

Recent views on infrastructure development

Euromoney's Second Annual Infrastructure Investment Finance Conference was held recently in Jakarta. Apart from the general agreement that the rate of development had to be accelerated, a bright note was struck by the Minister of Finance acknowledging clearly that it was necessary to ensure private sector support for development in reality and not just spoken affirmation.

It was overwhelmingly clear at the conference that singular dependence on the state-owned companies to deliver the needs of all areas of the infrastructure sector would fail by some considerable margin.

In the renewable energy space much time was focused on geothermal projects perhaps at the expense of mini-hydro and solar. However, the overwhelming need is to get key coal-fired power stations, as shown by a KPPIP presentation, into the construction phase. This behoves parallel faster action in supporting transmission requirements, which is prioritized under the umbrella of PLN.

On toll roads the focus is on completion, as quickly as possible, of the remaining links on the Trans-Java highway and an effort to commence building the Trans-Sumatra toll road, especially at the locations of major urban areas such as Bandar Lampung and Palembang.

An important presentation emanating from a detailed study undertaken by the Indonesian Infrastructure Initiative (IndII) clearly showed that a second Trans-Java highway would be needed to be completed as quickly as possible, along with national road improvements on Java before 2030.

This would mean, following

a short period of design and the commencement of land acquisition along the designated routing, a construction rate of some 400 km per annum from the end of this decade, a level never achieved to date. This highlights the need for a considerably expanded construction industry, never mind the increased level of activity in other areas of the infrastructure sector.

The construction of Jakarta's Mass Rapid Transportation (MRT) project is proceeding on schedule for 2019 completion and the plan is to extend the north-south route further north in Phase 2 from the Hotel Indonesia roundabout right up to Ancol.

The route for the east-west MRT line is defined over a distance of 86 km from Bekasi in the east to Balaraja in the west. It is due to intersect with the north-south section on Jl. Jend. Sudirman at Dukuh Atas, which also has stops for busway and surface rail connections. The question that must be asked is can we bring forward the start date of the east-west route prior to completion of the south-north section?

The sooner that these links are available for Greater Jakarta the better.

With a number of light rail connections planned around Jakarta, perhaps in due course the core city will have a reasonable public transport interconnecting system with links out to the Greater Jakarta areas, but it will be a good few years yet before all this work will be finished and commuters are going to have to reconcile themselves to traffic jams for another decade or more.

Attendees at the conference were informed that the rail link to Soekarno-Hatta International Airport (SHIA) is being treated as a priority project and regular commuters, who face traffic hold-

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have demonstrated that suitable arrangements can be made to work. East Indonesia ports development is fundamental to successful development of the fisheries and marine products industry as the government well understands.

In parallel with upgrading the ports of the area, there is a requirement to steadily develop the land-support requirements of road links and provision of water and power, for which there are shortages in too many places.

The water and sanitation subsector is well dispersed, even fragmented, since many responsibilities and decisions required have to be taken at regional level. However, as many articles covering world water issues state, for the future much more serious efforts have to be made everywhere into how communities, whether large or small, learn to harness and use water supplies efficiently. Arguably this is the most important issue facing us this century.

It was therefore good to see the Governor of Jakarta, in his comprehensive keynote address, identify an area of water catchment behind the giant sea wall off Jakarta and plans for some serious efforts to deal with Jakarta's sanitation requirements.

With the Mayor of Makassar, Indonesia's fifth city and the main conurbation in eastern Indonesia, laying out the importance of water and transportation infrastructure, the understanding of the country's major city leaders of the development of their respective responsibilities is encouraging.

Will the bureaucratic structures charged with implementation work faster and more efficiently than they have done in the past and properly welcome the private sector to achieve the more than urgent targets that have been set out? Time will tell.



Workers build an underpass pole at the site of Trans Java toll road megaproject in Ngawi, East Java

ups now along the main toll road access, just want this long-planned link to be completed as soon as possible. In addition, it is more than time to greatly increase the current road access to this major world airport. It needs to be doubled.

Not enough clarity on airports

While airport development was covered during the transportation session of the conference, and the need for further large airports to serve the Greater Jakarta conurbation was agreed, insufficient clarity was tabled to create any interest for the private sector in these or in the ten second-tier airports that have been listed for some time, some of which relate to the recently presented key tourist development locations for the country.

While the Ministry of Transportation has been putting in air connections at remote locations, there was a general feeling that the government is not taking seriously enough the speed at which airport development needs to take place to meet the double-digit passenger growth that is occurring in the industry.

In the maritime sector, a good number of projects have been identified at Pelindo and regional level, but much work still needs to be done to make these attractive to private sector investment, including having all the various permits and licences in place.

It is helpful that some public-private partnerships in the sector are already in place and these