Indika Energy and Foxconn Set Up JV to Strengthen EV Ecosystem in Indonesia

By Hon Hai Technology Group

PT Indika Energy Tbk., through its subsidiary, PT Mitra Motor Group (MMG), is expanding its net-zero emissions commitment to the electric vehicle (EV) sector by establishing a joint venture (JV) company with an affiliate of Hon Hai Technology Group (Foxconn), Foxteq Singapore Pte. Ltd.

The joint venture, PT Foxconn Indika Motor (FIM), will conduct manufacturing business for commercial EVs and electric batteries, as well as provide management consultation service.

“Seeing the great potential in the development of EVs in Indonesia, Indika Energy is delighted to partner with Foxconn as a global company that has developed electric vehicles. This collaboration will provide a comprehensive electric vehicle ecosystem in Indonesia and aim to support the country to become one of the leading electric vehicle and battery ecosystem developers,” said Purbaja Pantja, Director and Group Chief Investment Officer of Indika Energy.

The Indonesian Government has previously targeted EV penetration of 2 million electric cars and 13 million electric motorcycles in the country by 2030.

“Indonesia is Southeast Asia’s largest economy and the leader of G20 this year and ASEAN next year. It is committed to an ambitious net-zero emissions target,” said Troy Wu, Foxconn’s Head of Battery Strategy. “This joint venture underscores Foxconn’s commitment to supporting our partners in Indonesia in mutual goals toward building sustainable ecosystems.”

The establishment of FIM is a continuation of the Memorandum of Understanding (MoU) signing in January 2022 by Indika Energy, Foxconn, and other partners. This collaboration is carried out through the Build-Operate-Localize (BOL) scheme in Indonesia. The BOL scheme is carried out in three stages, namely building, operating and localizing, with the objective to increase the capacity of Indonesia’s industry in the electric vehicle industry and its supporting industries including electric battery. Indika Energy, Foxconn, and others will explore extensive investment cooperation for a comprehensive electric vehicle ecosystem in Indonesia.

Source:
EE Times Asia, 27 September 2022.