

Benefits of enhanced Infrastructure Investment: Indonesia



South Sumatra - Overview

Demographics and Economy

- Population: 7.5 million, 80% in rural areas; 20% surrounding Palembang
- 5.3% average annual GRDP growth (6.9% in Q1 2012)
- 9th highest per capita GRDP
- Palembang:
 - 20th most recommended city for doing business by SWA Magazine
 - 3rd in Indonesia for obtaining construction permits, 11th for starting a new business by World Bank

Key Advantages

- Rich endowment of natural resources: Forests, oil, gas, coal, minerals
- Strategic location
- Pro-business government



Figure 1: Province of South Sumatra Map



South Sumatra – Business Opportunities

Energy & Utilities

- Largest coal resource (22.24 billion tons) and CBM reserves (183 Tcf)
- 24 trillion Tcf natural gas reserves
- Geothermal, hydropower
- New generating capacity

Infrastructure

- Port and rail infrastructure improvements
- Tanjung Api-Api Seaport and Industrial Park

Agriculture

- Downstream agriculture products
- Comparative advantages in rubber production
- Opportunities in all stages of Crude Palm Oil production and refining

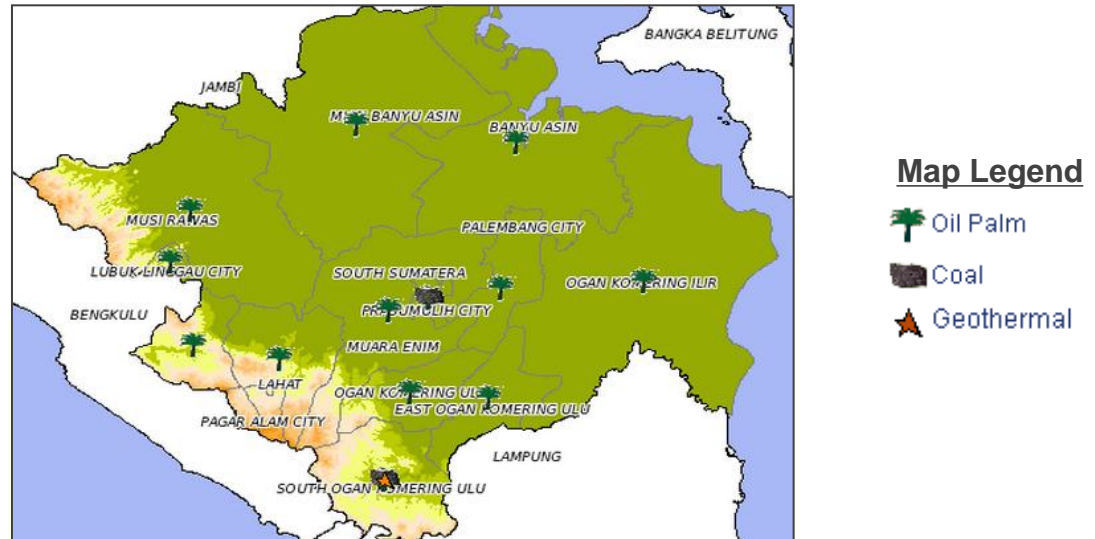


Figure 2: Location of Energy Commodity Potential



Figure 3: Regional Energy Infrastructure



For MORE INFORMATION

<http://jakarta.usembassy.gov/business.html>

<http://export.gov/indonesia/>

Or write to:

businessindonesia@state.gov



Five lessons on doing business in
Indonesia, or
“It’s the relationships, stupid!”

1. Show up. Show respect.
2. Do due diligence and be patient.
3. Networks are key.
4. Give back.
5. Stay clean.