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Nine Infrastructure Projects Open to Investors Under Public-Private Partnership (PPP) Scheme

The Public Works and Housing Ministry is aiming to start the bidding process of nine toll road sections, with a combined length of 350 kilometers and a combined investment of around IDR 142.5 trillion (US\$10 billion) by year-end. The projects aim to expedite the toll road bidding process to push down logistics costs, to improve connectivity, and provide employment opportunities in the country.

The nine projects are among 158 ongoing infrastructure projects that are funded through the Public-Private Partnership (PPP) scheme, worth around IDR 1.3 quadrillion, which is currently in either the transaction, preparation, or planning process. Moreover, to boost private investment in PPP scheme projects, the government aimed to cut the bureaucratic red tape through deregulations and providing more payment options for investors, including by introducing the limited concession scheme (LCS). The LCS was regulated under Presidential Regulation No. 32 Year 2020 about the Infrastructure Financing through Limited Management Rights, which allows concession grants for a certain length of time for a business entity to operate or develop existing infrastructure assets owned by the state.

The proposed toll roads include:

- The 39.2-km-long Kamal-Teluk Naga-Rajeg toll road in Banten, worth around IDR 18.5 trillion.
- The 37.7 km access toll road for Japan-backed Patimban Seaport in West Java, with an estimated investment of IDR 6.36 trillion.
- Other listed toll road projects up for bidding are the Cikunir-Ulujami elevated toll road section in Jakarta, stretching for 21.5 km, as well as Bali's 95.5 km Gilimanuk-Mengwi toll road worth IDR 19.7 trillion.
- Other toll roads include the Semanan-Balaraja toll road in Banten, worth around IDR 15.5 trillion.

Earlier this year, the government stated that it would offer six toll road projects, including the Patimban toll road and the Cikunir-Ulujami elevated toll road, with a combined value of IDR 80.5 trillion to investors this year, while it planned to auction the projects in the third and fourth quarters of 2020. The ministry plans to build 2,500 km of toll roads by 2024, the ministry has also vowed to expedite the preparation process for seven PPP infrastructure projects worth IDR 76.3 trillion, which are planned to enter the early transaction phase by the first quarter of 2021. In 2021, the government also will start the procurement process for six roads that span 208.7 km and a drinking water system project.

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