

EXECUTIVE SUMMARY

The Indonesian economic growth is supported by sufficient energy supply. Unfortunately, energy supply especially fossil fuel is becoming scarce which leads to increasing fuel price over years. It causes huge deficit of Indonesian current account since fuel import reached 35 million KL per year.

Indonesian Government has launched the series of policies to cope with this situation. One of them is promoting biodiesel for industries through increasing mandatory mixture of biofuel from 7.5 pct to 10 pct and will increase in near future.

PT Bioenergi Makmur (PTBM) views this condition as an opportunity and is going to produce Kemiri Sunan-based-biofuel. From several studies, Kemiri Sunan is believed to have better performance and productivity among others.

PTBM's vision is to be one of the leading renewable energy companies in Indonesia by providing fuel with lower price and great performance. In order to accomplish it PTBM implemented Cost Focus as generic strategy.

Ensuring availability of raw material is one of key success factor in biofuel industry. Thus, PTBM will also develop land for Kemiri Sunan plantation and will keep expanding it by 2.000 ha per year to grab growing demand of biofuel.

PTBM implemented B2B marketing approach which personal selling hinges among others. Sales Persons become strategic since sales person is liason agent for customers. Thus, PTBM provides them with adequate training to improve their skill and productivity.

All of those strategies mentioned above was considered necessarily taken in order to accomplish target market share by 5.5 pct in 2022. Target markets of PTBM are textile factories, chemical factories, beverage factories, paint factories, plastic factories and cosmetic factories located in DKI Jakarta, East Java and Banten.

Financial projection shows that biodiesel is a promising business. It shows that by the end of 2023 EAT will be IDR 375 billion, ROE will be 41%, NPM will be 36%. Project feasibility assessment shows that payback period is less than 8 years, NPV is IDR 175.89 billions, and MIRR is 32%.

