



INDONESIAN CONTRACTORS ASSOCIATION



INDONESIAN COUNTRY REPORT 2021

52nd ACF Council Meeting
17th October 2022 – Kuala Lumpur, Malaysia



Table 1; Gross Domestic Product Growth Indonesia per Quarter (annual % change):

Quarter	2016	2017	2018	2019	2020	2021	2022
Q1	4.94	5.01	5.06	5.06	2.97	-0.70	5.01
Q2	5.21	5.01	5.27	5.05	-5.32	7.07	5.44
Q3	5.03	5.06	5.17	5.01	-3.49	3.51	
Q4	4.94	5.19	5.18	4.96	-2.17	5.02	
Full-Year	5.03	5.07	5.17	5.02	-2.07	3.69	

Source: Badan Pusat Statistik (BPS)

- Indonesia economy growth 5.44 percent year-on-year (y/y) in the Q2 2022.
- Construction is contributed at fifth place to national economy.
- Inflation rate at 6%



Building Material



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No	Materials	Unit	Price (IDR)		Increment	
			2021	2022	Value IDR	%
1	Steel Bar	kg	10.479	12.267	1.788	17.06%
2	Wiremesh	kg	11.050	15.700	4.650	42.08%
3	Ready Mix Concrete	M ³	831.208	888.000	56.692	6.82%
4	Cement	Ton	770.000	860.000	90.000	11.69%
5	Diesel fuel	Ton	14.000	21.900	7.900	56.43%
6	Asphalt	Kg	12.750	18.506	5.756	45.15%
7	Genset	PCs	1.645.000.000	1.792.689.000	147.689.000	8.98%
8	Panel TM	PCs	208.857.000	225.566.000	16.709.000	8.00%
9	Transformer	PCs	163.000.000	253.000.000	90.000.000	55.21%

Building material increments are at the extreme level above the inflation rate



- Extreme increment for the building materials caused problem for contractors
- By the Indonesian law, contractors only able to propose price adjustment only after 13th months of works.
- ICA proposed contract relaxation on price adjustment. The matter under review at Coordinating Ministry for Economic Affairs Republic of Indonesia and ICA has been officially requested to give formal input and recommendation.
- While it under review, ICA propose the following can be done immediately:
 1. Construction stopped without penalty
 2. Optimizing the price adjustment with project value still within the budget (balance budget).



Project Opportunities



Semanan – Balaraja Toll Road

Sector : Road	Sub-Sector : Toll Road
	<p>Description: The Semanan-Balaraja Toll Road section is part of the Inner Jakarta Toll Road Network. The toll road will start at the end of the Serpong-Balaraja Toll Road section, located in the East Balaraja Interchange. It will have a length of 32.39 km with 4 interchanges and 2 junctions.</p>
<p>Government Contracting Agency: Minister of Public Works and Housing</p> <p>Type of PPP: Unsolicited</p> <p>Return of Investment: User Charge</p>	<p>Estimated Project Cost: USD 1,082.22 Million</p> <p>Financial Feasibility: FIRR : Limited Information NPV : Limited Information</p> <p>Estimated Concession Period: 40 years</p>






Project Opportunities



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Cikunir – Karawaci Inner City Elevated Toll Road

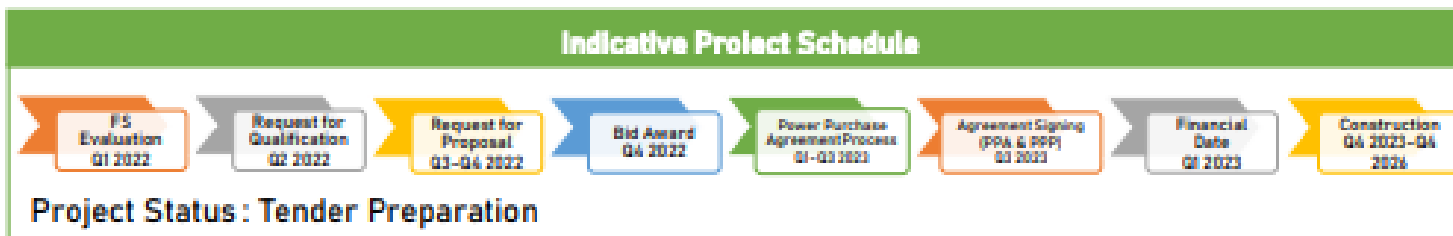
Sector : Road	Sub-Sector : Toll Road
	<p>Description: The project is to construct \approx40 km of Cikunir-Tomang-Karawaci Inner City Elevated toll road with a PPP scheme. The proposed toll road plan will be above the existing toll road section, with the starting point located in Cikunir (at the junction between JORR and the Jakarta-Cikampek toll road) and the ending point located after the Alam Sutera intersection. The Business entity shall be responsible to perform the toll road project with DBFOMT scheme.</p>
<p>Government Contracting Agency: Minister of Public Works and Housing</p> <p>Type of PPP: Unsolicited</p> <p>Return of Investment: User Charge</p>	<p>Estimated Project Cost: USD 1,822.30 Million</p> <p>Financial Feasibility: FIRR : Limited Information NPV : Limited Information</p> <p>Estimated Concession Period: 40 years</p>





Bintang Bano Dam Maintenance and Provision of Mini Hydro Power Plant in West Nusa Tenggara

Sector : Water to Energy Infrastructure	Sub-Sector : Mini Hydro Power Plant
	<p>Description: Along with the potential demand increase in tourism, agriculture, mining, and commerce sector in NTB, power consumption will also rise significantly, with an average energy sales growth of roughly 9.14% over 10 years. Therefore, the Ministry of Public Works and Housing is planning to build electric power system facilities including generation, transmission, and distribution of the Bintang Bano power plant to fulfill future electricity demands.</p> <p>Estimated Project Cost: USD 11.39 Million</p>
<p>Government Contracting Agency: Minister of Public Works and Housing</p> <p>Type of PPP: Unsolicited</p> <p>Return of Investment: User Charge</p>	<p>Financial Feasibility: IRR : 12.51% NPV : USD 3.99 Million</p> <p>Estimated Concession Period: 27 years</p>





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THANK YOU