

Press Release

Indonesia to be the seventh largest economy by 2030 with USD 4.5 trillion GDP, but only with adequate infrastructure, Darmin Nasution forecasted at the closing ceremony of Indonesia Infrastructure Week' 15

- **Efficient alternative funding sources in core sectors vital to achieve seven per cent national economic growth**
- **Public-Private Partnership schemes are rolled out to ease and facilitate investment**
- **Indonesia Infrastructure Week' 15 has successfully brought together stakeholders and addressed existing challenges**

Jakarta, 6 November 2015 – Indonesia has unlimited potential in the ASEAN regions, and the country's future remains as strong as ever if the infrastructure development plan is well implemented. Stakeholders concluded this during the closing of Indonesia Infrastructure Week, one of the most strategic business forums and exhibitions in Indonesia. "We need to realize these potentials and be relentless in achieving it no matter what the obstacles are. I am optimistic that if we work together, we can reach our goals and boost economic growth," said Darmin Nasution, the Coordinating Minister of Economy, in his closing remarks at the Indonesia Infrastructure Week (6/11) at Jakarta Convention Center.

"At the moment, we are still facing challenges. Due to our limited infrastructure, fee percentage for logistics and transportation of goods and services remains high," he continued. Currently, Indonesia's infrastructure conditions are not ideal, the Minister lamented. The average travel time in the main corridors in Indonesia is 2.6 hours / 100 km due to congestion. Compared to Thailand and Malaysia, the travel time is twice as long. In addition, the electricity distribution ratio, is 84.1%, lagging behind neighboring countries such as Thailand, Philippines, and Vietnam, which has reached 100%.

"But we are committed to support investors to tackle these obstacles through our six new economic packages that have been rolled out recently, public-private sector partnership scheme, and innovative funding scheme," he asserted. Darmin emphasized that to actualize seven percent economic growth, Indonesia needs to mobilize alternative funding sources for infrastructure projects. This is something that the public-private partnership scheme can address, which includes: Viability Gap Fund, Availability Payment and Direct Lending, and Performance Based Annuity Scheme.

Government players and business executives are collaborating to implement this PPP scheme. Investment Coordinating Board (BKPM), in an investor gathering session, also underlined its support to investors through providing ownership relaxation and tax holiday.

Chinese investors, key participants in IIW' 15 are eager to collaborate with Indonesian key business players. This has been demonstrated by the fact that they have already secured 2.000 square meters of IIW capacity. "We are seeing more interests coming from the investors, which is bound to multiply next year. We will continue to work together with the government to provide strategic avenues where investors and business players can meet and decide on which projects they will undertake," said Alan Solow, CEO of Infrastructure Asia, the organizer of IIW'15.

IIW' 15 have garnered more than 12,000 and 200 exhibitors in its three-day event. It brings together stakeholders to not only address issues but also to highlight strong areas for growth. Next year, it is projected that IIW can serve even more investors, government representatives and all infrastructure-related professionals.

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About Indonesia Infrastructure Week 2015

Indonesia Infrastructure Week (IIW) 2015 is an annual event organized by Infrastructure Asia in collaboration with its partners. This year, IIW will be held in Jakarta Convention Centre in 4-6 November and will have four major industry sector exhibition and dialogue events:

- Indonesia International Infrastructure Conference and Exhibition (IIICE) 2015, hosted by KADIN Indonesia
- Konstruksi Indonesia (KI) 2015, hosted by Ministry of Public Works and Housing
- Airports and Aviation Indonesia (AAI) 2015, hosted by Masyarakat Transportasi Indonesia
- Connect Expo Comm Indonesia (CECI) 2015, hosted by Masyarakat Telematika Indonesia

Vistors to each of these events will automatically have access to all four events and can take part in a hosted buyer programme to meet with other business contacts.

For further information on IIW 15 please go to www.indonesiainfrastructureweek.com

