

3rd Steering Committee

JABODETABEK Metropolitan Priority Area (MPA)



October 2012

Chronology of MPA Master Plan



MPA Committees	2011								2012							
	3	...	6	7	8	9	10	...	1	...	4	5	6	7	...	10
Steering Committee (SC)	◆	...														
1 st SC (Approval of 17 FTPs) : held prior to the Study		...														
2 nd SC (Approval of VISION 2030)		...				◆										
3 rd SC (Approval of Masterplan) ◀ Today		...														◆
Technical Committee (TC)		...														
1 st TC (Kick-off)		...	■													
2 nd TC (Inception Report)		...		■												
3 rd TC (VISION 2030/List of PPs)		...			■											
4 th TC (MP 2020/Progress of FTPs)		...							■							
5 th TC (List of PPs)		...								■						
6 th TC (Finalization)		...											■			
Monitoring of Progress of FTPs		...	■	■	■	■	■	■	■	■	■	■	■	■	■	■

Note: FTPs: Fast Track Projects, PPs: Priority Projects

- Prior to the committees, sub-technical committees/sector meetings have been held as appropriate.

AGENDA

I. MPA Master Plan toward 2020:

(T/C's Recommendation(1)): to consent MPA Masterplan.

II. Fast-Track Projects and Priority Projects

(T/C's Recommendation(2)): to continue to monitor the implementation; and to agree 5 flagship projects.

III. The Further Way Forward

(T/C's Recommendation(3)): to set up the mechanism and framework to accelerate the implementation.

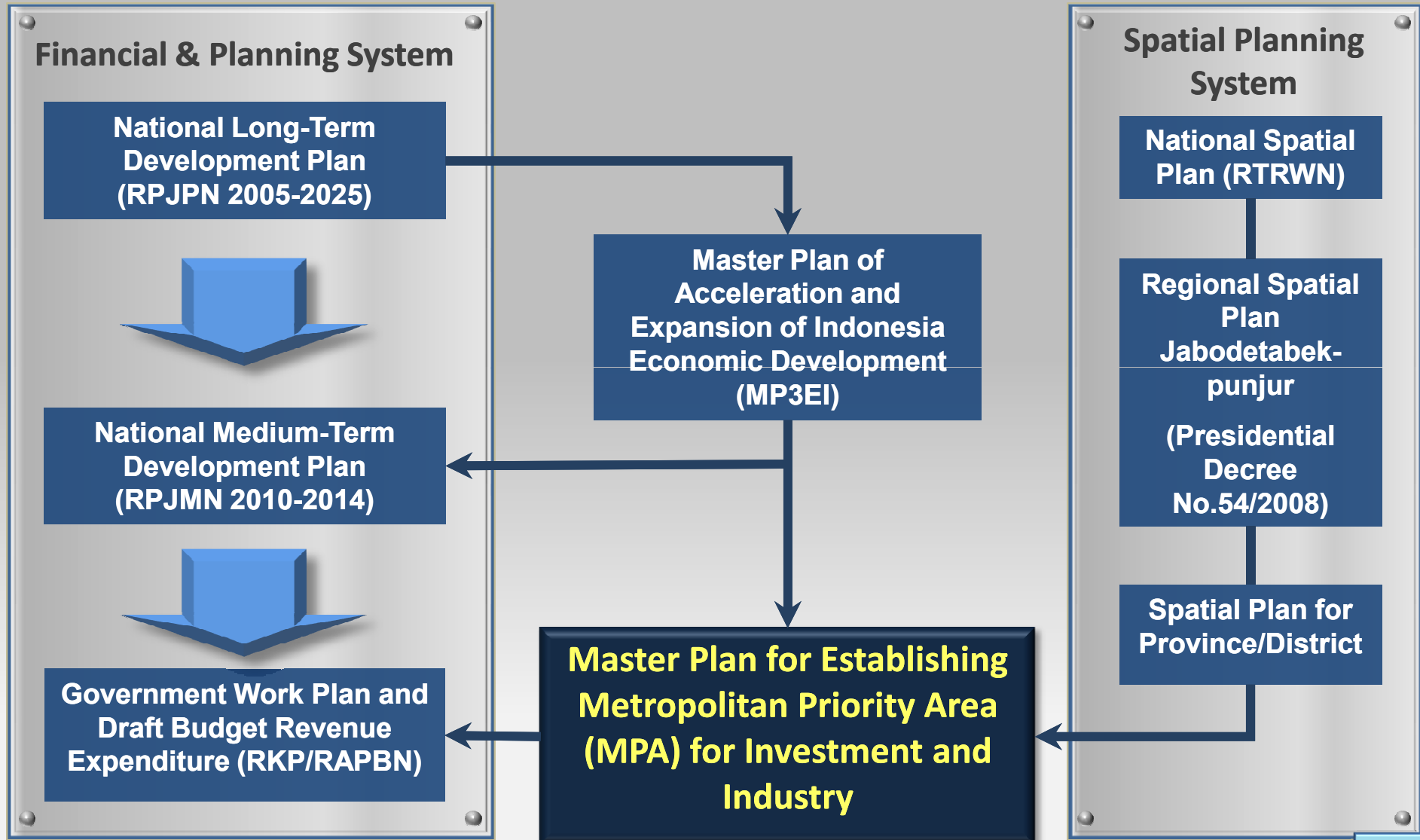
I. MPA Master Plan toward 2020

(Summary)

1. Background of the Study
2. Current situation of JABODETABEK MPA
3. Current condition of Infrastructure
4. Vision toward 2030
5. Strategies for M/P toward 2020
6. Masterplan (M/P) toward 2020 by Sectors

1. Background of the Study - Position of MPA Master Plan -

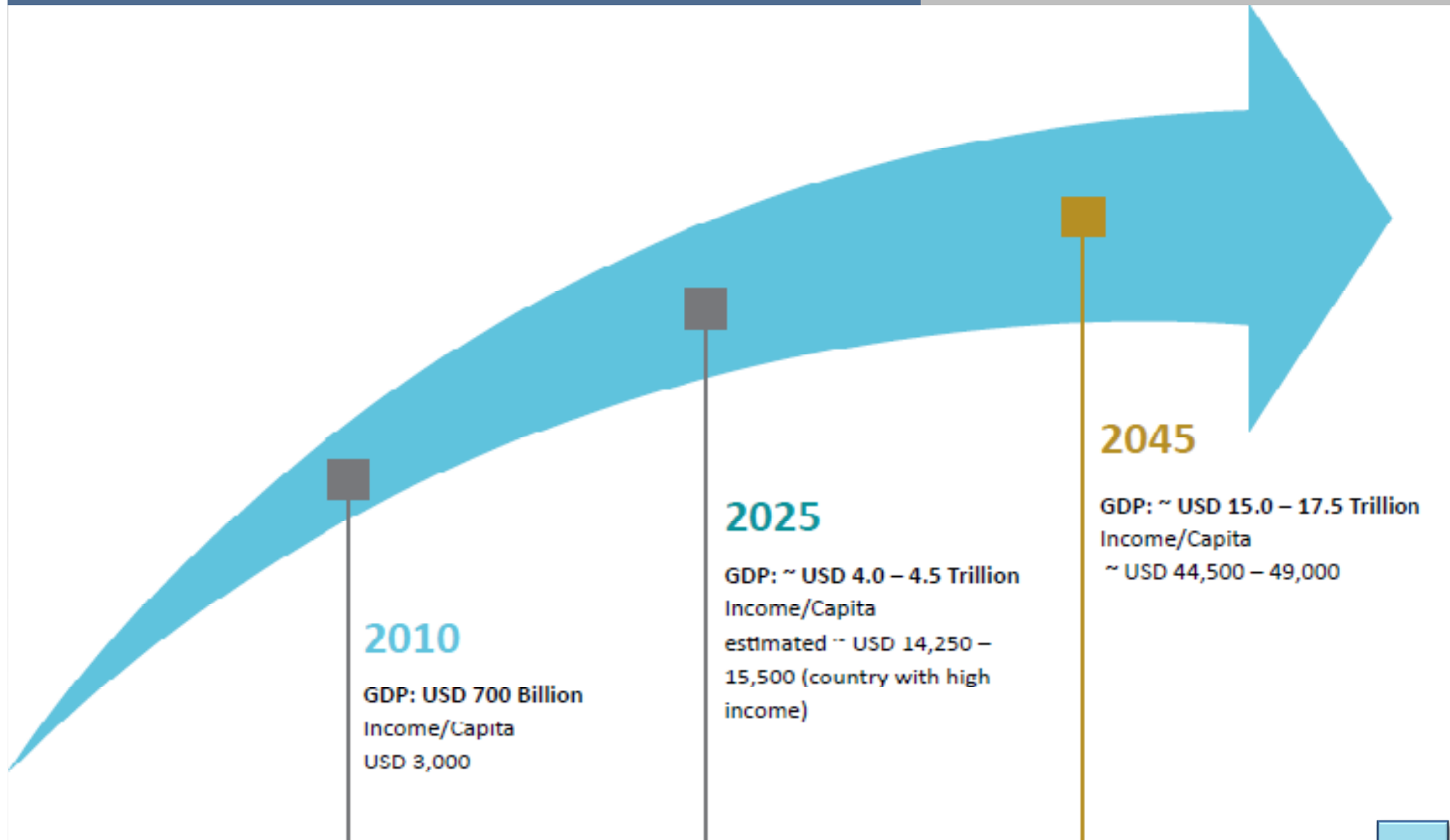
How will MPA Master Plan be integrated into MP3EI?



Source: MPA Study Team, based on MP3EI document

1. Background of the Study – Future GDP Growth in MP3EI -

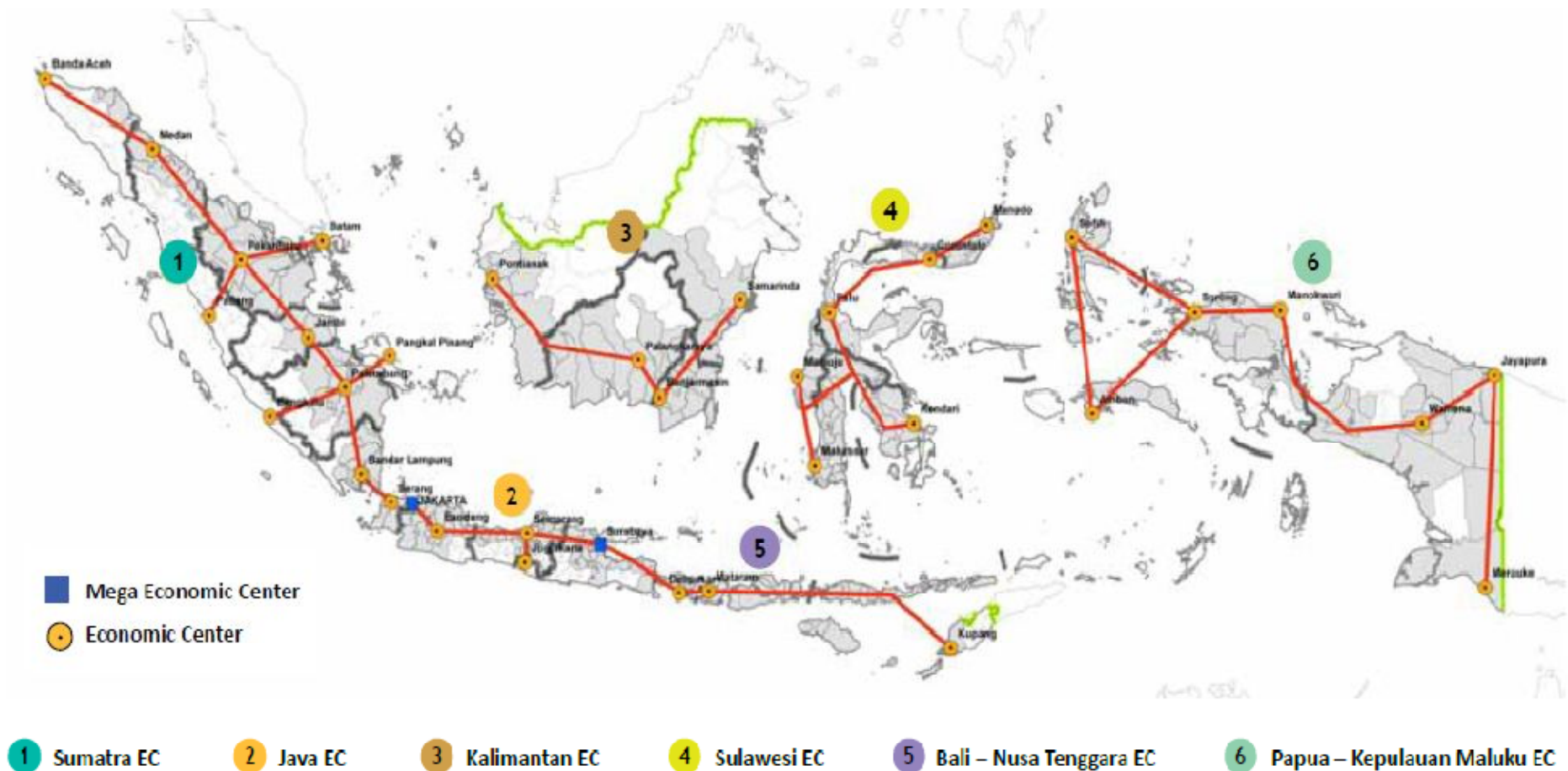
Plans for Indonesia's GDP Growth in MP3EI



Source: MP3EI

1. Background of the Study - Economic Corridors in MP3EI -

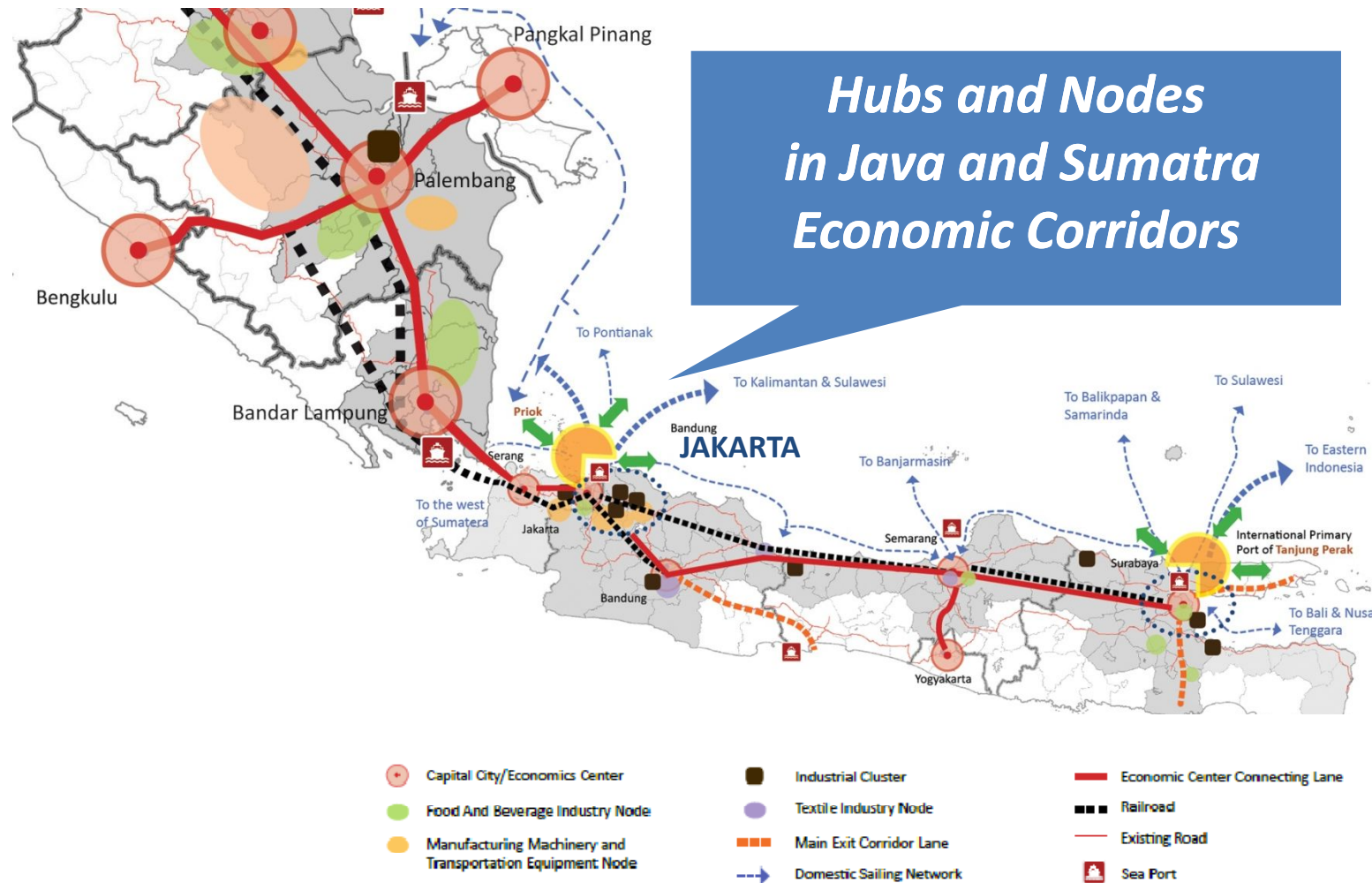
Six economic corridors were formulated in MP3EI.



Source: MP3EI

1. Background of the Study - MPA's Contribution to MP3EI -

How will MPA contribute to Economic Corridor in MP3EI?



Source: MP3EI

1. Background of the Study - Current Position of Indonesia -

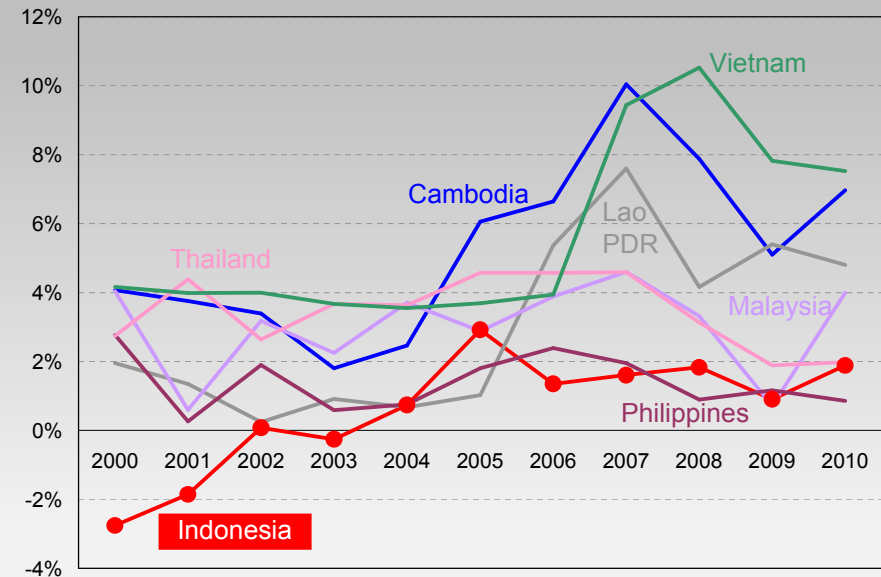
Indonesia needs to be more attractive destination for investors than other countries to catch more FDI.

a) Rank of Competitiveness-related Index

Rank (out of 142 countries)

	Global Competitiveness Index 2011-2012	Institutions	Infrastructure	Macroeconomic environment	Health and primary education	Higher education and training	Goods market efficiency	Labor market efficiency	Financial Market development	Technological readiness	Market size	Business Sophistication	Innovation
Singapore	2	1	3	9	3	4	1	2	1	10	37	15	8
Malaysia	21	30	26	29	33	38	15	20	3	44	29	20	24
China	26	48	44	10	32	58	45	36	48	77	2	37	29
Thailand	39	67	42	28	83	62	42	30	50	84	22	47	54
Indonesia	46	71	76	23	64	69	67	94	69	94	15	45	36
India	56	69	89	105	101	87	70	81	21	93	3	43	38
South Africa	50	46	62	55	131	73	32	95	4	76	25	38	41
Brazil	53	77	64	115	87	57	113	83	43	54	10	31	44
Vietnam	65	87	90	65	73	103	75	46	73	79	33	87	66
Russian Federation	66	128	48	44	68	52	128	65	127	68	8	114	71
Philippines	75	117	105	54	92	71	88	113	71	83	36	57	108

b) Annual Change of FDI/GDP Ratio



Source: World Economic Forum, Global Competitiveness Report 2011-2012

2. Current Situation of JABODETABEK MPA

2.1 Social Situation

Population density is the highest in DKI Jakarta, but population growth in other MPA areas is larger than that in DKI Jakarta.

a) Population Density (2010)

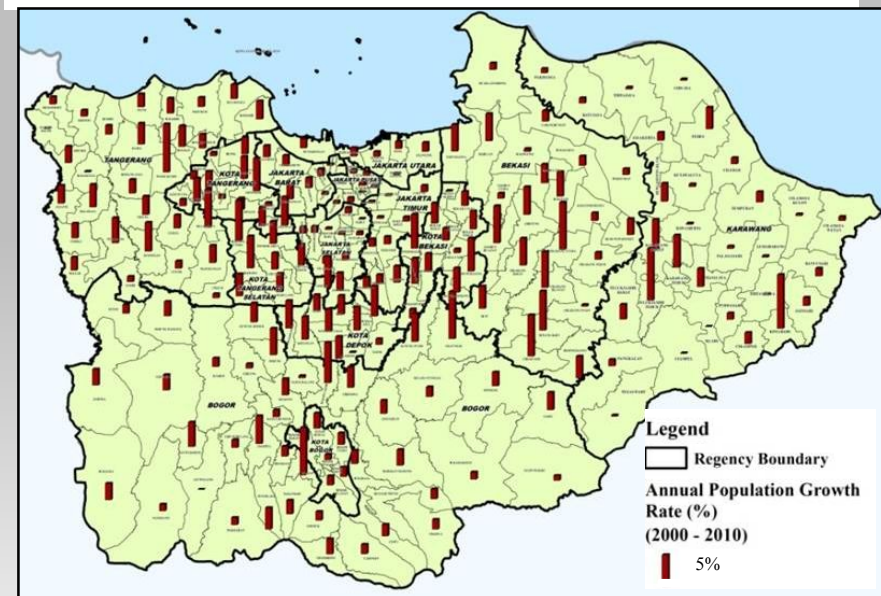


Source: Central Statistical Bureau

City / Regency	Area (km ²)	Population		
		2000	2010	Annual growth rate 2000-2010
JABODETABEK MPA	6,400.71	21,232,069	27,951,404	2.79%
DKI Jakarta	664.01	8,389,443	9,588,198	1.34%
MPA East	1,480.00	3,332,296	4,966,040	4.07%
MPA South	2,981.77	5,403,048	7,456,375	3.27%
MPA West	1,274.93	4,107,282	4,900,771	3.76%

Source: Central Statistical Bureau

b) Population Growth Rate (2000-2010)



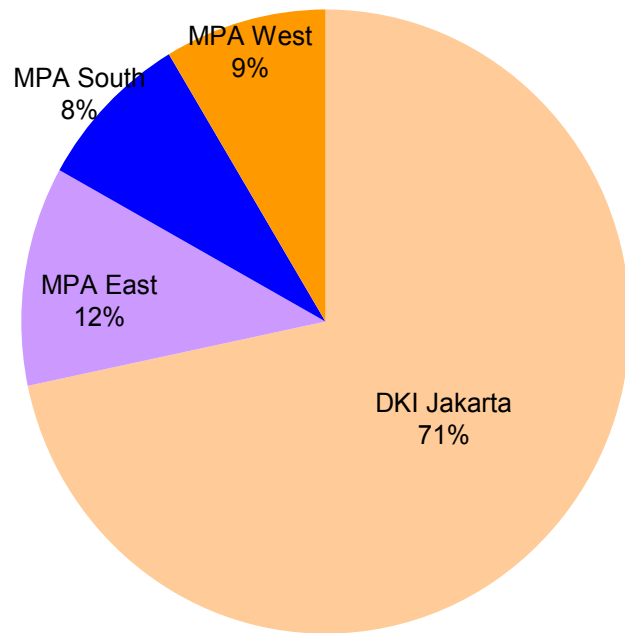
Source: Central Statistical Bureau

- MPA East: Kota Bekasi
Kab. Bekasi
- MPA South: Kota Depok
Kota Bogor
Kab. Bogor
- MPA West : Kota Tangerang
Kota Tangerang Selatan
Kab. Tangerang

2. Current Situation of JABODETABEK MPA

2.2 Economic Situation

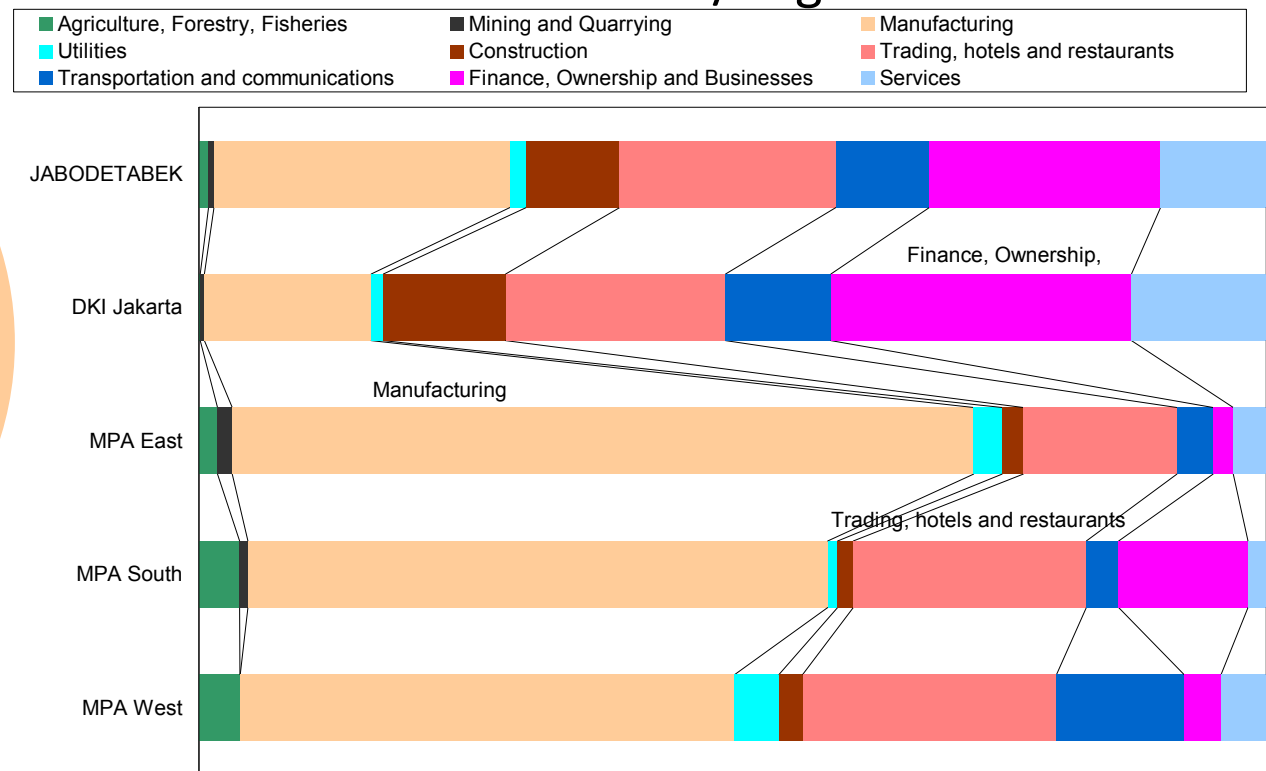
a) Share of GRDP by Area



Source: Compiled from BPS documents

Majority of the economic activities concentrate in DKI Jakarta.

b) Sectorial Composition of GRDP in the Cities/Regencies



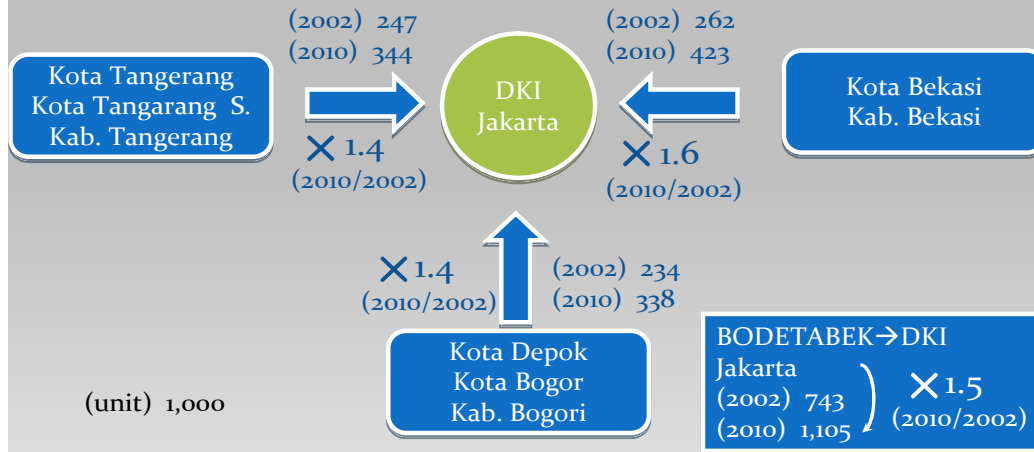
Source: Compiled from BPS documents

The production of MPA East is heavily dependent on the manufacturing sector.

3. Current Condition of Infrastructure

3.1 View from Transportation

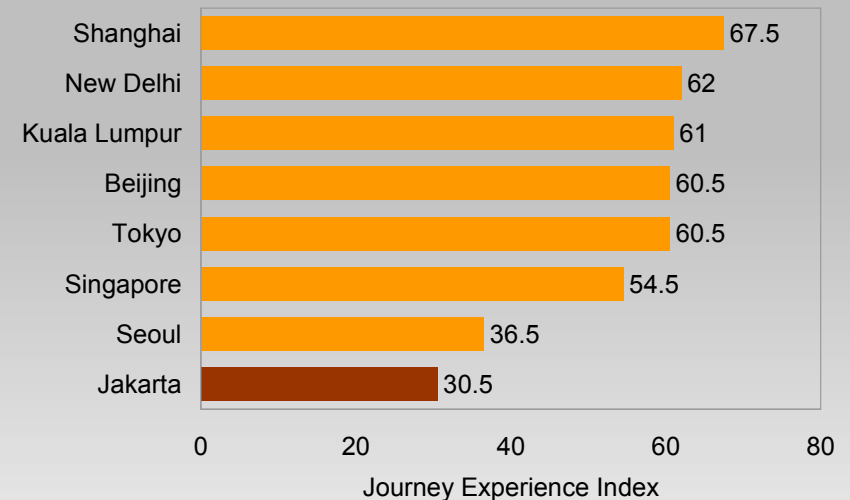
a) Increment of Commuter Traffic Trip



(Source: JUTPI)

Traffic congestion is very serious especially in the peak hours by commuter traffic.

b) Commuter Satisfaction of Public Transport in Major Asian Cities



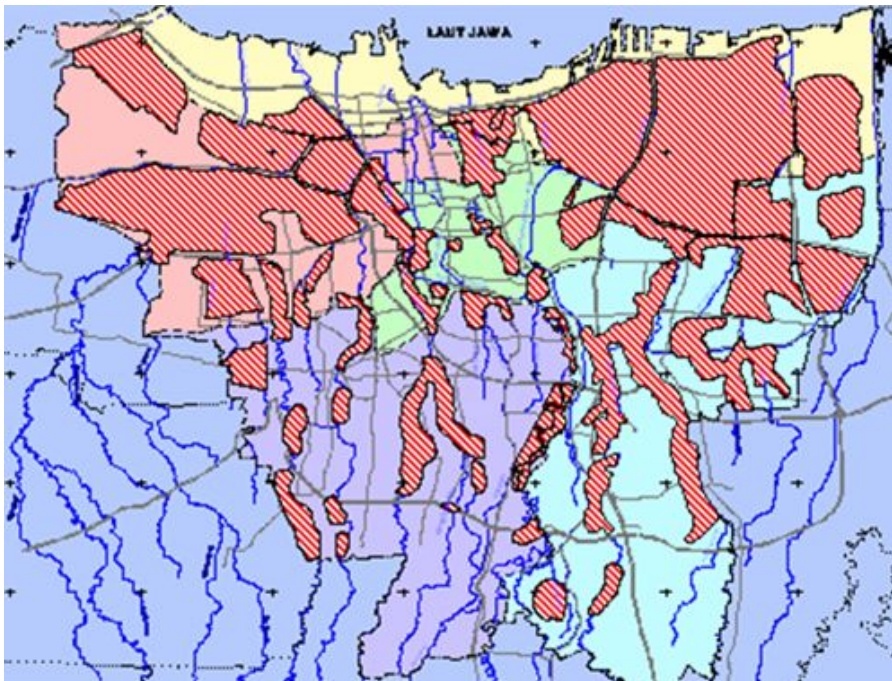
(Source: Frost & Sullivan, Journey Experience Index, May 2011)

Commuters in Jakarta are reported to be least satisfied travelers among major cities in Asia.

3. Current Condition of Infrastructure

3.2 View from Disaster Prevention

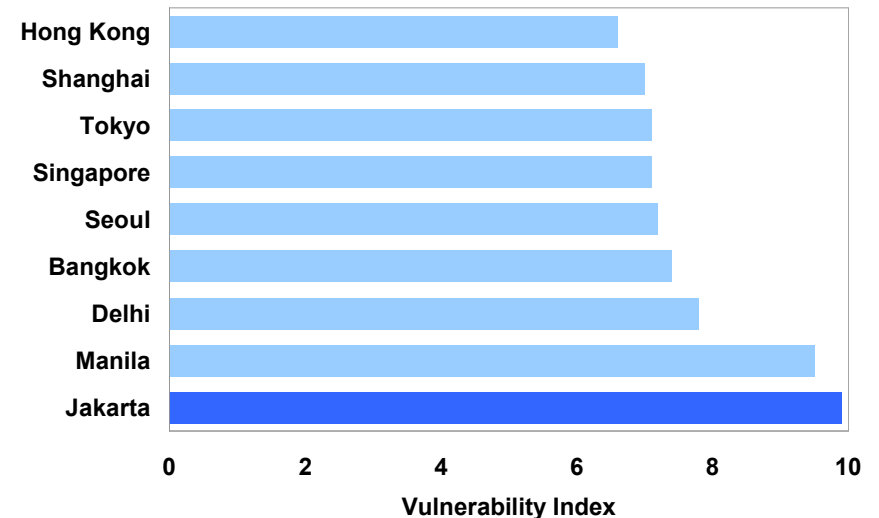
a) Flood Inundation Area in 2007



Source: Balai Besar Wilayah Sungai Chiliwung- Cisadane

Jakarta is seriously affected by flood disaster periodically.

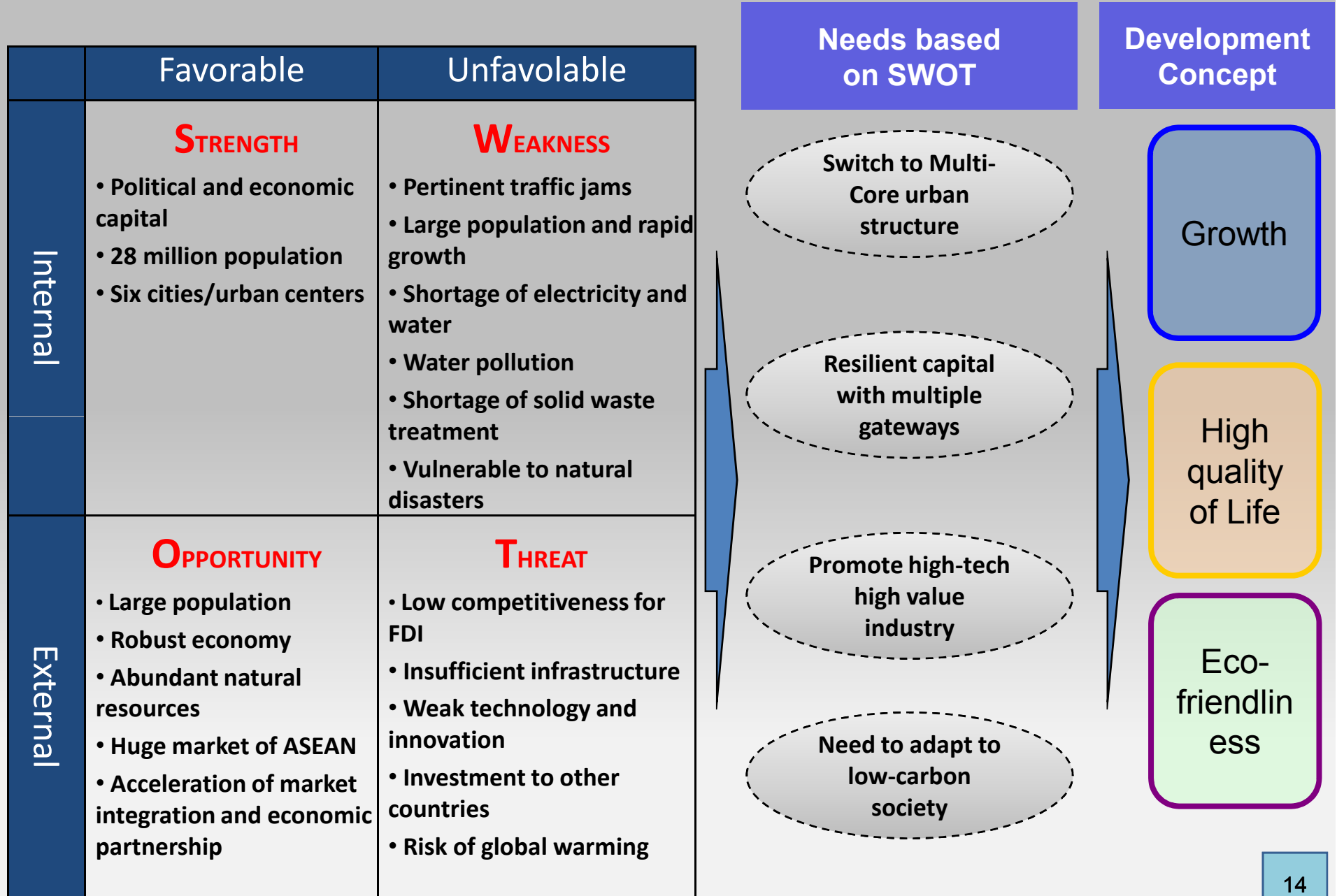
b) Vulnerability against Natural Catastrophe in Major Asian Cities



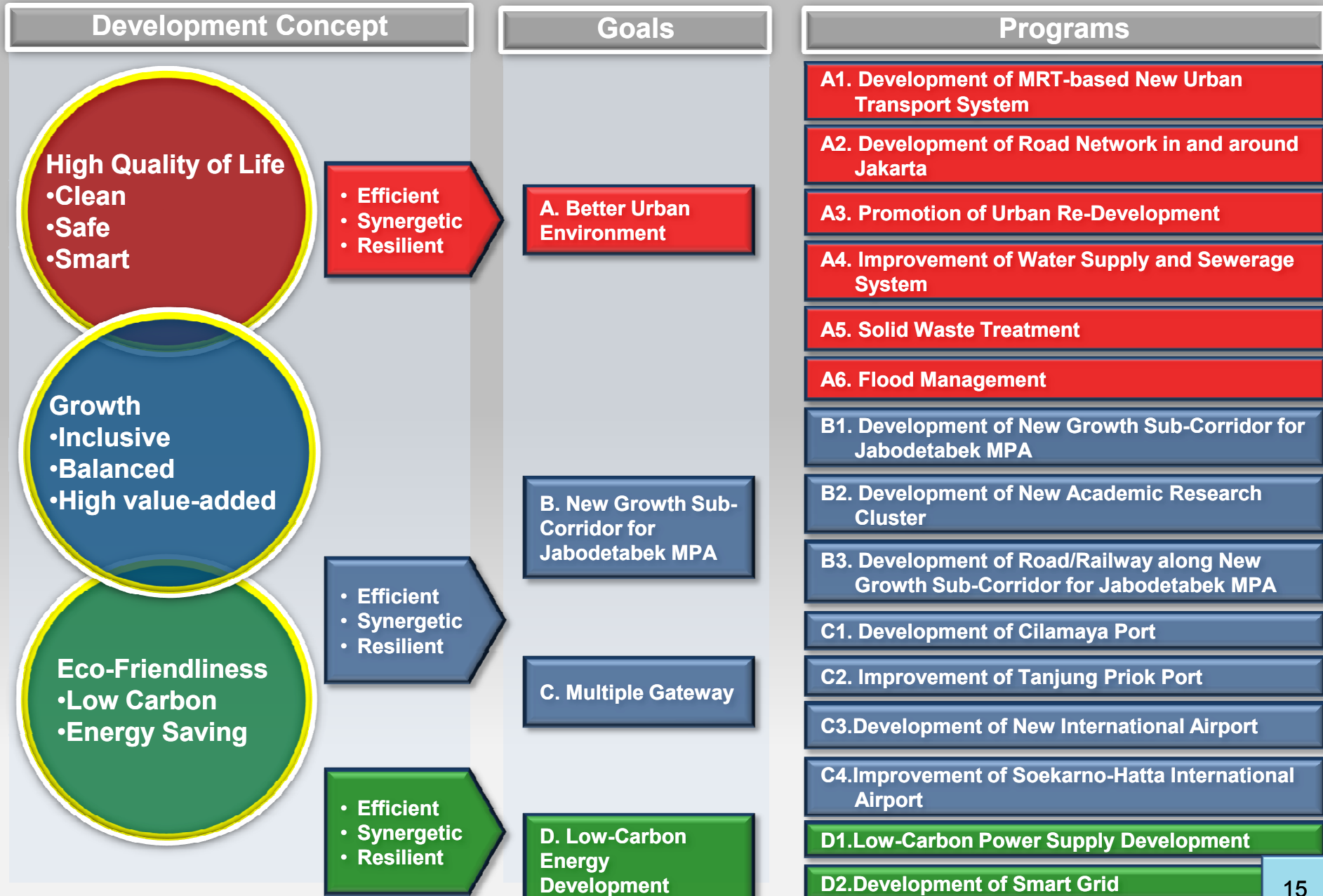
(Source: Munich RE (2005), Megacities – Megarisks Trends and challenges for insurance and risk Management)

Disaster prevention facilities against flood, earthquake and other natural disaster are insufficient.

4. Vision toward 2030 - SWOT Analysis Results -

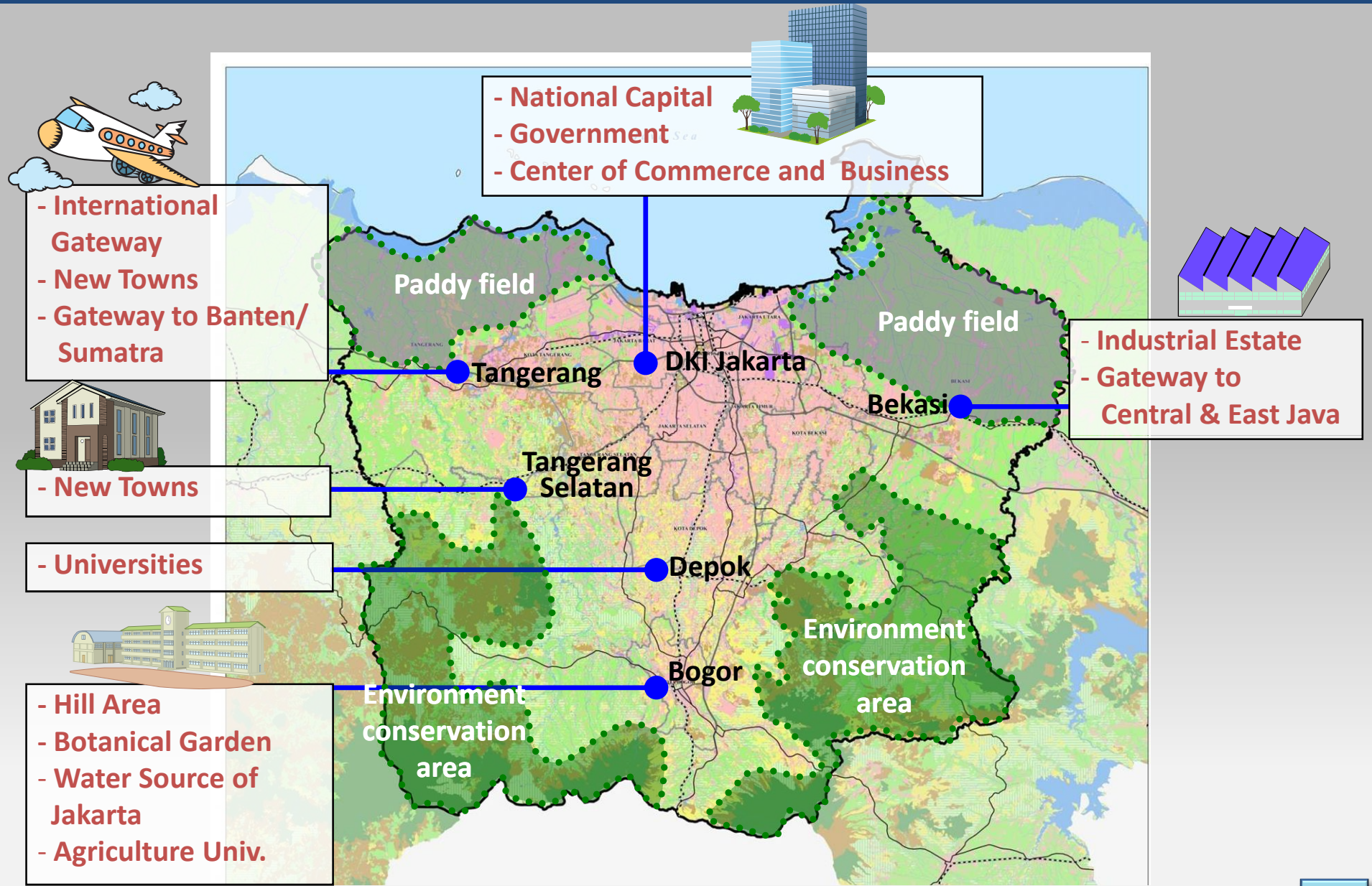


4. Vision toward 2030 - Concepts, Goals, Programs -



Source: MPA Development VISION approved by Steering Committee on 22 September 2011

4. Vision toward 2030 - Regional Characteristics and Constraints -

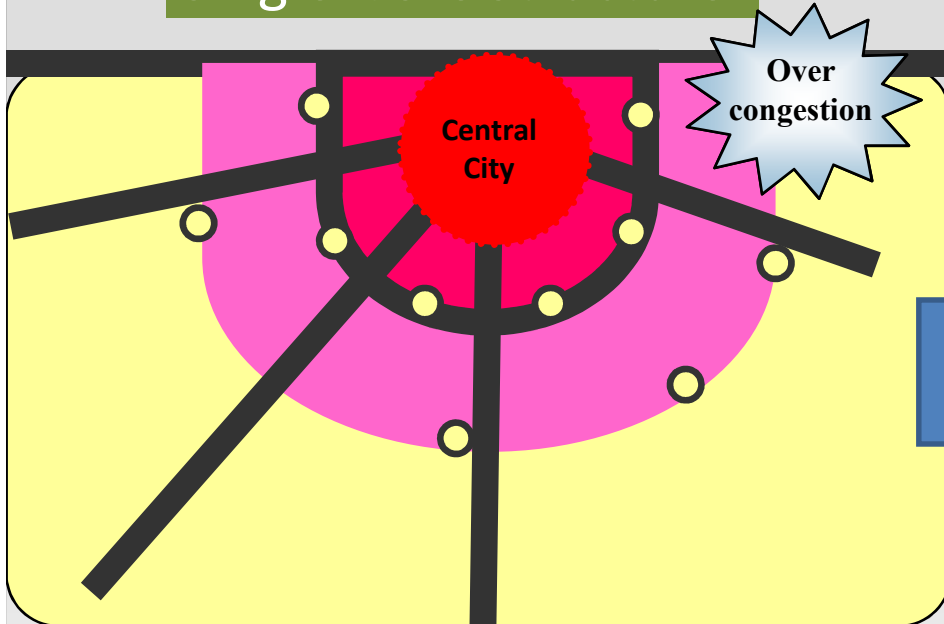


Source: MPA Study Team based on Regional Spatial Plan Jabodetabek-punjur (Presidential Decree No.54/2008)

4. Vision toward 2030 - Future Spatial Structure -

Transformation from Single-Core Structure to Multi-Core Structure

Single-Core Structure



Source: MPA Study Team

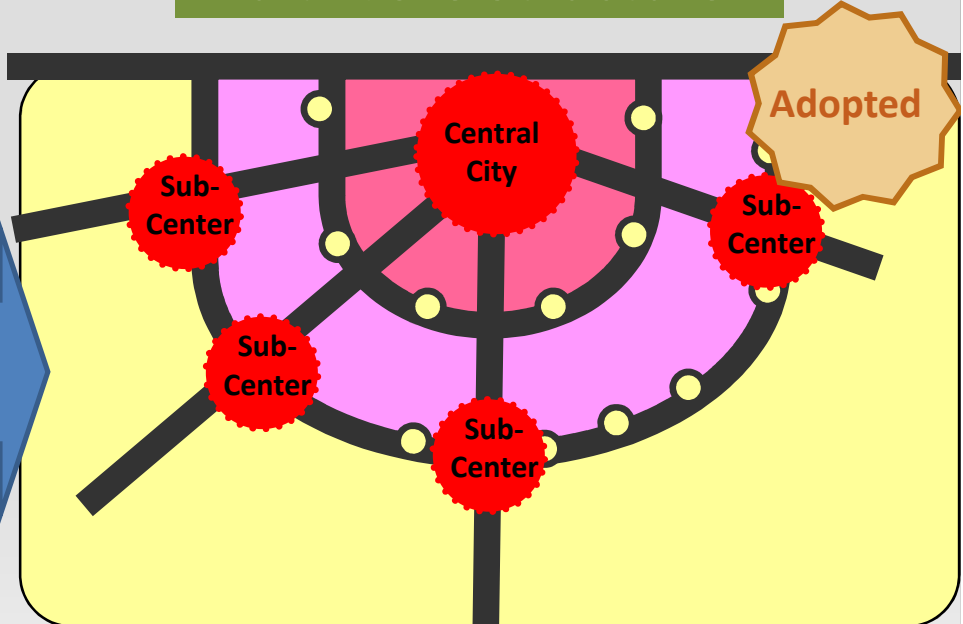
Heavy concentration in the central city

Need extensive mass transit systems to support (e.g. Tokyo)

Difficult to protect nature

Vulnerable to disasters

Multi-Core Structure



Source: MPA Study Team

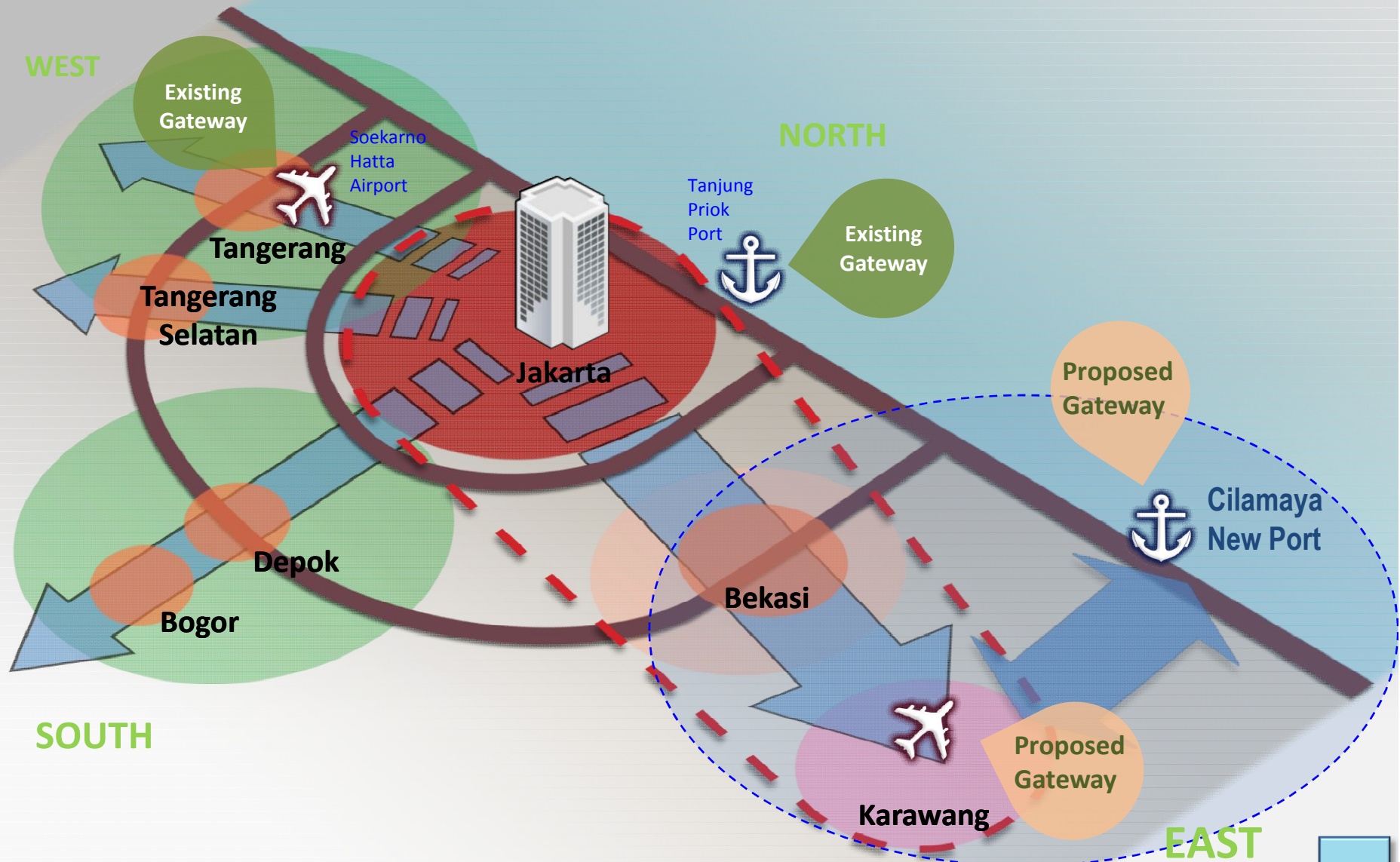
Less traffic concentration

Easier to protect nature

More resistant to disasters

4. Vision toward 2030 - MPA Development Vision 2030 -

JABODETABEK MPA Development Vision 2030



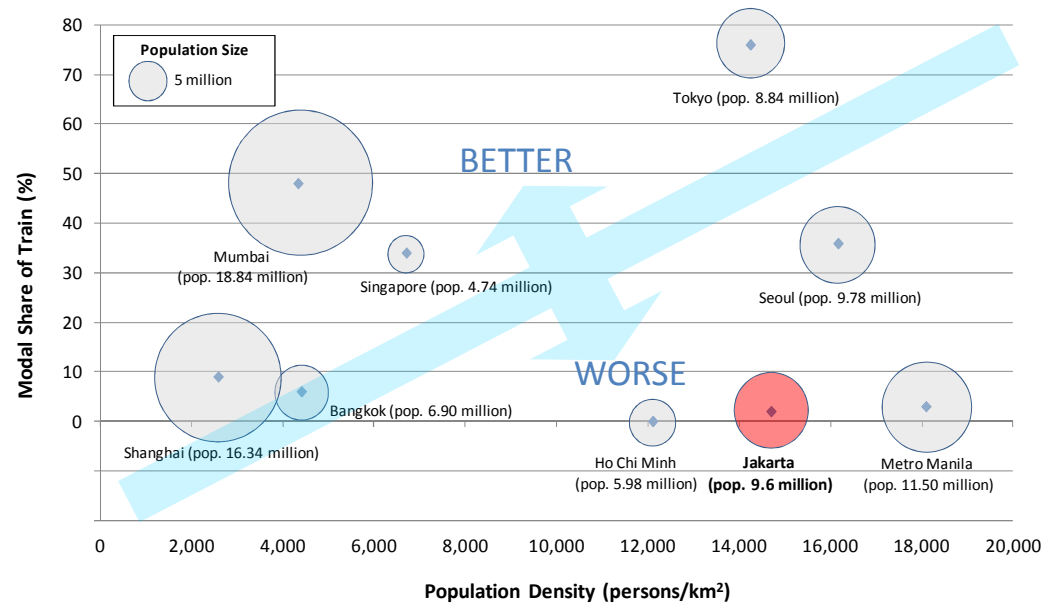
Source: MPA Development Vision 2030 approved by Steering Committee on 22 September 2011

5. Strategies for M/P toward 2020

5.1 Comparison with Other Metropolitan Cities

a) Modal Shares

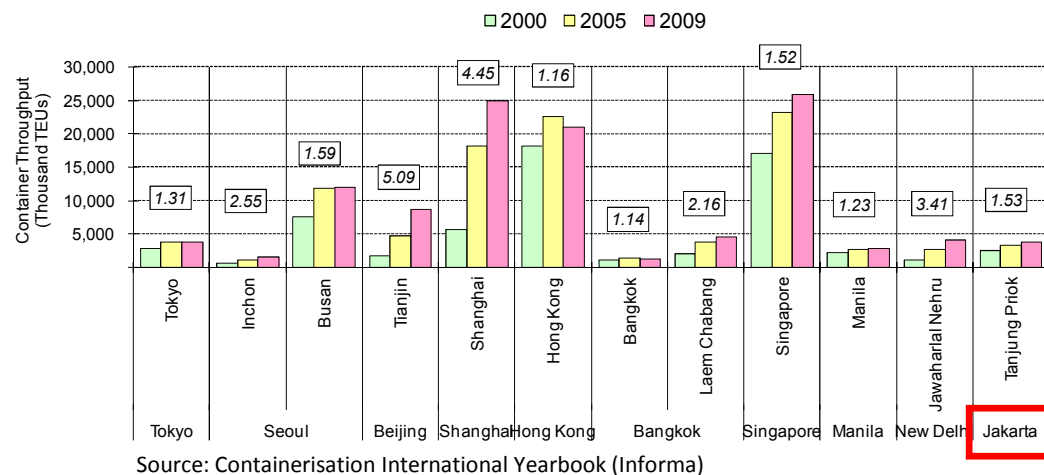
Modal share ratio of Jakarta is quite lower level than other countries.



Source: World Economic Forum, Global Competitiveness Report 2011-2012

b) Container Throughput

Indonesia is lagging compared with neighbor countries.

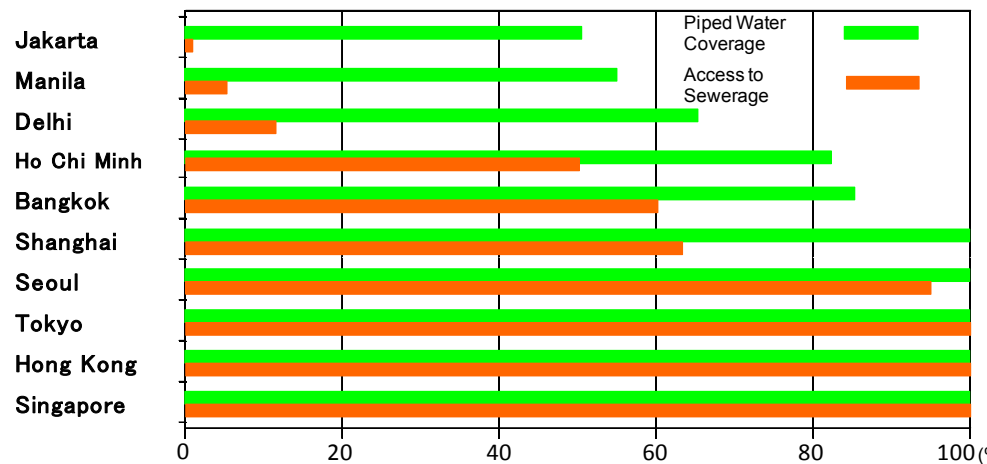


Source: Containerisation International Yearbook (Informa)

5. Strategies for M/P toward 2020

5.1 Comparison with Other Metropolitan Cities

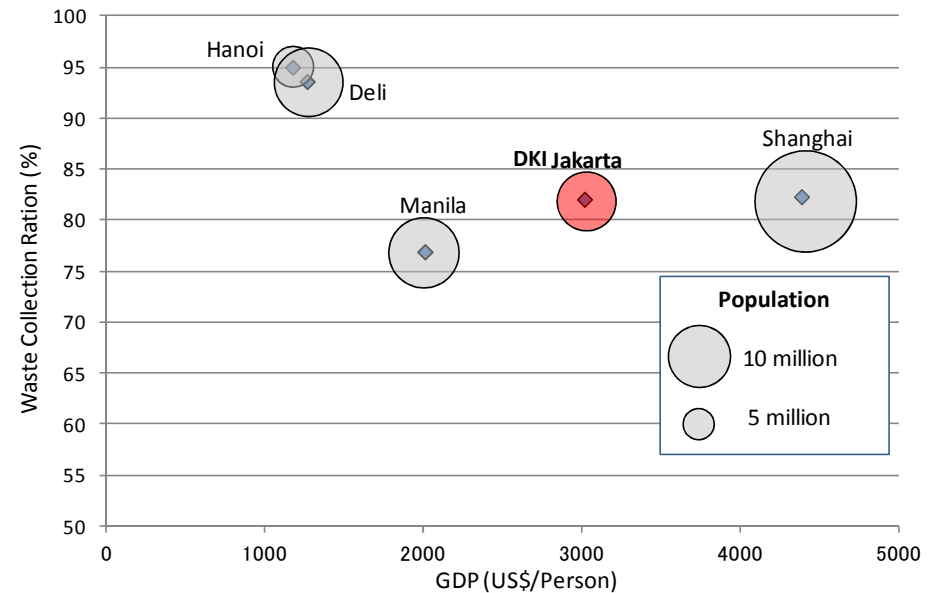
c) Water Supply/Sewerage Facilities



Source: Water Knowledge Center, ADB

Ratios of piped water coverage and access to sewerage are among the lowest in the major Asian cities.

d) Waste Collection Ratio



Source: MPA Study Team based on Asian Green City Index (Economist Intelligence Unit)

Waste collection ratio of DKI Jakarta is relatively high. But the ratio of outside Jakarta varies from 23% to 72%.

5. Strategies for M/P toward 2020

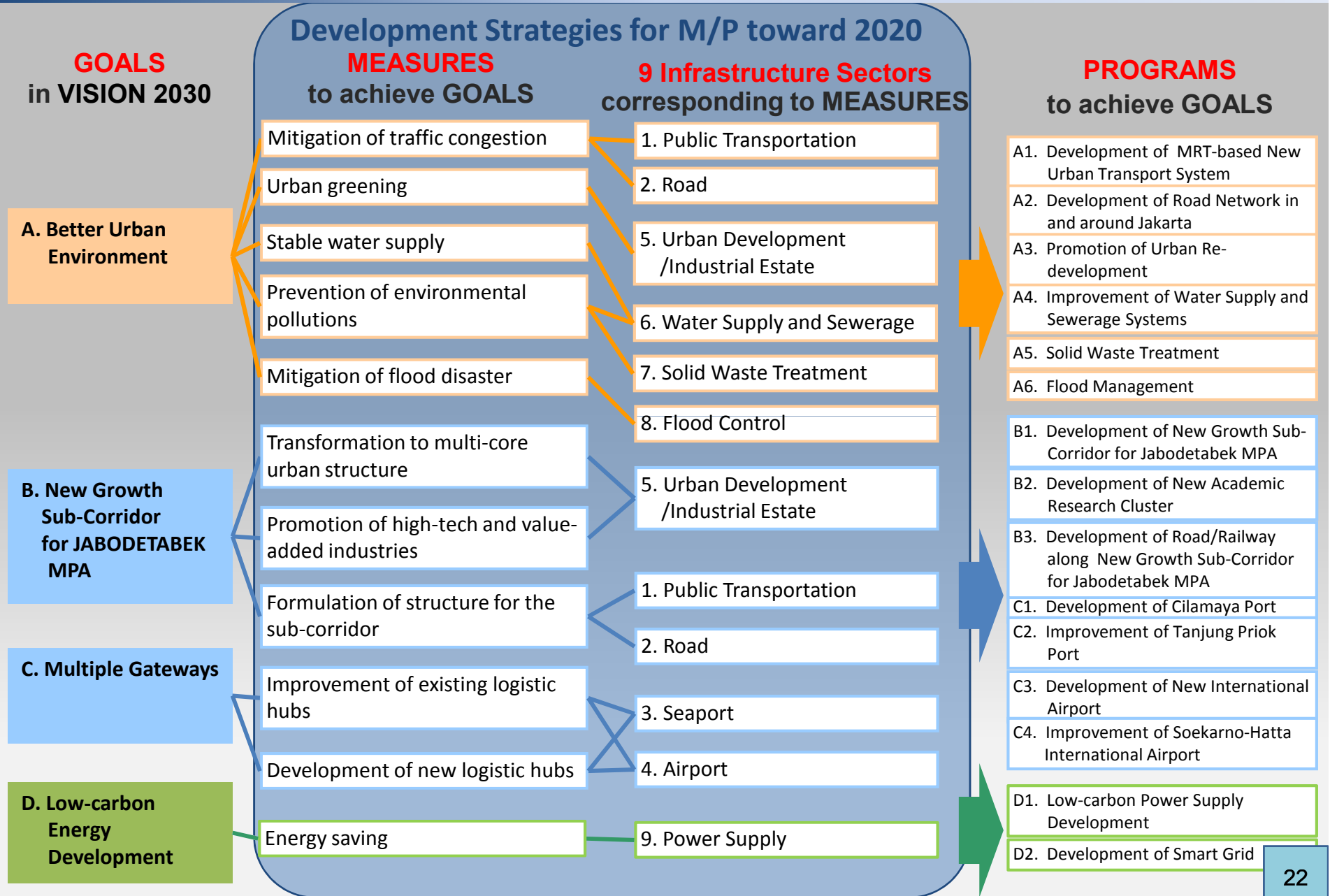
5.2 Infrastructure Needs of Industries (Investors)

Infrastructure Sectors		Needs of 4 Major Industries to Infrastructure Development			
		Automobile	Electric and Electronics	Chemical	Machinery
Road	Highway	***	***	*****	*****
	Local Road	*****	***	***	*****
Seaport		***	***	*****	*
Airport		*	*****	*	*
Power Supply		***	*****	*	*****
Water Supply / Sewerage		***	***	***	***

Note: *****: Very important, ***: Important, *: Less important

Source: Compiled based on Private Sector Perceptions of Challenges and Opportunities by Japanese Infrastructure Users by JBIC and NRI

5.3 Infrastructure Development in MPA VISION



6. Master Plan (M/P) toward 2020 by Sectors

SECTORS	TARGET EFFECT INDICATOR BY M/P (from 2010 to 2020)	MAJOR PROJECTS LISTED IN M/P
Public Transportation	<p>Increase passenger movement by Railway/Bus 27 % to 45 %</p>	<p>Development of MRT-based new urban transport systems, development of railway along the new growth sub-corridor, and railway access to Soekarno-Hatta International Airport</p>
Road	<p>Average vehicle speed in the morning peak 7 km/hour to 15 km/hour</p>	<p>Development of road network in and around Jakarta, traffic flow improvement and transportation demand management, development of access road to seaport and airport, etc.</p>
Urban Development	<p>Accelerate multi-core urban development 4 million people in new urban at Suburban Areas</p>	<p>4 million people will live in new urban at suburban areas, mainly through new township development.</p>

For more detail of the projects, see attached
 “List of Fast Track Projects (FTPs) and Priority Projects”

6. Master Plan (M/P) toward 2020 by Sectors

SECTORS	TARGET EFFECT INDICATOR BY M/P (from 2010 to 2020)	MAJOR PROJECTS LISTED IN M/P
Industrial Estate	Expedite the industrial estates development 6,800 ha at Suburban Areas	New industrial estate attracting high-value-added industries are to be developed, by taking the advantages of the agglomeration of the existing industrial estates and future gateway developments such as new airport and new seaport.
Water Supply	Improve piped water service coverage (DKI Jakarta) 54 % to 77%	Development of water supply systems, such as Jatilufur Project (Phase I and Phase II) and their distribution system.
Sewerage	Improve sewerage coverage ratio 2% to 20%	Development of sewerage system in DKI Jakarta.
Solid Waste	Treated/disposed volume 4,500 ton/day to 9,000 ton/day	Developments of new landfill site and intermediate treatment facilities.
Flood Control	Capacity of discharging flood water to the sea Pumping capacity (60 m³/s to 126 m³/s)	Development of urban drainage systems, and reconstruction of East Pump Station at Pluit, etc

For more detail of the projects, see attached
“List of Fast Track Projects (FTPs) and Priority Projects”

6. Master Plan (M/P) toward 2020 by Sectors

SECTORS	TARGET EFFECT INDICATOR BY M/P (from 2010 to 2020)	MAJOR PROJECTS LISTED IN M/P
Seaport	International/Domestic container cargo capacity 7.2 million TEUs to 11.6 million TEUs	Improvement and expansion of the existing facilities at Tanjung Priok and development of a new international port at Cilamaya.
Airport	Annual passengers capacity 22 million to 90 million	Expansion of the facilities at Soekarno-Hatta International Airport and development of new airport.
Power Supply	Secure Reserve Margin for Peak Demand More than 30%	Development of coal-fired plants and improvement of voltage qualities, etc.

For more detail of the projects, see attached
 “List of Fast Track Projects (FTPs) and Priority Projects”

T/C's Recommendation(1)

Technical Committee supports the Master Plan, which successfully provides a vision and strategy with a comprehensive approach in infrastructure development, thus recommending:

Steering Committee to consent “the Master Plan for Establishing Metropolitan Priority Area for Investment and Industry in JABODETABEK.”

II. Fast-Track Projects and Priority Projects

1. Overview

Fast Track Projects : to be commenced by 2013

Priority Projects: to be completed by 2020

Fast-Track Projects (billion IDR)

Total	214,100 (100%)
Private	120,200(56%)
Public	93,900(44%)
Government of Indonesia	15,100(7%)
Japan's ODA and Other Foreign Assistance	78,800(37%)

Priority Projects (billion IDR)

Total	197,200 (100%)
Private	106,900 (54%)
Public	90,300 (46%)
Government of Indonesia	43,400 (22%)
Japan's ODA and Other Foreign Assistance	46,900 (24%)

Total (billion IDR)

Total	411,300 (100%)
Private	227,100 (55%)
Public	184,200 (45%)
Government of Indonesia	58,500 (14%)
Japan's ODA and Other Foreign Assistance	125,700 (31%)

Note : This figure is provisional estimation.

2. Fast Track Projects

1. Identified Projects: 18 projects in 9 sectors

Sector	Projects
International port	North Kalibaru; Cilamaya
Industrial area	Smart community
Mass transportation network	Jakarta MRT; JABODETABEK Railway
Road network	Road network capacity enhancement; Improvement of road network within Industrial Area to the East of Jakarta
Airport and its related infrastructure	Access railway to Soekarno-Hatta Airport(SHA); Expansion of SHA
Water supply and sewage system	DKI-Bekasi-Karawang Water Supply (Jatiluhur)
Waste management	West Java regional solid waste Treatment
Flood management system	Reconstruction of East Pump Station at Pluit
Electric power infrastructure	Java-Sumatra transmission line; Indramayu coal-fired power plant; Banten coal-fired power plant; Gas-fired power plant and FSRU; Rajamandala Hydroelectric power plant; Central Java coal-fired plant

For more detail of the projects, see attached
 “List of Fast Track Projects (FTPs) and Priority Projects.”

2. Fast Track Projects

2. Major Progress as of Today

■ Commitment

4 FTPs out of 18 FTPs are already committed by GOJ

- ✓ Japan ODA Loans: MRT N-S (Phase1 &Phase 2 E/S), Indramayu Coal-fired Power Plant (E/S), and Jawa-Sumatra Interconnection Transmission Line
- ✓ Japan Grant Aid: East Pump Station at Pluit

■ Preparation

✓ 16 FTPs' Feasibility Study are completed and 2 FTPs' on-going

✓ 3 FTPs' tendering process completed and 4 FTPs' on-going

ex. (Completed) Reconstruction of East Pump Station at Pluit etc.

(on-going) MRT N-S (Phase 1: Civil Works, Rolling Stocks, and E&M Systems),
Java-Sumatra transmission line etc.

✓ 5 FTPs' Concessionaires are already selected

ex. Access Railway to Soekarno-Hatta Airport, Central Java Coal-fired Power Plant etc.

Progress of Jakarta Mass Rapid Transport (MRT)

Flagship project

Progress of North-South Line

MP3EI Project

- ▶ Phase I (Lebak Bulus-Bundaran HI)
 - Bidding process on-going for Civil Works, Rolling Stocks and E&M System Packages
 - Contract signing for Underground Section is expected within this year
- ▶ Phase II (Bundaran HI-Kampung Bandan)
 - GOI submitted Finance Request for Engineering Services and approved by GOJ

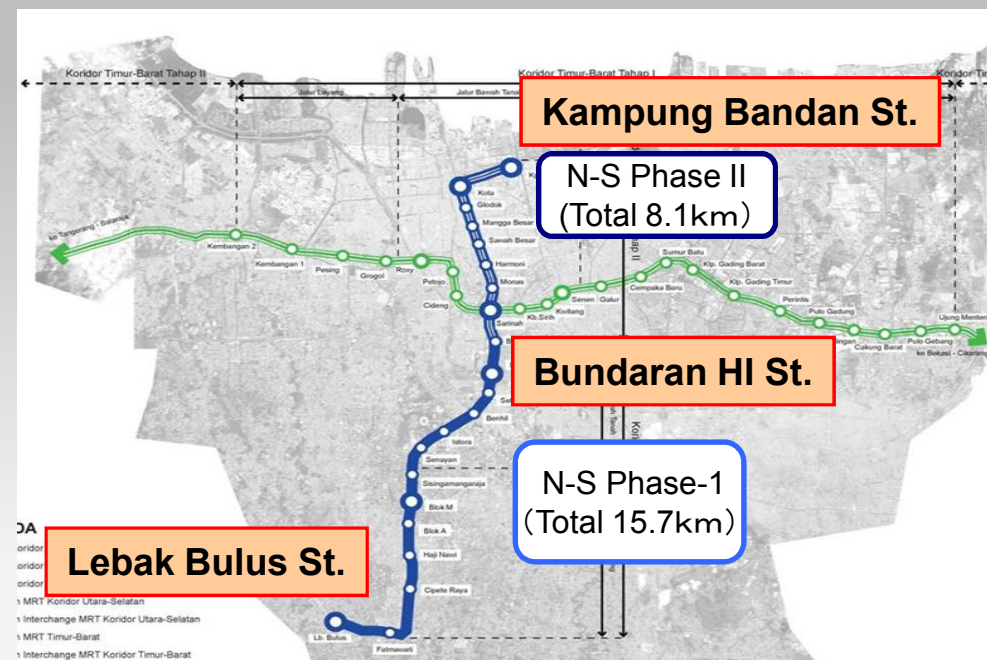


Progress of East-West Line

- Scope of Engineering Services, including Implementation Structure are under discussion

Further acceleration

- N-S:
 - ✓ Listing on Blue Book (Phase I and II)
 - ✓ Finance Request for Phase I and II Construction
- E-W:
 - Listing on Blue Book and Finance Request for Engineering Services



3. Priority Projects

1. Identified Projects: 45 projects in 15 programs (excluding FTPs)

Programs	Major Projects
MRT-based new urban transport system	<ul style="list-style-type: none"> ▪ Station Plaza Development and Park & Ride System Enhancement (Dukuh Atas) (*1)
Development of Road Network in and around Jakarta	<ul style="list-style-type: none"> ▪ Development of Jakarta Outer Outer Ring Road ▪ Introduction of ITS in JABODETABEK
Promotion of Urban Re-development	<ul style="list-style-type: none"> ▪ Pilot Project of Urban Development/Re-Development (including Maja (*2))
Improvement of Water Supply and Sewerage Systems	<ul style="list-style-type: none"> ▪ Rehabilitation of Water Distribution Facilities in DKI Jakarta, Bekasi, and Karawang, with the integration of DKI Jakarta-Bekasi-Karawan Water Supply (Jatilfur) ▪ Development of Sewerage System in DKI Jakarta (*1)
Solid Waste Treatment	<ul style="list-style-type: none"> ▪ Development of New Landfill Site at Tangerang (*2)
Flood Management	<ul style="list-style-type: none"> ▪ Development of Urban Drainage System in DKI Jakarta
Development of New Growth Sub-Corridor for JABODETABEK MPA	<ul style="list-style-type: none"> ▪ Development of New Township(Karawang) (*2) ▪ Development of New Industrial Estate in the Vicinity of the New Airport

For more detail, see attached “List of Fast Track Projects (FTP)s and Priority Projects.”

(*1) JICA PPP F/S
 (*2) METI F/S
 (*3) JICA M/P

3. Priority Projects

Programs	Major Projects
Development of New Academic Research Cluster	<ul style="list-style-type: none"> ▪ Development of New Academic Research Center (Serpong, Bekasi, Bogor) (*2)
Development of Road/Railway along New Growth Sub-Corridor for JABODETABEK MPA	<ul style="list-style-type: none"> ▪ Construction of Second Jakarta-Cikampek Toll Road(*2) ▪ Construction of Freight Railway to New Cilamaya Seaport ▪ Construction of Access Road to the New International Airport ▪ Construction of Jakarta-Bandung High Speed Railway via the New International Airport (*2)
Development of Cilamaya Port	<ul style="list-style-type: none"> ▪ Development of Logistics Park (Supporting Facilities for the New Port)
Development of New International Airport	<ul style="list-style-type: none"> ▪ Development of New International Airport (Karawang) (*3)
Improvement of Soekarno-Hatta International Airport (SHIA)	<ul style="list-style-type: none"> ▪ Expansion of SHIA (Development of Third Runway)(*3)
Low Carbon Power Supply Development	<ul style="list-style-type: none"> ▪ Other Renewable and Low-Carbon Emission Power Projects connecting to Java-Bali-Sumatra Power Network
Development of Smart Grid	<ul style="list-style-type: none"> ▪ Improvement of JABODETABEK Power Supply Quality

For more detail, see attached “List of Fast Track Projects (FTPs) and Priority Projects.”

(*1) JICA PPP F/S
 (*2) METI F/S
 (*3) JICA M/P

3. Priority Projects

2. Potential risks for investors in Priority Projects (including Fast-Track Projects)

Planning Stage	Construction Stage	Operation Stage
<ul style="list-style-type: none"> •Consistency with spacial plans •Allocation of risks and responsibilities between public & private sectors •Decision making by Government on selection procedure of concessionaire (solicited/ unsolicited) •Start of selection process without enough readiness •Coordination among concerned ministries/SOEs 	<ul style="list-style-type: none"> •Issuance of Government guarantee •Land acquisition, resettlement & forest area clearance •Permits on location/construction •Supplementary measures to reduce viability gap 	<ul style="list-style-type: none"> •Operation model (tariff setting, demand projection, etc.)
	<ul style="list-style-type: none"> •Change in conditions of concession contract •Change in financial laws & regulations (subsidy, tariff, remittance, etc.) •Environmental & social monitoring 	

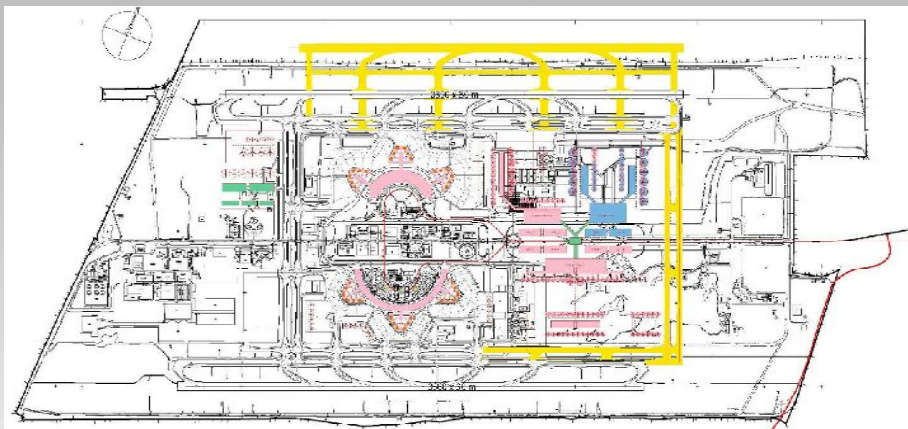
SHIA and New Academic Research Cluster

Flagship project

Expansion of Soekarno-Hatta International Airport (SHIA)

Project Outline

To construct third runway and improve other facilities of SHIA in order to cope with rapid increase of air traffic in accordance with master plan of Ministry of Transportation



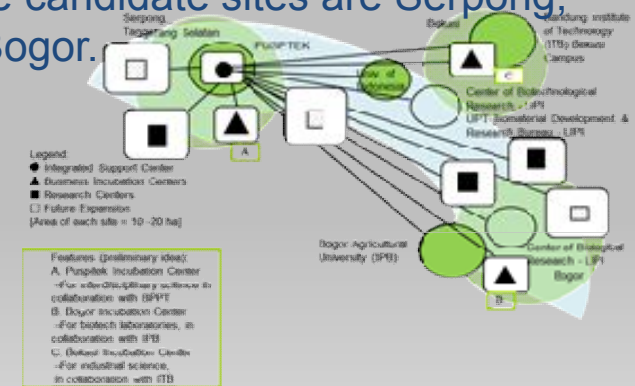
Challenges & Actions to be Taken

Project preparation including land acquisition and resettlement

New Academic Research Cluster

Project Outline

With the aim of creating value-added industry, the cluster will intensify the link between existing industrial resources and scientific research achievements with business activities. The candidate sites are Serpong, Bekasi and Bogor.



Challenges & Actions to be Taken

- Finalization of Pre-Feasibility Study supported by METI by the end of November, 2012
- Based upon METI Pre-F/S, the further study will be considered
- Formulation of Attractive Business Plan for the Private Sectors (by BPPT)
- Listing on PPP Book
- Government Supports, such as Tax Holidays and/or Tax Reductions, Protection of Intellectual Properties, Priority Access to Biological Resources, etc.

Jakarta Sewerage Development

Flagship project

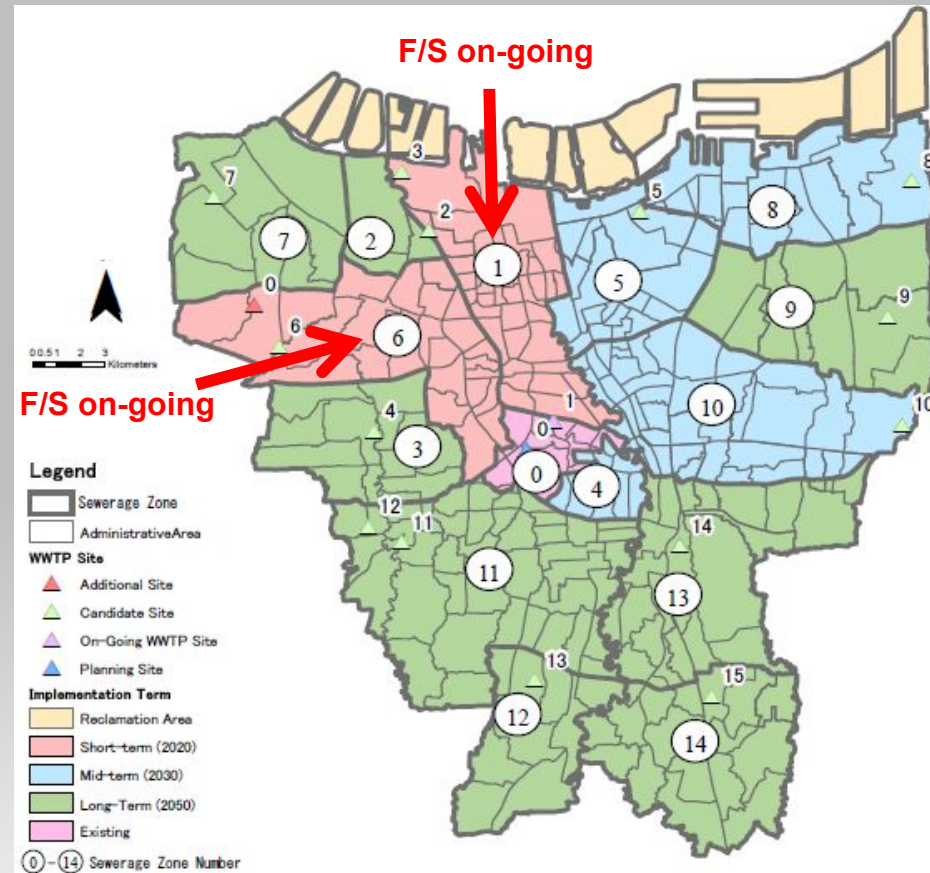
Project Outline

- Develop sewerage system in DKI based on the Revised Master Plan on Sewerage Development (dividing DKI into 15 zones and building sewerage in stages)
- Build wastewater treatment plants and sewerage networks for better urban environment in DKI Jakarta
- Two feasibility studies are on-going targeting Zone 1 and Zone 6

Challenges & Actions to be Taken

- Selection of the optimal sewerage system to Jakarta
- DKI's policies on tariff level and tariff collection system
- Consideration of PPP
- Improvement of institutional framework and capacity development for wastewater management

Sewerage Zones and Prioritized Project



Priority	Zone No.	Target Development Year
1	1	Short-Term Plan: Year 2012 to 2020
2	6	
3 to 6	4, 5, 8 & 10	Mid-Term Plan: Year 2021 to 2030
7 to 14	2, 3, 7, 9, 11, 12, 13 & 14	Long-Term Plan: Year 2031 to 2050

Source: Revised Master Plan

T/C's Recommendation(2)

Technical Committee endorses the remarkable progress of Fast-Track Projects and Priority Projects, thus recommending:

Steering Committee to continue to monitor the implementation of the MPA projects; and to agree to accelerate Jakarta MRT, Cilamaya seaport, Soekarno-Hatta International Airport, Academic Research Cluster, and Jakarta sewerage development as flagship projects of MPA.

II. The Further Way Forward

T/C's Recommendation(3)

Technical Committee confirms the necessity for further joint effort to accelerate the MPA projects, thus recommending Steering Committee that :

- ✓ MPA Steering Committee and Technical Committee should continue to be held regularly. “MPA Implementation Team” can be newly assigned to work for the project acceleration.
- ✓ Further study should be explored to serve for project formation including the integrated study of smooth logistics to assist the development of the surrounding infrastructure related to Cilamaya.
- ✓ MPA Masterplan and the future progress should be reported to the chairman of KP3EI, President of Republic of Indonesia.

Recommendation to Steering Committee

I. T/C's Recommendation(1):

Steering Committee to consent “the Master Plan for Establishing Metropolitan Priority Area for Investment and Industry in JABODETABEK.”

II. T/C's Recommendation(2):

Steering Committee to continue to monitor the implementation of the MPA projects; and to agree to accelerate Jakarta MRT, Cilamaya seaport, Soekarno-Hatta International Airport, Academic Research Cluster and Jakarta sewerage development as flagship projects of MPA.

Recommendation to Steering Committee

III. T/C's Recommendation(3):

- ✓ MPA Steering Committee and Technical Committee should continue to be held regularly. “MPA Implementation Team” can be newly assigned to work for the project acceleration.
- ✓ Further study should be explored to serve for project formation including the integrated study to assist the smooth logistics through development of the surrounding infrastructure related to Cilamaya.
- ✓ MPA Masterplan and the future progress should be reported to the chairman of KP3EI, President of Republic of Indonesia.

Terima kasih

