



COORDINATING MINISTER FOR ECONOMIC AFFAIRS  
REPUBLIC OF INDONESIA

# Foreword

Coordinating Minister for Economic Affairs

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Since 2014, infrastructure development has been the focus of the Indonesian government to boost its economic growth and promote inclusivity. It is deemed necessary to accelerate the provision of infrastructure that has strategic value in the regional and national economy, social welfare, and national defence and resilience. Given Indonesia's geographic and demographic complexities, there's no denying the magnitude of the challenge.

Acknowledging the immense challenges in delivering infrastructure to society, the Coordinating Ministry for Economic Affairs is striving to address obstacles in infrastructure development through its leading role within the Committee for Acceleration of Priority Infrastructure Delivery (*Komite Percepatan Penyediaan Infrastruktur Prioritas – KPPIP*), a cross-institutional committee tasked with streamlining the delivery of infrastructure projects that hold significant importance for both society and the nation's socio-economic development. The transformative infrastructure initiatives are recognised as National Strategic Projects (*Proyek Strategis Nasional – PSN*). Collaborating with other ministries in the committee, we relentlessly work within our designated jurisdiction to ensure the successful execution of the National Strategic Projects and address any challenges that emerge along the way.

The infrastructure developments that are categorised as National Strategic Projects for the first time were stipulated in Presidential Regulation (*Perpres*) No. 3 of 2016 concerning the Acceleration of the Implementation of National Strategic Projects. That list was by no means static and is continuously amended through successive regulations to reflect the changing priorities and dynamic nature of development. The decisions to modify the list were made through assessments conducted by KPPIP, which evaluated specific infrastructure projects against predetermined criteria essential for their classification as National Strategic Projects.



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Since its establishment in 2014 up until December 2022, KPPIP has overseen the completion of 153 National Strategic Projects with a total investment value of Rp1,040 trillion<sup>1</sup>. One notable example is the successful operation of Jakarta's first mass rapid transit system, which has significantly alleviated traffic congestion in the capital city. The introduction of the first light rapid transit is expected to further reduce traffic congestion. Furthermore, the development of more than 1,000 km of rail tracks all over the country shows that infrastructure growth is not limited to the capital but extends to other regions as well. In addition, the completion of 36 dams has added 2.73 billion cubic metres of clean water supply, reduced the risk of flooding, and irrigated 288 thousand hectares of rice fields. Those are only a few examples of the projects, but the message is resoundingly clear: infrastructure development must benefit all segments of society, even those residing in remote areas.

Effective collaboration between the central government, regional governments, and the private sector is essential to support infrastructure development. Over the last 8 years since the inception of KPPIP, this collaborative effort, led by KPPIP's coordination, has proven to be a key success factor in delivering infrastructure to society, especially when non- budgetary funding was required to complete infrastructure developments.

While infrastructure development offers both tangible and intangible benefits, there is a shortage of literature focusing on infrastructure development for inclusive economic growth in Indonesia, particularly concerning projects falling under National Strategic Projects category. Hence, we are confident that this book is a valuable addition to contemporary literature on future infrastructure development.

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<sup>1</sup> As of August 2023, 161 National Strategic Projects have been completed and are fully operational, with a total investment value of Rp1,134.7 trillion. Moreover, 31 projects have been partially operated, and 68 projects already started construction, amassing an estimated investment of around Rp1,946.5 trillion.



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Recognising the importance of raising public awareness about the government's efforts to accelerate infrastructure development across Indonesia, we extend our deep appreciation to collaborating ministries and organisations, namely the Coordinating Ministry for Economic Affairs, the Ministry of Finance, the Ministry of Public Works and Housing, and the Economic Research Institute of ASEAN and East Asia (ERIA), for their efforts in publishing this book. Our profound wish is that this book serves its intended purpose, which is to inform the general public about infrastructure development across the country. While the publication of this book, along with its companion volume showcasing selected infrastructure projects under the National Strategic Projects banner, marks the beginning of a two-part series on infrastructure development in Indonesia, we believe that there will be many more valuable lessons to be learned from current and future infrastructure developments as we strive to realise our 100-year independence by 2045.

**Coordinating Minister for Economic Affairs**

A handwritten signature in blue ink, which appears to read 'Airlangga Hartarto', is written over a horizontal line.

**Dr. Ir. Airlangga Hartarto, M.B.A., M.M.T., IPU.,**