

**Overseas Market Information****Indonesia****Joint Venture in Steel Mill Project**

State-owned company PT Krakatau Steel and South Korea's Pohang Iron & Steel have reached an agreement for ownership stakes in a \$ 6 billion steel mill to be built in Banten. Krakatau Steel will control 45% while Posco will control the remainder. The ownership structure will be effective once construction, scheduled to start at the end of July, is finished in 2011. Steel production is scheduled to start in 2013. According to the Krakatau President Director, Fazwar Bujang, the plant would have total capacity of 7 million tons of steel annually. The company would spend \$165 million this year to expand its hot strip mill production to absorb additional slab or raw steel production from its joint venture with Posco.

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Details of Pohang Iron & Steel (Posco) can be found in their website www.posco.com.

Opportunity in Automotive Sector in Indonesia :

Industry Minister MS Hidayat believed that Indonesia would achieve its target of building a firm and strong automotive production basis by 2025. The government planned to develop Indonesia onto a production basis of multi-purpose vehicles (MPV), sport utility vehicles (SUV), small economical sedans, commercial trucks higher than 24 tons, medium size sedans, hybrid cars, and premium cars by 2025. The government also have a target that 80 percent of the design of 4W gasoline engines for medium size sedans, produce quality components for premium cars, and develop suppliers of premium car components.

(Source : Embassy of India, Jakarta)