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ASOSIASI KONTRAKTOR INDONESIA
INDONESIAN CONTRACTORS ASSOCIATION

INDONESIA COUNTRY REPORT

By Indonesian Contractors Association

40th ASEAN Constructors Federation Council Meeting
Manila, 9th October 2015

Presentation Outline

- Macro Conditions & Trends
- Building Materials Prices
- Construction Industry Outlook

Macro Conditions & Trends

- Economy growth YoY ~ 4.67% (down from 5.03% in Q2 2014 and 4.72% in Q1 2015)
  - Government start spending on infrastructure to boost the economic growth
  - Data from public work, 90% of planned project have been tendered.

Construction National

- Construction still contributed 10.66% of GDP
- Most labor force is semi-or unskilled.
- Among the skilled classes, only 7.17% certified as skilled expert and 5.38% of skilled labor holding accreditation.

MATERIAL PRICES

- Prices of building materials are quite volatile in Indonesia
  - Movements in USD/IDR exchange rates
  - Though the exchange of USD is lower than last period, the material prices are still high.

Material Prices

Selected Building Materials Prices

No	Region	Price Range (USD)
1	Reinforcement bar	847 – 924 / ton
2	Filling Sand	16.17 – 19.25 / m3
3	Silica Sand	26.466 – 31.79 / m3
4	Coarse Sand	12.925 – 15.29 / m3
5	White Mortar TR30 40kg bag	6.38 – 7.7 / bag
6	Portland Cement 40kg bag	6.6 – 8.03 / bag
7	Asphalt (Shell(	649 – 825 / ton

Targets set by Government

- Economic Independence
  - Food self-sufficiency
  - Development of industrial sectors
- Improve productivity & global competitiveness
  - National energy strategy
  - Improve access & reduce cost of logistics
- Build rural areas

INFRASTRUCTURE PROJECT PLANNING 2015-2019 (1)

Lokasi 15 bandara dan 24 Pelabuhan

- 2,350 KM new road
- 1,000 KM new toll road
- 46,770 KM road maintenance

- 15 New airport
- 20 New small plane for new route remote area
- Airport expansion for air cargo at 6 location airport

- 24 new sea port
- 26 new cargo ship for new route – remote area
- 2 new ship for livestock only
- 500 units new ships

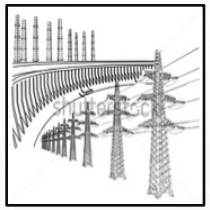
- 2,159 KM rail route connecting city
- 1,099 KM rail route inside the city

- 60 new crossway seaports
- 50 new ferry ships

- New BRT in 29 Cities
- Development of mass rapid transportation at Urban area, 6 metropolitan cities and 17 big cities.

INFRASTRUCTURE PROJECT PLANNING 2015-2019 (2)

- Construction of 65 new dams and 33 PLTA (Power Plant)
- Expansion and construction irrigation to 1 million ha
- Rehabilitation of 3 million ha current irrigation system



- Construction of 2 processing facilities with capacity of 300,000 barrels
- Construction of FSRU at 5 locations in West Java / DKI Jakarta, Central Java, East Java, North Sumatera, and Lampung.
- 90,000 gas connection to housing
- Construction of 75 units gas station
- Electrification ratio is up to 96,6%
- 35,000 MW power plant
- Gas for 600,000 fisherman

- 100% broadband connection to reach region and small cities
- E-government index increasing to 3.4 from 4.0 scale
- Development of e-procurement, e-education, e-health system and e-logistic

- Construction of Rusunawa 5,257 twin block for 515,711 families
- Stimulant financial for public housing for 5.5 million families.
- Manage and handling 37,407 ha slum area
- Credit facility for 2.5 million low-income families.

- Construction of water supply at urban area to connecting 21.4 million house with capacity 268,680 liter/ second
- Construction of water supply at rural area with 11.1 million connections in 22,647 rural areas.

- Construction of communal water waste system at 227 cities and centralized at 430 cities.
- Construction of blackwater waste system at 409 cities
- Construction of sanitary landfill and recycle facility at 341 cities
- Reducing 22,500 water pools at housing area.

Conclusion

- Macroeconomic conditions have been and will continue to be challenging.
- Capital expenditure is almost doubled under the plan.
- PPP is expected to bring private sector investment.
- Indonesia is also looking to boost its PPP success rate.

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