



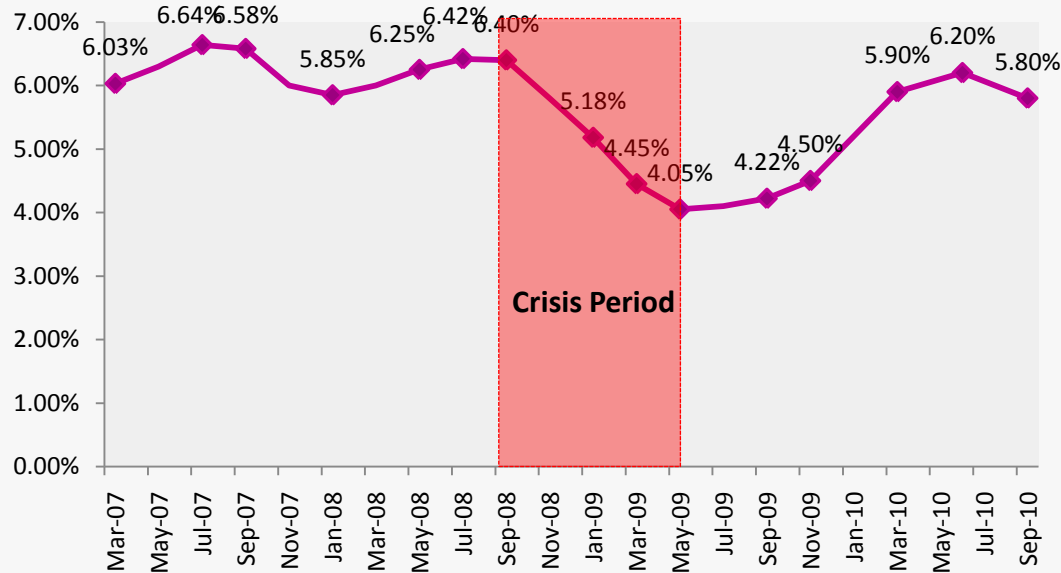
## ACCELERATING INFRASTRUCTURE DEVELOPMENT : JAKARTA CASE

Indonesian Association of Planners Seminar  
JW Marriott Hotel - Jakarta, 19 January 2011

**Bambang Susantono, Ph.D.**  
**Vice Minister for Ministry of Transportation**  
**Republic of Indonesia**

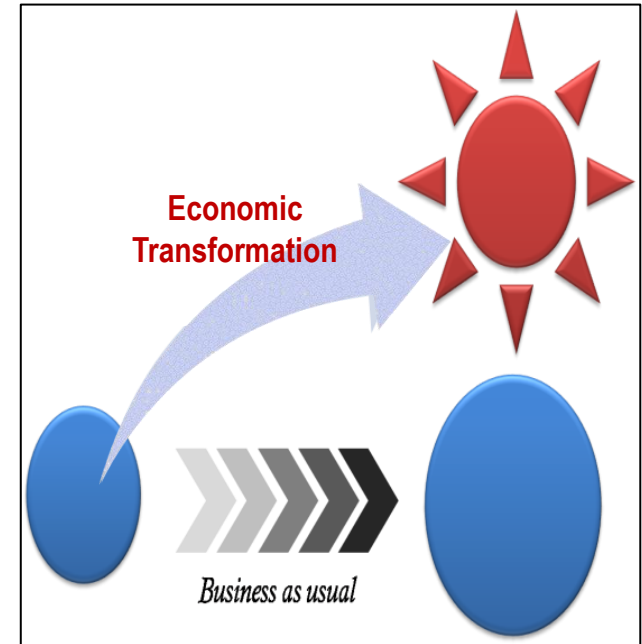
# Indonesia's Economy

Indonesia GDP Growth (yoy)



Source: BPS, analyzed

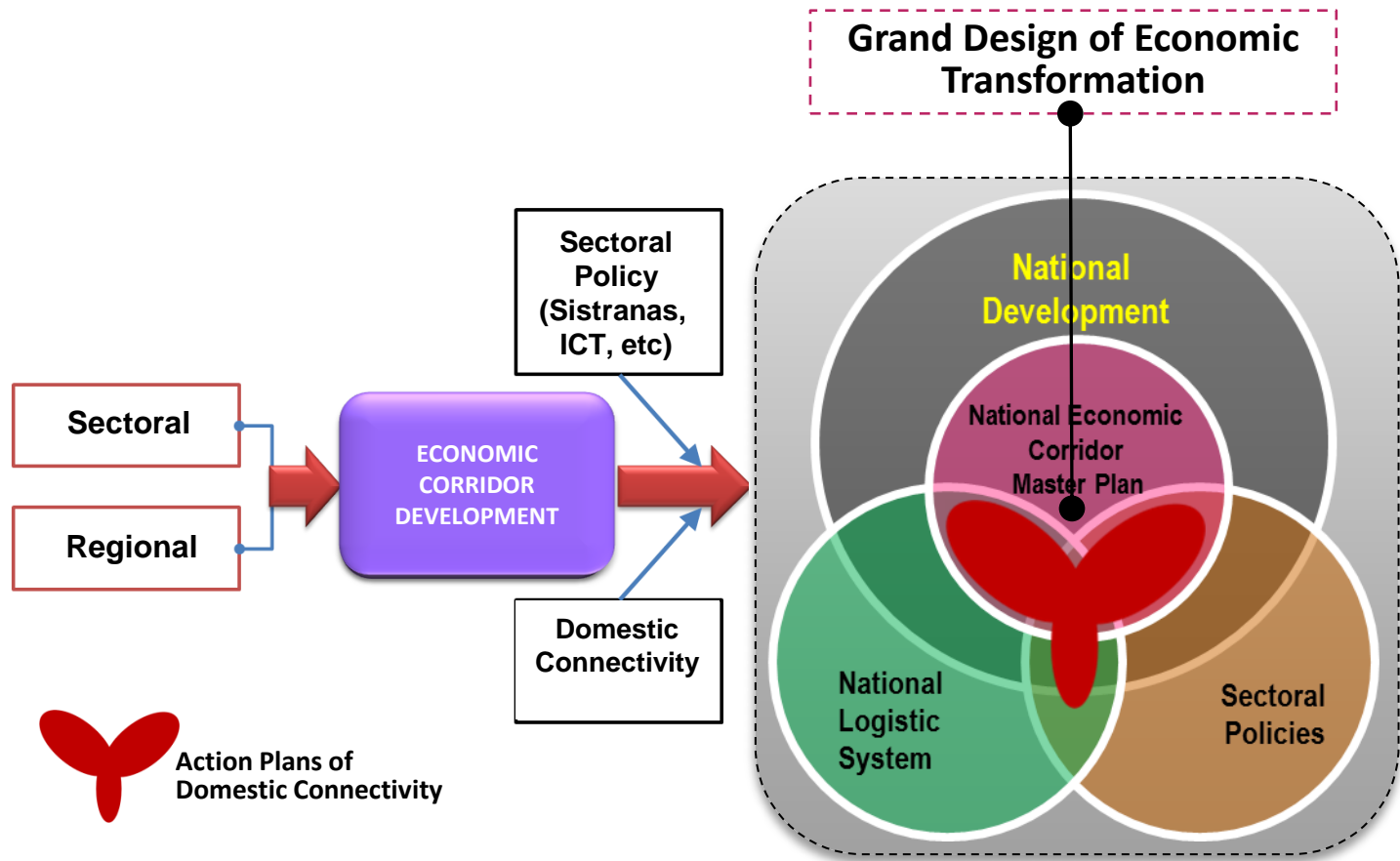
## BaU vs Economic Transformation



To stay competitive, we cannot afford to rely on “business as usual” scenario. We need to have economic transformation that is planned through the Grand Design of Economic Transformation, a plan that is integrated with other Government laws and plans.

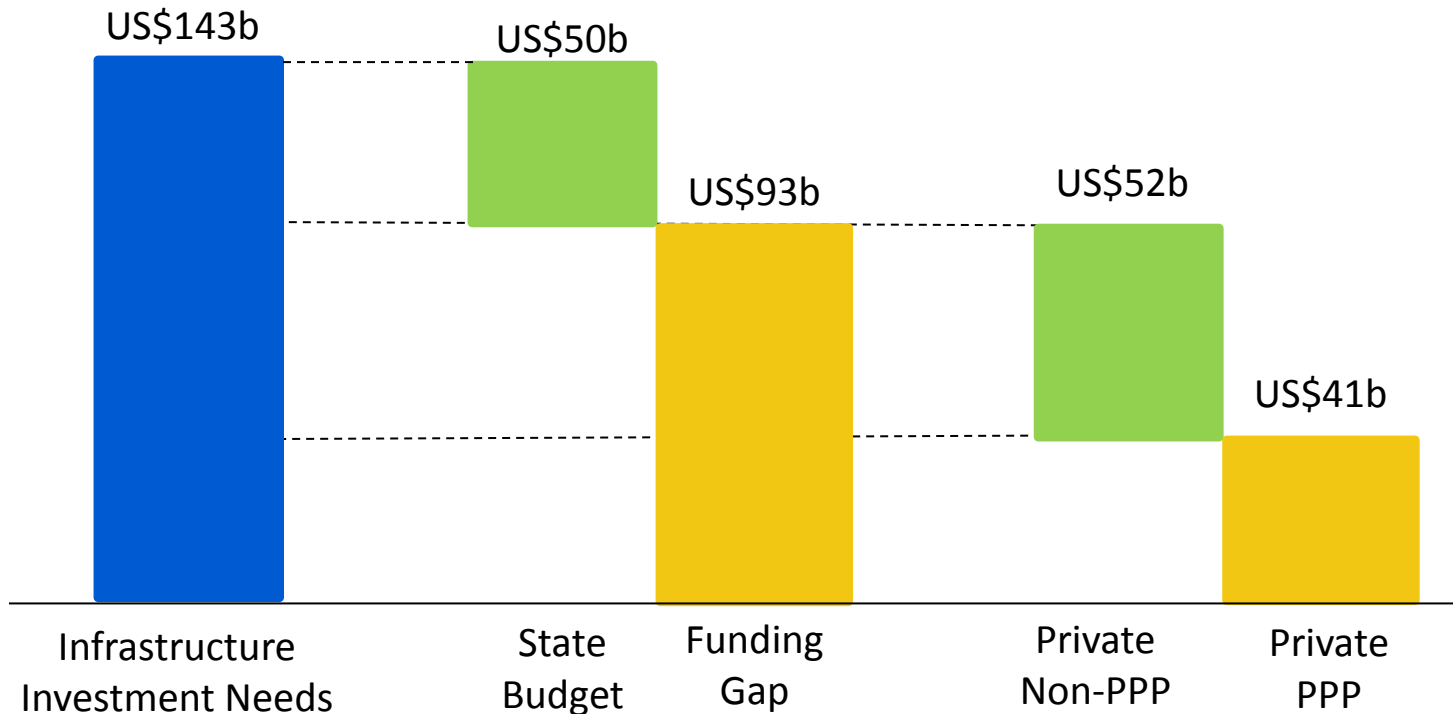
# Grand Design of Economic Transformation

## The Position of Grand Design of Economic Transformation in the National Policy



Source: CMEA

# Infrastructure Investment Needs



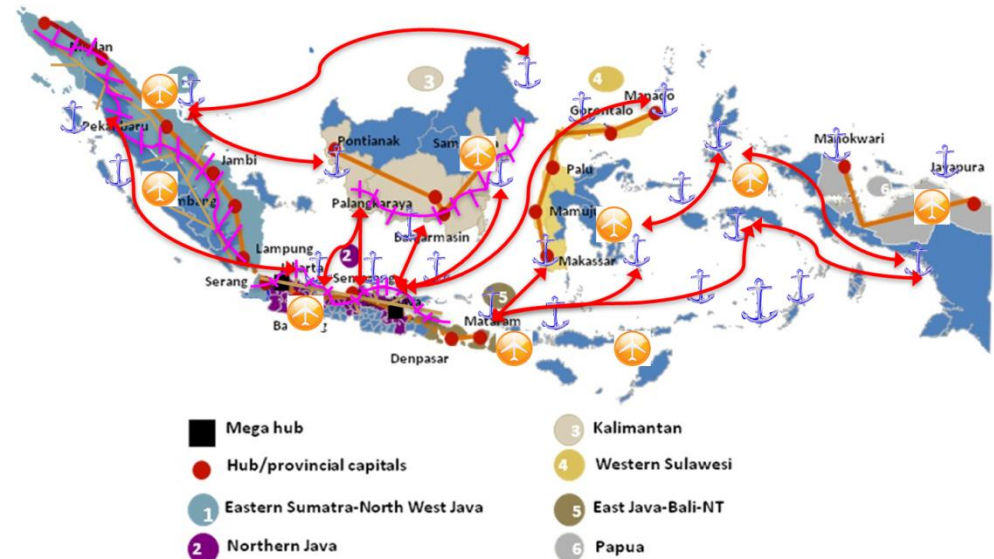
Source: Gov't Medium Term Plan 2010-2014 and Bappenas

- The investment needs in infrastructure sector in 2010-2014 is estimated to be US\$ 143 billion
- The state budget can only fulfill about 30% of the needs; private investments are expected to fulfill the funding gap
- Half of the private investment is anticipated to come from PPP
- The government has issued Government Regulation No. 13/2010 on PPP in Provision of Infrastructure

# ASEAN & Domestic Connectivity



**ASEAN Connectivity**



**Domestic Connectivity**

- A government initiative to strengthen the national connectivity, that will also support regional (ASEAN) connectivity through infrastructure, institutional synchronization, and people-to-people contacts
- Domestic connectivity aims to increase competitiveness through reduced inter island shipping cost and transportation cost, increased accessibility to ports and improved ports performance

# Regulatory Reform in Transportation Sector

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## Previous Regulations

- Overlapping roles of regulator, operator and contracting agency
- Monopolistic / Single Provider
- Limited access for Private Sector
- Centralized
- More on supply approach
- Minimum access for the Government Support

## New Regulations

- Clear separation of role between regulator, operator & contracting agency
- Multi-operator
- Wider access for the involvement of Private Sector
- Decentralized
- Combination of accessibility and market-driven approaches
- Wider access for the Government Support

# Transport Sector Negative List of Investment (DNI)

## Indonesia Negative Investment List

- PR No. 76/2007 on The Criteria and Establishment of Closed Business Line and Open Business with Conditions in Respect of Capital Investment
- PR No. 36/2010 on List of Business Closed and Opened with Reservation in the Investment Sector

### Closed (7 areas)

- Provision and management of Inland Terminal
- Management and the Operation of Weighing Bridge
- Shipping Telecommunications Facilities/ Navigation Support Facilities
- Vessel Traffic Information System (VTIS)
- Air Navigation
- Vehicles testing
- Periodical testing on vehicles

### Allowed with certain requirements (33 areas)

#### Allowed with max. 60% capital ownership\* (2 areas)

- Maritime cargo handling services
- Sea transport (int'l passenger and freight, excl. cabotage)

\*only for ASEAN investors

#### Allowed with max. 49% capital ownership (18 areas)

- Provision of ferrycrossing transport
- Provision of river and lake transport ship<30GT
- Provision of river, lake, and ferrycrossing transport facilities
- Various goods transport (public, dangerous, special, container, heavy equipment goods)
- Supporting business in terminal

- Non commercial air transport
- Airport services
- Transport arrangement services
- Airplane forwarder services
- General selling agent for foreign air transport company
- Flight activities direct support service
- Sea Transport (domestic and int'l)
- Provision of waste facilities in Port
- Salvage and/or under water services

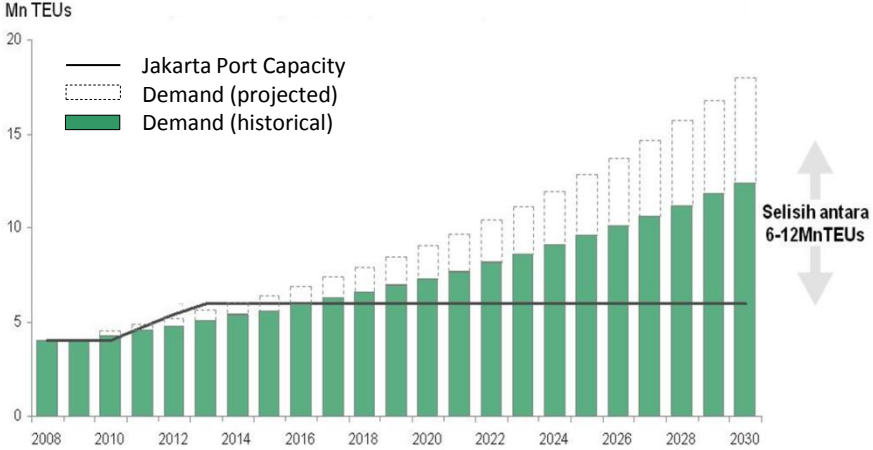
#### Allowed with special permits (5 areas)

- Provision and operation of ferrycrossing and port
- Provision and operation of river and lake transportations and port
- Commercial air transport
- Passenger transportation – 100% domestic capital
- Traditional Sea Transport (Pelayaran Rakyat) – 100% domestic capital

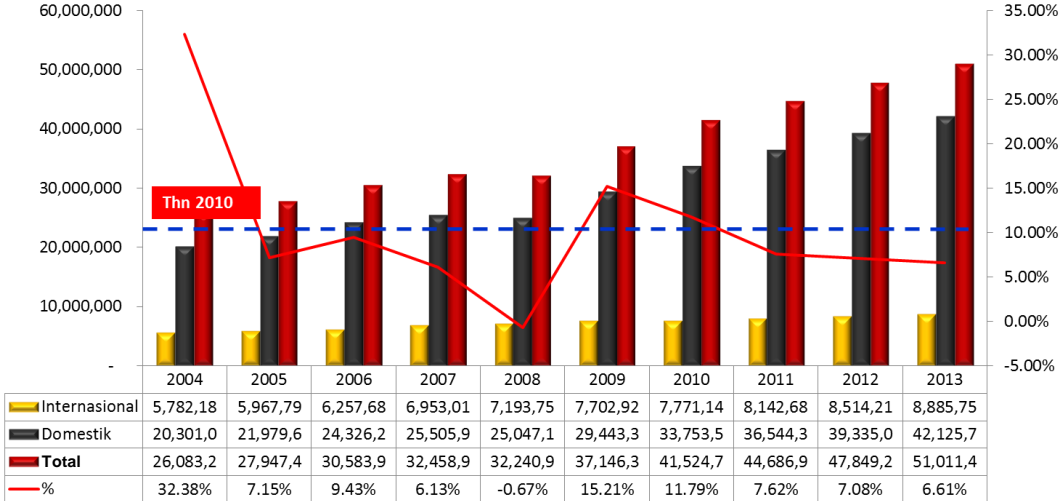
# Demand for Transportation Infrastructure in Jakarta



Growing Demand of Container Shipping



Source: Indonesia Shipping Report 2010, analyzed

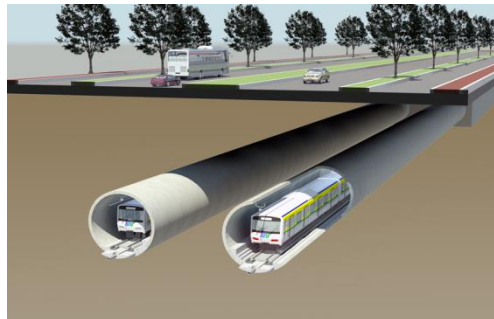


Overcrowded Jakarta Airport

# Investment of Transportation Infrastructure in Jakarta



Multiple-airport System

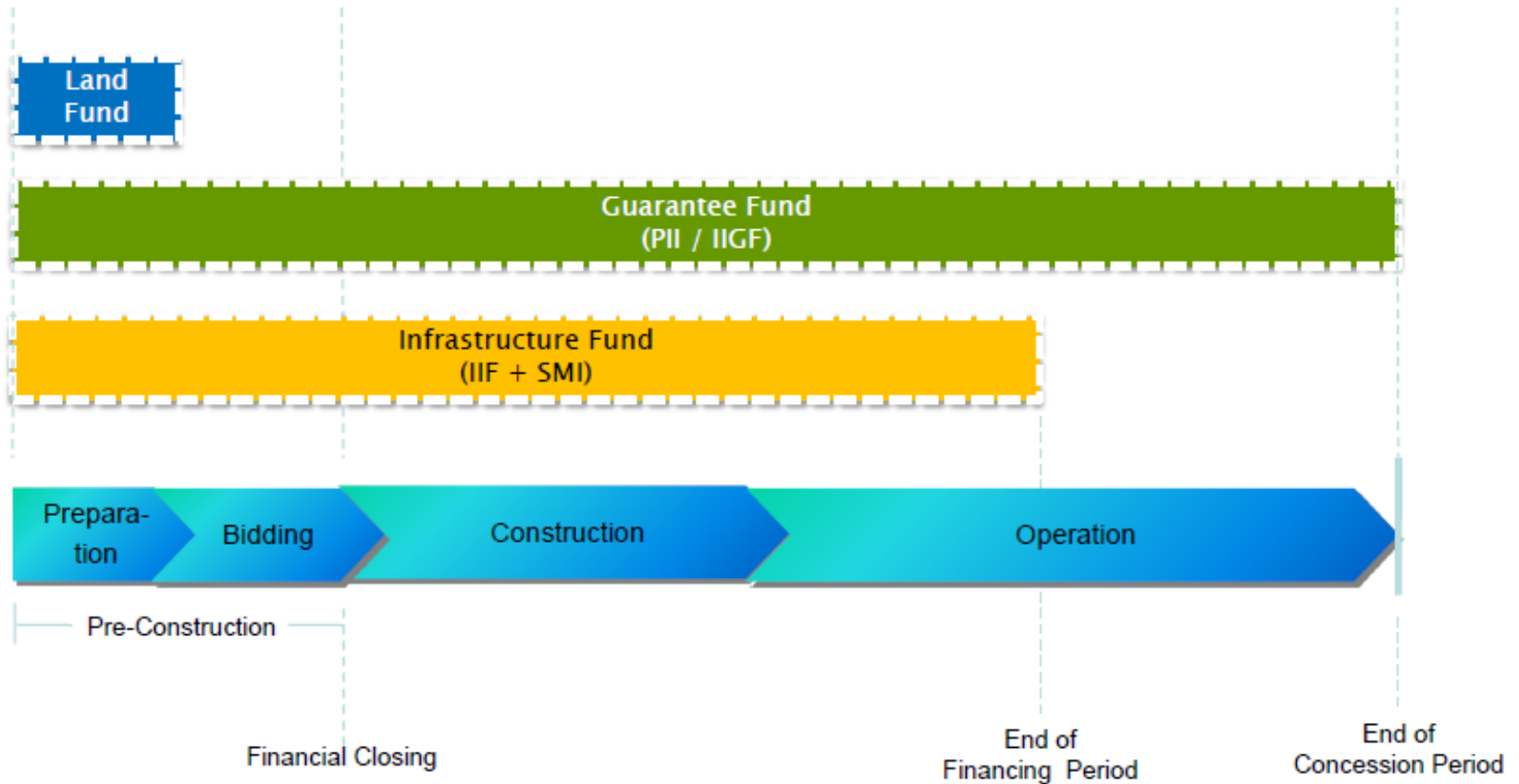


Monorail, MRT, and Airport Train

Tj. Priok Port Expansion & Pasoso Freight Train



# Government Commitment to PPP



- Infrastructure funds and guarantee fund have been established and are in operation.
- The seed capital for land fund has been provided

THANK YOU