Contra Hegemony
The Regional Planning
Eka Swadionsa
THE INDONESIAN
Investment Opportunity

Indonesia is a melting pot in between two continents and two oceans. Stretch over vast 1.9 million sq km land area -as archipelago of over 18 thousand islands- scattered across 3 different time zones. Manages under 34 separate provinces, most nationwide infrastructures are clustered into 6 mainland operational installments.

Inhabited by over 252 million population -with year 2009 as the only exception- Indonesia had enjoyed a decade period of steady 5-6.5% economic growth; launching its GDP PPP to annual projection (2014) of over US$ 2.5 trillion, by far leaving the other neighboring countries. Hence as one of today’s G20 and future’s N11 country, Indonesia truly is an important economic ally not only in the regional perspective of ASEAN and or Pacific Rim. But also in the perspective of the world at large.

And with the new president leading a new more transparent development road map: Indonesia is ready to welcome all foreign investment on the base of mutual benefit agreements.

“We are waiting for you to come to Indonesia. We are waiting for you to invest in Indonesia”

Joko Widodo
the President of the Republic of Indonesia
APEC CEO Summit, November 10th 2014. Beijing, China
Geography
6 Mainlands in Indonesia

Mainlands are usually used to clusterize large scale infrastructure development such as main power grids.

1. SUMATERA ISLANDS
2. JAWA & BALI ISLANDS
3. NUSA TENGGARA ISLANDS
4. KALIMANTAN ISLANDS
5. SULAWESI ISLANDS
6. MALUKU & PAPUA ISLANDS
Demography
Urbanization Rate Trend & Forecast

- Forecast of Urbanization Rate up to 2050: One of the highest in the world
- 4% Urbanization Rate
- 85% Indonesian will be urbanized by 2050
- 68% Indonesian will be urbanized by 2025
- 71% of which will be concentrated in 24 metropolitans only

Ratio of World Top 30 Most Populated Cities By Continent Income Group

- 1950
- 1970
- 1990
- 2010

Legend:
- Hi – Europe
- Hi – North America
- Mid low – Africa
- Mid low – Latin America
- Mid low – Asia
- Hi – Asia
3 Most & Least Prosperous Provinces

Source: Dinas
New Government
New Road Map
New Government Visions

**Infrastructure**
- 24 Sea Ports
- Sea Toll
- 2000 km Roads & Highways
- Airports

**Investment Policy**
- 1 Stop Permit Office
- 15 Days Business Permit System (SIUP, TDP, IMB)
- 10 Economic Zones

**Fiscal Policy**
- More transparent system
- e-budgeting, e-procurement
- e-purchasing, e-catalog, e-audit, e-tax

**People Economy**
- 5000 New People Markets
- Market modernization
- Small Business Credits

**Macro Ekonomi**
- 7% Economic Growth

**Energy Policy**
- Subsidy Diversion
- Oil to Gas Feul Conversion
- 39 New SPBG & 7 New MRU

**Agriculture Policy**
- 25 Dams
- 1 Ha new rice fields
- 3 Ha rice fields revitalization

**Social Welfare**
- Rp 1.4 billion annual Village Dev. Budget
- New agriculture fields for 4.5 million households

**Education Policy**
- Mental Revolution & character building
- Research oriented higher education

**Economic Open Market**
- Vast training facilities
- Embassy optimization to promote Indonesian products
6 Infrastructure Priorities
Source: APEC 2014 CEO Summit

- 24 Sea Ports & Seabeds
- 35 GW Power plants
- 25 Dams & Irrigation Facilities
- 2000 km Roads & Highways
- 5000 Traditional Markets

PRESIDENT OF INDONESIA
JOKOWI
@ APEC 2014 CEO SUMMIT
Electricity Generating Capacity by Mainlands

Source: PLTN
Electricity Critical Regions

Source: PLN

Electricity Critical Provinces:
1) Nanggroe Aceh Darussalam, and Northern Sumatera (150 MW deficit)
2) Riau (50MW Deficit)
3) Nias Islands (6.5 MW deficit)
4) Southern Sumatera, and Lampung (125 MW deficit)
5) Central Kalimantan, and Southern Kalimantan (9 MW deficit)
6) Southern Sulawesi (91 MW deficit)

Electricity Critical Towns:
A) Simalungun Sambas (3.4 MW deficit)
B) Bontang (0.8 MW deficit)
C) Mahakam (2.1 MW deficit)
D) Jayapura (1 MW deficit)
International Modern Silk Route

Source: Bappenas
Other Maritime Investment Priorities
Source: Ministry of Maritime and Fisheries

- **83** Container Carriers for **Rp 28.22 trillion**
- **500** Fishing Boats for **Rp 25.00 trillion**
- **26** Coast Guards / Rescue Boats for **Rp 4.16 trillion**

<table>
<thead>
<tr>
<th>Units</th>
<th>Number of Units (in vessel)</th>
<th>Unit Cost (in Rp billion)</th>
<th>Total Cost of Investment (in Rp trillion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container Carriers</td>
<td>83</td>
<td>340</td>
<td>28.22</td>
</tr>
<tr>
<td>Fishing Boats</td>
<td>500</td>
<td>160</td>
<td>25.00</td>
</tr>
<tr>
<td>Coast Guards / Rescue Boats</td>
<td>26</td>
<td>4.16</td>
<td>4.16</td>
</tr>
</tbody>
</table>
Despite of having total GDP volume that are leaving fellow ASEAN countries by far, in terms of capital power, market penetration, and asset growth, Indonesian banks are surprisingly left behind from Singapore and Malaysia. Following the merger of the Malaysian CIMB, RHB, and MNSB, in order to keep up with its banking competition, the Indonesian government is planning to merge its largest bank – Bank Mandiri – with two other state owned BNI and BTN.
Indonesian Civil Aviation Industry

Eka Swadiansa
Indonesia has vast area:
1.9 million sq km

In the long-span geographies of:
5,120 km east-west / 1,760 km north-south

Extending to 3 different World Time Zones:
UTC + 7, 8, 9

The largest archipelago-based country in the world:
13,466 islands of which 922 permanently inhabited
The Beginning
Early Establishment
Indonesia by geographical properties is in fact
a MARITIME COUNTRY
not
Agrarian one
Garuda Indonesia
(1949-now, State owned)

Merpati
(1962, state owned pioneer fleet)

Mandala
(1970, commercial airline)

Bouraq
(1970, commercial airline)
Garuda Indonesia
(1949-now, State owned)

Merpati
(1962-2014, state owned pioneer fleet, bankrupt)

Mandala
(1970-2012, commercial airline)
(taken over by Thailand’s Tiger Air)

BOURAQ
(1970-2005, commercial airline, bankrupt)
Recent Condition
Indonesia’s population is over 255 million people
(World’s fourth)

Indonesia’s civil aviation emerging market
27.5 million in 2009 to 94.5 million in 2014
Over threefold in 5 years
Garuda Indonesia  
(1949, State owned)

Sriwijaya Air  
(2003, commercial airline)

ADAM AIR  
(2002, commercial airline)

BATAVIA AIR  
(2002, commercial airline)

Lion Air  
(1999, commercial airline)
Garuda Indonesia (1949-now, State owned)

Sriwijaya Air (2003-now, commercial airline)

ADAM AIR (2002-2008, commercial airline, bankrupt)

BATAVIA AIR (2002-2013, commercial airline, bankrupt)

Lion Air (1999-now, commercial airline)
Competitive Diversification (1)
Garuda Indonesia (1949-now, State owned, Niche Market)
(2001-now, State owned, LCC)
(subsidiary to Garuda Indonesia)

Citilink (2003-now, commercial airline)
(subsidiary to Garuda Indonesia)

Sriwijaya Air (2013-now, commercial airline, LCC)
(subsidiary to Sriwijaya Air)

ANAM AIR (1999-now, commercial airline, LCC)
Competitive Diversification (2)
Garuda Indonesia
(1949-now, State owned, Niche Market)
(2013-now, State owned, Pioneer Fleet)
(subsidiary to Garuda Indonesia)

Merpati
(1962-2014, state owned, Pioneer Fleet, bankrupt)

Wings Air
(2003-now, commercial airline, Pioneer Fleet)
(subsidiary to Lion Air)

Lion Air
(1999-now, commercial airline, LCC)
Garuda Indonesia
(1949-now, State owned – Niche Market)
(2013-now, State owned – Pioneer Fleet)
(subsidiary to Garuda Indonesia)

Batik Air
(2013-now, commercial airline – Niche Market)
(subsidiary to Lion Air)

Wings Air
(2003-now, commercial airline – Pioneer Fleet)
(subsidiary to Lion Air)

Lion Air
(1999-now, commercial airline – LCC)
Garuda Indonesia

- (1949-now, State owned – Niche Market)

- (2013-now, State owned – Pioneer Fleet)

Citilink

- (2001-now, State owned, LCC)

- (2013-now, commercial airline – Niche Market)

Batik Air

- (2003-now, commercial airline, Pioneer Fleet)

Wings Air

- (1999-now, commercial airline, LCC)

Lion Air
Regional Competition
Garuda Indonesia
(1949-now, State owned)

mandala
(2012-now, commercial airline)
(tigerair)
(forign owned)

Air Asia
(2004-now, commercial airline)
(forign owned)

Lion Air
(1999-now, commercial airline)
Thai Lion Air (2013, Thailand Market)

Malindo Air (2013-now, Malaysia Market)

Batik Air (2013-now, Niche Market)

Wings Air (2003-now, Pioneer Fleet)

Lion Air (1999-now, LCC)
Global Competition
Multiverse Routes
Global Branding
Profit Trend
Source: Pertamina

Asset Growth
Source: Pertamina

August 19th 2013
PERTAMINA
listed as
122th
company in
FORTUNE 500

average raise of
15% annual income
average raise of
15% annual profit

equivalent to
US$71 billion of raise
equivalent to
US$3 billion of raise

Source: Pertamina

October 11th 2013
CEO Agustiawan
listed as
6th
most powerful woman
in FORTUNE

average raise of
8% annual assets
average raise of
12% annual spending
equivalent to
US$50 billion of raise
equivalent to
US$35 billion of raise
The Oil Crisis
Oil Subsidy Usage
Source: Pertamina

93%
Oil Subsidy Used for Private Vehicles

Oil Subsidy Typology

% 0% 10% 20% 30% 40% 50% 60% 70%
PREMIUM SOLAR KEROSENE

Sector's Account Deficit
Source: Pertamina

in 10 years time
Oil & Gas income had increased
200% equivalent to
Rp296 trillion

in 10 years time
Energy Subsidy had increased
300% equivalent to
Rp350 trillion

in 10 years time
Energy Subsidy had overcome Oil & Gas income resulting in
Rp54 trillion sector deficit
Oil & Gas Subsidy Distribution by Mainlands

Source: SKK Migas

LEGEND
- 63%
- 29%
- 6%
- 2%

JAVA & Bali = 62% consumption
SUMATERA = 28% consumption
KALIMANTAN = 8% consumption
SULAWESI = 8% consumption
NUSA TENGGARA = 2% consumption
KALIMANTAN = 8% consumption
1. Heavy oil subsidy dragged down Oil and Gas Trade Balance, resulting to 2008-2012 trade turbulences and constant (-) volume further on.

2. As Indonesian largest trade sector, the mining sector’s downfall had also dragged down National Current Account into state of constant (-) volume from 2011 onward.

3. Constant National Current Account (-) volume directly drain Indonesian Foreign Currency reserve, where after reaching its historical peak on early 2011, it had been consistently fell...

4. ...and with it bringing down the Indonesian Rupiah’s currency rate. After reaching new psychological value of 12 thousand UDR / USD On Q3 2014, the national currency had kept on falling up to the year end.

5. Hence even the WTI rate downfall had not really been able to help lift up the crisis.
Global Branding
Related Resources
10% Coal; briquettes
6.1% Petroleum gases
5.5% Petroleum oils, crude
2.7% Petroleum oils, refined
3.5% Gold content
7.3% Palm oil, crude

13% Cotton, crude
88% Cotton, bleached white
6% Cotton, worsted
0.66% Cotton, not tested

13.6% Copper, and copper alloys
13% Lead, and lead alloys
0.76% Lead, galvanized

1.07% Nickel, matte and other
13% Gold
1.97% Other, furniture and household articles
4.2% Seats
WHAT Vision

“to achieve completely natural equilibrium”

Enhancing the power of the goddess of nature and wisdom, Project ISIS strives to break the fragile tradition of developing countries industrial scenery, and urge to achieve completely natural equilibrium.

As satellite district, ISIS will fully operate as holistic work-live-leisure zones. Where other than having its own production, administration, and living quarters; it will also be equipped by small scale forest, zoo, botanic garden, and water park.

As sustainable entity, ISIS is prepared in several development stages which will ultimately aim for fully independent clean energy generating and waste management systems. Enclosed live support planning in form of farming, husbandry-fisheries tertiary industry are also prepared to ensure the provision of adequate resources and environment-friendly carbon cycle within the satellite.

As industrial-based business, ISIS will expand its primary activity from the ore smelting core, to the secondary production of various advance metal alloys.

As integrated body, ISIS will transplant high-end technology into its daily operational spines. These features will include its communication system as well as internal information and transportation backbones.
WHAT
Roadmap

Basic production sector (ore smelting & waste treatment)
Basic administration sector (offices & basic services)
Basic living sector (social house & 120/200 houses)
Basic infrastructure (operational related only)
Independent fossil fuel energy production
Supported resources consumption

1st milestone
Full capacity primary production zone
Basic secondary production sector (metal alloy)
Larger administration sector (+ public services)
Larger living sector (+ apartment)
2nd grade infrastructure (+ LRT & public related)
Mixture of independent fossil-fuel & clean energy production
Mixture of supported consumption & start-up resources production

2nd milestone
Full capacity primary production zone
Full capacity secondary production zone
Full capacity administration & services zone
Full capacity living zone (+ 240/400 houses)
Advance infrastructure (+ PRT & ECO Tower & Public Waste Treatment)
Independent clean energy only
Independent resources production (tertiary industry)

ECONOMY
- Ore Purifier
- Supporting Industry
- Industrial Port
- Material Stockpile
- Wind Power Farming
- Solar Power Farming
- Water Treatment Pond
- Water Purifier Pond

HYBRID ENERGY

SOCIO-ECOLOGICAL HEIRARCHY

EQUITY
- Head Office
- Convention Center
- Passenger Port
- Transportation Hub
- 240/400 m2 Cluster
- 120/200 m2 Cluster
- 120 m2 Apartment
- 30 m2 Social Housing

SUSTAINABLE HABITAT

ECOLOGY
- Frontier Technology
- Parks and Forest
- Golf Course
- Zoo & Conservatory
- Waterboom

Smart Planning Compact City

Worship Centers
Shopping District and Sport Facilities
Education Facilities & General Hospital
Security & Safety Services
For further enquiries an exclusive joint planning research is proposed to be conducted with Surya University in staging phases:

PHASE ONE - SUSTAINABLE MASTERPLAN SCHEME, with:

- Academy for Clean Energy and Sustainability [ACES]
- Center for Sustainable Smart City [S-Smart]

PHASE TWO - INFRASTRUCTURE SCHEME, with:

- Center for Future Transportation [CFT]
- Center for Solar Photovoltaics [CSP]
- Center for Bioenergy and Bioproducts [CBB]
- Center for Clean Water Technology [CCWT]
- Indonesia Center for Waste Management [ICWM]

PHASE THREE - LIVE SUPPORT SCHEME, with:

- Center for Food Technology [CFT]
- Center for Sustainable Aquaculture and Pathology Studies [AquaPATH]
- Comprehensive Herbal Medical Institute [CHMI]

PHASE FOUR - APPLICABLE INDUSTRIAL SCHEME, with:

To be further determined by end user.

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Summarecon Serpong, Tangerang 15610
(+62) 2171026562 / (+62) 217102656263
admission@surya.ac.id
ISIS ACTION PLAN
PHASE 1: BROWN INDUSTRY

PHASE 2: GREEN ECOLOMY

PHASE 3: WELFARE STATE
BROWN INDUSTRI
INVESTMENT VALUE
FERRONICKEL SMELTER 1 = $250,000,000 = Rp. 2,8 T
FERRONICKEL SMELTER 2 = $250,000,000 = Rp. 2,8 T
ASPHALT INDUSTRY = $100,000,000 = Rp. 1,13 T
CEMENT INDUSTRY = $50,000,000 = Rp. 565 Mil

---------------------------------- INFRASTRUCTURE ----------------------------------
PORT STOCK PILE WARE HOSE LRT = $90,000,000 = Rp. 1 T
BUMD ?

------------------ CONFIRMED HOSPITALITY FACILITIES ------------------
CONTINENT HOTEL CONVENTION CENTER = $11,500,000 = Rp. 130 Mil
CLEOS Hotel = $5,000,000 = Rp. 40 Mil

------------------------------------ TOTAL ------------------------------------
TOTAL = $756,500,000 = Rp. 8,5 T
WORKFORCE
ADVANTAGE
<table>
<thead>
<tr>
<th>TOTAL LABOR</th>
<th>LOCAL LABOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FERRONICKEL PLANT 1 = 650 Person</td>
<td>30% = 195 Person</td>
</tr>
<tr>
<td>FERRONICKEL PLANT 2 = 650 Person</td>
<td>30% = 195 Person</td>
</tr>
<tr>
<td>ASPHALT PLANT = 200 Person</td>
<td>50% = 100 Person</td>
</tr>
<tr>
<td>CEMENT PLANT = 200 Person</td>
<td>50% = 100 Person</td>
</tr>
<tr>
<td>PORT++ &amp; LRT = 300 Person</td>
<td>70% = 210 Person</td>
</tr>
<tr>
<td>CONTINENT HOTEL = 200 Person</td>
<td>40% = 80 Person</td>
</tr>
<tr>
<td>CLEOS HOTEL = 100 Person</td>
<td>40% = 40 Person</td>
</tr>
<tr>
<td><strong>TOTAL = 2300 Person</strong></td>
<td><strong>TOTAL = 920 Person</strong></td>
</tr>
</tbody>
</table>
Thank You