



Ministry of Public Works | **REPUBLIC OF INDONESIA**

Expressway Development *in* *Indonesia*



Current Condition & Future Prospect

Presented in

The 2nd Session of PPP

Council for Overseas Road and Water Infrastructure

Tokyo, February 14th, 2011





***Background
&
Condition***



INFRASTRUCTURE – A National Priority

- National development priority : **pro-growth, pro-jobs, pro-poor, pro-green.**
- Infrastructure development is **one of the top list** on the Government's agenda – wide-ranging reform has been a priority since 2004 to catch up with the investment gap created by the 1997/98 crisis.
- Adequate infrastructure provision is **prerequisite to strong economic growth and poverty alleviation.**
- Complex challenges from large financing requirements, land acquisitions, pricing policies, project preparations to regulatory reform.
- The government shows its **commitment to enhance the implementation of PPP** not only in infrastructure but also in the Special Economic Zone and other possible sectors.
- Regional development approach in national development planning: stronger relevance for Indonesia as an archipelagic country

Regional Approach in Infrastructure Provision

Infrastructure for All & Regional Development

- Economic based regional Approach
- Public Private Partnership
- Public spending for developing and newly developing region

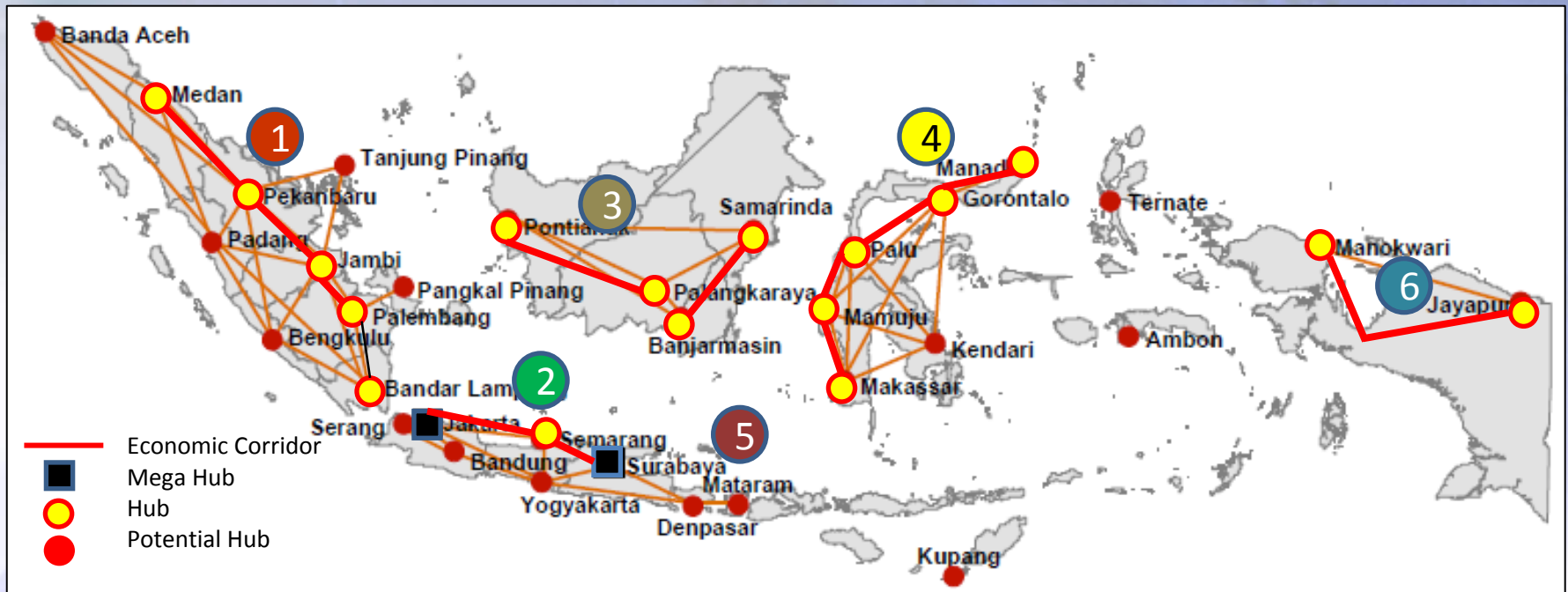


DEVELOPED REGION

DEVELOPING REGION

NEWLY DEVELOPING REGION

6 Economic Corridor Development



1 East Sumatera

2 Northern Coast Java

3 Kalimantan

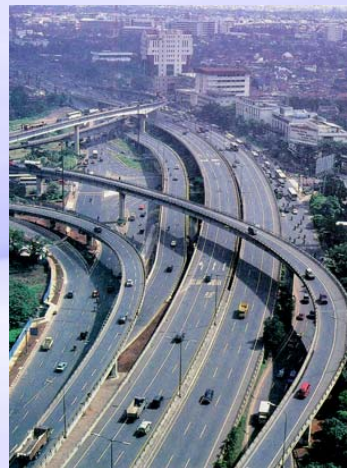
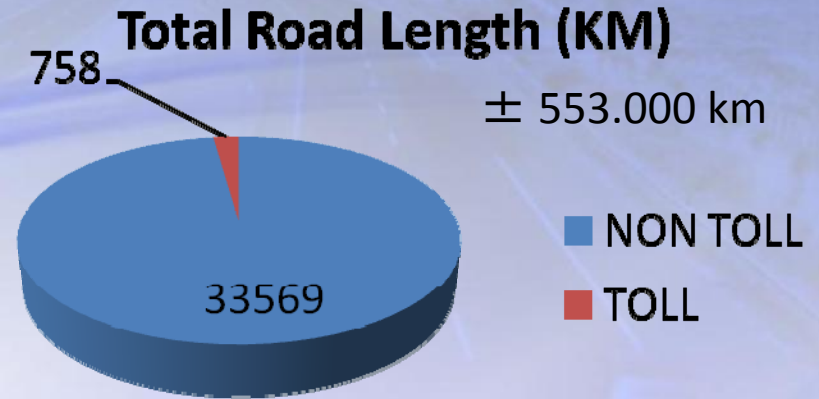
4 Western Sulawesi

5 East Java -Bali-NTT

6 Papua

Road Development in Indonesia

- Road is one of the most important transportation modes, having great impact on regional development and economic growth.
- Government is **responsible of Road Provision** (National Road and Toll Road) and **maintain the minimum road service for national road**



Vision & Mission 2014

Vision

- Access to **sustainable integrated reliable road system** available nation-wide to support economic growth and social well-being

Mission

- To realize **a sustainable road network** with adequate mobility, accessibility and safety to serve national centers of activities, strategic national areas and regions
- To realize **a network of inter-city national highways and national highways in urban areas** with high intensity of logistics movements connecting and serving key national centers of economic activities
- To facilitate **improvement of Regional Government's capacity** in operating sustainable regional roads with adequate mobility, accessibility and safety

Expressway Master Plan



No	Expressways	Operating	Planned		
			Program	Priority	Other
1	Trans Jawa *)	337	620	-	-
2	Jabodetabek	172	185	87	32
3	Others	249	351	165	3.179
Total		758	1.156	252	3.211

*) Up to Surabaya Only



*Reform
&*

Funding Facilities

Toll Road Refoms

Toll Road Reform started in 2004as mandated in the Road Law No.

1

Indonesian Toll Road Authority as contracting agency

2

Public Private Partnership:

- Local Government Owned Enterprises
- State Owned Enterprises; and/or
- Private Enterprises

3

Tariff Certainty:

- Return on investment
- Tender
- Biannual indexation based on inflation rate (CPI)

4

- Land Acquisition by Government before tender
- Land Revolving Fund and Land Capping

5

Simplified procurement process including unsolicited project

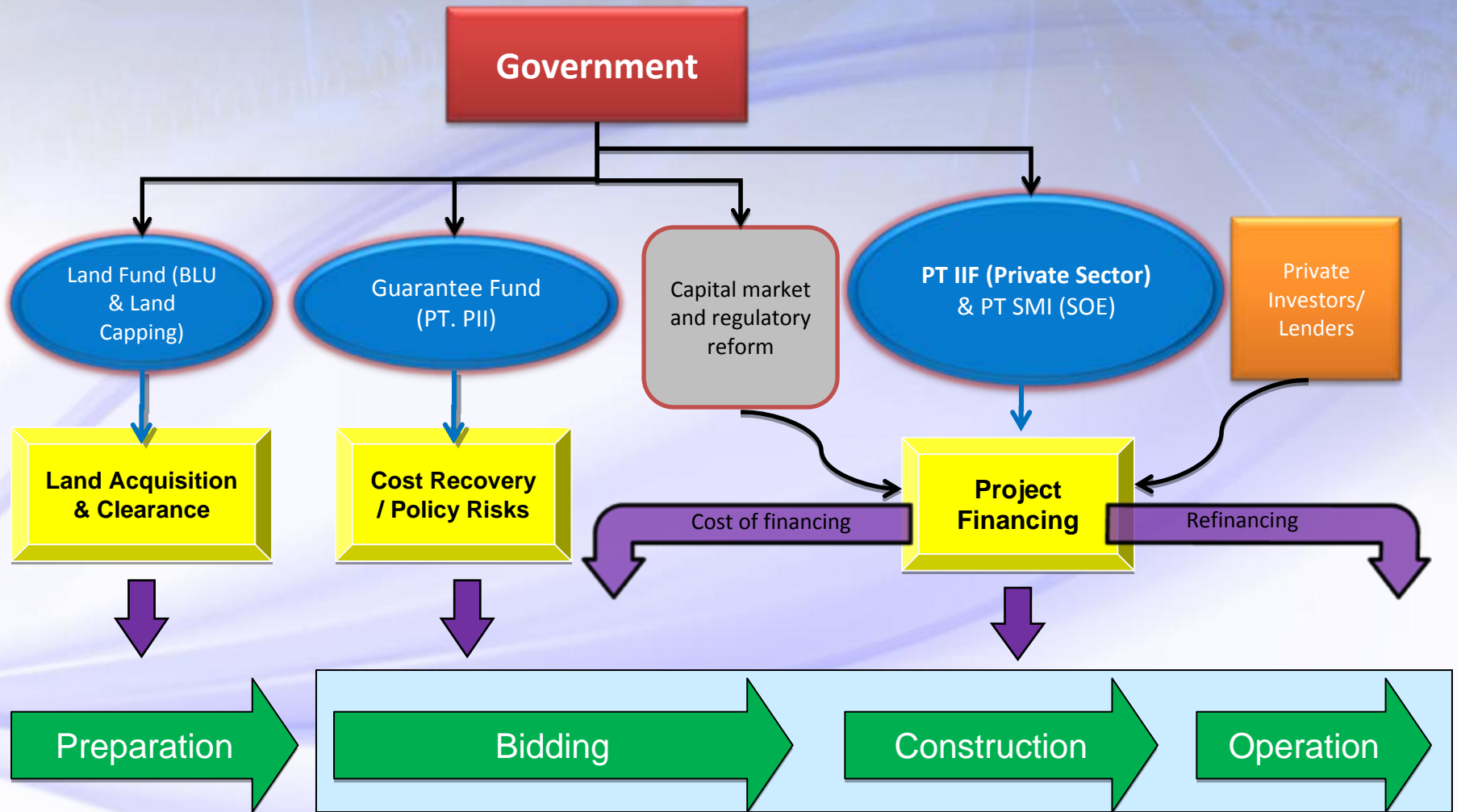
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Government Support and Guarantee

7

Establishment of Indonesia Infrastructure Fund (PT. IIF) and Guarantee Fund (PT. PII)

Infrastructure Financing Facilities





***Expressway
Opportunities***

Trans Java Toll Road

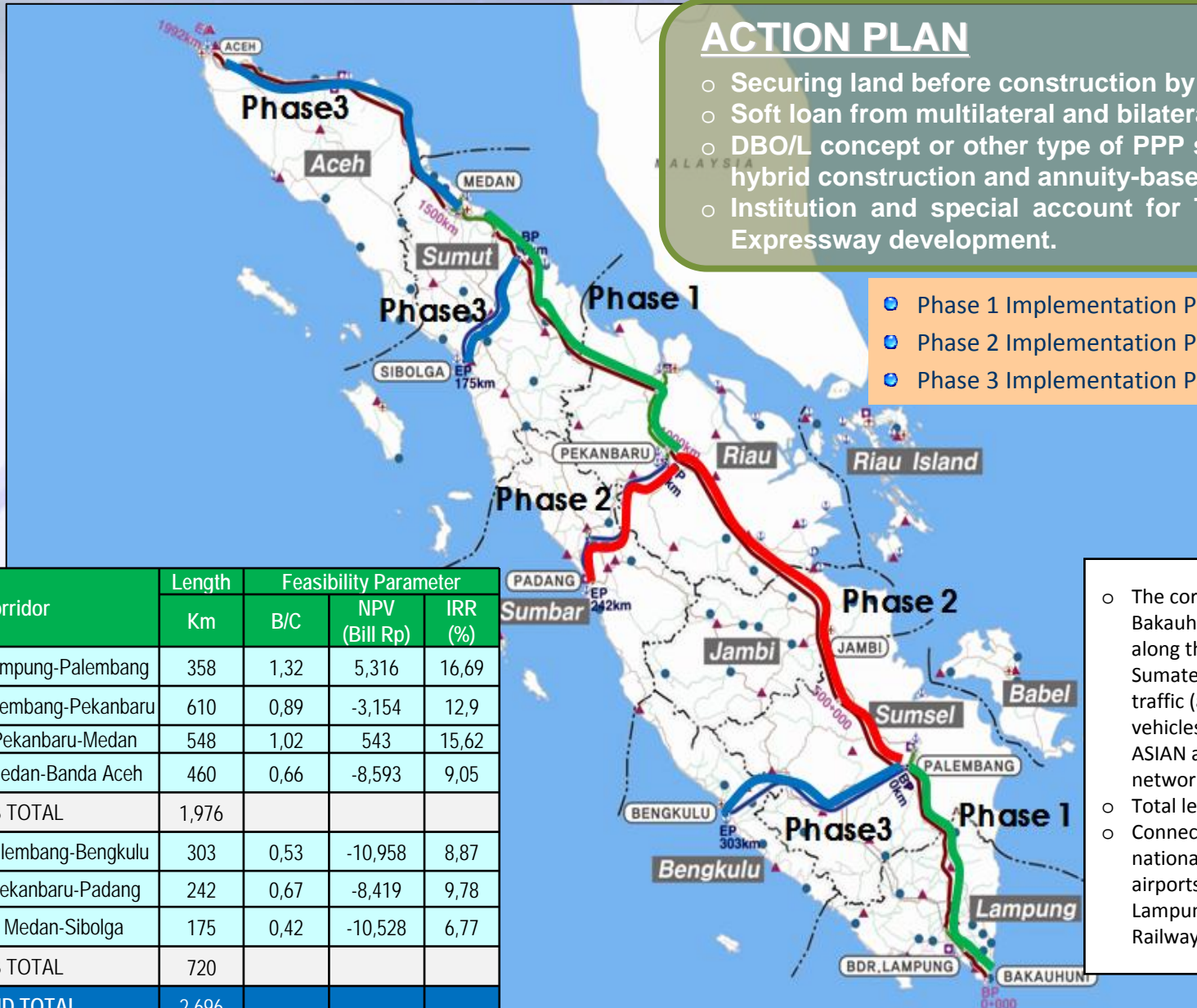


No	Section	Length (Km)
	Cikampek – Palimanan	116.00
	Pejagan – Pemalang	57.50
	Pemalang – Batang	39.20
	Batang – Semarang	75.00
	Semarang – Solo	75.70
	Solo - Ngawi	90.10
	Ngawi – Kertosono	87.02
	Kertosono – Mojokerto	40.50
	Surabaya - Mojokerto	36.27
	Total	617.29

LEGEND

- █ Operating
- █ Land Acquisition and Construction
- █ Land Acquisition
- █ Tender Preparation

Trans Sumatera Toll Road



ACTION PLAN

- Securing land before construction by government;
- Soft loan from multilateral and bilateral agency;
- DBO/L concept or other type of PPP scheme such as hybrid construction and annuity-based scheme;
- Institution and special account for Trans Sumatera Expressway development.

- Phase 1 Implementation Plan : 2015-2019
- Phase 2 Implementation Plan : 2020-2024
- Phase 3 Implementation Plan : 2025-2029

Corridor		Length	Feasibility Parameter		
		Km	B/C	NPV (Bill Rp)	IRR (%)
Main Corridor	Lampung-Palembang	358	1,32	5,316	16,69
	Palembang-Pekanbaru	610	0,89	-3,154	12,9
	Pekanbaru-Medan	548	1,02	543	15,62
	Medan-Banda Aceh	460	0,66	-8,593	9,05
SUB TOTAL		1,976			
Connecting Corridor	Palembang-Bengkulu	303	0,53	-10,958	8,87
	Pekanbaru-Padang	242	0,67	-8,419	9,78
	Medan-Sibolga	175	0,42	-10,528	6,77
SUB TOTAL		720			
GRAND TOTAL		2,696			

- The corridors lies from Bakauheni to Banda Aceh, along the east coast of Sumatera, which serves high traffic (around 20.000-40.000 vehicles/day) and is part of ASIAN and ASEAN Highway network.
- Total length ±1,980 km
- Connecting 7 big cities, 8 national activity centers, 5 airports, 6 ports and Bandar Lampung – Palembang Railway.

PPP Project Candidates

Length Project Cost

Location and Objectives

Project Characteristic

Pandaan- Malang

37,62 km
FIRR: 17,13%
Rp. 2.674
Bilion
BUJT: 89,03%
GOI : 10,97%
Government
Support:
Rp. 293 Billion

- 1) Connection road beetwen metropolitan city and malang city as one developing region
- 2) As a distribution line and tourism connected Surabaya and Malang and others sourrounded

- 1) The trace road is through hills area, plain and settlement
- 2) Low technical dificulties.

Medan – Kualanamu – Tebing Tinggi

60 km
FIRR: 10,77%
Rp. 4.755
Bilion
BUJT: 63,04%
GOI: 36,96%
Government
Support:
Rp. 1.758 Billion

- 1) Part of Trans Sumatera Toll Road
- 2) As an access from and to planned Kualanamu International Airport
- 3) Increasing road capacity and accessibility

- 1) The trace road is through west side of settlement
- 2) Most of land acquired by BUMN
- 3) Low technical dificulties.

Cileunyi – Sumedang - Dawuan

60,10 km
FIRR: 11,35%
Rp. 4.660
Bilion
BUJT: 65,67%
GOI: 34,33%
Government
Support:
Rp. 1.600 Billion

- 1) Intergated Bandung City and Cirebon by facilitating International Airport planning at Majalengka and Cirebon Port
- 2) Encouraging development of East of West Java Province
- 3) As an alternative road for Cadas Pangeran road

- 1) The trace road is through west side of settlement and hills area
- 2) Trase melewati kawasan permukiman pada sisi barat dan melewati kawasan bukit
- 3) Part of land acquired by IPDN
- 4) Low technical dificulties.

PPP Project Candidates

Length Project Cost

Location and Objectives

Project Characteristic

Soreang - Pasirkoja

10,57 km
FIRR: 10.94%

Rp. 1.394
Billion

BUJT: 63,44%
GOI: 36,56%
Government Support:
Rp. 510 Billion

- 1) Alternative for congestion solution at Kopo-Soreang road
- 2) Increasing network road capacity
- 3) Increasing accessibility through Metropolitan Bandung dan Padalarang – Cileunyi Toll Road

- 1) The trace road is through high populaty settlement .
- 2) Low technical dificulties.

Pekanbar u - Dumai

135 km
FIRR: 8,36%

Rp. 8.379
Billion

BUJT: 14,43%
GOI: 85,57%
Government Support:
Rp. 7.170 Billion

- 1) Part of Trans Sumatera Toll Road
- 2) As a supported of product distribution to International Dumai Port
- 3) Increasing capacity and accessibility of road network

- 1) The trace road is through north side of settlement
- 2) Low technical dificulties.

Menado - Bitung

31,80 km
FIRR: 8,84%

Rp. 2.610
Billion

BUJT: 54,46%
GOI: 45,54%
Government Support:
Rp. 1.189 Billion

- 1) As a supported of product distribution
- 2) Increasing capacity and accessibility of road network

- 1) The trace road is through north side of settlement
- 2) Low technical dificulties.

Expressway Plan 2014



No	Project
1	Ciranjang - Padalarang Road ⁽¹⁾
2	Bekasi - Cawang - Kampung Melayu ⁽¹⁾
3	Waru - Wonokromo-Tj Perak Road ⁽¹⁾
4	Waru - Tj Perak Stage 1 Road ⁽¹⁾
5	Gempol - Pandaan Road ⁽¹⁾
6	Jakarta Outer RR W1 ⁽¹⁾
7	Ciawi-Sukabumi Road ⁽¹⁾
8	Cikampek-Cirebon Road ⁽¹⁾
9	Surabaya-Mojokerto Road ⁽¹⁾
10	Kanci-Pejagan Road ⁽¹⁾
11	Pejagan-Pemalang Road ⁽¹⁾
12	Pemalang-Batang Road ⁽¹⁾
13	Batang-Semarang Road ⁽¹⁾
14	Kertosono-Mojokerto Road ⁽¹⁾
15	Pasuruan-Probolinggo Road ⁽¹⁾
16	Pandaan-Malang Road ^(1) *3)

No	Project
17	Gempol-Pasuruan Road ⁽¹⁾
18	Semarang-Solo Road ⁽¹⁾
19	Bogor Ring Road ⁽¹⁾
20	Depok-Antasari Road ⁽¹⁾
21	Cinere-Jagorawi Road ⁽¹⁾
22	Cikarang-Tanjung Priok Road ⁽¹⁾
23	Cileunyi-Sumedang-Dawuan Road ^(1) *3)
24	Makasar Seksi IV Road ⁽¹⁾
25	Cilegon-Bojanegara Road ⁽¹⁾
26	Pasir Koja-Soreang Road ^(1) *3)
27	Sukabumi-Ciranjang Road ^(1) *3)
28	Semarang-Demak Road ^(1) *3)
29	Jogja-Solo Road ^(1) *3)
30	Solo-Mantingan Road ^(1) *2)
31	Mantingan-Ngawi Road ^(1) *2)
32	Ngawi-Kertosono Road ^(1) *2)
33	Probolinggo-Banyuwangi Road ^(1) *3)

No	Project
34	Jakarta Outer RR-2 ⁽¹⁾
35	Jakarta Outer RR W2 North ⁽¹⁾
36	Kamal- Teluk Naga- Batu Ceper ⁽³⁾
37	Kemayoran- Kampung Melayu ⁽³⁾
38	Sunter- Rawa Buaya- Batu Ceper ⁽³⁾
39	Ulujami- Tanah Abang ⁽³⁾
40	Pasar Minggu- Casablanca ⁽³⁾
41	Sunter- Pulo Gebang- Tambelang ⁽³⁾
42	Duri Pulo- Kampung Melayu ⁽³⁾
43	Tanjung Priyok Access ⁽³⁾
44	Terusan Pasteur- Ujung Berung- Cileuny ⁽³⁾
45	Ujung Berung- Gedebage- Majalaya ⁽³⁾
46	Yogyakarta- Bawen ⁽³⁾
47	Bandara Juanda- Tanjung Perak ⁽³⁾
48	Medan-Kuala Namu-Tebing Tinggi ^(1) *2) *3)
49	Medan - Binjai ^(1) *3)
50	Palembang - Indralaya ^(1) *3)

No	Project
51	Pekanbaru- Kandis- Dumai ⁽³⁾
52	Tegginnere - Babatan ⁽³⁾
53	Serangang - Tj. Benoa ⁽³⁾
54	Menado Bitung ⁽³⁾
55	Kisaran-Tebing Tinggi ⁽³⁾
56	Bukit Tinggi- Padang Panjang- Lubuk Alung- Pada ⁽³⁾
57	Batu Ampar- Muka Kuning- Bandara Hang Nadim ⁽³⁾
59	Bakaheuni- Terbanggi Besar ⁽³⁾
60	Cilegon- Bojonegara ⁽³⁾

Source)
 * 1) Infrastructure summit 2005
 * 2) Infrastructure Conference 2006
 * 3) other latest sources (2009)

Ref : Table : Prospective PPP project list (Road)
 No.s in the table are correspondent to no.s in the figure
PPP Project (Road) Location Map

Up to 2014, a total of 700 km toll road is planned, in particular the Trans Java and Jabodetabek Expressways.

Concluding Remark



1. Expressway investment is a **strategic sector** which will boost economic growth, generate fund to develop further infrastructure and increase economic development.
2. Investment in expressways infrastructure by the private sector is **to be enhanced by regulatory and institutional framework reforms** as well as the other Government supports and guarantee proposed.
3. Strong commitment to create **conducive investment climate**.
4. Invitation to the private sector **to participate in the development of expressway infrastructure** in Indonesia by developing strategic partnerships with existing investor and/or participating in the next investment tender.



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Thank You

