



Republic of Indonesia  
The Coordinating Ministry for Economic Affairs  
The National Council for Special Economic Zone

# INDONESIA SPECIAL ECONOMIC ZONES

ACI Webinar on “Special Economic Zone in Indonesia: Progress and Challenge During Pandemic”

23 June 2021

INDONESIA  
SEZ



# NATIONAL ECONOMIC RECOVERY PROGRAM

## Economy Outlook of Indonesia 2020 – 2021



Institution	2020	2021
World Bank (Jan 2021)	-2,2	4,4
OECD (Des 2020)	-2,4	4,0
ADB (Sept 2020)	-1,0	5,3
IMF (Jan 2021)	-1,9	4,8



The Indonesian economy is projected to recover gradually in 2021 in the range of 4.5 – 5.5% supported by an increase in household consumption, investment, government spending, and exports. However, uncertainty remains high.

### World Bank recommendations (Dec 2020) to accelerate Indonesia's economic recovery:

- Prioritizing public health by increasing 3T and implementing safe and approved Covid-19 vaccinations.
- Monitor and continue assistance for households and companies affected by Covid-19, especially the bottom 40% of the community.
- Fiscal reform to increase fiscal space and help finance crisis response.
- Structural reforms to increase the potential for economic growth.

Source: World Bank, 2020. *Indonesia Economic Prospects: Towards a Secure and Fast Recovery*.

## KEY FACTORS OF ECONOMIC GROWTH 2021



**Household Consumption**



**Investment**



**Government Spending**

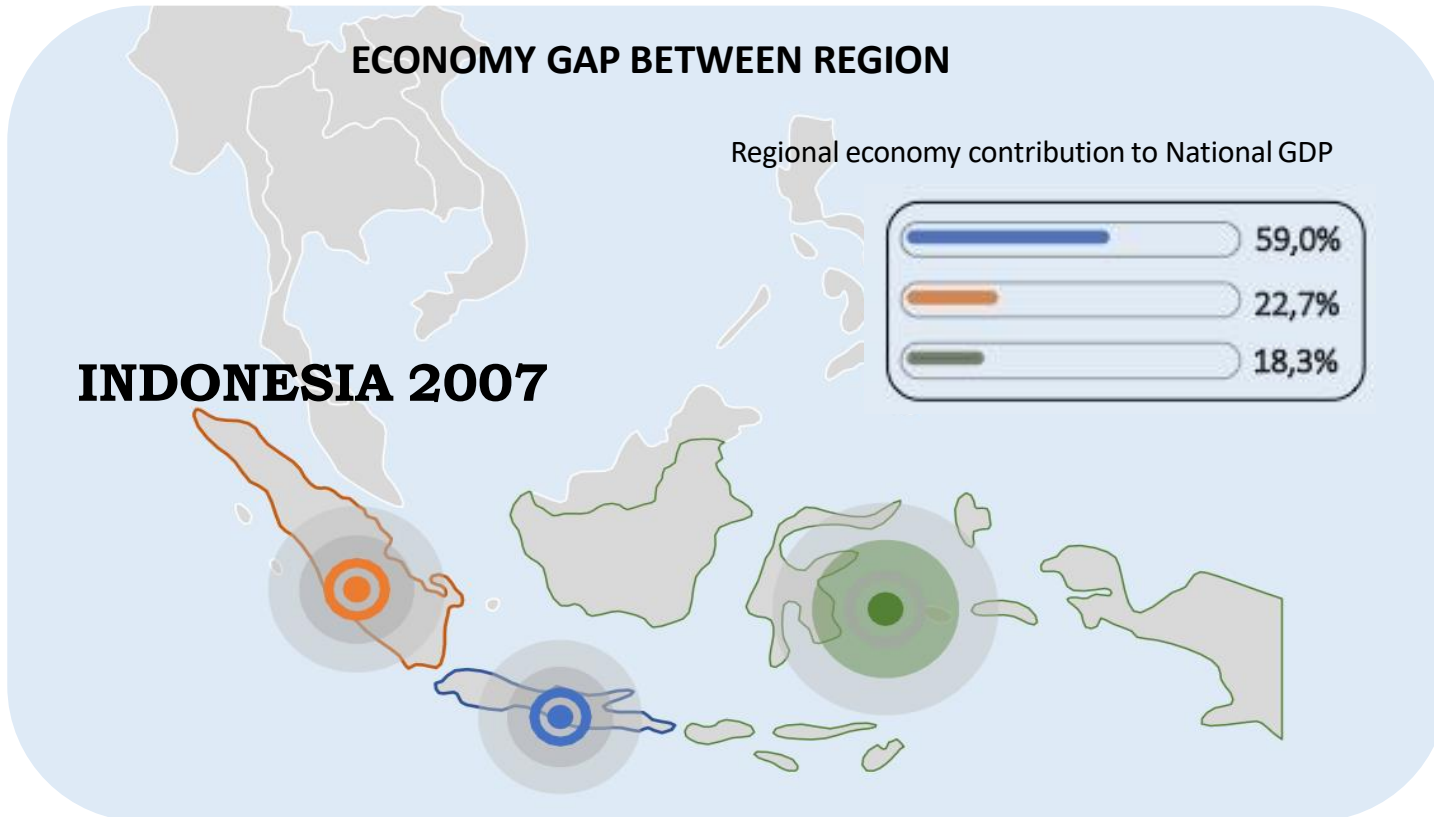


**Export**

# INDONESIA SPECIAL ECONOMIC ZONES

## Background of SEZ Development

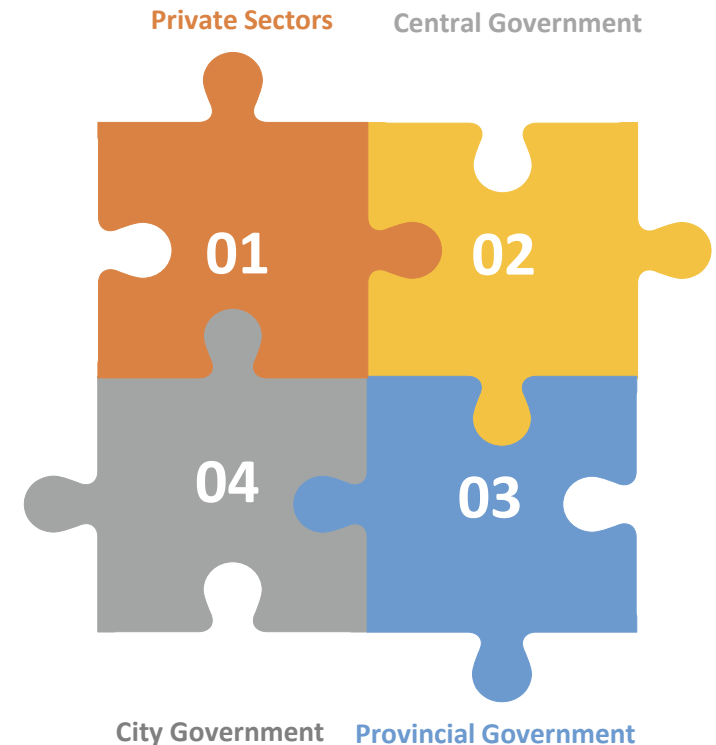
Economic growth of Indonesia have been highly centered around Java island with 59% contribution to national GDP. In order to narrowing economic gap amongst regions, Indonesia require vast infrastructure development as well as the development of **new economic growth poles**.



The basic concept of Indonesia SEZs is the preparation of areas which have accessibility to the global market or the main resources (access to the sea port and or airport)

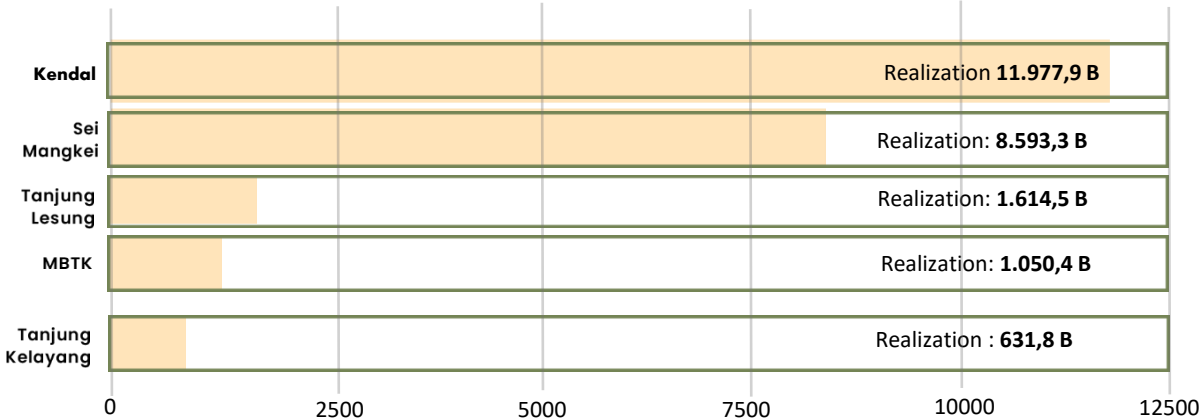
## Different Roles in SEZ Development

There is the division of roles and responsibilities between central government, local government and private sectors in developing SEZ



# INDONESIA SPECIAL ECONOMIC ZONES

## Investment Realization Performance until May 2021 (IDR)



## Commonly SEZs Multiplier Effect

1. Job creation
2. MSMEs growth
3. Improvement on people skill
4. Development of infrastructure and public facilities around KEK

## 5 SEZs Multiplier Effect

### KEK SEI MANGKEI

- Sei Mangkei SEZ contributed exports of USD 370 million or equivalent to Rp 5,3 Trillion in 2020
- Small and medium enterprises (SMEs) have started to appear around the SEZ, such as catering, laundry, homestay, shops, markets, and restaurants

### KEK TANJUNG KELAYANG

- MSMEs have started to grow around the SEZ, such as homestay, markets, and restaurants.
- The increasing number of tourists in tourist destinations around the Tanjung Kelayang SEZ.

### KEK MBTK

The development of MBTK encourages infrastructure development in the surrounding area and can be utilized by local residents such as electricity, clean water, and access road, as well as encouraging the growth of MSMEs.


### KEK KENDAL


- Local labor absorption
- Small and medium enterprises (SMEs) have started to appear around the SEZ, such as homestays, minimarkets, souvenir shops, restaurants to new tourist destinations around the SEZ.
- job creation through the Small and Medium Industries in the SEZ;s Buffer zone
- Development of infrastructure and public facilities around KEK


### KEK TANJUNG LESUNG


- The absorption of job creation through Small and Medium Enterprises in SEZ bufferzone, quadrupled from 2015 to 2021.
- The growth of homestay around Tanjung Lesung SEZ and The development of Tourism Village

# 18 SPECIAL ECONOMIC ZONES

**1. Arun Lhokseumawe**   
 North Aceh & Lhokseumawe, Aceh  
 (Government Regulation No. 05/2017 - February 2017)  
**Operating in December 2018**  
 Primary Activities:  
 - Energy Industry  
 - Petrochemical and other chemical Industry  
 - Palm Oil Industry  
 - Logging Industry  
 - Logistic

**2. Sei Mangkei SEZ**   
 Simalungun, North Sumatera  
 (Government Regulation No. 29/2012 - February 2012)  
**Operating in January 2015**  
 Primary Activities:  
 - Palm oil Industry  
 - Rubber Industry  
 - Tourism  
 - Logistic

**3. Batam Aero Technic SEZ**   
 Batam, Riau Islands  
 (Government Regulation No. 67/2021 - June 2021)  
 Primary Activities:  
 - MRO Industry (Maintenance, Repair, Overhaul)

**4. Nongsa SEZ**   
 Batam, Kepulauan Riau  
 (Government Regulation No. 68/2021 - June 2021)  
 Primary Activities:  
 - IT-digital  
 - Tourism

**5. Galang Batang SEZ**   
 Bintan, Riau Islands  
 (Government Regulation No. 42/2017 - October 2017)  
**Operating in December 2018**  
 Primary Activities:  
 - Bauxite Industry  
 - Logistic


**11. Singhasari SEZ**   
 Malang, East Java  
 (Government Regulation No. 68/2019 - September 2019)  
 Primary Activities:  
 - Tourism  
 - Digital Technology

**12. Mandalika SEZ**   
 Central Lombok, NTB  
 (Government Regulation No. 52/2014 - June 2014)  
**Operating in October 2017**  
 Primary Activities:  
 Tourism

**13. MBTK SEZ**   
 East Kutai, East Kalimantan  
 (Government Regulation No. 85/2014 - October 2014)  
**Operating in April 2019**  
 Primary Activities:  
 - Palm Oil Industry  
 - Energy Industry  
 - Logistic

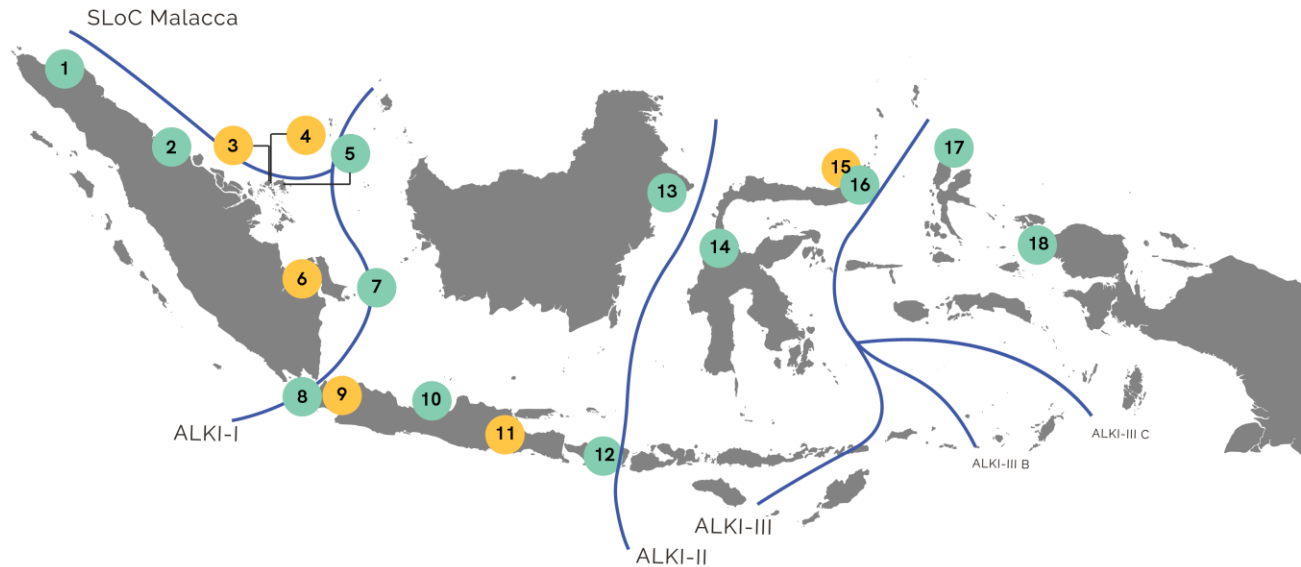
**14. Palu SEZ**   
 Palu, Central Sulawesi  
 (Government Regulation No. 31/2014 - May 2014)  
**Operating in September**  
 Primary Activities:  
 - Base Metal Industry  
 - Logistic


**15. Likupang SEZ**   
 North Minahasa, North Sulawesi  
 (Government Regulation No. 84/2019 - December 2019)  
 Primary Activities:  
 Tourism

**16. Bitung SEZ**   
 Bitung, North Sulawesi  
 (Government Regulation No. 32/2014 - May 2014)  
**Operating in April 2019**  
 Primary Activities:  
 - Coconut Processing Industry  
 - Fishery Industry  
 - Logistic

**17. Morotai SEZ**   
 Morotai Islands, North Maluku  
 (Government Regulation No. 50/2014 - June 2014)  
**Operating in April 2019**  
 Primary Activities:  
 - Fishery Industry  
 - Tourism  
 - Logistic

**18. Sorong SEZ**   
 Sorong, West Papua  
 (Government Regulation No. 31/2016 - August 2016)  
**Operating in October 2019**  
 Primary Activities:  
 - Nickel Smelter Industry  
 - Palm Oil Industry  
 - Forestry (Sago) Industry  
 - Logistic



**6. Tanjung Api-Api SEZ**   
 Banyuasin, South Sumatera  
 (Government Regulation No. 51/2014 - June 2014)  
 Primary Activities:  
 - Palm Oil Industry  
 - Rubber Industry  
 - Petrochemical Industry  
 - Logistic

**7. Tanjung Kelayang SEZ**   
 Belitung, Bangka Belitung  
 (Government Regulation No. 06/2016 - March 2016)  
**Operating in March 2019**  
 Primary Activities:  
 Tourism

**8. Tanjung Lesung SEZ**   
 Pandeglang, Banten  
 (Government Regulation No. 26/2012 - February 2012)  
**Operating in February 2015**  
 Primary Activities:  
 Tourism

**9. Lido SEZ**   
 Bogor, West Java  
 (Government Regulation No. 69/2021 - June 2021)  
 Primary Activities:  
 - Tourism  
 - Creative Industry

**10. Kendal SEZ**   
 Kendal, Central Java  
 (Government Regulation No. 85/2019 - December 2019)  
**Operating in May 2021**  
 Primary Activities:  
 - Textiles and Clothing Industry  
 - Furniture and Toy Industry  
 - Food and Beverage Industry  
 - Automotive Industry  
 - Electronic Industry  
 - Logistic



# SEZ DEVELOPMENT STRATEGY IN 2020-2025

