

PRESIDENTIAL DECREE  
NUMBER 41, YEAR 1973  
CONCERNING  
BATAM ISLAND INDUSTRIAL ZONE

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering : that to increase and accelerate the execution of Batam Island Industrial Zone, it is regarded necessary to review and improve the arranging of Batam Island as Industrial Zone as stipulated in Presidential Decree No. 74 Year 1971.

In view of : 1. Article 4 paragraph (1) of the 1945 Constitution;  
2. Law No. 5 Year 1960 (State Gazette Year 1960 No. 104; Additional State Gazette No. 2403);  
3. Government Regulation No. 20 Year 1972 (State Gazette Year 1972 No. 28; Additional State Gazette No. 2985).

By revoking : Presidential Decree No. 74 Year 1971.

H A S D E C I D E D :

To stipulate : PRESIDENTIAL DECREE CONCERNING BATAM ISLAND INDUSTRIAL ZONE

CHAPTER I  
STATUS

Article 1

- (1) Batam Island, which falls under the area of First Grade Region of Riau Province, is appointed Industrial Zone, to be further called Batam Island Industrial Zone in this Presidential Decree.
- (2) In conjunction with that stipulated under paragraph (1) of this Article, the entire area of Batam Island constitutes the working area of Batam Island Industrial Zone.

CHAPTER II  
INSTITUTION, TASK AND COMPOSITION

Article 2

The development, control and operation of Batam Island Industrial Zone respectively performed by and accounted for to:

- a. Batam Island Industrial Zone Supervising Board.
- b. Batam Island Industrial Zone Development Authority.
- c. Batam Island Industrial Zone Operating Corporation.

Article 3

BATAM ISLAND INDUSTRIAL ZONE SUPERVISING BOARD

(1) Batam Island Industrial Zone Supervising Board has the following tasks:

- a. To perform control on the implementation of the policy on the development and development control of Batam Island carried out by Batam Island Industrial Zone Development Authority;
- b. To synchronize the policy of Government Offices related with the development of Batam Island;
- c. To give execute directives to Batam Island Industrial Zone Development Authority, in conformity with the general policy of the Government in the field of development.

(2) The composition of Batam Island Industrial Zone Supervising Board consists of:

1. State Minister of Economy, Finance and Industry/Chairman of "BAPPENAS" as Chairman concurrently Member;
2. Minister of Home Affairs, as Member;
3. Minister of Finance, as Member;
4. Minister of Trade, as Member;
5. Minister of Industry, as Member;
6. Minister of Communications, as Member;
7. Chairman of Capital Investment Coordination Board, as Member;
8. Governor Head of Riau Province Region, as Member.

- (3) In performing its tasks, Batam Island Industrial Zone Supervising Board is responsible to the President.

Article 4

BATAM ISLAND INDUSTRIAL ZONE DEVELOPMENT AUTHORITY

- (1) Batam Island Industrial Zone Development Authority is the authority that is responsible for the growth development of Batam and has the following tasks:
  - a. to develop and control the development of Batam Island as an Industrial Zone;
  - b. to develop and control the transshipment activities in Batam Island;
  - c. to plan the infrastructure demand and the operation of infrastructure installation and other facilities;
  - d. To handle and study the application for undertaking permit submitted by entrepreneurs and to submit it to the office concerned;
  - e. To assure that the licensing procedures and the rendering of services needed in establishing and operating business in Batam Island may run smoothly and orderly, in order to implant entrepreneurs interest to invest their capital in Batam Island.
- (2) The composition of Batam Island Industrial Zone Development Authority consists of:
  - a. one Chairman;
  - b. one Vice Chairman;
  - c. one Secretary.
- (3) In performing its tasks, Batam Island Industrial Zone Development Authority is assisted by a team of assistants comprising of the elements of:
  - a. Department of Finance (Directorate General of Taxation and Directorate General of Customs and Excise);
  - b. Department of Communications (Directorate General of Sea Communications);
  - c. Department of Trade (Directorate General of Trade);
  - d. Department of Manpower, Transmigration and Cooperatives (Directorate General of Manpower Build-up and Use);
  - e. Department of Home Affairs (Directorate General of Agrarian Affairs).

- (4) In performing its tasks, Batam Island Industrial Zone Development Authority is responsible to the President.
- (5) In performing its daily tasks, Batam Island Industrial Zone Development Authority receives and due observes directives given by Batam Island Industrial Zone Supervising Board.

Article 5

BATAM ISLAND INDUSTRIAL ZONE OPERATING CORPORATION

- (1) To perform the operation of Batam Island Industrial Zone, a State-owned undertaking body is established in the form of Corporation, in accordance with the provisions stipulated in Code of Commercial Law State O.G. 1847:23, *jo.* Government Regulation No. 12 Year 1969.
- (2) The establishment of the Corporation stated under paragraph (1) of this Article shall be arranged in separate regulation.

CHAPTER III

DESIGNATION AND USE OF LAND

Article 6

- (1) The designation and use of land in Batam Island Industrial Zone for construction purposes, business and other facilities which are related with the execution of Batam Island development are based on a land planology in the frame of developing Batam Island to become Industrial Zone.
- (2) Matters related with the arrangement of land in the region of Batam Island Industrial Zone shall be further regulated by Minister of Home Affairs, in accordance with the legislative regulations which are effective in the agrarian field, with the following provisions:
  - a. the whole area of land situated in Batam Island is handed over, with the management right, to Chairman of Batam Island Industrial Zone Development Authority;
  - b. the management right stated under point a of this paragraph gives authority to Chairman of Batam Island Industrial Zone Development Authority:
    1. to plan the designation and use of the said land;
    2. to use the said land for performing his tasks;
    3. to hand over the parts of the said land to the third party with the right to use, in accordance with the provisions stated under Article 41 to Article 43 of Basic Agrarian Law;

4. to receive entry fee/compensation and annual obligatory fee.

Article 7

- (1) If it is needed to operate activities for developing Batam Island as Industrial Zone, on the proposal of Batam Island Industrial Zone Development Authority, certain areas in the Batam Island Industrial Zone can be appointed Bonded Warehouse Operation areas as referred to in Government Regulation No. 20 Year 1972.
- (2) The operation and management of Bonded Warehouse Operation Areas in the Batam Island Industrial Zone are performed by the Batam Island Industrial Zone Undertaking Corporation.

CHAPTER IV  
APPOINTING AND DISCHARGING

Article 8

- (1) The appointing and discharging of Chairman and Members of Batam Island Industrial Zone Supervising Board are done by the President.
- (2) The appointing and discharging of Chairman and Vice Chairman of Batam Island Industrial Zone Development Authority are done by the President.
- (3) Secretary of Batam Island Industrial Zone Development Authority is appointed and discharged by Chairman of the Authority.
- (4) Members of Team of Assistants of Batam Island Industrial Zone Development Authority stated under Article 4 paragraph (3) of this Presidential Decree are appointed and discharged by Chairman of the Authority on the proposal of the Minister/Department concerned.

CHAPTER V  
OTHER PROVISIONS

Article 9

The specifications of tasks and working procedures of Batam Island Industrial Zone Supervising Board and Batam Island Industrial Zone Development Authority are further arranged by the respective Chairman.

CHAPTER VI  
CONCLUDING PROVISIONS

Article 10

This Presidential Decree comes into effect as from the date of the stipulation.

Stipulated in Jakarta  
On November 22, 1973  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

SOEHARTO