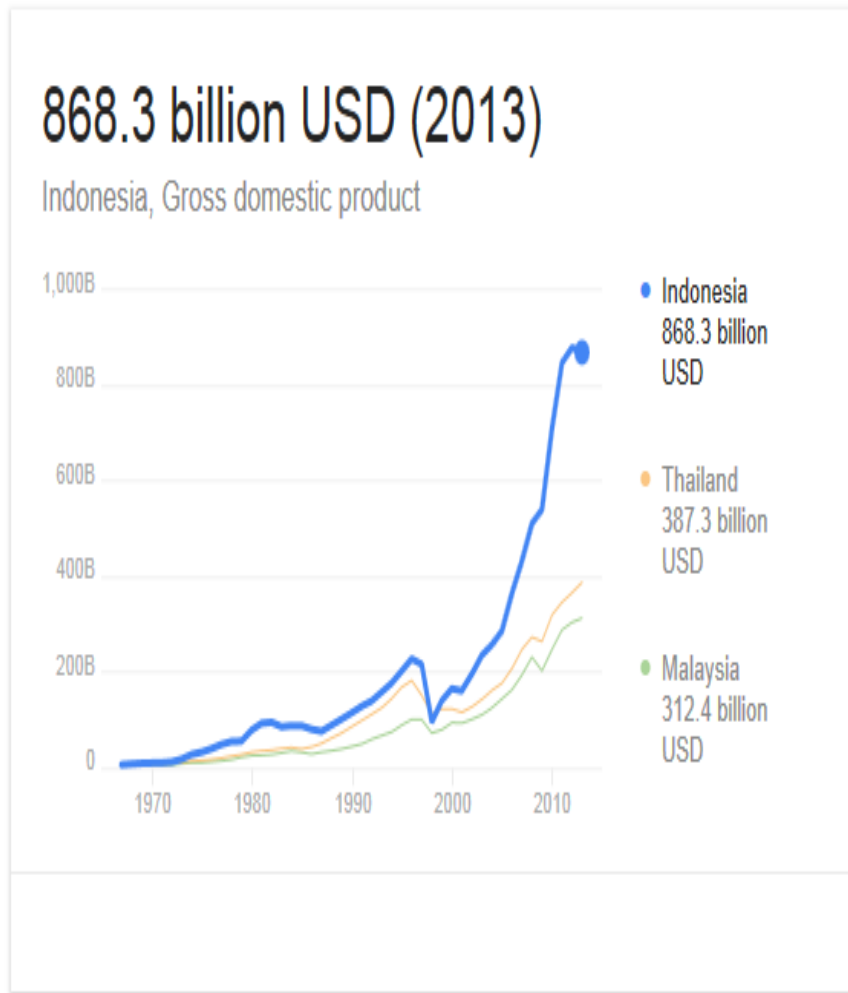




# INDONESIA GREEN INFRASTRUCTURE: Challenges & Opportunities

# 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...

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## 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*

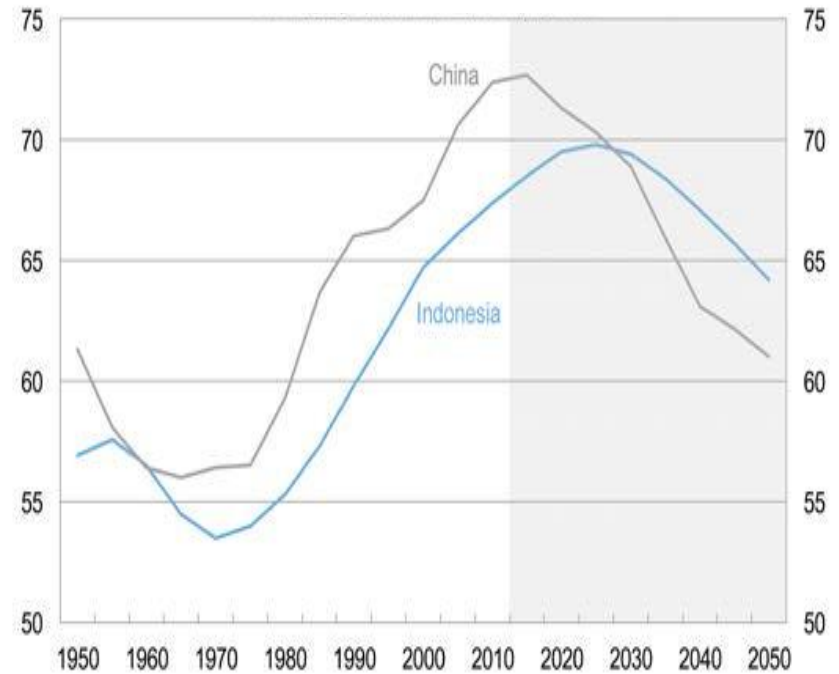
# The Strength...

## 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

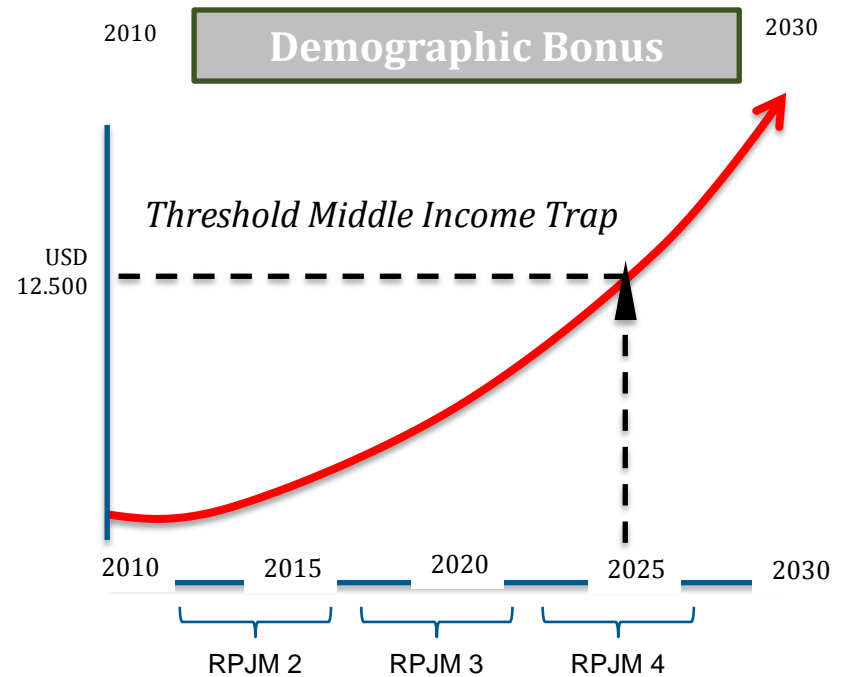


Source: UN

# 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**



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**Thank You**