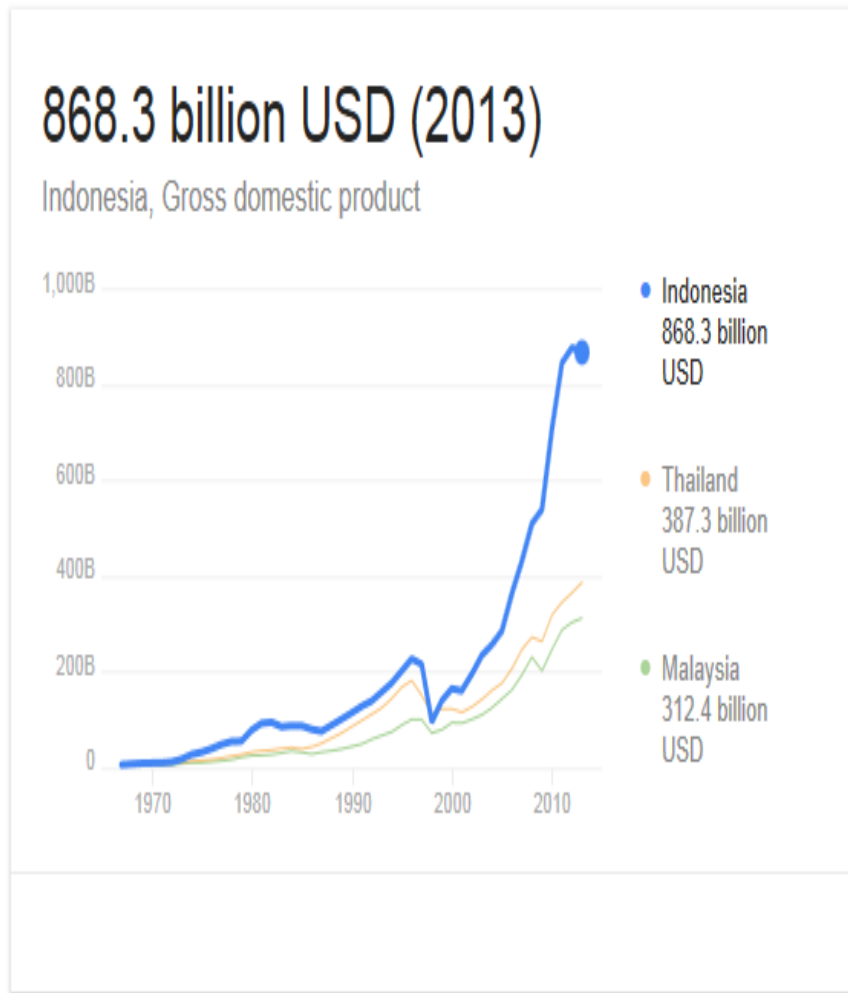




INDONESIA GREEN INFRASTRUCTURE: Challenges & Opportunities

Indonesia has made impressive progress, but...



- Since 2001 Indonesia has almost double its GDP
- Average growth rate of 5.7%
- Demonstrating impressive macroeconomic resilience

Sources include: World Bank

but...

the absent of infrastructure development..

- has created a number of threats to sustained growth, including:
 - low levels of investment,
 - slow manufacturing growth,
 - limited industrial diversification,
 - heavy reliance on commodities (65% of exports and rising),
 - widening income inequality and economic develop inequality
 - poor markets,
 - **Weak infrastructure** and poor skill



- Resulting Indonesia lagging far behind neighboring countries in key areas:
 - Indonesia has half ASEAN population but only account 15% of the region's export.
 - Malaysia's labor productivity is 5x higher
 - Rank the 38th in Global Competitiveness Index (GCI) in 2013/2014
 - *The archipelago has not been able to build hard infrastructure essential for sustaining growth*

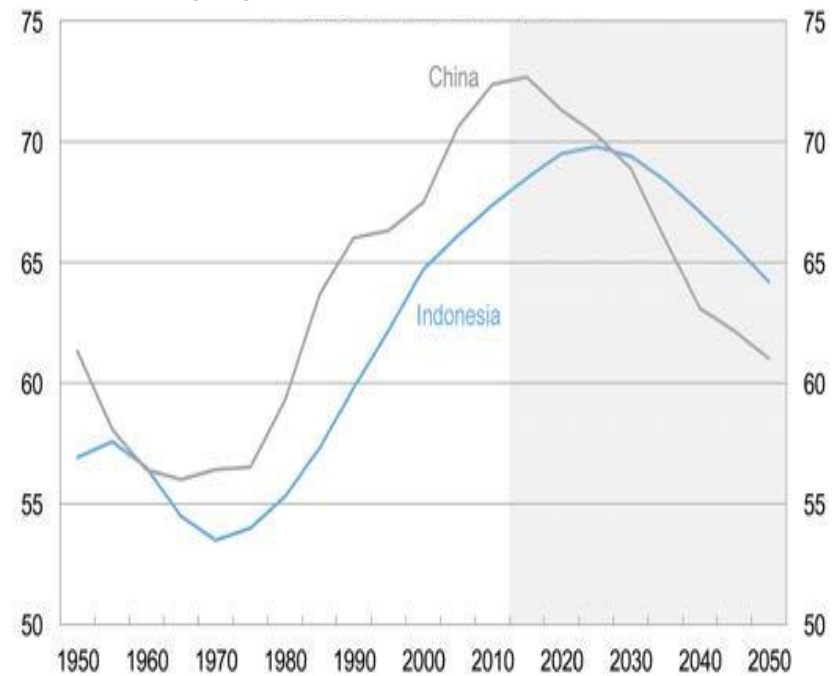
The Strength...

Indonesia is the land of great potentials

- Indonesia has an abundance of natural resources...
- Favorable demographics, and...
- The world's most dynamic market in its neighborhood.

Population Projections

Working age population (15-64), % total

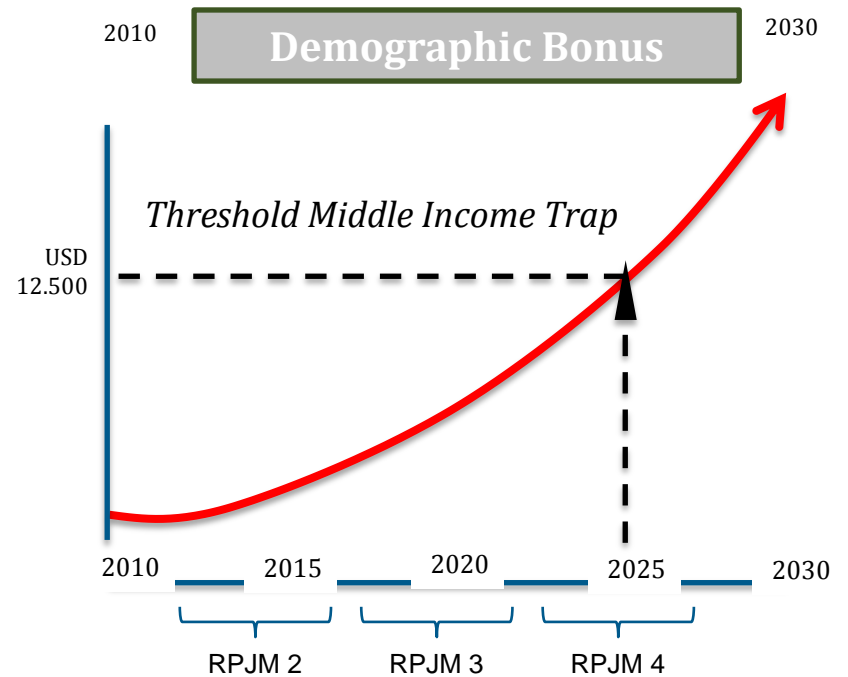


Source: UN

The Threat...

“Middle Income Trap”

- World Bank suggests that Indonesian economic growth must be greater than 5% every year just to avoid serious unemployment problems.



GDP Growth				
Per Capita PDB	2013: USD 4.000	2019: USD 8.000	2025: > USD 10.000	
Poverty		6-8 %		

The Weaknesses...

Structural Challenges

1. Legal & Regulatory Framework
2. Commercial
3. Operational
4. Financing
5. Coordination
6. Promoting Green Infrastructure

The Opportunity....

Key Elements to Accelerate Infrastructure Development

- Availability of land
 - and land clearance
- Public Consultancy
 - transparency and accountability
- Availability of Fund
 - and financing products
- Championship
 - clear guidance and leadership
 - strong coordination
 - strong project management



In Summary

Land of Great Opportunities

- Sound, Stable Indonesia
- Abundance natural resources
- Favorable demographic & large domestic market
- Gov't debottlenecking initiatives

The Future is Coming On

- Middle Income Trap
- Emerging future climate change impacts.
- Sustainability



Infrastructure Key Issues

- Land clearance
- Legal & regulatory framework
- Commercial
- Operational
- Financing
- Coordination

Building Smart Infrastructure

- Boost energy supply
- Transportation & logistic
- Support agri & maritime related industries

Suggested Actions

Championship, Land Acquisition, Public Consultancy, Financing

Thank You