



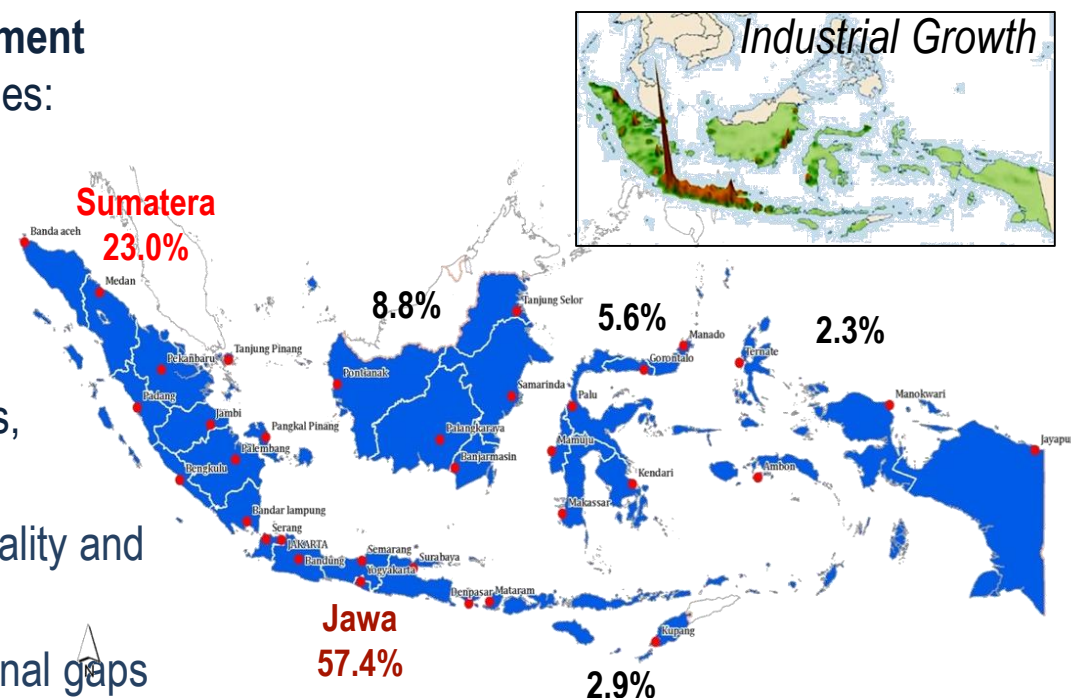
1st India – Indonesia Infrastructure Forum: Strategic Regional Co-operation

**Deputy for Infrastructure
Coordinating Ministry for Maritime Affairs
Jakarta | March 19th, 2018**



National Development Policy: Growth & Equality

- National Development Work-plan 2018 Theme: accelerate **investment and infrastructure** to promote growth and to reduce gaps. Priorities:
 - Infrastructure, Connectivity, and Maritime: transportation infrastructure, IT
 - Energy Resiliency: New and Renewable Energy, Energy Conservancy, energy sufficiency
 - Tourism: priority tourist destinations, Special Economic Zones, Industrial Estates
- National Development Work-plan 2019 Theme: Development Equality and Quality Growth. Priorities:
 - Improving **connectivity and maritime** affairs to reduce regional gaps
 - Economic **added value** in agriculture, industry, and services
 - Enhancing **energy, food, and water** resiliency



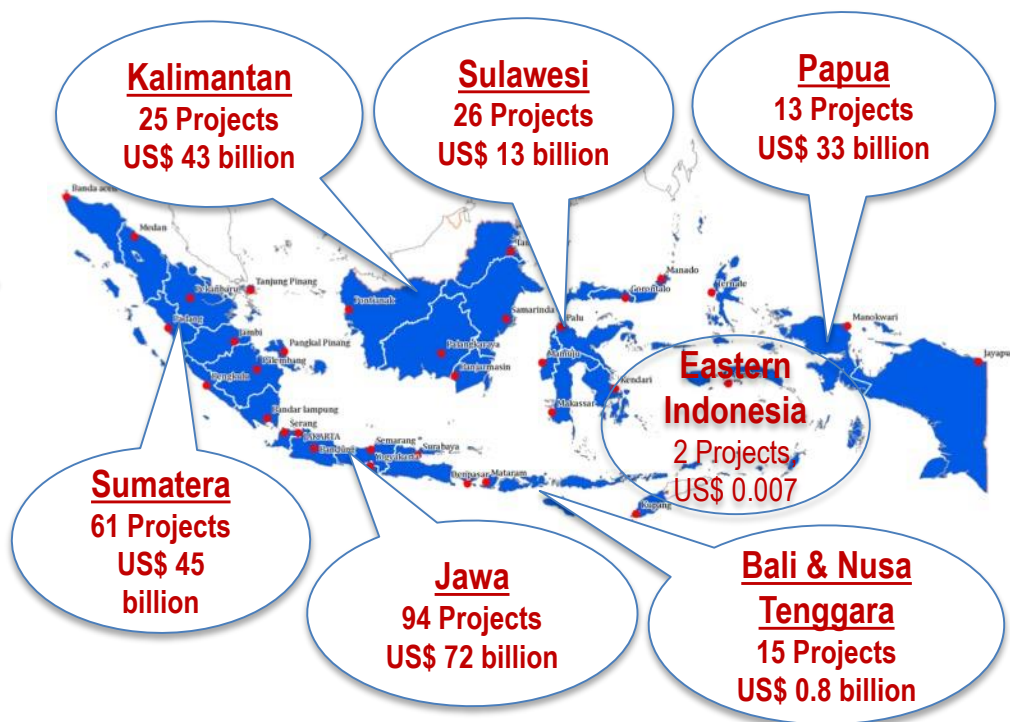
GDP Distribution by region: Jawa + Sumatera = 80%



National Strategic Projects and Programs

- 245 Projects and 2 Programs
- Total investment: **US\$ 327.2 billion**

**Government
Budget
25 – 30%**



Region/Nation-wide: 9 Projects + 2 Programs [US\$ 98 billion]

 Road: 74

 Railway: 23

 Port: 10

 Airport: 8

 Industrial Estate: 30

 Housing: 3

 Border Posts: 3

 35 GW Electricity

 Water & Sanitation: 9

 Dam: 54

 Irrigation: 7

 ICT: 4

 Smelter: 6

 Energy: 12

 Fishery: 1

 Sea Dike: 1

 Aircraft Manufacturing



Special Economic Zones and Industrial Estates





Transportation Connectivity Infrastructure



- 5 Deep-sea Ports: Kuala Tanjung, Tanjung Priok, Tanjung Perak, Makassar, Bitung
- 19 Regional Feeder Ports
- 100 Local Feeder Ports



- ✈ 15 new airports
- ✈ Upgrading 9 cargo airports
- ✈ Constructing 25 airports in outermost islands and in areas of disaster-prone areas



Energy and Mining Infrastructure

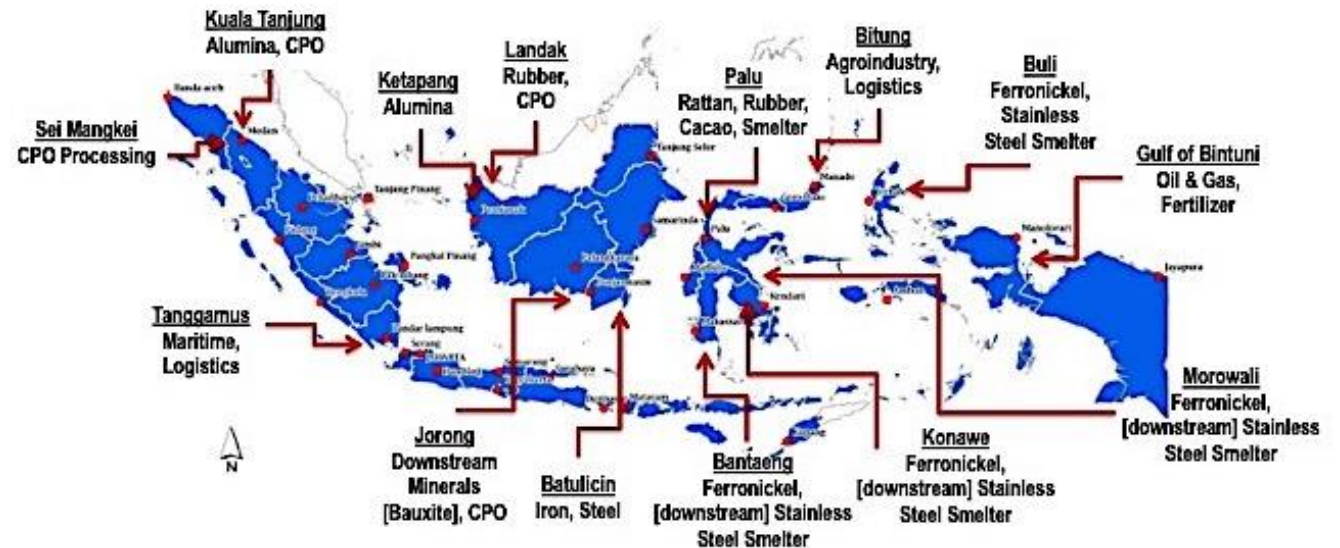
- **Mine-Mouth Coal Fired Power Plant** is needed to fulfill the electricity demand in Sumatera and Kalimantan with the total capacity of 6.005 MW
- PLN is responsible to prioritize the development of mine-mouth coal-fired power plants
- 11 power plants in Sumatera and Kalimantan [total capacity 3.900 MW] that are assigned to PT PLN's subsidiaries (Indonesia Power and Pembangkitan Jawa Bali) in October 2017. 9 of the power plants have signed the PPA
- Time line: partner selection Mid 2018, financial close: Mid 2019
- PT PLN encounters funding difficulty due to: restriction to the export credit for the coal fired power plant in OECD Guidelines that has become effective since 2017





Mineral Processing Infrastructure [Smelters]

- Morowali: Environmental Impact Assessment [AMDAL], slag, work force, water resources, polytechnic, hospital
- Konawe: land acquisition [Ministry of Agriculture, Public Works, Land]
- Bantaeng: land use, electricity
- Tanah Kuning Industrial Estate, North Kalimantan: management agency, hydropower plant, roads, port





Tourism Infrastructure



10 Prioritized Tourist Destinations outside Bali

INDEX - SUBINDEX – Pillars	INDONESIA
	Rank
TRAVEL & TOURISM COMPETITIVENESS INDEX	42
ENABLING ENVIRONMENT	87
Business Environment	60
Safety & Security	91
Health & Hygiene	108
Human Resources & Labour Market	64
ICT Readiness	91
T&T POLICY AND ENABLING CONDITION	5
Prioritization of Travel & Tourism	12
International Openness	17
Price Competitiveness	5
Environmental Sustainability	131
INFRASTRUCTURE	66
Airport Infrastructure	36
Ground & Port Infrastructure	69
Tourist Service Infrastructure	96
NATURAL & CULTURAL RESOURCES	16
Natural Resources	14
Cultural Resources	23

Improvement is needed in: Environmental Sustainability, Health & Hygiene, Tourist Service Infrastructure



Fishery Industry Infrastructure

- National Fishery Logistic System and Integrated Marine and Fishery Center → Priorities
 - SKPT Natuna
 - SKPT Sabang
 - SKPT Saumlaki

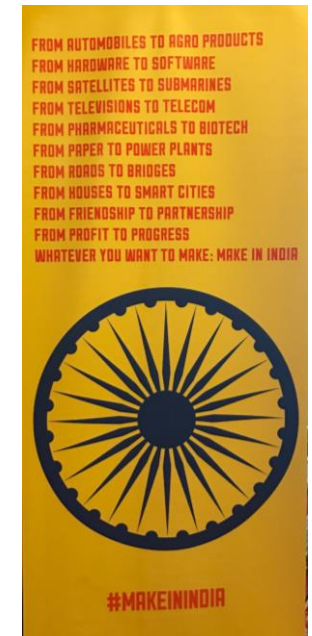




Swadeshi in Today's Context



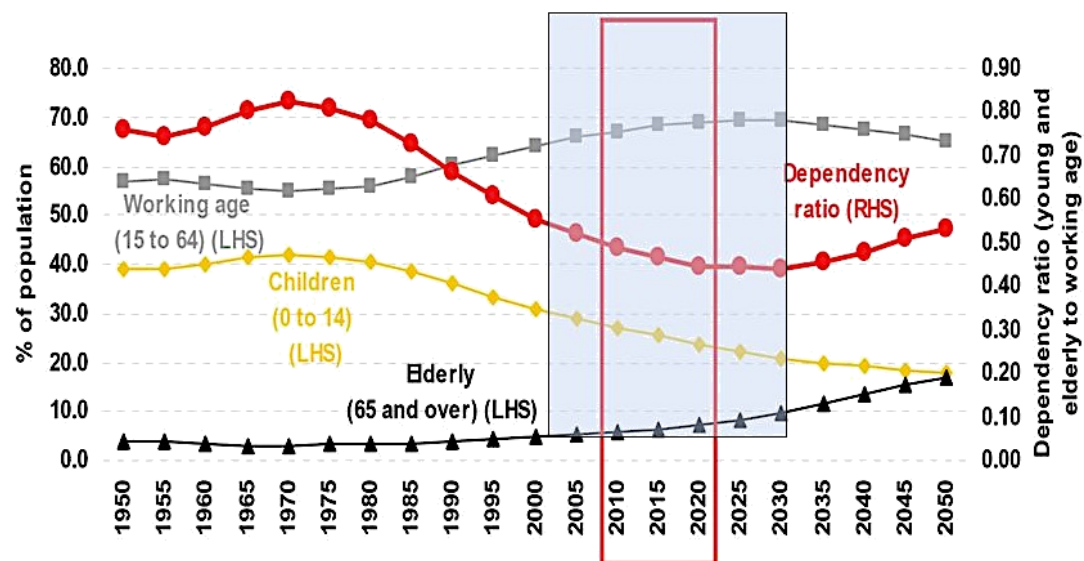
- Policy and program → Solid and integrated national program
- Empower national industries → innovation, human resources, networks
- Priority sector: energy, maritime
- **National Electric Vehicle Program**





Demographic Bonus and Millennial Generation

Demographic Bonus



70% Productive Age

Millennial Generation



- Think and act differently
- Innovative and adaptive to global trend
- 132 million internet users, 106 million social media players, 371 million cell-phones



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India



Indonesia

2019 marks the 70th Anniversary of India – Indonesia co-operation

- Population: 1,3 billion [2nd] [density 396.0/km²], 18% of global
- GDP [2018 est.] \$ 2.454 trillion [5th]. Per capita \$1,989
- Service sector: 55.6% of GDP, industrial: 26.3%, agricultural 18.1%
- Economic growth [2017]: 5.7%
- Global competitiveness: #40
- Gini Coefficient close to 0.50
- 513.7 million labor force [2nd, 2016]



- Population 262 million [7th], density: 138/km²
- GDP \$1.092 trillion [16th], per capita \$ 3,895
- Economic growth 5.2%
- Global competitiveness: #36
- Gini coefficient: 0.39
- Service sectors are the economy's largest [43.3% of GDP, 2016], followed by manufacturing [42.9%] and agriculture [13.7%]



Follow up of Presidential Visits

- India is **the largest** Indonesia's trade partner in South Asia, and the **4th largest globally**
- President Joko Widodo met with PM Narendra Modi in India on January 25th, 2018; addressing that the two countries' trades **have grown** since 2017; however the real potential is **much higher**
- The India – Indonesia Business Forum held prior to President Jokowi's visit indicates that the potential trades between the two countries could reach more than **US\$ 2.1 billion**
- On Desember 13th, 2016, President Jokowi met with 20 Indian CEO's to ensure the **sustainability** of their businesses and investment
- President Jokowi encouraged to develop a **maritime co-operation** in Indo-Pacific region. This maritime cooperation is considered very important for the countries along **Indian Ocean and Pacific Ocean**
- The blue print covers ASEAN member states and its neighboring countries' **connectivity** until 2025, and security and safety at sea
- In line with that proposal, a **prosperity-based** co-operation should also be developed





1st India – Indonesia Infrastructure Forum

- Today's event, the 1st India – Indonesia Infrastructure Forum, has been jointly prepared by Coordinating Ministry for Maritime Affairs and Indian Embassy in Jakarta as **a real follow up action** after our meeting on January 30th, 2018
- We have agreed to provide **a forum** for government officials and business leaders from both countries to meet and discuss efforts to strengthen as well as to initiate co-operation under a **strategic regional partnership**
- Various potential fields have been identified, especially **infrastructure**, that includes transportation infrastructure such as ports, airports; energy infrastructure, IT Infrastructure, medical and health infrastructure
- Other than those, **maritime observation and security, tourism**, as well as **higher education and Innovation** are also included



Mr. Pradeep Kumar Rawat



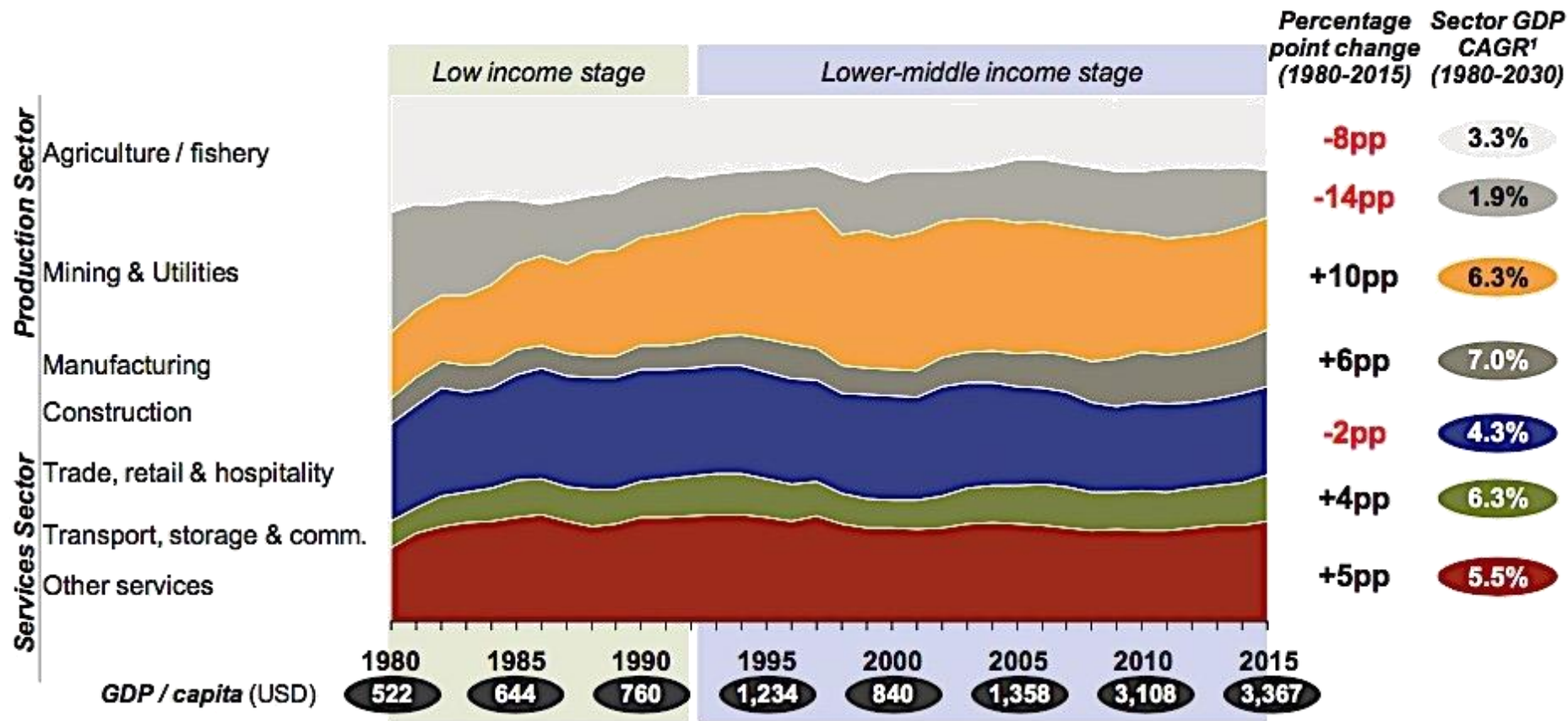


Next Steps

- 1 Identify **quick-win co-operation projects** to be agreed during Indian PM visit in a couple of months to come
- 2 Prepare a **visit** to India
- 3 Set up an India – Indonesia **Joint Task Force**
- 4 2nd India – Indonesia Infrastructure Forum, mid **March 2019**



Indonesian Economy has Changed from Resources-based to Value Creation



Significant
improvement on
Composite Annual
Growth Rate [CAGR] in
industry and service
sectors



KEMENTERIAN PERINDUSTRIAN
REPUBLIK INDONESIA



Portofolio Kementerian Koordinator Bidang Kemaritiman

Peraturan Presiden No. 10 Tahun 2015:

Tugas Kemenko Maritim: menyelenggarakan koordinasi, sinkronisasi, dan pengendalian urusan kementerian dalam penyelenggaraan pemerintahan di bidang Kemaritiman

