

Indika Energy Group takes G20 and B20 members for a ride with their electric buses

By Front Row

A collaboration between Indika Energy Group and Taiwanese-based company Foxconn has created quite a stir in Nusa Dua Bali. The Foxtron bus was recently praised by Investment Minister Bahlil Lahadalia as the best electric bus among those used in the grand event of the Group of 20 Summit in Bali. The Minister even attested that all the other guests wanted their chance to take a ride on the red-colored bus that stood out from all the other vehicles. Foxtron is one of the commercial electric vehicles produced by Foxconn with the T-model and it is currently being used to commute guests from the hotels to the G20 Summit. All the five buses were imported from Taiwan for the momentous occasion.

Indika Energy is one of Indonesia's leading diversified investment companies with a portfolio of business spanning from energy, logistics and infrastructure, minerals, green business and digital ventures. It is set to become one of the first companies that will play a hand at Indonesia's transformation away from fueled vehicles. "Because of our diversification there are several targets. The first is a short-term target; by 2025, we set a target for our revenue to be 50-50 from the current coal sector and the non-coal sector. Investments have been made from early 2018. We have invested in gold mining, logistics, technology and forestry development, as well in renewable energy, solar panels, and another one is electric vehicles," said Azis Armand, vice president director and group CEO of Indika Energy.

Per the Cabinet Secretariat of the Republic of Indonesia, the government has set the target for the domestic automotive industry to produce 600,000 units of electric cars and buses by 2030 in order to reach the goal of net-zero emissions. Moreover, it has set a goal for electric vehicles to make up 20 percent of all transportations by 2025. Indonesia is home to a quarter of the nickel reserve in the world, making it the most strategic place to be a manufacturing center of electric vehicles or its batteries. McKinsey data shows that the country will be the third largest electric two-wheels market by 2030.

"We are not part of the manufacturer or the locomotive sector. So what we do is we look at the market; from which volume do you think we, as newcomers, can start? And it turns out that we can see a start with the electric auto sector on two wheels," Azis said.

He added that most Indonesians travel on two-wheels, or motorcycles. With an estimated amount of sales of up to seven million units per year, the vehicle dominates the sector. While there are many electric bikes sold in Indonesia, Azis pondered why he has never seen one on the road. The question is what led him to believe that Indika Energy should enter the market. "In Indonesia, motorcycles are a lifestyle. Almost every household in Indonesia has a motorbike. Because it is very personalized in Indonesia," he said, adding that there are two categories for motorcycles. Firstly, it is used as an economic instrument by e-commerce companies. Secondly, it is an instrument of mobility for commuters, which opens the gate to a B2C market. However, Azis is

quick to add that the company would like to focus on product development first and foremost. He made it clear that he is aware that the goods cannot be sold on their own. With it there needs to come the system, the charging station and the battery. The supporting infrastructure and the goods will increase the number of purchases in the end. While he does see a big potential for selling his products to a B2B market, he revealed that the company would focus on selling to consumers.

“Our specifications are to cater to certain target markets. This is what we will develop together so that later it can be accepted by the market. We develop, we strengthen specifications that we think we can cater to the Indonesian market, the B2C market,” he explained. “It’s a big market, so there must be a big solution to go the distance. We want to be part of that solution. As I mentioned earlier, we want to go step-by-step.”

The company is instrumental behind the launch of the electric motorcycle Alva One in August of this year. He revealed that the output was currently estimated to be around 100,000 per year. Indika Energy Group is working towards producing it in Indonesia, which essentially means that human capital will have to be educated on how to maintain the quality of the vehicles. While Azis believed that Foxconn and Indica Energy needed to show its commitment and to build more brand awareness, they had plans to launch a commercial bus, as is evident in their participation in Nusa Dua. He believed that public transportation was very important, from an environmental and economic standpoint. He urged the media to publicize the issue, as it was something that was rarely campaigned for and that the Indonesian people were not as familiar with the idea of public transportation. “Indika Energy is absolutely sure that it cannot provide a complete solution, I am 100 percent sure. But we want to be part of the solution. I want to collaborate with everyone to be a total solution. It’s not that I don’t want to, I can’t,” he concluded.

Source:

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