



**NUSANTARA**

Ibu Kota Negara  
Indonesia

# Investment Opportunities in Nusantara Capital City

Directorate Investment and Ease Doing Business  
Deputy of Funding and Investment

Jakarta, October 2024

# INTRODUCING NUSANTARA

Nusantara offers an unparalleled investment opportunity into the future of Indonesia.



Capital city to promote equitable wealth and social development

*“World-class city for all” – IKN as a superhub*

## Vision of Nusantara:



*The World's Sustainable City*



*A Symbol of National Identity*



*Economic Driver for Indonesia's Future*

## Nusantara Highlights

### Location:

**East Kalimantan, Indonesia<sup>1</sup>**

### Total Area:

**256,142 ha**  
divided into 3 zones<sup>2</sup>

### Population<sup>3</sup>

**~4 Million**

Across the tri-city ecosystem surrounding Nusantara<sup>3</sup>

### Governance:



Nusantara Capital Authority<sup>4</sup> (NCA)

### Investment required:

**USD 32 Billion**

for infrastructure & economic drivers (technology, renewables, energy, EV, etc.)

Source: Wiki "ID Country"; Wiki "Economy of ID"; 1. Located in between the cities of Balikpapan and Samarinda (two major cities in East Kalimantan province); 2. KIPP (6,6 ha), K-IKN (56k ha), KP-IKN (256ha); 3. Balikpapan, Samarinda and surrounding area; 4. OIKN, Otorita Ibu Kota Nasional (NC, an oversight and regulatory board responsible for the development of Nusantara, formed at through the Law No.3 / 2022; 5. 20% from state budget, 80% from private investment.

# Nusantara is beyond the new capital city, leveraging surrounding tri-city and new industrial ecosystems to reach its full potential



**New Capital City**  
*Center of government to house key government functions*



**Forest City**  
*Sustainable city development with clear ESG KPIs*



**Future Green Economic Drivers**  
*Empowering Indonesia's green economy*




**Established cities**

**Balikpapan & Samarinda**  
Population: approx. 4 million<sup>1</sup>  
Infrastructure:

- 2 airports (15 million ASV<sup>2</sup>)
- 3 strategic ports<sup>3</sup>

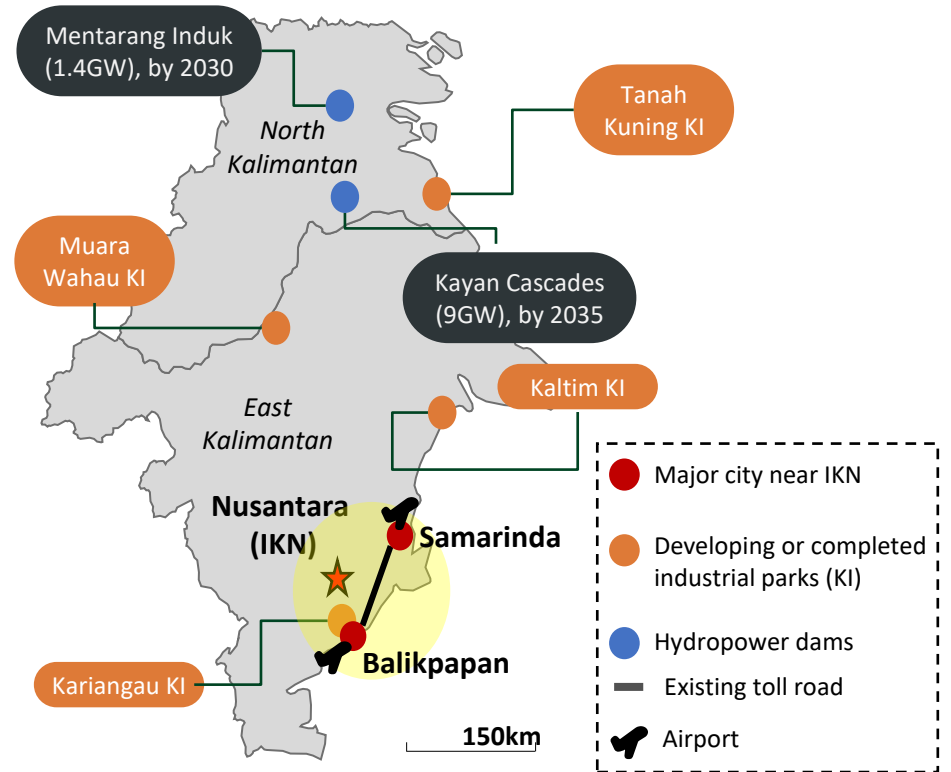
Established center of commerce, education (2 major universities) and healthcare (30+ hospitals)




**Industrial Ecosystem**

**Mega industrial area** with over 300k ha for petrochemical, port services, and EV battery hub. (*Kariangau, Muara Wahau, Kaltim, Tanah Kuning*)

**2 hydropower projects** with over 10 GW under development in North Kalimantan



Source: [IKN website](#); 1. Including surrounding regencies; 2. Airport Service Volume, a reasonable estimate of an airport's annual capacity, figure shown is a combined Balikpapan & Samarinda annual ASV in 2021; 3. Balikpapan Port (Semayang), Kariangau Port, Samarinda Port

# Nusantara's development zones are designed to realize its ambition to become a world-class city and economic superhub

**DZ1** Nusantara's Core Govt' Zone and 1<sup>st</sup> phase development focus

~40% Basic infrastructure completion

\$3.6 Bn Investment accumulated to date

**DZ 2-9** Focused on 6 economic clusters' advancement to realize Nusantara as ID's center for economic development



Clean tech industry



Pharmaceutical & health



Sustainable agri-industry



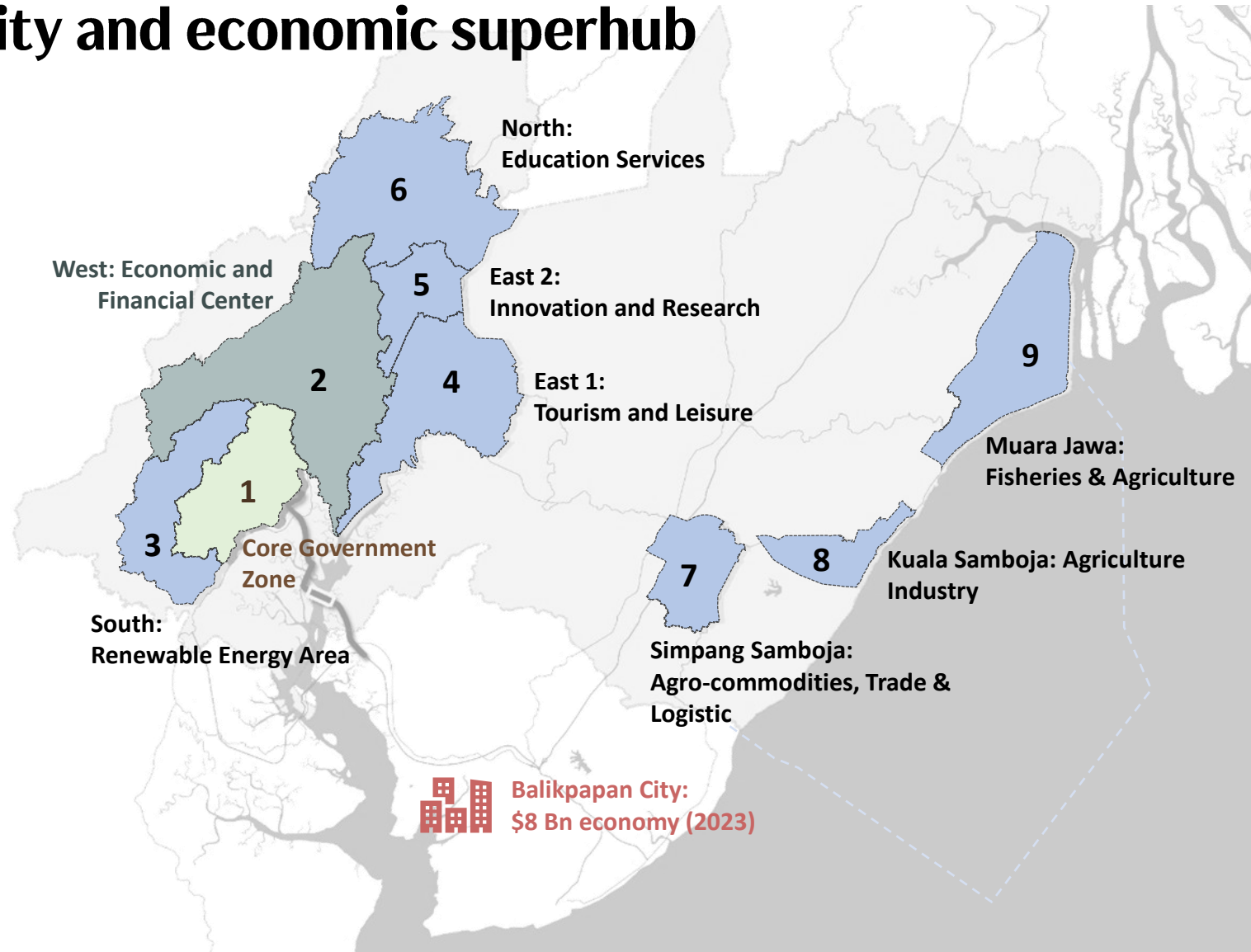
Eco-tourism & wellness



Advanced chemicals



Low-carbon energy

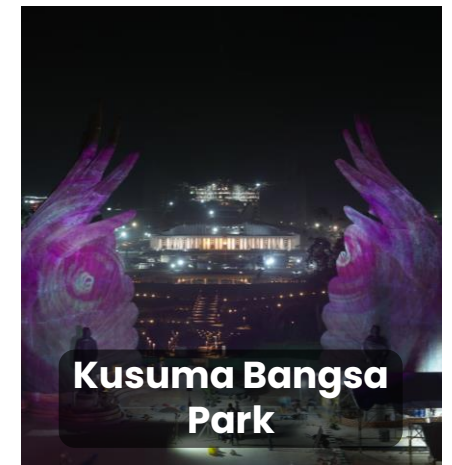
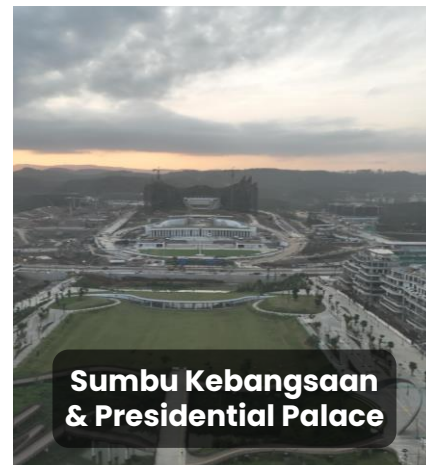
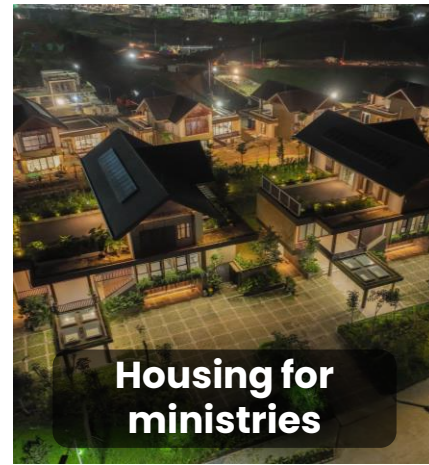
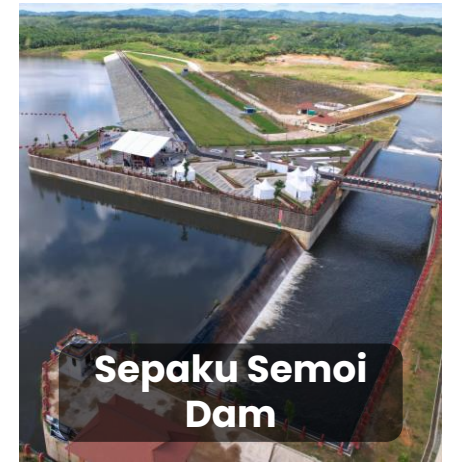
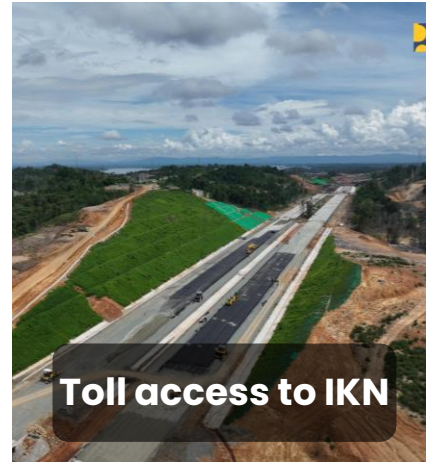
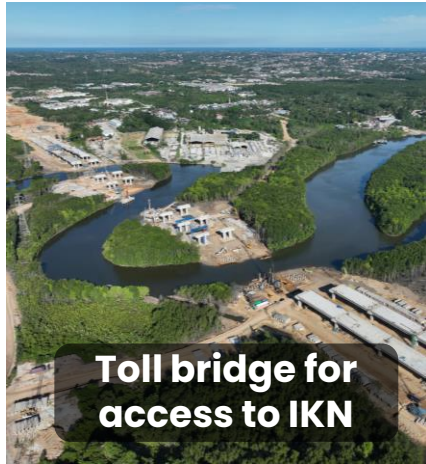




Ibu Kota Negara  
**NUSANTARA**

**Domestic investors have begun building Nusantara, with a total investment value of IDR 58.41 trillion.**

# State Budget | MOPW<sup>1</sup> has achieved 49% physical progress in building IKN's basic infrastructure between 2020 - 2024



1. Ministry of Public Works (PUPR)

# Law No. 21 of 2023 and Presidential Regulation No. 75 of 2024 serve as legal certainty for business entities.



## Law (UU) 21/2023

**Updated details for Nusantara development**  
(e.g., territory, authority, spatial planning, etc..)



## Law (UU) 2/2024

**Constitutionalize ID's capital city relocation (Jakarta to IKN) – removing Jakarta's status as the capital city**



## Presidential Decree (Perpres) 75.2024

**5 key elements of acceleration for IKN development – particularly within investment context**

**“32 Domestic & International investors have conducted groundbreaking ceremony and signed the Land Utilization Agreement”**

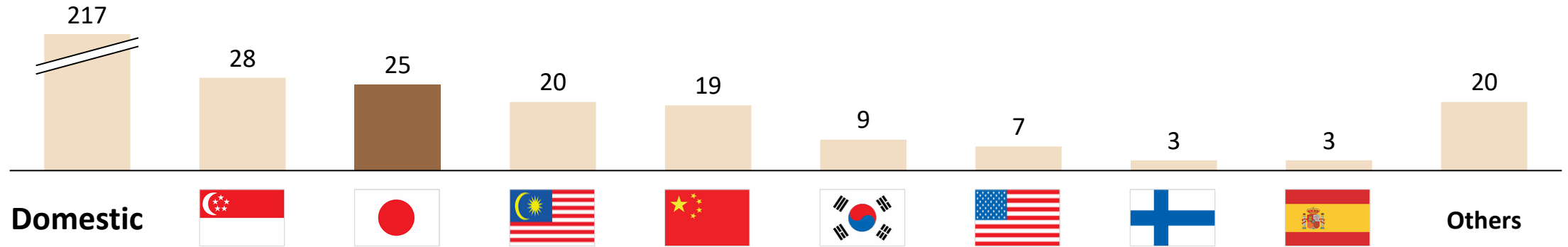


### Pioneer Investors:

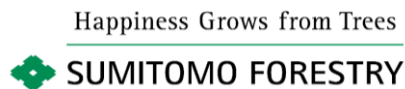


Nusantara has received 492 Letters of Intent (LOIs), ~45% of which comes from other countries, and **25 from Japan as the 2nd Highest**

### LOI Count by Country

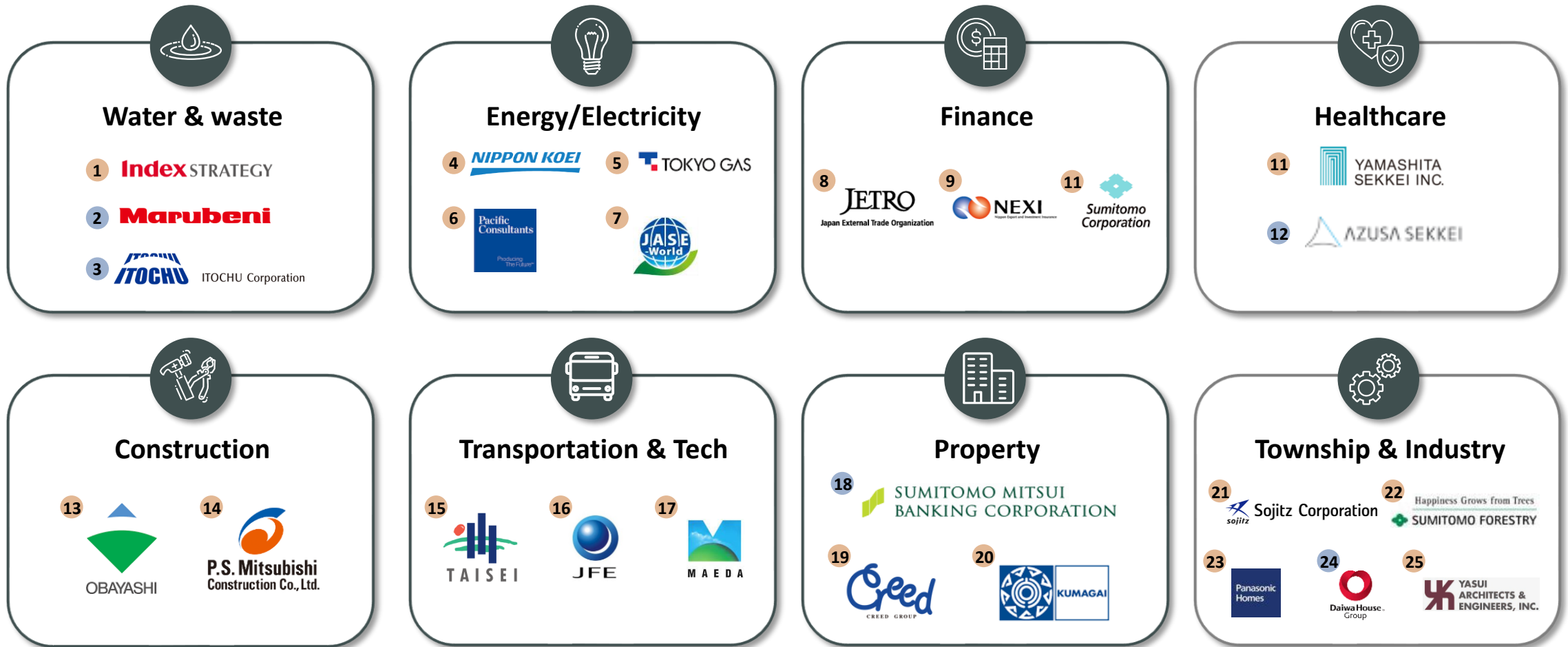


### Japan Companies that Submitted LOIs











# Japan's active participation in Nusantara's investment is evident through the submission of 25 Letters of Intent throughout 2023 - 2024



## 6 Japanese businesses are active pursuing investment process

Investor	Sector Industry	Description	Current Progress
<p>1</p>  <p>JETRO Japan External Trade Organization</p>	<p><b>Financial Industry</b></p>	<p>Supporting Business Mission of Japanese companies to IKN</p>	<ul style="list-style-type: none"> <li>• Site Visit to IKN</li> <li>• Signing MOU</li> </ul>
<p>2</p>  <p>Panasonic Homes</p>	<p><b>Township</b></p>	<p>Housing Development both landed and high-rise</p>	<ul style="list-style-type: none"> <li>• Following up 1 on 1 meeting with Panasonic Homes Global Indonesia</li> </ul>
<p>3</p>  <p>sojitz</p>	<p><b>Green Industry</b></p>	<p>Developing a comprehensive urban complex which included residential, commercial, &amp; industrial zones</p>	<ul style="list-style-type: none"> <li>• 1 on 1 meeting &amp; NDA Signed with PT. Bina Karya (State Authority Enterprise)</li> </ul>
<p>4</p> <p>Happiness Grows from Trees</p>  <p>SUMITOMO FORESTRY</p>	<p><b>Township</b></p>	<p>Restoration of the peatland of the Former Mega Rice Project area (Ex-MRP), thereby supplying food and wood products</p>	<ul style="list-style-type: none"> <li>• Feasibility Study 1,5 Million hectares of the Ex-MRP</li> <li>• Direct Investment and or Public Private Partnerships (PPP)</li> </ul>
<p>5</p>  <p>DAIKIN</p>	<p><b>Energy Efficiency</b></p>	<p>Inline with low carbon emission, Daikin proposing Energy efficiency by Project District Cooling System in IKN</p>	<ul style="list-style-type: none"> <li>• 1 on 1 meeting with PT. Bina Karya (State Authority Enterprise)</li> <li>• Following up confirmation letter</li> </ul>
<p>6</p>  <p>Creed CREED GROUP</p>	<p><b>Housing / Property</b></p>	<p>Develop Housing Needs</p>	<ul style="list-style-type: none"> <li>• 1 on 1 meeting with PT. Bina Karya (State Authority Enterprise)</li> <li>• Following up confirmation letter from HQ -Creed</li> </ul>

# The incentives are built around the **12 fundamental sectors** of Nusantara to ensure the achievement of the vision

Highlighted priority sector



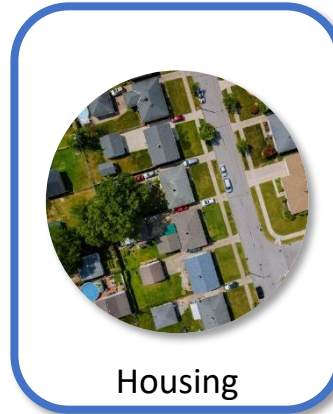
Renewable Energy



Telecommunications  
Network



Transportation



Housing



Water Treatment



Waste Management



Technology  
Infrastructure



Commercial  
Infrastructure



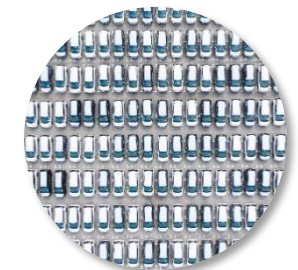
Medical Facilities



Social & Public  
Facilities



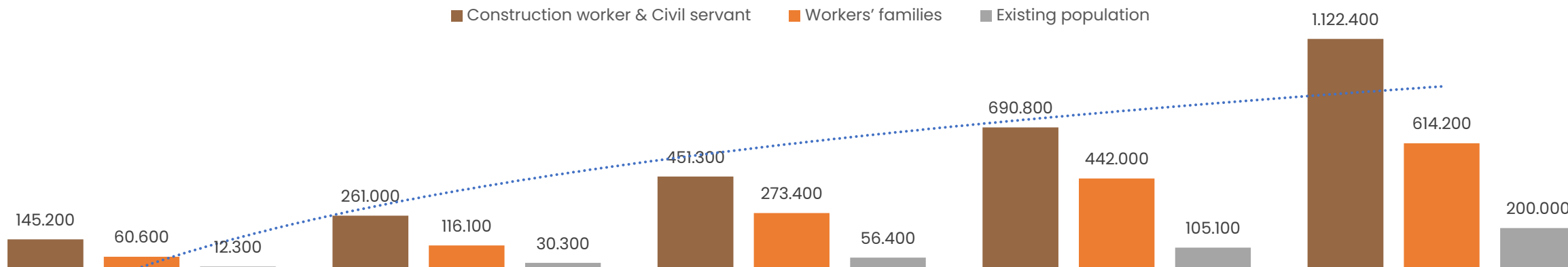
Education Facilities



Green Industrial  
Zone

# Nusantara's Population Growth Forecasting in 2024 Up To ~200 Thousand Residents and Expected to Grow Towards 1.9 Million in 2045

## Projected IKN population (Mn people)



### 2024

- For the initial population, the fundamental infrastructure (drinking water supply infrastructure, electricity, ICT, waste management, and waste water) is complete and functioning.
- Construction of major facilities (such as the Presidential Palace, offices, and residences) at KIPP Transfer of early stages of ASN (including TNI and Polri)
- Priority economic sectors are being developed.

### 2025 - 2029

- Both primary and secondary public transit options available
- Expansion of housing zones for civil servants, military personnel, and police officers, as well as central government offices.
- The relocation of civil servants is likely to be completed soon
- Research and talent development, as well as exceptional colleges.
- Basic infrastructure construction & maintenance will keep going

### 2030 - 2034

- Integrated utilities construction and access railway to Balikpapan-KIPP Airport
- Military/police personnel are still being transferred.
- Industrial estate and other industry development in the superhub economic cluster
- Enhancing smart cities, digital hubs, and education for the twenty-first century
- Increasing the economic cluster's investment and ability to produce

### 2035 - 2039

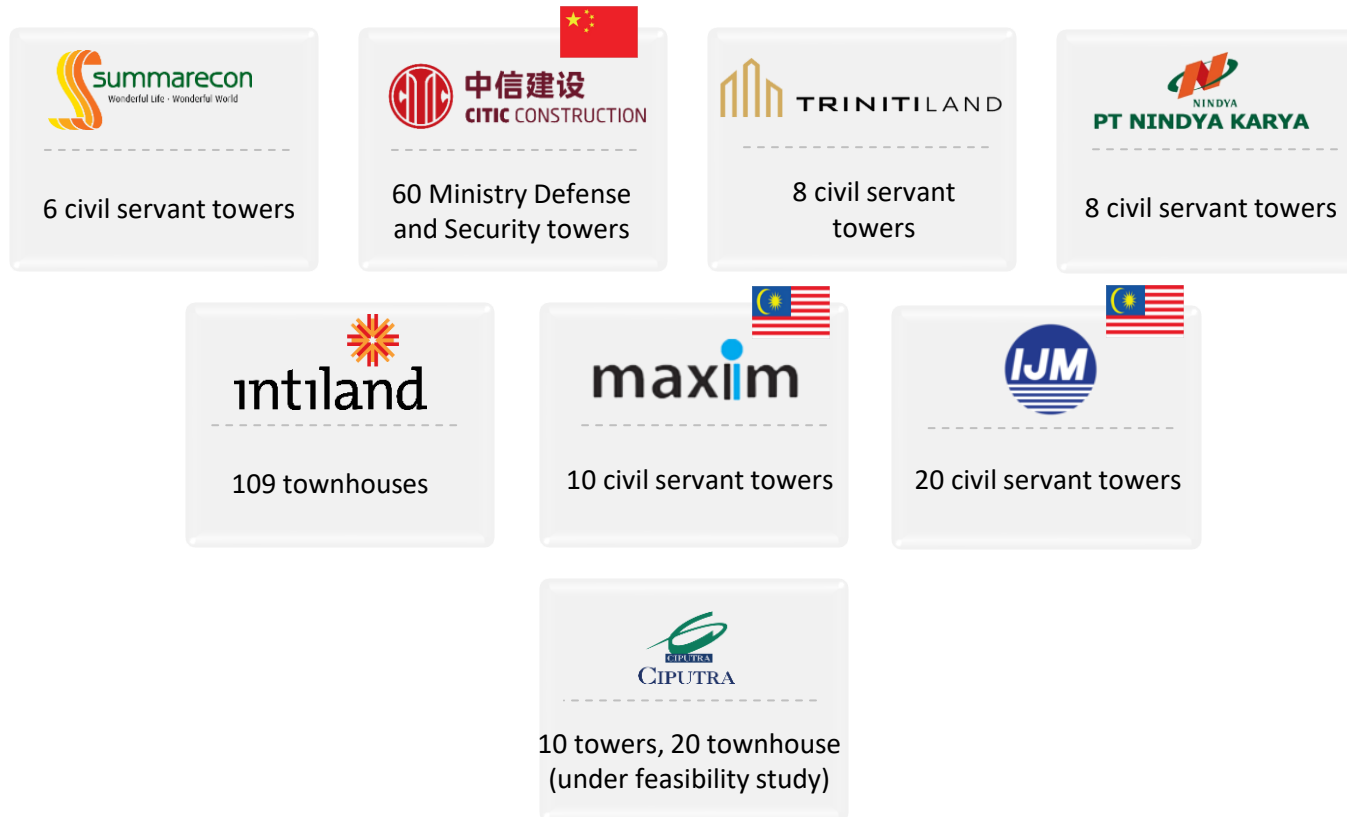
- Rapid improvements in education & health care are the economic sector's driving force
- Increasing the competitiveness of educational and research institutions and strengthening the community's socio-cultural resilience
- Increase in basic infrastructural capacity in response to population growth
- Building capacity and diversifying economic clusters, as well as enabling infra., in neighboring cities

### 2040 - 2045

- Development of road-based mass public transit from trains in IKN and neighboring cities
- Enhancing integrated infrastructure and utilities
- IKN is seeing stable population growth
- Achieve net zero emissions and 100% renewable energy
- Industrial development is considered ongoing
- To be the most competitive city in the world

## There are 8 unsolicited housing development initiators – 3 of which are from foreign countries

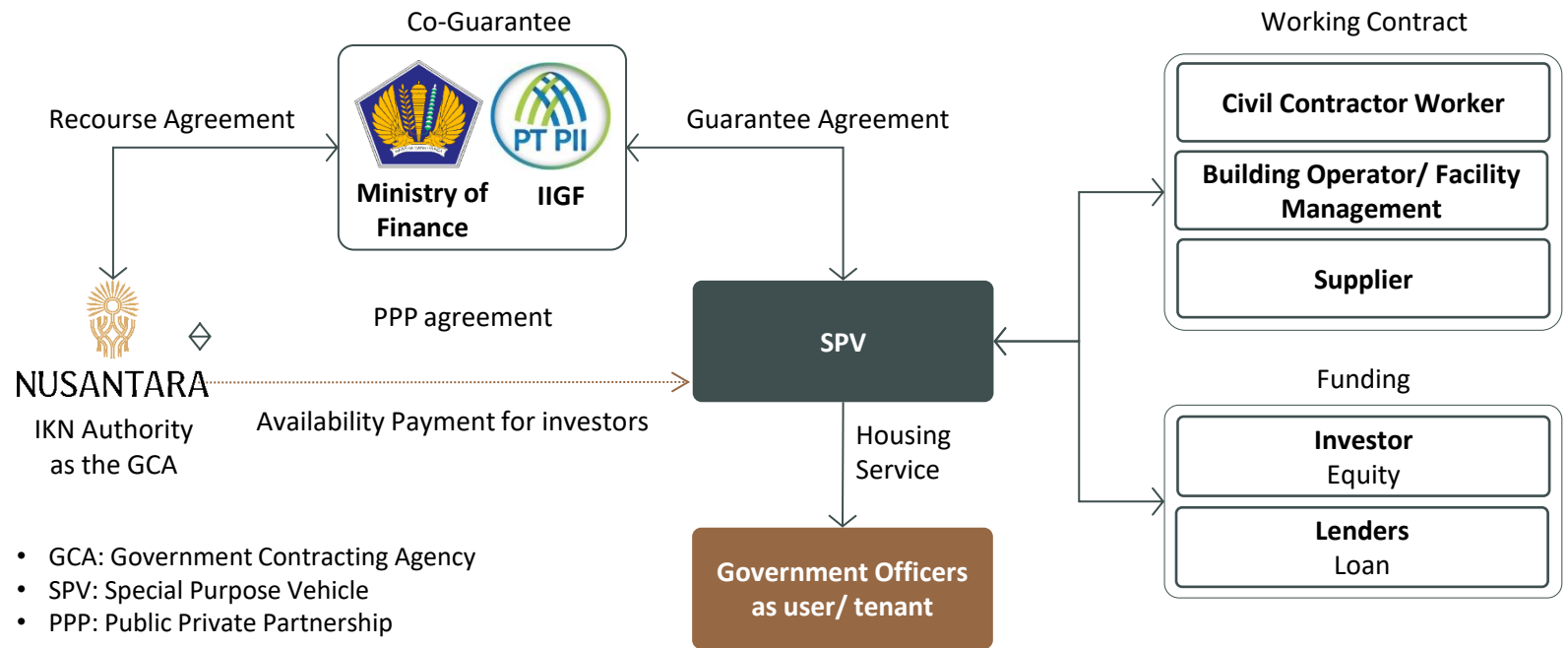
### Housing Development Initiators & Project Target based on Feasibility Study



Opportunity for  
Japanese Investors  
to Join PPP for  
Housing

# Two modalities in housing sector: PPP and land allocation/ utilization (1 of 2)

## PPP Modality

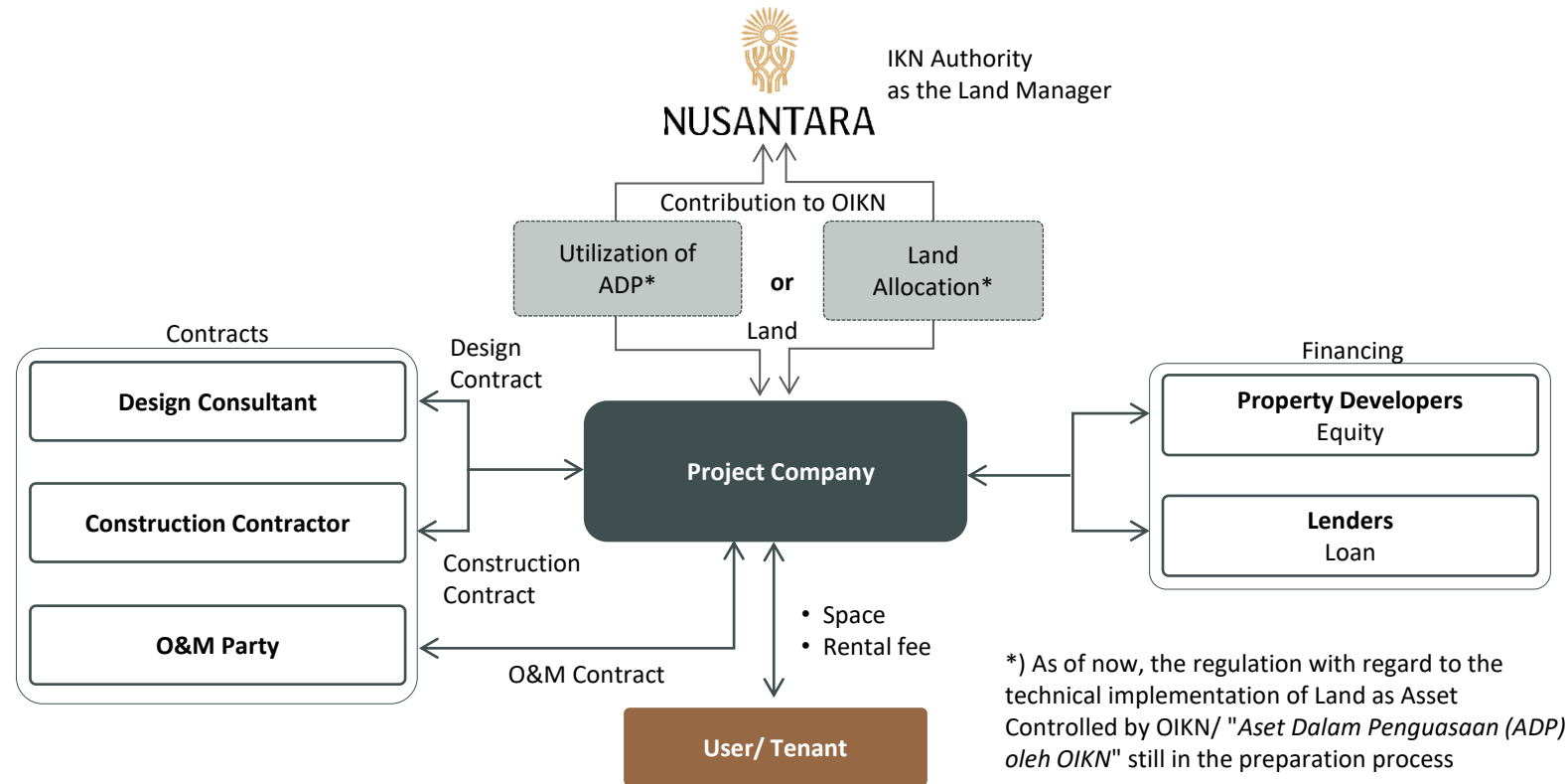


### Project Structure Key Highlights

- 1 Public party retain demand risk with availability payment scheme
- 2 Total AP for PPP investment in IKN is 0,1% (2024-2029) up to 0,15% (2030-onwards) of GDP
- 3 The project is under government guarantee (Co-guarantee MoF and IIGF)

# Two modalities in housing sector: PPP and land allocation/ utilization (2 of 2)

## Land Allocation/ Utilization Modality



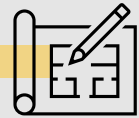
### Project Structure Key Highlights

- 1 Private party (Project Company) retain demand risk
- 2 Utilization of ADP:
  - Applicable for BOT/optimization cooperation
  - Asset could not be used as a collateral
- 3 Land allocation:
  - OIKN could create land right in the form of right to build to project company
  - Asset can be used as a collateral

3 The project company must pay contribution to OIKN

# Benefit of Being A Pioneer Investors

Reinforced by Presidential Regulation No. 75 of 2024 and OIKN Regulation No. 7 of 2024



Land Allocation  
Contribution using **Public Appraisal**<sup>(1)</sup> 'AS-IS' Value  
(**Land Value x Land Area**)



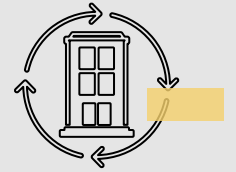
Land allocation  
contribution **can be paid**  
**in 5 annual** installments



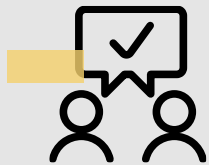
Estimated land value  
range  
**< 1 Million Rupiah / m2**



Other contribution relief:  
**Rp.0,- up to 5 years**



Land and Building  
Acquisition Tax **Rp.0,-**



Processing of **Land Rights Certificates and Land and Building Taxes** will be accommodated by **NCA**<sup>(2)</sup>



**Right to Build**  
A single cycle of 80  
years (*at once*)



Priority Rights to receive  
a **guarantee for a**  
**second cycle extension**  
(80 years)



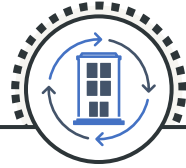
The Right to Land can **be**  
**upgraded to ownership**  
for residential property



Dedicated Accompany  
By  
**Key Account Manager**



# Regulation Government No.12/2023 : Competitive investment incentives have been set for investment related to IKN development



## Ease of doing business

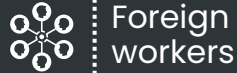


Land ownerships

**0% BPHTB** (Land and Building Acquisition fee)

Competitive ownership /usage rights:

- **HGU–Land usage rights** for 95 years;
- **HGB–Building usage rights** for 80 years;
- **HPL–Management rights** for 80 years)



Foreign workers

**Exemption of compensation fee** from business owner/investors to expatriate worker–to be borne by Indonesian Government



Housing

IKN Authority to support **provision of key housing requirement** for investors and their employees



## Fiscal incentives



Tax holiday

Tax holiday for **investor with investment value > IDR 10 Bn or MSME business owner**

Tax article 21 to be **borne by Indonesian Government for all employees** domiciled in IKN



VAT & Luxury goods tax

VAT is not collected on **property, EV, property rental services, construction services, and waste treatment services**



Super deduction of tax

**Donation**–super deduction of gross income by **200%** of donation expense

**Vocational**–super deduction of gross income by **250%** of vocational expense

**R&D**–super deduction of gross income by **350%** of R&D expense



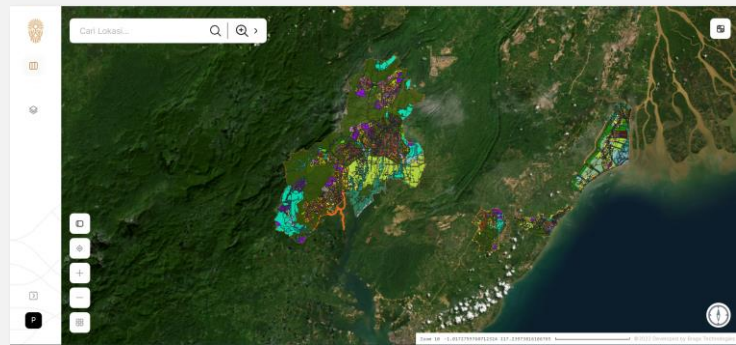
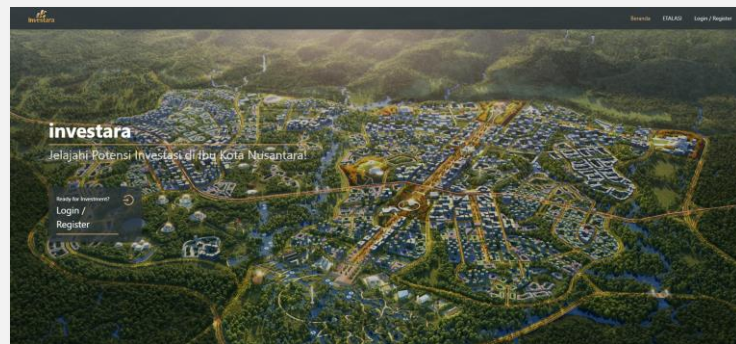
Customs

**Import duty exemption** period at 4–6 years (from existing 2–4 years)

# Introducing Investara: Your Investment Journey, Simplified.

**Integrated Front Gate:** The Primary Access Point for Prospective Investors to Express Interest and Monitor Investment Progress

## Preview



## Data elements of the Investara platform

### Planning & Regulation



Sektoral Plans in IKN Aligned with Planning Areas

### Investment

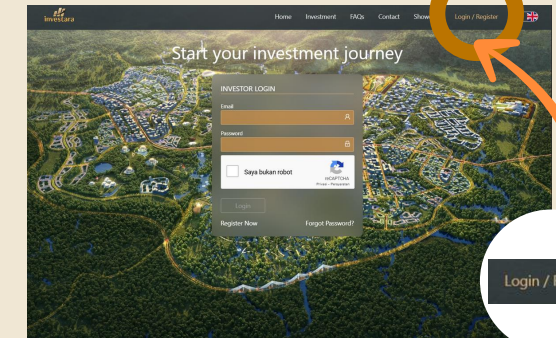


Investment Opportunities (ex., digital map) and *match-making*

### Monitoring



Progress of physical construction and investment process



## Log In / Register

Use the provided email and password to log into your Investara account.

<https://investara.ikn.go.id/account/login>

## Easy as 1-2-3: A Step-by-Step Guide

1. Complete Your Company Profile
2. Communicate with Us
3. Schedule Technical Meetings



**NUSANTARA**  
Ibu Kota Negara  
Indonesia

**Terima Kasih**

“Some people make things happen,  
some watch things happen,  
while others wonder what has happened.”

– Eleanor Roosevelt

