



INDONESIA COUNTRY REPORT

By Indonesian Contractors Association

**44th ASEAN Constructors Federation Council Meeting
Singapore, 28th September 2017**



Presentation Outline :

- Macro Economy
- National Construction
- National Strategic Project
- Ministry of Transportation Projects
- Regulation Update
- Building Materials Prices



Macro Economy

- Economic growth on quarterly II-2017 is 5.01 percent and than quarterly I-2017 growth 4.00 percent
- Inflation on July 2017 reached 3.88 percent
- Indonesia committed to a comprehensive reformation on fiscal policy, stability to improve the investment climate



National Construction

- Q2-2017 Construction sector growth 6.96 percent than Q2-2016 (YoY)
- Q2-2017 Construction contribute 10.11 percent to GDP



National Strategic Projects

- The National Strategic Project program is ruled by the government under Presidential Decree No. 3 of 2016 to speed up the development of infrastructure
- National Strategic Projects categories are based on the preparation and selection by the Committee for Acceleration of Priority Infrastructure Delivery that is mandated by the Coordinating Ministry for the Economy



THE STRATEGIC PLAN MINISTRY OF TRANSPORTATION



DEVELOPMENT TARGET OF TRANSPORTATION INFRASTRUCTURE ON 2015-2019



STRATEGIC TRANSPORTATION ISSUES

- ❑ Strengthening National Connectivity to Balancing Development
- ❑ Development of Urban Mass Transport System



- ▶ BRT Development in 34 cities with the procurement of 3,170 buses
- ▶ The rapid development of mass transit in metropolitan areas
- ▶ Construction/development of Type A Passenger Terminals at 41 locations
- ▶ Application of ATCS technology throughout the provincial capitals



- ▶ Development of 100 Non Commercial Ports
- ▶ Dredging shoreline/harbour flow at 65 locations
- ▶ Construction of 103 pioneer ships
- ▶ Served 193 pioneer sea transport
- ▶ Enforcement of permanent and regular sea transport routes to support the sea toll on 13 routes
- ▶ Completion and Construction of 41 units navigational country ships
- ▶ Completion and Construction of 282 units patrol boat



- ▶ Construction of Ferry Ports at 65 locations
- ▶ Construction/development of river and lake docks in 120 locations
- ▶ Procurement of Ferry Boats (especially pioneers) of 50 units



- ▶ Construction of 15 new Airports
- ▶ Airport Development for Air Cargo Service at 9 locations
- ▶ Airport Construction/Development in 100 locations
- ▶ Construction/Development of passenger terminals at 26 airports



- ▶ Track construction along the **KA 3.258 km's** in Java, Sumatera, Sulawesi, Kalimantan dan Papua
- ▶ Enforcement of pioneer train on 10 cross



- ▶ Construction and development of new campus at 27 locations





THE STRATEGY FOR IMPROVING CONNECTIVITY INTER REGIONS



Construction and Development 65 Ferry Ports to connect the northern, southern and the central region of Indonesia



Construction and Development of 100 Non-commercial Ports to support the sea toll



The development of Short sea Shipping at the coastal area as an alternative to goods transportation



Enforcement of the sea toll



Development of 41 Road Transportation Terminals



Decrease of dwelling time at the port for logistic enforcement efficiency



Development of Urban Mass Transportation

“STRINGING THE ARCHIPELAGO FOR THE PEOPLE WELFARE”



Construction and Development 3.258 Kmsp Railway



• Construction and Development of 15 Airports



Urban Railway Construction



• Construction and Development of airports in remote, backward and border areas



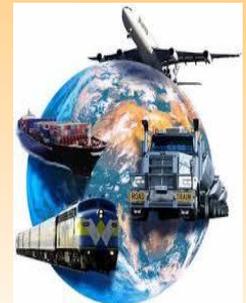
• Toll/Air Bridge Enforcement



Integration inter modes of transportation through infrastructure integration and service system for efficiency and improvement of national logistic system performance



DEVELOPMENT OF TRANSPORTATION INFRASTRUCTURE SECTOR

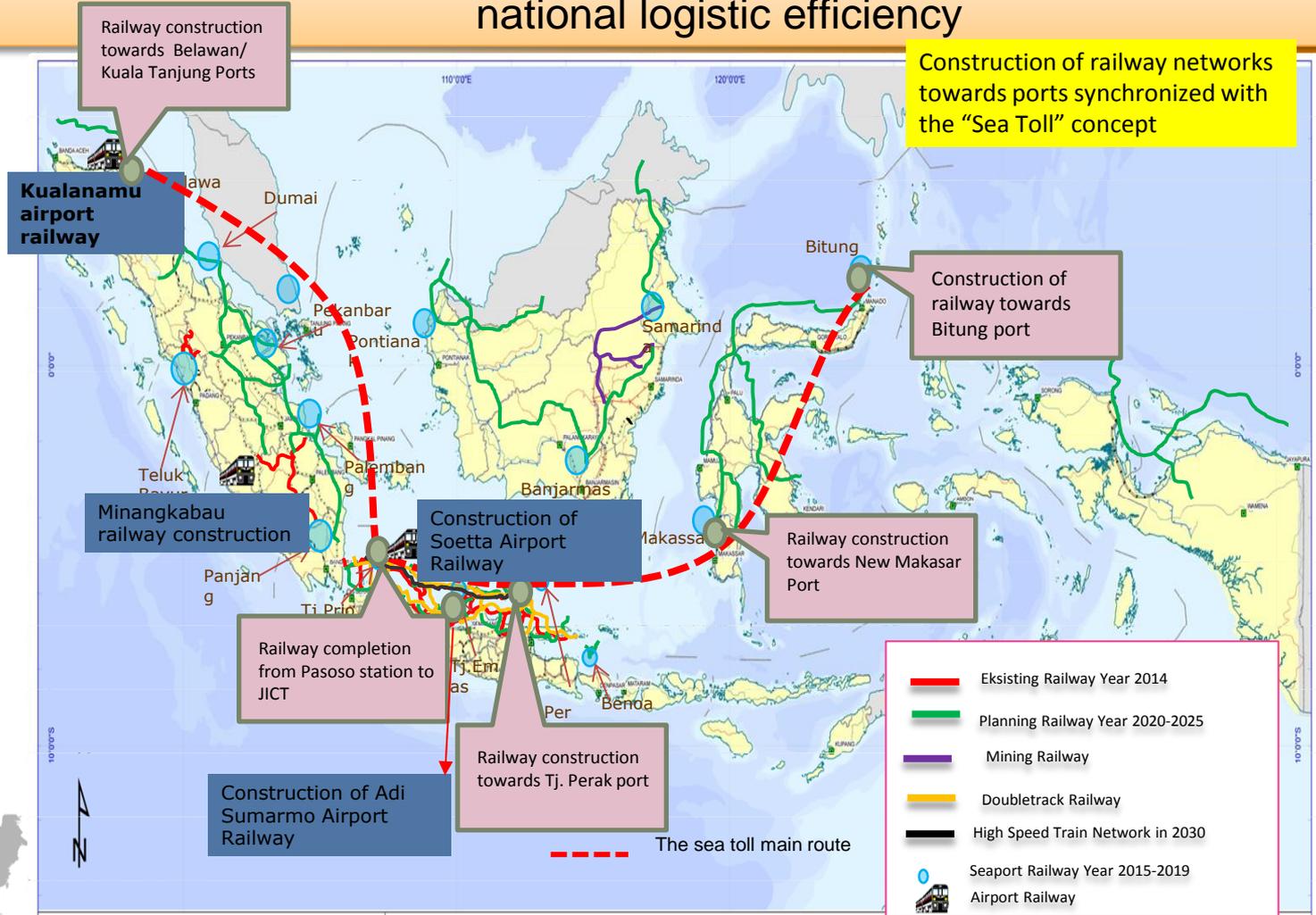




ALIGNMENT OF RAILWAY NETWORKS TOWARDS AIRPORTS AND PORTS



Construction of railway networks towards airports, ports to improve the national logistic efficiency





PORT DEVELOPMENT IN SUPPORTING THE IMPLEMENTATION OF SEA TOLL



SEA TOLL CONCEPT

- STRENGTHENING THE SHIPPING ROUTE WITH EMPHASIS ON THE EASTERN PART OF INDONESIA
- SHIPPING LINE CONNECTION FROM WEST TO EAST PART OF INDONESIA (CONNECTIVITY)
- EASINESS OF TRADE ACCESS FROM THE SOUTH AREA OF PACIFIC COUNTRIES TO THE EAST AREA OF ASIAN COUNTRIES
- SHIPPING ROUTINE AND SCHEDULED FROM WEST TO EAST INDONESIA



5 HUB PORTS (BELAWAN/KUALA TANJUNG, TJ. PRIOK, TJ. PERAK, MAKASSAR, BITUNG)

19 PORT FEEDER

>100 PORTS SUBFEEDER TO IMPROVE CONNECTIVITY

Pelabuhan Anggrek, Babang, Bade, Baing, Bajoe, Barus, Batang, Batanjung, Batuatas, Batu Panjang, Batutua, Bau-Bau, Belang-Belang, Bicoli, Bintuni, Boepingan, Branta, Bungkutoko, Bunta, Carocok Painan, Dabo Singkep, Daruba, Depapre, Dompok, Gamunu, Garongkong, Gorom, Jailolo, Kaimana, Kendidi Reo, Kendal, Keramaian, Kolbano, Kolonedale, Kuala Semboja, Labuhan Bajo, Labuhan Angina, Lakara, Larantuka, Letung, Linau Bintuhan, Malarko, Maloy, Mantangisi, Marabatuan, Matasiri, Meranti, Midai, Moor, Mumugu, Nabire, Nunbaunsabu, Pulau Banyak, Pulau Buano, Pulau Salura, Pacitan, Padang Tikar, Pagimana, Palopo, Pamanukan, Panarukan, Pangandaran, Parlimbungan Ketek, Patani, Pelaihari, Penajam Pasir, Pomalaa, Pota Pulau Laut, Pulau Teor, Sailus, Saumlaki, Sebalang, Sebuku, Sei Nyamuk, Serui, Siwa, Sofifi Speed Boat, Subi, Taddan, Tanah Ampo, Tanah Tidung, Tanjung Api-Api, Tanjung Buton, Tanjung Mooch, Telaga Biru, Teluk Segintung, Tilamuta, Tiram, Tobelo, Tual, Tulehu, Ujung Jabung, Waren, Watunohu, Bagan Siapa-Api, Pelabuhan Ratu, Bima, Luwuk, Breakwater Makassar



AIRPORT CONSTRUCTION/DEVELOPMENT PLAN IN 2015-2019



Keterangan:

-  Development Plan of 15 New Airport
-  Development of 9 Airports of Air Cargo Service
-  Development of 25 Airports in border and disaster-prone area
-  Increase in number of pioneer shipping line route and subsidized for 265 routes air transport

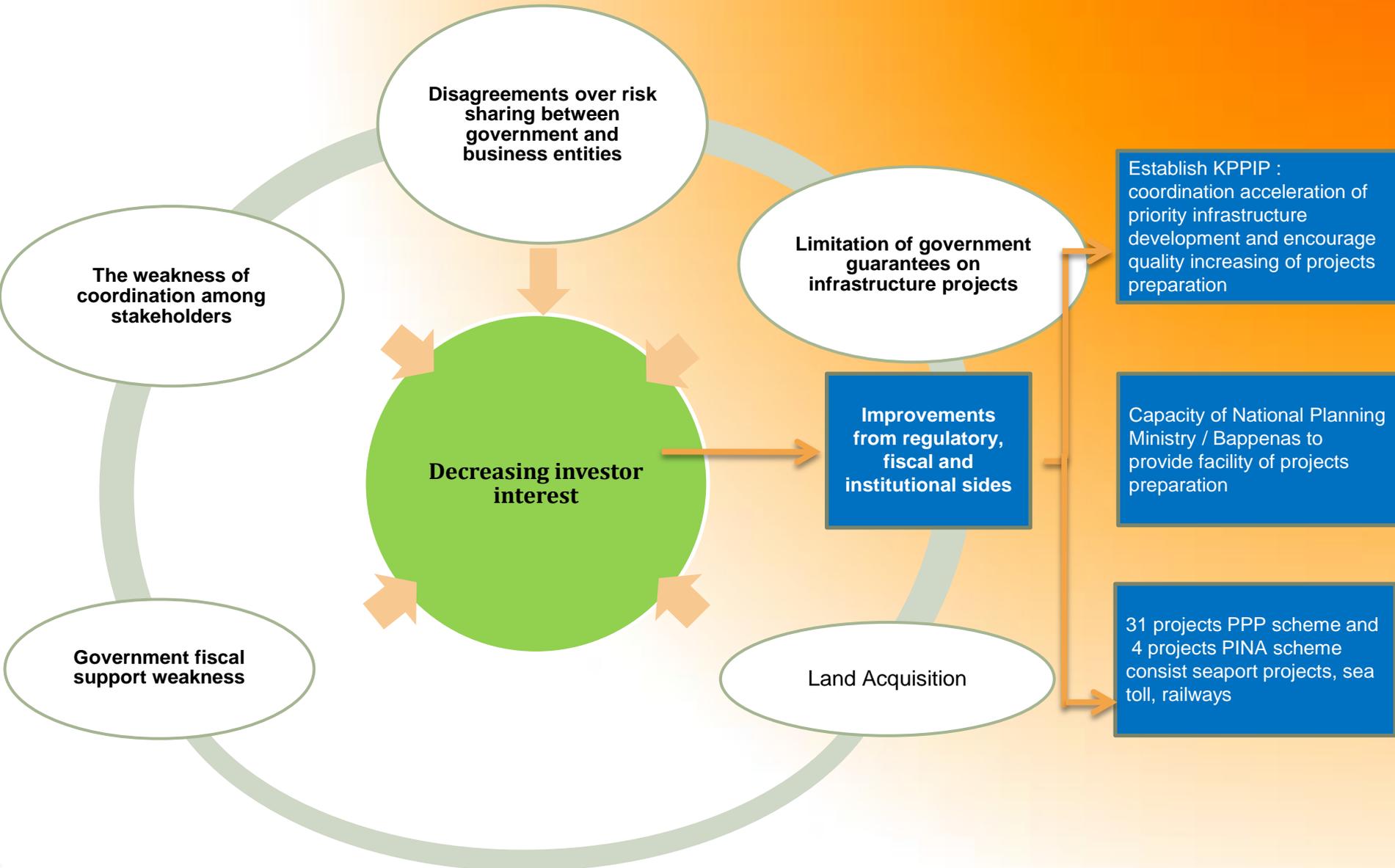




TRANSPORTATION INFRASTRUCTURE FINANCING SCHEME



PRIVATE PARTICIPATION IN FINANCING INFRASTRUCTURE DEVELOPMENT



GOVERNMENT EFFORT IN PPP





PPP PROJECTS OF TRANSPORTATION SECTOR IN PPP BOOK 2017

NO	PROJECT	LOCATION	PIC OF COOPERATION PROJECT	PROJECT VALUE ESTIMATION (MILION USD)	PROJECT PREPARATION/ PROJECT ASSISTANCE FACILITIES
1	Development of Kabil Port, Batam	Batam	Batam Authority	729.00	Batam Authority
2	Development of Kuala Tanjung Port	Prov. Sumatera Utara	Ministry of Transportation	3.67	Ministry of Transportation-KPIIP
3	Development of Bitung International Hub Port	Prov. Sulawesi Utara	Ministry of Transportation	532.00	Ministry of Transportation
4	Development of Makassar New Port	Prov. Sulawesi Selatan	Ministry of Transportation	416.00	Ministry of Transportation
5	Development of Patimban Port	Prov. Jawa Barat	Ministry of Transportation	3203.00	KPIIP
6	Batam Island Railway Project, Riau Islands	Batam	Batam Authority	635.00	Batam Authority
7	Urban Railway City of Medan, North Sumatera	Kota Medan	Mayor of Medan	477.40	Bappenas



IDENTIFICATION OF PPP PROJECTS MINISTRY OF TRANSPORTATION (1)



NO	PROJECT NAME*	LOCATION	PIC OF COOPERATION PROJECT	PREPARATION/ ASSISTANCE FACILITIES	INFORMATION
1	Development of Trans Sulawesi Train	South Sulawesi	Ministry of Transportation	Ministry of Transportation	<ul style="list-style-type: none"> Will study preparing Regarding President direction
2	Development of Kualanamu Airport	Sumatera Utara	Ministry of Transportation	PT. Angkasa Pura II	
3	Development of Makassar New Port	Prov. South Sulawesi	Ministry of Transportation	Ministry of Transportation	<ul style="list-style-type: none"> PPP Book Pipeline IIGF National Strategic Project
4	Development of Kuala Tanjung Port	Prov. North Sumatera	Ministry of Transportation	Ministry of Transportation	<ul style="list-style-type: none"> PPP Book Pipeline IIGF Projects proposed Ministry of Finance
5	Development of Bitung International Hub Port	Prov. North Sulawesi	Ministry of Transportation	Ministry of Transportation	<ul style="list-style-type: none"> PPP Book Pipeline IIGF Proyek PSN



IDENTIFICATION OF PPP PROJECTS MINISTRY OF TRANSPORTATION (2)



NO	PROJECT NAME	LOCATION	PIC OF COOPERATION PROJECT	PREPARATION/ ASSISTANCE FACILITIES	INFORMATION
7	Karawang Airport	West Jawa	Ministry of Transportation		
8	Matohara Wakatobi Airport	Sulawesi Tenggara	Ministry of Transportation		
9	Labuhan Bajo Airport	NTT	Ministry of Transportation	Ministry of Transportation	PPP scheme, PP 27/2014
10	Development of LRT Bandung City	Bandung	Mayor of Bandung		<ul style="list-style-type: none"> • Pipeline IIGF • Proposed projects by Ministry of Finance
11	Batam Island Railway Project, Riau Islands	Batam	Batam Authority	Batam Authority	<ul style="list-style-type: none"> • PPP Book • Pipeline IIGF
12	Urban Railway City of Medan, North Sumatera	Medan	Mayor of Medan	Bappenas	<ul style="list-style-type: none"> • PPP Book • Pipeline IIGF
13	Pembangunan Bandara Bali Utara	Kab. Buleleng	Ministry of Transportation		
14	Pengembangan KA Bandara Soekarno Hatta	DKI Jakarta - Banten	Ministry of Transportation		Ministry of Transportation identification



IDENTIFICATION OF KPBU PROJECT IN MINISTRY OF TRANSPORTATION (3)



NO	PROJECT NAME*	LOCATION	PIC OF COOPERATION PROJECT	PREPARATION/ ASSISTANCE FACILITIES	INFORMATION
15	Development of Central Kalimantan Railway	Central Kalimantan	Governor of Central Kalimantan		Ministry of transportation identification
16	Development of Tg Enim - Tg Apiapi Railway	South Sumatera	Governor of South Sumatera		Ministry of transportation identification
17	Development of Surabaya	Surabaya	Mayor of Surabaya		Proposed projects of Ministry of Finance





PPP PROJECTS CLARIFICATION PROPOSED BY FINANCE MINISTRY



Background

- Minister of Finance meeting with several regional heads
- The Minister of Finance encourages the regional government to financing the infrastructure through the PPP scheme in addition to APBN/APBD

No	PROPOSED PROJECT	THE LATEST UPDATE
1	Fast Mass Transit Surabaya	<ul style="list-style-type: none">• LRT Surabaya entered the WB loan pipeline with a value of USD 100 million• Feasibility study already done.
2	Light Rail Transit Bandung	<ul style="list-style-type: none">• Ministry of Transportation gives PSO for LRT Project Bandung Coridor I• Coridor II still in preparartion.
3	Light Rail Transit Makassar	<ul style="list-style-type: none">• Need detail clarification





SENTRA ECONOMIC CONNECTIVITY MAKASSAR – PARE PARE RAILWAY



Pengunjung : 400.000 orang/Thn

1 Kupa Bay, Kab Barru

- Kepiting Soka : 2,5 ton/th
- Udang Windu : 22 jt ton/th
- Udang Vaname 560 ton



2. Cultivattionn Fishery Export

- Panjang Lintasan : 5 KM
- Anggaran : 180 M
- Sudah masuk anggaran SBSN



PELABUHAN
GARONGKONG

6. Seaport Garongkong, Barru

- Panjang Lintasan : 1,5 KM
- Anggaran : 67 M
- Kapasitas Produksi : 2,2 Jt Ton/Th

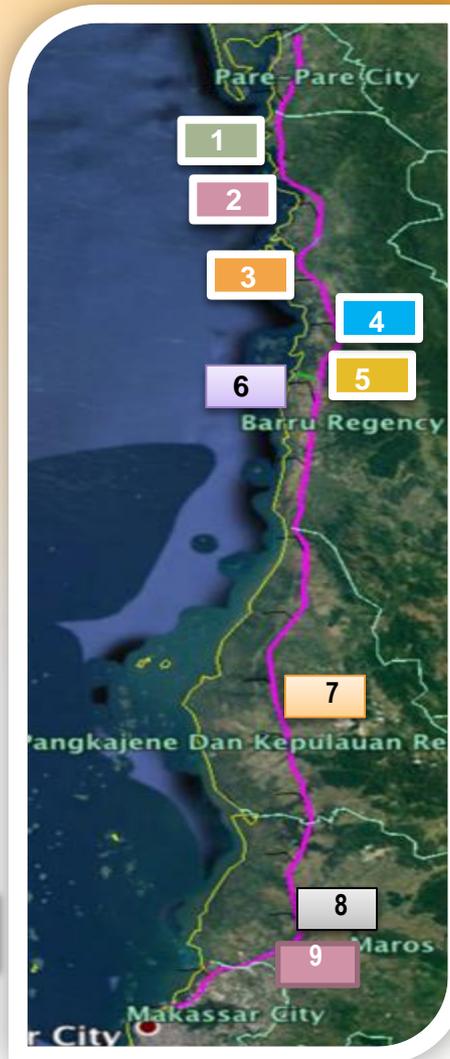


5. Cement Factory CONCH, Barru



Nilai Investasi KA Bandara : 1370 M
*) Tipe: *elevated track*
*) Panjang Lintasan : 4,3 KM

9 – Airport railway



3. PLTU Barru



- Capacity 2x50 MW
- Kebutuhan batubara 500.000 ton/th

- Kapasitas Produksi : 3,1 Juta Ton/Thn
- Nilai Investasi : 7 T



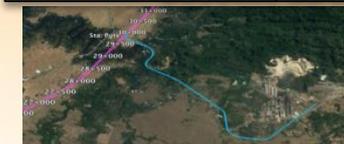
4. Cement FactoryFajar Group, Barru

- Panjang Lintasan : 7 KM
- Anggaran : 310 M
- Kapasitas Produksi : 8 Jt Ton/Thn



7. Cement Factory TONASA,

8. Cement Factory BOSOWA, Maros



- Panjang Lintasan : 3,5 KM
- Anggaran : 150 M
- Kapasitas Produksi : 4,2 Jt Ton/Thn



DEVELOPMENT BUDGET NEEDED MAKASSAR-PARE PARE RAILWAY

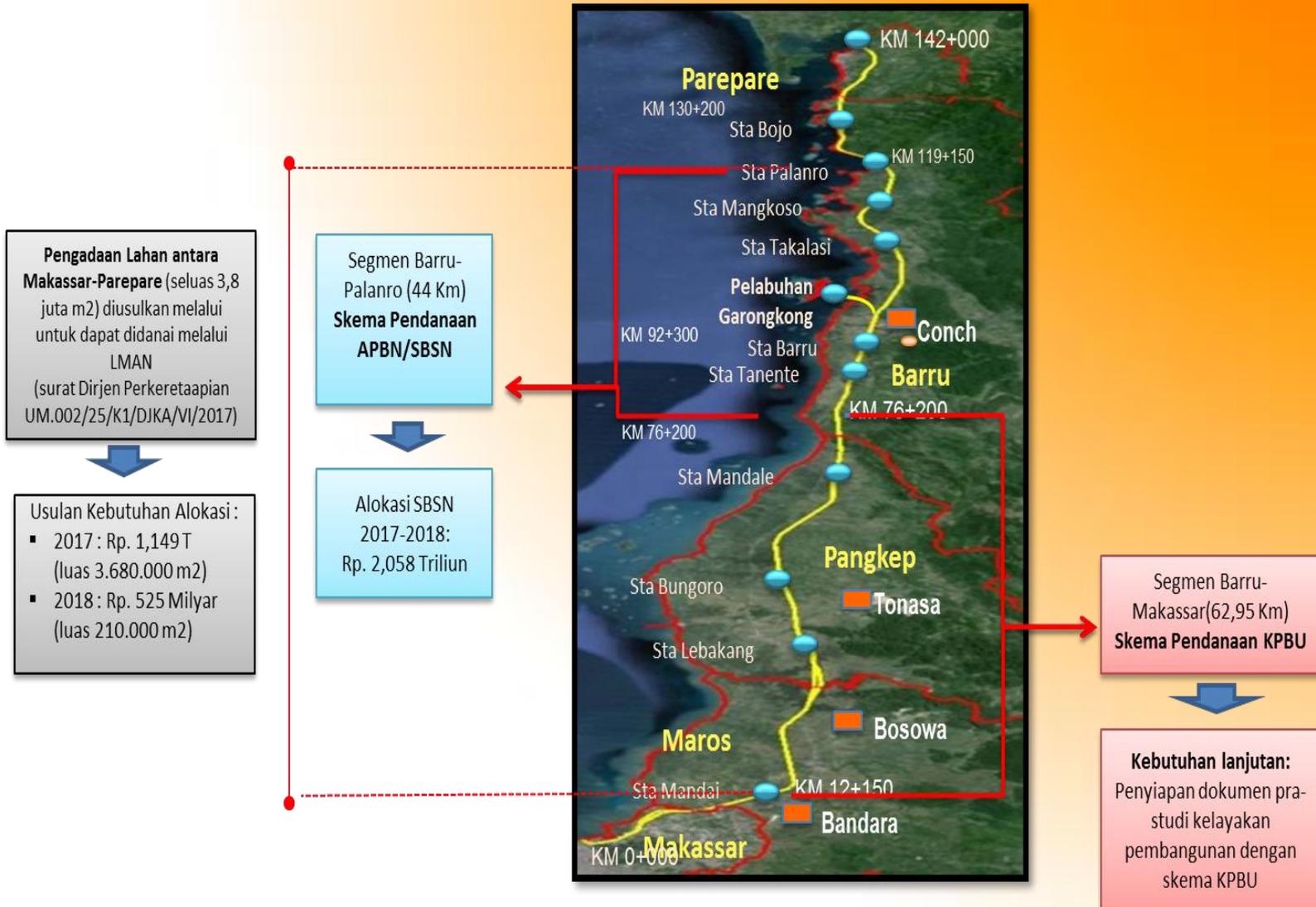


Kilometer	Lahan	Konstruksi	Total
KM 119+150 s.d KM 142+000	308 M	4,287 M	4,287 M
KM 92+300 s.d KM 119+150	152 M	1,963 M	2,115 M
KM 76+200 s.d KM 92+300	84 M	1,149 M	1,233 M
KM 12+500 s.d KM 76+200	990 M	3,470 M	4,460 M
KM 0+000 s.d KM 12+500	736 M	1,804 M	2,540M
TOTAL	2,200 M	12,673 M	14,873 M





FINANCIAL SCHEME OF MAKASSAR-PARE PARE RAILWAY DEVELOPMENT



REGULATORY CHANGING IN CONSTRUCTION SERVICES

QUALITY
CONSTRUCTION
PRODUCT
DEMAND

DEVELOPMENT
OF DELIVERY
SYSTEM

Law No 2/2017

1. Scope : Services and industry, supply chain
2. **Development: Decentralisation**
3. Legal protection
4. Information disclosure utilizing technology
5. Classification of business support competitiveness.
6. Ease in doing business
7. Sustainable development
8. Product quality assurance
9. Improvement of labor remuneration standard
10. Community role reform

**RISING OF LOCAL
REGULATION,**
EMPLOYMENT, ENERGY &
MINERAL RESOURCES
REGULATION, ENGINEER
REGULATION,
INTERNATIONAL
STANDARD,
INFORMATION &
TELECTRONIC
TRANSACTION, SMART
CARD REGULATION

GOOD
GOVERNANCE
DEMAND

FREE TRADE,
MEA, TRANS-
PASIFIC
PARTNERSHIP

UU No. 18/ 1999

- Constraint : PU sector
- Scope : Services (Users and Providers)
- **Development : Centralisation**

Material Prices

Selected Building Materials Prices

No	Description	Price
1	Steel Rebar	USD 490 - 510 / ton
2	Portland Cement 50kg bag	USD 3.7 – 4.0 / bag
3	Cement Mortar 50kg bag	USD 2.7 – 2.9 / bag
4	Aerated Concrete Blocks	USD 40 / m ³
5	General Timber	USD 180-200 / m ³
6	Sand	USD 15-18 / m ³

