



# Foreword

The President of the Republic of Indonesia

---

## Achieving Inclusive Development in Indonesia

Indonesia is a unique archipelagic country comprising of 17,024 islands based on the Indonesia's Geospatial Information Agency (BIG) release. Currently, 58 percent of Indonesia's GDP is concentrated on the island of Java, one of the largest islands in Indonesia, home for 56 percent of Indonesia's population, or about 149 million people. I aspire that the development in Indonesia must be Indonesia-centric, rather than Java-centric. With its vast archipelago of over 17 thousand islands, it is necessary to have equality and an even distribution of development to achieve economic justice for Indonesians. As a large country, Indonesia must take bold steps and have ambitious agendas to realize the noble objective of Indonesia's constitution, prosperous Indonesians, not only prosperity of certain Indonesians but all Indonesians. Without bold transformation, it will be challenging for the country to become an advanced and prosperous country.

Infrastructure development, including basic facilities such as water treatment and dams and connectivity infrastructures such as seaports, airports and highways, as well as energy facilities such as power plants and infrastructure to support industrial development such as industrial and special economic zones, stands as a pivotal agenda in Indonesia's pursuit of progress, fostering equity, and boosting national competitiveness. The Indonesian government has identified 210 strategic infrastructure projects and 12 programs as of 2022 of value IDR 5,746.4 trillion to accelerate the provision of essential services, improved connectivity, and mobility infrastructure, upgraded irrigation channels through dam construction and primary, secondary, and tertiary irrigation channels, more affordable and sustainable energy and better food infrastructure, equal access to Information and Communication Technology (ICT).



Although we were hit hard by the Asian Financial Crisis back in 1997 which was resulted in development setbacks, Indonesia began catching up on development. Between 2016 and 2023, substantial progress was made in infrastructure and connectivity development, reaching even the most remote areas, outer regions, and villages as aspired in the Nawacita, the nine development priority agenda that I set when I began my term as President of the Republic of Indonesia. In addition, the massive infrastructure development that we carry out since 2016 has created significant jobs for Indonesians and provided business for Indonesia's entrepreneurs. Improved connectivity, as the result of better transportation infrastructure, also allows farmers, fishermen, and other enterprises to sell their products and get raw materials and other inputs more quickly. Students in rural places can now access the most up-to-date information and knowledge thanks to digital connectivity. Households in rural areas can purchase goods and services online and get delivered faster than before. Businesses in remote places can communicate with their customers without leaving their hometowns. This concerted effort propelled Indonesia's competitiveness from a previous ranking of 59 in 2018 to to 51 in 2023 in terms of infrastructure development based on the Institute for Management Development (IMD) Competitiveness Ranking. This growth momentum represents Indonesia's marathon to the Golden Indonesia.

The pathway to providing infrastructure for Indonesia was not always easy. There were bottlenecks and impediments. At some point in the past, we could not build the road because the land could not be successfully acquired. However, with determination, just like the old saying "where there is a will there is a way", we could alleviate the bottlenecks and impediments. We successfully completed 153 infrastructure projects of value IDR 1,040 trillion during the period 2016-2022 and there will be some more projects to finish by the end of 2024.



## Sharing Experience with the World

The challenges faced by the world today are substantial. Global economic growth has slowed to 2.6 percent in 2022, and the achievement of Sustainable Development Goals (SDGs) has been significantly delayed. Immediate action is required to prevent a lost decade of development. Indonesia consistently supports strengthening infrastructure development in developing countries. The multidimensional crises the world is experiencing pose unique challenges to infrastructure development in these nations, including the limited fiscal space. This necessitates innovative financing approaches for countries worldwide. The increasing SDGs financing gap, rising from USD 2.5 trillion annually before the pandemic to USD 4.2 trillion post-pandemic, must be addressed promptly.

Infrastructure development also highlights the need to empower local communities and economies to foster a strong sense of ownership. Additionally, supporting developing countries to build their capacities and self-reliance is essential. Existing initiatives must synergize and reinforce one another, considering the voices of developing countries and prioritizing dialogues. This will enable developing nations to better confront global challenges in the future. Collaboration is paramount, emphasizing stakeholder engagement, including the private sector, to yield tangible benefits, such as through green development and energy transition. Developing countries are most vulnerable to sustainable development and climate change challenges. International cooperation, including ASEAN, APEC, and G20, can utilize their positions to drive inclusive digital transformation, the development of green industries and infrastructure, and enhanced access to the global supply chain.

## Expectations for the National Strategic Project Book

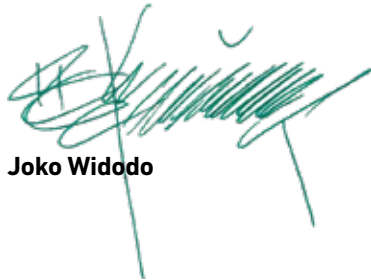
This book is a collaboration of efforts between the Ministry of Finance, the Coordinating Ministry of Economic Affairs, the Ministry of Public Works and Housing, and the Economic Research Institute of ASEAN



and East Asia (ERIA) in capturing Indonesia's experience in infrastructure development. Such collaboration can lead to valuable insight and knowledge sharing, benefiting not only Indonesia but also countries interested in infrastructure development and economic growth in the region.

Indonesia's experience in infrastructure development with all its limitations offers valuable insights to developing countries striving to bridge infrastructure gaps. By documenting Indonesia's development history, progress, impacts, and experiences, it is hoped that this knowledge can assist nations facing similar circumstances to Indonesia's in their development efforts. Readers are expected to draw wisdom from the challenges and breakthroughs achieved by Indonesia.

### **The President of the Republic of Indonesia**



**Joko Widodo**