Relocating the Nation’s Capital

Director of Urban, Housing and Settlement
Ministry of National Development Planning/Bappenas, Indonesia
Why Indonesia should Relocate Its Capital City to Outside Java?

Around 57% of Indonesia’s Population is concentrated in Java.

Source: Badan Pusat Statistik (2018)

Explanation: KBI: Western Part of Indonesia
KTI: Eastern Part of Indonesia

Why East Kalimantan was chosen?

- Low Risk Disaster
- Part of ALKI II (Makassar Strait)
- Heterogeneous population, low conflict
- Advances infrastructure development for transportation and logistic hub
- Land capability for building construction; Medium
- Raw water from 3 existing reservoirs, 2 planned reservoirs, 4 rivers
- Land Status: Registered as Production Forest (HP) and Plantation
- Strategic location: close to two big cities (Balikpapan and Samarinda)
- Supported by Tri Matra (Defence): Land, Sea, Air

Gap of Economic Distribution between Java Island with other island in Indonesia

Source: Badan Pusat Statistik (2018)

Explanation: KBI: Western Part of Indonesia
KTI: Eastern Part of Indonesia

- Contribution: Economic growth
The Vision: Indonesian Capital City “The Best on Earth”

**Symbol of National Identity**
- Representation of national identity and national unity;
- Reflection of Bhineka Tunggal Ika, Unity in Diversity

**Modern and International Standard**
- The Center of international university and research, and high-tech industries
- Apply smart hospital and smart office

**Efficient and Effective Governance**
- Smart Governance with cloud storage system
- A chance to develop a national bureaucratic reform
- Smart People and Smart Society

**Drivers of Economic Equity in the Eastern Region**
- Develop high tech and clean industries
- Develop economic sector with global competitiveness

**Smart, Green, Beautiful, Sustainable**
- Design and implement The forest city
- Restoration the function of conservation forest in Kalimantan and protection of its biodiversity
- Apply renewable energy
- Smart and integrated public transportation with non-motorized transportation
- Smart water management, integrated drainage, drinkable tap water, smart waste management

**Efficient and Effective Governance**
- Smart Governance with cloud storage system
- A chance to develop a national bureaucratic reform
- Smart People and Smart Society
Initial Design of the Pre-Masterplan Concept

Area of 56,000 Ha
- Buildable
- Not Buildable

CLIMATE
Honouring Nature

CAPITAL
The unifying symbol of national identity

COMMUNITY
Diversity in cities and inclusive

CONVENIENCE
The 21st Century Walkable City

COLLABORATION
Linkages and Collaboration Between Regions
### Total Estimated Population To be Moved (and stay)

<table>
<thead>
<tr>
<th>Category</th>
<th>Population (2019)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central State Civil Apparatus: The Executive, Legislative, Judicial, Police and Military</td>
<td>182.462</td>
<td>Estimated number of residents active in state, executive, legislative and judiciary institutions</td>
</tr>
<tr>
<td>The family members (assumption 4 persons per family)</td>
<td>25.660</td>
<td>The scenario moved in part</td>
</tr>
<tr>
<td>The family members (assumption 4 persons per family)</td>
<td>729.848</td>
<td>Each employee has 4 family members estimated</td>
</tr>
<tr>
<td>Estimated economic agents (will be moved and local residents from around)</td>
<td>562.030</td>
<td>Estimated number of residents active in supporting economic sectors</td>
</tr>
<tr>
<td>Total estimated population</td>
<td>1,500,000</td>
<td></td>
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</tbody>
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*Source: BPIW, BKN, Kemen.PAN-RB & Polri*

#### Scenario of moving the central state civil apparatus

Movement of all apparatus as it is now (182,462 persons)

Asumption
- Institutions and business process as it is now
- zero growth recruitment

#### Development of New Capital will be done inclusively with Controlled Growth (*Growth Management*)
Regional Development Plan of National Capital
To Encourage Economic Equity to Eastern Indonesia

Capital City Area
(256,000 Ha) and East Kalimantan Province

The Existing Sector:
- Agriculture
- Renewable Energy
- Sustainable Mining
- Tourism

The Future Sector
- Pharmacy
- Oleokimia
- Maritime Logistic

Economic Cooperation between the three cities: The Capital, Balikpapan, Samarinda

Capital City Area
56,000 Ha

The Existing Sector:
- Tourism
- International Education

The Future Sector:
- Technology
- Information Communication
Estimated Number of Population with the Strategy for the Acceleration of Economic Development

**Total Population of the National Capital City**

- **2018**: 0.1
- **2025**: 0.6 (CAGR: 34.3%)
- **2035**: 1.4 - 1.5 (CAGR: 8.6%)
- **2045**: 1.6 - 1.8 (CAGR: 5.0%)

- Government officials (25% in Year 1)
- Employees of new sectors (e.g., Education, Digital innovation)
- Family members
- Induced services (e.g., F&B, retail)

**Total Population of East Kalimantan Province**

- **2018**: 3.6 (CAGR: 10.0%)
- **2025**: 3.9 (CAGR: 3.4%)
- **2035**: 4.2 (CAGR: 2.2%)
- **2045**: 4.5 (CAGR: 2.2%)

- Enhanced productivity of existing sectors (e.g., coal)
- Employees of new sectors (e.g., petrochemicals, clean tech)
- Family members and induced services
- Assumptions: economic sector develops optimally
More than 50% of the regions will receive the benefit of increased trade between regions.

Additional National Economic Growth
0.1% - 0.2%

Multiplier effect on national economy
- Output multiplier: 2.3
- Employment multiplier: 2.9

Reducing the gap between Regions
New Capital Funding & Financing Scheme

Capital Development Financing Scheme

- Government Asset Utilization in Jakarta with Private Sector
- Land Utilization in the New Capital City with Private Sector
- State Budget
- Private Sector

Funding Strategy

State Budget: 19.2% USD 5.9 Bn
PPP: 54.4% USD 16.9 Bn
Direct Investment SOE & Private: 26.4% USD 8.2 Bn

Total: 31.0 Billion USD

Private Sector & PPP will be the main Financing Scheme.
## Timeline for New Capital City 2019-2024

<table>
<thead>
<tr>
<th>Year</th>
<th>Activities</th>
<th>Start</th>
<th>Stage of Relocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Decree of the Strategic Coordination Team for the Preparation of IKN Displacement</td>
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<td>2020</td>
<td>Survey of land tenure ownership, use and utilization inventory (IP4T)</td>
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<td>Establishment of BO-IKN (Presidential Decree)</td>
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<td>MASTERPLAN (256,000 Ha)</td>
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<td>Establishment of Delineation &amp; Spatial Plan of The New Capital Area (Presidential Decree)</td>
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<td></td>
<td>Preparation of Urban Design</td>
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<td></td>
<td>Preparation of Detailed Spatial Plan</td>
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<td>Discussion and Enactment of LAW for The New Capital with DPR</td>
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<tr>
<td>2024</td>
<td>Start The First Stage of Relocation</td>
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