TOLL ROAD INVESTMENT OPPORTUNITIES

Presented by:
Koentjahjo Pamboedi – Board Member of Indonesian Toll Road Authority
On International Symposium Japan Road Congress
Tokyo, October 28th 2015
Outline

1. About Indonesia Toll Road Authority
2. Indonesia Toll Road Masterplan
3. Scheme on Public Private Partnership
4. Toll Road Projects
5. Concluding Remarks
ABOUT BADAN PENGATUR JALAN TOL (BPJT) / INDONESIA TOLL ROAD AUTHORITY (ITRA)

- ITRA was established by Ministry of Public Works Regulation No. 295/PRT/M/2005 as amended by Ministry of Public Works Regulation No. 15/2014;
- ITRA is responsible directly to the Minister of Public Works and Housing;
- ITRA is responsible to:
  - Recommend the initial and adjustment of toll tariff to the Minister;
  - Conduct the toll road investment under PPP;
  - Monitor the construction of toll road;
  - Monitor the toll road operation;
  - Monitor the Toll Road Company during all phases of concession period (Design, Construction, Operation and Maintenance, Transfer).
**Stakeholders and Customer Expectation**

- Competitive Strengthened for Improve Connectivity Support
- Toll Road User Expectation Increasing

**Internal Process needed:**

- Competitive HR
- Enabling Organization
- Integrated Management Information System
- Optimal Budget Implementation

**Stakeholder and Customers Expectation Through Internal Process:**

**INTERGRATION OF PLANNING, PROGRAMMING DAN TOLL ROAD CONCESSION**

- Land Acquisition support toll road construction
- Conducive Investment Climate
- Variation of investment scheme and meet value for money
- Good preparation of toll road project

**TOLL ROAD IMPLEMENTATION**

- Technical planning in accordance with Highway Standard
- Construction of main corridor toll road and urban in Sumatera, Java, Kalimantan and Sulawesi
- Effective and Efficient scheme delivery
- The continuity of land acquisition funding

**TOLL ROAD COMPLIANCE**

- Due diligence of toll road
- Reliable, safety and environmentally friendly toll road
- Supervision of private sector obligation
- Toll road existing that comply minimum service standard

**Learning & Growth**

- Construction > 1,000 km Toll Road
- Toll Road Service

**Technical planning in accordance with Highway Standard**

- Effective and Efficient scheme delivery
- The continuity of land acquisition funding

**Due diligence of toll road**

- Reliable, safety and environmentally friendly toll road
- Supervision of private sector obligation
- Toll road existing that comply minimum service standard
Toll Road Benefit and Objectives

**Objectives**
- Equitable distribution and the balance of regional development
- Efficiency of services distribution
- To accelerate traffic/enhance mobility and accessibility of human, goods, and services
- To alleviate the burden of government funds

**User Benefits**
- Operating cost and time savings
- Enhancement on comfort level of non-toll road user
- Better accessibility

**Regional Development Benefits**
- Affect the regional growth and economic improvement
- Government fund diversion for development of underdeveloped areas/accessibility

**Private Sector Benefit**
- Investment return through toll revenue
- Construction core business
Strategic Transformation of the Toll Road

Institutional and Capacity Building

Focus on Safety and Punctuality

Project Preparation and Tender Improvement

Focus on Quality of services and Quality of Experience

Acceleration of Land Acquisition to support 1000 km

Focus on Quality and Efficiency to achieve Reliable Toll Road Infrastructure

Expand BLU Functions to support Land Acquisition

Introduce Performance Based Annuity Scheme (PBAS)

Focus on Quality of services and Quality of Experience

Toll Road Development

Focus on Safety and Punctuality
SCHEMES ON PUBLIC PRIVATE PARTNERSHIP (PPP)

Is the project Government’s priority and part of the master plan?

Yes → Project financially and economically viable

No → Project economically viable, but marginal in financial feasibility (VGF < 50 %)

Yes → VGF > 50 %

No → VGF < 50 %

Yes → Project economically viable, but not financially viable

No → Project economically viable, but not financially viable

Yes → Project to accelerate regional development; and

Government funding for toll road concession is limited

Approval as priority project

Yes → Build-Operate-Transfer (BOT)

No → Supported Toll Road (S-BOT)

Yes → Performance Based Annuity Scheme (PBAS)

No → Construction Contract (i.e: Turnkey & D&B)

State Guarantee Model (SOE Assignment)

Key Tests

(FIRR ≥ WACC)

- Needs VGF < 50% on construction to generate FIRR > WACC
- Meets PBAS criteria
- Large scale projects

Projects that does not meet PBAS criteria

Constrains on Government funding and/or market failure that needs Government intervention

Examples

Toll road in Java Island in general

Developing region, i.e: Solo-Kertosono, Manado-Bitung, Balikpapan-Samarinda

Pilot project development

Suramadu Bridge, Tanjung Priok Access

HGH Sumatera: Medan-Binjai, Pekanbaru-Dumai, Palembang-Indralaya, Bakaheuni-Terbanggi Besar

Keterangan:

F : Finance
D : Design
C : Construction
O & M : Operation & Maintenance
TC : Toll Collection/ Payment Return

BE : Business Entity
G : Government
SOE : State-Owned Enterprise
STAGES OF TOLL ROAD PROCUREMENT

1. SOLICITED PROJECT
   - Toll Road Planning Policy (GR-Article 11)

2. UNSOLICITED PROJECT
   - Project Proposal
   - Proposal Approval

   Compensation for the initiator (PR 38/2015):
   1. Bonus system (10% max); or
   2. Right to Match; or
   3. Purchasing of the Project (Including Intellectual Property Right)

Directorate General of Highways
Indonesian Toll Road Authority
Toll Road Company

4. Land Acquisition
5. Tender Preparation (GR-Article 24)
6. Tender (GR-Article 55-61)
7. Financing
8. Technical Design (GR-Article 27)
9. Construction (GR-Article 28 & Article 31)
10. Operation (GR-Article 36) & Maintenance (GR-Article 53)
11. Concession Take Over

Toll Road Planning Policy (GR-Article 11)
Toll Road Master Plan (GR-Article 12)
Toll Road Section Plan (GR-Article 13)
Concession Agreement
Toll Tariff
1. Law and Regulations:
   a. Law No. 38/2004 concerning Road
   b. Government Regulation No.15/2005 concerning Toll Roads, as amended by No. 43/2013,
   c. Presidential Regulation No. 38/2015 concerning PPP;
   d. Minister of Public Works Regulation No. 13/PRT/M/2010 concerning Guidelines for Procurement of the Toll Road Companies, as amended by No. 21/PRT/M/2012

2. Two stages of Tender:
   a. Prequalification;
   b. Limited tender.

3. Tender criteria:
   a. The lowest initial toll rates, or
   b. Minimum Government support

IMPLEMENTATION OF THE AGREEMENT
<table>
<thead>
<tr>
<th>No</th>
<th>Type of Risk</th>
<th>Allocation</th>
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<tr>
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<tr>
<td>1.</td>
<td>Land Acquisition *)</td>
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<tr>
<td>2.</td>
<td>Engineering Planning</td>
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<tr>
<td>3.</td>
<td>Toll Road Construction</td>
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<td>4.</td>
<td>Operation and Maintenance</td>
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<td>5.</td>
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<td>6.</td>
<td>Traffic Volume</td>
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<td>7.</td>
<td>Law Amendment</td>
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<td>8.</td>
<td>Force Majeur</td>
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</tbody>
</table>

*) Law No. 2 Year 2012
## Constraint and Expected Condition of Toll Road Business in Indonesia

### Land Acquisition
- **Past**: No certainty on the time period and cost related to the completion of land acquisition financed by business entity.
- **Present**: Land acquisition implementation in accordance with the Law of 2/2012 and Presidential Regulation of 71/2012 and 30/2015 → 2 years maximum completion.
- Financing and its implementation are conducted by Government.

### Financing Facility
- **Past**: Limited financing from lender (only from bank).
- **Present**: Availability of other financing institutions apart from banking. (PT SMI/IIF)

### Bidding
- **Past**: Most of toll road segments are based on the national road network determined by the Minister of Public Works and Housing.
  - Bidding includes land acquisition cost.
- **Present**: Private’s initiative.
  - Investment cost excludes land acquisition cost.
  - Bidding is carried out upon completion of land acquisition (minimum 1 section).

### Contingent Liability
- **Past**: Absence of Government guarantee to reduce the risks.
- **Present**: Use of Government guarantee in risk management through PT PII / IIGF.
PROCUREMENT PROCESS

Pre-Qualification (PQ) Process

- PQ process will be announced in national mass media (both in Bahasa and English).
- PQ criteria will be set out in the pre-qualification document.
- Participants who meet the requirement and eligible criteria will be announced as shortlisted bidders and will be invited to tender.

Tender Process

- Participants who meet the requirement and eligible will be announced as shortlisted bidders and will be invited to tender.
- Should there is one tender participant, the tender process will be conducted by negotiation after the Minister's approval.

Evaluation Criteria For PQ

1. Compliance with submission requirements in the prequalification document and eligibility to participate in Indonesian PPP Procurement;
2. Financial capacity to raise the required finance for the Project;
3. Track record in financing, designing, constructing and operating projects similar to this Project, particularly in Indonesia and / or South East Asia and experience in fulfilling PPP projects.

Evaluation Criteria For Tender

Tender process are evaluated using two methods:
1. Lowest tariff; or
2. Lowest government support;
INDONESIA’S INFRASTRUCTURE FUND FUNDING STRUCTURE

Government of Indonesia (100%)

SMi (30.00%)

IFC (19.99%)  ADB (19.99%)  DEG (15.12%)  SMBC (14.90%)

IIF (Infrastructure Finance)
TOLL ROAD OPERATION TARGET (MIDTERM 2015 – 2019)

1. Cengkareng – Kunciran : 14 km
2. Kunciran – Serpong : 11 km
3. Serpong – Cinere : 10 km
4. Cinanggis – Cibitung : 25 km
5. Cibitung – Cilincing : 34 km
6. Depok – Antasari : 22 km
8. Sunter – Rawa Buaya : 20 km
9. Batu Ceper
Sunter – Pulo Gebang : 9 km

Akses Tanjung Priok : 17 km

PEJAGAN-PEMALANG
58 KM
Pemalang – Batang 39 km

SURABAYA

BANDUNG

MEDAN

SOLO

PALEMBANG

MANADO

SEMIRI

BAJAENG

GEMPOL

NGAWI

KERTOSONO

MOJOKERTO

SURABAYA

Pekanbaru – Kandis – Dumai : 135 km

Medan – Binjai : 16 KM

Pekanbaru – Samarinda : 99 km

Padang – Jambi : 203 km

Solo – Manto : 23 km

Manado – Bitung : 39 km

Pekanbaru – Kandis – Dumai 135 km

Batang – Semarang 75 km

Bakauheni – T.Beser : 138 KM

Jakarta – Bandung : 117 KM

Pekanbaru – Kandis – Dumai

Jakarta – Surabaya

Manado – Bitung

Jakarta – Semarang

Banda Aceh – Medan – Lhokseumawe

KERTOSONO - MOJOKERTO
41 KM
(15 km operation)

MOJOKERTO – SURABAYA
36 KM
(2 km operation)

CENGKARENG – KUNCIRAN
14 km

CICERO – JAGORAWI
15 KM
(4 km operation)

BOGOR RING ROAD
11 KM
(6 km operation)

PASIRKOJA-SOREANG
11 KM

Ciawi – Sukabumi : 54 km

Cileunyi – Sumedang – Dawuan : 59 km

Cining – Jagorawi

CIKAMPEK-PALIMANAN
117 KM

Pawon – Punggur

PELAMANG

Toll Route Target Length (Km)

1. SUMATERA
2. JAWA
3. KALIMANTAN
4. BALI
5. SULAWESI

Kalimantan : 36 KM

Bali : 75 KM

Sulawesi : 75 KM

GEMPOL – PANDAAN
14 KM

Gempol – Pasuruan : 34 km

1. C. Jabodetabek
2. a. Jabodetabek
3. b. Jabodetabek
4. c. Jabodetabek

JABODETABEK

209 KM
2. TRANS JAWA
3. NON TRANS JAWA
4. SUMATRA

CONSTRUCTION AND OPERATION PLAN (YEAR/Km)

CONSTRUCTED UNTIL 2014 (Km)

2015 2016 2017 2018 2019 TOTAL

Sumatera : 43
Jawa : 749
a. Jabodetabek : 209
b. Trans Jawa : 363
c. Non Trans Jawa : 177

Kalimantan : 29
Bali : 10
Sulawesi : 18

Total : 820

ISLAND / TRANS
SUMATRA
JAWA
KALIMANTAN
BALI
SULAWESI

CONSTRUCTION AND OPERATION PLAN (YEAR/Km)

2015 2016 2017 2018 2019 TOTAL

Operates
Partially Operates
Already groundbreaking & Start Construction
Land Acquisition & Under Construction
Operates
### TOLL ROADS MASTERPLAN

- **Total Length:** 6,115 Km
- **Investment Cost (Est):** IDR 723 T

#### SUMATRA ISLAND

<table>
<thead>
<tr>
<th>No</th>
<th>Toll Road</th>
<th>OPERATION (until June 2015)</th>
<th>CONSTRUCTION (until 2019)</th>
<th>PROGRAM (2015 - 2025)</th>
<th>TOTAL</th>
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<tr>
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<td>SUMATRA ISLAND</td>
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<td>A. Trans Sumatra</td>
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<td></td>
<td>I. Main</td>
<td>43</td>
<td>496</td>
<td>2,301</td>
<td>2,865</td>
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<td></td>
<td>a. Banda Aceh-Medan</td>
<td>-</td>
<td>16</td>
<td>455</td>
<td>471</td>
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<td>b. Medan-Pekanbaru</td>
<td>43</td>
<td>197</td>
<td>335</td>
<td>575</td>
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<td>c. Pekanbaru- Palembang</td>
<td>-</td>
<td>111</td>
<td>556</td>
<td>667</td>
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<td>d. Palembang-Bakauheni</td>
<td>-</td>
<td>150</td>
<td>185</td>
<td>335</td>
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<td>II. Connector</td>
<td>-</td>
<td>22</td>
<td>770</td>
<td>792</td>
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<td>b. Pekanbaru-Padang</td>
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<td>-</td>
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<td>240</td>
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<td>c. Palembang-Bengkulu</td>
<td>-</td>
<td>22</td>
<td>330</td>
<td>352</td>
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<td>B. Non Trans Sumatra</td>
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#### JAVA ISLAND

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<tr>
<td></td>
<td>A. Trans Java (Merak-Banyuwangi)</td>
<td>479</td>
<td>538</td>
<td>170</td>
<td>1,187</td>
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<tr>
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<td>B. Jabodetabek</td>
<td>209</td>
<td>250</td>
<td>71</td>
<td>530</td>
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<tr>
<td></td>
<td>C. Non Trans Java and Non Jabodetabek</td>
<td>189</td>
<td>162</td>
<td>747</td>
<td>1,098</td>
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#### KALIMANTAN ISLAND

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#### BALI ISLAND

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<tr>
<td>4</td>
<td>BALI ISLAND</td>
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#### SULAWESI ISLAND

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<td>5</td>
<td>SULAWESI ISLAND</td>
<td>18</td>
<td>39</td>
<td>50</td>
<td>107</td>
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</table>

**TOTAL** 948 1,584 3,583 6,115
**TRANS JAVA TOLL ROAD**

Total Length: 498.23 km  
Total Investment Cost: IDR 40.37 T  
Total Land Acq. Cost: IDR 8.29 T  
(Toll Road Company)  
Total construction Cost: IDR 22.57 T

### Description

<table>
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<tr>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>6</th>
<th>7</th>
<th>8</th>
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<tbody>
<tr>
<td><strong>Project</strong></td>
<td>Pejagan - Pemalang</td>
<td>Pemalang - Batang</td>
<td>Batang – Semarang*</td>
<td>Semarang - Solo</td>
<td>Solo - Ngawi</td>
<td>Ngawi - Kertosono</td>
<td>Mojokerto-Jombang-Kertosono</td>
<td>Mojokerto - Surabaya</td>
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<tr>
<td><strong>Toll Road Company</strong></td>
<td>PT Pejagan Pemalang Tol Road</td>
<td>PT Pemalang Batang Tol Road</td>
<td>PT Marga Setiapuritama</td>
<td>PT Transmarga Jateng</td>
<td>PT Solo Ngawi Jaya</td>
<td>PT Ngawi Kertosono Jaya</td>
<td>PT Marga Harjaya Infrastruktur</td>
<td>PT Marga Nujayasumo Agung</td>
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<tr>
<td><strong>Length (km)/Section</strong></td>
<td>57.50/4</td>
<td>39.20/2</td>
<td>75.00/5</td>
<td>72.64/5</td>
<td>90.10/4</td>
<td>87.02/4</td>
<td>40.50/4</td>
<td>36.27/5</td>
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<tr>
<td><strong>Investment Cost (IDR Trillion)</strong></td>
<td>5.52</td>
<td>4.08</td>
<td>7.23</td>
<td>7.30</td>
<td>5.14</td>
<td>3.83</td>
<td>3.48</td>
<td>3.79</td>
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<tr>
<td><strong>Land Acquisition Cost (IDR Trillion)/Progress</strong></td>
<td>1,026/42.04%</td>
<td>0,803/1.86%</td>
<td>1,575/20.17%**</td>
<td>0,927/62.21%</td>
<td>1,778/90.24%</td>
<td>1,084/67.56%</td>
<td>0,485/90.95%</td>
<td>0,557/83.62%</td>
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<tr>
<td><strong>Construction Cost (IDR Trillion)</strong></td>
<td>3.21</td>
<td>2.27</td>
<td>4.21</td>
<td>3.11***</td>
<td>3.20</td>
<td>2.36</td>
<td>2.38</td>
<td>1.83</td>
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<tr>
<td><strong>Construction Progress</strong></td>
<td>17.58%</td>
<td>-</td>
<td>-</td>
<td>31.43% (Section I and II operated)</td>
<td>31.43%</td>
<td>6.15%</td>
<td>0%</td>
<td>66.10% (Section I Operated (Bandar-Jombang))</td>
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### JABODETABEK TOLL ROAD

#### 6 Toll Road Projects (DKI Jakarta)

<table>
<thead>
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<th>No</th>
<th>Project</th>
<th>Length (Km)</th>
<th>Investment Cost (IDR Billion)</th>
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<tbody>
<tr>
<td>1</td>
<td>Semanan - Sunter</td>
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<td>Sunter – Pulo Gebang</td>
<td>9.44</td>
<td>4,918</td>
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<td>3</td>
<td>Duri Pulo – Kampung Melayu</td>
<td>12.65</td>
<td>8,167</td>
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<td>4</td>
<td>Kemayoran – Kampung Melayu</td>
<td>9.60</td>
<td>4,934</td>
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<td>5</td>
<td>Ulujami – Tanah Abang</td>
<td>8.70</td>
<td>6,114</td>
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<td>6</td>
<td>Pasar Minggu – Casablanka</td>
<td>9.16</td>
<td>5,981</td>
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*Land Acquisition Support IDR 350 Billion*

### Description

<table>
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<tr>
<td>Toll Road Company</td>
<td>PT Marga Kunciran Cengkareng</td>
<td>PT Marga Trans Nusantara</td>
<td>PT Serpong Cinere Jaya</td>
<td>PT Translingkar Kita Jaya</td>
<td>PT Cimanggis Cibitung Tollways</td>
<td>PT MTD CTP Expressway</td>
<td>PT Citra Waspablataw</td>
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<td>TOTAL</td>
<td>69.77</td>
<td>41,174</td>
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<tr>
<td>Length (km)/Section</td>
<td>14.19/4</td>
<td>11.19/2</td>
<td>10.14/2</td>
<td>14.64/3</td>
<td>25.39/4</td>
<td>34.02/4</td>
<td>21.54/5</td>
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<td>Investment Cost (IDR Trillion)</td>
<td>3.507</td>
<td>2.623</td>
<td>2.219</td>
<td>2.621</td>
<td>4.524</td>
<td>4.22</td>
<td>2.999</td>
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<tr>
<td>Land Acquisition Cost (IDR Trillion)/Progress</td>
<td>1.219/ 18.87%</td>
<td>0.989/ 27.85%</td>
<td>0.712/ 0%</td>
<td>0.930/ 63.71%</td>
<td>1.314/ 0.3%</td>
<td>0.288/ 10.86%</td>
<td>0.769/ 26.42%</td>
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<tr>
<td>Construction Cost (IDR Trillion)</td>
<td>1.34</td>
<td>0.76</td>
<td>0.88</td>
<td>1.11</td>
<td>1.61</td>
<td>2.50</td>
<td>1.46</td>
</tr>
<tr>
<td>Operation Target (overall)</td>
<td>2019</td>
<td>2019</td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
<td>2019</td>
<td>2019</td>
</tr>
<tr>
<td>Construction Progress</td>
<td>Waiting for Land Acquisition</td>
<td>Waiting for Land Acquisition</td>
<td>Waiting for Land Acquisition</td>
<td>Waiting for Land Acquisition</td>
<td>Waiting for Land Acquisition</td>
<td>2.49%</td>
<td>5.08%</td>
</tr>
</tbody>
</table>

Remarks:
- Operation
- Land Acquisition and Construction
- Land Acquisition Preparation
- Procurement Preparation
- Total length: 232.92 Km
- Total investment: IDR 72.07 T
- Total land acquisition: IDR 12.93 T (Toll Road Company)
- Total construction: IDR 35.59 T

*) Land Acquisition Support IDR 350 Billion
### Description

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project</strong></td>
<td>Ciawi - Sukabumi</td>
<td>Gempol – Pasuruan</td>
<td>Pasuruan – Probolinggo</td>
<td>Waru (Aloha) – Wonokromo – Tj. Perak</td>
<td>Pasirkoja-Soreang</td>
</tr>
<tr>
<td><strong>Toll Road Company</strong></td>
<td>PT Trans Jabar Tol</td>
<td>PT Trans Marga Jatim Pasuruan</td>
<td>PT Transjawa Paspro Jalan Tol</td>
<td>PT Margaraya Jawa Tol</td>
<td>PT Citra Marga Lintas Jabar</td>
</tr>
<tr>
<td><strong>Length (km)/Section</strong></td>
<td>54.00/4</td>
<td>34.15/3</td>
<td>31.30/3</td>
<td>18.20/4</td>
<td>10.57/3</td>
</tr>
<tr>
<td><strong>Investment Cost (IDR Trillion)</strong></td>
<td>7.775</td>
<td>2.769</td>
<td>3.551</td>
<td>11.111</td>
<td>1.510</td>
</tr>
<tr>
<td><strong>Land Acquisition Cost (IDR Trillion)/Progress</strong></td>
<td>0.824/ 25.18%</td>
<td>0.256/ 55.49%</td>
<td>0.216/ 0%</td>
<td>1.425/ 0%</td>
<td>/- 88.19%</td>
</tr>
<tr>
<td><strong>Construction Cost (IDR Trillion)</strong></td>
<td>4.17</td>
<td>1.68</td>
<td>1.56</td>
<td>3.97</td>
<td>1.145</td>
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<tr>
<td><strong>Construction Progress</strong></td>
<td>Land Clearing</td>
<td>37.55%</td>
<td>Waiting for Land Acquisition</td>
<td>Waiting for Land Acquisition</td>
<td></td>
</tr>
</tbody>
</table>

**Total Length**: IDR 148.22 km  
**Total Investment**: IDR 26.716 Trillion  
**Total Land Acq.**: IDR 2.721 Trillion (Toll Road Company)  
**Total Construction**: IDR 12.525 Trillion
<table>
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<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Medan – Binjai *)</td>
<td>Medan – Kualanamu – Tebing Tinggi</td>
<td>Pekanbaru – Kandis – Dumai *)</td>
</tr>
<tr>
<td>Toll Road Company</td>
<td>PT. Hutama Karya</td>
<td>PT. Jasamarga Kualanamu Toll</td>
<td>PT. Hutama Karya</td>
</tr>
<tr>
<td>Length (km)/Section</td>
<td>16.72 / 3</td>
<td>61.70 / 6</td>
<td>135.00 /-</td>
</tr>
<tr>
<td>Investment Cost (IDR Trillion)</td>
<td>1.604</td>
<td>4.072</td>
<td>17.347</td>
</tr>
<tr>
<td>Land Acquisition Cost (IDR Trillion)/Progress</td>
<td>495/ 70%</td>
<td>441/ 85.98</td>
<td>974/ 7.72%</td>
</tr>
<tr>
<td>Construction Cost (IDR Trillion)</td>
<td>1.294</td>
<td>1.759</td>
<td>9.532</td>
</tr>
<tr>
<td>Operation Target (overall)</td>
<td>2018</td>
<td>2017</td>
<td>2019</td>
</tr>
<tr>
<td>Construction Progress</td>
<td>1.28%</td>
<td>7.27%</td>
<td>Preparation</td>
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<th>Description</th>
<th>4</th>
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<tbody>
<tr>
<td>Project</td>
<td>Palembang – Indralaya *)</td>
<td>Kayu Agung – Palembang – Betung **)</td>
<td>Bakauheuni – Terbanggi Besar *)</td>
</tr>
<tr>
<td>Toll Road Company</td>
<td>PT. Hutama Karya</td>
<td>PT Sriwijaya Markmore Persada</td>
<td>PT. Hutama Karya</td>
</tr>
<tr>
<td>Length (km)/Section</td>
<td>24.48 / 3</td>
<td>111.69 / 3</td>
<td>155.00/ 3</td>
</tr>
<tr>
<td>Investment Cost (IDR Trillion)</td>
<td>3.301</td>
<td>14,435</td>
<td>16,795</td>
</tr>
<tr>
<td>Land Acquisition Cost (IDR Trillion)/Progress</td>
<td>205/ 48.74%*)</td>
<td>450/ Section I 100%</td>
<td>1.196/ 0.19%</td>
</tr>
<tr>
<td>Construction Cost (IDR Trillion)</td>
<td>2.631</td>
<td>9.843</td>
<td>12.220</td>
</tr>
<tr>
<td>Operation Target (overall)</td>
<td>2018</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>Construction Progress</td>
<td>Concession Agreement 4th September 2015</td>
<td>Concession Agreement 12th October 2015</td>
<td>Concession Agreement 4th September 2015</td>
</tr>
</tbody>
</table>

*) Assignment to PT. Hutama Karya  
**) Unsolicited Project
**ONGOING AND UPCOMING PROJECTS (READY TO OFFER)**

<table>
<thead>
<tr>
<th>No.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Serpong-Balaraja *) **)</td>
<td>Manado-Bitung *)</td>
<td>Balikpapan-Samarinda *)</td>
<td>Pandaan-Malang *)</td>
<td>Cileunyi-Sumedang-Dawuan</td>
<td>Panimbang-Serang</td>
<td>Batu Ampar-Muka Kuning-Bandara Hang Nadim</td>
</tr>
<tr>
<td>Length (km)/Section</td>
<td>30.00/ 3</td>
<td>39.00/ 2</td>
<td>99.02/ 5</td>
<td>37.62/ 3</td>
<td>58.50/ 6</td>
<td>83.90/ -</td>
<td>25.00/ -</td>
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<tr>
<td>Investment Cost (IDR Trillion)</td>
<td>5,177</td>
<td>8,745</td>
<td>13,086</td>
<td>2,968</td>
<td>10,033</td>
<td>6,738</td>
<td>2,200</td>
</tr>
<tr>
<td>Land Acquisition Cost (IDR Trillion)/Progress</td>
<td>1,751/ Section 1 : 85%</td>
<td>1,200/ Section 88.92%</td>
<td>1,200/ 85%</td>
<td>294/ 22.35%</td>
<td>1,295/ 31.28%</td>
<td>1,006/0%</td>
<td>- / -</td>
</tr>
<tr>
<td>Status</td>
<td>On tender process</td>
<td>PQ finished</td>
<td>PQ Evaluation</td>
<td>PQ Evaluation</td>
<td>Tender Preparation</td>
<td>Tender Preparation</td>
<td>Tender Preparation</td>
</tr>
</tbody>
</table>

(*) on tender process
(**) Unsolicited
Project Background

- Malang is the second largest cities in East Java Province after Surabaya. The city is a tourist destination visited by many residents of East Java. Malang connects the eastern and southern regions of East Java and Surabaya (the capital city of East Java Province).
- To the north, Malang directly adjacent to Pasuruan which is administratively Pandaan included in its territory. Population mobility between Malang and Pandaan is quite high due to the access between a location nearby and fairly easy.
- Pandaan is one of the industrial area in East Java. To encourage and support the development of economy and industry in East Java, it needs adequate infrastructure support.
PANDAAN – MALANG TOLL ROAD

Project Brief
• The Pandaan-Malang toll road will connect Pandaan and Malang in East Java Province. Due to the recent increase in economic activity, regional development, and consequent increase in traffic, the need for this toll road network has become urgent.
• The toll road route runs across three administrative areas – Pasuruan Regency, Malang Regency and Malang Municipal. The planned toll road is parallel with the existing national road, starting from Pandaan going southward to Purwosari, Purwodadi, Lawang, singosari, Karanglo, and ends at Malang;
• The toll road will connect to Surabaya – Gempol and Gempol – Pandaan that has been operated.

Project Objective
• To Improve and strengthen the road network in East Java Province, Surabaya – Malang section
• To Support development projects in the Surabaya – Malang corridor
• To Promote the expansion of urbanization and industrialization in the region; and
• To Handle heavy traffic and cargo movement outside the urban area along the route
• To serve the huge commuter movement from Surabaya to Malang
PANDAAN – MALANG TOLL ROAD: PROJECT LOCATION
**PANDAAN – MALANG TOLL ROAD:**

**PROJECT SPECIFICATION**

**Technical Specification**

- **Length:** 37.62 km
- **Design Speed:** 120 km/hour
- **Number of lane:** 2 x 2 lane (initial) 2 x 3 lane (final)
- **Lane width:** 3.6 m
- **Outer Shoulder Width:** 3.0 m
- **Inner Shoulder Width:** 1.5 m
- **Median Width:** 9.7 m (including inner shoulder)
- **Number of Interchange:** 5 Interchange
  (Sawojajar, Asrikaton, Pakis, Lawang, Purwodadi)
- **Number of overpass:** 16 overpass
- **Number of underpass:** 23 underpass

**Traffic Volume Estimation**

- **Traffic Volume:** 23,850 vecs/day (2017)
- **Land Acquisition Progress:** 22.35%
  (Funded by National Budget)

**Project Cost Estimation**

- **Investment Cost:** IDR 2,968 Billion (USD 228.45 Million)
- **Land Acquisition Cost:** IDR 294 Billion (USD 22.63 Million)
- **FIRR:** 16.78 %
- **Concession Period:** 35 years

**Project Implementation**

- **Project Preparation:** 2013-2015
- **Tender**
- **Project Construction:** 2 years
- **Operation (year):** 2018
CISUMDAWU : PROJECT OBJECTIVES

**Project Objectives**

The main objectives of the Project are:

(a) To construct the alternative access transportation in Bandung to Sumedang

(b) To reduce traffic volume in the existing road, particularly during working days;

(c) To obtain “value for money” infrastructure investment and service provision for GoI and relevant regional or local governments.
## PROJECT OUTLINE

### CILEUNYI-SUMEDANG-DAWUAN TOLL ROAD

#### LAND ACQUISITION (by GOVERNMENT)

**Government Portion (29.37Km)**
- **LAND ACQUISITION (by GOVERNMENT)**
- **PRIVATE'S PORTION (30.89Km)**

#### OPERATION (BY PRIVATE)

<table>
<thead>
<tr>
<th>Elements</th>
<th>Characteristics</th>
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</thead>
<tbody>
<tr>
<td>Length</td>
<td>58.50 Km</td>
</tr>
<tr>
<td>Design Speed</td>
<td>100 Km/hr</td>
</tr>
<tr>
<td>Number of lane</td>
<td>2x2 lanes (start), 2x3 lanes (final)</td>
</tr>
<tr>
<td>Lane width</td>
<td>3.6 m</td>
</tr>
<tr>
<td>Outer Shoulder width</td>
<td>3.0 m</td>
</tr>
<tr>
<td>Inner shoulder width</td>
<td>1.5 m</td>
</tr>
<tr>
<td>Median width</td>
<td>13 m</td>
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</table>

#### CONSTRUCTION COST

<table>
<thead>
<tr>
<th>Elements</th>
<th>Characteristics</th>
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</thead>
<tbody>
<tr>
<td>Land Acquisition Cost</td>
<td>IDR 1.295 Billion (USD 99.68 Million)</td>
</tr>
<tr>
<td>Investment Cost</td>
<td>IDR 10,033 Billion (USD 772.24 Million)</td>
</tr>
<tr>
<td>FIRR</td>
<td>11.07% (Without Government Support)</td>
</tr>
<tr>
<td>Concession Period</td>
<td>35 Years</td>
</tr>
<tr>
<td>Land Acquisition Progress</td>
<td>Section I (Cileunyi – Tanjungsari) : 27.41 %, Section II (Tanjungsari-Sumedang) : 80.39%, Section III (Sumedang – Cimalaka) : 45.68%, Section IV (Cimalaka-Legok) : 0%, Section V (Legok – Ujung Jaya) : 0%, Section VI (Ujung Jaya – Kertajati) : 0% Total : 28.18%</td>
</tr>
<tr>
<td>Construction Progress</td>
<td>Section I (Cileunyi – Tanjungsari) : 8.06% %, Section II (Tanjungsari-Sumedang) : 3.74% Total 5.51%</td>
</tr>
<tr>
<td>Construction period</td>
<td>± 2 Years (2018-2019)</td>
</tr>
<tr>
<td>Operation (year)</td>
<td>± 2018 (Partial)</td>
</tr>
</tbody>
</table>
Section I: 12.025 Km
- STA 2+275
- STA 8+425 (APBN rigid 650m)
- STA 9+750
- STA 12+275
- STA 12+275

Section II: 17.350 Km
- STA 9+750
- STA 11+000
- STA 12+275
- STA 27+100

Section III: 3.750 Km
- STA 27+100
- STA 30+850
- STA 38+050

Section IV: 7.200 Km
- STA 38+050
- STA 45+850
- STA 53+950

Section V: 15.900 Km
- STA 53+950
- STA 57+998

Section VI: 4.048 Km
- STA 57+998
- STA 62+048

CILEUNYI-SUMEDANG-DAWUAN TOLL ROAD WEST JAWA

Investor (preparation for investment tender)

Proposed for Govt Budget

Section I
- 12.025 Km [Rp. 1,088.28 B]
  - STA 2+275
  - STA 8+425
    - Rp. 915 B
    - Proposed for RPM
  - STA 8+425
    - Rp. 915 B
    - (2011)
    - Complete
  - STA 9+000
    - Rp. 121 B
    - (2015)
    - Proposed for RPM

Section II
- 17.350 Km [Rp. 3,708.86 B]
  - Offshore Loan (Phase I)
    - STA 9+755
      - 12+000, STA 13+100
      - 17+200
      - (2012 – 2014)
    - Construction Progress 65.3%
      - (Completion Target 2016)
  - Offshore Loan (Phase II)
    - STA 12+000
      - 13+100, STA 17+200
      - 27+200
      - STA 0+000
      - 14+100

Section III S/D VI
- 30.90 Km [Rp. 10,033 B (Investment Cost)]
  - Toll Road Company
    - STA 27+200 – 57+998
      - (XX – XX)
    - Investment Tender Preparation
### FINANCIAL DATA

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Cost</td>
<td>Rp 10,033 M</td>
</tr>
<tr>
<td>Land Acquisition Cost</td>
<td>Rp 1,295 M</td>
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<tr>
<td>FIRR</td>
<td>11.07%</td>
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<tr>
<td>Consession Period</td>
<td>35 years</td>
</tr>
<tr>
<td>Tariff (Gol. I, 2017)</td>
<td>Rp 800 /Km</td>
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<tr>
<td>Construction Progress I</td>
<td>8.42 km (Section I &amp; II)</td>
</tr>
<tr>
<td>Construction Period II</td>
<td>2 years (2014-2016)</td>
</tr>
<tr>
<td>Operation Target</td>
<td>2019</td>
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</table>

### TECHNICAL DATA

<table>
<thead>
<tr>
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<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Length</td>
<td>58.50 Km</td>
</tr>
<tr>
<td>Design speed</td>
<td>80 Km/hr</td>
</tr>
<tr>
<td>Number of lane</td>
<td>2x2 lanes (initial), 2x3 lanes (final)</td>
</tr>
<tr>
<td>Width of lane</td>
<td>3.6 m</td>
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</tr>
<tr>
<td>Inner shoulder width</td>
<td>1.5 m</td>
</tr>
<tr>
<td>Median</td>
<td>13 m</td>
</tr>
</tbody>
</table>

### TOLL ROAD INVESTMENT PROJECT STATUS

- Supported Build Operate Transfer (SBOT),
- Exertion (part of construction, O&M) by Toll Road Company
- Under prequalification process

**Land Acquisition Progress**

- Section I (Cileunyi-Ranca Kalong), 12.025 Km : 31.56%
- Section II (Ranca Kalong-Sumedang), 17.35 Km : 89.03%
- Section III (Sumedang-Cimalaka), 3.75 Km : 40.88%
- Section IV (Cimalaka-Legok), 7.2 Km : 1.36%
- Section V (Legok-Ujung Jaya), 15.9 Km : 0%
- Section VI (Ujung Jaya-Dawuan), 4.048 Km : 0%

**Whole government budget : Rp. 90 B**

### OFFSHORE LOAN

#### LOAN CONTRACT INFORMATION (Section II Phase I)

- Contractor : Shanghai Construction Group Co. Ltd. Consortium of WIKA-WASKITA Jo.
- Contract Value : Rp. 1,102,025,742,503
- Length : 6.35 km
- Date of contract : 8th November 2011
- Completion : 26th November 2015 (planned to be extended until March 2016)
- Government budget : Rp.110.2 B (loan companion fund)
- Progress : 65.3%

#### LOAN CONTRACT INFORMATION (Section II Phase II)

- Loan China from CEXIM
- Contractor : MCC-WIKA-Nindya Karya-Waskita Karya Jo.
- Contract value : Rp. 3,485,999,660.965
- Length : 11 km
- Notice to award : 21st August 2015
- Date of contract : 15th September 2015
- Completion target : 2018 (3 years of construction period since Instruction to Work)
- Government budget : Rp. 348.6 B (loan companion fund)
- Progress : 0%
CONCLUDING REMARKS

- Government facilitating land availability before the start of toll construction;
- Government is committed to continuously improve the PPP scheme;
- PPP scheme with Government support is more viable, such as Government support for land acquisition and part of the toll construction.
THANK YOU

Indonesia Toll Road Authority – Ministry of Public Works and Housing
Jl. Pattimura No. 20, Kebayoran Baru - Jakarta Selatan 12110 Indonesia
E-mail: investasi.bpjil@gmail.com, koentjahjop@yahoo.com