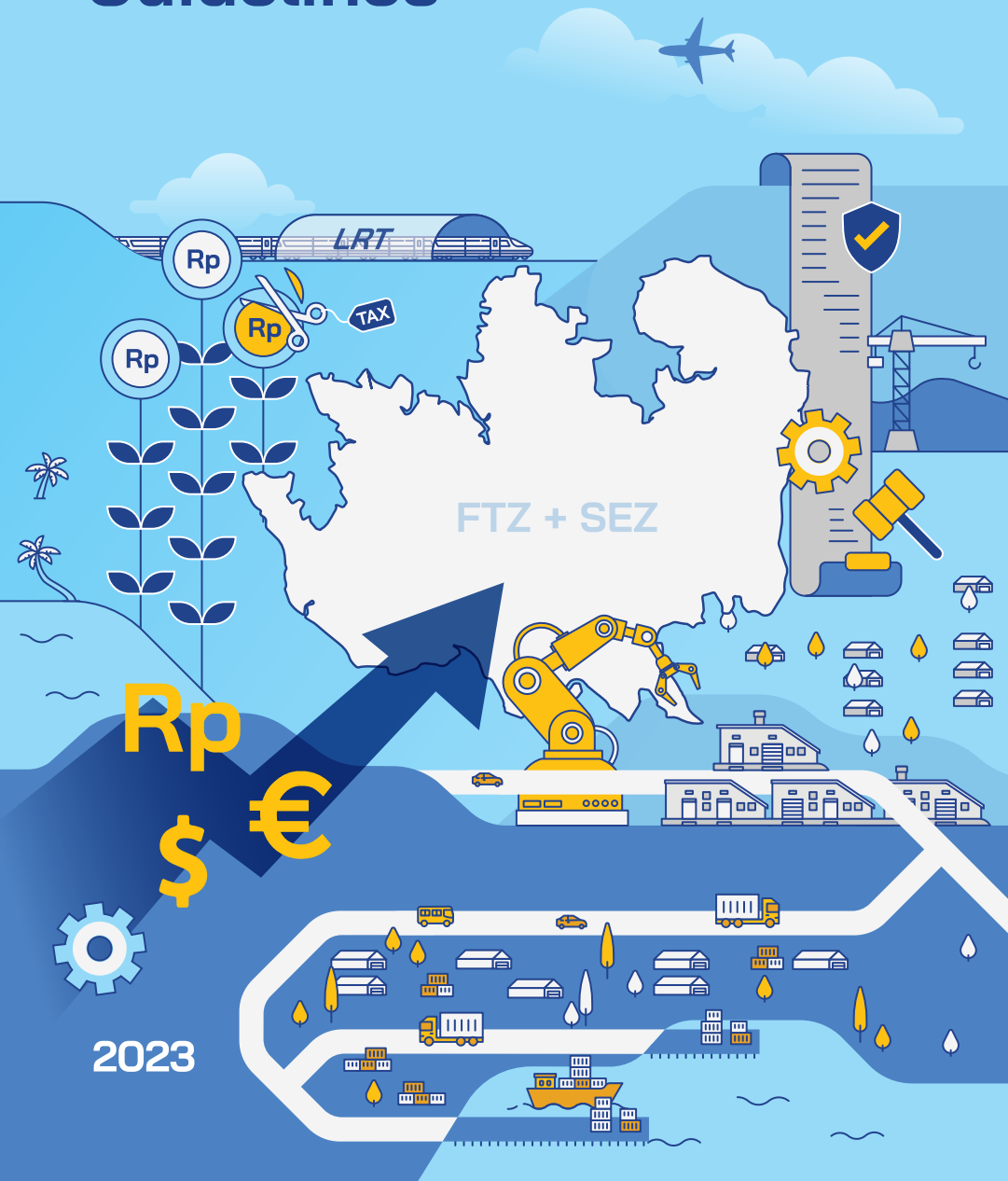
Batam Investment Guidelines



2023

Prologue



The Batam Free Trade Zone is a designated area within Indonesia aimed at attracting foreign investment and promoting economic growth. Located along one of the world's busiest shipping routes, opposite Singapore,

Batam provides financial and non-financial incentives to investors.

Currently, Batam is home to many multinational companies operating in manufacturing plants, production facilities, shipyards, IT Centers, technical workshops, and various services. Many benefit from supply chain integration and value addition through the amalgamation of global trade and the regional market in Southeast Asia.

In the near future, Batam is set to transform into a new city with its 5+1 new projects. These projects include the development of Terminal 2 at Hang Nadim International Airport Batam, widening of all main roads, the expansion of the Batu Ampar container port, construction of an internationally-graded hospital, the establishment of a mass transportation system (LRT), and the development of Rempang Island into a modern eco-tourism area.

This special publication is designed to assist prospective investors and businesses with comprehensive information regarding associated costs, such as company administration, taxes, salaries, logistics and shipping, as well as telephone and internet services.

H. Muhammad Rudi
Chairman of BP Batam

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05 Policies

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Related Books
Closing
CTA

BP BATAM
Badan Pengusahaan Batam

An authority designated by the Central **Government of the Republic of Indonesia to manage the Free Trade Zone and Free Port** of Batam as been stipulated in Laws No 44/2007.

Report Directly to Coordinating Minister of Economic Affairs of Republic of Indonesia.



BP Batam

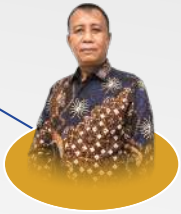
Top Management



Muhammad Rudi
Chairman



Purwiyanto
Vice Chairman





Wan Darussalam
Deputy Chairman for
Enterprise Management



Sudirman Saad
Deputy Chairman for Regional
Management and Investment



Enoh Suharto
Deputy Chairman for
Strategic Policies

Wahjoe Triwidijo K
Deputy Chairman for
Administration and Finance

Strategic Locations

Geographically, Batam Island holds a strategic location in close proximity to the Strait of Malacca, which is one of the busiest shipping lanes in the world. **Over 60,000 vessels travel this route each year**. Additionally, Batam Island shares direct borders with Singapore and Malaysia, as well as ASEAN countries such as Brunei Darussalam, Cambodia, Thailand, Vietnam, Laos, Myanmar, and the Philippines.

Total Area of Batam Island
415 km²

Total area of Barelang Island
715 km²

Distance to Singapore
20 km





Master Plan Batam

The design map of Batam City continues to enhance its quality year by year, aligning with the requirements of economic growth, **culminating in the emergence of Batam City Regional Regulation (Perda) Number 3 of 2021-2041.** This regional regulation was enacted with the objective of guiding the development of Batam City, utilizing regional space in a harmonious, balanced, efficient, effective, cultured, and sustainable manner to enhance the welfare of a just society and uphold national resilience.

1972



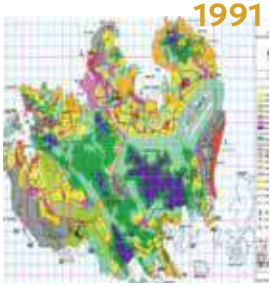
1979



1985



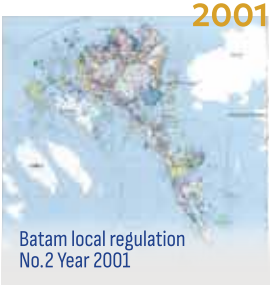
1991



1999

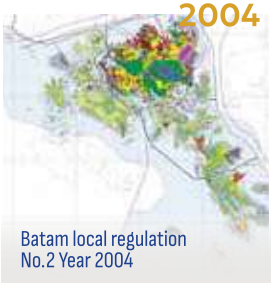


2001



Batam local regulation No.2 Year 2001

2004



Batam local regulation No.2 Year 2004

2011



Presidential Decree No.87/2011

2021



Batam local regulation No.3 Year 2021, Batam 2021-2041

Policies




Confirmed

Implementation on Government Regulation Number 41/2021

"Goverment Regulation Number 41/2021 is a strategic policy for managing Free Trade Zone and Free Port of Batam, Bintan and Karimun (BBK) to improve the investment ecosystem to enhance economy growth, job opportunities and regional competitiveness.



Institutional

- Regional Council: Establishment, Secretariat, Technical Team
- Business Administration (BP): Organization & work procedures, financial management, employees, remuneration



Licensing Service according to NSPK (Goverment Regulation Number 5/2021 concerning Licensing Risk Based Business)

- BP issues all business licenses: 8 groups ports (10 types). Health (1 type), Trade (8 types), Industry (8 types), Waste and environment (8 types), Forestry (9 types), ESDM (2 types), Marine and fisheries (3 types)
- Determine the types and quantities of consumer goods and Issue entry permits



Asset Development and Utilization

- Asset Utilization Collaburation with Business Entities (State Owned, Local Owned, Cooperative, Private Company, Foreign Legal Entity)
- Assets:
  a. Hang Nadim Airport
  b. Seaports
  c. Water,Waste,Assets, and Others



Facilities and Ease

- Export and Import of Good
- Taxations
- Customs
- Excise
- Immigrations
- Prohibitions and Restrictions
- Others

BBK Area Development and Management

- The Master Plan is for period of 25 years and is subject to review every 5 years
- The Master Plan is stipuiated by Presidential Regulation

Penalty

Violations of entry of goods, unloading and loading, and prohibitions and restrictions

Transitions

- Regional Council Transitions
- Transitions of BP Batam, BP Bintan, BP Tanjung Pinang, BP Karimun
- OSS Transition

Special Economic Zone



1 Medical/ Health Services Sekupang (in progress)

- International standard health facilities
- Corperation with health organizations international research and development

2 Nongsa Digital Park

Served rapid growth digital and startup

Invesment Value
IDR **16 Trillion**

Work Force
16,500 Worker

3 MRO BAT (Batam Aero Technic)

- Industrial maintanance repair overhaul (MRO)
- Facilities to repair and maintanance aircraft

Invesment Value
IDR **6,2 Trillion**

Work Force
9,976 Worker

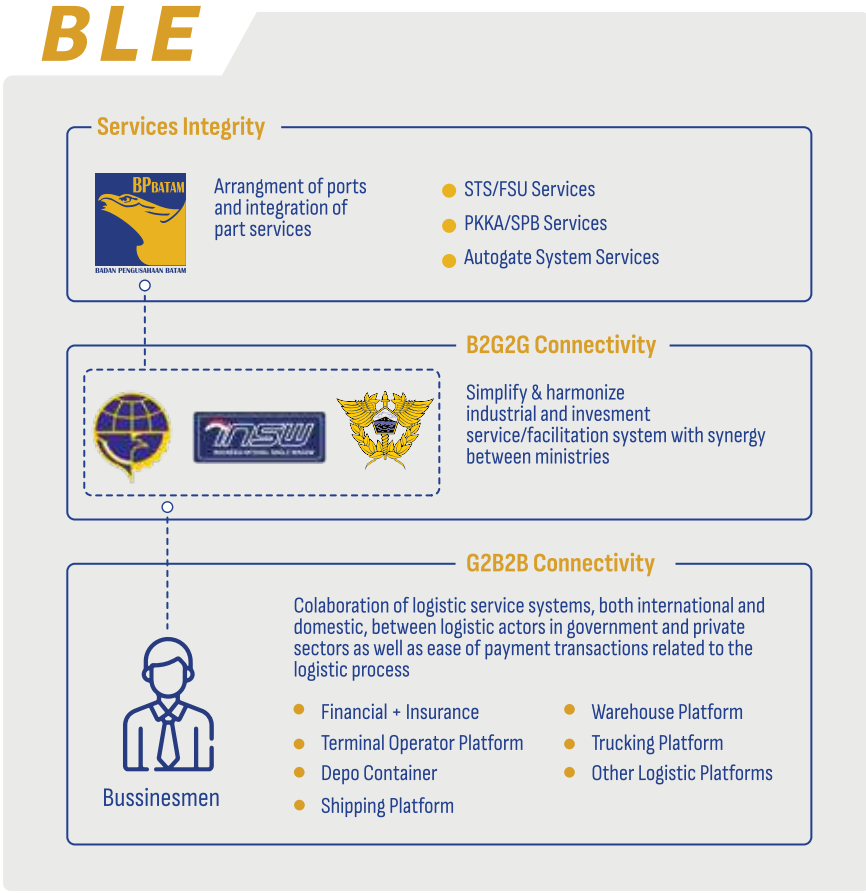
4 Aerocity (in progress)

Aerocity plays a role in supporting logistics and distribution activities in the Batam industrial area. Bearing in mind, Batam Island is in the trade route of the golden triangle of Singapore and Malaysia.

Batam Logistic Ecosystem (BLE)

The Batam Logistic Ecosystem (BLE) enables the implementation of a single entry point for all licensing services on one integrated platform involving various regulators, such as BP Batam, Batam Customs and Excise Commission, The Office of Batam Kesyahbandaran and Port Authority [KSOP], Batam Immigration Office, and Batam Quarantine Center.

This means that service users only need to input their data once, which will automatically connect to the platforms of other agencies. Beyond establishing connectivity within the government (government to government/626), **BLE also facilitates business-to-business (B2B) platform collaboration from upstream to downstream.**



Public Service Mall

The Public Service Mall (Mal Pelayanan Publik) was established to facilitate public access to processing permits and other public services, whether offered by governmental or non-governmental entities. Among the three designated cities in Indonesia, Batam is one, chosen to pioneer the Public Service Mall initiative. Its operational commencement took place on December 17th, 2017, and has endured uninterruptedly since that juncture.

The creation of the Public Service Mall is a vital component of comprehensive service enhancement and public governance transformation efforts. By consolidating diverse service types in one location, streamlining procedures, and integrating services within the Public Service Mall, community access to a wide array of services is significantly eased. This service center is also anticipated to bolster public confidence in the administration of public services



Permits
26

Institutions
28

Permit & No Permit
426

Service Personals
170

Banks
6

Pemprov Kepri · Pemko Batam · BP Batam · Polda Kepri · Polresta Barelang · Imigrasi · Samsat · Bea Cukai · BPN Kepri · KPP · BPJS Kes · BPJS Naker

Kemenkumham · Kemenag · Kemenaker · Ikatan Arsitek Indonesia · Kadin Indonesia · Telkom Indonesia · BNN Batam · REI Kota Batam · Bright PLN · POS Indonesia · BAZNAS · BPOM Batam

Bank BJB · Bank BNI · Bank BTN · Bank BRI

Licenses Authorized to BP Batam

List of Bussines License Publishd by BP Batam Free Trade and Free Port Zone Authority



1 Transportation in Port Sector

General Port License

- Port Bussiness Entity
- Port Location Determination, aim for National Port Master Plan
- Port Construction
- Port Implementation

Particular Port License

- Location Determination
- Particulart port Constructionand Development
- Particular or Implementation

Private Interest Port/TUKS

- TUKS Location Determination
- TUKS Construction and Development
- TUKS Implementation

River and Lake Port Providence License

- River and Lake Port Construction
- River and Lake Port Implementation

Providence of Crossing Port License

- Crossing Port Construction
- Crossing Port Implementation

Waters Business License Services

- Loading and Unloading Business
- Transportation Arrangement Business Services
- Tally Mandiri Business
- Depot Container
- Sea Transport Utilities Rental or Relevan
- Sea Transport Utilities Rental or Relevan Services with Sea Transport
- Implementation of Loading and Unloading Utilities in Port
- Multimoda Transport Business
- Vessels Agency Business

Opening Sea Transport Business Branch Office License

Fuel Oil Supply Business License in Port

Maintenance and Repair Business License

Dredging and Reclaiming License

- Dredging Work Activity
- Reclaiming Location
- Reclaiming Work Activity



2 Trading Sector

Foreign Investment Trade Business License

Regional Business License

Import Approval

Registered Importer License

Registered Exporter License

Certificate of Origin

Temporary Expenditure Recommendations

Business License to Support Business Activities in Trading Sector



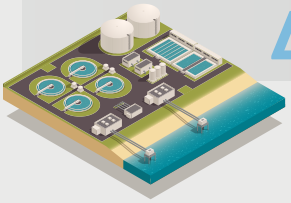
3 Industry Sector

Foreign Investment (PMA) Industry Business License

PMA Industrial Area Business License

Expansion Capacity of PMA Industry

External Customs and Excises Area Business License, Tempat Lain Dalam Daerah Pabean (TLDDP) Business License, Contractor Patnership Contract, and Temporary Business License to Specific Needs.



4 Water, Waste, and Environment Resources Sector

Providence of Drinking Water Supply System Business License

The Use of Water Resources Business License

The Use and Extraction of Raw Water License

Operational Installation of Clean Water Management License

Utilization of Wastewater Licenses

Operational Installation of Hazardous and Poisonous Wastewater (B3) License

Utilization of Waste B3 License

Providence of Integrated Domestic Wastewater License

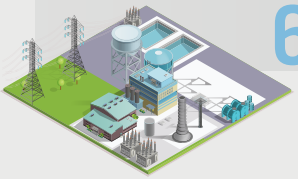


5 Marine and Fisheries Sector

Reclaiming Location in Littoral Areas License

Reclaiming Implementation in Littoral Areas License

Utilization of Littoral Waters License



6 Energy and Minerals Resources Sector

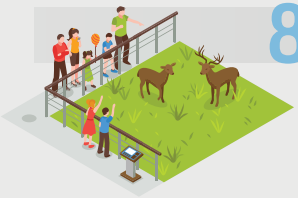
Electricity Areas Business License

Blending Fuel Oil Activities License



7 Health Sector

Proper Incinerator Operation License



8 Forestry Sector

Natural Tourism Operation License

Natural Tour Facilities Management Business License

Natural Tourism Services Management Business License

Utilization of Environment Services Business License
Utilization of Forest Area Business License

Forest Product Harvest License

Natural Tourism Facilities License

Utilization of Water and Water Energy in Conservation Forest License



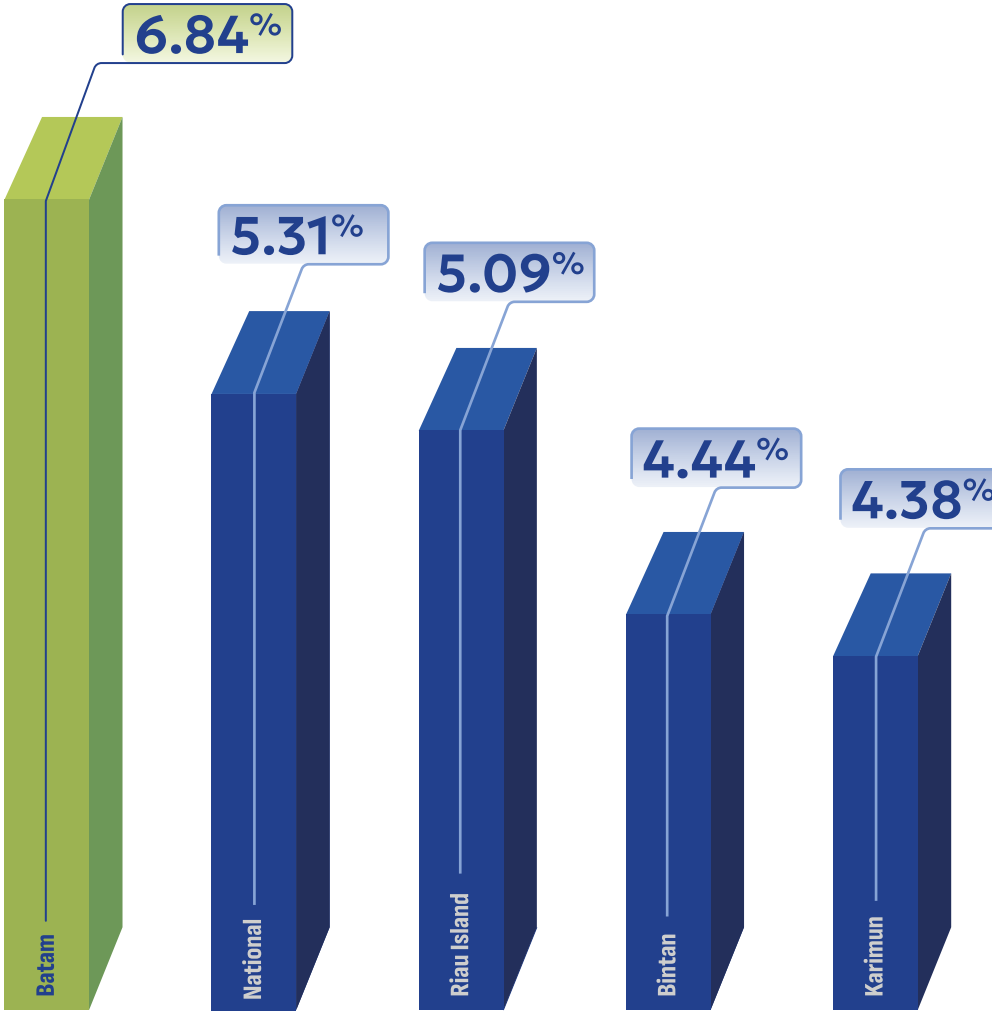
Economic & Investment


83%
46%
10%
80
70
60
50
40
30
20
10
0
Rp
Rp

Economic Growth 2022

In 2022, Batam exhibited a commendable economic growth of 6.84 percent, showcasing its superiority over the economic growth of other regions within the Riau Archipelago Province. The economic progress of Batam City in 2022 experienced a notable uptick of 2.09 percent in comparison to the preceding year's growth rate of 4.75 percent.

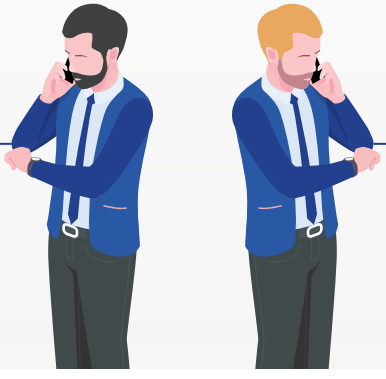
This percentage surge not only positions B**atam's growth as the most robust in the past five years** but also surpasses the economic growth rate of approximately 3.15 percent observed for the Riau Archipelago Province.



Populations

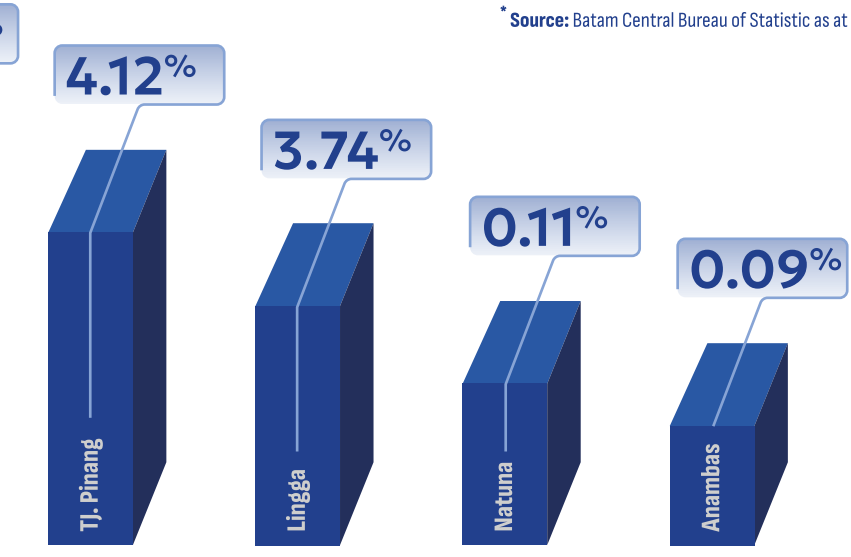
2020	2021	2022
1,421,961	1,230,097	1,269,410

Workforce



767,507
Indonesian

3,328
Foreign



* **Source:** Batam Central Bureau of Statistic as at 2022 (BPS)

Invesment Realization

For last 5 years (2018-2022)

2022

Total Investment 914.3 Million USD

Foreign		Domestic	
746.9 Million USD	1,738 Projects	167.5 Million USD	2,521t Projects

2021

Total Investment 1.02 Billion USD

Foreign		Domestic	
504.1 Million USD	1,983 Projects	520.4 Million USD	3,320 Projects

2020

Total Investment 1.59 Billion USD

Foreign		Domestic	
643 Million USD	1,741 Projects	947.3 Million USD	1,630 Projects

2019

Total Investment 1.08 Billion USD

Foreign		Domestic	
750.7 Million USD	1,395 Projects	337.4 Million USD	564 Projects

2018

Total Investment 792.2 Million USD

Foreign		Domestic	
572.1 Million USD	991 Projects	220.1 Million USD	217 Projects

* **Source:** Investment Coordinating Board/BKPM 2022

Foreign Direct Invesment Year 2022

In the year 2022, Foreign Direct Investment (FDI) in Batam reached a significant milestone. The investment realization for that year was an impressive IDR 13.63 trillion. This realization was predominantly driven by foreign investments, accounting for 82% of the total or roughly Rp. 11.11 trillion. These investments were distributed across a total of 1,738 projects.In contrast, domestic investment in Batam amounted to IDR 2.52 trillion, involving a total of 2,153 projects. This data underscores Batam's appeal as an investment destination, supported by its strategic position for export-import activities.

Invesment Value 2022

Increased +48.5% **746.9** Million USD

*Compared to last year

1,738 Projects

*Invesment Realization 2022

Batam Foreign Invesment Realization 2022

Remarkably, Batam's allure for foreign investors extends beyond Asian nations; it also draws interest from European countries. Upon closer examination, it becomes evident that 64% of the foreign investment originates from Singapore. Notably, European countries like France and Germany hold the second position for contributing to Batam's substantial foreign investments. Additionally, Taiwan and Hong Kong secure positions among the top five contributors to Batam's investment success.

Top 5 Foreign Investor Batam

Singapore	Taiwan	Hongkong	France	Germany
$ 480.2 Million	$ 41.3 Million	$ 28.1 Million	$ 91 Million	$ 45.3 Million



* **Source:**
Investment Coordinating Board/BKPM 2022

Focus Industry

The peak of Batam Island's industrial development occurred in the range from 1990 to 1995. This was marked by the extraordinary rapid mobility of the population. In just 20 years, there was a population explosion of 3,000%. Subsequently, Batam began to attract investors and workers in the industrial sector.

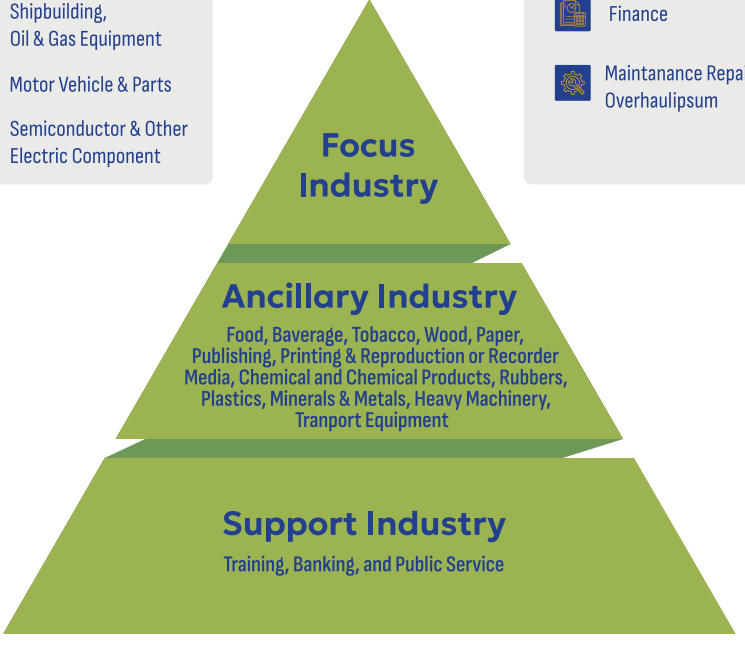


Manufacturing Industry

- Computer Software, Network & Others Communication Equipment, Information Technology Services
- Electronic & Electric Medical Equipment
- Industry Machinery, Construction, Shipbuilding, Oil & Gas Equipment
- Motor Vehicle & Parts
- Semiconductor & Other Electric Component

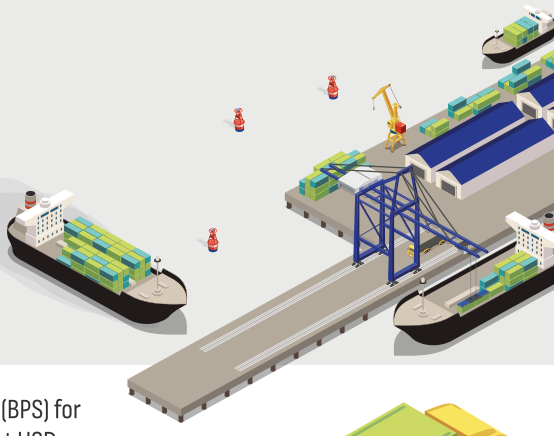
Service Industry

- Logistic
- Tourism (Marine & ECO)
- Health Care
- Education
- Finance
- Maintanance Repair Overhaulipsum

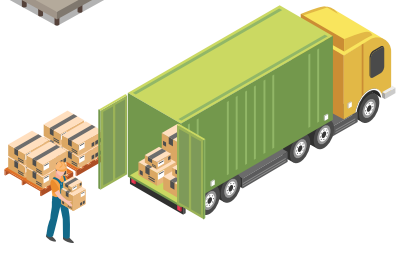


Export and Import 2022

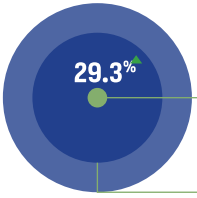
The intensified construction of port infrastructure, airports, highways, and industrial area access roads by BP Batam has ultimately encouraged investment, which has had an effect on export-import values as well.



According to data from Statistics Indonesia (BPS) for 2023, Batam's exports in 2022 were valued at USD 15.6 billion, reflecting a 29.3% increase from 2021's value of USD 10.7 billion. Meanwhile, the import value reached USD 13.3 billion, indicating a 22.7% increase from the USD 10.7 billion recorded in 2021.



Export 2022



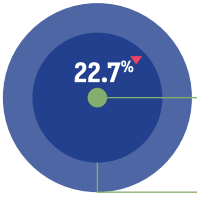
2022
USD 15.6 Billion

2021
USD 10.7 Billion

Top 3 Export

- **$6.3** Billion
- **$3.3** Billion
- **$827** Million

Import 2022

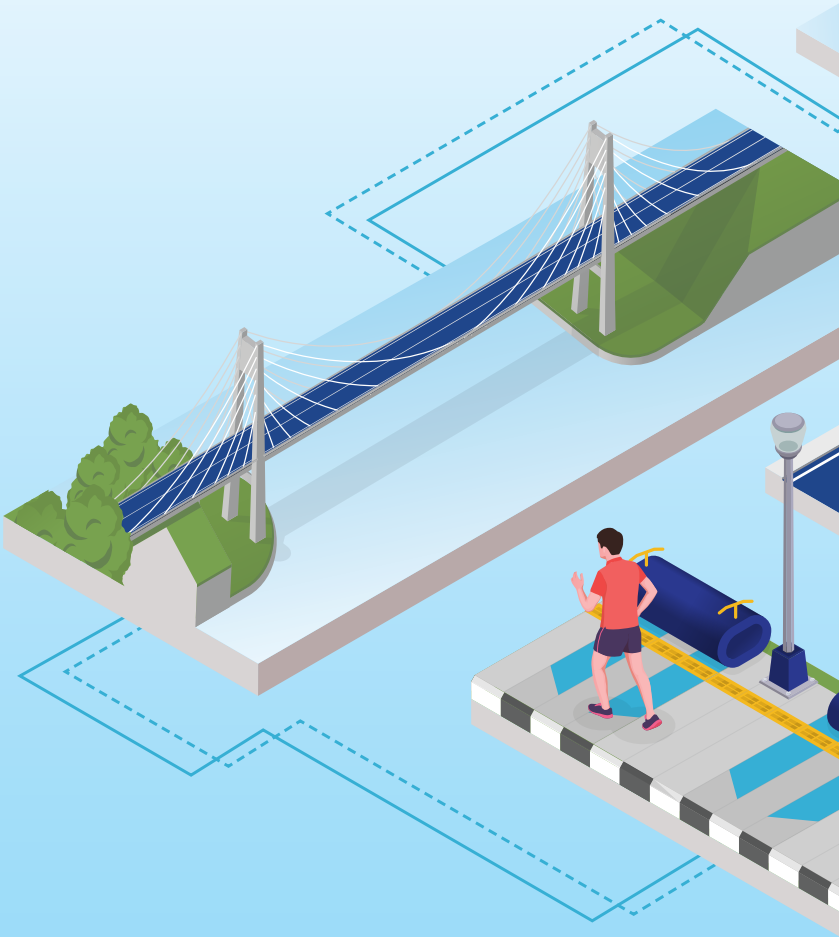


2022
USD 13.3 Billion

2021
USD 10.8 Billion

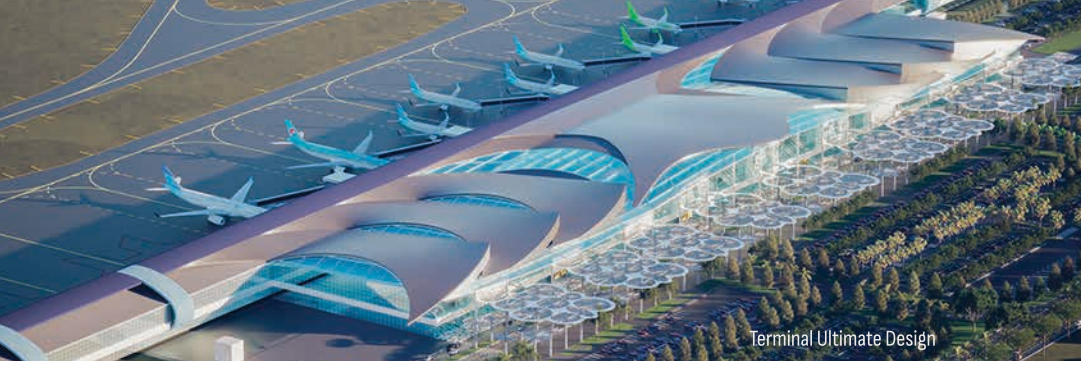
Top 3 Import

- **$4.4** Billion
- **$2.6** Billion
- **$932** Million



Infrastructure





Terminal Ultimate Design

Hang Nadim International Airport

At the end of December 2022, BP Batam signed a management cooperation agreement with Batam Hang Nadim Airport, with PT Batam International Airport as the Implementing Business Entity (BUP). This entity was formed by the PT Angkasa Pura I Consortium, Incheon International Airport Corporation (IAC), and PT Wijaya Karya Tbk. (Persero), also known as [WIKA].

They emerged as the winners of the auction for procuring Business Entities to implement Public Private Partnership Projects (PPP) for Hang Nadim International Airport Batam, with a management period of 25 years

The concession encompasses the following scopes:

- Renovation
- Management
- Maintenance of the New Passenger Terminal (Terminal 2)
- Maintenance of Ground and Air Side Infrastructure
- Cargo Terminal Management

Domestic Passenger
3,433,884

International Passenger
28,026

Terminal Ultimate Design
88,000 m²

Terminal Ext.Condition
27,065 m²

Runaway
4,025 X 45 m

Air Craft Type
B-747



Passenger and Cargo Port

Given all the growth taking place in Batam City, the port plays a central role. Considering that this city is surrounded by the sea, it's not surprising that ports are spread across various points, contributing to economic progress and facilitating the movement of goods and people. Batam Port represents a form of infrastructure that is the focal point of continuous development. In the context of investment, ports play a central role in increasing the generated income.

Batam's strategic location has driven its ongoing improvement, enhancing the quality of service at all existing ports. Some of these ports have even attained international standards. This is expected to accelerate economic growth both regionally and nationally.



Passenger Port

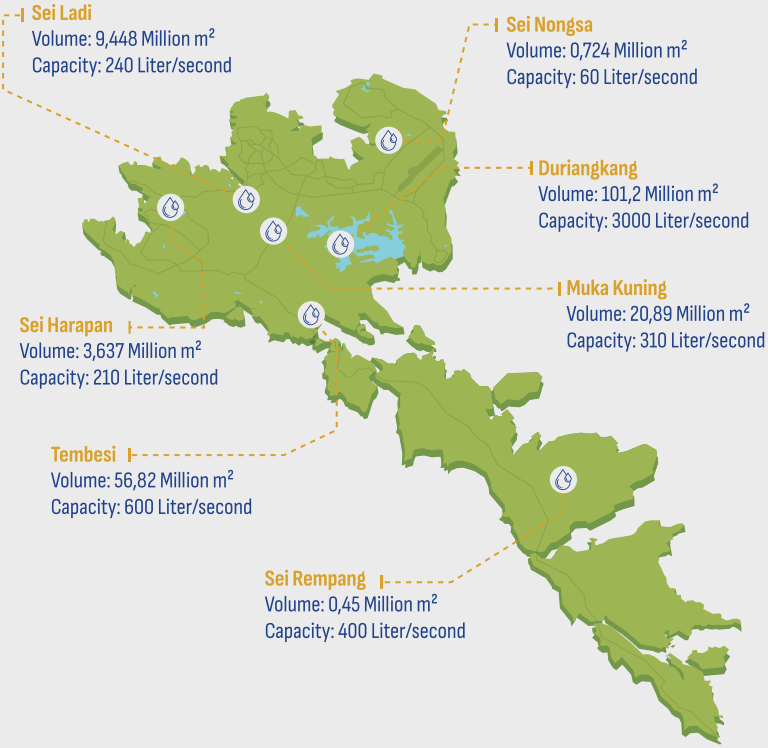
- **Teluk Sanimba**
  International Port
- **Sekupang**
  International Port
- **Harbour Bay**
  International Port
- **Batam Centre**
  International Port
- **Nongsa Pura**
  International Port
- **Telaga Punggur**
  Domestic Port

Cargo Port

- **Sekupang**
  Berth Capacity
  10,000 DWT
- **Batu Ampar**
  Berth Capacity
  35,000 DWT
- **Kabil Citranusa**
  Berth Capacity
  30,000 DWT
- **Kabil**
  Berth Capacity
  35,000 DWT

Fresh Water Supply

Being an essential component for the survival of all living things, clean water is vital for the sustainability of ecosystems and human well-being. Badan Pengusahaan Batam (BP Batam) recognizes the significance of safeguarding and managing clean water in the face of climate change and population growth.



Total Volume
151,572,480 m^3

Installed Capacity
3,850 Liter/Second

Design Capacity
4,682 Liter/Second

Operational
3,600 Liter/Second

Public Gas Supply and Telecommunication

Batam Island has been utilizing the Grissik gas network since August 2013 and is intended for household needs and commercial purposes.



With the rapid growth of the economy and population, the various activities that occur in Batam City are also supported by reliable gas and telecommunications networks.



Fiber Optic
Internet Backbone
Up to 1 Gbps

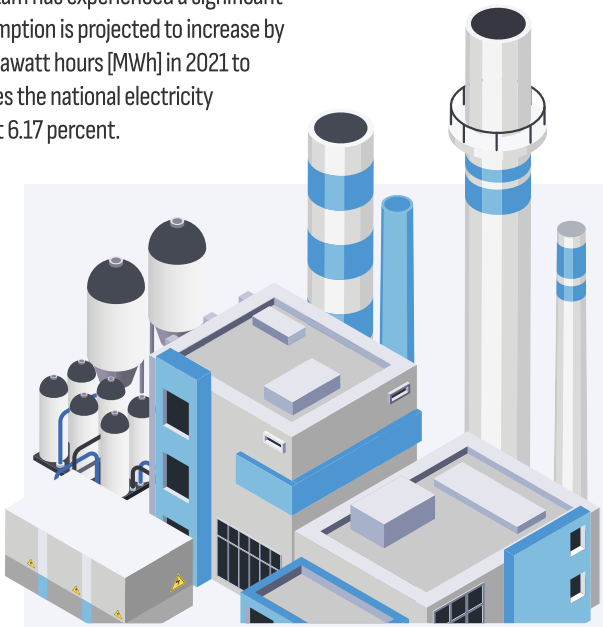
Phone
Capacity
111,768 Unit

Electricity and Aerial Road

The electricity consumption growth in Batam has experienced a significant jump. Throughout 2022, electricity consumption is projected to increase by 14.71 percent, rising from 2.56 million Megawatt hours [MWh] in 2021 to 2.94 million MWh. This figure also surpasses the national electricity consumption growth rate, which stands at 6.17 percent.

Due to this, Batam has prepared a number of power plants distributed across various existing points.

- PLTD (Diesel Power Plant) **Capacity: 89,53 MW**
- PLTMG (Gas Machine Power Plant) **Capacity: 43,50 MW**
- PLTU (Steam Power Plant) **Capacity: 130,0 MW**
- PLTGU (Steam Gas Power Plant) **Capacity: 44,52 MW**
- PLTG (Gas Power Plant) **Capacity: 231,40 MW**



Total Capacity 538,95 MW

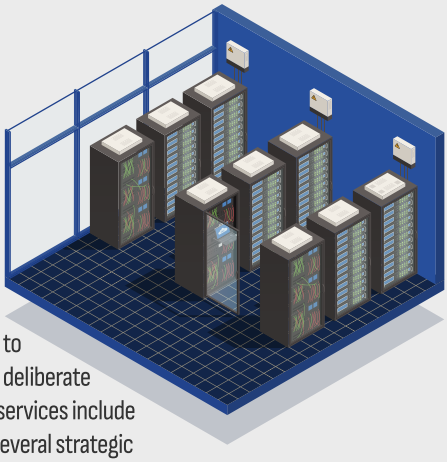
Peak Load 473 MW

Regarding road infrastructure, BP Batam has constructed 1,676.78 km of roads to support economic growth and facilitate the movement of goods and people.

- Arterial Road **474,78 km**
- Collector Road **352 km**
- Local Road **850 km**
- Total Road Constructed **1,676,78 km**



IT Centre BP Batam



IT Center BP Batam, also known as the BP Batam Information Technology Center, possesses a cloud computing system that is accessible to multiple parties. This obviates the necessity for business entities and government agencies to construct high-cost information and technology infrastructure.

Beyond offering cloud computing system services, the BP Batam Technology Center extends a variety of information technology services. These encompass a disaster recovery center (DRC) designed to safeguard data, addressing both technical failures and deliberate attacks on an agency's website or data. Furthermore, services include server co-location and an IT training center. Notably, several strategic agencies have already availed themselves of these services. For instance, the Ministry of Home Affairs benefits from the e-KTP data DRC service.

Similarly, IPTEKNet BPPT has employed the service to place backup servers, and the National Land Agency utilizes a web server mirroring service in its endeavor to ensure uninterrupted access to the **www.bpn.go.id website.**



IT Solution Service

- IT Auditing
- IT Consultancy Services
- Professional Development Centre
- Training Solutions
- Integrated Service Centre
- Cloud Computing

IT Training Centre

- Programming
- Database
- Network
- Web Security
- Ethical Hacking

Data Centre Services

- Service Co-Location
- Mirrors Services
- Clound Computing
- Web Hosting
- Storage and Demand
- Virtual Private Service
- Dedicate Server

Disaster Data Recovery

- Backup Server
- Mirroring Services

Barelang Bridges (Batam, Rempang, Galang)

The Barelang Bridge spans three major islands: Batam, Rempang, and Galang. Playing a central role as a connecting structure, the Barelang Bridge facilitates the movement of industry, economy, and tourism. This bridge is instrumental in ensuring the seamless flow of these essential elements.

Serving as a link between the islands, Barelang has held significant historical importance for Batam City. Beyond its social function, the Barelang Bridge also contributes to propelling the wheels of the economy.



Bridge 1	Tengku Fisabillillah
Type	Cable Stayed
Foundation	Bored Pile 120 015m
Total Length	642 meter
Main Landscape	350 meter
Bridge Width	215 meter
Pylon Height	119,744 meter
Finished Development	15 January 1998

Bridge 2	Nara Singa II
Type	Balance Cantilever Box Gierder Single Box
Foundation	Abutment Bored Pile
Total Length	420 meter
Main Landscape	160 meter
Bridge Width	18 meter
Finished Development	31 May 1997

Bridge 3	Raja Ali Haji
Type	Segmental Concrete Box Girder
Foundation	Abutment Bored Pile (land), Spun Pile (sea)
Total Length	270 meter
Bridge Width	18 meter
Finished Development	31 March 1996

Bridge 4	Sultan Zainal Abidin
Type	Balance Cantilever Box Gierder Single Box
Foundation	Abutment 12/28
Main Landscape Length	145 meter
Bridge Width	18 meter
Finished Development	31 May 1997

Bridge 5	Tuanku Tambusai
Type	Arch Bridge
Foundation	Diaphragma Wall, Bored Pile
Total Length	385 meter
Main Landscape	245 meter
Bridge Width	18 meter
Finished Development	25 January 1998

Bridge 6	Raja Kecil
Type	Segmental Concrete Box Gierder
Foundation	Abutment 12/28 Bored Pile
Total Length	160 meter
Bridge Width	16 meter
Finished Development	15 November 1966

Constructed Between
1992 – 1998

Built Under the Directive of
The 3rd President of Indonesia, Bj Habibie



Type of Industries



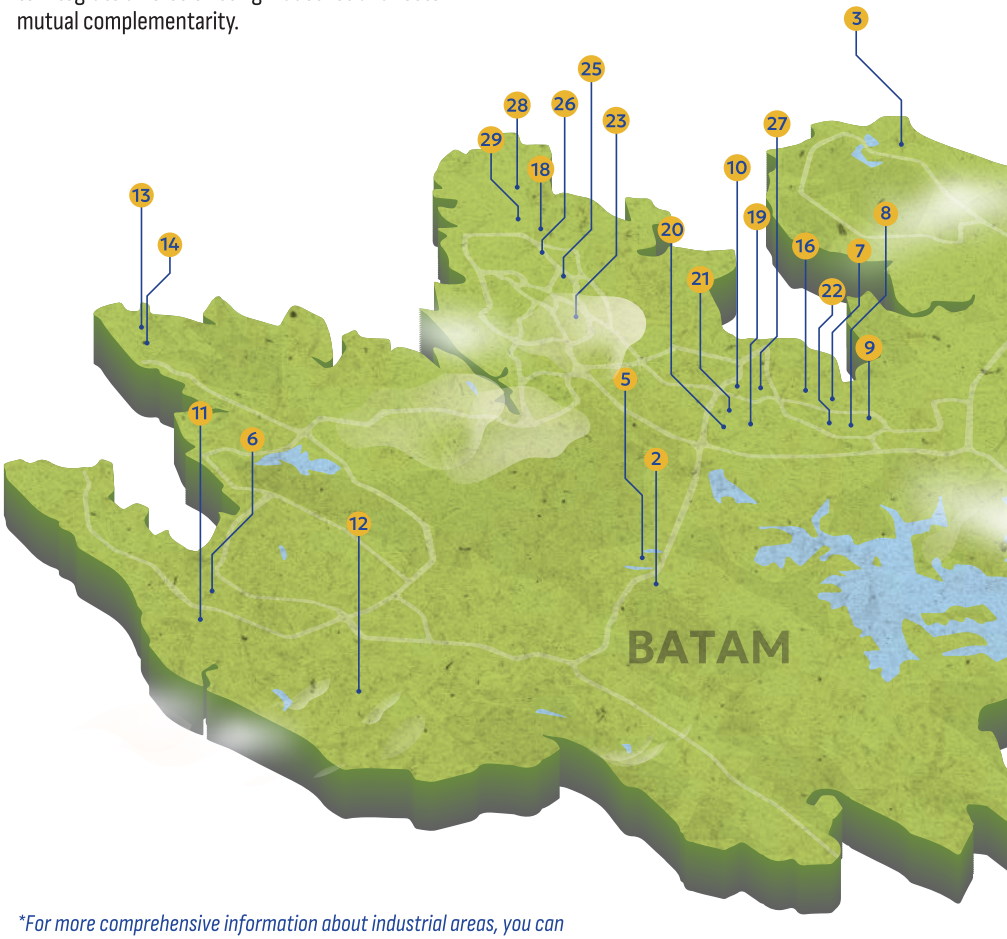


30 Industrial Estates

Industrial development in Batam from year to year greatly supports the existing economic movement. The rapid growth of the industry in Batam then necessitates a networked and sustainable management approach. One way to achieve this is by establishing industrial areas that are regulated by Government Regulation (PP) Number 24 of 2009, which pertains to Industrial Estates.

These laws and regulations elucidate that industrial estates are designed to control spatial usage, promote environmentally sound industrial development efforts, expedite industrial growth in the region, enhance investment competitiveness, and provide location certainty for planning and development across various industrial sectors.

The existence of industrial estates represents an endeavor to integrate diverse existing industries and foster mutual complementarity.



**For more comprehensive information about industrial areas, you can refer to the Industrial Estate book that we have placed on the last page.*



	Land [Ha]	Industrial Area	Tenants
1	540	Kabil Integrated Industrial Estate	44
2	320	Batamindo Industrial Park	73
3	166	Nongsa Digital Park	8
4	112	Wiraraja Industrial Park	20
5	103	Panbil Industrial Park	25
6	75	Bintang Industrial Park II	98
7	64	Tunas 2 Industrial Estate	80
8	64	Tunas Industrial Estate	49
9	64	Tunas Bizpark Industrial Estate	72
10	59	Lytech Industrial Park	80
11	52	Latrade Industrial Park	14
12	40	Horizon Industrial Park	14
13	32	Sekupang Makmur Abadi	8
14	32	Sekupang Logistics	9
15	27,2	Tunas Kabil Industrial Estate	8
16	24	Puri Industrial Park 2000	38
17	20,83	Executive Industrial Park	45
18	20,6	Union Industrial Park	87
19	20	Citra Buana Industrial Park III	23
20	19	Kara Industrial Estate	24
21	18	Cammo Industrial Park	30
22	17,5	Sarana Industrial Point	27
23	16	Indah Industrial Park	13
24	14,29	Dragon Industrial Park	3
25	10	Citra Buana Industrial Park I	53
26	8	Citra Buana Industrial Park II	8
27	6,4	Hijrah Industrial Estate	19
28	5	Megacipta Industrial Park	33
29	2,6	Malindo Industrial Park	26
30	0,5	Taiwan International Park	27

Shipyard Companies

Hundreds of shipbuilding industries are spread across various regions in Batam and are divided into several types of production. This industry has also been involved in various projects on both national and international scales.

Batam, designed as an industrial city since its inception in 1978, continues to strive for increased economic growth across various sectors of industry. As an industrial city, Batam is home to around 1,389 leading industries, encompassing both foreign direct investment (FDI) and domestic investment, employing a total of 169,000 workers across oil and gas as well as non-oil and gas production.

The top five leading Domestic Investment industries consist of transportation services, construction industry services, metal and machine industry, industrial services, and shipping industry support.

Production Type



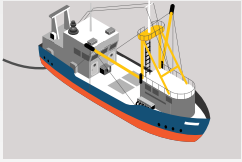
Patrol Vessel



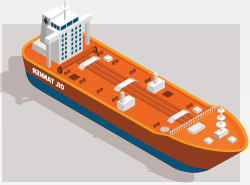
Platform Supply Vessel Tugboat



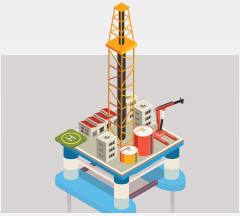
Single Point Mooring Buoy



Pipelay Vessel



Self Propelled Berge



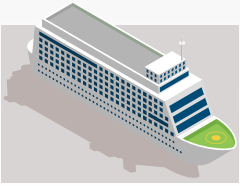
Jack Up Drilling Rigs



Offshore Module



Anchor Handling Tug and Supply



Livestock Carrier

>135
Shipyard Companies



**For more comprehensive information about industrial areas, you can refer to the Industrial Estate book that we have placed on the last page.*

Creative Industries, Nongsa Digital Park
(Special Economic Zone 1)

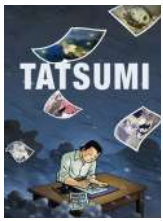


Kinema Infinite Animation & Movie Studio Batam

The digital industry is currently a leading sector all over the world, including Indonesia. The growth of the digital economy industry every year even reaches 48%. Based on data released by the Ministry of Finance of the Republic of Indonesia, until 2825, growth in the digital industry is predicted to reach IDR 1,820 trillion. Even in 2019, the value of the digital economy has reached IDR 568 trillion.

For this reason, the Nongsa Digital Park Special Economic Zone (SEZ) was deliberately created to capture investment opportunities in the digital industry.

In line with the program being intensified by the central government, Batam Nongsa Digital Park KEK is also a gathering place for the startup industry. The climate for the digital industry and the creative economy that has been prepared by the government at Nongsa Digital Park will further trigger the growth of the digital economy.













Film & TV

Post & Visual Effects

Animation





80+
Serving Companies

800+
Employees

1000
Hires in Pipeline

In addition, the existence of a digital industry in Batam will facilitate the transmission of knowledge and technology to the people of Batam. Obviously, there will also be an increase in the employment rate. Employment opportunities will increase as a consequence of the development of the digital industry.

Internationally, the creative industry at Nongsa Digital Park (NDP) has dealt with numerous forms of filmmaking. This sector has eclipsed at least eighty firms and eighteen data center sites.



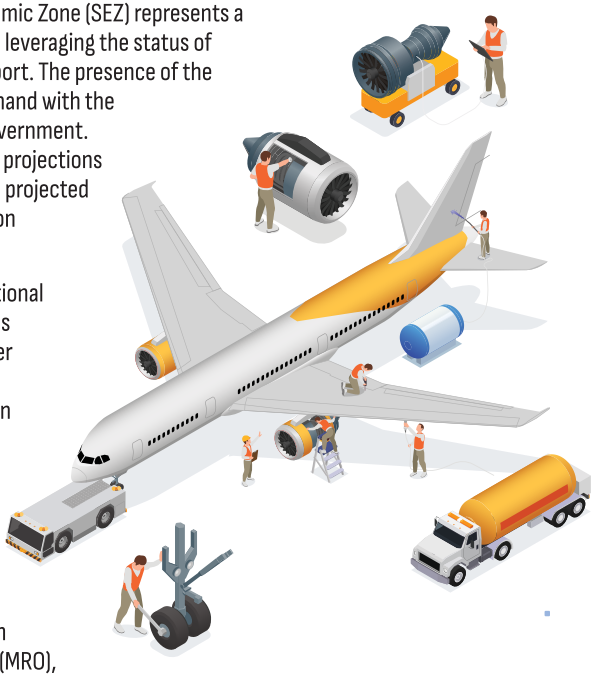




glints AIA FWD insurance R/GA CPRVISION INFINITE LEARNING KINEMA PT KINEMA SYSTRANS MULTIMEDIA

Aircraft MRO Industry
(Special Economic Zone 2)

The Batam Aero Technic Special Economic Zone (SEZ) represents a breakthrough achieved by BP Batam in leveraging the status of Batam's Hang Nadim International Airport. The presence of the Batam Aero Technic SEZ goes hand in hand with the aviation industry targets set by the government. According to business and investment projections within the aviation sector, Indonesia is projected to enter the top 5 of the world's aviation industry by 2034.



Based on data released by the International Air Transport Association (IATA), there is also a prediction of a surge in passenger numbers in Indonesia. It is estimated that by 2034, approximately 278 million passengers will opt for air transportation.

The SEZ Batam Aero Technic operates as a lighthouse project while providing support to the aviation ecosystem in the country. This region will have a specific focus on aircraft maintenance, repair, overhaul (MRO), and general maintenance and repair operations.



	Current Facility	Future
Land	50,000 sqm	120,000 sqm
Aircraft Service Bays	12	18
Man Hour Per Hour	**1.8 million** mh/y	Up to **7.2 million** mh/y
Aircraft Service Capability	B737-300/400/500 B373-600/700/800/900ER B747-400 ATR72-500/600 DHC8	A320CEO A320NEO B737MAX B777 B787
Type of Services	**Aircraft Maintenance:** Machine maintenance Landing care Maintenance of components for wheels and brakes Component services for avionics, electricity, emergency equipment, NDT, Electrical/IDG, mechanical & accessories, hydraulic&pneumatic, propeller, welding, sheet metal, composites	





Tourism Industry 2022

Despite its reputation as a region synonymous with investment, Batam has diverse potential in other disciplines. Tourism, presently the focus of development in other sectors or areas, serves as a significant source of income for Batam. However, the expansion of the tourism industry is not without justification. Condition Batam's geographic make this city deserves to be used as a region tourist.



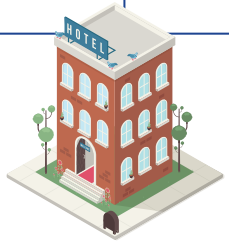




Batam

565,936
Visitors

Due to its many advantages, Batam not only attracts investment interest but also encourages international tourists to visit. With **565,936 foreign tourist visits in 2022**, Batam City ranked third after Jakarta and Bali among the most visited cities by foreign tourists



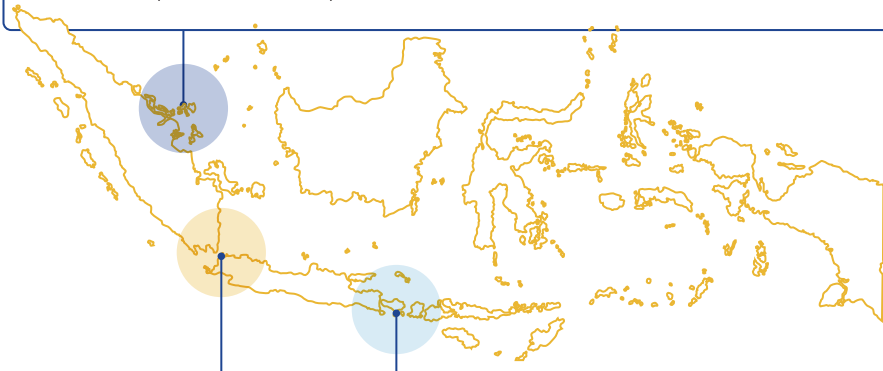
107 Hotels
(1 to 5 Star Hotel)



2 Marinas



7 International
Golf Courses



Bali

1.7 M Visitors

Jakarta

4.67 M Visitors



Forthcoming





Batu Ampar Port Development Concept

As part of an effort to develop Batu Ampar Port, **BP Batam has formulated a development plan that will be executed in stages.**

According to the 2020 Port Master Plan, the development of the Short-Term Batu Ampar Port (2021-2025) is scheduled to commence with several key initiatives. These include reinforcing the 700-meter northern pier, constructing a 2-10-hectare container yard, strengthening the old northern pier to serve as a 408-meter-long multipurpose terminal, and deepening the shipping channel in front of the wharf to a depth of -8 LWS.

Regarding the superstructure, Batam Port Management will acquire loading and unloading equipment, including 2 Gantry Crane units, 5 Transshipment Units for multipurpose activities on the east pier, 2 Reach Stacker Units, 2 Top Loader Units, 10 Head Truck Units, and 20 Chassis Units.

Through this short-term development, it is anticipated that by 2025, the container capacity at Batu Ampar Port will reach 1.8 million TEUs, allowing it to accommodate ships with a capacity of 3000 TEUs or third-generation vessels for domestic container transportation.



Despite the incremental approach, BP Batam maintains an optimistic outlook. They believe that the combination of infrastructure development and superstructure equipment acquisition will position Batu Ampar Port as a pioneering Green Port in Indonesia.

1 Port of Batu Ampar as International Transshipment Hub focusing on:

- Transshipment
- Vessel tug & tow services
- Ship to ship transfers & FSU (Floating Storage Unit)
- International & domestic container handling (6.7 million TEUs per annum)
- Container Storage Services (Container Yard: 112 Ha)

2 Stages of Development

Description	Development Plan		
	Short Term	Medium Term	Long Term
	2021-2025	2026-2030	2031-2035
Estimated Investment Cost	Rp2.25 Trillion	Rp8.24 Trillion	Rp1.48 Trillion
Throughput Capacity	1.6 Million TEUs	4.6 Million TEUs	6.2 Million TEUs

Total estimated investment cost from 2021 to 2035 is **Rp12 Trillion**

3 Berthing Facilities

Quay Length: 4.4 km

Draft: -6 to -18 m LWS

Container Handling Equipment (Container Crane, RTG, Head Truck, etc)



Development Term Batu Ampar Port

2020

Existing

Throughput in 2020
Container : 445 kTEUs



2023 — 2024 — 2021



2024

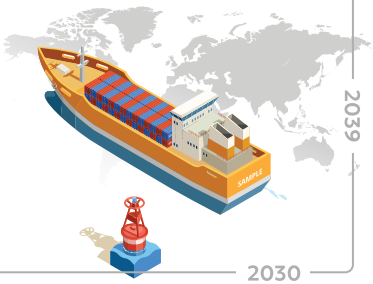
Short Term

Container: **1.6 Million TEUs**
Strategy: Transshipment Hub for Domestic Cargo

2025 — 2026 — 2027 — 2028

Medium Term

Container: **4.6 Million TEUs**
Strategy: Transshipment Hub for Domestic and International Cargo (Import)



2039

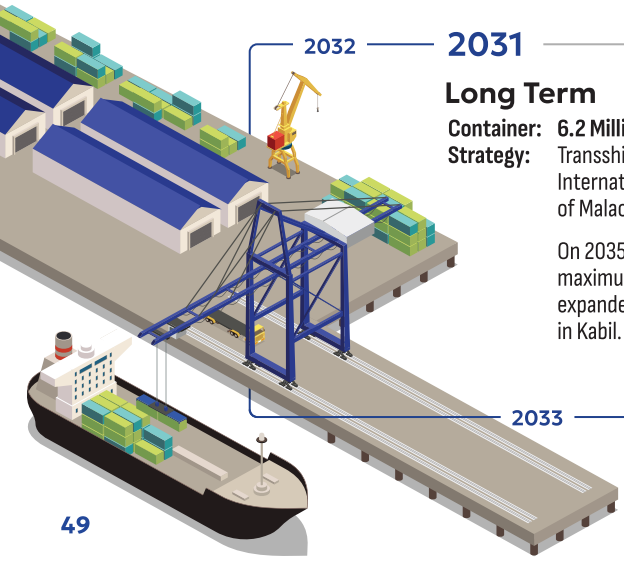
2030

2032 — 2031

Long Term

Container: **6.2 Million TEUs**
Strategy: Transshipment Hub for Domestic International Cargo and a portion of Malacca Strait market.

On 2035, The Port will reach its maximum capacity and will be expanded to Container Terminal in Kabil.

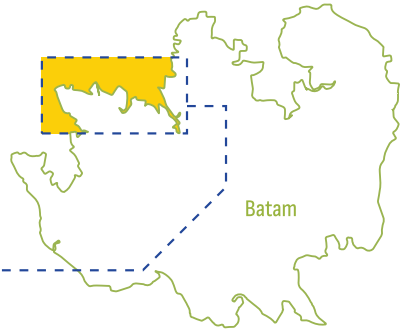


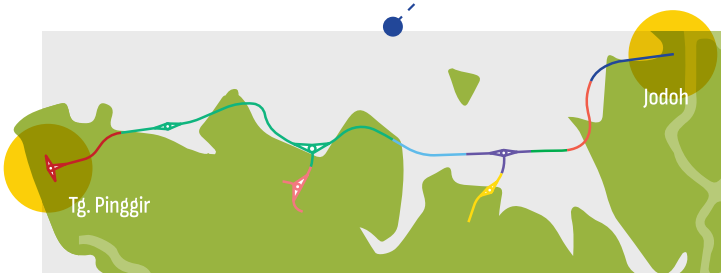
2033 — 2034 — 2035

Outer Ring Road

Tg. Pinggir – Jodoh

With population growth and the rise of motorized vehicles, BP Batam is currently planning to construct a ring road or outer ring road that will connect the Tanjung Pinggir area with Jodoh.





- Stage 1
- Stage 2
- Stage 3
- Stage 4
- Stage 5
- Stage 6
- Stage 7
- Stage 8
- Stage 9







This project has been undertaken with the aim of enhancing the accessibility of goods and passenger transportation, boosting economic activity, and improving the quality of life for the residents of Batam City.

The Outer Ring Road is expected to divert traffic away from the city center, thus reducing the potential for delays in the heart of Batam City. This alternative route is anticipated to support Batam's transformation into a metropolitan city with smooth traffic flow.

Location
Tg. Pinggir (Sekupang) - Jodoh, Batam

Trace Length
10.3 km

Investment Value

USD 2.8 Billion

(IDR 3.5 Trillion)

Project Status
Preliminary Design

Main Activities
Logistic, Road

Business Scheme
Logistic, Road, Transportation

Project Owner
BP Batam

Light Rapid Transit (LRT)

To support Batam in its journey towards becoming a modern city, BP Batam is planning to construct a Light Rapid Transit (LRT) mass transportation system. This project has been undertaken with the aim of enhancing connectivity within Batam and facilitating the transportation from the industrial zone to the port.

LRT Trase with TOD Cluster:

- Development phase 1
- Public Service phase 2
- Public Service phase 3
- Public Service phase 4



LRT Trase with TOD Cluster (Development Phase 1)

11 Kilometer

Investment Value

USD 1.12 Billion

(IDR 16.6 T, Investment Estimation Phase 1)

Project Status
Feasibility Study

Business Scheme
Transportation

Project Owner
BP Batam

Main Activities
Transportation

Estimates are set to commence in mid-2024, with a targeted completion date in 2025.

Estimates are set to commence in mid-2024, with a targeted completion date in 2025. The construction of the LRT is anticipated to commence in mid-2024, aiming for completion in 2025. The LRT system is crucial to accommodate Batam's growing population, particularly due to the projected increase in workers and immigrants following the Covid-19 pandemic.

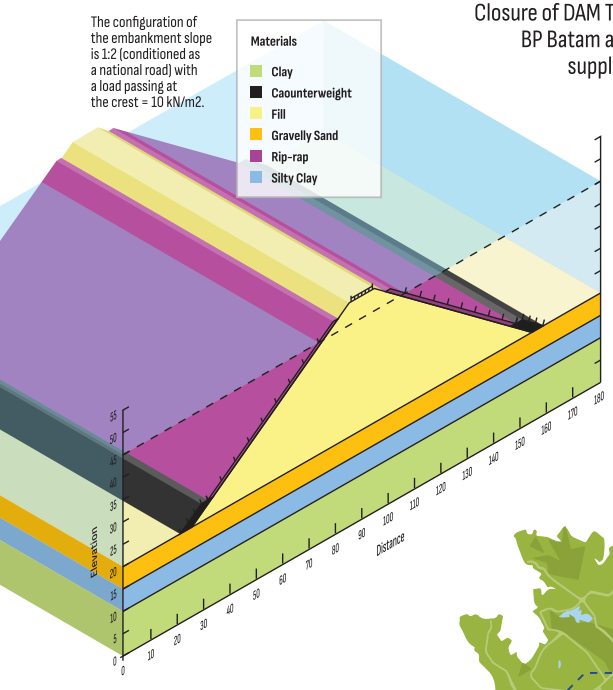
This initiative takes into consideration Batam's current population, which has surged to 1.24 million individuals. Conversely, the proliferation of private vehicles has outpaced the population growth of Batam City's residents.





Closing DAM Tanjung Piayu

The configuration of the embankment slope is 1:2 (conditioned as a national road) with a load passing at the crest = 10 kN/m2.



Closure of DAM Tanjung Piayu is a project initiated by BP Batam as an effort to increase the capacity and supply of clean water, with the expectation to counter its decrease by 2045.

Increasing water capacity and supply is important to guarantee the distribution of water needs in Batam can be fulfilled, both in terms of industrial requirements and for society.



Investment Value

USD 3.1 Billion

(IDR 4.8 Trillion)

Location
Tanjung Piayu, Batam City

Total Water Storage Volume
140,04 Million m^3

Project Status
Feasibility Study

Main Activities
Fisheries Industry

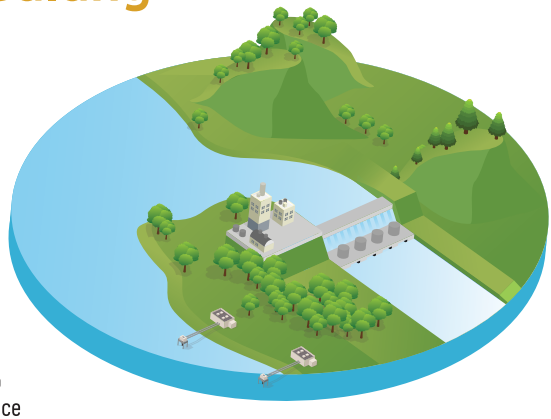
Project Timelines
2045

Total Area
1.800 Ha

Project Owner
BP Batam

Batam is expected to encounter a lack of clean water in the year 2045, thus the city is working to increase its capacity and supply now.

Estuary DAM Galang (Galang Baru)



The DAM Estuary Galang project maximizes the limited land area by utilizing the location of the inundation dam along the coast. This dam was constructed in anticipation of the imminent increase in domestic and industrial demand for potable water in Batam over the next few years. The availability of raw water is essential for Batam's development as the economic hub of the Riau Archipelago Province, which is anticipated to experience water shortages due to its population expansion.

Through this initiative, BP Batam aims to guarantee the availability of clean water to the business community.

Investment Value

USD 130 Million

(IDR 2 Trillion)



Location
Galang Baru Island

Total Area
1,949 Ha

Project Status
Feasibility Study

Main Activities
Water Reservoir

Project Owner
BP Batam

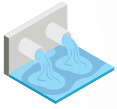
Business Scheme

- DAM
- Reservoir
- Water
- Commercial
- Education
- Tourism
- Housing

Project Description



Utilization of DAM inundation locations in the sea can minimize the land area which is limited in nature.



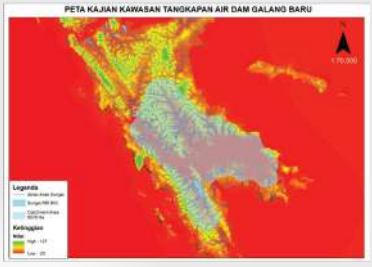
Availability of raw water sources for clean/drinking water in Barelang which is estimated to have a debit of ± 2550 L/second.



Providing a way out of overcoming the clean water crisis in Batam.



Adding special tourism objects and increasing revenue streams for BP Batam and the government.





Providing certainty to the business world that the government can guarantee the availability of clean water.

Integrated Total Water Management





Batam Integrated Total Water Management is an effort to synergize the potential availability of raw water, clean water, waste water management, seawater desalination, and recycling in an integrated and well-coordinated manner. This aims to support the availability of water in the future.

Integrated Water Management will also be a project that combines water resources with other related resources across sectors and regions in a sustainable manner, without compromising the environment. It will be carried out with a participatory approach.

Investment Value

USD 100 Million

(IDR 2 Trillion)

Location
Nagoya &
Batam Center

Total Area
120 km^2

Factory Capacity
33,000 m^3/day

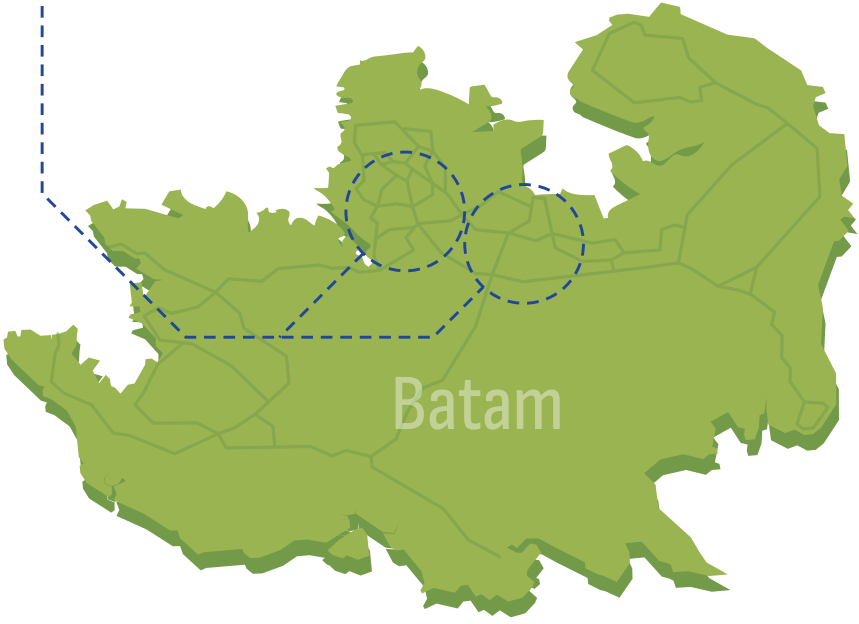
Business Scheme
Investment

Project Status
PPP (Public Private Partnership)

Project Timelines
4 Years

Project Owner
BP Batam

Main Activities
Mix Used (Office, Hotel, Apartment, Commercial, etc) and Transportation



Project Description

1. Land acquisition, design and construction details for Nagoya Batam, Wastewater Treatment Plants
2. Expansion of Batam Center and Bengkong Phase 1 networks
3. Procurement 2 There is no vacuum sludge tanker
4. Design at the Phase 2 sanitation system location
5. Community development and sanitation awareness raising
6. Development of an Environmental Management Plan
7. Implementation of the Environmental Monitoring Plan
8. Capacity building and training support



Special Economic Zone

Aerocity Hang Nadim

In essence, an aerocity is an economic development that centralizes its activities in the vicinity of an airport. In this offered concept, investors can utilize air transportation to conduct the delivery of goods. Access for incoming and outgoing goods will become smoother and faster. This is a distinct attraction for investors engaged in the logistics sector.

In its development, the aerocity will focus more on the logistics sector and aim at e-commerce businesses. This, of course, integrates with programs that have been previously initiated.





The objectives of the logistics aerocity include traditional couriers and acting as a facilitator for business-to-consumer (B2C) e-commerce. The main core business is to assist customers in making online purchases. Other targets include specialized cargo operators that have the potential to collaborate with warehousing facilities. Examples are spare parts, components, specialized machinery, and disaster recovery health supplies.



Location
Hang Nadim Airport, Batam City

Total Area
1763 Ha

Project Status
Preparation of SEZ proposal documents

Main Activities
Airport, Logistic, Aviation Industry

Business Scheme
Airport, Logistic, CBD, Aviation Industry

Project Owner
BP Batam

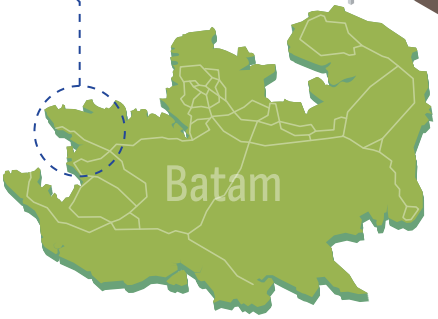
Special Economic Zone

International Health Sekupang
(in Progress)

Location
Sekupang, Batam City

Total Area
44.5 Ha





With a land area of 44.5 hectares and an investment value of USD 215 million, BP Batam will develop an internationally acclaimed hospital, pharmaceuticals, medical equipment, and accommodations through the Sekupang International Health Special Economic Zone (SEZ).

Furthermore, equipped with both fiscal and non-fiscal incentives through the Free Trade Zone (FTZ) and SEZ, Sekupang International Health also offers ease of investment with development potential, including wellness tourism, top-tier medical universities, and an integrated healthcare management system.

Investment Value
USD 216 Million
(IDR 3,3 Trillion)

Project Status
Discussion of the BBK KPBPB Zone Council

Project Timelines
2021 - 2025

Project Owner
BP Batam

Main Activities
Medical Services and Fitness Tourism

Business Scheme
Leading health facilities, supporting health facilities, fitness tourism, health research, pharmaceutical and medical device business representative offices, accommodation, retail, trade and services.



Project Description



International Hospital

Health service activities are grouped into superior health services (geriatrics, cardiovascular, cancer, fertility, beauty) and support (RSBP Standard Pavilion, stemcell).



Pharmacy and Medical Devices

In the form of a representative office for the pharmaceutical and medical devices business which is held to facilitate the supervision of the distribution of goods.



Medical Personnel Vocational Education

Implemented through national level training of health workers, considering Batam has become a destination for comparative studies of various agencies in Indonesia.



Accommodation

Activities to support the health business consisting of housing (flats, hotels, apartments, villas) as well as trade and services (apartments with podiums in the form of shopping centers).



Wellness Tourism

Utilizing Lotus Lake for various fitness tourism activities as well as hilly areas with a potential view of the sea on the north side for inpatient functions by carrying out the concept of healing environment.



Healthcare Management System

A system that shows matters related to changing health regulations, regulations and technology and oversees various operations related to human resources, finance and health marketing.

Fisheries (Maritime City)

Investment Project of Fisheries Tg. Semadur Galang

Fisheries (Sea City) is a project that will be developed with a focus on making Pulau Galang the center of capture fisheries in the Riau Islands. **This project will utilize the strategic position of Batam, which is close to Singapore and Malaysia, to facilitate the distribution of the captured fish.**

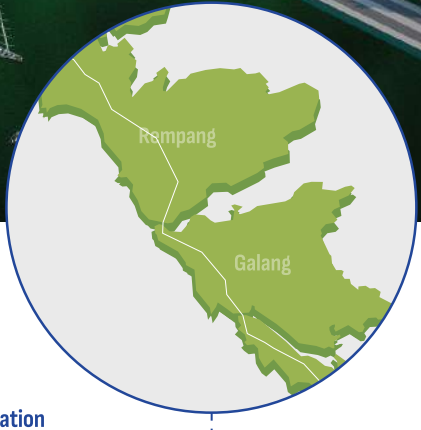
This project will utilize the strategic position of Batam, which is close to Singapore and Malaysia, to facilitate the distribution of the captured fish.





In terms of numbers, the Riau Islands have a potential capture fisheries yield of 1.059 million tons. However, its utilization is far from sufficient. The project on Pulau Galang will involve development that covers a total area of 1.547.9 hectares, with an allocation of 275.2 hectares of land for fish ports and 432.9 hectares for the fisheries industrial area.





Location
Tg. Semandur,
Galang Island

Total Area
1.547,9 Ha

Factory Capacity
217 Ha

Project Status
Preliminary Design

Project Timelines
2021 - 2025

Project Owner
BP Batam



Investment Value

USD 460.000

(IDR 6,8 Billion)

Main Activities
Fisheries Industry

Business Scheme

- Fishery Port
- Fisheries Industry
- Commercial
- Education
- Housing
- Tourism

Batam Renewable Energy Supply (PLTS)

With the increase in investment and the growing number of industries, BP Batam is striving to rely on a supply of electricity in the form of renewable energy.

BP Batam then initiated the development of a Floating Solar Power Plant (PLTS) on reservoirs. In this floating solar power plant development project, two reservoirs are used. The first one is the Tembesi Reservoir, with an investment value of USD 470 million. The generated electrical capacity is estimated to reach 333 Megawatts-peak. In the initial phase, the project only utilizes 5% of the reservoir's area. However, in the future, the utilized reservoir area will expand further, considering that the project is sustainable for three to four years.

Location
All Reservoir in Batam

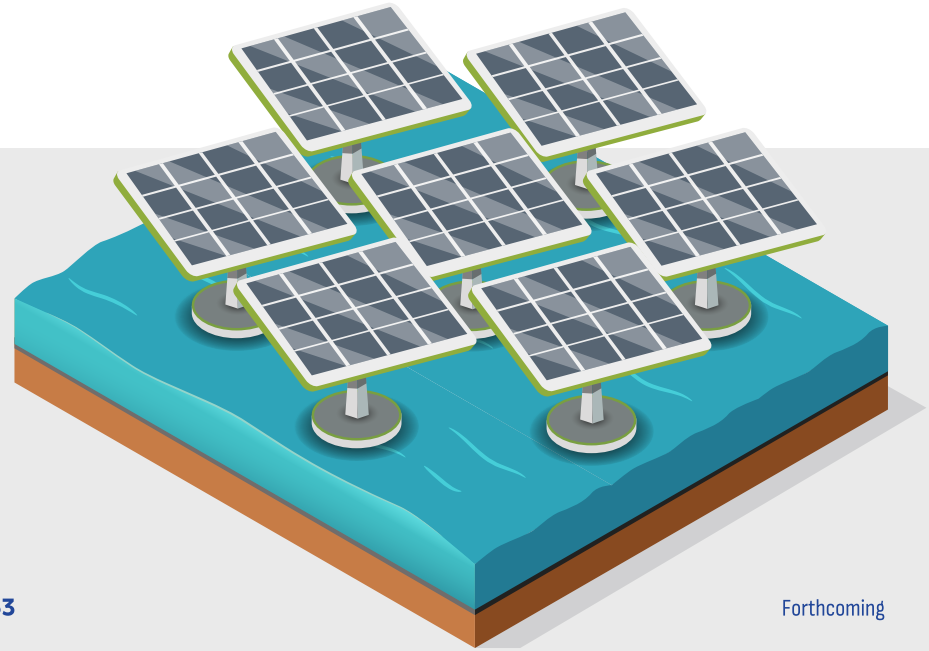
Total Area
1763 Ha

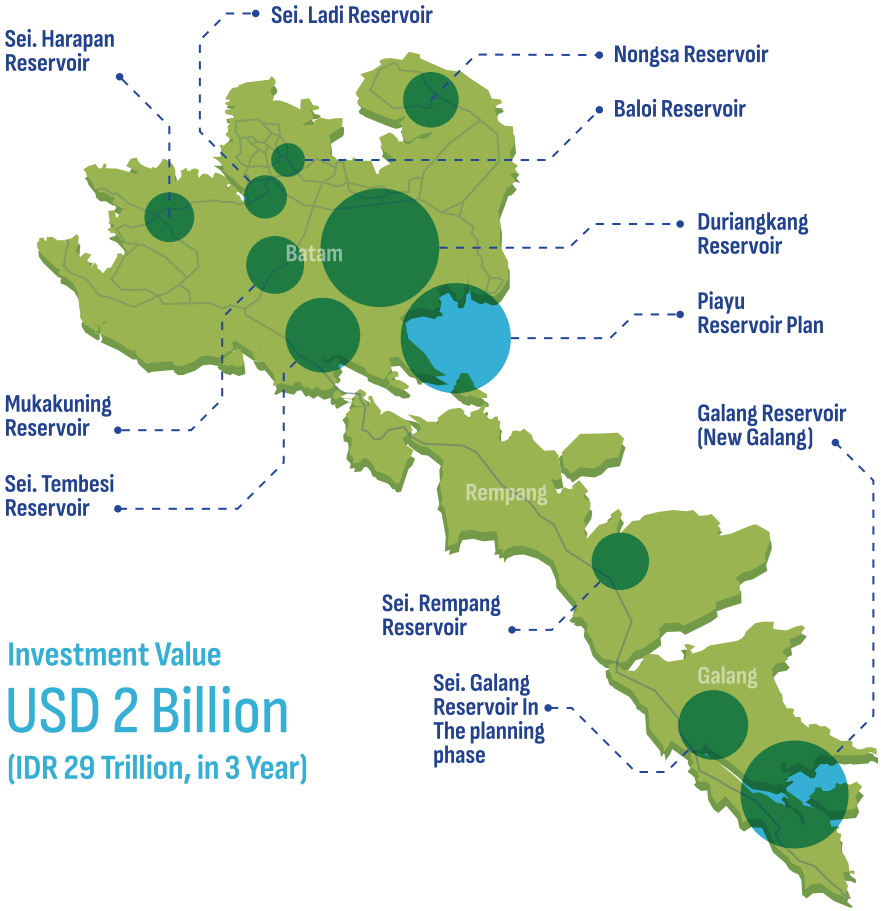
Main Activities
Renewable Energy, Floating Solar Power Plant

Project Owner
BP Batam

The second reservoir where the floating solar power plant is installed is the Duriangkang Reservoir. The construction project's value reaches Rp29 trillion. Eventually, the solar power plant located in the Duriangkang Reservoir will be able to export electrical energy to Singapore. The generated renewable energy has a capacity of 2.2 GWp Floating Photovoltaic System (FPV) and 4,000 MWhr Energy Storage System (ESS). This project is even planned to become the largest FPV and Energy Storage System (ESS) globally to date.

The supply of renewable energy in this floating solar power plant will also utilize all the reservoirs owned by BP Batam.





Project Description

1. According to the PERMEN PUPR No. 6 of 2020, the maximum area for a reservoir is 5% of the total area (81.75 hectares).

2. There is a need for policy relaxation to increase the maximum surface area of the reservoir to 65% (sixty-five percent) and to speed up the permit process for borrowing forest areas



Taxation Guide


TAX
TAX
TAX
TAX
TAXES

Foreign Invesment Application

To support the ease of doing business in Batam and with the success in implementing i23j (3 hours investment licensing services policy), Central Government through Government Regulation Number 24 year 2018 regarding Integrated Electronic Business Services and Presidential Decree number 91 year 2017 regarding Acceleration of Business Implementation has launched a new policy called **Online Single Submission** on 9 July 2018 to further improve licensing process.

OSS/Licensed System Licensing Integrated Electronic



1 Login into OSS System



2 Fill in The Data Needed

All application can submited through:

www.oss.go.id





3 **System Issue NIB**
(Bussines Identification Number)

- **TDP**
  Company Registration Certificate
- **API**
  Import Identification Number
- **Akses Kepabeanan**
  Custom Access
- **NPWP**
  TAX File Number
- **RPTKA**
  Foreign Worker Recruitment Permits
- **BPJS KES & NAKER**
  Social Security & Healthcare Security
- **Fiscal Facilities**
- **Bussines Permit**

Tax Identification Number (Nomor Pokok Wajib Pajak)

The Tax Identification Number (NPWP) is a number issued to taxpayers by the tax office to identify taxpayers and to assist them in fulfilling their tax obligations. Since 1984, Tax Office has required all individual residents in Indonesia includes expatriate to have their own personal Tax Identification Number (Nomor Pokok Wajib Pajak/NPWP). Foreigners in Indonesia can be categorized as residents or non-residents depending on the length of time they stay in Indonesia and their activities. As soon as an individual becomes a resident in Indonesia for tax purposes, he/she is obligated to register at the appropriate tax office. In practice, many expatriates are reluctant to register, giving the reason that they have one employer and that the tax on their employment income



has been withheld in accordance with paragraph 6 of article 21 of 1983 Income Tax Law, once an individual becomes a resident taxpayer, he/she is subject to tax on worldwide income, that is, income from sources within and outside Indonesia.The issuance of amended income tax provisions in the year 2008, that is, Law Number 28 year 2007, is meant to make it clear that any individual who has become a resident should register at the appropriate local tax office. After a taxpayer is registered and has a Tax ID Number (NPWP), he/she has obligations and rights as regulated by the prevailing tax provisions, for example, the obligation to pay and report monthly returns (SPT Bulanan) where applicable and annual returns (SPT Tahunan).

Income Tax

Tax payers for income tax purpose are individual, undivided inheritance as unit in lieu of the beneficiaries, corporation, and permanent establishment. Income tax imposed on Taxable Persons in relation to income received or accrued in a taxable year. Taxable Person will be subject to tax if that person receives or accrues income. A Taxable Person who derives income is called a Taxpayer under this law. A Taxpayer is taxed on the income received or accrued during a taxable year or a fraction of a taxable year, if the tax obligations commence or end in a taxable year. The term a taxable year under this law means a calendar year. However, a Taxpayer may use an accounting year which is different from the calendar year insofar as the accounting year has the period of 12 (twelve) months.

Tax rate according income Tax Law, Lastly amanded by law Number 36 year 2008 which shall income into force as from 1 january 2009:

Individual Taxpayers

Taxable Income/year	Tax Rate
> IDR 500,000,000	30%
≥ IDR 500,000,000	25%
≤ IDR 250,000,000	15%
≤ IDR 50,000,000	5%

Source: BP Batam Office, Updated June 2022

Corporarate Tax

Taxable Income/year	Tax Rate
Normal Rate	22%
Public Company with > 40% of its shares traded on the IDX	19%
Companies with a gross turnover below IDR 50 Billion	11%
Companies with a gross turnover below IDR 4,8 Billion	0,5%

Source: BP Batam Office, Updated June 2022

Entities as Resident Taxpayersand Permanent Estabilishment

Tax rate applicable to entities as resident taxpayers and permanent estabilishment is 25%.

With Holding Tax

For Payment to Resident

For Payment to Resident	Tax Rate
For interest, dividends, royalties	15%
For land buillding rental	10%
For services	2%

Source: BP Batam Office, Updated June 2022

For payments to non-residents

Normal rate (can be reduced by using tax treaty provisions, or example services that quality as bussines profil 20%



Final Tax, Article 4, Paraghrap 2, Income Law

Tax Object	Tax Rate
Land and or building rental	10%
Service in construction control	2%
Service in construction planning	4/6%
Service in construction application	2%

Source: BP Batam Office, Updated June 2022

International Taxation Issues

Non Resident Alien (NRA) may derive income from Indonesia by using several schemes; e.g. direct investment, portfolio investment, and establishing a branch or permanent establishment in Indonesia. The income derived from Indonesia is taxed based on the nature of income. Dividend from direct and portfolio investment will be subjected to article 26 with holding tax at 20%. If the NRA recipient of dividend is able to provide certificate of domicile form the country which has a bilateral tax treaty with Indonesia, dividend will be taxed based on rate on tax treaty.

A branch of permanent establishment of an NRA has the same obligation as Indonesian corporations to comply with the Indonesia tax law is amended lastly in the year 2008. Additionally, a branch/permanent establishment has a specific obligation to pay branch profit tax.

Land and Building Tax



Land building tax (Pajak Bumi dan Bangunan /PBB) is tax on property chargeable on all land and or buildings, unless exempted.



PPB is part of regional taxes which are governed under regional taxes and retribution (Pajak Daerah dan Retribusi Daerah/PDRD) Law in which each regional government has to issue a regulation to regulate PBB in its teritory.



PBB rate is maximum 0,3% and tax due is calculated by applying tax rate on the sale value of the tax object (Nilai Jual Objek Pajak/NJOP) deducted by on-taxable NJOP). The non-taxble NJOP is set at IDR 10 million at the minimum.

Value Added Tax (VAT) and Sales Tax on Luxury Goods

The Government of Indonesia issued a new government regulation, number 2 year 2009, which regulated about custom and taxation and controlling on Imports and Export goods to, from, and in free trade zone and free port area. The Minister of Finance Republic Indonesia has issued regulation number 45 year 2009 (PMK-45/2009) about procedure controlling, administration, and payment Value Added Tax and/or Sales Goods on Luxury Goods on exporting of goods and services from free zone to custom area and importing of goods and services from custom area to free zone.

According to the ministry of finance decree or (PMK-45/2009) imports of goods and service, incoming or supply taxable goods and/or taxable service in free zone shall not be implied of Value Added Tax and/or Sales Tax on Luxury should all requirements are met.

Stamp Duty

Stamp duty is payable on legal documents such as letters of agreement, contracts, notaries deed, land deed, etc.

Stamp Duty Values

> **IDR 5,000,000** = **IDR 10,000** Stamp duty as nominal, and payable as a fixed amount of IDR 10,000 on certain documents.



According to Article 4 the Law No.18/2000, VAT is the tax imposed on:

- A supply of Taxable Goods by a Taxable Person for VAT purposes within the Custom Area of Indonesia.
- Rendering of Taxable Service by a Taxable Person for VAT purposes in the Customs Area of Indonesia.
- Utilization of intangible Taxable Goods obtained from outside the Customs Area of Indonesia within the Customs Area.
- Import of Taxable Goods.
- Utilization of Taxable Service obtained from outside the Customs Area of Indonesia within the Customs Area.
- Export of Taxable Goods by a Taxable Person for VAT purposes.
- VAT rate: 10%.

Tax Holiday Facilities

- A 100% reduction from the amount of corporate income tax payable for new investments with a minimum of IDR 500 billion.
- 50% reduction of the amount of corporate income tax payable for new investments of IDR 100 billion ≤ IDR 500 billion.
- The 5-year tax reduction period for new investments is IDR 500 billion ≤ IDR 1 trillion.
- The 7-year tax reduction period for new investments is IDR 1 trillion ≤ IDR 5 trillion.
- The 10-year tax reduction period for new investments is IDR 5 trillion ≤ IDR 15 trillion.
- The 15-year tax reduction period for new investments is IDR 15 trillion ≤ IDR 30 trillion.
- Term of reduction of 20 tax years for new investments a minimum of IDR 30 trillion.

After the tax holiday period ends, taxpayers are granted additional corporate income tax reductions, namely: 50% of the income tax payable for the next 2 years for a minimum investment of IDR 500 billion and 25% of the income tax payable for the next 2 years for a minimum investment of IDR 100 billion ≤ IDR 500 billion.



Double Taxation Avoidance Agreement

In order to avoid double taxation for certain income such as profit, devident, interest, fee, and royalti, the Government of Indonesia has signed bilateral agreements with 71 countries. Some of the details of Double Taxation Avoidance Agreementsare listed as follow:

No.	Country	Effective Date
1.	Algeria	1 January 2001
2.	Armenia	1 January 2017
3.	Australia	1 July 1993
4.	Austria	1 January 1989
5.	Bangladesh	1 January 2007
6.	Belarus	1 January 2014
7.	Belgium	1 January 2002
8.	Brunei Darussalam	1 January 2003
9.	Bulgaria	1 January 1993
10.	Cambodia	3 July 2020
11.	Canada	1 January 1980
12.	China	1 January 2004
13.	Croatia	1 January 2013
14.	Czech Republic	1 January 1997
15.	Denmark	1 January 1987
16.	Egypt	1 January 2003
17.	Finland	1 January 1990
18.	France	1 January 1981
19.	Germany	1 January 1992
20.	Hongkong	1 January 2013
21.	Hungary	1 January 1994
22.	India	1 January 1988
23.	Iran	1 January 2011
24.	Italy	1 January 1996
25.	Japan	1 January 1983
26.	Jordan	1 January 1999
27.	Korea, (South)	1 January 1990
28.	Korea, (North)	1 January 2005
29.	Kuwait	1 January 1999
30.	Laos	11 October 2016
31.	Luxembourg	18 February 2021
32.	Malaysia	1 January 1987
33.	Marocco	1 January 2013
34.	Mexico	1 January 2005
35.	Mongolia	1 January 2001
36.	Netherlands	1 January 2004

No.	Country	Effective Date
37.	New Zealand	1 January 1989
38.	Norway	1 January 1991
39.	Pakistan	1 January 1991
40.	Papua New Guinea	1 January 2015
41.	Philippines	1 January 1983
42.	Poland	1 January 1994
43.	Portugal	1 January 2008
44.	Qatar	1 January 1991
45.	Romania	1 January 2000
46.	Russia	1 January 2003
47.	Serbia	1 January 2019
48.	Seychelles	1 January 2001
49.	Singapore	1 January 1992
50.	Slovakia	1 January 2002
51.	South Africa	1 January 1999
52.	Spain	1 January 2000
53.	Sri Lanka	1 January 1995
54.	Sudan	1 January 2001
55.	Suriname	1 January 2014
56.	Sweden	1 January 1990
57.	Switzerland	1 January 1990
58.	Syria	1 January 1999
59.	Taiwan	1 January 1996
60.	Tajikistan	1 January 1999
61.	Thailand	1 January 2004
62.	Tunisia	1 January 1994
63.	Türkiye	1 January 2001
64.	Ukraine	1 January 1999
65.	United Arab Emirates	1 January 2000
66.	United Kingdom	1 January 1995
67.	USA	1 February 1997
68.	Uzbekistan	1 January 1999
69.	Venezuela	1 January 2001
70.	Vietnam	1 January 2000
71.	Zimbabwe	2 March 2012

Human Resources





Wage Recipient Workers Benefit

The legal basis for the Social Security Administrative Body (BPJS) Employment for employees is provided by Law No. 40 of 2004 concerning the National Social Security System and Law No. 24 of 2011 concerning the Social Security Administering Body. These laws have several derivative regulations, including Government Regulation (PP) No. 44 of 2015 concerning the Implementation of Work Accident Insurance and Death Insurance Programs, up to PP No. 82 of 2019 concerning Amendments to PP No. 44 of 2015.

Employers who employ a minimum of ten people or pay monthly wages of

USD 65.18*

(IDR 1 Million)

are obliged to include their workers in the BPJS Employment program.



*USD 1 = IDR 15.342,05

Old-AgeSecurity (JHT)

Old-Age Security is a protection program with benefits in the form of cash when the participant has reached the retirement age, has permanent total disability, or passes away.

Forms of Benefits

The benefits of Old-Age Security are in the form of cash, the nominal of which is calculated from the accumulation of all contributions that have been paid by workers and the company, plus the yield of investment of Old-Age Security funds.

Accumulated Contribution = Worker Contribution + Company Contribution
Accumulated Contribution + Investment Return of Old-Age Security Funds

Full Benefits

Disbursement of benefits in the form of cash can be made:

1. Overall, when a participant meets any of the following requirements:
   - He/she has reached the age of 56 years
   - He/she is not actively working anywhere, for reasons of resignation or dismissal
   - He/she leaves Indonesian territory forever
   - Total Permanent Disability, or
   - He/she passes away

2. Partially, in the amount of:
   - A maximum of 10%, when the a participant is preparing a retirement period.
   - A maximum of 30%, when the participant takes a home ownership (it can only be taken once, and it is only applicable if the participant has a participation period of not less than 10 years)

Employment Injury Security (JKK)

Employment Injury Security is a protection program with benefits in the form of health services. This program can also be accompanied by compensation in the form of cash for participants who suffer from illness or work accidents, which are caused by the work environment.

Forms of Benefits

The benefits of Employment Injury Security are in the form of health care and treatment according to medical needs, and/or compensation in the form of cash.

- Treatment without cost limit according to medical indications
- Homecare service
- Death benefit of 48x wages
- Permanent total disability compensation of 56x wages
- Maximum scholarship benefit of IDR 174 million for 2 children
- Return to work
- Compensation for being unable to work of 100% of the first 12 wages and 50% of the next month's wages until recovered

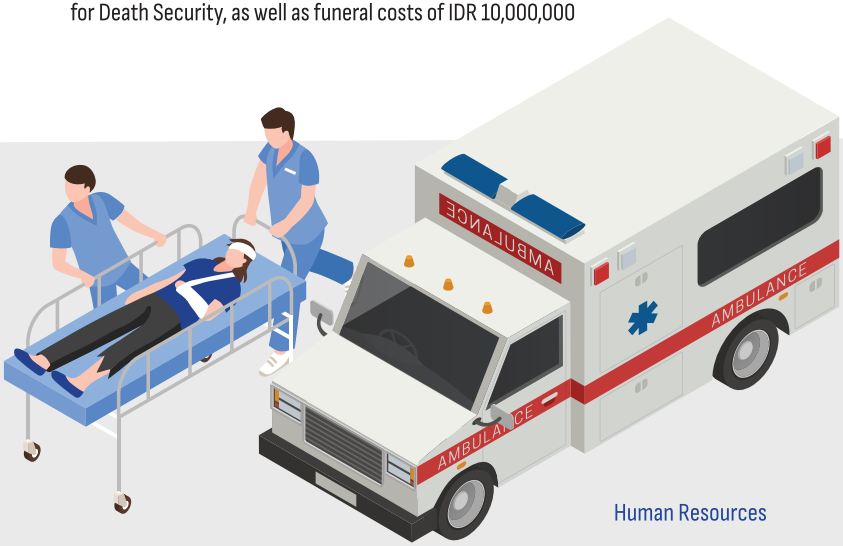
Full Benefits

Employment Injury Security applies to work accidents that occur during the working period, starting from traveling to or from workplace, to accidents that occur in the workplace.

1. The benefits of Employment Injury Security are in the form of health care and treatment include:
   a. Basic examination and diagnostic supporting examination
   b. First level to intensive care
   c. Class 1 inpatient at a Government Hospital, Local Government Hospital, or Private Hospital at an equivalent cost
   d. Treatment of comorbidities and complications related to work accidents or occupational diseases
   e. Special services and blood services
   f. Medical devices and implants
   g. Doctor or medical services
   h. Operation
   i. Medic rehabilitation

j. Home care is provided with the following conditions:
   - It is for participants who cannot continue treatment at or to the hospital due to physical limitations and/or geographical conditions.
   - If it is recommended by a doctor.
   - It is carried out by health facilities in collaboration with BPJS Employment.
   - The maximum benefit is 1 year with a maximum cost of IDR 20.000.000
   - It is carried out as a diagnostic examination in the treatment of occupational diseases.

2. It is in the form of cash compensation, provided that:
   a. Reimbursement of transportation costs, for:
      - Land, river, and/or lake transportation, a maximum of IDR 5,000,000
      - Sea transportation, a maximum of IDR 2,000,000
      - Air transportation, a maximum of IDR 10,000,000
      - If the participant uses more than 1 transportation, the participant is entitled to themaximum cost of each transportation used
   b. Compensation for a Temporary Unable to Work (STMB) condition, amounting to:
      - 100% of wages for the first 6 months
      - 100% of wages for the second 6 months
      - 50% of wages for the third 6 months and so on
   c. Disability Benefits, for:
      - Anatomical partial disability, by calculating the percentage according to the disability table multiplied by 80 times the monthly wage
      - Functional partial disability, by calculating the percentage of reduced function multiplied by the percentage according to the disability table multiplied by 80 times the monthly wage
      - Permanent total disability, calculated at 70% multiplied by 80 times the monthly wage
   d. Compensation for death is obtained by calculating: 60% × 80 x monthly wages, and at least the amount of compensation for Death Security, as well as funeral costs of IDR 10,000,000



e. Periodic compensation, will be paid at once in the amount of IDR 12,000,000,- for participants with permanent total disability or death due to work or work accidents.

f. Rehabilitation, in the form of orthoses and/or prostheses for participants with missing or non-functioning limbs due to work accidents. Each case has a reference price set by the Government Public Hospital Rehabilitation Center plus 40% of that price and medical rehabilitation costs.

g. Reimbursement for dentures with a maximum of IDR 5,000,000

h. Reimbursement for hearing aids with a maximum of ID 2,500,000,-

i. Reimbursement for glasses with a maximum of ID 1,000,000

j. Scholarship, for a maximum of 2 children of the participants. For participants with permanent total disability or death due to work accidents or occupational diseases, the following conditions are regulated:

- Scholarships are awarded periodically every year, according to the child's education level for:
  - Kindergarten education IDR 1,500,000 / person / year, for a maximum of 2 years.
  - Elementary education/equivalent IDR 1,500,000/person/year, for a maximum of 6 years.
  - Junior high school education/equivalent of IDR 2,000,000/person/year, for a maximum of 3 years.
  - High school education/equivalent of IDR 3,000,000/person/year, for a maximum of 3 years.
  - Higher education with a maximum of undergraduate level or training of IDR 12,000,000,-/person/year for a maximum of 5 years.
- Submission of scholarship claims can be made every year.
- For children of participants who have not reached school age (maximum elementary school) when the participant passes away or has permanent total disability, the scholarship will still be awarded when the children have reached the school age.
- The scholarship ends when the participant's children have reached the age of 23 years or is married or has worked



Death Security (JKM)

Death Security is a protection program with cash benefits given to heirs when the participant passes away, which is NOT due to a work accident or work-related illness.

Forms of Benefits

The benefits of Death Security are in the form of periodic compensation, funeral expenses, and educational scholarships for children of the participant.



Maximum in Scholarship Benefit of IDR 174 million for 2 children

Full Benefits

Death Security benefits can be disbursed when the participant passes away during the active membership period, and in accordance with the following conditions:

1. Periodic compensation, which is paid at once in the amount of IDR 12,000,000
2. Death compensation, amounting to IDR 20,000,000
3. Funeral costs, amounting to IDR 10,000,000
4. Scholarship, for a maximum of 2 children of the participant. The scholarship will be awarded if the participant has a minimum contribution period of 3 years and passes away NOT due to a work accident or occupational disease. The following are the provisions for educational scholarships for children of the participant:
   a. Scholarships are awarded periodically every year, according to the child's education level for:
      - **Kindergarten** education IDR 1,500,000 / person / year, for a maximum of 2 years.
      - **Elementary** education/equivalent IDR 1,500,000/person/year, for a maximum of 6 years.
      - **Junior high school** education/equivalent of IDR 2,000,000/person year, for a maximum of 3 years.
      - **High school** education/equivalent of IDR 3,000,000/person/year, for a maximum of 3 years.
      - Higher education with a maximum of undergraduate level or training of IDR 12,000,000/person/year, for a maximum of 5 years.

b. Submission of scholarship claims can be made every year.

c. For children of participants who have not reached school age (maximum elementary school) when the participant passes away or has permanent total disability, the scholarship will still be awarded when the children have reached the school age.

d. The scholarship ends when the participant's children have reached the age of 23 years or is married or has worked.

Pension Security (JP)

Pension Security is a protection program to maintain a decent life. Pension Security is given when participants reach retirement age or have a permanent total disability.



Forms of Benefits

Pension Security benefits are in the form of cash, which is received every month, where the nominal is determined based on a certain formula, and or in the form of cash received at once, where the nominal is calculated from the accumulation of all contributions plus yield of investment.



Full Benefits

1. The following are the conditions for cash each month:
   a. Pension due to old age, which is received by participants after retirement until death.
   b. Pension due to disability, which is received by participants with permanent total disability due to an accident or due to illness until death.
   c. Pension due to being a widow/widower, which is received by the widow/widower as the participant's heir until death or he/she is married again.
   d. Pension money for children, which is received by the participant's heirs up to a maximum age of 23 years, or has worked, or is married. Pensions for children are given to a maximum of 2 children of the registered participants.
   e. Pension money for parents, which is received by one of the participant's parent heirs until death, for participants who do not have husband/wife/children.
2. The amount of which is determined based on a certain formula; and or

   In the form of cash received at once, the amount of which is the accumulation of all contributions plus the yield of investment.



Unemployment Benefit (JKP)

Unemployment Benefit is a protection program given to workers/laborers who have been terminated. This program is given to maintain a decent life while the participants have not found work yet.

Forms of Benefits

Unemployment Benefit benefits are in the form of cash, access to job market information, to job training. This benefit is given to participants who have been terminated, have not returned to work, and have a commitment to return to the job market, provided that the participant has had a contribution of Unemployment Benefit for at least 12 months in 24 months and has paid a contribution for at least 6 consecutive months.

- Cash Benefit
- Access To Job Market Information
- Job Training

Full Benefits

Benefits in the form of cash are provided by the Social Security Agency for Employment. Meanwhile, the benefits of access to labor market information and job training are organized by the ministry in the field of manpower.

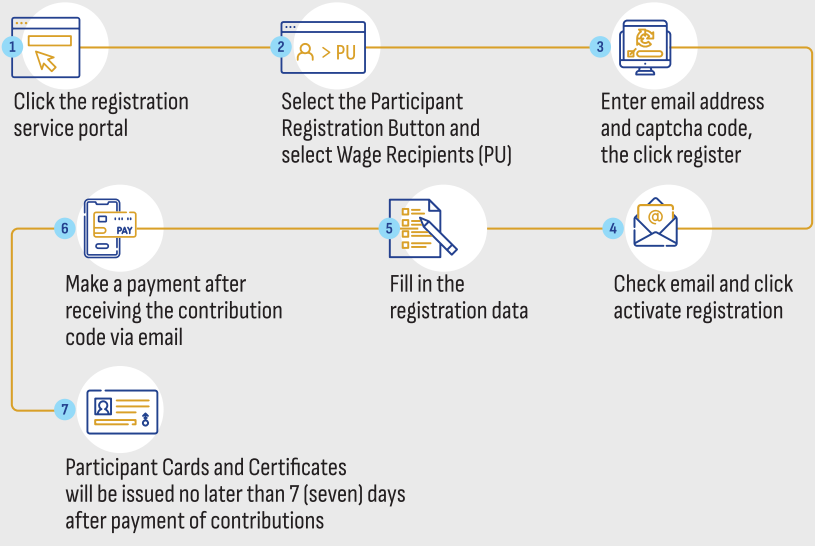
The amount of benefits in the form of cash given every month is a maximum of 6 months wages with the nominal calculation as follows:

- 45% of the monthly wage for the first 3 months.
- 25% of the monthly wage for the next 3 months.

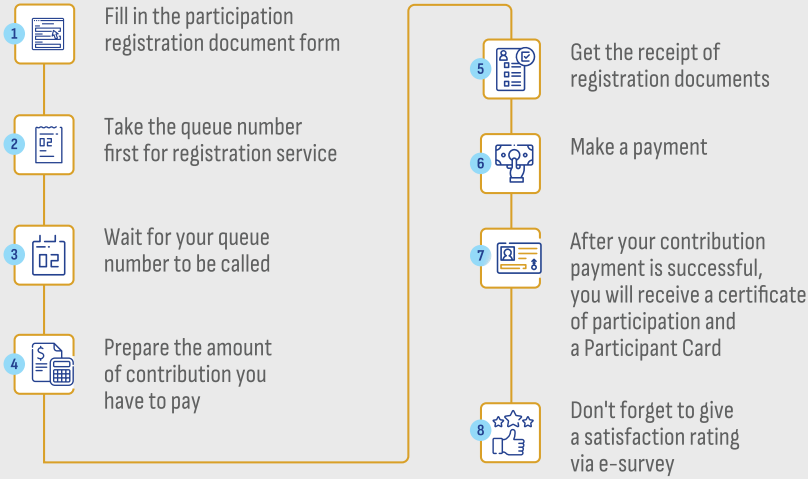
The basis for the wages used is taken from the most recent wages reported to the Social Security Agency for Employment with a maximum nominal value of IDR 5,000,000.

Registration Procedure

Registration Online



Registration at the Branch Office



Registration Documents

The employer prepares complete documents as a requirement for registration of participants of the Social Security Agency for Employment program.

- Employer/Business Entity Registration Form
- Worker ID card
- Registration Form/ Change of Employee Data
- Company Owner's Identity Card
- Form of Detailed Report of Employee Contribution
- TIN of the Company
- Business Place Permit/ Trade Business Permit/ Business Registration Number

Calculation of Contribution

Jaminan Kecelakaan Kerja

Employment Injury Security

- Very Low Risk Level: 0.24% of wages per month
- Low Risk Level: 0.54% of wages per month
- Medium Risk Level: 0.89% of wages per month
- High Risk Level: 1.27% of wages per month
- Very High Risk Level: 1.74% of wages per month

Death Security

0.3% of wages per month

Old-Age Security

Employers 3.7% of Wages per month
Workers 2% of Wages per month

Pension Security

Employers 2% of Wages per month
Workers 1% of Wages per month

Contribution Calculation Simulation

Example:

A worker with a monthly wage of Rp. 1,000,000, works in a restaurant (low risk category), then the total contribution that must be paid is:

Program	Contribution	Wages	Total Contribution
JHT	3,7% (Employer)	Rp1.000.000	IDR 37,000
JHT	2% (Worker)		IDR 20,000
JKK	0,54% (Employer)		IDR 5,400
JKM	0,3% (Employer)		IDR 3,000
JP	2% (Employer)		IDR 20,000
JP	1% (Worker)		IDR 10,000
Total			IDR 95,400
Total Contribution paid by the Employer			IDR 65,400
Total Contribution paid by the Worker			IDR 30,000

Based on article 88B paragraph (1) Law 13/2003 jo. Law 11/2020 and article 14 PP 36/2021, wages are determined based on time units and output units. The explanation is as follows:

Based on the Unit of Time

A. Hourly wages (article 16 PP 36/2021):

1) Determination of hourly wages can only be allocated to workers /laborers who work part time. What is meant by "working part time" is working less than 7 hours 1 day and less than 35 hours 1 week
2) Hourly wages are paid based on an agreement between the Employer and the Worker/Labourer
3) The agreement cannot be lower than the result of calculating the hourly wage formula as follows:
   Hourly wages = Monthly wages: 126

Note: The number 126 is the denominator obtained from multiplying 29 hours (the highest median working hours of part-time workers from all Provinces in 1 week) by 52 weeks (number of weeks in 1 year) then divided by 12 months

b. Daily wages (article 17 PP 36/2021)

in the case of wages set on a daily basis, the calculation of the daily wage is as follows:

1) For companies with a working time system of 6 days a week, the monthly wage is divided by 25, or
2) For companies with a working time system of 5 days a week, the monthly wage is divided by 21

c. Monthly wages

Based on output units (articles 18 and 19 of PP 36/2021):

a. Set in accordance with the results of work that has been agreed
b. Determination of the amount of wages is carried out by the employer based on the results of an agreement between the worker and the entrepreneur
c. Determination of monthly wages based on output units is determined based on the average wage for the last 12 months received by workers

Based on information from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, there are

six labor regulations discussed in the Job Creation Law

Type of Work

Specific Time Work Agreement (PKWT)

- Guaranteed compensation after the PKWT runs out
- Only for certain jobs

Transfer Power

- Still regulated by law according to the decision of the Constitutional Court
- There is no limit to the work that can be outsourced



Job Loss Guarantee Program (JKP)

- Implementation of the program through Employment BPJS
- Does not reduce the benefits of JKK, JKm, JHT, JP
- Does not add to the burden of workers' or employer's contributions

Plan for The Use of Foreign Workers (TKA)

Conveniences only for expert TKA such as maintenance (emergency), vocational, researchers, as well as investors and buyers

Minimum Wage (UM)

- Minimum Wage set at provincial level (UMP)
- Regency/city MW is determined if certain conditions are met
- The sectoral MW is removed but those that are higher than the district/city UM arenot lowered
- The increase in MW refers to economic growth, inflation, and the productivity coefficient



Severance Pay

Maximum severance pay is 25 times wages , consisting of:

- 19 times borne by the employer
- 6 times covered by the JKP program

Working Time

- Additions for part time jobs are more flexible
- The maximum digital economy is 8 hours/day and 40 hours/week
- Special work can exceed 8 hours/day (oil and gas, mining, plantation, agriculture, and fishery)

Super Deductible Tax

Tax Indonesia is a tax incentive given by the government to industries involved in vocational education programs, including research and development activities to produce innovation. The incentives provided by the government are tax cuts for the industry. Withholding tax is regulated in Government Regulation of the Republic of Indonesia Number 45 of 2019. There are two incentive points listed in the regulation, including:



Article 29B paragraph (1)reads:
To domestic corporate taxpayers who carry out work practices, apprenticeship, and / or learning activities in the context of fostering and developing certain competency-based Human Resources (HR), a maximum gross income reduction of 200% can be given two hundred percent) of
the total costs incurred for work practices, apprenticeship,
and/or learning activities.



Article 29C paragraph(1) which reads:
To taxpayers of domestic bodies conducting research and development activities in Indonesia, a reduction in gross income of at least 300% (three hundred percent) of the total costs incurred for certain research and development activities in Indonesia is charged within a certain period.

Thus, domestic corporate taxpayers will get two types of ax-cutting incentives depending on the type of activity carried out. If the WP domestic agency organizes apprenticeship activities and the like, the business entity will get a maximum tax withholding of 200% of the total costs incurred for these learning activities.

Whereas if the WP of a domestic body carries out certain research and development activities, the business entity will obtain a reduction in gross income of a maximum of 300% of the amount spent on the ongoing activity.



Visa & Immigration


PASSPORT
PASSPORT
APPROVED

Any foreign national who enters territory of Indonesia is required to possess a valid travel document and entry permit or visa. Some foreign nationals do not required to apply for a visa for short visit facility. All other foreign nationals are required to possess a visa. Visas are issued to those persons who are visiting Indonesia on government work, on business, socio-cultural activities and holiday purposes.

Type of Visa is categorized into:

Visit Visa
USD 50

Multiple Entry Visa
USD 110

Visa On Arrival (30 Days)
USD 50

Limited Stay Visa ≤ 6 Month
USD 55

Limited Stay Visa ≤ 1 Year
USD 105

Limited Stay Visa ≤ 2 Years
USD 180

No.	Types		Tariff
1.	Extension on Entry Visit Permit		IDR 300,000
2.	Limited Stay Permit	≤ 6 month	IDR 650,000
		≤ 1 year	IDR 1,000,000
		≤ 2 years	IDR 1,600,000
3.	Extention on Limited Permit	≤ 6 month	IDR 650,000
		≤ 1 year	IDR 1,000,000
		≤ 2 years	IDR 1,600,000
4.	Replacement of valid Limited Stay Permit Card due to damage or lost	≤ 6 month	IDR 1,100,000
		≤ 1 year	IDR 2,000,000
		≤ 2 years	IDR 3,000,000
5.	Special Stay Immigration Permit, Extension, Replacement and Additional Validity Period		IDR 700,000
6.	Stamp on Issuance of Special Stay Immigration Permit Replacement and Additional Length of Special Stay Immigration Permit at the Immigration Office		IDR 150,000
7.	Permanent Stay Permit		IDR 3,700,000
8.	Extension for Permanent Stay Permit*		IDR 10,200,000
9.	Replacement of Valid Permanent Stay Permit due to damage or lost*		IDR 1,700,000
10	Service use of Immigration Management Information System Technology		IDR 1,700,000

Source: BP Batam Office, updated June 2022

Foreign within Indonesian territory exceeding not more than 60 (sixty) days of issued immigration permit, changed per day

IDR 300,000

Liable party for transportation equipment who has not met obligations to report as stated on article 9 laws no 9 year 1992 about Immigration

IDR 50,000,000

Source: The Ministry of Justice and Human Rights, updated: October 2019

Immigration Letter of Reference

IDR 3,000,000

Smart Card

IDR 350,000

APEC Business Travel Card (ABTC)

IDR 2,500,000

Index visa is used based on it purpose, which is:

Visit Visa

Visitor Visa is granted from the Indonesia Government only for the purpose No to Work activities which are covered in all aspect that connected with the government, tourism, social cultural, and business requirements. Visitor Visa can be used maximum for 60 days, such as:

- Diplomatic relationship between foreign country and Indonesian Government
- Journalists that already have permission from authorized government
- Making movie/film which is not purpose for commercial benefit, and already have approval from official government
- Giving speech, information or having a seminar that not commercial in social, culture or even government activities after already had approval from official government
- Family or social visiting
- Go on short trainee (education, information, business)
- With another educational institutions
- Participate on international fair that not commercial
- Business talk, such a trading goods (commodity) and serve or supervise for the quality of productions
- Participate on a meeting or conference that take place in center office (department) or represent in Indonesia
- Tourism

Presidential Decree Number 1 year 2018 regarding Free Visit Visa, the list of the countries are:

No.	Country	No.	Country	No.	Country
1.	Albania	40.	Cyprus	80.	Liechtenstein
2.	Algeria	41.	Czech Republic	81.	Lithuania
3.	Andorra	42.	Denmark	82.	Luxembourg
4.	Angola	43.	Dominican Republic	83.	Macau SAR
5.	Antigua and Barbuda	44.	Ecuador	84.	Macedonia
6.	Argentina	45.	Egypt	85.	Madagascar
7.	Armenia	46.	El Salvador	86.	Malawi
8.	Australia	47.	Estonia	87.	Malaysia
9.	Austria	48.	Fiji	88.	Maldives
10.	Azerbaijan	49.	Finland	89.	Mali
11.	Bahamas	50.	France	90.	Malta
12.	Bahrain	51.	Gabon	91.	Marshall Islands
13.	Bangladesh	52.	Gambia	92.	Mauritania
14.	Barbados	53.	Georgia	93.	Mauritius
15.	Belarus	54.	Germany	94.	Mexico
16.	Belgium	55.	Ghana	95.	Moldova
17.	Belize	56.	Greece	96.	Monaco
18.	Benin	57.	Grenada	97.	Mongolia
19.	Bhutan	58.	Guatemala	98.	Morocco
20.	Bolivia	59.	Guyana	99.	Mozambique
21.	Bosnia and Herzegovina	60.	Haiti	100.	Myanmar
22.	Botswana	61.	Honduras	101.	Namibia
23.	Brazil	62.	Hong Kong SAR	102.	Nauru
24.	Brunei Darussalam	63.	Hungary	103.	Nepal
25.	Bulgaria	64.	Iceland	104.	Netherlands
26.	Burkina Faso	65.	India	105.	New Zealand
27.	Burundi	66.	Ireland	106.	Nicaragua
28.	Cambodia	67.	Italy	107.	Norway
29.	Canada	68.	Jamaica	108.	Oman
30.	Cape Verde	69.	Japan	109.	Palau
31.	Chad	70.	Jordan	110.	Palestine
32.	Chile	71.	Kazakhstan	111.	Panama
33.	China	72.	Kenya	112.	Papua New Guinea
34.	Commonwealth	73.	Kiribati	113.	Paraguay
	of Dominica	74.	Kuwait	114.	Peru
35.	Comoros	75.	Kyrgyzstan	115.	Philippines
36.	Costa Rica	76.	Laos	116.	Poland
37.	Cote D'Ivoire	77.	Latvia	117.	Portugal
38.	Croatia	78.	Lebanon	118.	Puerto Rico
39.	Cuba	79.	Lesotho	119.	Qatar

No.	Country	No.	Country	No.	Country
120.	Romania	137.	Sri Lanka	153.	Tunisia
121.	Russia	138.	St Kitts and Nevis	154.	Türkiye
122.	Rwanda	139.	St Lucia	155.	Turkmenistan
123.	Samoa	140.	St Vincent and Grenadines	156.	Tuvalu
124.	San Marino			157.	Uganda
125.	Sao Tome and Principe	141.	Suriname	158.	Ukraine
126.	Saudi Arabia	142.	Swaziland	159.	United Arab Emirates
127.	Senegal	143.	Sweden	160.	United Kingdom
128.	Serbia	144.	Switzerland	161.	Uruguay
129.	Seychelles	145.	Taiwan	162.	USA
130.	Singapore	146.	Tajikistan	163.	Uzbekistan
131.	Slovakia	147.	Tanzania	164.	Vanuatu
132.	Slovenia	148.	Thailand	165.	Vatican City
133.	Solomon Island	149.	Timor-Leste	166.	Venezuela
134.	South Africa	150.	Togo	167.	Vietnam
135.	South Korea	151.	Tonga	168.	Zambia
136.	Spain	152.	Trinidad & Tobago	169	Zimbabwe



Seaport for Visa on Arrival



Airport for Visa on Arrival

Hang Nadim International Airport



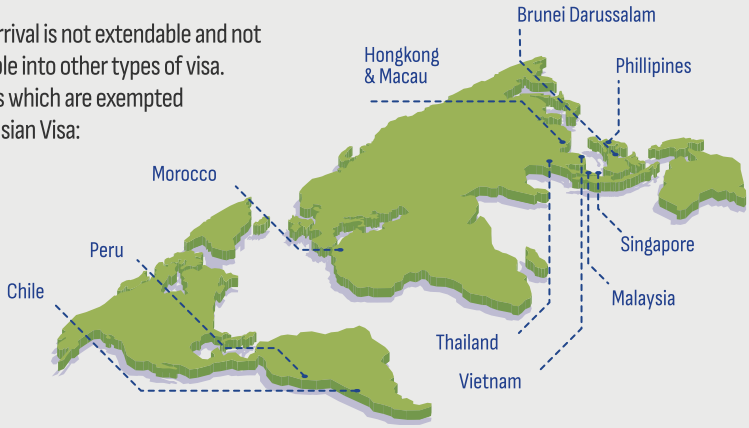
Multiple Entry Visa



Visited Visa for Several Times can be obtained from the Indonesian Overseas, Embassy, Consulate General and Immigration Department for necessity not to work which covered all aspect and related in Government activity, tourism, social culture, and business requirements, but need several times visiting to Indonesia in maximum 1 (one) year, and for period time every visited it is not more than 60 days.

- Diplomatic relationship between foreign country and Indonesian Government
- Journalists that already have permission from authorized government
- Making movie/film which is not purpose for commercial benefit, and already have approval from official government
- Giving speech, information or having a seminar that not commercial in social, culture or even government activities after already had approval from official government
- Family or social visiting
- Go on short trainee (education, information, business)
- With another educational institutions
- Participate on international fair that not commercial
- Business talk, such a trading goods (commodity) and serve or supervise for the quality of productions
- Participate on a meeting or conference that take place in center office (department) or represent in Indonesia
- Tourism

Visa on Arrival is not extendable and not convertible into other types of visa. Countries which are exempted of Indonesian Visa:



The cost for making a passport is in accordance with: Government Regulation of the Republic of Indonesia Number 28 of 2019 concerning Types and Tariffs for Types of Non-Tax State Revenues Applicable to the Ministry of Law and Human Rights:

A. Travel Documents of Republic of Indonesia

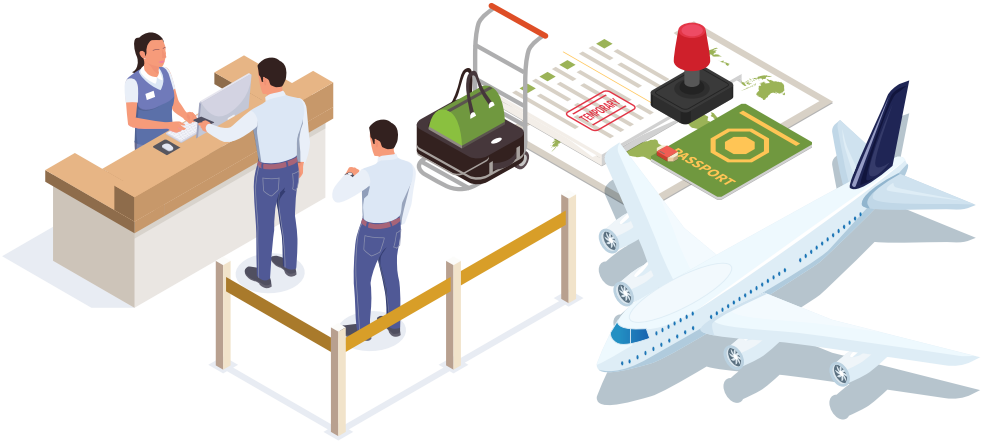
No.	PNBP Type	Unit	Tariff
1.	Ordinary passport 48 pages	Per Application	IDR 350,000
2.	Ordinary passport 48 pages Electronic	Per Application	IDR 650,000
3.	Travel Document in Lieu of a Passport for Indonesia Citizens	Per Application	IDR 100,000
4.	Travel Document in Lieu of a Passport for Foreigners	Per Application	IDR 150,000
5.	Passport Expediting Service Completed on The Same Day	Per Application	IDR 1,000,000

B. Visa

No.	PNBP Type	Unit	Tariff
	A. Visitor Visa		
1.	One Time Visit Visa	Per Application	US$ 50.00
2.	Visit Visa for Multiple Trips Calculated per Year	Per Application	US$ 110.00
3.	Visa on Arrival	Per Application	IDR 500,000
	B. Admission		
1.	Temporary/Limited Stay Permit Visa	Per Application	US $150
2.	Extension of Stay Permit with on Arrival Visit Visa	Per Application	IDR 700,000
	C. Director General of Immigration Visa Approval		
1.	Director General of Immigration Visa Approval	Per Application	IDR 200,000

C. Immigration Permit

No.	PNBP Type	Unit	Tariff
	A. VISIT PERMIT		
1.	Granting a Visit Permit with a Validity Period of 30 Days	Per Application	IDR 500,000
2.	Visit Permit Extension Valid for 30 Days	Per Application	IDR 500,000
3.	Visit Permit Extension Valid for 60 Days	Per Application	IDR 750,000
	B. LIMITED STAY PERMIT		
1.	Limited Stay Permit on Arrival	Per Application	IDR 750,000
2.	Limited Stay Permit valid for a maximum of 6 (six) months	Per Application	IDR 1,000,000
3.	Limited Stay Permit with a Maximum Validity of 1 (One) Year	Per Application	IDR 1,500,000
4.	Limited Stay Permit Valid for a Maximum of 2 (Two) Years	Per Application	IDR 2,000,000
5.	Special Limited Stay Permit Valid for a Maximum Period of 5 (Five) Special Special Economic Zones (SEZ)	Per Application	IDR 5,000,000
7.	Approval of Limited Stay Permits for Workers in Indonesian Waters	Per Application	IDR 1,000,000



Limited Stay Visa (VITAS)

Temporary Stay Visa (VITAS) that granted to person who are not working, but is already have another requirement (application) that related in Indonesia, which is:

- Investment that come from outside Indonesia and have temporary permission to stay for period time in 1 (one) year.
- Investment that come from outside Indonesia and already have temporary permission to stay for period time in 2 (two) year.
- Participate (attended) on trainee and scientific research with permission period time for 1 (one) year.
- Participate in education (study) program with temporary permission to stay for period time in 2 (two) year.
- Family gathering with permission to stay in period time for 1 (one) year.
- Repatriation person which is already had approval from Indonesian Government with permission to stay for 1 (one) year.
- Older persons that already have permission to stay for period time in 1 (one) year.

Limited Stay Visa (VITAS)

Limited Stay Visa for Work Requirement

Temporary Stay Visa (VITAS) is granted to a person who are work and not work, but had other necessary (application) business that related in Indonesia:

- Work as skilled (expert) workers in World Trade Organization (WTO) with permission for temporary stay in 2 (two) years.
- Work as an expert employee with permission to stay for 1 (one) year, which is:

APPROVED Cooperate as individual with Indonesian Government.

APPROVED Cooperated as organization non government with The Indonesian Government.

APPROVED Cooperated between foreign company with The Indonesian Government.

APPROVED Joint for work in offshore, on top of a ship, Rigs or shipyard (float equipment) which operate inside territorial sea, Indonesian archipelago, or Indonesian Exclusive Economic Zone (ZEEI) with temporary permission.

APPROVED On a duty that related in religiousness.

APPROVED Participate on international fair that purpose for commercial.

APPROVED Doing activity that connected with profession which is payable, such as: athlete (sportsman), artist (entertain), medicine treatment, consultant, lawyers, business trade, or other profession which have permission from the authorized jurisdiction.

APPROVED Extend a guidance, direction or information for industrial technology innovation to rise up the quality product design along with marketing (economic) cooperation between foreign country with Indonesian Government.

APPROVED Making movie or film that purpose for commercial benefit that already have permission from official government.

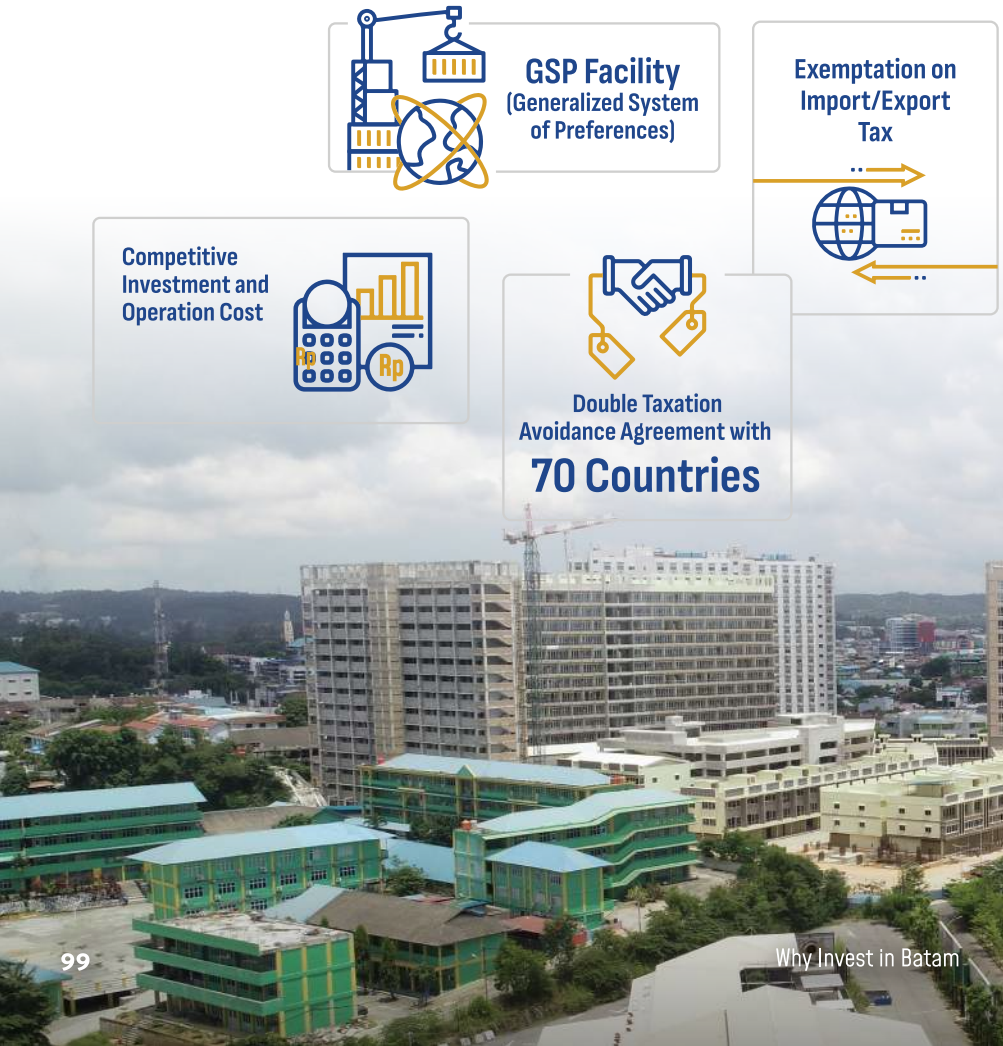


Why Invest in Batam?

FTZ & SEZ

Since the designation of Batam as a Free Trade Zone (FTZ) in accordance with Government Regulation No. 44 of 2007, the central government has provided 4 advantages outlined in the Law on Free Ports and Free Trade. These include exemption from Value Added Tax (VAT), Luxury Goods Sales Tax (LGS), import and export duties for foreign trade.

Meanwhile, the Special Economic Zone (SEZ) is established based on Government Regulation No. 96/2015, offering 14 investment facilitations.



These include investment allowance, accelerated depreciation, dividend tax, extended loss compensation, tax holiday, exemption facilities for Article 22 Import Income Tax, no VAT on imports, no VAT on domestic purchases, exemption from VAT and/or Luxury Goods Sales Tax, exemption from the delivery of goods to other facilitators, VAT refund for foreign passport holders, customs duty suspension, customs duty exemption, and tax exemption.

For the SEZ in Batam, two designated areas are Nongsa Digital Park, focusing on the digital industry and tourism, while Batam Aero Technic focuses on the aircraft maintenance, repair, and overhaul (MRO) industry. In the near future, there will be two more SEZ developments: Aerocity Hang Nadim and the Health Sector in Sekupang.

With its status as both a free trade area and a Special Economic Zone, Batam can be viewed as a competitive region in Southeast Asia for attracting foreign investment.



Tax Allowance



Exemptation on Sales Tax of Luxurious Goods



Super Deductible Tax



Exemptation on Value Added Tax (VAT)

Tax Holiday

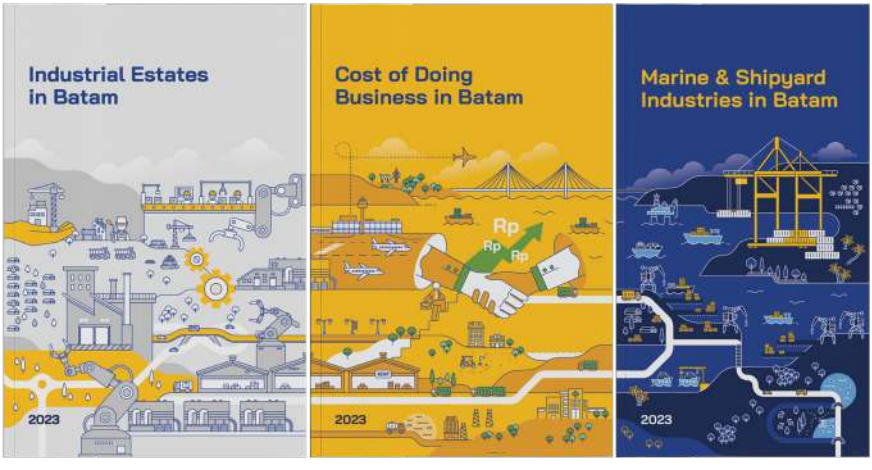






Related Books

All information about Batam Island and business related matters, investment, etc. can be found in this book. Arranged specifically for those of you who are interested in investing in a special area of Free Trade Zone (FTZ).



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Cost of Doing Business in Batam

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Marine & Shipyard Industries in Batam

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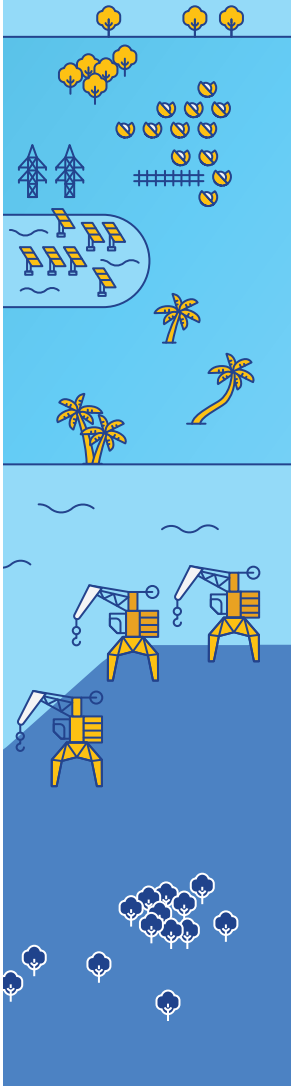
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