



## Nudging forward on transportation and water infrastructure



Since the turn of the year, there have been signs of developments in several areas of infrastructure. On toll roads there is some sign of activity taking place on the long-awaited completion of the Jakarta Outer Ring Road with a reasonably clear indication that the 7-km missing link, W2, between Kebon Jeruk and Ulujami, will be operational in a couple of years.

The impact of this on the toll road through the center of Jakarta once W2 is open to traffic will be significant and will provide a very acceptable by-pass round the city for east-west traffic not designated for Jakarta, alleviating some of the daily congestion stress between Grogol and Cawang. Work is proceeding

steadily to link up the eastern section of JORR to Tanjung Priok.

The linking section between Jagorawi and Depok has just started to accept traffic prior to formal opening and implementation of tolling. This should help to ease some of the congestion in that area east of Jakarta. Less progress has been made, unfortunately, on the other links designated around the same area.

The proposal for the six toll routes within the city of Jakarta to proceed as one package needs to be re-examined. Dividing this into two or three packages will make the financing manageable for interested toll-road developers; as one package is hard to do. In addition, promotion as more than one package can introduce an

element of competition and a basis of comparison on quality of work.

Further east there are good signs that work could commence on the key Palimanan toll road this year and even further east the Mojokerto-Kertosono section will be usable.

A decision has been taken on how the new port expansion at Tanjung Priok, the Kalibaru project, is to be handled. The project will increase the overdue expansion of capacity for handling container traffic as well as for bulk petroleum products and is to be driven forward by Pelindo II, which has been working hard in the past year to develop a sound plan.

The approval for Pelindo II clarifies the response to the invitation put out by the Directorate General of Sea Transport in the middle of last year where the private sector was invited to show interest and four consortia were put together and submitted expressions of interest.

These four groups may be invited to maintain interest for the longer-term requirement of a brand new port to serve Jakarta and western Java, designated at Cilamaya on the north coast of Java within Bekasi regency.

Operations from this port should naturally follow on from the time that the Kalibaru development itself is approaching full capacity, but in order to achieve that preliminary work is required from now on. A study under the Japan International Cooperation Agency (JICA) is just getting under way. In the immediate term, nevertheless, it is essential that Kalibaru proceed as quickly as possible.

### No port investment for 25 years

For ports in general, there has effectively been little or no investment across the country for 25 years, and a similar lack in shipping. Many major ports, such as Surabaya and Semarang,

an area also suffering subsidence problems, as well as a slew of other lesser ports, need attention. Some dedicated purpose private ports, including those for coal, are being upgraded or expanded, as appropriate, by their owners.

There is also the question to be addressed of the impact on transportation of the legislative requirement that by 2014 mineral commodities will have to be processed before shipping out, a matter that is going to need increasing attention in the months ahead, as well as further implementation of the rules on cabotage and investment in new ships.

The growth in domestic air travel last year recorded an impressive 15%, adding several million passengers taking to the air from the upwardly mobile Indonesian populace. The main airlines with an Indonesian base – Garuda, Lion, AirAsia – have all been expanding their fleets to accommodate this impressive rate of growth.

However, while plans are in hand and forward development is being carried out in some places, crucially as in Bali, the overall airport infrastructure to accommodate this take off for future requirements is lagging well behind schedule.

The location for a new airport to serve West Java, Kertajati, some 60 km to the northeast of Bandung was identified a few years ago, and this is listed as a priority project for the West Java provincial government.

This much-needed airport is to meet escalating demand for air travel in western Java and the construction of this airport should already have been under way. The airport will be, and necessarily so, larger than Soekarno-Hatta, which is already handling some 80% of passengers above design capacity.

When looking at other very large

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conurbations in the world, such as London or New York, it can be seen that these areas are serviced by three main airports as well as other minor supporting ones.

Hence it is not surprising that supply is going to have great difficulty meeting demand in the times ahead and the situation is only going to become more acute since it must be at least six or seven years from now before the new planned airport is functioning, assuming the location is finalized, financing arranged and development undertaken.

Two sites for the new airport are currently in the frame, however. Kertajati is being promoted by the West Java government and a newer site nearer Cikampek is being examined under the auspices of JICA, closer to the many current industrial ventures located to the east of Jakarta, as well as the future Cilamaya port.

Following the signing of the new railway law in June 2007, three years were allocated for the reorganization of structures, particularly the separation of responsibility for infrastructure and operations. The former would fall under the aegis of the Ministry of Transport through the Directorate General of Railways, with the latter to be handled by PT Kerata Api Indonesia (PT KAI). Implementation has slipped with 2011 largely spent in discussing the basic organizational changes.

The first draft new organization plan was recently tabled for detailed discussion and negotiation between the

Directorate General and the Ministry, with the final version expected to be finalized in the course of 2012.

The Directorate General is expected to integrate inspection, maintenance, logistics, etc, within the new structure. The outcome is intended to provide a modern, economically working railway system with greater punctuality, reliability and safety, and hence a better foundation on which to introduce investment.

Plans to implement the Jakarta city-airport rail project remain active, albeit there has been considerable rethinking of the original proposal put forward a few years ago by PT KAI and Angkasa Pura II, through the formation of Railink.

Within the city, apart from the elevated non-toll road capacity expansions in Jl Antasari and Jl Satrio, some progress on development of the Lebuk Bulus – Monas MRT should be made, while the monorail lies mired in political obfuscation and apparent lack of consistency in policy making.

A few key water supply projects are also being evaluated with tender awards due in the coming months. Key support is being provided for the well-structured Bandar Lampung area project by the Infrastructure Guarantee Fund.

Other regencies are perking up to the knowledge that they have the jurisdictional responsibility to attend to water improvements in their respective areas. Umbulan has gone quiet!

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