

## **EXECUTIVE SUMMARY**

*Agriculture sector is an important sector and has been the backbone of Indonesia's economy in the past years. According to the Central Statistical Agency (Badan Pusat Statistik), the agriculture sector contributed 13.28% to Indonesia 2021 total GDP, the second highest below manufacturing Industry. Despite changing Government policies toward infrastructure and Industrial 4.0, the agriculture sector remained one of the highest contributors to Indonesia's GDP. During COVID-19 pandemic, several sectors were severely impacted and needed significant effort to remain in existence. However, other sectors such as agriculture, forestry and fisheries managed to grow positively. As other sectors experienced lower demand, demand for agricultural products remained high during the pandemic as these products are basic needs for Indonesian people's daily life. Most of these products are traded at traditional markets around Indonesia.*

*According to the Central Statistical Agency (Badan Pusat Statistik), there are more than 30.3 million farmers in Indonesia, more than 16 thousand traditional markets and around 2.8 million traditional market traders in Indonesia which makes this agricultural-based business model attractive to realize. As of now, traditional market distribution channels are very complicated and inefficient where there are a lot of intermediaries before those agricultural products reach the hands of the traders. Thus, making those products more expensive when they reach the hands of the traders as each intermediary will charge a certain fee.*

*Pasarku is an application that is engaged in the distribution industry that offers services to traditional market traders to assist them in obtaining daily merchandise, namely vegetables and fruits through a demand input system from traders in the application as company data to supply their needs. Moreover, Pasarku also simplifies the supply chain so that it can help traditional market traders to get fruits and vegetables at a lower price. Furthermore, to help traditional market traders to grow, Pasarku will also provide payment terms facilities in the form of credit limit to each trader.*

*Entering the fruits and vegetables distribution industry poses several challenges such as unique trader characteristics, existing suppliers and so on. Therefore, the pilot project of Pasarku will be held in Plaju Market in Palembang, South Sumatera. As we have an existing relationship with the market's management. Plaju Market is one of the biggest traditional markets in the area and has more than 200 traders. Pasarku aims to serve around 75% of Plaju Market traders by the end of second year. Starting from year 2, Pasarku will expand to other traditional markets in Palembang South Sumatera, and by the end of Year 5 Pasarku aims to serve around 40 traditional markets with an estimated number of traders of 3,600.*

*Furthermore, the initial investment for this project is Rp. 12,125,000,000 with a forecasted 5-year net present value (NPV) of Rp. 32,823,503,830 with IRR of 40.19% and payback period of 4 years and 3 months, all numbers are based on most likely condition.*

