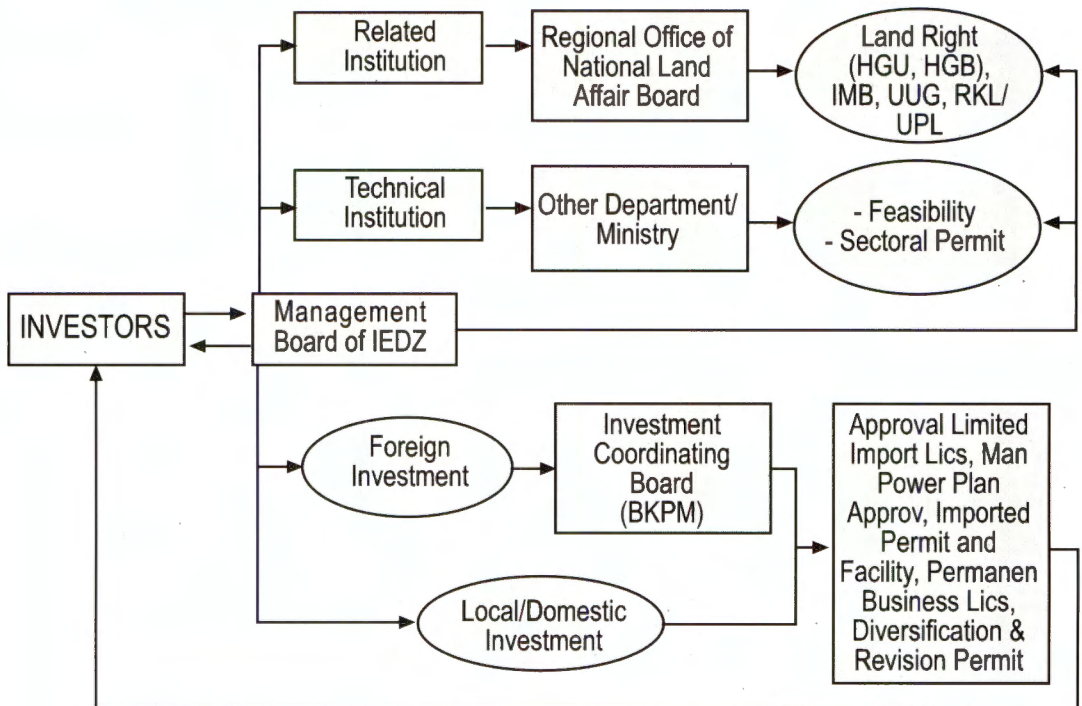
- Companies undertaking business activity in a bounded zone inside IEDZ shall be granted the facility of non-collection of the imported duty on the imports of the capital goods, equipment and other materials needed and having direct bearing on production activities.
- Simplify administration and business procedures for companies undertaking business in IEDZ.

Permit Procedure Facilitation Through One-Stop Service

Permit procedure facilitation through one-stop service can be shown in the chart below :



Permit Procedure Facilitation Through One-Stop Service in IEDZ



II. EASTERN INDONESIA DEVELOPMENT COUNCIL (EIDC)

The Eastern Indonesia Development Council (EIDC) is established based on the issue of **Presidential Decree No. 120 of 1993**, concerning the Eastern Indonesia Development Council (EIDC). This Presidential Decree establishes the formal juridical foundation for the organization which will work to stimulate Eastern Indonesia's development. Among other matters, this Decree formed the EIDC, determined the territory included in Eastern Indonesia, set forth the membership of the EIDC and details of duties.

In the **Presidential Decree No. 89 of 1996**, the EIDC appears as a component of the Advisory Team which will formulate policy and coordinate development activities in the IEDZ. This is in line with the basic duties of the EIDC established at the outset:

- To formulate a development strategy for Eastern Indonesia mid-term development plan as well as Long-Term Development Plan.
- To coordinate the development policy for Eastern Indonesia in an integrated and ongoing fashion.
- To monitor the integration of development planning and implementation in Eastern Indonesia.
- To promote accelerated growth in Eastern Indonesia through more effective breakthroughs or alternative approaches.
- To undertake investigations and feasibility studies for the accelerated development of high potential zones and mainstay sectors.

The structure of EIDC :

- Chairman : President of The Republic of Indonesia
- Executive Chairman : State Minister of Science and Technology
Chairman of BPPT / Chairman of BPIS
- Members :
- State Minister of National Development Planning Agency
 - Minister of Home Affairs
 - Minister of Finance
 - Minister of Public Works (Now, Minister of Settlement and Regional Infrastructure)
 - Minister of Transportation
 - Minister of Agriculture
 - Minister of Industry and Trade
 - Minister of Forestry
 - Minister of Tourism, Pos and Telecommunication (Now, Minister of Tourism and Culture)
 - State Minister of Investment / Head of the Coordinative Agency for the Investment.
 - Minister of Security and Defense
 - Minister of Mining and Energy
 - Minister of Transmigration and Forest Squatter Resettlement (Now, Minister of Transmigration and Manpower)
 - Minister of Education and Culture (Now, Minister of National Education)
 - Minister of Manpower (The ministry doesn't exist anymore)
 - Governor of the Bank Indonesia
- Secretary : - Deputy V for regional Affairs, BAPPENAS

The organizational structure of the EIDC reflects a strong political will and government support for the development particularly in Eastern Indonesia.



II. GEOGRAPHY

Sabang IEDZ is located between 05^o46'28" - 05^o54'28" Northern Latitude and 95^o13'02" - 95^o22'36" Eastern Longitude. Beside, geographically, it is at the entrance of West Indonesia region and between South West Asia and Asia Pacific region. It is the center of oil refueling and water fillingservice for international shipping and also the center of international maritime and trade.

III. GOVERNMENT

The Sabang IEDZ coverage area of 263,75 Km² including Sabang Municipality consisting of 5 islands (Weh island, Kla island, Rondo island, Seulako island and Rubiah island) and Aceh Island Regency which is consist of Breuh Island, Nasi Island and Teunom Island.

V. INFRASTRUCTURE

5.1. Transportation

a. Land Transportation

Served by national road network which is connecting to all cities/Regencies in Nangroe Aceh Darussalam province and cities in Sumatera Island as well.

b. Sea Transportation

Served by Sabang Free Port, which can be leant on by ships with weight of 500.000 DWT ultra large crude carrier. Malahayati Port, Lhok Nga Port and Krueng Port.

c. Air Transportation

Served by Sultan Iskandar Muda Airport which is servicing international and domestic flights.

5.2. Other facilities

There are 600 telephone lines, post officce, Banks (BRI and Local Bank) and also electricity 3,700 Kw.

VI. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

There are various agricultural investment opportunities in Sabang IEDZ in food crop (rice, corn), horticulture (chili and any types of vegetable), estate crops (coconut, cocoa, palm, coffee, nutmeg, pepper etc), livestock (cattle, chicken) and fishery.

The fishery sector is an excellent sector and scattered in the Sabang IEDZ area. Its covers sea fishery and fish pond/brackish water.

1. Marine Fishery

The Nanggroe Aceh Darussalam Province covers of the sea is 56,653 Km² and includes 23,563 Km² for territorial waters and 33,000 Km² for inland waters, and the fishery resources are 2.7 Ton/Km² (pelagic) and 5 Ton/Km² (demersal fish).

Table 1: Total production of fish in the Sabang IEDZ in the year 1997 - 1999

Zone	1997	1998	1999
Banda Aceh	11,246.9	12,078.0	11,517.0
Aceh Besar	9,429.9	11,209.8	10,618.9
Pidie	10,695.5	10,680.5	10,600.0

Types of fish in The Sabang IEDZ area are : big pelagis (big eyes tuna, skipjack, alalunga), small pelagic (narrow barred, trevalies), demersal (grouper, barracudas, goat fish, flat fish, yellow tails), shrimps (various kind of shrimps and lobsters)

2. Fish Culture

The development of fishpond cultivation includes:

1. Brackfish water culture (shrimp, milkfish, etc)
2. Fresh water culture (goldfish, catfish, snakehead fish, etc)

Table 2. Total production of fishpond in the Sabang IEDZ

Zone	1997	1998	1999
Banda Aceh	549	668,5	668
Aceh Besar	818,7	948	955
Pidie	4,342	5,100	5,107

In addition to fish canning in this sector, it can be build freezing factory, etc.



In the context of ASEAN, Sanggau IEDZ is included in the region of ASEAN countries regional cooperation of Brunei Darussalam – Indonesia – Malaysia – the Philippines East ASEAN Growth Area (BIMP-EAGA), which is as an ASEAN sub regional economic cooperation for the eastern region. The Sanggau IEDZ has a tropical climate, with temperature 26 – 33° C. The relative humidity is 90 % and the rain fall is average range between 2.600 – 3.500 mm/year.

The Sanggau IEDZ is approximately 90 % forest or un-irrigated agricultural land. This hilly area lies at a high altitude, with many swampy areas, and is traversed by a number of rives, including the Kapuas, Sekadau, Sekayam and Tayan Rivers.

III. GOVERNMENT

Sanggau Integrated Economic Development Zone (IEDZ) covers the areas of Sanggau Regency, Sambas Regency, Bengkayang Regency, and part of Landak Regency (Air Besar District and Kuala Behe District), with of 3,2 million hectares total area.

IV. DEMOGRAPHY

In 1999, Sanggau IEDZ has population about 1.427.231 with population growth at 2, 3 % per year and the population density is 43 people per km². The largest number of population lived in Sambas Regency with the average population density is 83 people per km².

Most of the population in Sanggau (age up to 10 years old) is under graduate from elementary school. Theoretically, showed about 25% from labour force is ready to use (medical, accountant, etc)

V. ECONOMY

In 1998, average income per capita in Sanggau regency is 3, 017, 824, 15 rupiah per year, whereas in the Kalimantan is 4,152,840.17 rupiah per year. Based on data of poverty population in Sanggau IEDZ covers Sambas regency (23, 17%) and Sanggau regency (37, 69%) and West Kalimantan (26, 18%).

Sanggau IEDZ has been contributed to West Kalimantan GRDP as 24.91 % (1993) and 27.24% (1998). In the year come, this contribution predicted more bigly in the same way with increasing the production of estate crop, mining and fishery production. Besides, there is significantly indication about industrialization increasing based on estate crops which has a dominant role in IEDZ economic.

In 1994 – 1997, the economic growth in Sanggau IEDZ is relatively higher, average 9.44 %. The economic growth decreasing is only 1, 41 % when the economic crisis came but the value is still higher than West Kalimantan -5.64% and National – 13.20 %.

Based on the value added calculation, the estimated of the value added of GRDP in IEDZ linearly will be increase twice in year 2015. Besides, boosting increasing of value added, development strategy trough IEDZ also boosting economic transformation which will support in strengthening economic structure, namely transformation from agriculture to industry.

Table 1. The estimated value of GRDP per capita with and without IEDZ

	YEAR				
	1999	2000	2005	2010	2015
National	5,377.42	6,502.10	9,427.75	15,233.82	25,117.90
West Kalimantan	4,171.93	4,487.43	6,856.56	10,908.56	17,895.20
Sanggau Linear	3,382.03	4,436.52	6,464.13	10,474.39	16,454.71
With IEDZ					
Optimistic Scenario	3,382.03	5,420.01	10,160.09	19,090.75	28,042.76
Moderate Scenario	3,382.03	5,373.25	9,724.19	16,988.67	25,440.60
Optimistic Scenario	3,382.03	5,296.58	9,001.51	13,939.57	21,276.21

VI. INFRASTRUCTURE

The infrastructure has an important role in order to support the economic development in the region. The growth centre will be boosted if infrastructure especially transportation is provided by the related region.

6.1. Transportation Line

The Transportation infrastructure include land, sea, river and air which is support Sanggau's IEDZ available both inside and outside of Sanggau IEDZ area. Marine port in Pontianak serves navigation inter-insular as well as international. Pontianak Supadio Airport which is managed by Perum Angkasa Pura can be landed by jet F.28 – Boeing 737 A300 and smaller aeroplane.

a. Land Transportation

The area has a National highway network of Kalimantan with the total length of 1.016 km. The highway network connecting the capital of province, Pontianak, with the length of 267 km is in a good condition. Border – crossing road connect Sanggau – Entikong – Serawak Boundary (Malaysia).

Sanggau IEDZ has 10.496 km asphalted and without asphalted including national, provincial and regency roads that connect Trans Kalimantan and International to Serawak and Brunei Darussalam.

The internal integrated transportation system that will be developed in Sanggau IEDZ is increasing transportation route for both passenger and goods either domestic or international (East Malaysia, Brunei Darussalam and Indonesia) through Land Border Gate (LPB) Entikong (official) and another PLBs namely : Jagoi Babang, and Nanga Badau (will be soon opened)

b. River Transportation

Sambas and Kapuas River connect Pontianak – Sanggau – Sintang – Putussibau Tayan Baoundary and places within the cities of Sambas Regency.

c. Sea Transportation

There are three ports open to international trade namely Pontianak Port, Sintete/Pemangkat and Teluk Air as well as two more regional port, namely Singkawang Port and Sambas Port.

Inland ports such as Tayan are planned as internal route and especially to anticipate the progress and the development of Bauxite mining while Sintete and Paloh are planned for supporting Natuna Mega Project.

d. Air Transportation

Served by Supadio Airport in Pontianak covering international and domestic flight, and the pioneer Airport serving Pontinak – Sanggau – Sintang lane.

6.2. Electricity

Sanggau IEDZ has installed capacity of electricity about 47,760 Kw in the four locations. An electricity service in Sanggau IEDZ is limited. It's only served the limited settlement area and also provides in the limited time (10-12 hours per day).

The need of electricity in the Sanggau IEDZ is estimated about:

1. Oil palm estate : year 2005: 36 MW, 2015: 100 MW (standard is 14 Kw /ton)
2. Pulp industry : 79 MW
3. Mining : 35 MW
4. Brackish water /pond culture : 2 MW
5. Entikong Integrated Trade Centre : 10 MW
6. Household : 10 MW

Meanwhile, electricity production in Sanggau IEDZ is only 5 – 10 MW

Several alternatives can be done for providing electricity in Sanggau IEDZ such as:

1. Conducting cooperation with Serawak which has a huge potential electricity
2. Developing waterfall potential (Landak regency e.g. PLTA Engkangin: 10 MW, PLTA Donge: 30 MW, PLTA Pade Kembayung: 35 MW, PLTA Tangenep: 40 MW) Totaled about 115 MW.
3. Developing electricity through provided coal (Senaning Hill, Sintang regency) as raw material.
4. Build limited electricity installation utilizing diesel machine

6.3. Telecommunication

Telecommunication service covers cities in Sanggau IEDZ such as: Sanggau municipality, Singkawang, Sambas, Tebas, Pamangkat, Sungai Duri and Bengkayang. Installed capacity is 17,032 SST which is only been used about 10,161 SST. The bigger installation is in Singkawang and the smaller is in Sungai duri (288 Unit).

6.4. Water Supply

Clean water installation in Sanggau IEDZ generally only to serve citizen in the city (regency and some of district) and special settlement area with limited capacity (5-10 lt) from Water Supply Establishments. Whereas for industrial need usually use their own water treatment.

The major restriction to develop clean water in Sanggau IEDZ such as: there is less investor who is attracted to invest in this area to construct the infrastructure and net working. In time being it should be done by the local government.

The need of clean water in Sanggau such as:

1. Oil palm estate and processing industry in a year 2005 need 3,862.309 M³ clean water, whereas in year 2015 need 12,000,000 M³.
2. Pulp industry with production capacity 557,018 ton per year with area 183,640 ha need clean water 18,250,000 M³ (year 2005) and year 2015 estimated need minimize 36,500,000 M³.
3. Pond culture and processing activity needs clean water about 10,000,000 M³ (year 2005) and year 2015 estimated 20,000,000 M³.

6.5. Bank

Bank in Sanggau IEDZ : 50 branches of government bank, and five private banks.

6.4. Health Facility

14 hospital and at least one health centre in every sub-district

6.5. Education

Available elementary schools up to academy and vocational training facilities

VI. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

IEDZ development plan is scheduled for 15 years from 2000 to 2015. By those time frames, it is intended to make easier of monitoring, affectivity, efficiency as well as natural resources supply (estate, forestry, shrimp and fishery, mining and services).

This scenario based on assumption that the strength commodity development runs smoothly and appropriately with following targets.

Table 2. Development the Strength Commodity in Sanggau IEDZ until 2015

Comodity	Area (Ha)	Unit Processing	Factories (Unit)
Oil Palm	450.000	. CPO, PKO	63
		. Downstream Industry	3
Industrial Plant Forest	300.000	. Pulp Industry	1
		. Paper Industry	1
Shrimp	3.000	Cold Storage	1

Agriculture Sector

- **Oil Palm Plantation**

By developing of oil palm plantation for 15 years until 2015 of 450.000 ha or 30.000 ha per year, will create the opportunity of processing unit CPO/PKO (Crude Palm Oil/Kernel Palm Oil). By having capacity 60 ton Bunchy fresh fruit /hour needs 7.000 – 10.000 hectares of plantation. So, from the existing plantation and the additional 450.000 hectares requires 63 factories including nine available CPO processing units. Furthermore, it also creates investment opportunities for its downstream industry such as cooking oil, margarine/shortening, chemical oleo and others.

- **Livestock**

In 1992 – 1998 the livestock showed good growth. Cattle, buffalo, goat, sheep and pig are a dominant commodity. Whereas poultry both meat and egg are potential commodity to be develop in Sanggau IEDZ.

Forestry Sector

Instead of high demand for pulp and paper product there are still shortages in supply. At present, the shortage at least 17 million tons/year and it will be increasing and reaching 57 million ton in 2015. The pulp first production in Sanggau IEDZ is utilizing the success of 1991 plantation of 200.000 hectares. Until 1998/1999, there are only four companies planted HTI in Sanggau IEDZ . In supporting pulp industry, the plantation should be raising around 20.000 hectares annually. Up to 2015 with expected wood production reach to 5, 15 million m³, enable to establish pulp factory in 2005 and paper factory in 2010 in Sanggau IEDZ.

Fishery Sector

Figuring Of 200 km² west beach's potency of Sanggau IEDZ, there are opportunities to develop shrimp culture or other fisheries business.

For the first phase, it is planned to develop shrimp culture on 648 hectares, and in 2015 may reach to about 3.000 hectares. The following potency in shrimp production is establishment of (five) cold storage industries in Sanggau IEDZ. Shrimp production will approximately reach 51.000 tons/ year in 2015.

Fishery development is directed to open water, public surface, fishing fish and shrimp cultivation in a pool. Fishery production value in Sanggau IEDZ in 1997 reached 75, 8 billion rupiahs consist of 62, 12 %, fishery 10, 31 % general fishery and 27, 57 % fishery cultivation. Based on the production value, the cultivation of fish is promising in Sanggau IEDZ.

Meanwhile, from west beach's Sanggau IEDZ deals with Karimata Strait, Natuna Sea up to South China Sea on Indonesia ZEE is rich in shrimp, fish, ornamental fish and other exotic coral, flora and fauna as well as small islands and beaches for tourism sports.

Table 3. Investment Opportunities of Sanggau IEDZ

Business Comodity	Location	Scale/Volume	Approximately Investment Scale	Investor Companies	Remark
Oil Palm Plantation	Sanggau, Sambas, Bengkayang and Landak Regency	<ul style="list-style-type: none"> ● Existing : 149.522,46 ha ● Plan 450.000 ha 		<ul style="list-style-type: none"> ● 58 ● 19 	<ul style="list-style-type: none"> In process Open for Domestic and Foreign Investment

Business Comodity	Location	Scale/Volume	Approximately Investment Scale	Investor Companies	Remark
Crude Palm Oil Industry	Sanggau and Sambas	• Capacity : 60 ton TBS/hour		• 5	Operation in Sambas
		• 30 ton TBS/hour • Total Production CPO : 156.000 ton Kernel : 31.000 ton		• 1	Open for Domestic and Foreign Investment
Aloe Vera	Sambas, Bengkayang Regency	• 1.000 ha	• 2 Billion Rupiahs	British Investor	
Shrimp Cultivation	Sambas and Bengkayang Regency	Existing 929 ha	• 3,8 Billion Rupiahs		Open
Cold Storage (Packaging)	Sambas and Bengkayang Regency				Open



as Kakab

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Paddy



KETERANGAN

-  Ibukota Propinsi
-  Ibukota Kabupaten
-  Ibukota Kecamatan
-  Batas Kotamadya
-  Batas Kecamatan
-  Batas Kota Lainnya
-  Jalan Lintas
-  Jalan Strategis
-  Jalan Lainnya

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I. GENERAL INFORMATION

The Das Kakab IEDZ lies on Central Kalimantan Province. Its covers an area of Rivers Basin Kahayan, Kapuas, and Barito which has the potential of growing fast compared to other area in this province. The priority in the Das Kakab IEDZ is to develop agriculture, forestry and industry sector. The dominant commodity in agriculture sector is paddy. A huge production land for agriculture development is provided. The investment opportunity is open for more downstream industry for the agricultural products and for clearing and developing estate land to grow principal commodities.

In the forestry sector, the development of timber estate will figure prominently in the activities of the forestry sector.

To support and attract investors, the Das Kakab IEDZ management board will give a certain incentives in the form of Tax treatment and import duty exemption for forestry, mining, wood industry , telecommunication, transportation service and the other services.

II. GEOGRAPHY

Das Kakab IEDZ has a tropical climate and relative humidity with its temperature between 23°C to 26°C. The rainfall occurs almost in the year long, especially on October to December and January to March with the average annual rainfall of 2,000 to 3,000 mm per year.

III. GOVERNMENT

Das Kakab IEDZ is located in the Central Kalimantan Province with the total areas of 2,767,300 ha (276.73 km²) consist of three Regencies (22 sub districts), namely Palangkaraya Municipality, Kapuas and South Barito Regency.

IV. DEMOGRAPHY

In 1998, the total population of Das Kakab IEDZ was about 609,753 inhabitants with the population density of 22 person /km². The population grew at an average rate of 2.67 percent. Most of the population lived at the edge of three great rivers, i.e. Kahayan, Kapuas, and Barito River. They are mostly farmer, trader and industrial worker.

V. INFRASTRUCTURE AND SUPPORTING FACILITIES

5.1. Transportation

a. Land Transportation

In 1998, Central Kalimantan has been noted that the total road network length was 6,834.54 km consisting of 1,707.35 km of state owned road there was 523.51 km provincial roads and 4,603.50 km of Regency road. Between the road networks, there was 244.86 km of state owned road and 249.4 km provincial roads in Das Kakab IEDZ.

b. River Transportation

The Das Kakab IEDZ has three great and long river namely Kahayan, Kapuas and Barito river with length not less than 300 km to 600 km and can be sailed by speedboat, longboat, river bus and other kinds of river transportations. The main function of that river is transportation mean inter regional and inter Sub District to South Kalimantan Province.

c. Sea Transportation

There are three seaports namely Kereng Bengkirai, Pulang Pisau and Kuala Kapuas with the length to the threshold out side of 112.5; 50.9 and 19.1 mill sea, respectively. The category from the port class of V with good condition and generally use to break up and contain material especially forestry sector.

d. Air Transportation

The Das Kakab IEDZ has airport namely *Cilik Riwut* in Palangkaraya Municipality serves the flight to Surabaya and Jakarta (Java Island) by the Fokker 28 and Banjarmasin (South Kalimantan Province) and *Sanggau Airport* in South Barito Regency in Buntok by Cassa 212.

5.2. Post and Telecommunication

Post and money transfer service have reached to all the capital cities at regencies. Beside that, there are four units Central Telephone Automatic (STO) : two units in Palangkaraya Municipality, 1 unit in Kuala Kapuas and 1 unit in Buntok with the total capacity of 20,740 SST.

5.3. Banking

Several government banks have their branches in Palangkaraya, Kuala Kapuas, and Buntok. Such as BNI'46, Mandiri Bank, Danamon Bank, BRI, instead of the regional Development Bank (BPD). Beside that, there are insurance companies both government and private owned including the branch offices.

5.4. Water Supply

Each capital of the regency has running water. Water supply provided by Regional Water Supply Establishment which take water resources from the river and reservoir.

5.5. Electricity

Electricity services connected by two systems interconnected, i.e. South Kalimantan System and Banua Lima System. The capacity of those sources is 117 MW : PLTA 30 MW, Diesel Power Plant (PLTD) 66 MW and PLTG 21 MW.

VI. POTENTIAL AND OPPORTUNITIES AGRIBUSINESS INVESTMENT

Agriculture Sector

- Food crops and Horticulture
Das Kakab IEDZ has a tropical climate that is very suitable for tropical plants such as fruits, corn, soybean, cassava, and vegetables. Das Kakab IEDZ has various kind of fruits which waiting for to be processed. Investment opportunities is widely open for seeding supplying, planting technology, processing, marketing and for develop Nucleus Estate Smallholder (NES).
- Estate crops
The plantation area of Das Kakab IEDZ was 64.067 ha with rubber coconut and rattan as its main commodities. Speeding palm oil plantation has opportunities for people prosperity in Das Kakab IEDZ considering climatic condition and land suitability for this vegetation. The additional was 1,544,240 ha highland has potencies for prosperity to production food crops central, horticulture, plantation, has never been cultivated.
- Livestock
Investment opportunities in Livestock are very promoting. The dominant commodities are ducks, indigenous chickens, goats, pigs, beef cattle fattening which have a good prospect since Central Kalimantan Province still imports those commodities from other provinces.
- Agro-Industry
Several various productions of agriculture, plantation, fishery, Livestock, and forestry are mean opportunities to produce. Some various industries give opportunity for the investment of wood industry, Coconut plantation and processing industry, fish product manufacture, agriculture industry, fish industry, tinned fruits industry, tined coconut industry, rubber industry, and other industries.

Fishery Sector

Fish catching in the sea, river, and lake and cultivating is an activity since a long time ago. There are open water (river, lake, swamp) covering 759,821.21 ha, with the potency of 43,081.87 tons/year and the utilization at the present of 29, 44 %. The potential of ocean was 159,360 tons/year and now the rate of utilization up to 65.07 %. There are several types of fish in this area namely Sleeper Gobies, Toman, Patin, Howen's Crap, Knife Fishes, Freshwater Turtle and shrimp. The condition and potency mentioned above so business and investment opportunities at the fishery sub sector can be in the kinds of fish catching, aquaculture, the fish product, cold storage, marketing, the ship fish manufactures and tinned food fish.

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

Potential and opportunities of agribusiness investment in detail can be shown in the table below :

7.1. Upstream Industry

A. Infrastructure/Supporting Facility

Table 1. Infrastructure/Supporting Facility by Sub District

Sub District	Infrastructure/Supporting Facility
Kapuas Murung = Palingkau Baru	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, Kelotok (motor boat/ bamboo boat), speed boat Pos & Telecommunication : mailbox
Basarang = Basarang	Road Transportation : Bus, Truck, motorcycle Pos & Telecommunication : Auxiliary Post Office, mailbox
Kapuas Barat = Mandomai	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, motor boat/bamboo boat, speed boat Pos & Telecommunication : mailbox
Kahayan Hilir = Pulang Pisau	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, motor boat/bamboo boat, speed boat Pos & Telecommunication : Auxiliary Post Office, mailbox

Sub District	Infrastructure/Supporting Facility
Mantangai = Mantangai	Road Transportation : two wheel vehicle Open water transportations : Ships, motor boat/bamboo boat, speed boat Pos & Telecommunication: Auxiliary Post Office, mailbox.
Pandih Batu = Pangkoh	Road Transportations: two wheel vehicle. Open water transportation : Ships, motor boat/bamboo boat, speed boat Post & Telecommunication: Auxiliary Post Office, mailbox.
Strait = Kuala Kapuas	Road Transportation: two wheel & four wheel vehicle. Open water transportations : Ships, motor boat/bamboo boat, speed boat Pos & Telecommunication : Post Office, Auxiliary Post Office, Regency's Post Office, mailbox Accommodations: hotel and cheap hotel/inn
Kapuas Hilir =Pulang Pisau	Road Transportation: two wheel & four wheel vehicle. Open water transportation : Ships, motor boat/bamboo boat, speed boat Airport : Perintis Airport
Pulau Petak = Sel Tatas	Road Transportation = two wheel & four wheel vehicle. Open water transportation : passenger or cargo ship, Motor boat/bamboo boat, speed boat
Kapuas Timur = Anjir Sarapat	Road transportation = four wheel vehicle Open water transportation : ship, Motor boat/bamboo boat, speed boat Post & Telecommunication : mailbox
Kapuas Kuala = Lupak Dalam	Road transportation : bus and motorcycle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : Auxiliary post office & mailbox
Kahayan Kuala = Bahaur	Road transportation : two wheel vehicle and four wheel vehicle Open water transportation : Ferry and ships Post & Telecommunication : (Part of Palangkaraya post office)



Sub District	Infrastructure/Supporting Facility
Kahayan Tengah = Bukit Rawi	Road transportation : two wheel vehicle and four wheel vehicle Open water transportation : Ferry and ships Post & Telecommunication : (Part of Palangkaraya post office)
Timpah = Timpah	Road transportation : two wheel vehicle Open water transportation :ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : (Part of Palangkaraya post office)
Banama Tinggang = Bawan	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : (Part of Palangkaraya post office)
Jenamas = Rantau Kujang	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : Auxiliary post office & mailbox
Dusun Hilir = Mangkatip	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/ bamboo boat, speed boat Post & Telecommunication : Auxiliary post office
Kurau Kuala = Bangkuang	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/ bamboo boat, speed boat Post & Telecommunication : Auxiliary post office
Dusun Selatan = Buntok	Road transportation : four wheel vehicle (bus) & two wheel vehicle Open water transportation : ships, Motor boat/ bamboo boat, speed boat Air transportation : plane Post & Telecommunication : Auxiliary post office, mailbox Hotel affair : Hotel & inn



Sub District	Infrastructure/Supporting Facility
Pahandut = Palangkaraya	Road transportation : two wheel & four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Air transportation : plane
Bukit Batu = Tangkiling	Road transportation : two wheel & four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat

B. Potential and Investment Opportunities

1. Fishery Sector

Table 2. Potential and Investment Opportunities in Fishery Sector

Type of Product	Location	Investment Opportunities	Potential Area
Catching - Seaweed, lobster, squid, sea cucumber, jellyfish and the others - cockle shells (snapper, grouper (serranus), lencan and the others - Indian mackerel , Flying fish, trevallies and the others - Shrimp	Kahayan Kuala, Kapuas Kuala	Reserved for small-holders	Open water (river, lake, swamp) : 759,821.21 ha Coastline length : ± 83 km Marine : 159,360 ha
The other sea fish	Kahayan Kuala, Kapuas Kuala	Open in special condition	Open water (river, lake, swamp) : 759,821.21 ha Coastline length : ± 83 km Marine : 159,360 ha
Brackish water fish		Reserved for small-holders	Open water (river, lake, swamp) : 759,821.21 ha



Type of Product	Location	Investment Opportunities	Potential Area
Cultivation			
a. Fresh water fish - Eel, frog, snail, crocodile/ alligator	Mantangai, Kahayan Hilir, Kahayan Kuala, Kahayan Tengah. Jenamas, Dusun Hilir, Karau Kuala, Jenamas	Open in partnership condition	
Shrimp Hatchery	Kahayan Kuala, Pandih, Batu, Kapuas Timur, Kapuas Kuala, Basarang	Open in partnership condition	
Large prawn	Kahayan Kuala, Pandih, Batu, Kapuas Timur, Kapuas Kuala, Basarang	Open in certain condition	Area : 164,468 ha
Freshwater turtle, knife fishes, sleepers gobies	- Kahayan Tengah, - Jenamas, Dusun Hilir, Karau Kuala, Jenamas - Pahandut	Open in certain condition	Area : 123,698 ha
Betok/Papuyu	Kahayan Kuala, Pandih Batu, Mentangai, Kapuas Murung, Kapuas Timur, Basarang, Kapuas Kuala	Open in certain condition	Area : 164,468 ha
Snake head	Kahayan Kuala, Pandih Batu	Open in certain condition	Area : 70,679 ha



Type of Product	Location	Investment Opportunities	Potential Area
Patin , common carp , Nile tilapia, Gourami, catfish	- Kahayan Tengah, - Jenamas, Dusun Hilir, Karau Kuala, Jenamas - Pahandut	Open in certain condition	Area : 123,698 ha
Hatchery b. Sea fish - Mangrove Crabs, large prawn	Kahayan Kuala, Kapuas Kuala	Open in certain condition	Area : 43,415 ha

2. Agriculture Sector

a. Food Crops and Horticulture

Table 3. Potential and Investment Opportunities in Food Crops and Horticulture

Type of Product	Location	Investment Opportunities	Potential Area
Soybean	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Batu, Mentangai, Kapuas Murung, Kapuas Timur, Kapuas Barat. Basarang, Kapuas Kuala, Kahayan Hilir ▪ Jenamas, Dusun Hilir, Pehandut, Bukit Batu 	Open in partnership condition	Total area : 379,232 ha (284,108 + 50,635 + 44,489) Yield : 1.5 – 2.7 tons/ha Variety : Galunggung, Lokon, Willis Kerinci, Tidar, Dieng, Var, Major variety, Local variety
Maize	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Pandih, Batu, Mentangai, Kapuas Murung, Kapuas Timur, Kapuas Barat. Basarang, Selat, Kapuas Kuala, Kahayan Hilir ▪ Jenamas, Dusun Hilir ▪ Pahandut 	Open in partnership condition	Total area : 355,368 ha (284,108 + 50,635 + 20,625) Yield : 1.5 – 2.7 tons/ha Variety : Bisi-2, Semar, Hibrida, CPI-1, AGX, Pioner, Arjuna, Var, Major variety, Local variety



Type of Product	Location	Investment Opportunities	Potential Area
Paddy	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Pandih, Batu, Mentangai, Kapuas Murung, Kapuas Timur, Kapuas Barat, Basarang, Selat, Kapuas Kuala, Kahayan Hilir ▪ Jenamas, Dusun Hilir, Pahandut, Dusun Selat, Karau Kuala 	Open in certain condition	Total area : 581,476 ha (462,426 + 119,050) Yield : 2.3 tons/ha Variety : IR36, IR66, Way Rarem, Siam, Unus, Major variety, Local variety
Cassava	Kahayan Kuala, Pandih, Batu, Mentangai	Open in partnership condition	Total area : 108,369 ha Yield : 11 tons/ha Variety : Aipin Mangi, Aipin Valenca, Bogor, Muara Betawi, Local Major variety
Peanut	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Mentangai, Kapuas Murung, Kapuas Barat, Kahayan Hilir ▪ Jenamas, Dusun Hilir Pahandut 	Open in partnership condition	Total area : 190,900 ha (119,640 + 50,635 + 20,625) Yield : 1.5 – 2 tons/ha Variety : Gajah variety, Macan variety, Banteng variety, Local Major variety
Pineapple	<ul style="list-style-type: none"> ▪ Kahayan Kuala, Kapuas Murung, Kapuas Timur, Kapuas Barat, Basarang, Selat, Kapuas Kuala, Kahayan Hilir ▪ Pahandut 	Open in partnership condition	Total area : 242,056 ha (221,431 + 20,625) Variety : Bogor Pineapple, Red Pineapple, Green Blitar, Palembang Pineapple, Local Major variety
Banana	Mentangai	Open in partnership condition	Total area : 37,690 ha Variety : Janten, Muli, Raja, serai, Belitung, Kepok, Kawista, Abacca



Type of Product	Location	Investment Opportunities	Potential Area
Durian	<ul style="list-style-type: none"> Kahayan Tengah, Mentangai, Dusun Selatan, Karau Kuala Pahandut, Bukit Batu 	Open in partnership condition	Total area : 149,695 ha (50,871+ 68,415 + 30,409) Yield : 150 – 180 pieces/tree Variety : Sunan, Sitokong, Nias
Rambutan (Hairy fruit)	Kapuas Murung, Kapuas Barat, Basarang, Selat, Kapuas Timur	Open in partnership condition	Total area : 111,618 ha Variety : Binjai, Lebak Bulus, SiBongkok, SiBatuk, Local Major variety

b. Estate Crops

Table 4. Potential and Investment Opportunities in Estate Crops

Type of Product	Location	Investment Opportunities	Potential Area
Rubber	<ul style="list-style-type: none"> Kahayan Hilir, Mentangai, Kahayan Kuala, Kapuas Kuala, Pandih, Batu, Kapuas Timur, Basarang, Kahayan Tengah, Banama Tingang, Timpah Pahandut, Bukit Batu 	Open for PMA & PMDN *)	Total area : 1,314,506 ha (96,596+241,119+ 106,738) Yield : 1.5 tons/ha/year Klon Seri 2000 (Klon 2001, 2002, 2008, 2009, 2014, 2016, 2020)
Tall Coconut (Kelapa Dalam)		Open for PMA & PMDN	Total area : 479,720 ha (429,085+50,635) Yield : 0.76 tons/ha/year
Hybrid Palm		Open for PMA & PMDN	Total area : 604,957 ha (544,121+60,836) Yield : 3.98 tons/ha/year



Type of Product	Location	Investment Opportunities	Potential Area
Oil Palm		Open for PMA & PMDN	Total area : 1,056,581 ha (836,083+82,745+137,753) Yield : 20 tons/ha/year stem of the fresh oil palm
Reed		Open for PMA & PMDN	Total area : 36,475 ha
Rattan		Open for PMA & PMDN	Total area : 202,402 ha (133,987+68,415) Yield : 1.012 – 1.328 tons/ha/year

- *) PMA = Foreign Direct Investment
PMDN = Domestic Investment

c. Livestock

Table 5. Potential and Investment Opportunities in Livestock

Type of Product	Location	Investment Opportunities
Indigenous chicken	<ul style="list-style-type: none"> ▪ Kapuas Kuala, Selat, Pandih, Batu ▪ Dusun Selatan ▪ Pahandut 	Reserved for smallholders
Broiler, layer	<ul style="list-style-type: none"> ▪ Kapuas Kuala, Selat, Pandih, Batu ▪ Dusun Selatan, Pahandut, Bukit Batu 	Open in partnership condition
Duck	<ul style="list-style-type: none"> ▪ Kapuas Barat, ▪ Dusun Selatan, Karau Kuala, Jenamas ▪ Bukit Batu 	Open in partnership condition
Goat/sheep	Pandih, Batu Dusun Selatan, Karau Kuala, Pahandut	Open in partnership condition

Type of Product	Location	Investment Opportunities
Cow	Pahandut	Open in partnership condition
Pig	Dusun Selatan, Pahandut	Open in partnership condition
Livestock slaughtering	<ul style="list-style-type: none"> ▪ Dusun Selatan, Bukit Batu, Karau Kuala ▪ Pahandut 	Open in partnership condition

Source : Investment Opportunities Information in Das Kakab IEDZ, Central Kalimantan Province, Management Board of Das Kakab, 2001

7.2. Downstream Industry

A. Infrastructure/Supporting Facility

Table 6. Infrastructure/Supporting Facility by Sub District

Sub District	Infrastructure/Supporting Facility
Kapuas Murung = Palingkau Baru	Road transportation : two wheel & four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : mailbox
Basarang = Basarang	Road transportation : bus/carry, truck, motorcycle Post & Telecommunication: Mailbox
Kapuas Barat = Mandomai	Road transportation : two wheel & four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication: mailbox
Kahayan Hilir = Pulang Pisau	Road transportation : two wheel & four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : Auxiliary post office, mailbox



Sub District	Infrastructure/Supporting Facility
Mantangai = Mantangai	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : Auxiliary post office, mailbox
Pandih Baru = Pangkoh	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : Auxiliary post office, mailbox
Selat = Kuala Kapuas	Road transportation : two wheel vehicle and four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : post office, Auxiliary post office, Regency Post Office, mailbox
Kapuas Hilir = Pulang Pisau	Road transportation : two wheel vehicle and four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Airport : special for small aircraft
Pulau Petak = Sel Tatas	Road transportation : two wheel vehicle Open water transportation : Freight ship and passenger ship, motor boat/bamboo boat, speedboat
Kapuas Timur = Anjir Sarapat	Road transportation : two wheel vehicle four wheel vehicle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : Auxiliary post office, mailbox
Kapuas Kuala = Lupak Dalam	Road transportation : bus/ carry (for passenger) & motorcycle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : Auxiliary post office, mailbox
Kahayan Kuala = Bahaur	Road transportation : two wheel vehicle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : Auxiliary post office, mailbox



Sub District	Infrastructure/Supporting Facility
Kahayan Tengah = BukitRawi	Road transportation : two wheel vehicle & four wheel vehicle Open water transportation : ships, Ferry Post & Telecommunication : (part of Palangkaraya post office division)
Timpah = Timpah	Road transportation : two wheel vehicle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : Auxiliary post office
Banama Tingang = Bawan	Road transportation : two wheel vehicle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : (part of Palangkaraya post office division)
Jenamas = Rantau Kujang	Road transportation : two wheel vehicle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : Auxiliary Post office & mailbox
Dusun Hilir = Mangkatip	Road transportation : two wheel vehicle Open water transportation : ships, motor boat/bamboo boat, speedboat Post & Telecommunication : Auxiliary Post office & mailbox
Kurau Kuala = Bangkuang	Road transportation : two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Post & Telecommunication : Auxiliary post office
Dusun Selatan = Buntok	Road transportation : four wheel vehicle (bus) & two wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Air transportation : plane Post & Telecommunication : Auxiliary post office, mailbox Hotel affair : Hotel & inn
Pahandut = Palangkaraya	Road transportation : two wheel & four wheel vehicle Open water transportation : ships, Motor boat/bamboo boat, speed boat Air transportation : plane



B. Potential and Investment Opportunities

1. Fishery Sector

Table 7. Potential and Investment Opportunities in Fishery Sector

Type of Product	Location	Investment Opportunities	Potential Area
Catching - Fish crispy - Shrimp crispy - Petis (condiment of the fermented fish/shrimp), terasi (condiment made from pounded and fermented shrimp or small fish) - Salting of various fish Fish powder Spicy fish shredded - Smoked fish (smoked milkfish)	All sub Regencys	Reserved for smallholders Open in partnership condition	Fresh Fish Product : 22,263.7 tons (14,683.9 + 4,914.3+2,665.5) Shrimp product = 23.1 tons

2. Agriculture Sector

a. Food Crops and Horticulture

Table 8. Potential and Investment Opportunities in Food Crops and Horticulture

Type of Product	Location	Investment Opportunities	Potential Area
Soybean - Soybean curd - Fermented soybean cake - Tauco - Rempeyek - Soybean Milk - Soy sauce	Production center : Pandih Batu, Basarang, Kapuas Murung, Kahayan Kuala	Reserved for smallholders Open in partnership condition	Harvested area : 896 ha Product : 902 tons Yield : 1.01 tons/ha

Type of Product	Location	Investment Opportunities	Potential Area
Maize - Livestock Feed - Maize - Maize mill	Production center : Pandih Batu, Basarang, Kapuas Murung, Kahayan Kuala, Kapuas Timur, Selat, Mantangai - Karau Kuala, Jenamas - Pahandut, Bukit Batu		Harvested area : 1,431 ha Product : 902 tons Yield : 1.01 tons/ha
Paddy - Rice powder - Dyer - Unmilled Cleaner (Pembersih gabah) - Unmilled Broker (Pemecah kulit gabah)	Production center : Kapuas Timur, Pula Petak, Basarang, Kapuas Hilir, Timpah, Pandih Batu, Kahayan Kuala, Selat, Mantangai, Kapuas Barat, Kahayan Kuala, Kapuas Murung Karau Kuala	Reserved for smallholder	Harvested area : 69,436 ha Product : 166,862.14 tons Yield : 2.40 tons/ha
- Rice Mill - Polisher (Penyosohan Beras)		Open in partnership condition	
Cassava - Cassava Crispy - Cookies industry	Production center : - Kapuas Murung, Pandih Batu, Kapuas Timur, Kahayan Hilir, Timpah, Selat, Kapuas Hilir - Bukit Batu	Reserved for smallholder	Harvested area : 3,633 ha Product : 39,288 tons Yield : 10.81 tons/ha
Tapioca flour		Open in partnership condition	
Peanut - Peanut cookies industry	Production center : Kapuas Murung, Pandih Batu, Kapuas Hilir, Pulau Petak, Kapuas Timur, Kahayan Hilir, Kapuas Barat	Reserved for smallholder	Harvested area : 916 ha Product : 1,029 tons Yield : 1.12 tons/ha
Feed processing Industry			
Pineapple - Pineapple syrup/sweets - Pineapple jam	Production center : - Basarang, Selat, Kapuas Kuala, Pandih Batu - Dusun Selatan - Pahandut, Bukit Batu	Reserved for smallholder	Harvested area : 387,643 ha Product : 3,884 tons

Type of Product	Location	Investment Opportunities	Potential Area
<ul style="list-style-type: none"> - Pineapple canning - Nata de Pineapple - Pineapple vinegar 		Open in partnership condition	
<ul style="list-style-type: none"> - Pineapple preserved - Pineapple wine 		(except : integrated)	
<p>Banana</p> <ul style="list-style-type: none"> - Banana crispy chips - Banana Preserved - Banana Flour - Banana Wine 	<p>Production center :</p> <p>Kapuas Murung, Mantangai, Pandih Batu, Bukit Rawi, Basarang, Kahayan Hilir, Pulau Petak, Kahayan Kuala, Kapuas Hilir, Banamang Tinggang</p>	Reserved for smallholder	<p>Harvested area : 453,129 ha</p> <p>Product : 25,072 tons</p> <p>Yield : 0.06 tons/ha</p>
<p>Durian</p> <ul style="list-style-type: none"> - Tempoyak - Durian taffies - Ice Cream - Candle 	<p>Production center :</p> <p>Banamang Tinggang, Kahayan Tengah, Basarang, Timpah, Mantangai</p> <ul style="list-style-type: none"> - Dusun Selatan - Pahandut, Bukit Batu 	Reserved for smallholder	<p>Harvested area : 33,890 ha</p> <p>Product : 147 tons</p>
<p>Rambutan</p> <ul style="list-style-type: none"> - Rambutan taffies 	<p>Production center :</p> <p>Kapuas Murung, Pulau Petak, Basarang, Mantangai, Pandih Batu</p> <ul style="list-style-type: none"> -Dusun Selatan Karau Kuala -Pahandut, Bukit Batu 	Reserved for smallholder	<p>Harvested area : 119,236 ha</p> <p>Product : 346 tons</p>
Rambutan Canning		Open in partnership condition (except : integrated)	
<p>Citrus Fruit</p> <ul style="list-style-type: none"> - Citrus Syrup 	<p>Production center :</p> <ul style="list-style-type: none"> - Kapuas Barat, Kahayan Tengah, Banamang Tinggang, Pandih Batu - Pahandut, Bukit Batu 	Reserved for smallholder	<p>Harvested area : 258,504 ha</p> <p>Product : 186 tons</p>



Type of Product	Location	Investment Opportunities	Potential Area
- Soft drink (cans)		Open in partnership condition (except : integrated)	
Cempedak - Cempedak taffies - Cempedak Preserved	Production center : Kapuas Timur, Kapuas Barat, Selat, Basarang, Kahayan Hilir Pahandut, Bukit Batu	Reserved for smallholder	Harvested area : 162,968 ha Product : 612 tons

b. Estate Crops

Table 9. Potential and Investment Opportunities in Estate Crops

Type of Product	Location	Investment Opportunities	Potential Area
Rubber - Wheel industry - Crumb Rubber - Condom - Chair - Rubber processing industries	Production center : Kahayan Hilir, Banama Tinggang, Kahayan Tengah, Mantangai, Kapuas Barat, Kapuas Timur, Timpah, Kapuas Murung - Dusun Selatan, Karau Kuala	Open in partnership condition	Harvested area : 43,450 ha Product : 21,501 tons Yield : 0.78 tons/ha
Tall coconut & Hybrid coconut - coconut oil - copra - soap - palm sugar - flour sugar - soy sauce - syrup - Nata de coco - Coconut flour - Instant milk coconut - Active carbon - coconut fiber industry - raw material of car upholstery & chair Engraving	Production center : Kahayan Kuala, Kapuas Kuala, Pandih Batu, Basarang, Selat	Open in partnership condition	Harvested area : 16,924 ha Product : 13,575.90 tons Yield : 0.8 tons/ha

Type of Product	Location	Investment Opportunities	Potential Area
Coffee	Production center : Pandih Batu, Kahayan Hilir, Selat, Basarang	Open in partnership condition	Harvested area : 532 ha Product : 60,18 tons Yield : 0.11 tons/ha
Rattan - Rattan Processing - Rattan weaving - Industry material	Kapuas Murung, Selat	Reserved for smallholder Open in partnership condition	Product : 415,500 tons



Geographically, Batulicin is located between $2^{\circ} 20'$ - $4^{\circ} 21'$ Southern altitude and $115^{\circ} 15'$ - $116^{\circ} 30'$ Eastern longitude. It covers an area of 14,489.69 Km² or 1,448,969 hectares which must of the lies in Kalimantan Island and others in Laut Island and Small Island in the Makassar Strait and Java Sea.

Batulicin IEDZ bordered with East Kalimantan Province in the North, Java Sea in the South, Makassar Strait in the East and some of regencies in the West such as Hulu Sungai Utara, Hulu Tengah, Banjar and Tanah Laut regency.

III. GOVERNMENT

Administratively the government of Kotabaru Regency is divided into 20 regencies : Pulau Sembilan, Pulau Laut Barat, Pulau Laut Selatan, Pulau Laut Timur, Pulau Sebuk, Pulau Laut Utara, Kusan Hilir, Satui, Kusan Hulu, Batu Licin, Kelumpang Selatan, Kelumpang Hulu, Hampang, Sungai durian, Kelumpang Tengah, Kelumpang Utara, Pamukan Selatan, sampanahan, Pamukan Utara and Sungai Loban. Kusan Hulu Regency is the largest with total area is 1,697.42 Km² and Pulau Sembilan Regency are the smallest with 4.76 Km².

IV. DEMOGRAPHY

In 2000, Kotabaru regency had a population of 410,361 people, with an average density of 28 Km². Batulicin had the largest number of inhabitants with 78,530 but the greatest population density is not in this district but in Pulau Laut Utara, at 142 people per Km².

V. ECONOMY

The greatest contribution to the 1999 GDRP in Kotabaru regency came from agriculture sector (27.42%) followed by mining / quarrying sector (24.66%), trade, hotel, and restaurant (13,58%), processing industry (13,53%), transportation and communication (10,41) and other sectors (10.40%).

In 1999, income per capita per year is 6, 7 million rupiahs. It is making Kotabaru regency sit in the second rank. The most household about 23, 672 work as a fisherman. Their life depends on the sea product.

VI. INFRASTRUCTURE

Batulicin Integrated Economic Development Zone provides infrastructures such as:



a. Land Transportation

Batulicin Integrated Economic Development Zone (IEDZ) eager to increase quality and quantity of the land transportation include bridges. The existing roads in Batulicin IEDZ is about 317, 60 Km going to be 435, 47 Km, so does constructing bridges caused by a lot of rivers around. For public transportation currently provided taxi/bus station functioned as public transportation transit as 4 types as follows:

- Kotabaru taxi/bus station
- Batulicin taxi/bus station
- Pagatan taxi/bus station
- Satui taxi/bus station

b. Air transportation

Anticipating Batulicin Integrated Economic Development Zone (IEDZ) development in the future, air transportation service must progressing modern and standard airport facility and its landing strips. There are three airports in Batulicin as follows:

- Stagen Kotabaru airport, Run Way 950 m
- Batulicin airport, Run Way 1.850 m (it is not recently operated)
- Mekar putih special airport, Run Way 1.850 m and able to be landed by CN 235

c. Seashore Transportation

Seashore transportation development is going up and gives big contribution o support national, regional or district economy. There are some seaports in Batulicin:

- Batulicin Sea ports, as main port in Batulicin. It is strategic location because located in Makassar Strait well known as international traffic and it has capacity of doc shipping until 2000.000 DWT, with length of 70 M and Width 54 M.
- Kotabaru seaport, located in Kotabaru district
- Special seaport for coal transportation in Tanjung Pemancingan

d. Electricity

Kotabaru recently has been operating electric power about 12, 71 MW source from PLTD Kotabaru. There are 4 (four) sufficient electric powers in Batulicin and able to provide investor requirement, respective Batulicin state electric company with providing capacity 2,883,975 KVA; capacity of PLTA Sungai Kusan (Kusan Hilir) as 67,7 MV and capacity of PLTU Asam-asam (Tanah Laut Regency) as 65 MV.

e. Clean Water

Water service operated in Batulicin originally from well, ground water, and surfaces water (rivers, lakes, dams and waterways). The water service and distribution channel is managed by PDAM. For industry area, the main water supply is from surface water, under ground water, and Kerang River. Raising main water supplies is important to progress catchments area development.

f. Telecommunication

Recently, there are 1.077 units SST of telephone lines in Batulicin, 467 units SST in Kotabaru, 246 units SST in Pagatan, and 132 units SST in Sungai Danau. Telecommunication necessity is essential facility for industry sector, housing, trade and offices, this moment for telephone and facsimile facility need 1.050 M²/SST and telex (3 telephones for 1 telex). For housing, telephone facility is 1 SST for 100 houses, or 1 SST for 450 populations. This will be fulfilling with digital service that has been being developed by PT. Telekomunikasi Indonesia.

II. POTENTIAL AND OPPORTUNITIES

Batulicin Integrated Economic Development Zone (IEDZ) supposed has activity that could be prime motion in this area and it is expected to support economy activities to area it self, for example economy diversification activity for surrounding area. IEDZ has four (4) prime sectors such as Forestry, Plantation, Mine and Food crops and Horticulture. In this case we only focus in the sector which has related with agriculture such as plantation, food crops, livestock and fisheries.

7.1. Plantation

- **Oil Palm**

Allocation of area reservation for 20 investors had been reserved as 123.886,75 Ha and just 17 investors who had implemented plantation as 102.258 Ha.

- **Rubber**

Rubber plantation development for upper industry such as SIR Rubber, RSS, and Crumb Rubber and for lower industry including vehicle's tire, belt conveyer, shoes etc. There is provided area for rubber plantation development

Table1. The Potential Area for Rubber Plantation Development

Type of Business	Area (Ha)	Production (Ton)
Public Plantation	8.866	3.928,5
Expanding Plantation	1.487	1.298,8
Private Expanding Plantation	1.998	0

7.2. Food Crop

There are some kind of food crop which has potential to develop according to area justification for example upland rice, second crop (maize, bean, soybean, and cassava), mango, durian and rambutan.

Table 2. Food crops, Area and Production

Commodity	Production (Ton)	Area (Ha)
Rice	92.692	26.436
Upland Rice	30.536	14.527
Maize	65.504	6.525
Cassava	62.810	3.148
Sweet Potato	3.624	452
Bean 2.002	2.135	
Soy Bean	4.782	4.058
Mung Bean	720	616

7.1. Livestock

Cattle, buffalo and dairy cow are the dominant commodity in the livestock sub sector. The potential area, which provides for the livestock development is dry land: 909,000 Ha and swamp area 232,138 Ha. This land spread in Pamukan, Kelumpang and Kusan sub district. From this land aforesaid operated greenery livestock fodder.

Table 3. Livestock Population

Commodity	Population
Cow	22.047
Buffalo	17.436
Horse	45
Goat	11.718
Sheep	22
Pig	2.711
Broiler	609.496
Purebred	6.089
Duck	104.810

7.1. Fishery

The potential fishery of South Kalimantan covers marine fishery, inland open water, brackish water pond culture, and fresh water pond culture and stream basket or cage culture. Meanwhile the potential area for the fishery development is in South Pulau Laut, North pulau laut, South Pamukan, Central Kelumpang, Satui, Batulicin, and Kusan Hilir sub district.

Fresh water cultivation founded in some sub district such as Kusan Hilir and North Pamukan. Brackish water cultivation (fish and shrimp) spread in some district such as Pulau Laut and Batulicin

Table 4. The export value from fisheries sector in year 1996 – 2000

Commodity	Value (US\$)				
	1996	1997	1998	1999	2000
Frozen Shrimp	6.724.825,23	4.199.102,74	7.446.746,59	6.218.183,41	5.405.714,11
Snapper/Giant Perch	404.029,00	251.362,00	687.470,08	67.091,50	242.989,14
Crab	-	-	-	-	28.834,14
Jelly Fish	31.966,25	-	-	-	-

Investment Opportunities in the fishery sub sector are:

a. Hatchery

Currently most of shrimp fry supplied from other provinces (Java and Sumatra) because shrimp fry production from existing hatchery has not been able to fulfill demand yet as less 72 million shrimp fries per annum.

b. Cold Storage and Ice Fabric

Fishery production of South Kalimantan 1998 was 158.974 tons, but 55.000 tons of it still needs ice supplying after harvesting time. Because ice is needed to keep fish fresh during distribution process started from producer to consumer. Rest of ice supply needed twice of fish weight or as 110,000 tons per annum. Currently, ice production capacity in South Kalimantan 20,000 tons per annum caused lack of ice supply after harvesting time is 90,000 per annum.

c. Fish Processing

Increasing added value of fishery commodity from South Kalimantan creates fish processing operation in big scale such as build fish flour industry is one of developed business opportunity.

Beside plantation, food crop, livestock and fisheries, Batulicin IEDZ also provided investment opportunities in the agro-industry sub sector. Investment opportunities in the agro-industry such as banana flour, nata de coco, hybrid, coco cake, tofu, soy bean processing, black sugar, active carbon, skin crackers which made from fish, shrimp, and buffalo, sea weed processing (jelly), and egg salting industry. The investment opportunities in detail can be shown in the table below:

Table 5. Profile of Investment Opportunities in Batulicin IEDZ

Commodity	Type of Business/ Reservation	Location
CPO Industry	-	Industry area
Sago Flour	Land Clearing	Industri area
Fish Flour	55.400 ton	Sebuku Island, Sungai Danau, Pulau Laut Barat, Pulau Laut Selatan, Kelumpang Selatan, Sungai Selatan
Active Carbon	Reservation 46 billion ton	Industry area
Dairy Cow	Reservation	Industry area
Nata de Coco Industry	-	Industry area/beyond industry area
Seaweed processing Industry	1.250 ton/year	Industry area
The Grouper Cultivation	67.500 ton/year	Industry area
Fish Canning Industry	67.500 ton/year	-
Integrated Coconut Industry	Hybrid and Local Coconut plantation	Industry area/beyond industry area
Crumb Rubber Factory	-	Beyond industry area

Based on the President Degree (Keppres) 150/2000, Poin 7 (1) "In order to develop Integrated Economic Development Zone as the centre of economic growth. Some of regions in the Batulicin stated as a "Bonded Zone". The Bonded zone in the detail can be shown in the following table:

Table 6. Location, Type of Business and Outlet of Bonded Zone

Location	Type of Business	Outlet	Year
Batulicin	Small and medium scale industries	Batulicin Port	2001
Kelumpang/Tarjun	Heavy industry and agro	Tarjun Port	2003
Laut Island/Lontar	Fishery industries	Lontar Port	2006
Sebuku Island	Chemical heavy industry and shipping	Sekapung Port	2009

Table 7. Investment Opportunities in Batulicin IEDZ

Commodity	Location	Scale / Volume (Ton)	Apprx. Investment Scale	Remark
1. Crude Palm oil industry	Industrial Estate	-	-	Open for domestic and Foreign Investor
2. Nata de Coco	Industrial Estate	-	-	
3. Fish Flour	Sebuku Island, P. Laut (West and South), Sungai Danau, Kelumpang Selatan	55.400	-	
4. Fish Canning	Industrial Estate	67.500 ton/year	-	
5. Seaweed Industry	Industrial Estate	1.250 ton/season		

VIII. CLUSTERS IN THE BATULICIN INTEGRATED ECONOMIC DEVELOPMENT ZONE

Development of Batulicin IEDZ is a part of South Kalimantan Development in the Kotabaru Regency. Specific approachment will implement through developing economic activity in the specific clusters. In every potential cluster has a chance to develop Berikat Zones. There are 5 (five) clusters in the Batulicin such as:

1. Pamukan Cluster

The priority is developing structure and infrastructure in the Crude Palm Oil (CPO) Industries. The Supporting structures which will be develop such as:

- Increasing quantity and quality of road including bridges for example: Access road Trans Kalimantan Ruas Batang Kulur border with North Kalimantan 92 KM and production roads. The productions roads consist of :
 - a. Selusung - Beung – Tampakan (73 Km)
 - b. Sungai Durian – Buluh Kuning (30 Km²)
 - c. Tanjung Batu – Pudi (21 Km)
 - d. Sianyuh Pudi (60 Km)
 - e. Sangsang – Gunung, Batubesar – Tanjung Semalantukan (45 Km)
- Developing Manggalau terminal for passenger and freight.
- Conducting feasibility analysis for water supplies for drinking water in the all capital city in the sub district/regency and provide Kerang River water resource.
- Increasing telephone line about 1000 SST
- Developing agropolitan and service center in Kota Sungai Durian

2. Kelumpang Cluster

The prime commodity in this cluster is developing production center of oil palm, industrial forest plantation, coal, structure and infrastructure of cement industry. The supporting infrastructure which is developed in Kelumpang Cluster such as:

- Sustainability raw material of cement
- Conducting feasibility analysis and provides water for industrial and drinking (intake Cantung River 176 M3/second)
- Increasing quantity and quality of road such as: access road: Trans Kalimantan especially Batulicin – Batur Kulur (80 Km) and production road covers: Serongga – Tarjun (22 Km), Sungai Kupang – Hampang (30 Km), Sungai Kupang – Hampang (30 Km) and Kupang – Pantai (25 Km).
- Developing Sungai Kupang terminal for passenger and freight.
- Providing water for industrial and drinking
- Increasing telephone line about 1500 SST (Hampang) and 1500 SST (Pantai)
- Developing Bumi Kecil Serongga station
- Developing electricity source PLTU – Tarjun and interconnection of Tarjun – Serongga– Sungai Kupang and Hampang (100 Km)
- Developing specify port for cement in Tarjun
- Developing Sungai Kupang, Pantai and Pudi
- Developing Heavy Industrial Estate growth center in Serongga and service center in Pantai City.

3. Batulicin Cluster

The priority is develop industrial and services zone in Batulicin, production center of Industrial forest plantation and coal, structure and infrastructure for CPO industry, cosmetic, pulp and margarine industry.

The supporting structure which develop such as:

- Developing Batulicin Port as a single outlet in Batulicin IEDZ
- Increasing quantity and quality of road including bridges such as: Trans Kalimantan access road, KM 24 – Blok A (935 Km) and production road covers Sebanban – Lasung (15 KM).
- Developing Batulicin and Pagatan terminal for passenger and freight
- Developing Batulicin Municipality
- Providing training for the informal sector
- Build training house which has relation with the prime commodity
- Increasing banking function
- Conducting feasibility study for train development
- Build dam in the Kusan River and Batulicin River in order to provide water supply for drinking and industry.
- Developing sea port (Nusantara port and special port)

- Developing Sugumpang and Batulicin air port
- Build IEDZ office
- Increasing telephone lines which is consist of : 1500 SST (Pagatan), 1500 SST (Lasung) and 3000 SST (Batulicin)
- Developing electricity power such as: PLTA Sungai Kusan, PLTU Batulicin, PLTU Pagatan, interconnection PLTU Sungai Kusan – Pagatan, PLTU Sungai Kusan – Batulicin and Pagatan – Batulicin.
- Developing Burung Island and Suwangi resort
- Developing growth center similar with industrial complex as a bonded zone, trade region and settlement center in Batulicin.
- Developing human resources quality through training, course, etc.

4. Batulicin Cluster

The priority is developing production center of oil palm, industrial forest plantation (HTI), coal and supporting structure and infrastructure for CPO industry and pulp. The supporting infrastructures which develop are:

- Conducting feasibility study and providing water supply for industry and drinking (Intake from Danau River)
- Increasing quantity and quality of road including bridges such as: Trans Kalimantan access road, Sungai Danau - Sebambam (35 Km) and production road Sebambaz - Lasung.
- Developing Sungai Danau Terminal for passenger and freight
- Providing water for industrial and drinking through water supply from down stream PLTA Sungai Kusan
- Increasing telephone line about 1.000 SST (Sungai Danau)
- Developing Muara Sungai Kusan Port
- Developing Sungai Danau and Sebambam city
- Increasing lokal market and Sungai Danau terminal
- Improving environment rehabilitation center pasca mining activity in Satui
- Build entry road to Muara Sungai Danau Port.

5. Pulau Laut Cluster

The main activity is developing production center of oil palm, industrial forest plantation (HTI), and coal and Kotabaru city as a regional trade center.

The supporting infrastructure which will be developing is:

- Increasing quantity and quality of road including bridges such as: Jalan lingkar Pulau Laut (230 Km) and jalan poros Pulau Sebuku (30 Km).

- Developing terminal for passenger and freight in Kotabaru and Lontar
- Increasing telephone line about 2500 SST (Kotabaru), 1500 SST (Berangas), 1,500 SST (Tanjung Seloka) and 1,500 SST (Lontar)
- Developing Kotabaru electricity resource (PLTU) and interconnection Lontar – Kotabaru (120 Km), Berangas-Kotabaru-Pulau Sebuku (40 Km) and Tanjung Serdang – Batulicicn (7 Km)
- Developing supporting infrastructure in Tanjung Pemancingan Port
- Developing Mekar Putih coal port
- Developing Kotabaru, Berangas and Lontar City
- Developing growth center such as sea product processing in Lontar and chemical industrial zone and shipping in Sebuku Island.
- Providing entry road to Muara Sungai Danau Port.



Sasamba

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Oil Palm



KETERANGAN

- Ibukota Propinsi
- Ibukota Kabupaten/Kotamadya
- Kota Lainnya
- ▭ Batas Kabupaten
- ▭ Batas Kecamatan
- ▭ Sungai
- ▭ Jalan Lintas
- ▭ Jalan Propinsi
- ⚓ Pelabuhan
- ✈ Bandara

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I. GENERAL INFORMATION

Sasamba IEDZ took its name from Samarinda, Sanga-sanga, Muara Jawa and Balikpapan. This Zone extend for hundreds of kilometers along the east coast of Kalimantan between Samarinda and Balikpapan, the two principal cities of East Kalimantan. It faces the strait of Makassar, an important shipping lane for both eastern Indonesian and international sea traffic, and is on the border of the Malaysian province of Sabah, near the Kingdom of Brunei Darussalam.

Nearly 74 % of the Sasamba IEDZ is a part of the Kutai Regency – the hinterland of Samarinda and Balikpapan. Its regency has potential in agriculture, forestry and mining is supported by a comprehensive infrastructure, ranging from the Balikpapan and Samarinda sea harbors and the Sepinggan airport, to an extensive road network, electricity grid, telephone services and clean water.

Sasamba has an abundant natural resources such as agriculture, fisheries and mining. In agriculture sector, highly lucrative such as pepper and cocoa are a possibility, and there is also soil suited for developing rubber and oil palm estate. Mangoes, oranges, rambutan and durian could also be cultivated successfully here.

In the fisheries sector, local, national and international market prospect for the fish industry are good. Wild fish stock include Pornfret, Treatfinds and Blood snapper, while shrimp and milk fish are suited to the brackish ponds, and the plentiful water reserves would permit the cultivating of fresh water fish.

Sasamba IEDZ was included into the seven best development IEDZ i.e. Sabang in Aceh, Manado Bitung in North Sulawesi, Parepare in South Sulawesi, Batulicin in South Kalimantan, Sanggau in West Kalimantan, Biak in Papua and Sasamba in East Kalimantan.

II. GEOGRAPHY

Sasamba IEDZ is located between 116⁰45' - 117⁰ 26' East Longitude and 0⁰20' – 1⁰15' South Latitude. Sasamba comprises the administrative areas of : (a) All Sub-Districts within Samarinda City, (b). All Sub-Districts within Balikpapan City and (c) 4 Sub-Districts from Kutai Regency, each Sub-District of Sanga-sanga, Muara Jawa, Samboja and Loa Janan.

The Sasamba IEDZ's climate is tropical wet with an average rainfall of 1,500 – 2,500 mm/year. The humidity ranges between 60 percent and 98 percent at night toward morning and it decreases in the afternoon. At normal condition, there is lack of rainfall in July-August-September period.

III. GOVERNMENT

In accordance with Presidential Decree No. 12/1998, development of the Integrated Economic Development Zone of Samarinda, Sanga-sanga, Muara Jawa and Balikpapan (Sasamba IEDZ) shall include the administrative areas of :

- a. All Sub-Districts within Samarinda Municipality (6 Sub-Districts)
- b. All Sub-Districts within Balikpapan Municipality (5 Sub-Districts)
- c. 4 Sub-Districts from Kutai Regency, such as Sanga-sanga, Muara Jawa, Samboja and Loa Janan.

It covers an area of 4.413 Km² or 2 % of the entire province of East Kalimantan. The geographic location of Sasamba IEDZ is as follows:

- a. The north borders directly with Kutai Kartanegara Regency.
- b. The west borders directly with Kutai Kartanegara Regency and Pasir Regency.
- c. The south borders directly with Pasir Regency.
- d. The east borders directly with Kutai Kartanegara Regency and the Makassar Strain.

From the geographic angle, Sasamba IEDZ provides good investment opportunities as aside from the high economic value of the natural resources, transportation is not a problem. Transporting equipment and materials from other areas of from over seas can be handled through Samarinda Port on the Mahakam River and Balikpapan Port on the Bay of Balikpapan. Both of these ports can service domestic and international shipping.

IV. DEMOGRAPHY

In 1998 the population of Sasamba IEDZ was 1.29 million people and rising to 1.31 million people in 1999's. According to population census which was published by the governor of East Kalimantan Province on 31 August 2000 in Samarinda, the total population of Sasamba IEDZ reached 1,353,323 people , meanwhile in East Kalimantan was 2,434,199 people.

The figures above not only indicate the potential Labour force but also show the available market for products from Sasamba IEDZ. The population of Sasamba IEDZ is given in more detail in table 1 below:



Table 1. Population Density of Sasamba IEDZ

Municipality/Regency	Area (Km)	Total Population	Population Density/Km
Samarinda			
Sub district :			
1. Samarinda Ilir	103,89	99.646	959,15
2. Samarinda Ulu	181,43	100.558	554,25
3. North Samarinda	242,88	117.453	483,58
4. Samarinda Seberang	40,48	71.508	1.766,50
5. Sungai Kunjang	69,03	79.473	1.151,28
6. Palaran	110,76	29.307	264,60
Kutai			
Sub district :			
1. Loa Janan Sub-dist.	644,20	19.995	26,50
2. Samboja Sub-dist.	1.380,00	35.260	33,71
3. Muara Jawa Sub-dist.	754,50	39.272	60,96
4. Sanga-sanga Sub-dist.	273,75	11.294	48,39
Balikpapan			
Sub district :			
1. East Balikpapan Sub-dist.	132,16	47.444	358,99
2. South Balikpapan Sub-dist.	47,95	155.358	3.240,00
3. North Balikpapan Sub-dist.	132,17	88.155	666,98
4. Central Balikpapan Sub-dist.	11,07	103.963	9.931,42
5. West Balikpapan Sub-dist.	179,95	77.721	431,90
TOTAL	3.929,77	1.076.407	273,91

Source : Central of Statistics from each Municipality/Sub District of East Kalimantan, 2001

Table 2. Spread, Growth and Population Density of Sasamba IEDZ, 1990 - 2000

Municipality/ Regency.	Area (km2)	1990 (people)	2000 (people)	Average Speed of Population growth (%)
Samarinda	783,00	413.191	521.471	2,44
Kutai Kertanegara	27.263,10	340.166	424.452	2,32
Balikpapan	749.000	344.405	406.833	1,74

Most of people in East Kalimantan lived in Sasamba IEDZ, i.e. Samarinda City as a Province Municipality (21 %), Kutai Kertanegara (17 %), Balikpapan City (17%) and the other (range from 3 to 11 percent). The population spread pattern based on area was not balanced. This condition caused the difference of population density rate among sub districts.

It is well known that the aim of establishing an Integrated Economic Development Zone within a province on East Indonesia is for this economic zone to act as the economic prime mover of the province. One of the main considerations for selection of an area that is suitable is the availability of quality human resources so that the Labour force needed for development of the region can be fulfilled.

Given this requirement, it is clear why Sasamba was selected from the 9 prospective economic zones within East Kalimantan. The local government and the people will present programs that will really assist the region. This includes making a suitable Labour force available to investors wishing to develop companies in this economic zone.

For domestic and foreign investors needing to recruit for positions that cannot be fulfilled by the local Labour force (within Sasamba IEDZ) it will be possible to bring in foreign workers (in accordance with existing regulations).

2) The Labor force.

Making use of local workers for positions that do not have specific requirements is greatly appreciated. This will assist to increase the welfare of the local people as well as decrease social jealousy which has been an important issue recently. This is important for the creation of an environment that is favourable to development of an economic investment zone.

The government and the people in the education field have been and will continue to provide education and training with the hope that a large part of the Labor force for a domestic or international company can be fulfilled locally.

V. ECONOMY

The monetary and economic crisis that has clouded Indonesia since 1997 has also effected economic growth in East Kalimantan. Several companies have experienced operational difficulties and have had to lay off workers.

However, the dominant sectors contributing to the development of East Kalimantan's economy such as forestry and estate crops, mining and quarrying, manufacturing and fisheries have products that are exported overseas. Thus, the full impact of the economic and monetary crisis was not felt in East Kalimantan as it would have been in other provinces without export commodities.

For similar reasons social and political conditions have been secure in East Kalimantan and at this point remain stable. These conditions have greatly assisted the government with undertaking its program for invigorating East Kalimantan's economy. This is important at the initial stage of future economic development.

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Secure social and political conditions are important for development of a business environment that is favourable for investors in East Kalimantan and of course Sasamba IEDZ.

As part of the over all picture of economic development in Sasamba IEDZ, the contribution to Gross Domestic Regional Product (GDRP) made by each economic sector (without oil/gas) is given for Samarinda City, Balikpapan City and Kutai Regency from 1994 to 1998 (prior to the Regencys being reallocated). The data is presented on the table below :

Table 3. Contribution from Each Sector to Gross Domestic Regional Product Samarinda (Without oil/ gas, %)

Industries	1998	2001 - 2005	2021 - 2025
Agriculture, Animal Husbandry	1.27	2.00	10.00
Forestry, Fisheries			
Mining and Quarrying	0.76	0.70	0.70
Manufacturing	33.21	28.30	11.30
Electricity, Gas and Water	1.41	2.00	4.001
Construction	3.97	4.00	4.50
Trade, Hotel and Restaurants	28.51	29.00	25.00
Transport and Communication	12.71	13.50	17.50
Financial and Business Services	10.46	12.00	15.00
Services	7.70	8.50	12.00

Source: Regional Land Planning for Sasamba IEDZ, East Kalimantan, 1999

SAMARINDA'S MACRO ECONOMIC CONDITION

(Without oil/gas, in million rupiahs)

1998	: 2,620,226
2001 – 2005	: 3,500,000
2021 – 2025	: 45,000,000



Tabel 4. Contribution from Each Sector to Gross Domestic Regional Product Balikpapan (without Oil/Gas, %)

Industries	1998	2001 - 2005	2021 - 2025
Agriculture, Animal Husbandry	0.01	1.30	2.00
Forestry, Fisheries			
Mining and Quarrying	8.40	8.60	9.00
Manufacturing	48.42	47.2	36.00
Electricity, Gas and Water	0.66	0.80	1.50
Construction	4.85	5.00	6.00
Trade, Hotel and Restaurants	19.40	19.40	21.00
Transport and Communication	10.85	10.90	15.00
Financial and Business Services	3.40	3.50	5.50
Services	3.11	3.30	4.00

Source: Regional Land Planning for Sasamba IEDZ, East Kalimantan, 1999

BALIKPAPAN MACRO ECONOMIC CONDITION

(Without oil/gas, in million rupiahs)

1998	: 3,584,564
2001 - 2005	: 4,500,000
2021 - 2025	: 13,500,000

Tabel 5. Contribution from Each Sector to Gross Domestic Regional Product Kutai (without oil/gas, %)

Industries	1998	2001 - 2005	2021 - 2025
Agriculture, Animal Husbandry	8.34	8.50	15.00
Forestry, Fisheries			
Mining and Quarrying	50.04	48.50	30.30
Manufacturing	30.49	30.50	32.00
Electricity, Gas and water	0.70	0.20	1.70
Construction	2.36	2.40	3.50
Trade, Hotel and Restaurants	3.48	3.50	4.50
Transport and Communication	2.70	2.80	8.00
Financial and Business Services	1.76	1.80	2.20
Services	0.76	1.80	2.80

Source: Regional Land Planning for Sasamba IEDZ, East Kalimantan, 1999

KUTAI MACRO ECONOMIC CONDITION
(Without oil/gas, in million rupiahs)

1998	:	12,377,965
2001 – 2005	:	15,000,000
2021 – 2025	:	45,000,000

Table 6. The Total Number of Manufacturing Plants according to Industrial Group/types of Samarinda

Industrial Group	Manufacturing Type	Number of Factories
Agriculture and Forestry	- Rattan Manufacturing	15
	- Plywood	21
	- Moulding	16
	- Bread	6
	- Cooking oil	2
	- Ice	2
	- Sawmill	27
Sub total	7 types	91
Light Industry and Trade	- Cassette Recording	1
	- Plastic Bags	3
	- Silk Weaving	2
	- Rubber Gloves	1
	- Reptile Skins	1
	- Plastic	1
Sub Total	6 types	9
Chemical, Agriculture and Forest Products	- Home and Office Furnishings	2
	- Chemical	7
	- Agriculture and Carpentry Tools	2
	- Retread tyres	1
Sub Total	4 types	12
Metal Works, Engines, Electronics and others	- Ship Building	24
	- Roofing Tiles, Cement Bricks	10
	- Cement and Metal Products	2
	- Engine Components	1
	- Salt	2
Sub Total	5 types	12
Total	22 types of manufacturing	151

Source : Ministry of Industry and Trade Regional Office of East Kalimantan, 1999

Table 7. Total Number of Manufacturing Plants According to Industrial Groups / Types of Balikpapan

Industrial Group	Manufacturing Type	Number of Factories
Light Industry and Trade	- Plastic	4
	- Retile and Shark Skins	1
	- Furnishings	5
	- Batik Fabric	1
	- Clothing	3
Sub total	5 types	14
Agriculture and Forestry	- Furniture	5
	- Moulding	11
	- Noodles	1
	- Bread	2
	- Coffee	1
	- Beverages and ice cream	8
	- Meat and Fish Processing and Preserving	2
	- Sawmills amd Timber Processing	10
Sub Total	8 types	40
Metal Works, Engines, Electronics and others	- Ship Building	20
	- Dockyard	2
	- Spare Parts and Vehicle Body Works	2
	- Retread Tyres	2
	- Roofing Tiles, Floor Tiles, Gravestones and Paving Tiles	2
	- Cement Works for Construction	2
Sub Total	6 types	30
Total	19 types of manufacturing	84

Source : Departement of Industry and Trade Regional Office of East Kalimantan, 1999

Table 8. Total Number of Manufacturing Plants according to Industrial Groups/types of Kutai Regency (Sasamba Region)

Industrial Group	Manufacturing Type	Number of Factories
1. Agriculture and Forestry	- Timber Manufacturing	1
Sub Total	1 types	1
2. Metal Works, Engines, Electronics and others	- Ship Building	1
Sub Total	1 types	1
Total	2 types of manufacturing	2

Source : Ministry of Industry and Trade Regional Office of East Kalimantan, 1999

From these tables we can see that the most of the companies use local materials including materials from the hinterland areas. Production is aimed at the needs of local, domestic and international markets.

Large areas of land have been set aside as industrial zones in Samarinda, Balikpapan, and Sanga-sanga Sub District (Kutai Kertanegara Regency). Therefore we can be certain that they still have a land which available for development of more manufacturing plants.

VI. INFRASTRUCTURE AND SUPPORTING FACILITIES

Existing infrastructure to support investment

- 1). There is infrastructure that would support transportation of commodities, goods and passengers overland, on water, riverboats ocean ships, inter-island ferries as well as, by air.
- 2). There is infrastructure to support the production process including electricity, water and telecommunications.

Sasamba IEDZ has infrastrucutre that will satisfactorily support investment activities. As the area develops there will of cause need to be additions and improvement to quantity and quality. Increased trade and services growing form the AFTA 2003 Globalization Era will be an influential factor.

Existing Infrastructure

1). Landways Transportation

There is a good road network that connects the western sections of Sasamba IEDZ, Balikpapan - Samarinda and Tenggarong (Kutai Regency). However, as construction of the Dondang Bridge, that will connect Muara Jawa and Sanga-sanga Sub District, has been held the road network between Balikpapan - Samboja - Muara Jawa - Sanga-sanga - Samarinda needs serious attention. A road network into the eastern section of Sasamba IEDZ is also necessary as it will assist with the economic development of communities in this area.

There is road connecting Samarinda - Tenggarong - Kotabangun but it is in a state of disrepair, as is the road between Samarinda - Muara Badak, Samarinda - Bontang - Sangata - Muara Wahau (East Kutai Regency) - Tanjung Redeb (Berau Regency) - Tanjung Selor (Bulungan Regency). They are only passable under good weather conditions.

There also needs to be improvements that will fully support connections between the investment activities within Sasamba IEDZ as the manufacturing/ trade/services centre and the hinterland areas (Kutai Kartanegara, West Kutai, East Kutai, Berau and Pasir Regency) as the suppliers of raw materials to be processed.

There is a road that connects Balikpapan with Pasir Regency through to South Kalimantan. The only obstacle with this road is the need to use a ferry to cross-Balikpapan Bay from Balikpapan to Penajam. This crossing takes about one hour in normal conditions. The obstacle of a ferry crossing may be overcome in the future as there is a plan to build a bridge across Balikpapan Bay (Karilangbora Bridge). This bridge would connect Jene Bora in Penajam Sub-District with Kariangau in West Balikpapan Sub-District. It would be a continuation of the road that connects Kariangau with Balikpapan. When this road and bridge network is completed, supplies of raw materials from Pasir Regency required for the primary manufacturers in Kariangau (crude palm oil, palm oil etc) will flow more smoothly.

2). River and Ferry Transport

As the focal point for economic development in the northern part of Sasamba IEDZ, Samarinda has the advantage of being on the banks of the Mahakam River. Samarinda not only has road networks but also has the river that connects it with Tenggarong City and several other Sub-District towns, as well as, both Kutai Kartanegara and West Kutai Sub-Districts. As a transport link the Mahakam River is essential. It covers 920 km² and really pinpoints Samarinda City in its position as the capital of East Kalimantan Province. The river also facilitates the city's position as a centre for economic growth with manufacturing/trade and service hubs that have developed over many years.

The river is used both to transport basic materials to the hinterland communities as well as bringing raw materials from the hinterland to the manufacturing hubs.

These raw materials are then manufactured into products for the local, domestic and international markets. Coal from Kutai Regency that is destined for Java and overseas markets is also transported by river to ships waiting at the mouth of the Mahakam River, about 37 miles from Samarinda. The coal is transported on pontoon boats at a relatively high cost.

Inter island ferry transport is available in Balikpapan to connect Balikpapan with Penajam Sub-District and Mamuju (South Sulawesi) as well as Surabaya (East Java). These are passenger ferries that can also transport vehicles and goods. Currently, bananas are transported from Bontang to markets in Surabaya and Bali. Each ferry trip transports at least five truckloads of bananas with profits that are very economically viable.

3) Sea Transport

There are two ports within Sasamba IEDZ that can support the flow of goods, passengers and services. These are the Port of Samarinda and the Port of Balikpapan.

(a). Port of Samarinda.

This port is located on the Mahakam River in Samarinda. The distance from the city to the mouth of the river is about 37 miles. The narrowest part of the river is 60 meters and its depth varies only between 6 - 8 m.

Samarinda Port services both domestic and international ships (of a certain tonnage), that transport goods, passengers and services. These ships service individual's needs as well as those of import/ exporters.

Large ships that are used for transporting coal must stay at the mouth of the river. The coal from Kutai Kartanegara Regency is carried by pontoon boat to the awaiting ships. The cost of this method is quite high. For this reason the Sasamba IEDZ Management Board, the Provincial Government and related companies are pushing for a rail network to be established between Embalut in Kutai Regency and Kariangau in Balikpapan. Analysis shows that using a railway system would reduce costs by at least 50 %. Another obstacle faced by PT. Pelindo as the Samarinda port management authority is how shallow the river is from the city to the mouth. Improvement in this area would mean dredging at high cost and environmental damage.

(b). Port of Balikpapan.

Semayang Port in Balikpapan is almost ideal. However, to support an increase in activity/frequency of shipping would cause limitations. There needs to be an alternative, a multipurpose port complete with a container terminal at the Kariangau Industrial Zone. Kariangau would also be more suitable from the technical side of shipping practices, manoeuvring. It is hoped that this new port plan can be realised in the not too distant future.

4. Air Transport

In Sasamba IEDZ there are two commercial airports, Sepinggan in Balikpapan and Ternindung in Samarinda.

(a). Sepinggan Airport in Balikpapan.

This airport has a 2,500 m² runway and is able to service DC.10 and B.747 planes (limited). This airport has the facilities to services passengers, goods and services. There are local, domestic and international flights available (Singapore and Bandar Sri Begawan, Brunei). Since 1995 the airport has serviced people going on the haj from East, South and Central Kalimantan, using a DC.10 from Sepinggan to King Abdul Aziz Jedah (Saudi Arabia). In anticipation of increased international flights using B.747 and B. 777, the runway would need to be extended to 3,600 meters.

(b). Temindung Airport in Samarinda.

This airport has a runway of only 900m², and can only service planes like Cessna - 212. Therefore, this airport can only service flights within East Kalimantan. Extensions to this airport would be difficult as it is located in the centre of the city. The Provincial Government has earmarked a location for a new airport, in the village of Sungai Siring, North Samarinda Regency. This is about 30 km out of Samarinda. To date there has not been any construction on the new airport as the Provincial Government is still waiting for assistance from the Central Government. It is hoped that the new airport would be able to service F.28 and or Boeing 737 planes.

5). Telecommunications

Within the cities of Balikpapan and Samarinda domestic and international communication networks are available. Further expansion would be necessary for other areas to take advantage of these services.

6). Electricity

The National Electricity Supplier currently fills the electricity needs of industry and households however, there are limitations. Due to the current limitations there is a plan to introduce a privatized electricity company (PLTU) in the not too distant future.

7). Water

The water needs of industry, households and ships in port are currently fulfilled by the Regional Water Supplier. In anticipation of an increase in water consumption, there is a plan to expand the Manggar River Dam to be one of the main water supplies for Balikpapan. In Samarinda, there is a plan to increase water intake at Loa Kulu in the not too distant future.

- 8). In Samarinda and Balikpapan there are other support facilities such as hotels and banks. However, this does not block the possibility of investment in construction of several more star hotels and many other offices within Sasamba IEDZ.

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

There are 25 agricultural commodities produced in Sasamba IEDZ as given in table bellow:



Table 9. Agricultural Product of Food Crop and Livestock in Sasamba IEDZ

Comodity	Product of East Kalimantan (Ton)	Productivity Rate (%)	Productivity kw/ha	Local Consumption (Ton)	Export (Ton)	Potential of Export (Rp. 000)	Import (Ton)
Paddy	151.111	6	28	269.844	-	-	118.733
Soybean	3.666	5	12	10.167	-	-	6.301
Com	12.070	2	15	127.84	-	-	714
Cassava	112.406	6	114	112.406	-	-	-
Copra	9.753	7	2	2.023	7.730	2.921.940	-
Daging kelapa	48.164	-	-	48.164	-	-	-
Frying oil (copra)	1.214	-	-	12.928	-	-	11.714
Crude Palm oil	28.536	-	-	-	28.536	5.421.840	-
Frying oil	-	-	-	7.197	-	-	-
Mung bean	1.074	-	-	3.197	-	-	2.152
Peanut	1.898	-	-	3.946	-	-	2.152
Pepper	2.434	6	966	230	2.204	16.928.924	2.059
Rubber	16.716	17	1	16.077	639	1.675.825	-
Coffee	3.948	19	685	3.895	53	315.848	-
Cacao	8.850	58	691	8.623	227	454.908	-
Clove	55	5	120	-	-	-	-
Cattle	3.754	17	-	4.331	-	-	557
Goat	163	4	-	186	-	-	23
Pig	646	6	-	650	-	-	4
Layer	2.179	-	-	5091	-	-	2.912
Broiler	358	12	-	3.775	-	-	195
Fruits	62.617	-	-	67.090	-	-	4.473
Vegetables	65.689	-	-	101.034	-	-	35.345
Bandeng Fish	32.144	24	-	27.322	3.481	-	58.213.343
Shrimp	68.082	4	-	49.155	35	-	1.047.810
JUMLAH	637.727	198	2.634	770.115	42.905	27.719.285	59.453.532

Source : BPKS* Compilation in Region Investment Map-Sasamba IEDZ, 2002

Based on data from Sasamba Integrated Economic Development Zone 2000; A Model for Development of Industry and Trade Services in East Kalimantan, the natural resources in Sasamba IEDZ which are potential to be exploited are :

1. Land Resources

- 1). Land available for expansion of the agriculture industry.

Results of investigations undertaken by BAKOSURTANAL on the potential of Sasamba IEDZ indicates that there are several agriculture crops that would be suitable to the conditions of the area. These include coconuts, oil palms, rubber, coffee, cocoa and cashew nuts as well as various fruit species. There are area of land greater than 10.000 ha available within the following Sub-Districts; Samboja (36,000 ha), Loa Janan (23,979 ha), Muara Jawa (17,768 ha), Sanga-sanga (13,324 ha), Palaran (12,010 ha).

2). Land available for fisheries.

Both Muara Jawa (1,000 ha) and Samboja (1,000 ha) Sub-Districts as well as some of the hinterlands have land available that would be suitable for prawn/shrimp farming. Muara Jawa Sub-District and Balikpapan also have locations suitable for crab farming. Commercial fishing and prawn would be viable all along the coast of Sasamba IEDZ and East Kalimantan in general.

Prawn/Shrimp fry hatcheries could be established in Muara Jawa and Samboja Sub-Districts as well as Balikpapan, while prawn/shrimp and fish packing plants would be best located in the Kariangau Industrial Zone in Balikpapan.

3). Land available for animal husbandry

Land available for raising beef cattle and dairy cattle can be found in Balikpapan and Samboja Sub-District. While chickens rose for meat and or eggs could be farmed in Balikpapan, Sarnarinda and Loa Janan Sub-District.

Packing plants would be best located in the Kariangau Industrial Zone in Balikpapan.

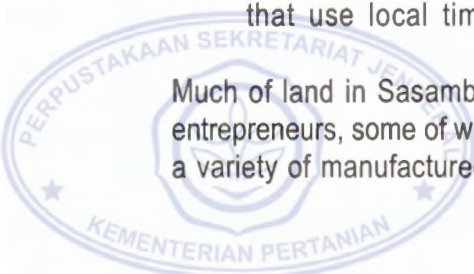
4). Land available for light industry

Within Sasamba IEDZ there are several areas that have been set aside as industrial areas.

- (1). Kariangau Industrial Zone in Balikpapan covering 5,000 ha. Currently there are several industries operating here, dockyard, sawmill and coal conveyor.
- (2). Samarinda Ilir Sub-District and Palaran industrial zones in Samarinda. There are several timber factories that manufacture timber products such as Plywood, sawmill, molding and wooden boats.
- (3). Pendingin Industrial Zone in Sanga-sanga Sub-District, Kutai Kartanegara Regency.

One thousand hectares have been set aside in the Kutai Regency, apart from Pendingin, along the edge of the Mahakam River. In this area there are factories that use local timber to produce export commodities, like furniture.

Much of land in Sasamba IEDZ is being utilized by small mid and large scale entrepreneurs, some of which are facilitated by domestic investors. They produce a variety of manufactured products for the domestic and international markets.



2. Priority Actions 2002-2004

Prime Agriculture Commodities in Sasamba IEDZ

1). Oil Palm

In Sasamba IEDZ oil palm plantation was planned for 200,000 ha scattered around 4 Regencies in Kutai Kartanegara like Samboja, Muara Jawa, Sanga-Sanga and Loa Janan.

Oil palm not only could produce CPO but also the other products such as :

- Cooking oil, cosmetic, soap, biscuit, food additive, lubricant oil, diesel oil and combusting oil.
- Kernel could be made kernel cake for livestock.
- Palm leaf and CPO could be made as vitamin E extract
- Palm trees could be made as fiberboard for furniture, such as: chair, table, and cupboard.
- Leaf pulp as factory by product could be made as dust to fulfill pillow or chair pillow.

2). Rubber

- People in Sasamba IEDZ were familiar with rubber plantation.
- Rubber Plantation occupied 10,000 ha scatted around 3 Regencys like Muara Jawa, Sanga Sanga and Palaran.
- People must use a very good variety and good planting.
- 10,000 ha could produce 20,000 tons of latex per year.
- It could directly sell to Surabaya.
- To increase the farmer income in rubber plantation we must make PIR-TRAJNS or Nucleus Rubber Plantation Scheme.
- To organize farmer rubber auction market, so the price could be controlled.

3). Cocoa

- Cocoa planting activity in Sasamba IEDZ are 6,000 ha arable land in Muara Jawa Regency and Sanga Sanga Regency.
- Cocoa development scheme could invite national enter price, foreign investor or even government to run the management board.
- World market could receive 2.4 until 2.8 million ton of cocoa in one period.



4). Coffee

- Coffee in Sasamba IEDZ was allocated in the area of 10,000 ha and scattered around Samboja Regency North Balikpapan Regency, and West Balikpapan Regency
- Coffee could development as a big plantation, small scale or government.
- World market for coffee from Indonesia was:
 - 1986 = 353,034 tons
 - 1990 = 350,000 tons
 - 1993 = 332,000 tons
 - 1994 = 301,370 tons
 - 1995 = 188,988 tons

5). Shrimp Farming

- The fisheries sub sector, shrimp pond activity has a good prospective cause 60% shrimp production as international merchandize.
- World shrimp production on 1996 reaches 805,000 metric ton or increase about 10% compare with year before.
- Indonesia shrimp production in 1996 reaches 132,000 metric ton or increase about 32% year before.
- World market for shrimp production: USA, Japan, E.U., Hong Kong, Singapore, German, Australia, Malaysia, U.K., France, Ne'herlands, Belgium and Luxemburg.
- Sasamba IEDZ has a prospect for shrimp industries as: hatchery, feed industry and downstream industry, cause by :
 - Good accessibility from every side.
 - Very big local market.
 - The farmers were very advance and clever
- Stop to damage the mangrove.

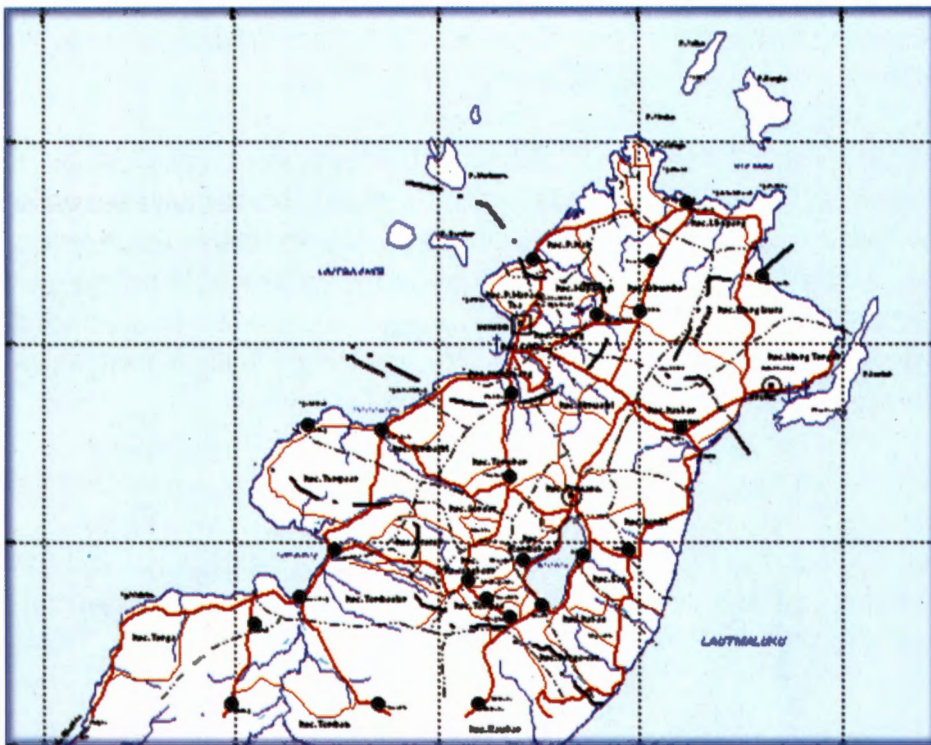


Manado Bitung

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Coconut



0 10 15 30 45 60 75 90 105 KM

LEGEND

-  Ibukota Propinsi
-  Ibukota Kabupaten/Kotamadya
-  Ibukota Kecamatan
-  Batas Kabupaten/Kotamadya
-  Batas Kecamatan
-  Jalan Lintas
-  Jalan Strategis
-  Sungai

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I. GENERAL INFORMATION

The Integrated Economic Development Zone (IEDZ) of Manado-Bitung is in North Sulawesi province, located in the northern most Sulawesi Island. North Sulawesi has been known the "pearl" in the north of Eastern Indonesia because of its strategic location next to Malaysia and the Philippines.

The Manado-Bitung IEDZ covers the municipalities of Manado and Bitung, and a majority of the district of Minahasa. Compared with other region in North Sulawesi, the Manado-Bitung IEDZ is possessed of the best and most comprehensive infrastructure. There is a road network in impeccable condition, a sea harbor at Bitung, and the Sam Ratulangi airport in Manado, which offers a wide range of domestic and international flight.

The business potential of the Manado-Bitung IEDZ encompasses agriculture in particular estates, fisheries, mining, industry and tourism. The main priorities have been assigned to fisheries, tourism and industry (processing for agricultural products such as coconuts, vanilla and cloves). In the fisheries sector, there is rich potential in the Tomini Gulf and the sea waters north of the region. Meanwhile, the mining sector provides investment attractions, including a gold deposit currently under exploration, which is thought to have good prospect for commercial development and natural gas in Lahendong.

In term of tourism sector, the Bunaken Sea Park is already well known for its beauty, but more site with tourism potential are waiting to be developed by investors, notably the 98 kilometer-long beach at North Minahasa, The Bogani Nani Wartabone National Park, and other unique tourist attraction, such as the ancient object and the distinctive tombs of the Minahasa people.

II. GEOGRAPHY

Manado-Bitung IEDZ lies on the very North Region of Sulawesi Island, on 025° 158' North Longitude and 12420' - 12520' West Latitude. Over 80% of the region is surrounded by sea. From the trade point of view, a strategic location considered the key to a success in a business.

Manado-Bitung IEDZ as a regional growth center of North Sulawesi possesses that key. Its position facing directly to the new Industrial countries as well as the world economic organizations, such as WTO, NAFTA, EEC, APEC, and AFTA has made Manado-Bitung IEDZ as a Gateway of world trade, particularly for the Asia Pacific countries.

III. GOVERNMENT

The Integrated Economic Development Zone (IEDZ or KAPET) of Manado-Bitung is in North Sulawesi Province, located in the northern most Sulawesi Island. It covers the area of Manado City (capital city of the Province), Bitung city and a part of Minahasa regency, which is covering the area of 251,138 ha. The Manado-Bitung IEDZ has 300 ha of Bonded Zone.

IV. DEMOGRAPHY

The government of Indonesia plays special attention to the development of human resources, including the productivity of workers. The human resources quality is seen in the educational level of the people. The human resources development in Manado Bitung IRDZ has long been going well and this situation has given a positive impact towards the added value of the labor force. Data shows that the educational development has reached the remote areas that generally in North Sulawesi and specifically in the Manado-Bitung IEDZ, most people have qualified education. The increase in labor force productivity can be fulfilled through the educational institutions found in Manado, Bitung and Minahasa such as UNSRAT, IKIP, UNKLAB and UKIT, ITM, POLITEKNIK, Maritime Academy and several other educational institutes. Various courses are also taking place handled by educational foundations and Work Training Centers.

The number of labor force in North Sulawesi (1998) is 1,218,054 in which those who work comprises 89 %. Whereas in the Manado-Bitung IEDZ the number of labor force who work is 87% of 582,463 labor forces. It can be said that the labor force development in the Manado-Bitung IEDZ complies with the national development. During the Pelita VI (1994/1995-1998/1999) value added per worker is expected to grow on average by 3.3% annually. Types of occupation in the Manado-Bitung IEDZ follows the North Sulawesi pattern, that is \pm 33% working in agriculture, 14% in sales services, and 19% for hard labor. Based on the educational level, those between the ages of 20-24 entering higher education is 10%, which is higher than those of Malaysia (7.0%), India (6.0%), and China (2.0%).

V. INFRASTRUCTURE AND SUPPORTING FACILITIES

The Manado-Bitung IEDZ at this moment is an area with suitable and more complete infrastructures that it is chosen as one of the regional development center areas in Eastern Indonesia due to the specialities found in the area compared to the other surrounding areas.

5.1. Transportation

a. Air Transportation

The Sam Ratulangi Airport as an international airport is being prepared by the government to support the increasing air traffic flow. This airport can accommodate DC-10 and also B-747 starting on 2001.

Besides domestic flights, there is a direct flight abroad, such as the Manado-Singapore route with a twice a week flight frequency using Boeing B-737, which will be replaced by an Airbus A-320 operated by Silk Air, PT Bouraq Airlines has also opened a direct flight from Manado to Davao with a twice a week flight frequency using Boeing B -737.

Other direct big to large cities, such as Darwin, Hong Kong, Taipei, Bangkok, Manila, and Cebu is being proposed in the future.

b. Sea Transportation

Sea transportation facilities for passengers as well as cargo are highly supported by the existence of a sea harbor. The economic activities of the Manado-Bitung IEDZ are supported by the presence of the Manado harbor and Bitung harbor.

As a domestic harbor, Manado harbor serves the routes between Manado and the islands of Sangihe Talaud, North Maluku, and Central Sulawesi with a capacity of 500 DWT. Whereas Bitung harbor, with a special characteristic as one of two natural harbors in Indonesia, has the function as one of the economic and trade gateway in the Pacific Rim.

Bitung Harbor is relied upon by the government of Indonesia as a supporter of the development in North Sulawesi as well as Eastern Indonesia. Moreover, in order to support the BIMP-EAGA cooperation program, a direct line has been operated from Bitung to General Santos in Southern Philippines. At present a Container Terminal Service is underway along with the extension of the pier to complement the Bitung Harbor as a Cargo Consolidation Center.

c. Land Transportation

The land road network in the IEDZ as well as outside the IEDZ is available to serve the transportation beginning from city/inter city vehicles, tourism vehicles, charter vehicles, as well as goods/container vehicles.

The inter-city vehicles serve various routes to other provincial capitals such as Manado-Palu $\pm 1,100 \text{ km}^2$ and Manado-Makassar for $\pm 2,500 \text{ km}^2$. The importance

of the transportation network for the business world has been an awareness of the government, thus maintenance is frequently taken care of to ensure the smooth traffic flow.

Aside from the land transportation facility above, the government still provides a ferry harbor to help the vehicles crossing from island to island such as the Bitung ferry terminal, Gorontalo ferry terminal, and Pananaru Sangihe Talaud ferry terminal.

All these are served by ferry boat fleets with a regular schedule. The development plan for land road facilities in the IEDZ area, such as the farm roads for the future in order to greet the globalization era development has also been anticipated and have all been elaborated in the Master Plan of the Manado-Bitung IEDZ.

5.2. Electricity

The need for electricity in the IEDZ Manado-Bitung is supported by the Hydro Powered Electric Plant (PLTA) with a total installed capacity of 118.14 MW located in Tanggari I and Tanggari II, Tonsea Lama, the Diesel Powered Electric Plant (PLTO) in Bitung.

5.3. Water Supply

Clean water from various sources operated by the Regional Clean Water Company (PDAM) in the Manado-Bitung IEDZ has a total production of 1062 liters/second. The clean water is being used for industrial purposes spread throughout the Manado-Bitung IEDZ as well as for fulfilling the needs of the inhabitants.

5.4. Post and Telecommunications

The existing capacity of postal services has been able to meet almost 90% of the needs in every district in North Sulawesi: Central Office : 5, branch office : 18, and Agent : 22. Although it has not yet met the total needs, the development of telecommunication service has reached a suitable condition. The telecommunication condition can be described as follows: Radio Broadcasting : 11, Telecommunication shops : 241, Cellular Operators : 3, e.g. Telkomsel, Satelindo and Komselindo. There are two internet provider services operating in the Manado-Bitung IEDZ, e.g. Wasantara Net and Mega Net. Furthermore, there are four companies serving the cable installation to houses and buildings.

5.5. Banking Services

The banking services operating in the Manado-Bitung IEDZ are Bank Indonesia, Bank Mandiri, Bank Rakyat Indonesia, Bank Negara Indonesia '46, Bank Sulut, Bank Tabungan Negara, Bank Central Asia, Bank International Indonesia, Bank Danamon, Bank Lippo and ABN Amro

VI. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

6.1. Various Supporting Agricultural Potential

For the investors in the agriculture industry, the continuity of the supply of raw materials is an important question to be answered. Manado-Bitung IEDZ, as an industrial development center, is highly supported by the supply of raw materials from the hinterland areas. Particularly by three regions, Minahasa Regency, Bolaang Mongondow Regency, and the new province of Gorontalo. It is also supported by the IEDZ Batui in Central Sulawesi which is very rich in natural resources.

The agriculture sector area profile in the Manado-Bitung IEDZ and the surrounding areas is a stimulating investment opportunity.

a. Minahasa regency

1. Modinding Highlands

Situated 1000 m above sea level

Rainfall of 164.08 mm/ month;

Type of soil: Latosol, Podsolik, and Alluvial.

Land conformity : Horticulture (vegetables, fruit, flowers), 1200 Ha has been cultivated by locals.

Expansion potential : 5000 Ha

2. Tomohon Highlands

Situated 500-700 m above sea level

Rainfall of 203.25 mm/month.

Type of soil : Latosol, Andosol, and Regosol

Land Conformity : Horticulture (vegetable, fruit, flowers), Corn. 2000 Ha has been cultivated by locals.

Expansion potential : 12,000 Ha

b. Gorontalo Regency

(Now, has been declared as a new independent province)

Marisa-Paguyaman Production Center Area

Situated 0-300 m above sea level

Rainfall of 117.4 mm/month

Type of Soil: Podsolik, Renszine, Latosol

Land conformity : Foodcrops (rice, corn, soybean) Estate crops (coconut, cocoa) Animal husbandry (livestock, goat, native chicken) Fisheries (pond cultivation) 40,000 Ha has been cultivated by locals.

Expansion potential : 80,000 Ha



c. Bolaang Mongondow Regency

1. Lolak-Sang Tombolang Production Center Area :

Situated 0-300 m² above sea level

Rainfall of 208.1 mm/month

Type of Soil : Podsolik, latosol, Alluvial

Land conformity : Foodcrops (rice, corn, soybeans)

Estate crops : coconut.

Animal husbandry (livestock, goat, Indigenous chicken),

Fisheries (Tuna/skipjack), Cultivate land by locals 1,200 ha

Expansion potential 5.000 Ha

2. Dumoga Production Center Area :

Situated 200-300m² above sea level

Rainfall of 178.3 mm/month

Type of soil : Podsolik Rensine. Latosol, Alluvial

Land conformity : Foodcrops (rice, corn, soybeans)

Animal husbandry (livestock, goat, Indigenous chicken),

Fisheries (fresh water cultivation Cultivated land by locals: 20,000 Ha

Expansion potential 25,000 Ha)

3. Coastal Areas: Catch potential :

The 12 mile waters 314,981 km²: production 125,900 tons/month

EEZ waters =190.000 km²: 190,000tons/year

Fleet availability :

Ant fleet 250 units, boats 5-1 0 GT

Fishing boat fleet : 10 unit boats 1-100 GT

Fishing Harbour :

Fish Catching Harbour: 6 places

Dagho Fisheries Harbour: 1 place

4. Special Areas:

Cultivation developments under the coconut trees:

Potential for cultivating corn, field rice, and animal breeding.

Production area: 226 000 Ha

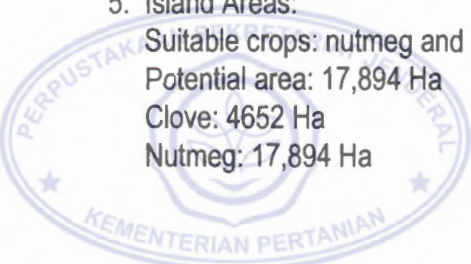
5. Island Areas:

Suitable crops: nutmeg and clove

Potential area: 17,894 Ha

Clove: 4652 Ha

Nutmeg: 17,894 Ha



Raw Material Support from Batui IEDZ

The cooperation between the Banggai Chamber of Commerce, Central Sulawesi and the North Sulawesi Chamber of Commerce that was signed on 5 April 2000 at the Rosalina Hotel, Luwuk also becomes a guarantee for the investors in the fulfillment of the agriculture industry raw materials. Batui IEDZ is the closest neighbour who can supply raw materials to the Manado-Bitung IEDZ since this IEDZ is highly rich in agricultural resources as the support of the agro-business and agro-industry activities: such as corn, cassava, soybean, palm, coconut, cocoa, animal husbandry (livestock, goat, native chicken and chicken), and fisheries.

6.2. Potential and Opportunities of Agribusiness Investment

Agriculture Sector

- **Food Crops and Estate Crops**

Potential and opportunities of food crops and estate crops in Manado-Bitung IEDZ can be seen in the table below :



Table 1. Food crops and estate crops production by area, location, target market and type of business

Commodity	Area (Ha)	Production	Location	Market	Type Business
Coconut	295,976	294,728	Minahasa, Bolaang Mongondow	Domestic & Export	<ul style="list-style-type: none"> - Preserved Coconut Milk Industry - Coco Chemical Industry - Coconut Fiber - Activated Carbon Industry - Coconut & Skim Milk Powder Industry - Nata de coco and other coconut water beverages
Vanila	5,424	320	Minahasa, Bolaang Mongondow	German, USA & Singapore	<ul style="list-style-type: none"> - Vanilla Processing Industry - Vanilla Oleoresin Oil Industry
Potato (1998)	654	15,758	<p>Minahasa, Bolaang Mongondow.</p> <p>Development Location:</p> <ul style="list-style-type: none"> - Bolaang, Mongondow Modayak, Insil Approx : 300 ha - Minahasa, Modinding Rurukan, Approx : 500 ha <p>Potencial Location :</p> <ul style="list-style-type: none"> - Bolaang Mongondow - Minahasa - Sangir Talaud 	<p>Philippines.</p> <p>Regional Market : Makasar, Papua, Palu, Ternate</p>	<ul style="list-style-type: none"> - Chips, Flour etc, Fresh Material



Commodity	Area (Ha)	Production	Location	Market	Type Business
Pineapple	2,500	3,090	Bolaang Mongondow, Minahasa, Sangir Talaud & Gorontalo	Regional Market : Makasar, Papua, Palu, Ternate	- Food processing e.g. jam, jelly, juice, dried fruit
Corn	75,000	158,876		Japan, Philipine	- Cooking Oil, Corn Powder, Feed Processing

● Livestock

Feed Processing factory for local need : 5,000 tons/month

Business location : Bitung IEDZ

Potential and Opportunities :

- Fattening activity in Minahasa, Bolaang Mongondow and Gorontalo
- Chicken breeding in Manado, Bitung and Minahasa
- Pig breeding In Minahasa

Fishery Sector

Manado-Bitung IEDz has rich potential of marine fisheries in the Tomini Gulf and the sea water. The products can be marketed both domestically and to neighboring countries in the east ASEAN growth Area BIMP-EAGA (Brunei Darussalam, Indonesia, Malaysia and the Philippines) via the Manado – Davao - Kota Kinibalu Axis. The fishermen have so far preferred to sell their catch offshore, so there is has no processing activity been done yet in Bitung iEDZ or even in the North Sulawesi. Its mean investors have further opportunities in the establishment of fish processing industries.



Table 2. Preservation Potential and Spreading Area a in Fishery

Commodity	Preservation Potential	Spreading Area
Small Pelagis	- 12 mil waters 61.000 tons/year - EEZ waters 165.200 tons/year	Along the North Sulawesi Sea, North Sulawesi EEZ, Pasifik Ocean
Fry	48.000.000 piece/year	Along the North Sulawesi Sea
Shrimp	500 tons/year	Nothern North Sulawesi Sea, Along the Coast of Gorontalo, Boloang Mongondow Minahasa
Tuna	- 12 miles water : 12.800 tons/year - EEZ waters : 12.100 tons/year	Along the North Sulawesi Sea, Tomini Bay, Northern North Sulawesi EEZ and Pacific Ocean
Skipjack	- 12 miles water : 12.800 tons/year - EEZ waters : 12.100 tons/year	Along the 12 miles water and and North Sulawesi EEZ
Pearl	-	Likupang, Lembeh, Tumpaan, Tilamuta, Ratatotok, Bantenan Labuan Uki and Kawandang
Omamental Fish	-	Manado Municipality, Minahasa Bitung, Bolaang Mongondow, Gorontalo Minicipality Regency, Sangihe Talaud



Batui

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Cocoa



KETERANGAN :

- Ibukota Kabupaten
- ⊙ Ibukota Kecamatan
- Batas Kabupaten
- - - Batas Kecamatan
- ~ Sungai
- Jalan
- Danau
- Wilayah Kapet Batui
- Wilayah Perluasan Kapet Batui

Jl. Urip Sumoharjo
 Luwuk - Central Sulawesi
 Telp/Fax : 62 - 461 - 324172

I. GENERAL INFORMATION

The Batui IEDZ covered of 4 sub districts : Luwuk, Kintom, Batui and Toili. Those sub districts are a part of the Banggai Regency, Central Sulawesi which have a vision : *Development of Agribusiness and Agro Industry.*

Batui IEDZ's territorial is around 462,037 hectare consist of wet land (irrigated and non-irrigated) 24,167 ha (4.7%), plantation 30,337 ha (7%), dry land 13,411 ha (2.9%), Alang grass 39,078 ha (7,7%), forest 346,817 ha (74,9%) and settlement 8,227 ha (1.8%).

Based on analysis of land mapping, the usage of cultivation and non-cultivation as the Major Activity Plan, show that the remain cultivation area (excluded of forest area) some 31,052 ha. This remaining area purposed to extend the Batui IEDZ area.

In the future, Batui IEDZ is important to be expanded, because :

1. For further investment in agriculture sector
2. Based on the National Area Arrangement Planning (Rencana Tata Ruang Wilayah Nasional) 1996, the land and sea area of the province divided into 3 areas with excellent sector as follows :
 - a. Palu and its vicinity
The excellent sectors are agriculture, fisheries, livestock, plantation and industries.
 - b. Poso and its vicinity
The excellent sectors on land area are agriculture, livestock, and plantation. And the sea area (Tomini Gulf and surrounding) are fisheries and tourism.
 - c. Luwuk and its vicinity
The excellent sectors on land area are agriculture, livestock, plantation and industries. And, the sea area (Tomini Gulf, Tolo Gulf with the small islands) are fisheries and tourism.

Agriculture sector is one of the primary sector in Batui IEDZ. Its covers food crops, estate crops, livestock and horticulture. As commonly happen in Indonesia, the agricultural activities focus on the production of food crops such as paddy, soy beans and cassava. Whereas, The estate crops sub sector covers coconut, cocoa and cashew nut. It offer attractive prospect to investors who interested in plantation and food processing.

Beside agriculture, Batui IEDZ offers a huge potential on the fishery sector. Both marine fishery and aqua culture present assured prospect. Batui, Kintom and Luwuk Regency are suitable for shrimp pond construction. Whereas, Lamala Regency is available for tuna and skipjack catching.

II. GEOGRAPHY

Central Sulawesi Province lying between 2° North Latitude and 3°48' South Latitude, and 119°22' – 124°20' East Longitude and crossed by the Equator. There is a mountain range crossed the land of Central Sulawesi Province, the mountain lying along of South-East Sulawesi to South Sulawesi. This condition caused the climate of Central Sulawesi is different from other region in Indonesia, namely :

- West Monsoon (October – April) in west coast is rainy monsoon, meanwhile in the east coast is dry.
- East Monsoon (April – October) in the east coast is rainy and in the west coast is dry.

Temperature in high land ranged of 20° – 30°C, the low land temperature is between 22° – 35°C, and the humidity is 71 – 77% with wind velocity is 2 – 7 m/sec except in Palu Valley is 8-12 m/sec. There is a high variability in rainfall ranged 800 -3000 mm/year.

III. GOVERNMENT

The Batui IEDZ covered 4 sub districts (Luwuk, Kintom, Batui, and Toili). Nowadays, the IEDZ is proposed to expand covers 3 districts (Banggai, Banggai island and Morowali) comprised 19 sub districts, 524 villages.

IV. DEMOGRAPHY

Number of population in the Batui IEDZ is around 142,702 inhabitants with population density is 31/km².

V. ECONOMIC

In 1998 the facts indicated that the regional economic structural strength in Banggai District was dominated by agricultural sector (50.25%). The same condition in the Batui IEDZ, contribution of agriculture sector is 42.48% followed by services sector (15.63%), building (11%), trade, hotel and restaurant (8.26%), transportation and communication (8.08%), processing industry (7%), finance, leasing and companies services (4.54%), mining (1.65%), and electricity power and water (0.84%).

The economic structure of Batui IEDZ indicated that contribution of inter sector to the Gross Regional Domestic Products (GRDP) for 1993-1998 is relatively stable, except mining sector (0.13%), electricity and water (0.37%) and transportation and communication (1.09%).

The other economic sector indicated a negative growth, services (-0.68%), finance, leasing and companies service (-0.56%), trade, hotel and restaurant (-0.45%), agriculture (-0.13%), and manufacturing industries (-0.03%). The figures, also, indicated that for 6 year-period, the manufacturing industry did not play as a transformation changer yet in regard of reorientation from agriculture sector as production agent into agro-industry approach. It mean that the strength of the Batui IEDZ economic is still depend on agriculture sector. So, the transformation process of agriculture into agro industry and agribusiness has to be prioritized in the future. The table below shows a detail information :

Table 1. The Batui IEDZ's Gross Regional Domestic Product (GRDP) at Constant 1993 Market Prices, 1994 - 1998

Sector	1994	%	1998	%	Contribution Growth
Agriculture	69.954	44,96	69.280	42,48	-0,13
Quarrying	2.416	1,55	2.685	1,65	0,13
Manufacturing Industry	4.923	3.16	12.252	7,51	-0,03
Electricity and Water Supply	782	0,05	1.364	0,84	0,37
Construction	19.776	12,71	17.950	11,00	-0,65
Trade, Hotels and Restaurants	12.975	8,33	13.470	8,26	-0,45
Transport and Communication	11.318	7,27	13.185	8,08	1,09
Financial, Ownership and Business Services	7.816	5,02	7.404	4,54	-0,56
Services	25.617	16,47	25.491	15,63	-0,68
	155.577	100	163.081	100	

In growth aspect, for 1994-1998 period, the economic growth of Banggai District average is 3.99%. Batui Sub District grew with 4.41%, Toili 4.43%, Kintom 3.75% and Luwuk 3.79%. This figures show that the Batui IEDZ economic growth with 4.11% above of the average growth of Banggai District (3.99%). But the economic crisis in 1997-1998 forced the economic growth of Banggai District reduced some 4.32%. The above Table also informed that only electricity and water sector indicated a positive growth (4.35%0, meanwhile the other sectors show a negative growth (totally 0.65%). For detail information see the table below :

Table 2. Economic Growth in Batui IEDZ at Constant 1993 Market Prices, 1994 - 1998 (Million Rupiahs)

Industrial Origin	Regency					IEDZ
	Banggai	Batui	Kintom	Luwuk	Toili	
Agriculture	5,24	5,48	5,94	8,18	5,74	6,09
Quarrying	4,91	9,73	5,27	2,78	9,31	4,94
Manufacturing Industry	4,36	4,19	4,28	4,32	4,45	4,32
Electricity and Water Supply	15,72	17,13	16,56	15,58	14,9	15,59
Construction	-0,45	0,26	-1,68	-0,014	0,02	-0,14
Trade, Hotels and Restaurants	2,80	4,69	2,85	2,26	4,01	2,77
Transport and Communication	6,13	6,02	5,14	6,11	6,27	6,11
Financial, Ownership and Business Services	0,31	1,08	0,38	0,28	0,05	0,28
Servies	1,79	-1,24	1,93	3,70	-1,39	2,01
Gross Regional Domestic Product	3,99	4,41	3,75	3,79	4,42	4,11

Analysis of the GRDP's Batui IEDZ indicated :

- Based on the sector share of the GRDP, changing of regional economic structure is tend caused by production performance. This condition caused by budgeting both routine and projects budget depending on Central Government.
- Batui IEDZ up to day still based on agricultural economic with several distortion caused lack on distribution network, marketing of inputs and outputs, and infrastructures and also inappropriate irrigation facilities .
- Plantation sub sector play an important role especially of cocoa and local coconuts. Unfortunately, developing this sector facing some constraints mainly low price of the products.
- The economic growth is tend to increase with fluctuate growth. This condition is a consequence of inefficient usage of some supporting infrastructures and capital formation
- The total investment made of Central Government and Local Government placed a big proportion, but there is no significant impact.

The above illustration indicated that there is a wide opportunity to invest in Batui IEDZ for state owned companies (BUMN), private sectors, cooperatives and others in order to stimulate development in the IEDZ areas and Central Sulawesi Province generally.

Investment requirement in Batui IEDZ up to 2003 is around 233.79 billion rupiah. The peak investment requirement will be in 2002 where the investment will reach some Rp 48.46 billion. If the expectation of economic growth until 2003 is 5-7% and ICOR 3.12, so, requirement of investment in 2002 and 2003 are Rp 239.09 billion and Rp 251.99 billion respectively.

Based on the Law Number 22/1999 and 25/1999 and trend of economic development, there will be a transformation of role in regional economic development, especially in investments and investment proportion from Central Government to Local Government. The Central Government investment will be only 10% of total investment, meanwhile investment of local government will be 20%. It mean that role of private sector and other communities will take part more than government contribution. Communities and cooperatives will take 30%, and private sector both domestic and foreign investors will be expected to some of 40% from total investment.

VI. INFRASTRUCTURE

6.1. Transportation

a. Land transportation

- Toili Sub District
Asphalted road in the sub district along some 80 km² with good condition 12 km². It is a provincial road status.
- Batui Sub District
Asphalted road is 10 km and stony road 251 km with good condition is 123 km, good enough is 62 km and damage is 75.6 km². The status road are provincial road 34 km² and the remaining is district road.
- Kintom Sub District
Asphalted road is 22 km² and stony road 4.42 km² with all good condition. The status road are provincial road 22 km² and the remaining is district road.
- Luwuk Sub District
Asphalted road is 47 km and stony road 24.71 km, and land road is 32 km with good condition is 232.91 km², good enough condition is 34 km² and damage is 36.8 km². The status road 15 provincial road 79 km² and State managed road is 224.71 km².

b. Sea Transportation

There are two ports in Batui IEDZ : Luwuk Port and Banggai Port which serviced by two ships, "Ceremai" route Banggai - Makassar operated 14 days once (every Tuesday), and "Tilong Kabila" route Kolonodale – Luwuk and Luwuk – Tanjung Priok, Jakarta, operated in 14 days periode (twice a month) on every Monday.

The sea crossing transportation in Batui IEDZ connecting Banggai land to Banggai Islands with route Luwuk – Salakan – Banggai. The sea route services by Lamaru ferry which has passenger capacity 100 people and 3 cars.

c. Air Transportation

Regular air transportation in Central Sulawesi Province is serviced by two air companies, namely Merpati Air and Bouraq Air. Route from Province Capital (Palu) to all regency capitals in Central Sulawesi connected by Merpati Air. The connecting district airports are Bubung Luwuk, Kasiguncu Poso, Lalos Toli-toli and Pogogul Luwuk as a pioneer airport.

Recently, air transportation service is increasing, due to the operation of Bouraq Air. In the past, there is four flight a week from Palu to Jakarta, nowadays operates fully seven flights a week with route Jakarta-Balik Papan-Palu-Makassar v.v. In addition, Merpati Air operates three flights a week on Sunday, Tuesday and Thursday.

The regional flight from Palu to Bubung Luwuk, Kasiguncu Poso and Lalos Toli-toli and to pioneer airport Pogogul Boul by Ministry of Transportation is being increased also:

Merpati Air operates three flight a week from Palu – Luwuk with route :

- Manado - Luwuk - Palu – Luwuk – Manado, overnight in Palu (every Sunday)
- Palu – Luwuk – Manado (every Monday)
- Manado – Luwuk – Palu – Luwuk – Manado (every Tuesday and Thursday)

6.2. Electricity

Electricity Power Plant of Luwuk Sub District supplies the Batui IEDZ requirement. The electricity is powered by 8 unit of Diesel Power Plant which has installed capacity of 6,672 kilo watt, and The Hanga-hanga Micro hydro Power Plant which has installed capacity of 1600 kilo watt. It mean, that the total power supply is 8,272 kilo watt. Due to the aging of the power machine, consequently, capability to produce the power is decreased approximately 5,750 KW and will be decrease by time. To anticipate that the local government will encourage other sources to contribute in covering investment of electricity field.

6.3. Telecommunication

There is no telephone line yet connecting Toili, Batui, Kintom and Luwuk sub district. There is only telephone line in the Luwuk sub district which was built in 1984.

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

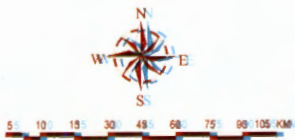
After two years establishment of the Batui IEDZ, It seems that Batui IEDZ need to expand their area. The existing area covers Banggai regency which is consist of Luwuk, Kintom, Batui and Toili sub district become three regency (Banggai, Banggai archipelago and Morowali Regency). It will consists of 19 sub districts, 524 villages with wide 21,926.90 Km² or 32,32 % from total area in the Central Sulawesi Province. The enlargement area in detail will be shown in the table below :

Bukari

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Cashew



Keterangan :

- Ibukota Propinsi
- Ibukota Kabupaten
- Ibukota Kecamatan / Lainnya
- Batas Kabupaten
- Batas Kotamadya
- Batas Kecamatan
- Jalan Aspal
- Jalan Batu
- Jalan Tanah
- Sungai

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 Telp/Fax. 62 - 401 - 323366
 E-mail : kapetbukari@kendari.wasantara.net.id



I. GENERAL INFORMATION

BUKARI is abbreviation of **BU**ton-Kola**KA**-Kenda**RI** network, lays on the South East Sulawesi. Buton is well known as an asphalt mine island, situated on the southern part of Sulawesi. The twin islands, Buton and Muna, are separated administratively into two regencies, those are Muna Regency (Raha as capital) and Buton Regency (Baubau is as capital). Kolaka is the capital of Kolaka Regency, laid on the eastern coast province. Kendari is the capital of South East Sulawesi and also is a municipality. So that Bukari IEDZ covering all regencies/municipalities in the province, cover about a half of the wide of South East Sulawesi. Its a most strategic location. The lands and waters of this zone possess great development potential, for agriculture, forestry and mining. The region also boats a wealth of tourist attractions.

Agriculture including fisheries has top priority for development in the Bukari IEDZ, followed by tourism, forestry and mining. To support greater production of agriculture (food crops, spices and horticultural products) a dam will be constructed in the watershed of the Poleang river.

Bukari IEDZ is also well known as a "Cocoa Province" because of the Cocoa Cultivation Program since 1880. The popularity is showed by its significant contribution toward national cocoa products. The region is also suitable for cashew nuts and castor oil plant cultivation. Outside of Java island, Muna island is the only island which produces hardwood tree (teak wood).

In term of tourism sector, Bukari IEDZ has the Watumohae Mountain National Park is just one of the tourism already essential to the region's economy. The 34,295 ha AOPA Marsh are home to a fascinating and plentiful array of wildlife, including deer, crocodiles, water buffaloes and rare indigeneous species, such as wild boars and Anoa, dwarf water buffaloes. For the more relaxed tourist, Bukari IEDZ also has coasts and beaches.

In order to support investment development in Bukari IEDZ, There is a regular flight, such as the Jakarta - Kendari route, namely Wolter Monginsidi Airport in Kendari. The smooth road along 166 kilometers connects Kendari in East coast and Kolaka in west coast. Kendari, Raha and Baubau can be reached by ferry transportation or rental ships.

II. GEOGRAPHY

Bukari IEDZ lies on 121°38' EL - 122°19' EL and 04°27' SL - 05°35' SL. There are two season in Bukari IEDZ : dry and wet season. The dry season in Bukari IEDZ lasts from March to September and the wet season from October to February, with the average rainfall ranges from 1,500 to 2,000 mm/year. And the temperature of Bukari IEDZ ranges from 24°C to 30°C.

III. GOVERNMENT

Bukari IEDZ administratively covers an area of \pm 495.01 thousand hectares, including seven sub districts; those are Poleang, Poleang Timur, Rumbia, Kabaena dan East Kabaena (Buton Regency), Watubangga (Kolaka Regency) and Tinanggea (Kendari Regency). Nowadays it has been developed into nine (9) sub districts, those are Rarowatu (development from Rumbia) and Andoolo (development from Rumbia Tinanggea).

The next development will be directed to Prominent Zones, i.e. Buton and Muna, so that the totally Bukari IEDZ area will reach 1,342,402 ha (or 34.72 % of South East Sulawesi area).

IV. DEMOGRAPHY

In 2000, the total population of Bukari IEDZ was about 190.13 thousand inhabitants. The population grew at an average rate of 1.8 % a year. Meanwhile the average population density was 38 inhabitants/km² in the same year (2000). The highest population density was in Watubangga sub district (104.17 inhabitants/km²) and the lowest was in Rarowatu (10.99 inhabitants/km²)

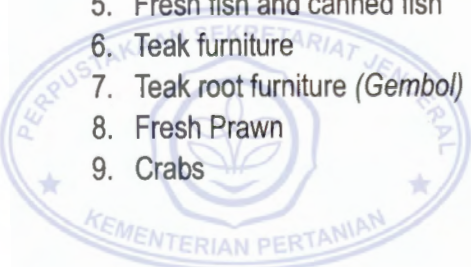
V. ECONOMY

The economic growth of Bukari IEDZ is fluctuate. In 1997, the GRDP of Bukari IEDZ reached 87,314.10 million rupiahs. In 1998 decreased of about 0.01 percent or 87,314.03 million rupiahs but in 1999 increasing about 4.35 percent (Rp 91.113,46 million). Agriculture sector gave a big contribution to Bukari IEDZ economy (71,18 %) in 1999. It was because of the main livelihood in Bukari IEDZ was on the agriculture sector.

Product

The types of agricultural products and mining in Bukari IEDZ are :

1. Cashew nuts in packing
2. Cocoa kernel in *gelondongan*
3. Buton Asphalt in granule
4. Moramo Marble
5. Fresh fish and canned fish
6. Teak furniture
7. Teak root furniture (*Gembol*)
8. Fresh Prawn
9. Crabs



VI. INFRASTRUCTURE AND SUPPORTING FACILITIES

6.1. Transportation

Development Center Bukari IEDZ can be reached by land transportation from the capital of South East Sulawesi ($\pm 225 \text{ km}^2$) or through the capital of Kolaka Regency ($\pm 336 \text{ km}^2$).

The main seaports are located in Kasipute (Rumbia Sub District), Bambaesa (Poleang Timur) Poleang (West Poleang Sub District), and Sikeli (Kabaena Sub District). These seaports are accessible to Bau-Bau Seaport which is as transit place of National Shipping Lines (PELNI) ships from Western of Indonesia region to Eastern zone Indonesia.

Besides, Bukari IEDZ can be reached by air transportation through Wolter Mongonsidi airport in Kendari. The airport has an anvil of 1,850 x 30 meters and be able to be landed by Plane F-100. The other airport near Bukari IEDZ is in Pomalaa having an anvil of 1,050 x 30 meter and be able to be landed by Plane C212.

6.2. Electricity

The current Bukari IEDZ necessity of electric power is served by Diesel Power Plant by State Electricity Enterprise.

6.3. Telecommunication

Telecommunication facilities in Bukari IEDZ uses Single Side Band Radio (SSB). The nearest cable network in Bukari IEDZ is facilitated by Telkom (in Kolaka and Kendari). Nowadays it is still doing the development of telecommunication network.

6.4. Banking

The money flows in Bukari IEDZ is facilitated by two banks, those are :

1. Bank Rakyat Indonesia (People's Bank of Indonesia) Auxiliary Branch Poelang in Poleang Sub District, Buton Regency
2. Bank Rakyat Indonesia (People's Bank of Indonesia) Auxiliary Branch Tinanggea in Tinanggea sub district, Kendari Regency

6.5. Water Supply

Most of fulfilling clean water/water supply for Bukari's inhabitants is supplied from water resources, like wells and rivers, especially in Poleang Sub district and Rumbia Sub district. Meanwhile in Kasipute Village, Poleang Sub District, clean water was supplied by the Regional Water Supply Establishments (PDAM).

For fulfilling water necessities are supplied from ground water and rivers. The potential rivers in Bukari IEDZ are Oko-oko River (Watubangga), with water rapidity rate is 2.53 m³/second, Toari River (Poleang) with water rapidity rate is 5 m³/second, and Telaga Poelang River in Poleang with water rapidity rate is 2,75 m³/second, Poleang River in East Poleang (12,8 m³/s), Tankari river in Rumbia (0.5 m³/s), Roraya River in Tinanggea (15 m³/s), Lakambula River in Kabaena (3,5 m³/s), Langkowala River in Rumbia (6.5 m³/s).

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT AGRICULTURE SECTOR

• Estate Crops

The main commodities of crop estate are :

- Cashew Nuts (± 21.556 ha)
- Cocoa (± 13.793 ha)
- Tall coconut (± 14.056 ha)
- Hybrid Coconut (± 2.737 ha)
- Reeds (± 26.000 ha)

The types of these commodities have comparative advantages. The commodities are commonly cultivated subsistence by community and done semi intensively, so that is prospective to increase their productivities.

For developing estate plantation, there is still a dry land of about ± 20.000 ha spread out in some sub districts in Bukari IEDZ. Processing industries in this sub sector have not developed yet. This condition becomes prospectively potential for investments.

• Livestock

There are livestock businesses in Bukari IEDZ. The livestock populations were 51,611 cows; 4,511 buffalos; 8,700 goats; 8,700 horses; 537,137 broilers; and 33,042 ducks. The livestock potential was supported by the meadow of 14,530 hectares (part of it lays on reserved estate area or dry land of 20,000 hectares).

• Forest Sector

The prominent forest products are forest wood, rattan, pulp, and furniture. The forest covers 298,125 hectares, consisting of preserve forests (58,567 hectares), tourism and natural preserve forests (72,408 ha), limited productive forest (40,766 ha) and constant productive forest (126,384 ha). These potentials generally have not carried out optimal yet.

FISHERY SECTOR

Natural resources of fishery sector in Bukari IEDZ are potential for business development, like cultivation activities, industry activities and trading. The types of businesses which are developed as follows:

- **Fishery Catching and Processing Industry**

The open water in Bukari IEDZ encompasses 1,100 km². The area potential for skipjack, mackerel, shark, Spanish mackerel, the grouper, etc. The potential is estimated up to 250 thousands a year with eternal catching quantity of 118 thousand tons a year. Until now the effort of fishery catching is still traditionally, so that the productivity has not reached a half of total eternal catching quantity yet. There are no processing activities of fish. This condition is become investment opportunity for investors.

- **Brackishwater Pond**

Shrimp embankment is one of the types of main commodities which is medium-scale business carried out by communities in Bukari IEDZ. The Brackishwater Pond area and its production continuously increase by year. This condition is accompanied by increasing of shrimp's quantity demand to Japan and Europe. The potential area for Brackishwater Pond activities in Bukari IEDZ covers 5,470 hectares, but only a half of the total area was cultivated. The business development can be done through rents or contracts, partnership or selling ponds. Until now, milkfish supplying is still come from South Sulawesi and Java. It means that the opportunity of hatchery activity is still prospective.

- **Cultivation of Open Water**

Coast open water of South East Sulawesi, including Bukari IEDZ, commonly are potential for sea cultivation development, like seaweed, pearl, and crabs.

These commodities have a large market segment enough, both domestic and international. There are 1.7 thousand hectares of potential area for sea cultivation activities scattered in Rumbia sub district, Tinanggea and West Kaebana, but only a part of it, which was used for seaweed cultivation (150 ha). It means that there are still investment opportunities for cultivation and processing industries.

Investment Opportunities

The prospective agriculture investment opportunities in Bukari IEDZ are :

1. Cocoa processing industry supported by material for producing in Bukari IEDZ and outside of it.

2. Cashew nuts processing industry and their derivatives. The materials come from regions of South East Sulawesi.
3. Frying Oil industry, with the materials from Bukari IEDZ and its environment.
4. Fishery catching and processing industry spread out from Banda Sea to Kabaena, Buton Regency, and Muna Regency.
5. Hatchery development and shrimp industry
6. Shrimp cultivation along Bukari IEDZ coast
7. Development of beef canning industry
8. Cultivation and processing industry of Seaweed
9. Development of National Park "Rawa Aopa Watumohae"

In development area of Mainstay Buton-Muna, there is agriculture investment opportunity of Teak processing industry in Muna Regency. Teak is one of high quality wood types as export commodities. The investment opportunity is from processing phase to final product phase.

Enterprises

Until 2001, the enterprises operating in Bukari IEDZ are as follows:

1. Reeds estate and sugar industry in Tinanggea Sub district. The Investment value of them reached 1,165 billion rupiahs. It was built by Tinanggea Sugar Industry, PT (domestic investment). In 2000, this activity is still land released phase (tahap pembebasan lahan), land clearing (pengolahan lahan) dan reeds seedling.
2. Cassava cultivation and tapioca flour industry in Watubangga Sub District. Investment value of these enterprises reached 20 billion rupiahs. It was built by Andika Agro Nusa, PT (domestic investment).
The industry hopefully can fulfill domestic and international market share, especially for food industries.
3. Wood processing industry in Watubangga Sub District with the worth of investment of 5 billion rupiahs which was built by Inti Karya Kayu Kolaka, PT. The industry has produced furniture, frames, for export and local necessities.
4. Industrial Plant Forest in Tinanggea Sub District, with the worth of investment of 81 billion rupiahs, built by Barito Pasifik, PT. Wood processing industry in 2005 is a business plan of Barito Pasifik, PT (Activities of the enterprise had started before Bukari IEDZ existed).

Table Investment Opportunities in Bukari IEDZ

Commodity	Location	Scale / Volume (Ton)	Remark
Cocoa	Bukari IEDZ	1.497 ha (920 ton/year)	Open for domestic and foreign investor
Cashew Nut	Bukari IEDZ	2.860 ha (724 ton/year)	
Coconut	Bukari IEDZ	1.630 ha	
Sea Fishing	Bukari IEDZ	100 Km ² (18.000 ton/year)	
Shrimp/Fish Pond	Bukari IEDZ	645 ha (620 ton/year)	
Seaweed	Rumbia	100 ha	
Cattle Breeding	Poleang Timur	6.000 ha	



IV. DEMOGRAPHY

Based on data in 1999, the total population of Pare-pare IEDZ was about 1,055,320 inhabitants, with a growth rate of 1.04 % per year. The population spread out in five regencies. If we compare with the number of population of South Sulawesi is 7,838,777 people, so that there are 12.84 %, the population of South Sulawesi is in Pare-pare IEDZ.

The number of worker in Pare-pare IEDZ was 399,369 people, while unemployed persons were 277,265 people, so the number of work age population is 676,634 people, and 51 % become workers in plantation section.

In framework of Pare-pare IEDZ development, the constructions of skill human resource through training and apprentice program that can be reduce and prepare skilled labor for the sector institution need, which developed in the future.

V. INFRASTRUCTURE

5.1. Transportation

a. Sea Transportation

There are three infrastructure ports in Pare-pare city, namely; Samudra (Ocean shipping lines), Cappa Ujung and Lontangnge port and special port for oil shipment.

1. Pare-pare archipelago port pier long is 200 m², while Cappa Ujung port long is 100 m².
2. Loading and unloading current and passenger most serve to hinterland special to East coastal area, namely; Kalimantan and Java Island. Special shipment for passengers is served by PELNI (National Shipping Lines), and domestic lines company /private. While export of goods transportation most of them are agriculture products such as rice, vegetables, livestock and fertilizer, asphalt, and wood is also served by either domestic private lines or international lines.

Table 1. Sea Transportation

City/Regency	Ship Company	Port
Pare-pare	11	3
Sidrap	-	-
Barru	-	2
Pinrang	-	2
Enrekang	-	-



b. Land Transportation

Table 2. Types of Land Transportation in Parepare IEDZ

City/Regency	Road Length			Station
	Country Road	Province Road	Regency Road	
Pare-pare	37.40	-	248,150	3
Sidrap	71.00	41.00	930,398	1
Barru	71,4068.85	33.90	484,800	1
Pinrang	85.11	11.29	574,580	1
Enrekang	-	-	527,720	1

5.2. Economy Facilities

The economic facility in Parepare IEDZ covers : markets, stores and banks. The total amount of each facility will be shown in the table below :

Table 3. Markets, stores and banks in the Parepare IEDZ

City/Regency	Market	Store	Banking
Pare-pare	4	4	6
Sidrap	19	3	4
Barru	11	2	4
Pinrang	9	3	4
Enrekang	16	2	8

5.3. Public Facility

Public facility in the Parepare IEDZ consist of electricity, water supply and telecommunication.



Table 4. Electricity, Water Supply and Telecommunication

City/Regency	Connected Facility		
	Electricity (MVA)	Fresh Water (Liter/Second)	Telecommunication (SST)
1. Pare-pare	16.00	145.00	6,856
2. Sidrap	20.00	36.00	2,012
3. Barru	10.00	42.50	1,204
4. Pinrang	10.00	80.00	3,088
5. Enrekang	12.04	40.00	677

VI. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

AGRICULTURE SECTOR

- **Food crops**

- a. **Paddy**

The land extend of food crops in Pare-pare IEDZ area, totally in a plant season, more less 160,937 ha .The production is 713,310 tons \pm unhulled paddy. The most potential area are Sidrap Regency about 45,000 ha with watering technique can be cultivated five times in two years and Pinrang Regency with total area about 46,908 ha, has 37,677 ha technique watering with production amount about 595,726 tons unhulled paddy.

- b. **Secondary crops plant/vegetables**

The secondary crops such as peanut, soybean, mung beans, corn, cassava, sweet potato and vegetables will be potentially available with regard to land availability of 23,000 ha/planting season.

- **Estate Crops**

Estate crops in Pare-pare IEDZ are mostly as export commodities and potential to be further exploited such as coffee, cocoa, cashew, candlenut, coconut, dove. Recently the data shows that coffee plantation (Arabica and Robusta) for about 5,635 ha (7,173 tons) has contributed of South Sulawesi export 28.00%. Cashew nut in

acreage of 20,000 ha (8,000 tons) has contributed \pm 54% from the total export of South Sulawesi and coconut plantation of 25,000 ha (19,000 tons); clove 3,000 ha (761 tons), candlenut 8,000 ha (3,000 ton) has significant contribution to the total of South Sulawesi export.

- **Livestock**

The dominant commodity in the livestock sub sector is beef cattle, goat and chicken. Beef cattle can be found a lot in Pinrang, Barru, Sidrap and Enrekang regencies, goat 55,000 in Barru, Enrekang, Pinrang regencies, and chicken 5,000,000 in Sidrap, Pinrang, Pare-pare, Barru and Enrekang regencies.

FISHERY SECTOR

In the fisheries sector, the dominant commodity is shrimp seaweed, and milk fish. Fishpond acreage extent is 15,000 ha that disperse in Pinrang and Barru regencies. The shrimp production is 4,600 tons/year.



Bima has a wide variety of altitudes. In details, it can be divided into four groups of interval altitude, which are:

Table 1. Variety of Altitudes in Bima IEDZ

Altitude	Dompu		Bima	
	Area (Ha)	%	Area (Ha)	%
0 - 100 m	72.705	31,28	101.006	21,97
100 - 500 m	107.815	46,69	212.515	46,23
500 -1.000 m	34.150	14,96	108.910	23,69
above 1.000m	17.785	7,65	37.259	8,11
Total	232.455		459.690	

Most of area of Bima is covered with dense forest which is of 196.167,902 ha (28,342%), jungle of 161.145,493 ha (23, 28%), underbrush of 120.463,926 ha (17,404%) and dry field of 77,688,720 ha (11,224%).

III. GOVERNMENT

The Bima IEDZ encompasses a total of 6.942,45 square kilometers, which consist of Bima Regency of 4 4,596.90 Km² and Dompu of 2.324,55 Km² with its borders as follows:

North	:	Flores Sea
South	:	Indian Ocean
East	:	Sape Strait
West	:	Sumbawa Regency

In terms of administrative governments, Bima consists of two regencies and one administrative town that consist of 17 sub districts, 193 villages.

IV. DEMOGRAPHY

The population of Bima IEDZ in 1998 is 664.486, which distributed in Bima Regency 477.318 persons and in Dompu Regency 87.168 persons. The population grow rate of Bima IEDZ (in 1994 – 1998) is 1, 82% per year. In Bima Regency population grows 1, 16% per year, while in Dompu Regency that received transmigration; it grows 3, 6% per year.

Population density of Bima IEDZ is estimated 96 individual per Km², in Bima Regency, it is 104/ Km² and in Dompu 81/ Km²

The population structure of Bima and Dompu regency is relatively the same. The most people, which are 54, 70 % of total population, aged range 0 to 14. People with the productive age, 15 – 64 years old, make 41,55% of total population and people older than 65 is 3,75%. The number of people older 10 years old in Bima is 536.972 persons, 241.390 (44, 95%) of them have never been to any school or haven't finished their primary education. There are 199.497 people with primary education (graduate from elementary school and junior high school), 83.041 people with secondary education (Senior high school) and 13.044 people (2, 43%) with higher education.

V. ECONOMY

In Bima Regency, agriculture sector has given the most contribution to the GDRP of Bima IEDZ which is: 49, 75%; trade, hotel and restaurant 16, 77% and service 12, 28%. In Dompu Regency, agriculture sector has also given the most contribution, which is 43, 15%, service sector 16, 77% and trade, hotel and restaurant 15, 98%.

VI. INFRASTRUCTURE

6.1. Land transportation

The land transportation in Bima is described by the condition of the roads and the existence of bus terminal. To support the land transportation, buses are available, but only in the capital of sub district.

6.2. Sea Transportation

There are two ports in Bima regency, ports in Bima Bay including port of Pertamina tanker and Port Sape in Sape District. In Dompu Regency there are also two ports, Ports Kempo in Kempo District and Port Calabai in Pekat district. There is also a ferry port in Sape which connect to Sape – Komodo – Labuhan Bajo.

6.3. Air transportation

Air transportation in the Bima IEDZ is M. Salahuddin airport that serves pioneer and regular airlines to Selaparang Airport (Mataram) – Ngurah Rai (Denpasar), Labuhan Bajo, Ruteng, Ende, Kupang, and Waingapu East Nusa Tenggara, 2 flights a day. This flight is served by Fokker 27,C 212 and DHC. The existing 1650-m runway will be extended to 2000 m so Fokker 28 may be landed on it.

6.4. Public facilities

• Water Supply

Drinking water in service in Dompu Regency is served by local water supply establishment (PDAM)) with each capacity as follows:

- Dompu water supply establishment : 51 litre/sec
- Kempo water supply establishment : 12,5 litre/sec
- Hu'u water supply establishment : 3,7 litre/sec

In Bima Regency, the local water supply establishment (PDAM) can produce drinking water 102, 40 litre/sec and has been able to serve the whole regency. Beside PDAM, NTB-ESWS and RAB-PLP program also support the water sanitation in this area.

- **Electricity**

The source power of electricity in Dompu Regency come from PLTD in four sub district, PLTD Dompu, Hu'u, Kempo, and Kilo, with total capacity of 6.036 KW and has served 13.893 families. Source power in Bima Regency is from PLTD Bima Branch with capacity of 13.692 KW, consists of 36 units and served 47.384 families.

- **Telephone**

The capacity of telephone service in Bima regency has reached 3000 connection, 2695 of them has been loaded while in Dompu Regency it has been 892 connections with 829 of it has been loaded. It's also supported with public phone and central radiophone (four units).

- There are several banks has been establish in Bima IEDZ such as follows :

Table 2. Several Banks in Bima IEDZ

Banks	Bima	Dompu	Bima IEDZ
- BRI	1	1	2
- BPD	1	1	2
- BNI	1	-	1
- Danamon	1	-	1
- BPR/LKP	10	5	15

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

Until March 1998, most of investments in Bima IEDZ are mainly in agriculture sector, especially in fishery, livestock, food crops and plantation with total investment of around US \$200 billions. Investor's interest in Bima is still low. It only took 7% of total investment in West Nusa Tenggara.

7.1. Food Crop

Potential and opportunities available in food crops are:

a. **Soy bean**

Potential area for Soy bean commodity in Bima IEDZ is 52.618 ha with production 1, 35 ton /ha. Potential area distributions for this superior commodity in Bima regency are as follow:

- Belo Sub District, 4.358 ha
- Bolo Sub District, 13.551 ha
- Sape Sub District 1.655 ha
- Wera Sub District 2.126 ha

Potential locations for the development of Soybean in Dompu Regency are:

- Dompu Sub District 10.000 ha
- Hu'u Sub District 1.655 ha.
- Kempo Sub District 3.000 ha

Only 33% (52.618 ha) of 127.818 ha potential area has been utilized.

Investments opportunities can be developed in crop food sub sector among others are:

- Downstream industry : Seed supply, medicine, and pest control equipment.
- Upstream industry : Soybean milk, tofu, tempe (fermented soy bean) and soy sauce production; food industry, soy bean flour and feed industry.

b. Red onion

Now, only 69.936-ton/ year has been reached from the 450.000 ton/year of the expected production.

Investment opportunities that can be developed in horticulture sub sectors among others are:

- Downstream industry : Seed supply, medicine, and pest control equipment
- Upstream industry : Fried onion processing, onion powder, and vegetable oil.

7.2. Estate crop

Potential area for plantation in Bima IEDZ is 66,519 ha, 13,266,8 ha have been utilized and 53,292,1 ha haven't been utilized.

a. Coffee

Coffee bean plantation is concentrated in Tambora, which covers two sub districts, Sanggar and Pekat. In this area there is a coffee bean plantation for example Dutch which now become PT Banyu Ayu with area of 3,000 ha, but only 350 ha of it is productive. Beside that, there are about 1,000 ha of smallholders coffee plantation spread in Pekat, Wawo and Sanggar sub district. Potential area which available is 8,771 ha, 7,142 ha has been developed with production of 12,000 ton/year. The remaining potential area is 1.629 ha. If all potential area has been developed, it is expected to produce 131,000 ton per year.

Downstream and upstream industry: Coffee bean processing

b. Cashew nut

The production of this commodity has reached 131, 3 ton/year. It is expected to be 560 ton/year. Potential area available is 14,375 ha, 6.004 ha have been used and 8,371 ha are not. The location development is in Kempo, Pekat, Wera, Sanggar, Donggo and Wawo sub district.

- Downstream Industry : Seed supply, medicine, and pest control equipments.
- Upstream industry : Cashew nut production
- Processing industry : Cashew nut, syrup, honey bees

7.3. Livestock

West Nusa Tenggara is nationally known for its good livestock production, as a supplier of excellent stock as well as cattle for other region. Sumbawa Island where Bima IEDZ situated is maintained as breeder region of Bali cow, so Bali cow can be regarded as main commodity of Bima IEDZ. Until these days, Bali cow's population has reached 90,125 (58,243 in Bima and 31,882 in Dompu) with mean growth of 7, 55%. It serves for local consumption, 2,273 (1,926 from Bima and 347 from Dompu) and for other region 6,874 (Bima 4,126 and Dompu 2,748)

Potential area for available for this sub-sector is 78,777 ha, 1,821 ha has been utilized and 76,956 ha of it is still unutilized. The locations of development of this sub-sector are in Kempo, Pekat, Wera and Sanggar Sub District. Investment opportunities to be developed among others are crop of dry field, cultivation collective herding and mini ranch.

7.4. Fishery

- Shrimp: potential area 5,400 ha, utilized 2,551 ha, unutilized 2,849 ha. Development location: Dompu, Hu'u, Woja, Monta and Belo Regency. Estimated production 1,200 ton/ year. Investment opportunities to be developed are; development of shrimp pond cultivation, shrimp fry supply and PIR pattern.
- Tuna and skip jack: potential coastal area 7,519 km², ZEE 8,682 km² and offshore area 5,557 km². Development location Sape and Sape Strait, Cempi Bay, ZEE and Waworada, Hu'u and Woja. Estimated production 14,000 ton/year. Investment opportunities to be developed are: supply of fishing vessel, development of fish storage, cold storage and fish auction.
- Pearl: Kempo, Pekat, Sanggar, Sape, Hu'u and Waworada/Wawo Sub District. Production: 0.24 ton/year. Investment opportunities: pearl cultivation, pearl handcraft.
- Seaweed: Potential area; 1,700 ha. Location Sape, Wera, Waworada, Sanggar and Bajo Island

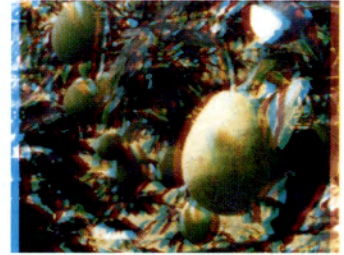
Table 3. Investment Opportunities in Bima IEDZ

Commodity Remarks	Location	Scale/ Volume	Aprx. Investment	Investor
Cashew Nut Open for domestic foreign investor	Bima and	- 192.494 ha	3 Billion rupiahs	- Small
	Dompu	- 4,560.8 ha		holders
	Regency	- 4,540.85 ha		- PT.Sanggar and Agro
		- 300 ha		- PT. Bali Anarkadi
		- 3,300 ha	- PT. Andi Bali	
Coffee	Tembora	- 8,000 ha - 20 tons / year		- Local Govt
Sea Fishing	Sape Bay	- 10 ton / day	1,930 Million rupiahs	

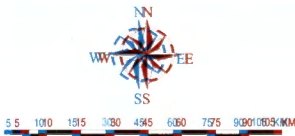




INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Candle Nut



KETERANGAN

-  Ibukota Propinsi
-  Ibukota Kabupaten/Kotamadya
-  Kota Lainnya
-  Batas Kawasan
-  Batas Kabupaten
-  Batas Kecamatan
-  Jalan Lintas
-  Jalan Strategis
-  Pelabuhan Udara
-  Pelabuhan Laut

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I. GENERAL INFORMATION

Mbay Integrated Economic Development Zone (IEDZ) is located in Central Flores. It covers the whole area of Ngada District in East Nusa Tenggara Province. It includes 303,788 hectares (3,037.88 km²) of mainland and 689,988 hectares of water. To the Northern Mbay is connected with the Kalimantan, Sulawesi, Maluku Islands and Papua through the inner basin of the Indonesian archipelago, i.e. Java Sea, Flores Sea, Banda Sea and Arafura Sea. To the Southern Mbay bounds with Sumba and Timor together they form a province called East Nusa Tenggara, the border between Asia and Australia.

Mbay IEDZ has a great number of potential natural resources, of which the optimal utilization will make it the main activator for the economic development of Mbay IEDZ and its vicinity.

There are three core-businesses development in Mbay IEDZ, i.e.

1. Agriculture

The development of Agribusiness and Agro industry

- a) Food Crops and Horticulture : paddy, corns, soy beans, mango
- b) Plantation : coffee, cacao, cashew, candle nuts, vanilla, castor
- c) Livestock : cows, goat
- d) Fishery : Fish catching, fish cultivation (pearl, seaweed, brackishwater Pond).
- e) Forest : Bamboo

2. Industry : salt

3. Tourism : Culture tourism (Megalitik Village, dance and boxing)

II. GEOGRAPHY

Mbay IEDZ is identical to Ngada District which lays on Western Flores Island located at 12⁰45' – 12⁰50' East Longitude and 8⁰– 9⁰ South Latitude. Mbay IEDZ borders on Flores Sea in the North, on the Sawu Sea in the South, on the Manggarai Regency in the West and on the Ende Regency in the East.

The Mbay IEDZ's climate differs between the highland and lowland region. In the highland regencies of Ngada Bawa, Golewa, Bajawa, Boawae and Soa, the wet season last from October to May, and have duration of approximately four months. These areas have an average rainfall of 1,300 – 1,700 mm/year in 90 – 110 days/year.

In the lowland regencies of Riung, Aesesa, Aimere, Mauponggo and Nangaroro have dry season of 7 – 9 months. The average rainfalls in the northern lowland regencies Riung and Aesesa range from 450 to 600 mm/year in 60 – 90 days/year, while in the southern lowland regencies Mauponggo, Nangaroro and Aimere, range from 1,200 to 1,950 mm/year in the same amount of raining days. The average rainfall of Mbay IEDZ ranges from 450 to 1,950 mm/year in 60 – 110 days/year. The temperature in the highland regency ranges from 10⁰ to 30⁰ C, while in the lowland ranges 28⁰ – 37⁰C.

The average humidity in Mbay IEDZ is 83 %, maximum 92 % in lowland regencies and minimum 76 % in highland regencies. The average sunshine is 44%, maximum 60 % in August and 16 % in January.

III. GOVERNMENT

Mbay IEDZ and its vicinity which include the five regencies in Flores : Ngada, Manggarai, Ende, Sikka, and East Flores, encompass an area of 17,000 square kilometers.

IV. DEMOGRAPHY

In 2000, the total population of Mbay IEDZ was about 224,591 inhabitants. The population grew at an average rate of 1.33 % a year during the 1994 – 2000 period. This condition reflected an increasing from the population growth during 1990 – 2000 (0,84 %). Meanwhile the average population density was 74 inhabitants/km² in the same year (2000). The highest population density was in Bawa sub district (435 inhabitants/km²) and the lowest was in Wolowae (22 inhabitants/km²). The main livelihood was on the agriculture sector (83.11%), followed by services sector (7.68%) and industry sector (2.44%).

V. ECONOMY

In 2000, the Gross Regional Development Product (GRDP) of Mbay IEDZ reached Rp 353,481,409,000 (based on current market prices/ prevailing price). Agriculture sector was the largest contributor to the Mbay IEDZ's GRDP with 52.04%, while the smallest contributor was electricity sector (0.77 %). The GRDP grew at an average of 17.73 % a year during the 1996 – 2000 period (based on current market prices / prevailing price). It was little higher than that of the GRDP growth of Flores Island (12.8%), or East Nusa Tenggara Province (12.67%), or Indonesia (16.28%).

In 2000, per capita income of the Mbay IEDZ's people was Rp 1,582,723, which was higher than that of the per capita income of East Nusa Tenggara Province (Rp 1,552,106).

VI. INFRASTRUCTURE

6.1. Transportation

6.1.1. Air transportation

Currently Mbay IEDZ is accessible from Kupang or Denpasar international airport via Maumere, 140 kilometers East of Mbay. There would be possibility for building the air strip of Mbay called Surabaya as an enlargement facility of air transportation.

6.1.2. Sea Transportation

Currently Mbay IEDZ has two harbors, one in Maumbawa on the South coast, and another one in *Marapokot* on the north coast near *Mbay City*, the principle city of *Mbay IEDZ*. Those harbors serve regularly domestic cargo vessels mainly from/to Surabaya and Kupang.

To support Mbay IEDZ future activities the Board of IEDZ will push forward to develop Marapokot harbor into a container port, fully authorized as an entry and departure port from/to the international origin/destination.

The Ministry of Transportation is currently attempting to obtain a ferry connection between Selayar Island (South Sulawesi) and Marapokot (Mbay) IEDZ.

This ferry connection will create a new pattern of national road transportation system, which is enable the access to Mbay through the West-East as well as the North-South axis, i.e. Mbay IEDZ will become an intersection of the most important national longest road transportation system.

The Maumbawa harbor will be fully equipped in order to maximize its utilization for the domestic cargo service within the province of East Nusa Tenggara.

6.1.3. Road Transportation

The Mbay IEDZ is well accessible through the Trans Aceh - Los Palos by pass, the longest national inter insular road connection of Indonesia.

Especially the Flores's section of this national road is divided into two rows, the Northern and the Southern Trans Flores section.

The internal road network within Mbay IEDZ is considered as the most advanced and efficient among other Districts elsewhere in Flores Island.

6.2. Electricity

The current Mbay IEDZ demand of electric power is satisfied by Diesel Power Plant based in Bajawa, Riung and Mbay.

The Public Electricity Service Company is attempting to complete the construction of Ulumbu's Geothermal Power Station in Manggarai District, which could produce far over the demand of the whole island.

Additionally, JICA discover another Geothermal source in Wogo in Ngada District, which is estimated more power full than the Ulumbu's well.

6.3. Telecommunication

Bajawa the former and Mbay the current principle city of Ngada District is facilitated with 100 telecommunication systems, while the Telecommunication Company is improving the system with internet connection extensively.

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

Mbay IEDZ has fifteen sub regions as potential development regions for investment activities. The potential development regions for agribusiness /agro industry investment among of all are as follow:

a. Forest Sub Region

In 2000, the total area of forest sub region was 120,135 hectares or 39.50 % of total Ngada Regency area. There are investment opportunities on Industrial Plants Forestry sector (HTI), particularly on conservative forest area (28,787 ha) and natural tourism i.e. natural preserve forest (8,721 ha).

b. Integrated Agricultural Sub Region

There are several potencies on the unused land for development of various commodities such as: coffee, cashew nuts, candle nuts, sour fruits, castor plants, cocoa, horticulture plants (mangos, citrus fruits, vegetables), food crops plant (paddy, corns, soy beans), livestock (cows, goats, sheep) and brackishwater ponds.

c. Integrated Livestock Industrial Sub Region

The area covers 260 hectares, which is purposed to provide services of office affairs, trading, storage and cold storage, slaughtering house, holding ground, quarantine, processing industry, quay and residence. The region is purposed to support the development of highland, that is for the development of beef cattle on the area of 4,530 hectares.

Cows and buffalos are two kinds of an outstanding large livestock, while the most prominent from small livestock is goats. The livestock populations were 23,399 cows, 16,710 buffalos and 50,807 goats.

d. Integrated Fishery Industrial Sub Region

Integrated fishery Industrial Sub Region covers 320 hectares, which are purposed to provide services of office affairs, trade, storage and cold storage, processing industry and proponent industry, harbor, fishery, hatchery and fishermen's residences. The region is also purposed to support the development of fisheries of Mbay IEDZ, both fish catching and fish cultivation. The marine around East Nusa Tenggara covers 200,000 square kilometers (Flores Sea, Lawu Sea, and Timor Sea). It is potential to produce yearly of about 240,000 tons pelagic and demersal. However, the utilization remains limited, that is about 64,887 tons or 27 percent (1997). The open water is potential for the cultivation activities of fishery commodities like seaweed, sea cucumber, fish of cage culture, shrimp, milkfish and pearl. A suitable coast for brackishwater ponds covers 1,920 hectares.

Both of Fishing Grounds including their own open-waters, which flank Mbay IEDZ, are planned as such a potential hinterland. The development of the hinterland should be maintained by the development of Integrated Fishery Industrial Zone as a strategic zone of Mbay development. The zone will function as infrastructure and supporting facilities provider as needed.

The potency of catching and culture fisheries as mentioned above is also offering for small holder, medium /large enterprises. Meanwhile, the business performers might be government, communities and privates.

e. Sait Industrial Sub Region

There is northern coast in Mbay IEDZ which is potential for development of huge salt industry. It is supported by conducive conditions such as wide area, the high salinity of sea water, the dry season lasting 8-9 months as well as the high sunray intensity which goes on steadily. These conditions are supported by the development of salt industry. There are three potential locations for the development of salt industry, namely: Kabures (33.75 ha), Waemburung (626.5 ha) and Nggolonio (166.75 ha).

Among three locations mentioned before, for a long time the local community in Kabures has been carrying on traditional salt industry. It is only a small portion of the area of 10 hectares with an annual production reached 1,000 tons. From the total production, about 4 – 5 tons have been proceeded into iodine salt. There is salty land in Waemburung. It covers an area of 626.5 ha with the adequately high rate of sea-water-salinity, so that it is potential for the development of a high quality industrial salt. Its annual production reached 50,120 tons. In these regions, there are investment opportunities for Small holders, medium and large enterprises involved privates, BUMN and government, especially for the development of basic infrastructure and supporting facilities.

f. Industrial Sub Region

The industrial sub region is purposed for the development of industries, which is based on natural resources, i.e. agriculture and mining. The area covering 2,100 hectares is situated in Nggolonio Village, Aesesa sub district and in Lengkosambi village, Riung sub district.

Strategic Sector and Main Commodities

Table 1 shows the location, total area, land status, business scale and business performers in Mbay IEDZ.

Table 1. Investment Opportunity in Agriculture Sector in Mbay IEDZ

Type of Business	Area	Location / Sub District	Land Status	Business Scale	Business Performer
Food crops & Horticulture					
a. Wet Land					
1. Identify of wetland paddy	6.296	1. Aesesa 2. Bajawa	State Land	Small holders/ Medium/Large enterprises	Communities/ Privates
2. Wetland expansion Area	2.400	1. Aesesa 2. Boawae	State Land	Small holders/ Medium/Large enterprises	Communities/ Privates
Dry Land Expansion area					
1. Corn	9.310	1. Golewa 2. Almere	State Land	Small holders/ Medium/Large enterprises	Communities/ Privates
2. Soybean	7.400	Bajawa			
3. Mango/Citrus fruit	4.650	1. Boawae 2. Golewa	State Land	Small holders/ Medium/Large enterprises	Communities/ Privates
Plantation Expansion area :					
1. Coffee 6.610	1.	Roung 2. Golewa 3. Aemere	State Land	Small holders/ Medium/Large enterprises	Communities/ Privates
2. Cashew	19.770	1. Aesesa 2. Aesesa 3. Bajawa 4. Boawae 5. Nangaroro 6. Golewa	State Land	Small holders/ Medium/Large enterprises	Communities/ Privates



Type of Business	Area	Location / Sub District	Land Status	Business Scale	Business Performer
3. Vanilla	1.360	Bajawa	State Land	Small holders/ Medium/Large Enterprises	Communities/ Privates
4. Castor	2.210	1. Riung 2. Aesesa	State Land		
Livestock Cattle breeding and fattening		1. Aesesa 2. Riung 3. Nangaroro			
Fishery					
1. Fish Catching					
2. Cultivation					
. Seaweed					
. Pearl					
. Cucumber (Teripang)					
. others					
3. Brackishwater Pond Cultivation					
. Shrimp/milkfish					

Investment Opportunities on Agro industry in Mbay IEDZ

Mbay IEDZ has potential and opportunity for the development of agro industry. There are abundant natural resources to fulfill agricultural industry requirements.

There are five types of agro industry, which have opportunity to develop as outlined bellow:

1. Processing industry of food crops and horticulture products :
 - Corn flour Industry
 - Bean curd and fermented soybean cake (tempe) Industries
 - Tropical fruits Industry
 - Beverage Industry
2. Processing industry of estate crops
 - Cashew nuts industry
 - Coffee powder industry
 - Candle nut oil industry
 - Coconut and its derivation product industry
 - Vanilla oil industry

3. Processing industry of Livestock
 - Jerked meat and shredded meat
 - Meat processing and preserving
 - Leather tanning

4. Processing industry of fishery
 - Preserve large fish
 - Fish food industry
 - Fish frozen industry
 - Fish canning industry
 - The other processing of marine cultivation : sea cucumber, seaweed and pearl

5. Processing Industry of Forestry Crops
 - a. The processing of sour, honey, candle nuts, cinnamon, eaglewood (gaharu)
 - b. Bamboo crafts industry



Seram

INTEGRATED ECONOMIC DEVELOPMENT ZONES (IEDZ)



Nutmeg



KETERANGAN

-  Ibukota Propinsi
-  Ibukota Kabupaten/Kotamadya
-  Kota Lainnya
-  Batas Kecamatan
-  Jalan Aspal
-  Jalan Perkerasan
-  Sungai
-  Terminal Penumpang
-  Pelabuhan Udara
-  Pelabuhan Laut

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I. GENERAL INFORMATION

Seram IEDZ is one of 998 constituent islands in the Maluku Province which declared one of Integrated Economic Development Zone in Indonesia. Maluku Province also well known with "The Province of a Thousand Island".

Seram IEDZ location is very strategic because it lies in the middle of provincial area and between two sea-island regions, sea-island region of Seram and Banda. Seram Island is also considered as a big island as Halmahera, Tanimbar and Buru. Accordingly, the development of Seram IEDZ should be pushed in order to raise GRDP (Gross Regional Domestic Product) of Maluku Province and, to be more specific, to increase people's welfare in this region. Beside, Seram IEDZ has a number of advantages over Maluku's other island and regions. The sea in this vicinity is deep enough to permit development as an international shipping route, it has abundant natural resources and it possesses a comprehensive infrastructure of roads, harbor and airport facilities.

The natural resources covers agriculture, fishery, forest and ocean riches. Rubber, cocoa, coffee and banana estated are managed by state corporations. Other estate crops commodity which has opportunity to develop is coconut, cloves and cashew nut .

In the fisheries sector, its offers the most promise investment opportunity in catching Tuna, Skip jack, Small Pelagic, Grouper, Napoleon, Coral fish and a variety of ornamental fish. In addition, Seram waters could yield many other commodities such as ; Sea cucumber, shrimp. Shark fins, Oyster, Batu laga, Sea weed, Pearl and Japing-japing. Maluku's strategic location so close to the Pacific Ocean could generate a fully integrated fisheries industry with many advantages. There is a strong potential export market to the nations of Pacific, where fish consumption is on the increase.

In the mining sector, Seram IEDZ has a lime deposit which has possibility a basis for a cement industries. Whereas in the tourism sector, Seram IEDZ is rich in features ripe for development, ranging from marine attractions to historical and cultural sites and The Manusela Park.

II. GEOGRAPHY

The land area of IEDZ Seram is 29.218 km² and its sea area is 255.090 km². The total area of this EIDZ is 1.862.500 ha and consists of 18 sub districts, which are Amahai, Teon Nila Serua (TNS), Kairatu, West Seram, Teniwel, North Seram, Bula, East Seram, Werinama, Tehoru, Haruku Island, Saparua, Salahutu, Leihitu, Banda, South Buru, Northwest Buru and Northeast Buru.

Area utilization in this region is mainly for dry-land farming, which is 539.400 ha (31,86 %), followed by limited productive forest which is 527.750 ha (26,33 ha), and 252.700 ha (13,57 %) of protected forest. Others are wetland areas, fixed productive forest, national parks and wildlife reservation.

III. GOVERNMENT

IEDZ Seram comprises of 18 sub districts. They are Amahai, Teon Nila Serua (TNS), Kairatu, West Seram, Teniwel, North Seram, Bula, East Seram, Werinama, Tehoru, Haruku Island, Saparua, Salahutu, Leihitu, Banda, South Buru, Northwest Buru and Northeast Buru.

IV. POPULATION

Total population of IEDZ Seram is about 343.607 people with population density 17 people per square kilometer. The distribution of population is not evenly. It is concentrated in west and south of Seram Island, along the coast. The highest population density is in West Seram sub district, which is 69,6 per square kilometer and the lowest in Teon Nila Serua (TNS) sub district.

V. ECONOMY

In 1995, the Gross Regional Product of the Seram IEDZ was 769 million rupiahs. The greatest contribution came from agriculture sector as much as 26,81 %, followed by the manufacturing with 24,87 % and the restaurants and hotel sector with 18,09 %. Agriculture sector gave the most contribution to the PDRB of Central Maluku for three years in a row, ranging from 26,81 to 32,37 %.

VI. INFRASTRUCTURE

Availability of infrastructure plays an important role in supporting the economic development in a region. Development centers will emerge if infrastructure, particularly of transportation, is available.

As a region dominated by sea, maritime transportation is more dominant than land and air transportation. In Central Maluku there are six quays with capacity as in this following table;

Table 1. Marine Transportation Infrastructure (Quay) in Seram IEDZ, Central Maluku

Location	Area (m2)	Capacity
Amahai	42	1.000 DWT
Tehoru	42	1.000 DWT
Wahai	70	1.500 DWT
Kobisonta	70	1.500 DWT
Waidiri Crossing Port	950	500 DWT
Tulehu1	50	1.000 DWT

Crossing transportation serves Tulehu – Amahai and Liang Kairatu. Seaports are spread in the whole sub districts and they are local seaports that serve public shipping connecting Ambon to other seaport in Maluku. The condition of quay of these seaports is different; there is a seaport without quay, composite, wooden, and concrete one. Most of them have wooden construction. In this area there's only one seaport that can be docked by pioneer national transportation ship, Geser seaport.

In IEDZ Seram there's Amahai airport measured 2.700 m² x 60 m² that can be landed by Fokker 27 and Bula Airport (985 m² x 30 m²) that can be landed by C 212 for oil and gas mining's requirements.

The available road is Trans Seram provincial road connecting district town with Seram Island.

VII. POTENTIAL AND OPPORTUNITY OF AGRIBUSINESS INVESTMENT

Seram IEDZ is potential for the development of fishery, agriculture, mining and tourism sector. Its main commodities are tuna and forest product (wood and resin torch). Balance analysis of various commodities in Eastern Indonesia Region (KTI) shows that Seram IEDZ has a surplus in both commodities, whereas other provinces within KTI have a negative balance. This is an opportunity for Seram IEDZ to develop both commodities, so it can be a supplier for forest product and tuna .

Table 2. Potential commodities in agriculture, fishery and mining in Seram IEDZ.

Sector	Sub - Sector	Main Commodities	Area (ha)	Production target (ton/year)
Fishery	-	Shrimps	6.000	25.000
		Fish		63.000
Agriculture	Food Crops	Rich	48.000	
	Plantation	Cocoa	13.000	

Investment Profile in each sub sector of agriculture is as follows

a. Estate crop

Estate crop in Seram IEDZ is one of main sector that is expected to give its contribution in increasing regional economic growth in particular region as well as in national scale. Main commodities in this sector are coconut, clove, nutmeg, cocoa, kapok, rubber and vanilla.

Area that was used for plantation are as followed: Nucleus – Plasm Business partnership (Nucleous Estate Smallholders) 79.007 Ha, PTPN (PTP XIV) 6.407 ha, Big private plantation 7.600 Ha.

Products of this sector can be developed into useful daily necessities, such as coconut cooking oil, Cocoa and other products. Opportunities are also open for small, middle and big scale of the development of estate crop products. The products can be marketed to international and local market (Maluku and other provinces)

Table 3. Investment Profile in Estate Crop

Main Commodity	Product Development	Market Demand	Production Scale
Coconut	1. Cooking oil	1. Export	1. Big
	2. Soap	2. Domestic	2. Middle
	3. Handcraft	3. Local	3. Small
Cloves	1. Kretek Cigarette	1. Export	1. Big
	2. Spices	2. Domestic	2. Middle
	3. Medicine	3. Local	3. Small
	4. Clove Oil		
Nutmeg	1. Spices	1. Export	1. Big
	2. Flavor	2. Domestic	2. Middle
	3. Drinks	3. Local	3. Small
Cocoa	1. Cocoa Kernel	1. Export	1. Big
	2. Chocolate Snacks	2. Domestic	2. Middle
	3. Cocoa Powder	3. Local	3. Small
Coffee	1. Coffee Powder	1. Export	1. Big
	2. Coffee Bean	2. Domestic	2. Middle
	3. Medicine	3. Local	3. Small
Cashew Nut	1. Fried Cashew Nut	1. Export	1. Big
		2. Domestic	2. Middle
		3. Local	3. Small



Main Commodity	Product Development	Market Demand	Production Scale
Kapok	1. Home appliance 2. Textiles	1. Export 2. Domestic 3. Local	1. Big 2. Middle 3. Small
Rubber	1. Tire 2. Shoes Industry 3. Chemical Industry	1. Export 2. Domestic 3. Local	1. Big 2. Middle 3. Small
Vanilla	1. Spices 2. Flavor 3. Vanilla Powder	1. Export 2. Domestic 3. Local	1. Big 2. Middle 3. Small

Table 4. Investment Profile in Fishery

Main Commodity	Product Development	Market Demand	Production Scale
Fish Capture			
1. Small Pelagic : Momang Fish, Make Fish, Anchovy	1. Dried Fish 2. Other Product	1. Domestic 2. Local	1. Middle 2. Small
2. Big Pelagic : Tuna, Skipjack, King Mackerel	1. Frozen Fish 2. Dried Fish 3. Fresh Fish 4. Other Product	1. Export 2. Domestic 3. Local	1. Big 2. Middle 3. Small
3. Grouper, Samadar Fish Moming Fish	1. Frozen Fish 2. Dried Fish 3. Other Product	1. Export 2. Domestic 3. Local	1. Big 2. Middle 3. Small
Sea Cultivation			
1. Lola Fish Cultivation	1. Frozen Fish 2. Dried Fish	1. Export 2. Domestic	1. Big 2. Middle
2. Grouper and Streaked Spinefood Cultivation	3. Fresh Fish 4. Other Product	3. Local	3. Small
3. Seaweed Cultivation			
4. Pearl Cultivation			
Fresh Water Cultivation			
1. Common Carp	1. Frozen Fish 2. Dried Fish	1. Domestic 2. Local	1. Middle 2. Small
2. Mujair	3. Fresh Fish 4. Other Product		
3. Nile Tilapia			
Brackish			
	1. Frozen Fish 2. Other Product	1. Domestic 2. Local	1. Middle 2. Small

Table 5. Investment Profile in Food Crop sector

Main Commodity	Product Development	Market Demand	Production Scale
FOODS CROPS			
1. Rice	1. Rice	1. Domestic	1. Big
	2. Rice Powder	2. Local	2. Middle
	3. Paper		3. Small
	4. Other Product from Rice		
2. Soya	1. Soy bean	1. Domestic	1. Big
	2. Soy Sauce	2. Local	2. Middle
	3. Tofu		3. Small
	4. Soy milk		
	5. Other Product from Soya		
3. Corn	1. Corn Kernel	1. Domestic	1. Big
	2. Maize	2. Local	2. Middle
	3. Other Product From Corn		3. Small
HORTICULUTE			
1. Mango	1. Fresh Mango	1. Domestic	1. Big
	2. Other Products From Mango	2. Local	2. Middle
			3. Small
2. Orange	1. Fresh Orange	1. Domestic	1. Big
	2. Other Products From Orange	2. Local	2. Middle
			3. Small
3. Rambutan	1. Fresh Rambutan	1. Domestic	1. Big
	2. Other Products From Rambutan	2. Local	2. Middle
			3. Small
4. Jack Fruit	1. Fresh Jack Fruit	1. Domestic	1. Big
	2. Other Products From Jack Fruit	2. Local	2. Middle
			3. Small



I. GENERAL INFORMATION

Biak is the first in Indonesia to be declared as Integrated Economic Development Zone. Biak IEDZ consist of Biak Numfor, Paniai, Yapen Waropen, Manokwari and Mimika Regency. Biak Numfor and Mimika regency has been pointed as the growth center of north and south part which having available infrastructure also industrial center to back. Biak Position as a Gateway to the eastern portion of Indonesia makes this Economic Zone a strategic one. This indicates that, starting from the most eastern province of Eastern Indonesian Region; the development of local economy has been started, by implementing development pattern for particular zone as Growth Center.

Besides, Biak's geographical location and its international airport and harbor that has direct access to the Asia Pacific region, Australia and America together with its wealth in natural resources, has made Biak very strategic both in economy as well as politic especially for the Eastern Indonesia Region, and the Republic of Indonesia in general.

The prime sector for development in Biak IEDZ is tourism, industry, fisheries, mining and agriculture. In term of tourism, Biak IEDZ has abundant flora and fauna habitats which offer ecotourism opportunity such as : Insu Babi Marine Park, The Supriori and Numfor island nature reserves untouched forest and bird habitats, the beauty of coral reefs teeming with fish, the Air Biru Hot Springs, and Orchid and Bird Park.

In the industry sector, the Biak IEDZ Management Board plans to make industrial estate in Biak and a light industrial estate in Kuala Kencana City, Mimika. When it comes in the fishery sector, Biak IEDZ is rich with sea products such as tuna, skipjack, mackerel, shrimp, sea cucumber and sea weed, because of approximately about 50 % of this area is sea. Fisheries development will be supported by aqua culture projects in the area around Cendrawasih Bay. Beside, Cendrawasih Bay also hold great potential for timber estates, plantations and agroindustry as well.

In order to boost investment activity, Biak IEDZ provide incentive facilities in fiscal in the form of tax duty exemption and non-fiscal facility for investor, which is easiness in procedures through One Stop Service System.

Beside these incentive facilities, the Minister of Investment/Chairman of BKPM had given authority to Chief Executive Officer of Biak IEDZ to carry out duties such as:

- a. Giving approval, license and facilities for Domestic investment process
- b. Evaluating the application for Foreign Investment and proposing it for approval. Application with the value of less than 100 million US dollars are to be approved by the Minister of Investment/Chairman of BKPM while those with the value of more than 100 million US dollar are for approval of the President of the Republic of Indonesia.
- c. Giving priority to equality development and natural conservation in order to keep environmental sustain.

II. GEOGRAPHY

- **Biak Numfor**
The capital is Biak, lies between 134°- 138° East Longitude (EL) and 0° 55'- 0° 30' South Latitude (SL). The Biak Numfor is bounded by Pacific Ocean to the north, and to the east, Yapen Strait to the South and Cendrawasih Bay to the west. Biak Numfor is situated on 0 – 20 m² above sea level. It has tropical climate with temperature 21°- 30°C.
- **Manokwari**
The capital is Manokwari, lies between 132°- 145° EL and 0° - 3° SL, Manokwari is bounded by Pacific Ocean to the north, to the east by Cendrawasih Bay, to the South by Fak-Fak Regency and to the west by Sorong Regency. Manokwari area is about 37.901 km², situated on 0 – 50 m² above sea level. It has tropical climate with temperature 22°- 31°C.
- **Nabire**
The capital is Nabire, lies between 134°- 136° EL and 2° - 4° SL. Nabire is bounded to the north by Cendrawasih Bay, to the east by Paniai Regency, to the South by Mimika Regency and to the west by Fak - Fak Regency. Nabire comprises area of 15.350 km², situated on 0 – 10 m² above sea level. It has tropical climate with temperature 24° - 32°C.
- **Mimika**
The capital is Timika, lies between 134° - 138° EL and 4° - 6° SL. Mimika is bounded to the north by Paniai Regency and Puncak Jaya Regency, to the east by Merauke Regency, to the South by Arafura Sea and to the west by Fak - Fak Regency. Mimika comprises area of 27.534 km², situated on 0 – 2500 m above sea level. It has tropical climate with temperature 24°- 32°C.
- **Yapen Waropen**
The capital is Serui, lies between 134° WL- 137° EL and 4° NL - 20° SL. Yapen Waropen is bounded to the north by Biak Numfor Regency, to the east by Jayapura Regency, to the South by Nabire and Paniai Regency and to the west Manokwari Regency. Yapen Waropen comprises area of 18.746 km² and situated on 0 – 10 m above sea level. It has tropical climate with temperature 21°- 31°C.

III. GOVERNMENT

Biak IEDZ is divided into 5 Regencies: Biak Numfor area consists of 17 sub districts and occupies area of 4.010 km²; Manokwari area consists of 12 sub-districts and occupies area

of 37.901 km²; Nabire area consists of 9 sub-districts and occupies area of 15.350 km²; Mimika area consists of four sub-districts and occupies area of 27.534 km²; Yapen area consists 8 sub-districts and occupies area of 18.746 km².

IV. DEMOGRAPHY

In 1998, total population of Biak IEDZ is 581,337 or about 13% of the total of Papua Province. Its lowest population density, which is 4,27 person per square kilometer, is in Mimika Regency and its highest one is in Biak Numfor, which reach 35,86 person per square kilometer.

Table 1. Distribution Map and Population Density in Biak IEDZ

Regency	Area (Km ²)	Population	Population Density
Biak Numfor	3.310	112.265	35,87
Manokwari	37.301	175.792	4,27
Nabire	12.831	108.374	8,45
Yapen Waropen	18.746	85.206	4,55
Mimika	23.381	99.740	4,27
Total	95.389	581.377	6,09

V. ECONOMY

In 1997 Agriculture and service sectors made the largest contribution, which is 73% of the Gross Regional Domestic Bruto (GRDB) of Biak IEDZ. Beside the average per capita income of Biak IEDZ is Rp 2.000.000 per year.

The economic growth of Biak IEDZ is 13 %, based on GRDP at Constant 1993 market prices, year 1996 – 1997. The highest growth rate is on quarrying and mining sector (35%), followed by electricity and water supply (12%) and processing industry (11%).

Biak IEDZ plays an important role in contributing to the GRDB of Papua Province. It reaches 59.20%. This contribution mainly comes from the mine exploitation in Mimika. Exclude from this, Biak IEDZ's contribution to the GRDB of Papua Province is only 17.05%.

VI. INFRASTRUCTURE

6.1. Banking

There are several Banks in Biak IEDZ which can be shown in the table below :

Table 2. List of Banking In Biak IEDZ

Regency	State Bank					Private Bank			
	BRI	BNI	Mandiri	BPB	Total	BDI	Niaga	BPR	Total
Biak Numfor	2	1	1	1	5	1	-	1	1
Manokwari	2	-	1	1	4	1	-	-	1
Nabire	7	1	1	1	10	1	-	-	1
Yapen Waropen	3	-	1	1	5	-	-	-	-
Mimika	3	-	1	1	5	1	1	3	9
Total	17	2	5	5	29	4	1	4	12

6.2. Transportation

a. Land Transportation

Table 3. Road and Bridges Profile

Component	Unit	Regency				
		Biak Numfor	Yapen Waropen	Manokwari	Nabire	Mimika
ROAD						
Road Length						
National	Km ²	-	-	314.6	174.8	-
Province	Km ²	235.2	79.0	-	18.5	35.0
Road Length						
Regency :						
Public Service	Km ²	626.3	943.1	620	561	152.3
Transmigration	Km ²	-	-	194.1	248.1	176.6
Tourism	Km ²	4.0	1.0	135.0	-	-
Town Road	Km ²	54.0	23.7	79.4	-	-
Bridges N/P*						
Steel : Total		9	16	32	38	-
Length		545.0	338.2	20009.3	997.1	-

Component	Unit	Regency				
		Biak Numfor	Yapen Waropen	Manokwari	Nabire	Mimika
Concrete : Total		1	-	18	11	-
Length		12.4	-	236.0	82.2	-
Wood : Total		30	40	64	63	13
Length		-	-	-	-	-
Regency Bridges :						
Steel : Total		-	-	-	3	3
Length		-	103.0	-	655.0	114.0
Concrete : Total		-	-	9	22	6
Length		-	-	29.0	198.0	34.0
Wood : Total		24	-	86	442	58
Length		363.0	1432.0	1011.0	497.0	560.0

b. Sea Transportation

Table 4. Ships Arrivval by Sailing Types

Port	Overseas	Domestic/ Star Lines	Local	Tanker	Special	Other	Total
Biak Numfor	5	633	121	44	411	21	1.235
Manokwari	-	274	19	39	14	1	347
Nabire	-	575	51	34	15	15	690
Yapen Waropen	-	513	43	24	221	139	940
Mimika	-	377	170	24	145	52	768
Total	5	2.372	404	165	806	228	3.980

Table 5. Quay and Sea Port Profile

Component	Biak Numfor	Yapen Waropen	Manokwari	Nabire	Mimika
Landing Port Capacity	3.000	3.000	1.400	2.000	900
Length of quay (m)	202	163	140	70	50
Wide of quay (m)	13	14	8	18	8
Up/Bottom Structure	C/S	C/S	C/S	C/S	C/S
Floor Capacity (T/M ²)	3.0	2.5 - 3.0	1.5	1.5	1.2
Open Space Warehouse (m ²)	2.652	2.500	2.000	8.000	400
Warehouse (m ²)	920	600	600	1.250	-
Facility	*	*	*	*	*

Notes : C = Concrete, S = Steel, W = Wood

c. Air Transportation

Table 6. Types of Airport in Biak IDEZ

Component	Unit	Regency				
		Biak Numfor	Manokwari	Nabire	Yapen Waropen	Mimika
Air strip types :						
Asphalt	Unit	1	1	1	1	1
Grass	Unit	1	28	14	2	3
Run Way :						
Length	M ²	3.570		1.450	6.50	1.850
With	M ²	45		30	20	30
Landing Types Airport (Main)		Two-Way Frans Kaisiepo	Two-Way Rendani	Two-Way Nabire	One-Way Serui	Two-Way Timika
Landing Capacity Managed by		B-747 Dephub	F-27 Dephub	F-27 Dephub	DHC-8 Dephub	B-737 Dephub

6.3. Electricity

Table 7. Types of Electricity in Biak IEDZ

Component	Unit	Regency				
		Biak Numfor	Yapen Waropen	Manokwari	Nabire	Mimika
Power Supply	unit	29	10	57	13	7
Installed Capacity	KW	14.593.00	2.568.00	8.367.00	4.915.00	1.530.00
Mechanical	KW	10.502.00	2.015.00	8.898.00	4.684.00	1.280.00
Power	KW	5.569.00	1.198.00	4.782.00	2.505.00	12.666.00
Maximum Power	KV	17.681.00	3.467.00	14.599.00	6.914.00	2.201.65
Connected KVA	A	103	25	185	74	23
Electrical Station	unit	-	-	194.10	246.10	257.48
Length of Circuit	Km	108.44	53.86	228.12	82.52	90.90
Middle Voltage	Km	165.69	52.38	420.26	164.02	55.80
Low Voltage	Km	9792	4243	13.520	8.144	2.958

6.4. Telecommunication

Table 8. Telecommunication Lines in Biak IEDZ

Regency	Number of Central Telephone	Capacity	Number of Connection	Connection Unit	
				SST*	%
Biak	2	6.658	3.924	2.734	41.06
Manokwari	1	3.260	1.663	1.597	48.99
Yapen Waropen	4	4.972	4.780	192	3.86
Nabire	2	4.170	3.187	983	23.57
Mimika	3	4.984	2.290	2.684	54.05
Total	12	24.044	15.844	8.200	34.1

VII. POTENTIAL AND OPPORTUNITIES OF AGRIBUSINESS INVESTMENT

7.1. Food Crops

In Biak IEDZ, agricultural production is somewhat concentrated in Manokwari Regency. The development of agriculture in this regency has been far beyond other regencies. Many kinds of food crops including paddy field are carried on in this region.

The dominant food crop in Biak IEDZ is sweet potato (48%), cassava (17%), caladium and other edible tuber (7%). These kinds of crops are cultivated in almost all regencies, but still the most production comes from Manokwari.

There are also many kinds of fruit crops carried on, for example banana, pineapple, mango, rambutan, duku, orange, jackfruit and many more. About 30 % of fruit production of Papua province comes from Biak IEDZ.

Table 9. Food Crops Area and Production in Biak IEDZ, 1998

Commodity	Area (Ha)						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manokwari	Mimika
Wetland Paddy	17.111	3.500	-	-	819	2.681	-
Dry Land Paddy	6.595	1.494	-	36	341	1.117	-
Maize	3.421	1.840	20	81	308	1.431	-
Cassava	6.661	2.880	175	574	273	1.648	210
Sweet Potato	78.887	10.932	199	175	8.820	1.093	105
Peanut	7.200	1.042	54	-	528	70	390
Soy Bean	18.360	3.178	-	22	2.289	350	517

Commodity	Area (Ha)						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manok wari	Mimika
Caladium & other tuber	3.375	1.189	205	81	-	903	-
Mung Beans	3.568	1.857	397	194	-	1.197	6

Commodity	Number of Production (Ton)						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manok wari	Mimika
Wetland Paddy	47.262	9.152	-	-	1.801	7.351	-
Dry Land Paddy	11.803	2.651	-	63	754	1.834	-
Maize	4.977	2.676	29	117	448	2.082	-
Cassava	67.796	31.642	1.918	5.715	1.618	20.817	1.574
Sweet Potato	715.002	90.083	2.172	1.918	68.214	16.887	892
Peanut	7.251	1.039	52	-	570	85	332
Soy Bean	22.634	3.693	-	20	2.926	361	386
Caladium & other tuber	34.776	13.576	2.462	990	-	10.124	-
Mung Beans	3.367	1.665	385	117	-	1.092	71
Vegetables	106.694	14.550	2.031	3.326	293	8.140	760
Fruits	64.904	18.900	1.126	7.570	4.135	5.310	759

7.2. Plantation

Estate crop carried on in the area of Biak IEDZ is coconut and cocoa. In 1988, coconut production reached 3.798 ton or equal to 76% of total coconut production in Papua Province and cocoa 1.098 ton, or 22%. Coconut is carried on mainly in Biak Numfor and Manokwari Regency whilst cocoa in Yapen Waropen and Manokwari Regency.

Table 10. Estate Crop Area and Population, 1998

Commodity	Total Area (Ha)						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manok wari	Mimika
Coffee	5.065	583	97	184	-	302	-
Nutmeg	5.430	244	14	8	-	222	-
Clove	3.211	293	89	100	-	104	-
Rubber	3.750	14	1	-	-	13	-

Commodity	Total Area (Ha)						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manokwari	Mimika
Coconut	32.182	6.663	3.998	1.014	-	1.651	-
Cashew Nut	7.016	132	79	53	-	-	-
Cocoa	22.955	6.170	310	3.096	-	2.764	-

Commodity	Total Area (Ha)						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manokwari	Mimika
Coffee	643	83	10	17	-	56	-
Nutmeg	1.176	1	1	-	-	-	-
Clove	80	25	-	-	-	25	-
Rubber	29	0	0	-	-	-	-
Coconut	18.480	3.798	2.216	459	-	1.123	-
Cashew Nut	68	0	-	-	-	-	-
Cocoa	8.566	1.098	3	637	-	458	-

7.3. Livestock

Goat (23.930) and beef cattle (19.905) dominate livestock population in Biak IEDZ. Goat population in Biak IEDZ is more than a half (55%) of total goat population in Papua. Beef cattle are concentrated in Manokwari Regency and goat in Biak Numfor and Nabire Regency.

Poultry (in this case indigeneous chicken and broiler) is carried on evenly in the whole region. The biggest concentration for this kind of poultry is in Nabire and Manokwari Regency. As of goat, local chicken population is almost 50% of total chicken in Papua Province.

Table 11. Live Population in Biak IEDZ, 1998

Commodity	Regency						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manokwari	Mimika
Cow	64.481	19.905	617	2.708	4.494	11.386	700
Buffalo	1.031	25	-	21	-	4	-
Horse	2.275	55	16	7	12	20	-
Goat	43.845	23.930	8.775	1.078	10.006	3.571	500
Sheep	921	115	-	14	101	-	-
Pigs	385.575	71.450	15.730	6.767	29.800	18.350	803

Commodity	Regency						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manok wari	Mimika
Indigenous	1.177.818	543.163	50.160	64.536	257.267	151.200	20.000
Purebred	730.118	132.873	60.000	10.500	23.000	9.373	-
Broiler							
Purebred	190.685	31.013	14.000	713	5.000	11.300	-
Laying Pullet							
Duck	107.657	66.030	9.661	7.462	19.870	27.472	1.565
Total	2.704.406	888.559	158.959	93.806	349.550	262.676	23.568

6.4. Fishery

Marine fishery is one of commodity to be developed in Biak IEDZ. About 97% of fishery production in this region comes from marine fishery and it is carried on almost all regencies. Types of fish carried on among others are Giant perch, Indian mackerel, King mackerel and Eastern little tuna.

Table 12. Fisheries Population in Biak IEDZ

Commodity	Regency						
	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manok wari	Mimika
Marine Fishery	160.867,3	47.096,9	11.558,3	8.798,9	4.377	22.362,4	-
Freshwater Fishery	2.732,1	814,5		327,0	145,2	342,3	-
Cultivated Fishery	2.092,4	417,4	-	105,4	180,7	131,3	-
Total	165.691,8	48.328,8	-	9.231,3	4.703,2	22.836,0	0,0
Number of Production (Ton)							
Commodity	Papua	Biak IEDZ	Biak Numfor	Yapen Waropen	Nabire	Manok wari	Mimika
Marine Fishery	599.071.500	165.497.475	36.685.450	26.628.825	13.544.500	89.638.700	-
Freshwater Fishery	16.980.050	6.545.550	-	2.378.500	1.083.750	3.083.300	-
Cultivated Fishery	15.492.900	2.440.650	-	513.900	1.329.800	596.950	-
Total	631.544.450	174.483.675	35.685.450	29.521.225	15.958.050	93.318.950	0

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