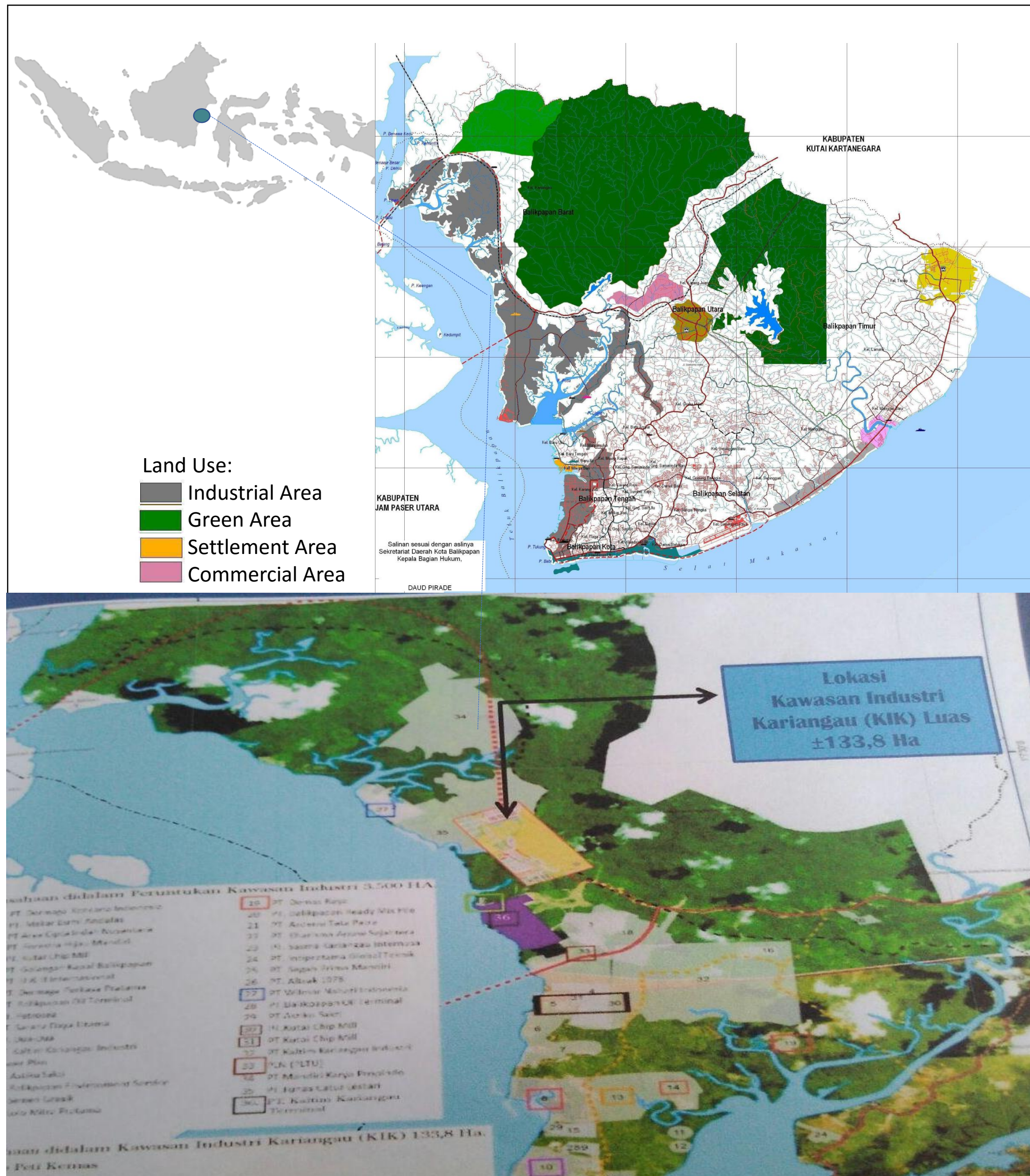


## Kariangau Industrial Estate



### Program Background and Objective:

- City of Balikpapan has planned to develop a **Kariangau Industrial Estate (KIE)** with total area of the estate is 2.721 Ha consists of:
  - 2,587 Ha owned by province government and community
  - 133.8 Ha owned by the city municipality.**
- Objective:** To create an agglomeration industrial park and transportation hub that could also increase the local revenue
- Strategic location** which aligns with the city master plan. The area is supported by infrastructures such as power plant, reservoir and port specifically for goods.
- The city municipality has established an the estate management company, “Perusda” responsible to:
  - Develop the management framework
  - Formulate both the master plan and the detail engineering design
- Target market:**
  - Agro industry
  - Construction company
  - Oil and gas companies
  - Timber industry
  - Transportation industry
  - Manufacturing industry

### Identified Investment:

- Total budget of phase 1 is 7.5 mil. USD** to be financed by city municipality, PPP and debt mechanism
- Allocated budget from municipality is 1.8 mil. USD and the financing gap is 5.7 mil. USD
- Phase 1:
  - Installation basic infrastructure (road network, drainage, electricity, clean water network and flood control system)
  - Social infrastructures (housing, school, etc)
- Option of investment
  - Public Private Partnership
    - One developer to develop the whole area
    - Long term leasing to payback upfront funding the basic infrastructure
    - Possible revenue sharing between developer and municipality
  - Debt Mechanism
    - Domestic loan (from commercial bank) for basic infrastructure requirements
    - The value of the land will be increase because of the improvements and will attract the developer to come
    - PPP arrangement to build warehouse and other