

Metal & Energy (JAKARTA) INTERNATIONAL SUMMIT

BELT & ROAD INITIATIVE TO INDONESIA

VENUE: Jakarta JS Luwansa Hotel

DATE: March 18-21, 2019

Introduction & Background

1. Why Metal and Energy in Indonesia ?

- Mineral and Energy is the most successful sector for China and Indonesian cooperation under Belt and Road Initiative. Over US\$20 Billion have been invested in this sector which generating over 100 billion of economic power, and over 500,000 of direct and indirect employment opportunity.
- While 2019 is another year of uncertainty in Global competition and trade war between US and China, the event will focus on metal and energy sector cooperation that are currently doing well and will continue to do better in 2019 and onward.
- Metal & Energy week will discuss current situation and provide new strategies, opportunities, and new milestones for Government, investors, and stake holders to develop this promising sector through new technology

2. Global Metal Market Uncertain and weak Trend ?

- **Global economic growth** continues to slow down, Trade war between USA and China may drag down the Global Economic growth by 1%
- **Trade War:** USA announced to add 25% import duty on China steel and Aluminium by 2019, India has followed USA's step to add duty on China metal, who else will follow?
- **Indonesia posted historic trade deficit in 2018.** We need to attract more investment in Mineral sector, to accelerate development of downstream industry to export higher added value products, and to increase import substitution to reduce Indonesian trade deficit
- **Smallest growth:** China Steel and Aluminium Industry has experienced the smallest growth rate in 2018, Low demand, low supply, and low profit. Will it be recovered by 2019?
- **Who moved my Cheese?** China Tsingsan invested US\$5 Billion in Morowali Indonesia to produce world most efficient NPI – Stainless steel, depressing Global and china stainless steel price, “Cheese factory” is moving to Indonesia. Will you follow?
- **Special Economic Zone:** SEZ-KEK Bintan Alumina Indonesia (BAI) just officially opened by Coordinating Minister for Economic affair on behalf of President Jokowi. Shandong Nanshan has raised RMB 5 Billion through IPO to invest in BAI to produce Integrated Alumina Industry. BAI could become an attractive the industrial park to process any imported /local material for Export purpose to escape from US-China Trade war

3. Global & Indonesian metal and Energy sector have entered a new era in 2019:

A. Nickel:

- Indonesia may produce 1 million ton of metal Nickel and 10 million ton of Stainless steel by 2020 to become world 2nd largest nickel and stainless-steel producer.

- **Stainless steel (SS):** Indonesian SS consumption is 2kg/capita, China 20 kg/capita, Japan 40kg/capita. Stainless steel Mid-stream & downstream industry to be developed for Indonesian and Global market.
 - **Electric car Battery:** Indonesia aim to become the key supplier of Nickel sulphate, Cobalt Sulphate, the main material to produce Electric car battery.
- B. Aluminium:**
- Indonesia will become main producer of alumina to produce 10 million ton of alumina by 2025. 50% of the alumina expect to be processed to become Aluminium.
 - Indonesian Aluminium consumption is 2kg/capita, China is 20Kg/capita. Indonesia has huge potential to grow.
- **Copper:** On December 21, 2018, Indonesia became majority share of Freeport, one of the world largest Copper & Gold company, Copper gold smelter will be developed starting 2019, China investor is ready to invest.
- C. Carbon steel:** Indonesian current Steel demand 15 million ton will soon be increase to 20 million, domestic production 7.5 million ton, many investors are planning to invest in Indonesia
- D. Other metals:** Carbon steel, Gold, and Mangan etc. are being developed as Indonesia has abundant resources.
- E. Renewable Energy:** Large Hydro power plant to be built in North Kalimantan to offer renewable energy below US\$4 cents/KWH to attract power intensive industry such as Aluminium etc.

Metal & Energy Topics highlights

A. Macro view:

- Global metal and energy sector situation and trend
- Impact of USA – China Trade war, how to attract China investor to Indonesia
- China policy on metal and energy development under BRI, how to resolve over capacity problem
- Indonesian Government policy and incentives

B. Sectional Opportunity and Challenge

1) Nickel ore, NPI, Stainless steel

- Resource and reserve, - Ore export and domestic demand
- Technology development; Pyro and Hydro development
- Pyro: NPI & Stainless-steel investment and progress
- Hydro: HPAL investment progress
- Stainless steel downstream Industry
 - Hot rolling and cool rolling
 - Slitting
 - Heat treatment
 - Piping

2) Aluminium

- Bauxite ore, availability and export opportunity
- Alumina Investment progress; Inalum, Weiqiao, Jinjiang, Nanshan
- Aluminium and Energy – Development in North Kalimantan, would Kalimantan be the Centre of energy intensive industry? What is the Government policy and market reaction?
- Aluminium industrial parks – Would BAI (Bintan Alumina Indonesia) be the next Morowali of Alumina industry?

3) Cooper opportunity:

Indonesian starting December 21, 2018, how is Free-port Next

4) Carbon steel:

- Market supply and Demand
- Opportunity and challenge, where is the ideal location?
- Could iron sand be developed to be the main material for Carbon Steel?

5) Re-cycle of metal and industry waste

- Import limitation of recycled metal to China means opportunity to Indonesia
- How is Indonesian policy on the recycle metal industry?
- Increasing usage of recycled metal.

6) Energy

- Indonesian and China Energy policy short and long term;
- Energy Demand and Supply
- Hydro energy resources
 - North Kalimantan Kayan, Mentarang, Bahao resources and development
 - Papua opportunity
- Mine mouth power plant
 - Where is the ideal location? how about South Sumatera? central Kalimantan? North Kalimantan
- Oil and gas opportunity;
 - Rokan Block and ahakam Block etc. oil and gas be returned to Indonesia by 2021, what is the opportunity?

Speakers and panellist candidates (to be confirmed)

A. Chairman, MC, and Moderators

B. Government

- 1) **Deputy Prime Minister, Coordinating Minister for Maritime, Mr. LuhutPanjaitian**
- 2) **Mr. Wang Liping, Minister counsellor, Embassy of PR of China in Indonesia**
- 3) Mr. Airlangga Hartanto, Minister of Industry
- 4) DR. Hammam, Deputy Chairman, BPPT.
- 5) Mr. IriantoLambrie, Governor of North Kalimantan
- 6) Mr. LongkiDjanggoka, Governor, Central Sulawesi
- 7) Mr. Alimasi, Governor, South East Sulawesi
- 8) Mr. Bambang Gatot, DG, Coal and Mineral, ESDM
- 9) **Mr. Harjanto, DG, Metal industry, Ministry of Industry**
- 10) DR. Sukhyar, Special expert staff, Ministry of Industry,

C. Association

- 1) Mr. RosanRoeslani, Chairman, Indonesian Chamber of Commerce and Industry
- 2) Mr. Johnny Darmawan, Vice Chairman, Kadin Indonesia. Officers of APINDO, KEIN -

- 3) Mr. Li qiang, Chairman, China Foshan Metal Association
- 4) Mr. Vince Gowan, Executive Chairman, ISPA

D. Industry and Business

- 1) Mr. Budi Sadikin, CEO, Inalum holding
- 2) Mr. Nick Wright, VP, Sarawak Energy
- 3) Mr. Arie Prabowo, CEO, PT. Antam
- 4) Mr. Nico Kanter, CEO, Vale Indonesia
- 5) **Mr. Steve Brown, VP. Vale Indonesia**
- 6) Mr. Andrew Zhu, CEO, Virtue Dragon Indonesia
- 7) Mr. Jeffery Yu, COO, ChaoYang Tianma (confirmed sponsor)
- 8) Mr. Alexander Barus , Director, Tsingsan Indonesia
- 9) Mr. PrihadiSantoso, Director, PT. Smelting
- 10) Mr. Tony Wenas, Director, PT. Freeport

E. Academics, Research institutes, Consultant:

- 1) LME: London Metal Exchange
- 2) CRU: Commodity Research Unit
 - Global, China, and Indonesian metal resources, market & processing in Aluminium, Nickel, Copper, Zinc etc.
 - Battery metal; Nickel Hydro processing to produce nickel sulphate, Cobalt sulphate
 - Coal to energy, coal to Chemical. Fertilizer
- 3) Antaika, Alumina, Nickel
- 4) Enfi,Hua you , BGRIMM (北矿科技)Hydro processing
- 5) BPPT
- 6) ITB
- 7) LIPI

Topics and Schedule of Summit

Day 1: March19,Tuesday – FGD- Focus group Discussion - Topical Seminar (tentative)

Opening session

9:00 – 9:15 am by Organizers; Vince Gowan and Liqiang

Session ONE:

9:15 – 10:30:US – **China Trade war and impact to Global, China, and Indonesia,**

A. Presentation: The following are invited,

- ✓ Deputy Minister of Coordinating Ministry for Economic affair, Mr. Bambang Adi - OK
- ✓ Mr. Ikmal Lukman, Deputy Chairman, BKPM, Indonesian National investment Board
- ✓ Mr. Wang Li ping, Minister counsellor, China Embassy to Indonesia - OK
- Mr. DjauhariOratmangun, Indonesian Ambassador to China
- Mr. Sofian Wanandi, Special staff to Vice President of Indonesia.
- Ms. ShintaKamdani, Kadin Indonesia, WKU international
- Representative of China Chamber in Indonesia

B. Topics:

- Why USA – China trade war, what is the impact to Global, China, and Indonesia?

- Cooperation between China and Indonesia under BRI – Belt and Road Initiative and GMF – Global Maritime Fulcrum.
 - Why China is motivated to invest along BRI, including Indonesia? Chinese over production capacity? Increasing of environment control...
 - What are Chinese concerns, how to generate conducive environment, such as Immigration, security, license etc. and how to resolve it
 - Indonesian policy to attract more investment from China, how to increase Indonesian Export,
- C. Panel Discussion:
- Moderator: Metro TV or from EO
 - Panellist: the above speakers +

Coffee break 10:30 – 10:45

Session TWO:

10:45 – 12 noon: **Metal - Energy / Investment in Indonesia / Kaltara**

- ❖ **Mineral and energy sector considered to be the most attractive sector to be developed and invested in Indonesia since Indonesia implement law #4 2009 in 2014. How much is the investment and export value growth on each mineral on semi processed goods, and finished products, how much is contribution to national export revenue and tax revenue, what is the trend in coming years.**
- ❖ North Kalimantan is the priority area defined by President Jokowi and President Xi Jinping to be developed under BRI – MGF. Indonesian Government aim to develop North Kalimantan huge Hydro power potential; to offer low cost energy to attract power intensive industry such as aluminium smelter. what is the opportunity and challenge?

D. Speakers:

- ✓ Deputy Minister of Coordinating ministry for Maritime, DR. Ridwan Djamaluddin
- Director General of Electricity / EBTKE, ESDM
- ✓ Mr. Nick Wright, Vice Chairman, Sarawak Energy Berhad,
- Mr. Putu Wirawan, Special Staff to Minister of Industry
- **Mr. Harjanto, Director General, Metal industry, Ministry of Industry**
- DR. Irianto Lambrie, Governor of North Kalimantan
- Mr. Mach Nison, Director of Kalimantan, PLN
- Mr. Nur Pamuji, former CEO of PLN, Director of KHN

E. Topic:

- North Kalimantan Dream to be the low-cost renewable energy centre to attract Smelter and Energy intensive industry.
 - How is the progress, what is the challenge?
 - How is the infrastructure plan and support?
- How can the successful Sarawak model be duplicated to North Kalimantan? How is their investment progress aim to offer Energy below US\$ 4 cents to Prime customer?
- What is the expectation from the Aluminium smelter investors? Inalum, Press metal, Nanshan, Jinjiang, and Weiqiao etc.
- **CRU would give Global, China, and Indonesian analysis on Bauxite resources, Alumina, and aluminium, and Energy comparison study as reference for investment in Kaltara.**
- Infrastructure to support energy intensive industry in Kaltara

- Energy Connectivity, North Kalimantan, Borneo Grid, Borneo-Java Grid as part of ASEAN grid, what is the impact to Indonesian Economy by state grid of China / GEIDCO
- Mine mouth power plant as part of the energy Mix

Panel Discussion:

- Moderator:
- ✓ DR. YudiPrabangkara, Director of energy, Coordinating ministry for maritime
- Panellist: the above speakers + stake holders

Lunch Break 12:00 – 1 pm

Session Three:

1:00 pm – 2:30 pm: Mineral Resources and Mineral processing technology

Hydro & Pyro metallurgy processing technology

A. Speakers:

- ✓ **Coordinator:** Prof. Satriyo Brodjonegoro of ITB, Special advisor to Coordinating Minister for Maritime, Mr. LuhutPanjaitan
- Prof. Xukaihua, CEO, GEM Co.Ltd, Technology provider for Tsingsan Battery Factory in Morowali, Indonesia will be invited by Prof Satriyo
- Management from Chaoyang Tianma Mineral processing technology; how to replace coke with regular coal to save processing cost by 20-30%
- Expert team BGRIMM,
- Mr. Steve Brown, VP, PT. Vale Indonesia
- Prof. Dr.EniyaListisni, Deputy Chairman, BPPT
- DR. AndriSubandrio, Resources, ITB
- Dr. Chandra, Fajar Bhakti
- Expert From ITB, Enfi, Antaika etc.

B. Topic:

- Indonesia is blessed with abundant resources including but not limited to Nickel, Bauxite, Cooper, Iron, Tin, Mangan, led, zinc, gold, and coal etc. what are the resources and reserve? Where are they located, and how can we utilize it well for the benefit of Indonesia and investors?
- Indonesia has developed pyro processing successfully in 2014-2018 to produce NPI – Stainless steel industry by using high nickel content ore (suprolite). Low nickel content ore (Lamonite) with Ni content below 1.69% has been treated as overburden and partially export
- Hydro process technology – HPAL has been improved to make it feasible to produce Nickel sulphate and Cobalt sulphate, basic material to make battery for Electric car which is in high demand. Tsingsan invests in Morowali on HPAL hydro processing plant
- BGRIMM would introduce Normal pressure Hydro processing technology as alternative to HPAL technology introduced by Eni – Huayou – GEM technology, analyse market on battery Material.
- **Vale and Fajar etc. as existing player will introduce their existing production technology and their planning on Pyro and Hydro processing application**

- This FGD will discuss how could Hydro – Pyro metallurgy processing technology and application would Indonesia and investors new opportunities to better utilize our Nickel ore to a new milestone.

Topical discussion / Parallel Session

Session Four FGD: **Strategic Industry:** Metal and Metal processing technology for strategic Industry

A. **Time:** March 19, 2019, Tuesday

B. **Objectives:**

1. After successful development of upstream Stainless-steel Industry, is the time Indonesia to develop Mid-stream and downstream sector. No country could be well developed without the development of technology base strategic industry; Indonesia needs to accelerate development of Indonesian Defence Industry and other high-tech industry; Automotive industry, Transportation industry for Export market & Import substitution to improve balance of trade in Strategic sector including Defence industry
2. We need to promote Technology Cooperation in metal processing sector, China Hans laser technology has developed into one of the top China metal processing technology corporation, and wish to share their technology to Indonesia as part of their Global development strategy

C. **Steering committee / Advisor: (Draft)**

1. Mr. LuhutPanjaitan, Coordinating Ministry for maritime
2. Mr. Purnomo Yustiantoro, Former Ministry of Defense, Ministry ESDM, Former Governor of Lemhanas
3. GubernurLemhanas : Pak Aguswijayanto Let jen. Purn.
4. Rector Unhas : Jet jen. Tri legionosuko (Active)

D. **Coordinators:**

1. DR. RomieOtavianus Bura, Dean, Indonesian defence University
2. Ir. Efo Akmal, CEO, PT. EU, ITB
3. DR. Desi Mamahit, Former Chief of Coast guard, Chairman of State Shipyard

E. **Speakers:**

- 1) Academic - DR. Romie
- 2) KKIP – Komite Kebijakan industry Pertahanan (Defence Industry policy Committee)
- 3) Defence Ministry Kemhen
- 4) Indonesian Arm-force TNI
- 5) Defence Industry
- 6) Kadin – ISPA – Mr. Made Tangkas

F. **Panel discussion moderator:** DR. Desi Mamahit

G. **Delegation:** will invite 30-50 people from these institutions; Would consist of the following GABC

1. Government: KKIP and 9 institutions under KPIIP, Operation Head of KPIIP: Laksamana Purn. Sumardjono (Former Chief of Navy)
 - 1) Government: Defence Ministry: Director General - potensipertahanan
 - 2) User: Indonesian Arm-force TNI, Assistant perencanaanUmum – Asrenumpanglima
 - Army, Navy, and Airforce
 - 3) Ministry of State-owned enterprise BUMN
 - Krakatau Steel – CEO or Chairman DR. Ridwan Djamaluddin
 - 4) Ministry of Industry, DG of Metal Processing and Manufacturing base Mr. Harjanto**
 - 5) Ministry of Communication,
 - 6) Ministry of Information Technology
 - 7) Ministry of Research and Technologi Restekdikti / BPPT DR. Hammam
 - 8) Ministry of Foreign affair,
 - 9) Ministry of Internal affair
2. Academics and research Institute. DR. Romie
3. Business Sector:
 - a) Indonesian Chamber of commerce and Industry - Kadin, APINDO, ISPA etc and their members
 - b) Defence Industry and supporting Industry
 - 1) Tier 1: Integrator:
 - Pindat (military vehicle and weapon manufacturer)
 - PAL, (Ship Building)
 - Dirgantara Indonesia (Aircraft manufacturer)
 - 2) Tier 2: Component for strategic industry:
 - LEN – Solar energy, semiconductor
 - INTI – Telecommunication equipment
 - 3) Tier 3: Subcomponent: PT. Dahana
 - 4) Tier 4: Material Industry;
 - Krakatau Steel -KS,
 - Inalum- Alumium ,
 - Timah -Tin,
 - Freeport - Cooper
 - 5) Non-Tier:
 - private sector similar to the above 4 tiers
 - metal material for defence Sector and strategic industry
 - Community: Will invite KEIN ketuapokja Industry strategis dan technology tinggi . Mr. AndriSudipyo for their community

H. FGD presentation and discussion topics

1. Will discuss metal for defence industry / special industry co-organized by Indonesian Defence University, Kadin Indonesia, BPPT etc.
2. Han's laser to present their laser technology and application in Defence industry, Automotive, agriculture, transportation industry etc,
 - ❖ Will invite Defence industry, Agro industry, transport industry, construction industry to join discussion.

Parrarel Session

Bauxite, Alumina, and Aluminium session: (Option – to be combined with metal – Energy)

1. After successfully developing Nickel and stainless sector, Aluminium sector will naturally become another important mineral to be developed in Indonesia as Indonesia has a huge deposit of Bauxite ore; Among 49 Bauxite location in Indonesia, only 7 locations been utilized, how to develop 42 location potential?
2. Bauxite ore demand:
 - A. China short of Bauxite for Alumina industry, could Indonesia be a good source of bauxite?
 - B. Indonesian Alumina plant could export 7 ton of Bauxite provided 7 ton of DMO (Domestic market Obligation) be fulfilled. Is this a good incentive to develop alumina industry in both China and Indonesia?
3. Alumina
 - A. Alumina is a high margin sector, as global shortage of Alumina
 - B. Weiqiao investment in in operation, Nanshan in constructing, Jianjian construction will commence soon
 - C. Inalum + Antam + China aluminium is still in planning stage
4. Aluminium:
 - A. Inalum Asahan is a successful model as the Hydro energy cost is low
 - B. China power price is 4-5 cents plus/KWH, North Kalimantan can offer below 4 cents/KWH, would China invest Aluminium in Indonesia?

Parallel Session - Cooper:

1. FREE PORT development after 51% owned by Indonesian on Dec 21, 2018.
 - ❖ Suggest to-be Sponsored and coordinated by Inalum Holding
 - ❖ Indonesian mineral processing sector enter new era, what is the development plan of Freeport and BUMN mineral such as Antam, Bukit Asam, Timah etc. after re-structuring?
 - ❖ Indonesian Mineral policy and opportunity for Copper, alumina, aluminium, Nickel and other mineral products?
 - ❖ Will invite related stake holders including Inalum group to share.

Parallel session Global metal market Analysis

- A. Global market analysis on Nickel, Stainless steel, Aluminium and Energy
- B. Concentrate on Global, China and Indonesian market, suggest on strategy
- C. Future trade in Metal sector

Remarks on topical forum session:

1. we need proposal if anyone wish to organize the above or additional topic? we will select only few topics for Special topic Seminar / FGD on March 19, 2019.

Program Guidelines

Day one, March 19 – Topical discussion

Day 2: March 20, Tuesday

- **Full day Summit, Summary of the Day one Topical discussion + Main issue in Metal – Energy sector**
 - **Will give speakers on March 19 to provide summary of their presentation on March 20 summit session**
 - 7am – 9 am, Breakfast for hotel guest only
 - 9 am program start
 - Session 1: Key note speech:
 - Mr. LuhutPanjaitian, Coordinating Minister for Maritime Affair
 - Mr. RosanRoeslani, Chairman, Kadin Indonesia
 - Mr. Wang Li ping, Minister counsellor, China embassy to Indonesia.
 - Director Generals from Ministry of Industry and ESDM
 - Chairman of ISPA and China Association speech
 - 10:30 am Coffee Break
 - Session 2: Mineral processing and cooperation Opportunity
 - Nickel product; Hydro and Pyro processing, and downstream Industry
 - Bauxite – Alumina – Aluminum
 - Other mineral – Cooper, Cobalt, mangan, rare earth etc.
 - Mineral processing Energy
 - 12 – 1 PM Lunch
 - 1:00 – 2:45: Session 3: Technology Exchange session
 - Hydro and Pyro processing
 - RKEF and Blast furnace
 - Other technology issue
 - 2:45 – 3 pm: Coffee Break
 - 3:00 PM – 4:30 Session 4: Market analysis, financing, and future trade
 - 4:30 – 5:00 PM Closing Summary, Press Conference
 - 5:00 – 6:30 Free time
 - 6:30 – 8 PM Dinner
- I. Day3: March 21, Wednesday
- Informal business matching
 - Check out and site visit to Tsingshan, Virtue Dragon ...

Who will attend to the Summit ?

- A. Total delegation target: 500 delegations
- China: investor & delegation from China and China investor in Indonesia: 200 delegations
 - International investors and institution: Singapore, India, etc including those already invested in Indonesia. 100 delegations are expected.
 - Indonesian delegation, including Government officers, supporting crews: 200 delegations

B. Delegation profile

- Investors in Mineral and energy sector
- Academic, Consultant, Research and Development
- Government officers
- Material suppliers, IUP holders, Traders
- Service industry provider
- Minerals(Mn, Cr.Ni) and Ferroalloys Smelters

Above Topics and Speakers are subject to final confirmation by organizer and mere details

Will be advised in website: www.ferro-alloys.com

How to register and Sponsor the Summit?

Contact us by mail: conference@ferro-alloys.com

Online register: www.ferro-alloys.com

Whatapp /wecaht online: 0086 18510786828

Indonesia register , please Contact person: Vince Gowan, vincegowan1@gmail.com

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