



**ASEAN CONSTRUCTORS FEDERATION**  
**48<sup>TH</sup> ACF COUNCIL MEETING**

**INAYA Putri Bali, Nusa Dua - Bali & New Kuta Golf, Pecatu - Bali**



## Indonesia Country Report

Bali, 12<sup>th</sup> September 2019

# Outline of Content

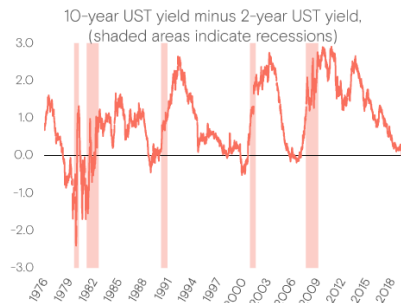
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- Economic Outlook
- Initiatives: Infrastructure Development Framework
- Infrastructure Projects & Procurement Scheme
- New Capital City in Kalimantan
- Technology Adaptation: Building Information Management
- Labor Rates & Material Price

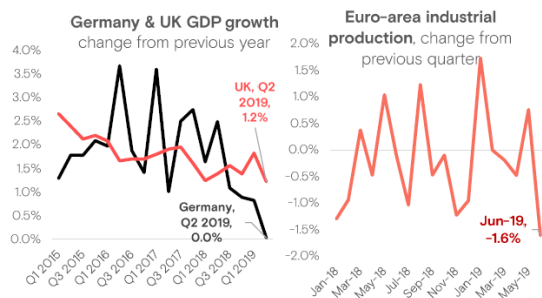


# Global Economic Outlook

## US: Signs of recession in government bond markets



## Europe's economic engines are slowing



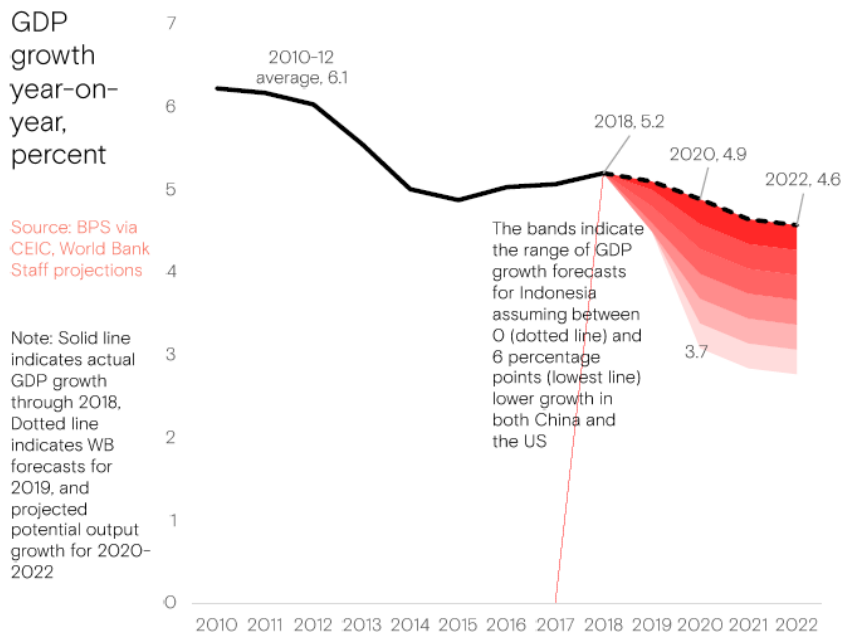
## China-US Trade War could start a crisis

- **The trade war has escalated** with a fresh round of tariff hikes by China and The US, and President Trump ordering US companies out of China
- **Tariffs could increase further** as US trade law allows tariffs to go up to 50% - President Trump “regrets not raising tariffs on China higher”
- **The trade war is spreading beyond trade** – restriction on tech-related investment could be broadened, and restrictions on Chinese access to The US financial sector are possible.
- **Trade wars could become currency wars** – Yuan broke sensitive 7/USD1 level

## Flashpoints

Brexit, 2020 elections in US, Japan-Korea trade tensions, Hong Kong protests, Iran sanction and shadow war with Israel, Argentina debt restructuring, Kashmir crisis.

# Indonesia Economic Slowdown Outlook



Indonesia's GDP growth will continue to decline because of weak productivity and slowing labor force growth

A global slowdown causes lower commodity prices, which will hurt Indonesia's GDP growth even more

- If growth goes down by 1.0 percentage point in China, Indonesia's growth will decline by 0.3 percentage point
- **In the global recession of 2009**, global growth declined by 6.2 pp from 2007, commodity prices plummeted, and **Indonesia's economy slowed by 1.7 pp**

Fiscal and monetary stimulus in Indonesia would be limited

# Indonesia's Economic Outlook

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- A number of countries hold the interest rate, Indonesian Central Bank has already deflated its 7 Days Repo Rate of Central Bank in August 2019 up to **5,5%**
- The growth of Indonesian Economy in the Second Quarter 2019 was **5,05%** ( ), lower than the year before (**5,27%**), resulting from global economic down-turn.
- Meanwhile, the recently-elected Government of Indonesia is still committed to boost Economic Growth and Distribution through **Infrastructure & Human Capital Development** and also the plan of **New Capital City** to Kalimantan

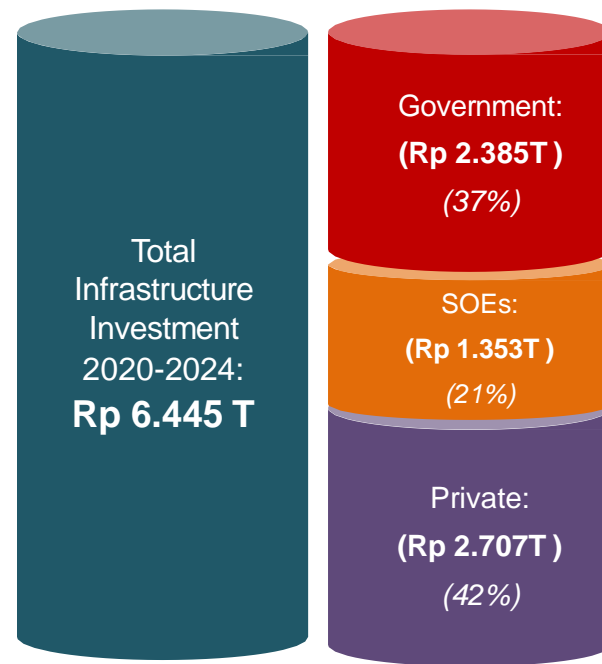
# Infrastructure Projects & Procurement Scheme

Infrastructure Funding Requirements 2020-2024

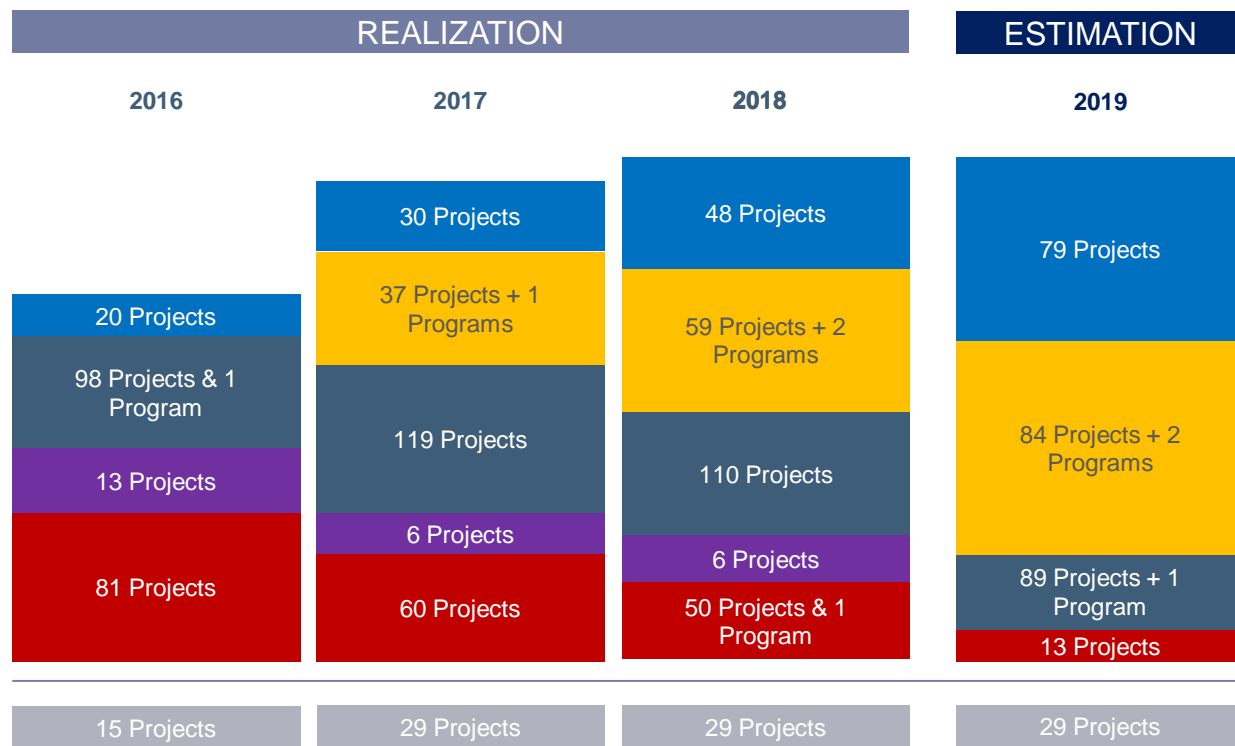
**Rp 6.445 T / USD 459 B**

- To increase infrastructure stock from 43% of GDP in 2017 to 50% of GDP in 2024, an infrastructure investment of **Rp 6,445T** (6.1% of GDP) is needed
- Increased 34.3% from 2015-2019 investment of Rp **4,796.2T**
- The role of community and business investment through the **PPP and Non-State Budget Infrastructure Financing** schemes are encouraged to address the imbalance between funding needs and availability.
- The Infrastructure Development requires huge number of investment and need to be financed using several schemes because the state budget is limited.
- Indonesia is open for foreign investment especially to support Infrastructure Development

## Infrastructure Funding Requirement



# National Strategic Projects: Realization (per end of 2018)



Committee for Priority Project Acceleration (KPPIP) targets the realization for 265 National Strategic Projects and 3 programs in 2019.

Note





# New Capital City in Kalimantan: Location



Indicative Location of New Capital City:

**Area of Penajam Paser Utara Regency and Kutai Kartanegara Regency in East Kalimantan**

As announced by President Joko Widodo on Monday, August 26<sup>th</sup> 2019

## Grand Timeline (2017-2024)

2017-2019  
Study Phase

2020  
Master Planning

2021  
Land Acq. DED,  
Groundbreaking

2022-2024  
Core Area  
Development

2024  
Beginning of  
Capital Transfer



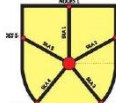
Gambar 1.1. Pancasila



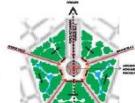
Gambar 1.2. Simbol Pancasila di Cakra Gunung Garuda



Gambar 1.3. Simbol Pancasila di Cakra Gunung Garuda



Gambar 1.4. Simbol Pancasila di Cakra Gunung Garuda



**Nation Identity:** Pancasila – Bhinneka Tunggal Ika – NKRI – UUD 1945

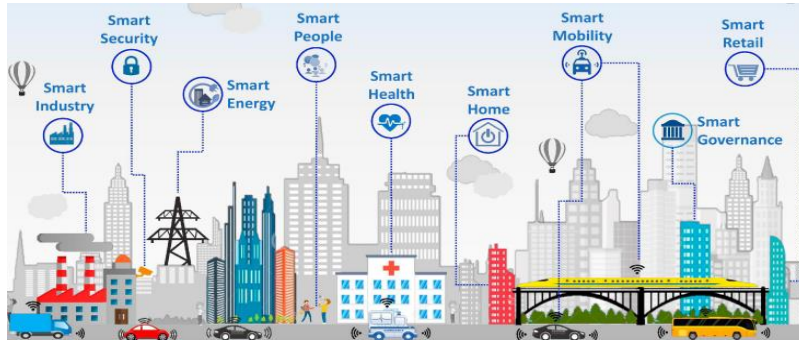


Source: Ministry of National Development Planning and Ministry of Public Works and Housing



# New Capital City in Kalimantan: Concept and Cost

**Concept:** Smart and Intelligent – Forest City



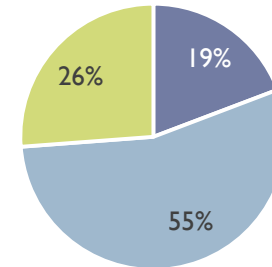
- Main Functions :
  - State/Presidential Palace
  - Executive, Judicial, Legislative Buildings
  - Strategic Facilities for Armed Forces/Police
- Supporting Functions :
  - Basic Facilities (Roads, Utilities)
  - Housings, Schools and Hospitals

▪ Estimated Population: **1.500.000 habitants**

▪ Estimated Cost : **Rp 466 T / USD 32,75 Billion**

Estimated Funding

- State-Budget
- PPP
- Private

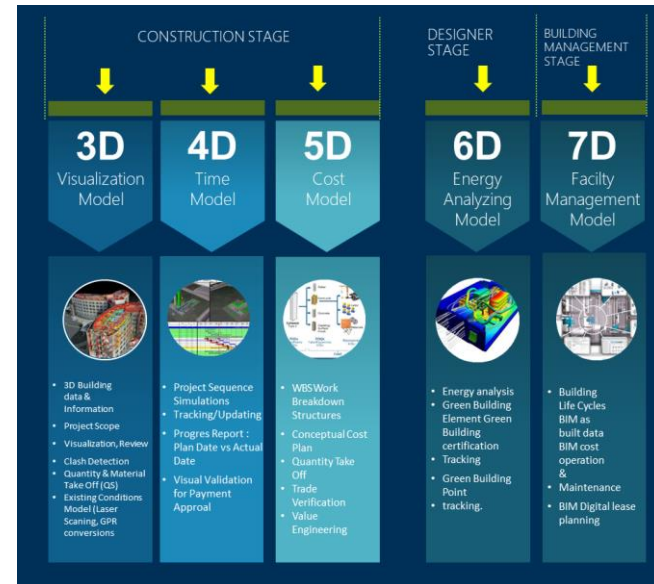
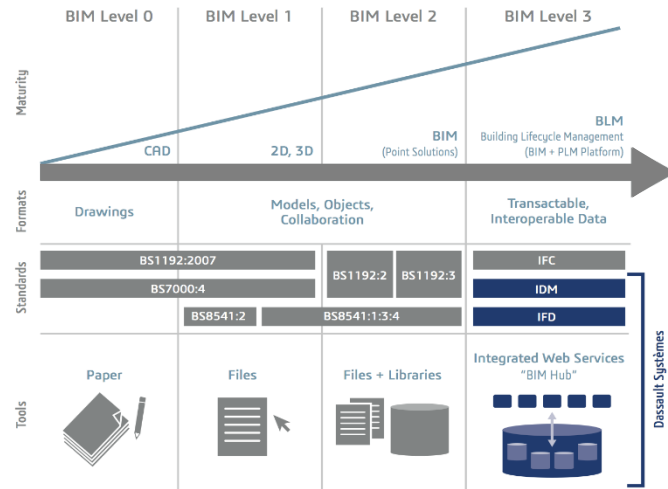


State-Budget (Rp 93,5 T/USD 6,2 B)	PPP (Rp 265,2 T/USD 18 B )	Private (Rp 127,3 T/USD 8,5 B)
<ul style="list-style-type: none"> <li>▪ Basic infrastructure</li> <li>▪ Presidential Palace</li> <li>▪ Military/Police/Civil Servant Housing</li> <li>▪ Land Acquisition</li> <li>▪ Military Base</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government Institution Buildings</li> <li>▪ Health and Educational Infrastructure</li> <li>▪ Supporting Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public Housing</li> <li>▪ Universities</li> <li>▪ Science-Technopark</li> <li>▪ Shopping Mall</li> <li>▪ MICE</li> <li>▪ Toll roads, Air- &amp; Seaports</li> </ul>

Source: Ministry of National Development Planning and Ministry of Public Works and Housing

# Building Information Modelling: Requirement for Construction Bid

- ▶ Building Information Modelling (BIM) is an intelligent 3D model-based process that gives architecture, engineering, and construction (AEC) professionals the insight and tools to more efficiently plan, design, construct, and manage buildings and infrastructure.
- ▶ BIM becomes one of requirement to enter construction bid in Indonesia.

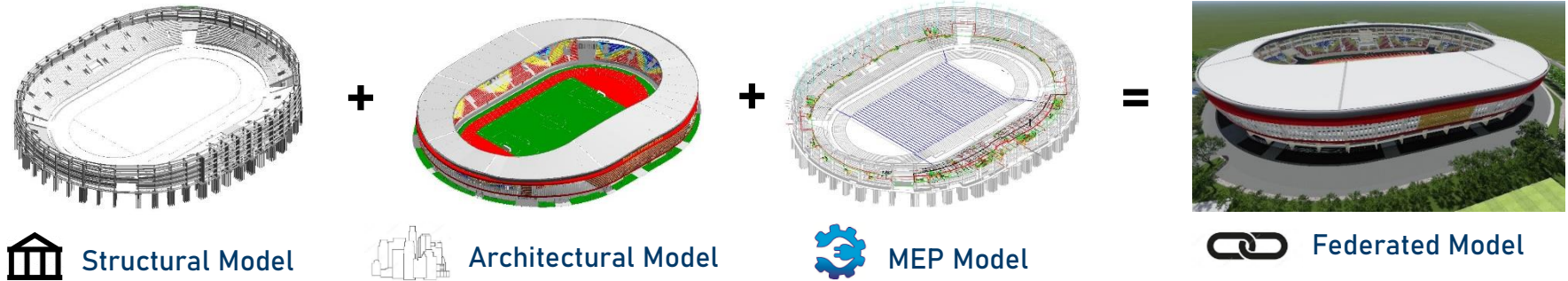


Source: PT Adhi Karya (Persero) Tbk.

# Technology Adaptation: Building Information Modelling (BIM)

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- ▶ Example: **Manahan Stadium Solo, Central Java**



- ▶ Features: Virtual Mock-Ups, Clash Detection, Finishing Simulation, Progress Report, Digitalized Site Coordination,

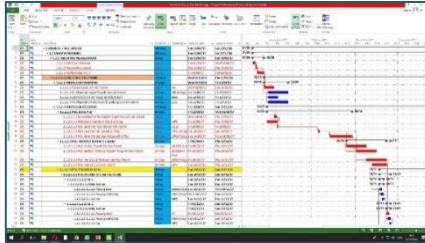
# Technology Adaptation: 4D Building Information Modelling (BIM)

## Create BIM 3D Model

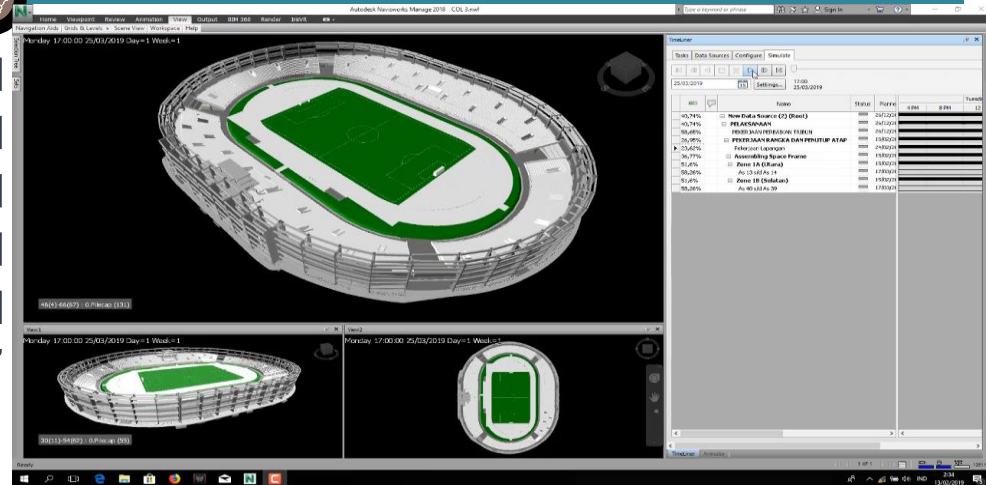
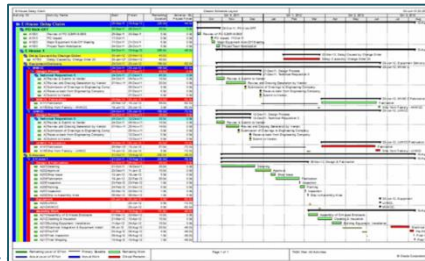
## Create Project Schedule

## 4D Simulation & Site Coordination Amongst Project Stakeholder

### MS Project



### Primavera P6





# Building Information Modelling (BIM): Manahan Stadium Solo

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Source: PT Adhi Karya (Persero) Tbk.

# Labor Rates

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## Labor Rates (2019)

No.	Description	Price (man.day) [IDR]	Price (man.day) [USD]
1	Non-Skilled General Worker	IDR 112.200 – 119.200	USD 8 – 8.5
2	Carpenter	IDR 147.300 – 150.000	USD 10.5 – 10.7
3	Bricklayer	IDR 133.260 – 136.100	USD 9.5 – 9.7
4	Steel-Bar Worker	IDR 129.000 – 133.260	USD 9.2 – 9.5
5	Plumber	IDR 134.700 – 137.500	USD 9.6 – 9.8
6	Heavy Weight Operator	IDR 182.350 – 189.400	USD 13 – 13.5
7	Welder	IDR 158.510 – 168.330	USD 11.3 – 12
8	Electrician	IDR 133.260 – 154.290	USD 9.5 – 11

### Exchange Rates:

2019: IDR 14.027/USD

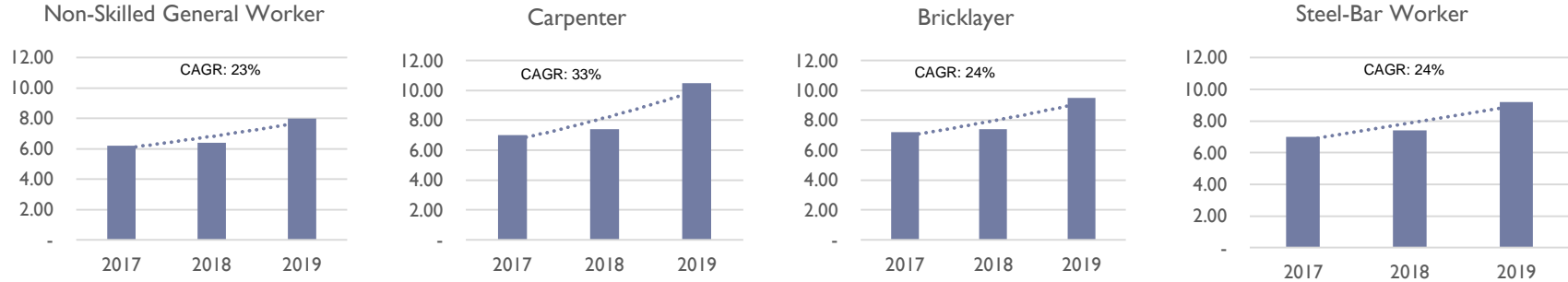


Inflation Rate: ±5%

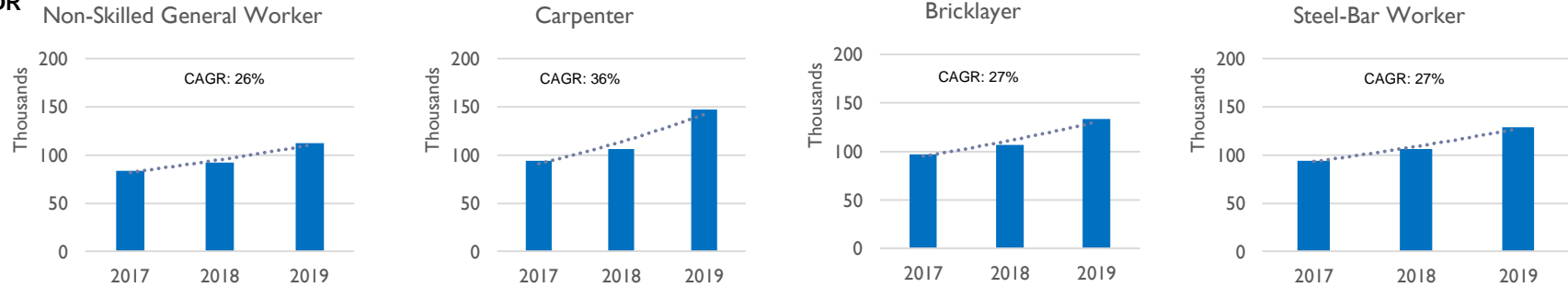
# Labor Rates (2017 - 2019)

**Exchange Rates:**  
2017: IDR 13.481/USD  
2018: IDR 14.380/USD  
2019: IDR 14.027/USD  
**CAGR: 4%**

## USD



## IDR

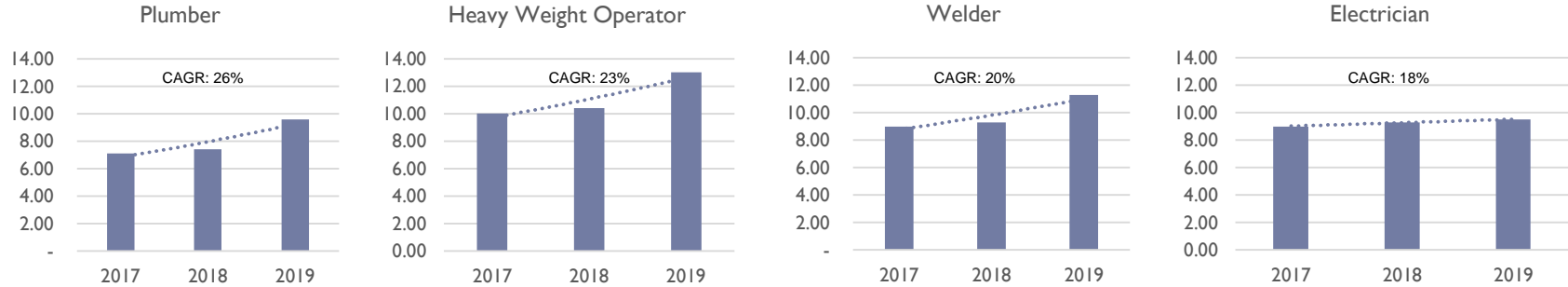




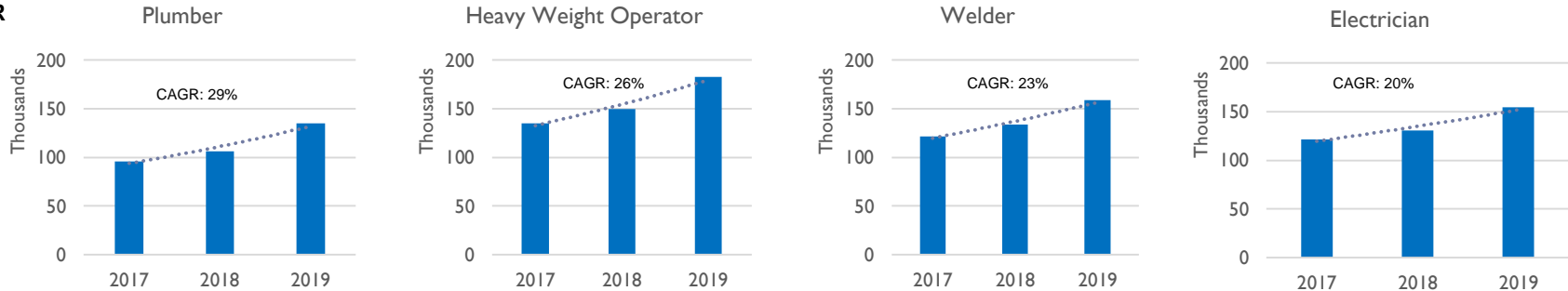
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## USD



## IDR



# Material Price

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## Material Prices (2019)

No.	Description	Price [IDR]	Price [USD]
1	Steel Rebar	IDR 7.7 mio – 7.9 mio /ton	USD 550 – 570 /ton
2	Portland Cement 50 kg bag	IDR 44.900 – 56.110 /bag	USD 3.2 – 4 /bag
3	Cement Mortar 50 kg bag	IDR 28.055 – 70.137 /bag	USD 2 – 5 /bag
4	Aerated Concrete Blocks	IDR 547.100 /m <sup>3</sup>	USD 39 /m <sup>3</sup>
5	General Timber	IDR 2.4 mio – 2.6 mio /m <sup>3</sup>	USD 170 – 190 /m <sup>3</sup>
6	Sand	IDR 196.400 – 238.500 /m <sup>3</sup>	USD 14 – 17 /m <sup>3</sup>

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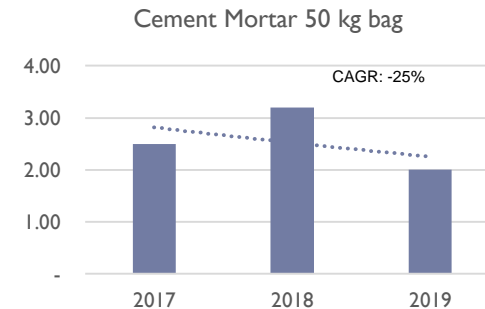
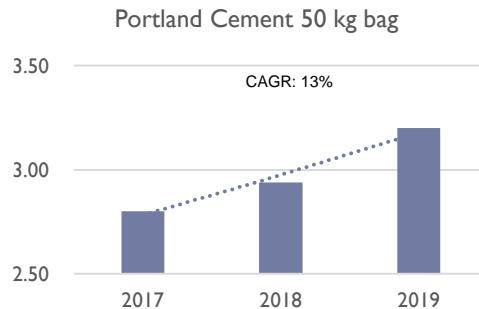
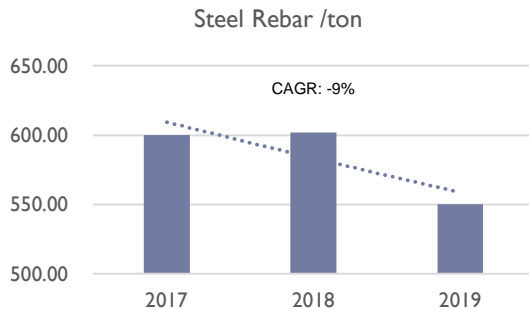


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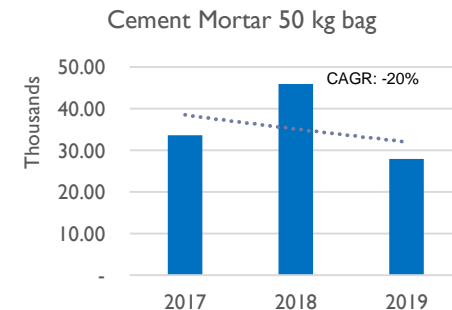
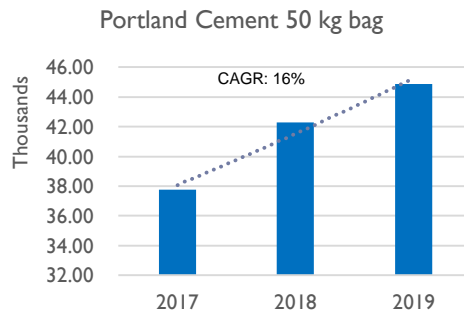
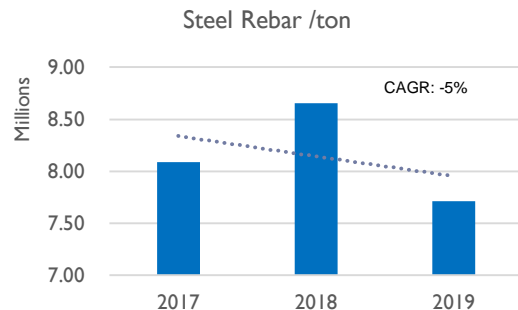
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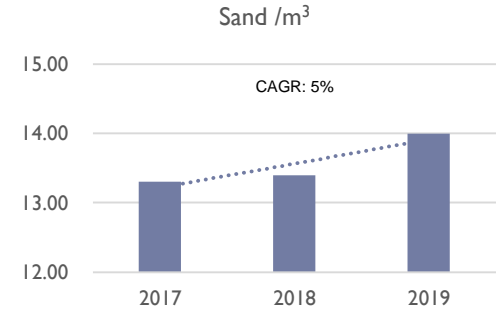
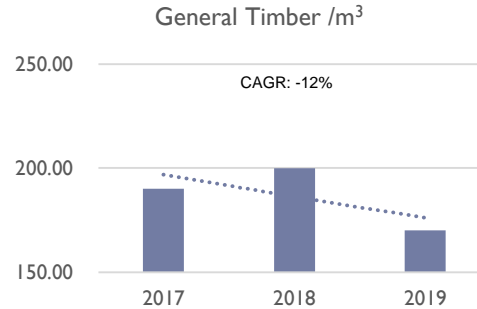
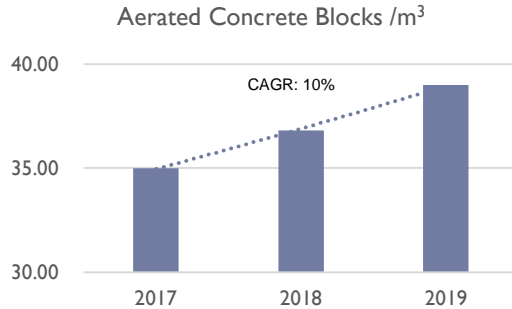
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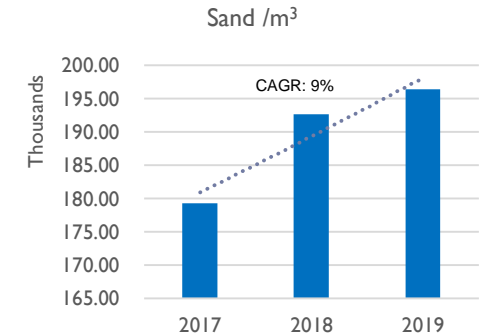
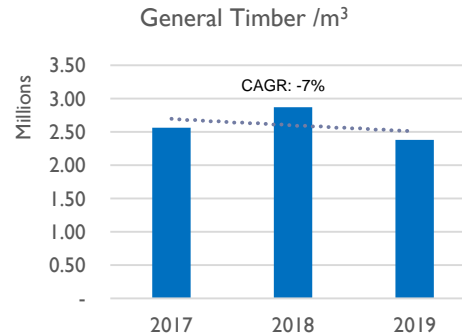
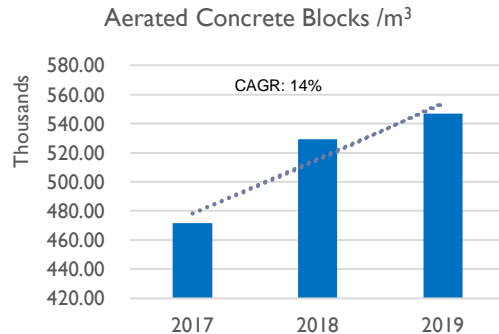
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IDR



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ឧបសគ្គ **Cảm ơn bạn** Salammat  
ក្រេប្បថ្នះចំពោះប្រសិទ្ធភាព **Thank You**  
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