

China, RI companies agree partnerships worth \$28.2 billion

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A number of companies from Indonesia and China sealed deals worth a total of US\$28.2 billion on Thursday following a high-ranking meeting between President Susilo Bambang Yudhoyono and his visiting Chinese counterpart Xi Jinping the previous day.

As many as 21 agreements were signed during a business luncheon.

“I hope that the various business and investment agreements can be realized clearly and sustainably,” Yudhoyono said in a speech at the luncheon, which was attended by around 200 businesspeople from China and 600 from Indonesia.

The agreements, involving various business sectors, includes PT OKI Pulp and Paper Mills — part of the Asia Pulp & Paper Group — which secured a financing deal amounting to \$1.8 billion from the China Development Bank.

Coal mining company PT Daya Bumindo Karunia agreed with two Chinese firms, China Development Bank and China Harbour Engineering Company Ltd., an investment and financing framework for the construction of a hauling road and port facility in Murung Raya in Central Kalimantan.

Jakarta-listed PT Cita Mineral Investindo — a part of the Harita Group — agreed with the China Hongqiao Group Limited and Winning Investment (HK) Company Limited to establish an alumina-smelting joint venture.

PT Bumi Makmur Selaras and Hanking Industrial Group Co. Ltd. will cooperate in the development of an industrial park in Koonawe Utara, Southeast Sulawesi.

Jakarta-listed PT Indika Energy, which also signed a deal with the China Railway Group Limited (CREC) for the development of mining infrastructure and transportation in Papua and Central Kalimantan Indonesia, has yet to determine an exact timeline for the project.

Under the deal, Indika and CREC will determine whether the two areas are suitable for the development of mining infrastructure and have sufficient reserves to make mining worthwhile.

Indika and CREC will consider the project feasible if the areas are able to deliver 10 million tons of coal per year. The infrastructure projects, which Indika described as long-term projects, are estimated to be worth \$6 billion.

“We see opportunities because, for example, mining transportation facilities remain a challenge in Papua and Central Kalimantan. In Central Kalimantan, the only method is by river, which limits deliveries,” Indika head of external communications Ratih Loekito said.

While Central Kalimantan has seen a lot of coal mining activities, coal mining in Papua remains largely in the exploratory stage.

She said the agreement was at an early stage and the two parties still had to conduct various surveys and other preparations, including establishing whether coal miners would be interested in using the infrastructure facilities.

Listed national flag carrier PT Garuda Indonesia, which signed lease agreements with the ICBC Financial Leasing Company Co. Ltd., is expecting to receive fleet deliveries in the near future.

Under the agreement, ICBC Financial will provide the leasing for the procurement of five Boeing 777-300ERs and six Airbus A320s. The total value of the agreements amounted to \$1.7 billion, Garuda said in a written statement. (rcf)

Source: <http://www.thejakartapost.com/news/2013/10/04/china-ri-companies-agree-partnerships-worth-282-billion.html>