



WIEF

Roundtable Kota Kinabalu 2020

Economic Rejuvenation: The Path to Growth

12 - 13 MARCH | MAGELLAN SUTERA RESORT, SABAH, MALAYSIA

Relocating the Nation's Capital

Director of Urban, Housing and Settlement
Ministry of National Development Planning/Bappenas, Indonesia

Host



Ministry of Trade and Industry

Organiser

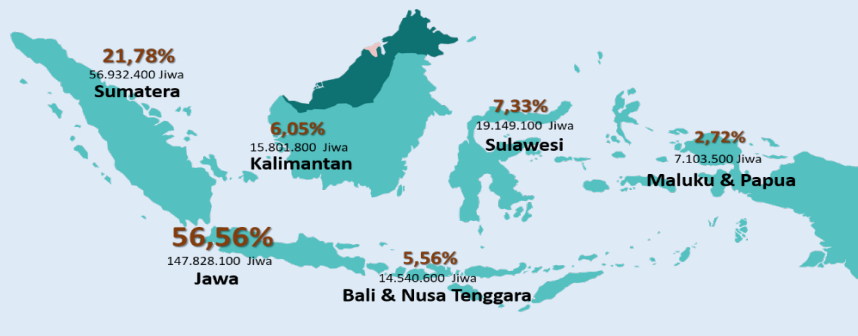


Why Indonesia should Relocate Its Capital City to Outside Java ?



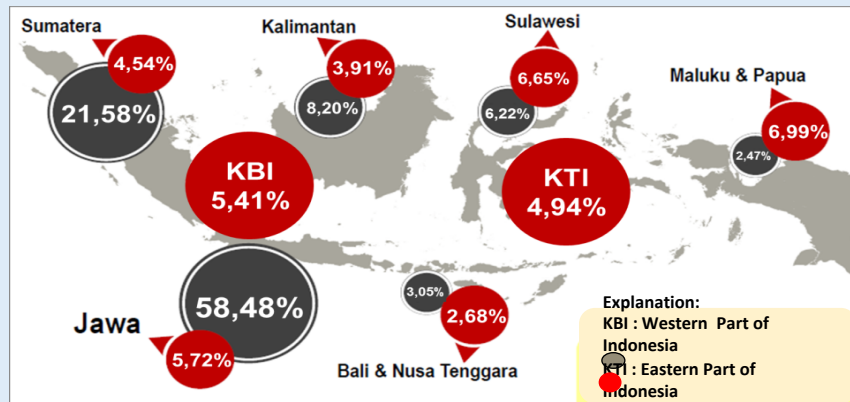
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Around 57% of Indonesia's Population is concentrated in Java



Sumber: SUPAS (2015)

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



Source: Badan Pusat Statistik (2018)

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

The Vision: Indonesian Capital City "The Best on Earth"



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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*

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



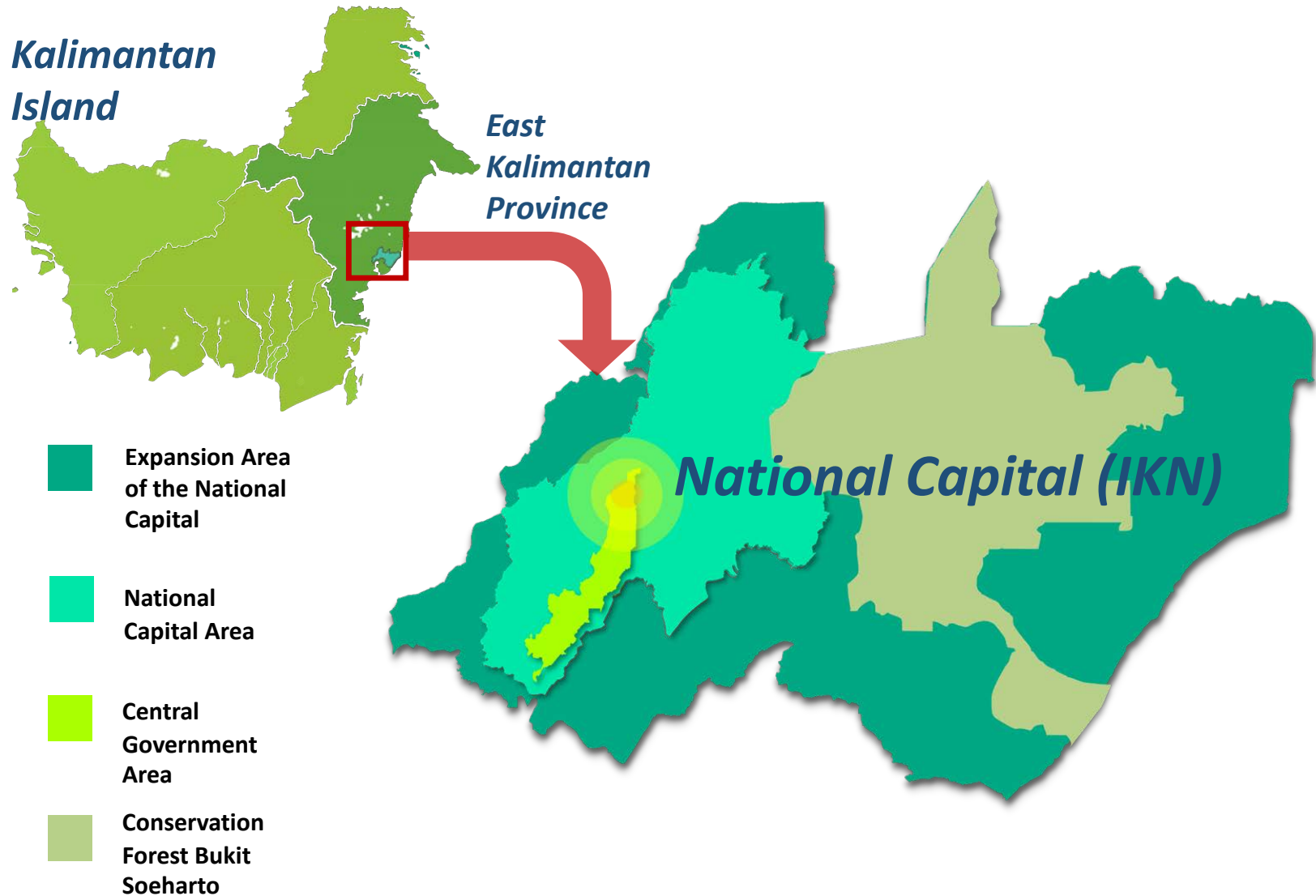
- **Smart Governance with cloud storage system**
- A chance to develop a national bureaucratic reform
- **Smart People and Smart Society**

DRIVERS OF ECONOMIC EQUITY IN THE EASTERN REGION



- Develop *high tech and clean industries*
- Develop economic sector with global competitiveness

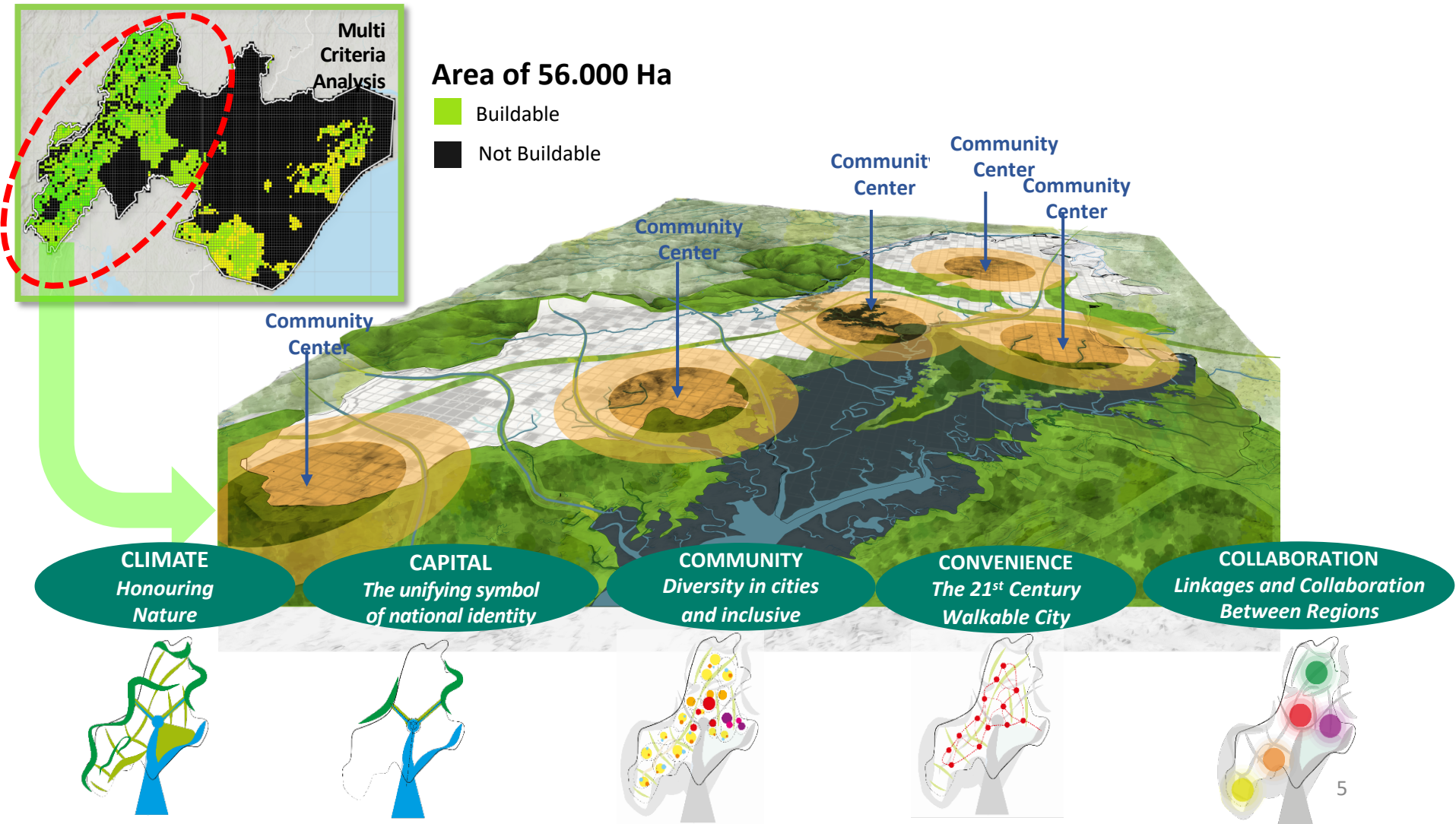
Location of The Nation's Capital



Initial Design of the Pre-Masterplan Concept



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Total Estimated Population To be Moved (and stay)



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Category	Population (2019)	Information
Central State Civil Apparatus : The Executive, Legislative, Judicial, Police and Military	182.462	Estimated number of residents active in state, executive, legislative and judiciary institutions
The family members (assumption 4 persons per family)	25.660	The scenario moved in part
	729.848	Each employee has 4 family members estimated
Estimated economic agents (will be moved and local residents from around)	562.030	Estimated number of residents active in supporting economic sectors
Total estimated population	1.500.000	

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






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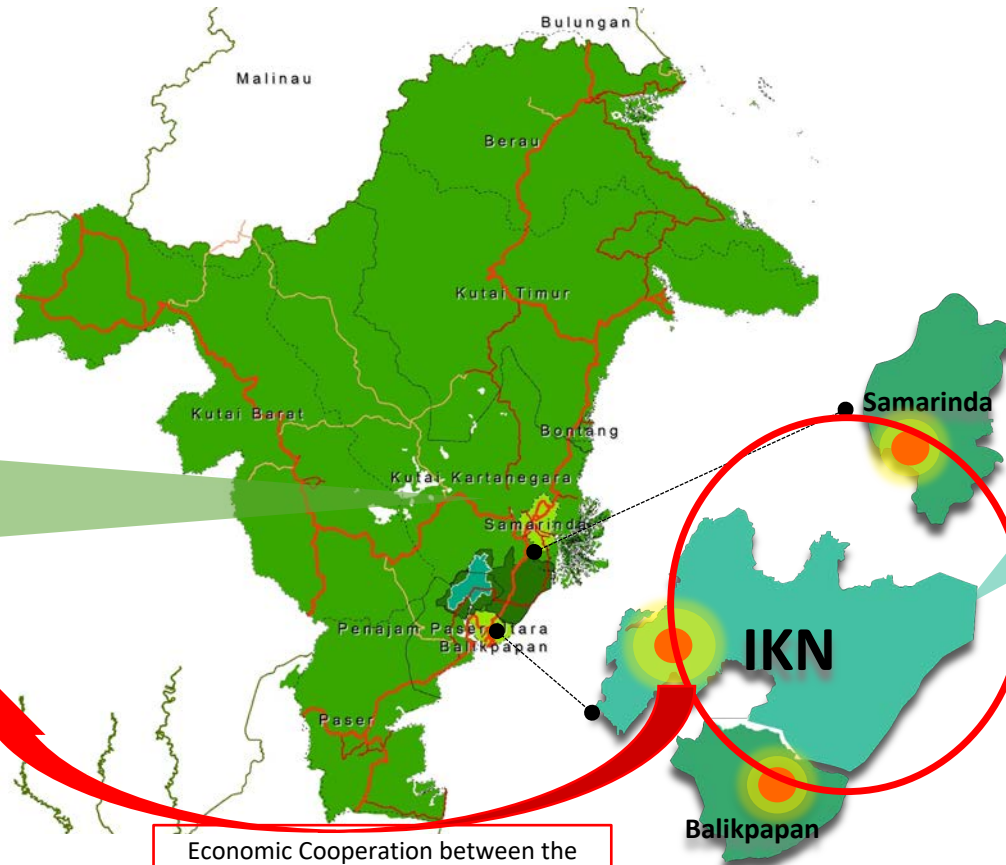
Capital City Area (256.000 Ha) and East Kalimantan Province

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:

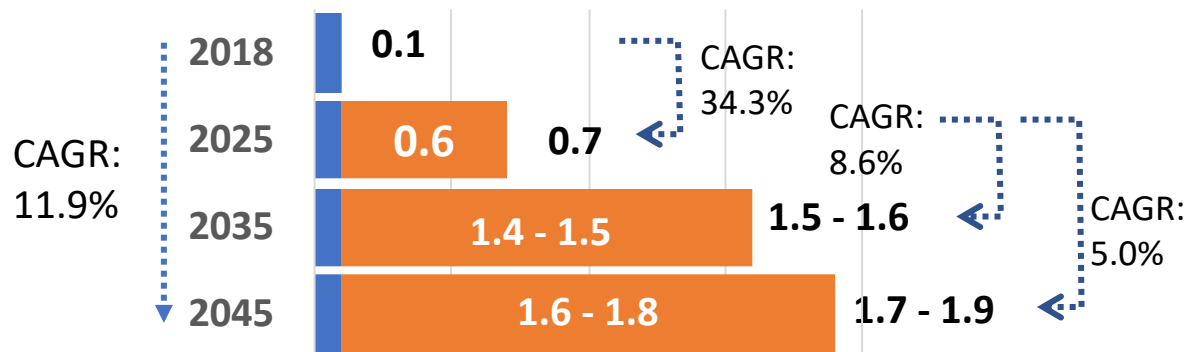
-  Technology Information Communication

Estimated Number of Population with the Strategy for the Acceleration of Economic Development

Uplift

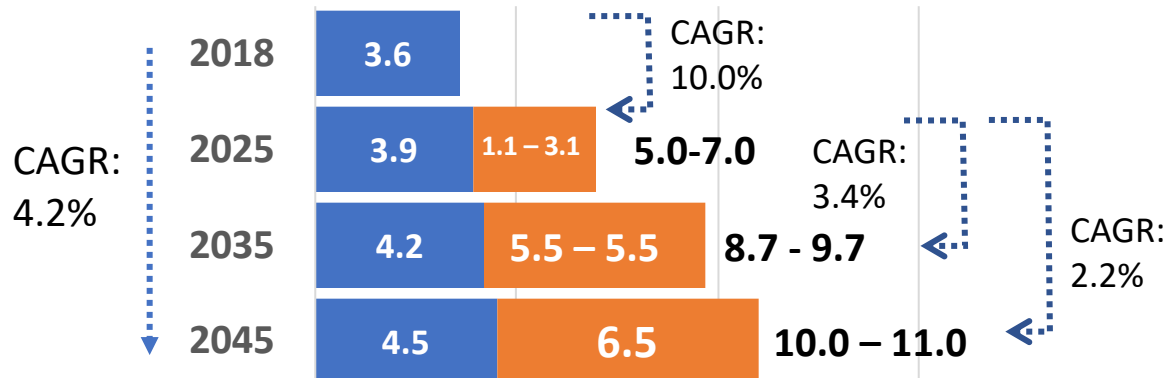
Baseline (Bappenas projection)

Total Population of the National Capital City



- Government officials (25% in Year 1)
- Employees of new sectors (e.g., Education, Digital innovation)
- Family members¹
- Induced services (e.g., F&B, retail)

Total Population of East Kalimantan Province



- 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

Expected Economic Impact



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

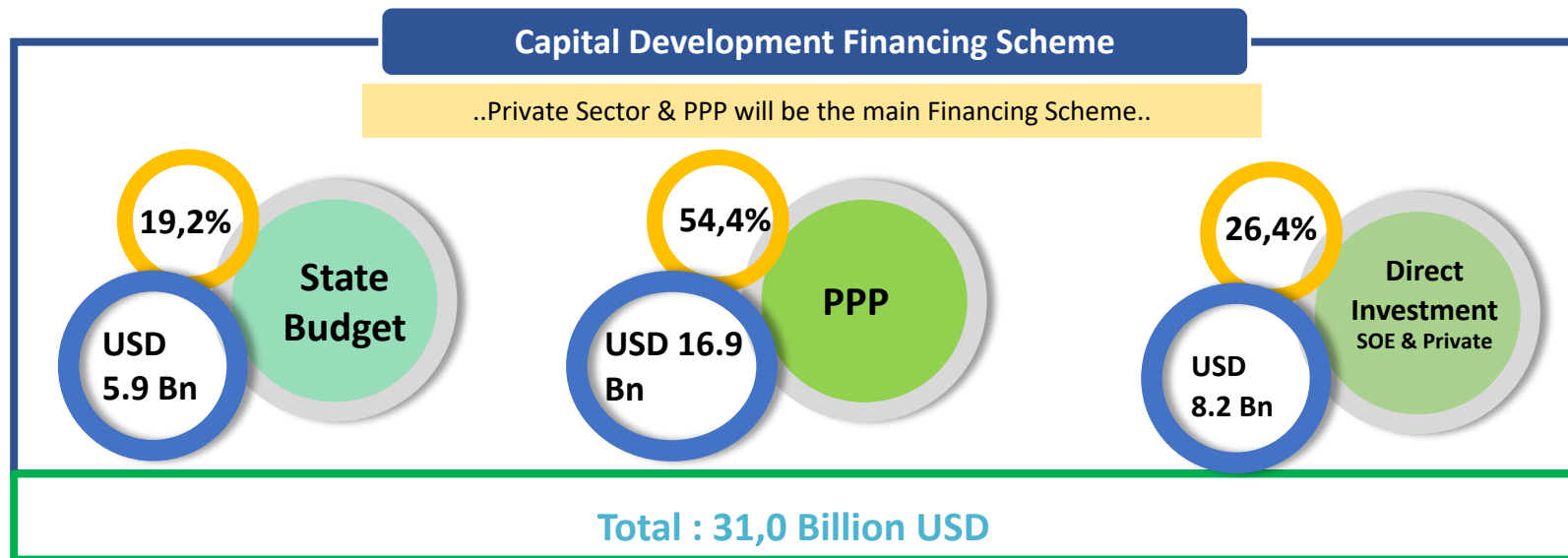


Reducing the gap between Regions

New Capital Funding & Financing Scheme



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Funding Strategy

Government Asset Utilization in
Jakarta with Private Sector

Land Utilization in the New Capital
City with Private Sector

State Budget

Private Sector

Timeline for New Capital City 2019-2024



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