INDONESIA’S PLAN FOR CONNECTIVITY: MP3EI PROJECT, A GOOD PRACTICES SHOWCASE
WORLD EXPORT DEVELOPMENT FORUM 2012

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REPUBLIC OF INDONESIA

OCTOBER 15TH, 2012
Indonesia’s 15-year master plan (MP3EI) completed...

Source: MP3EI, Presidential launching of MP3EI
THE PLAN ENCOMPASSES MANY CRITICAL AREAS

Sector perspective: 22 focus sectors

Geographical perspective: 6 "economic corridors"

Infrastructure perspective: Large infra. requirement

Strong private sector participation

Regulatory debottlenecking

Discipline in execution
WITHIN 15 YEARS, INDONESIA IS EXPECTED TO BE HIGH INCOME COUNTRY

2010
GDP: USD 700 Billion
Income/capita
USD 3,000

2025
GDP: USD 4-4.5 Trillion
Income/capita
Estimated
USD 14,250 – 15,500

2045
GDP: USD 15-17.5 Trillion
Income/capita
Estimated
USD 44,500 – 49,000
ECONOMIC MASTERPLAN (MP3EI) FRAMEWORK

INDONESIA VISION 2025

“To Create a Self-Sufficient, Advanced, Just, and Prosperous Indonesia”

STRATEGIC INITIATIVES OF MP3EI

1. Encourage a large scale investment realization in 22 main economic activities
2. Synchronization of national action plan to revitalize the real sector performance
3. The Development of center of excellence in each economic corridor

MAIN STRATEGY OF MP3EI

ECONOMIC POTENTIAL DEVELOPMENT THROUGH ECONOMIC CORRIDORS

STRENGTHENING THE NATIONAL CONNECTIVITY

STRENGTHENING NATIONAL HUMAN RESOURCES CAPABILITY AND SCIENCE & TECHNOLOGY

BASIC PRINCIPLES AND SUCCESS PREREQUISITES FOR ACCELERATION AND EXPANSION OF ECONOMIC DEVELOPMENT

“Locally Integrated, Globally Connected”
ECONOMIC DEVELOPMENT IN 6 CORRIDORS BY THEIR POTENTIALS

SUMATERA
Production center of natural resource and national energy source

KALIMANTAN
Production center of mining and national energy source

SULAWESI
Production center of agriculture, plantation, and fisheries

JAWA
Industrial and services

BALI – NUSA TENGGARA
Tourism and livestock

KE. PAPUA – KEP. MALUKU
Natural resources
GOVERNMENT REALIZES THE IMPORTANCE OF REGULATORY DEBOTTLENECKING

One (1) Law, Six (6) Government Decrees, 15 (fifteen) Presidential Decrees, and several Ministerial Regulations have been amended

- Law 2/2012 on Land Acquisition for Development of Public Interest
- Presidential Decree 71/2012 on Land Acquisition Land for the Implementation of development for Public Interest
- Presidential Decree 56/2011 on the Public Private Partnerships in Infrastructure Provision (revision to Perpres 13/2011)
- Ministry of Communication and Information Technology Decree on ICT Fund for Broadband

“Locally Integrated, Globally Connected”
ECONOMIC CORRIDORS UNLEASH SECTOR AND REGION POTENTIAL
BY PUTTING IN PLACE REQUIRED CONNECTIVITY

IEDCs: Connectivity defined by a **main connectivity** connecting **economic centers**, and **supporting connectivity** connecting **key sectors** to **enablers**

Source: MP3EI

“Locally Integrated, Globally Connected”
THE FRAMEWORK OF NATIONAL CONNECTIVITY
To link local economy inter corridor, within economic zone and corridor to the global economy

Source: MP3EI
NATIONAL CONNECTIVITY VISION: LOCALLY INTEGRATED AND GLOBALLY CONNECTED

As an integrated part of the Medium Term Development Plan, ICT, National Transportation Systems, and National Logistic System

“Locally Integrated, Globally Connected”
The central government has already made a strong effort in increasing the infrastructure investment as a main priority towards strengthening the connectivity. The nominal value of investment has increased for almost eight fold by eight years.
ONE YEAR HAS PASSED AND SEVERAL PROJECTS HAVE BEEN EXECUTED:
Ten major projects have groundbreaking early 2012

GROUNDBREAKING 2011

<table>
<thead>
<tr>
<th>Koridor Ekonomi</th>
<th>Jumlah Proyek</th>
<th>Nilai Investasi (Milyar IDR)</th>
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<tr>
<td>Sumatera</td>
<td>10</td>
<td>31.936</td>
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<tr>
<td>Jawa</td>
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<tr>
<td>Papua-Kep.Maluku</td>
<td>6</td>
<td>7.670</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>51</strong></td>
<td><strong>94.355</strong></td>
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GROUNDBREAKING PLAN 2012

<table>
<thead>
<tr>
<th>Koridor Ekonomi</th>
<th>Jumlah Proyek</th>
<th>Nilai Investasi (Milyar IDR)</th>
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<td>Sumatera</td>
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<tr>
<td>Bali-NT</td>
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<tr>
<td>Papua-Kep.Maluku</td>
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<td>35.448</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>112.881</strong></td>
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## GROUND BREAKING OF MAJOR PROJECTS

### 2011

<table>
<thead>
<tr>
<th>GROUND BREAKING</th>
<th>OPERATED</th>
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</thead>
<tbody>
<tr>
<td>Major projects have been executed in 2011, including several Toll Roads development, such as Access to Tj. Priok Port, JORR W2, and Nusa Dua Toll</td>
<td>Lombok International Airport (BIL) has operated in 2011</td>
</tr>
</tbody>
</table>

### 2012

<table>
<thead>
<tr>
<th>HAVE GROUND BREAKING</th>
<th>WILL GROUND BREAKING</th>
<th>OPERATED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects have groundbreaking in 2012 including ports, toll roads, and airports: Major projects are Soekarno Hatta Terminal 3 Development, Double Track development Cirebon-Brebes, Gempol Pasuruan Toll Road and Ketapang-Gilimanuk Port</td>
<td>Projects that will groundbreaking in October and November 2012 including Tj. Priok Kalibaru and Access Road to Maloy</td>
<td>One project that will be finished and operated by 2012 is Container Port Kariangau</td>
</tr>
</tbody>
</table>

“Locally Integrated, Globally Connected”
CONNECTED THE ECONOMY: SHOW CASES

CONNECTIVITY INTER ISLANDS

CONNECTIVITY TO THE ECONOMIC ZONE

CONNECTIVITY WITHIN CORRIDOR

“Locally Integrated, Globally Connected”
CONNECTING INTER ISLANDS BY SHORT-SEA-SHIPPING

Legend:
- Pusat Distribusi Provinsi
- Pusat Distribusi Nasional
- Short Sea Shipping

Konektivitas:
- By sea / by rail
- By sea / by rail / by land
- By land / by rail / by sea

“Locally Integrated, Globally Connected”
LOCALLY INTEGRATED, GLOBALLY CONNECTED

CONNECTED THE ECONOMY: SHOW CASES

CONNECTING INTER ISLANDS

CONNECTIVITY TO THE ECONOMIC ZONE

CONNECTING WITHIN CORRIDOR

“Locally Integrated, Globally Connected”
SEI MANGKE: SPECIAL ECONOMIC ZONE

SEI MANGKE as special economic zone that focus on palm oil production (Presidential Decree 32/2012)
KP3EI has identified SEI MANGKE as main priority economic center in Sumatera Economic Corridor

CONNECTIVITY WORKING GROUP IS TO ASCERTAIN STRATEGIC PLAN TO CONNECT SEI MANGKE WITH OTHER ECONOMIC CENTERS

1. Road Development (road quality and strength) to and from the zone
2. Railway Development (capacity and quality of railways) to ship the CPO production from the zone to the port
3. Port Development
SEI. MANGKE IS STRATEGICALLY LOCATED IN THE EASTERN PART OF SUMATERA ECONOMIC CORRIDOR

THE MAP IS OBTAINED WITH THE COURTESY OF MINISTRY OF PUBLIC WORKS
RAILWAY AND PORT DEVELOPMENT PLAN
Ensuring shipping the products on time and most efficient way

Ground breaking Bandar Tinggi – Kuala Tanjung railway in 2011

KETERANGAN:

- **Sepur Eksisting Operasional**
- **Sepur Eksisting Non Operasional**
- **Sepur Simpang**
- **Sepur Rencana**

1. RENC. ST. KEBUN PISANG (TAHUN 2012)
2. RENC. ST. SERDANG (TAHUN 2012)
3. RENC. ST. KUALANAMU (TAHUN 2012)
4. RENC. ST. TJ.GADING (TAHUN 2014)
5. RENC. ST. KUALATANJUNG (TAHUN 2014)
6. RENC. EMPLEASEMEN SEI MANGKEI (TAHUN 2014)
7. RENC. EMPLEASEMEN GABION (TAHUN 2014)
8. RENC. DRY PORT (TAHUN 2014)
KUALA TANJUNG AS AN INTERNATIONAL PORT WILL CONNECT SEI MANGKE TO THE GLOBAL ECONOMY

INVESTMENT: 6.4 T RUPIAH

OBJECTIVES:
1. Establish a strategic port on the Malacca strait, the busiest strait in the world
2. Establish an international port to enhance the connectivity from Sumatera Economic Corridor to other economic corridor and the world

LATEST UPDATES:
1. Has been recognized as international port based on Ministry of Transport Decree No. 20/2012
2. DED and Environment Assessment (AMDAL) are being finalized
MALOY INDUSTRIAL ZONE (KIPI MALOY)

MALOY will be the major industrial zone with international port at the Eastern Part of Kalimantan shipping the CPO production

KP3EI has identified MALOY as one of main investment area in Kalimantan Economic Corridor

Connectivity Infrastructure

Road Development
Railway Development (capacity and quality of railways)
Port Development
MALOY INDUSTRIAL ZONE IS STRATEGICALLY LOCATED IN THE COASTAL LINE OF EAST KALIMANTAN
MALOY AN INDUSTRIAL ZONE WITH 5035 HA WILL BE DEVELOPED IN TWO STAGES

Divided in two locations:
- Teluk Golok 1000 Ha (First Stage)
- Maloy 4.035 Ha, Industrial zone and containers

Road development Kelay -Labanan 2011 with Multi Years Contract (Rp. 65 Milyar)

Road development Maloy-Sp.Perdu 5 km (Rp. 14 M) and structural enhancement 9 km (Rp. 49,5 M)

Road development Kalteng-Tenggarong-Samarinda (TA 2012 and 2013)
RAILWAY DEVELOPMENT IN EAST KALIMANTAN IS TO ENHANCE SHIPMENT OF COALS IN KALIMANTAN ISLAND

• Route I : Muara Tuhup – Kalipapak – Kota Bangun – Samarinda – Balikpapan (361 km)

• Rute II : Bontang – Samarinda (115 km)

• Rute III : Ma.Wahau – Lubuk Tutung (150 km) will be constructed from Muara Wahau – Lubuk Tutung around 150 Km: a cooperation project between Provinces Government of East Kalimantan and Ras Al-Khaimah Minerals and Metals Invesments (RMII), Uni Emirat Arab with total investment of US $ 900 Juta.

• Rute IV : Tabang – Lubuk Tutung (185 km) will be constructed from Tabang – Lubuk Tutung around 185 Km: private project, PT. Gunung Bayan as an investor with total of US $ 1 Milyar
TANJUNG LESUNG: A SPECIAL ECONOMIC ZONE FOR TOURISM INDUSTRY
Located at the center of economic growth – India, China, and Australia –
TANJUNG LESUNG IS LOCATED IN PANDEGLANG DISTRICT
BANTEN PROVINCE, 145 KM SOUTH JAKARTA

With total of 1500 HA, Tanjung Lesung will have 26 Hotels, resorts dan condominium, 1,000 prime canal/water front allotments (ave. 600m² each.)
A Venetian styled city centre 20% larger then Brisbane CBD, Inner City Waterside Apartments,
CONNECTED THE ECONOMY: SHOW CASES

CONNECTING INTER ISLANDS

CONNECTING ECONOMIC ZONE

CONNECTIVITY WITHIN CORRIDOR: SHOW CASE IN GREATER JAKARTA

“Locally Integrated, Globally Connected”
GREATER JAKARTA AS ONE OF MAIN INVESTMENT AREA IN JAVA ECONOMIC CORRIDOR

“Locally Integrated, Globally Connected”
SOEKARNO HATTA INTERNATIONAL AIRPORT (SHIA)
Existing utilization has far exceeded the design capacity of 22 million/year

**Airport Development**
- Expansion of Terminal 3;
- Development of an Integrated Building (Office, Commercial Area, Parking Lot, Train Station);
- Development of Cargo Village;
- Upgrading Check in Facility on Terminal 1 and 2;
- Providing People Mover System (PMS) Facility.
- Development of new Runway and Terminal (Long term).

Source: Ministry of Transport, Market Sounding to London
ACCESS TO THE SOEKARNO HATTA AIRPORT

Heavy traffic to the airport delivers uncertain travel time
Currently, Toll Road Sedyatmo is the main access to the airport

Source: Ministry of Transport, Market Sounding to London
INITIAL REVIEW OF RAILWAY DEVELOPMENT ACCESS TO SOETTA AIRPORT

Option 1: ROW the existing tracks
Option 2: ROW canal
Option 3: ROW ring road
Option 4: ROW outer ring road
Option 5: ROW the track of Tangerang line

SOURCE: MINISTRY OF TRANSPORTATION
Toll Road Development is executed in several stages and expected to finish by 2014. Toll Road Cibitung-Cilincing will support the increasing capacity of Tj. Port development. Toll Road Cengkareng-Batu Ceper-Kunciran will enhance the accessibility to the Soekarno-Hatta Airport.
DEVELOPMENT OF CILAMAYA PORT TO CATER THE GROWING ECONOMY AT THE EASTERN PART OF INDUSTRIAL ZONE IN WEST JAVA

+ 30% CARGO IN TANJUNG PRIOK PORT
Cikarang Dry Port (CDP)
The first and the only dry port in Indonesia that have integrated Customs Services and have its own international port identification (ID JBK)

Since July 2012, railway has operated for containers from CDP to Surabaya
KERTAJATI PORT IS TO CARRY OVERCAPACITY IN SOEKARNO HATTA AIRPORT

Source: West Java Province website

“Locally Integrated, Globally Connected”
THANK YOU