



MINISTRY OF TOURISM AND CREATIVE ECONOMY  
REPUBLIC OF INDONESIA

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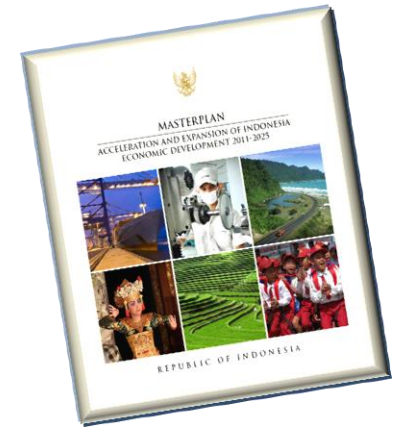
# Why Invest in Indonesia



Indonesia Tourism Investment Opportunity,  
International Hotel Investment Forum (IHIF) 2014  
Berlin, Germany - March 2014

# The Acceleration and Expansion of Indonesia Economic Development (MP3EI) 2011-2025 >>

Launched in May 2011



## The MP3EI goals:

Creating a more even distribution of wealth across the country, logistical and distribution equity, and stronger human resources capacity and capability embedded with better know-how, sciences and technology.

Establishing Indonesia as Ten biggest economic power in the world in 2025

## The MP3EI BENEFICIAL INDICATORS

1. National GDP 2025
2. Human Development Index 2025
3. Assets and Accesses Management (Resources Accounting)
4. Country's International Position in 2025

## The MP3EI Strategy:

1. Six Thematic Economic Corridors development and growth
2. Strengthening connectivity (domestic and global), thorough major infrastructure
3. Nurturing Human Resources and Science and Technology

## The MP3EI Values:

- Archipelagic Principle as Maritime Country
- Outside Java Exponential Growth
- Unloading “the saturated and overloading” Java
- Green Economic >> Water, Energy, Health and Sanitation, Agriculture-Food Security and Biodiversity)

## MP3EI Quantitative Target:

National GDP from US\$ 700 billion (2011) to US\$ 4500 billion (2025).  
Per capita income from US\$ 3000 (2010) to US\$ 16,100 (2025)

## Investment Required up to 2014:

US\$ 500 billion

## Sources of Finance:

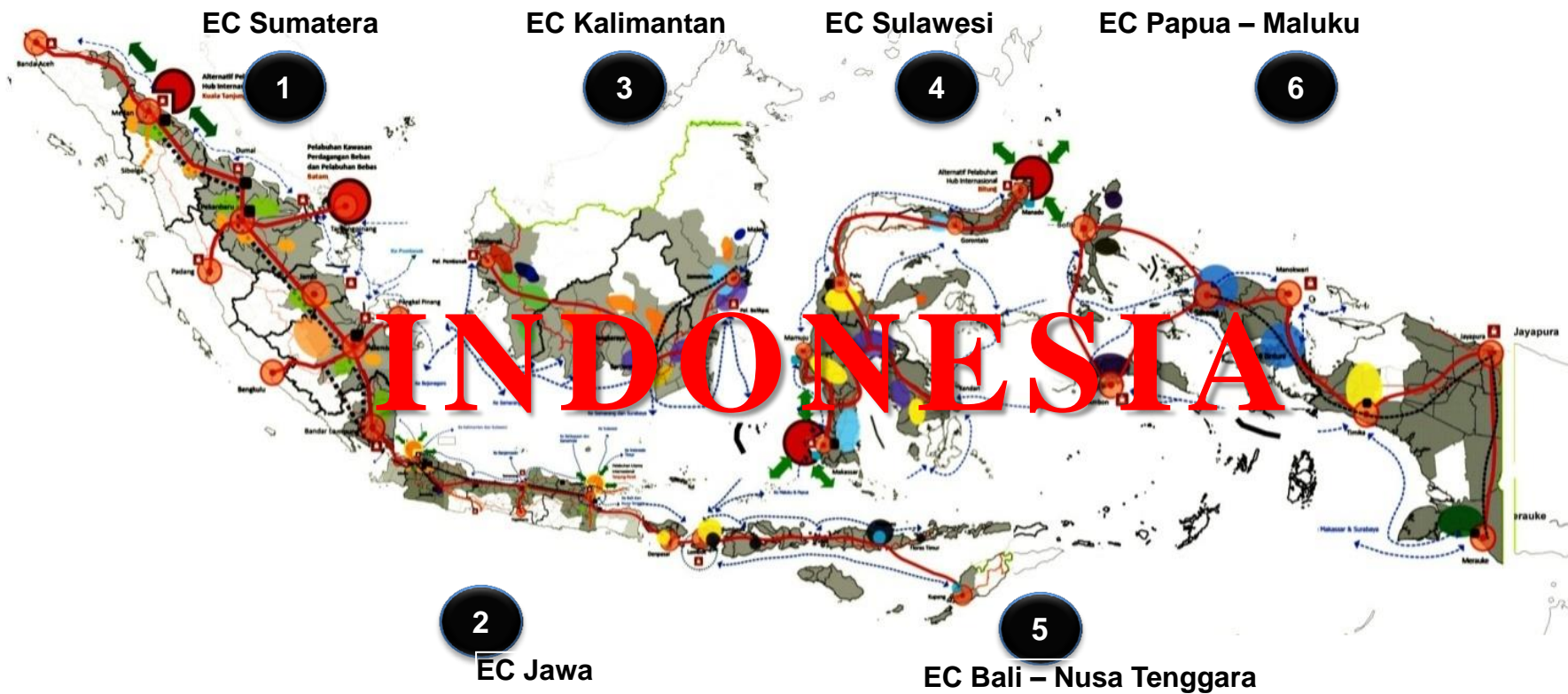
Collaboration among Government, State Owned Enterprises, Private Sectors, as well as Foreign Investment.

## THE SIX INDONESIA'S ECONOMIC CORRIDORS

**GMT + 7**

**GMT + 8**

**GMT + 9**



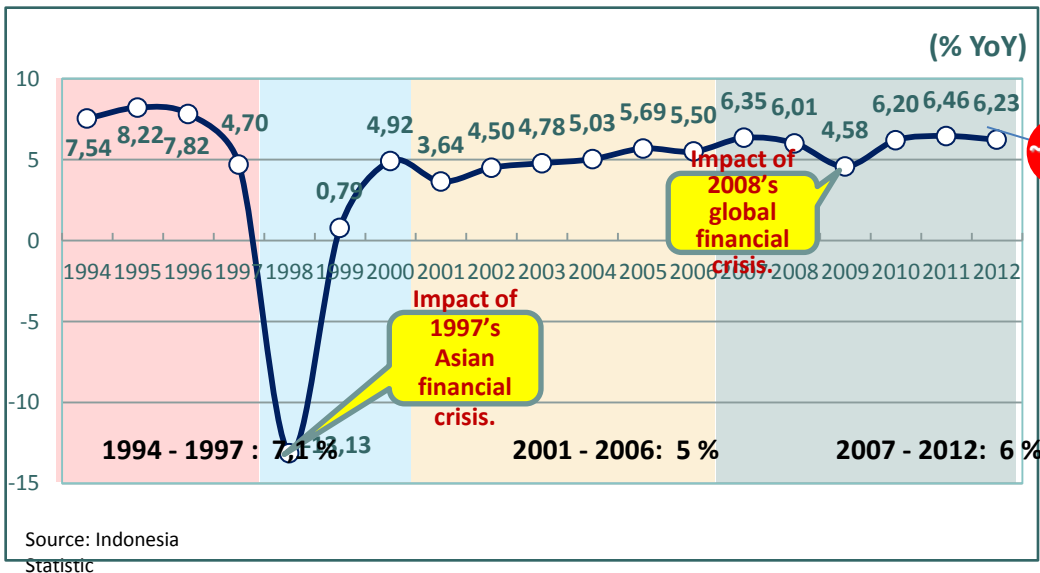
# MP3EI: The Acceleration and Expansion of Indonesia Economic Development

The acceleration and expansion of Indonesia economic development (MP3EI) primarily driven by 22 main economic activities



# Indonesia's GDP Growth Rate 1994 - 2012

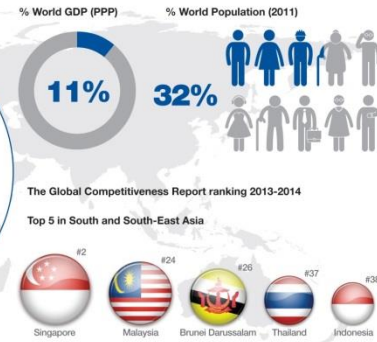
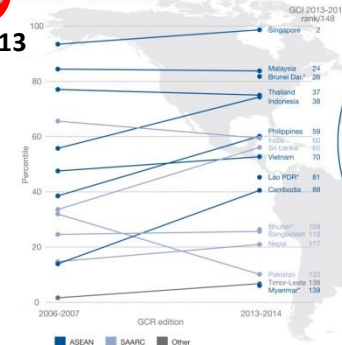
Relatively robust, but still lower than pre-1997 crisis average rate



## The Global Competitiveness Report 2013-2014 South and South-East Asia

The competitiveness divide runs deep between South and South-East Asia. Competitiveness levels and trends are overwhelmingly better in South-East Asia than in South Asia. Led by Singapore, the five best performing are all members of ASEAN (the Association of Southeast Asian Nations), well ahead of most countries of the South Asian Association for Regional Cooperation.

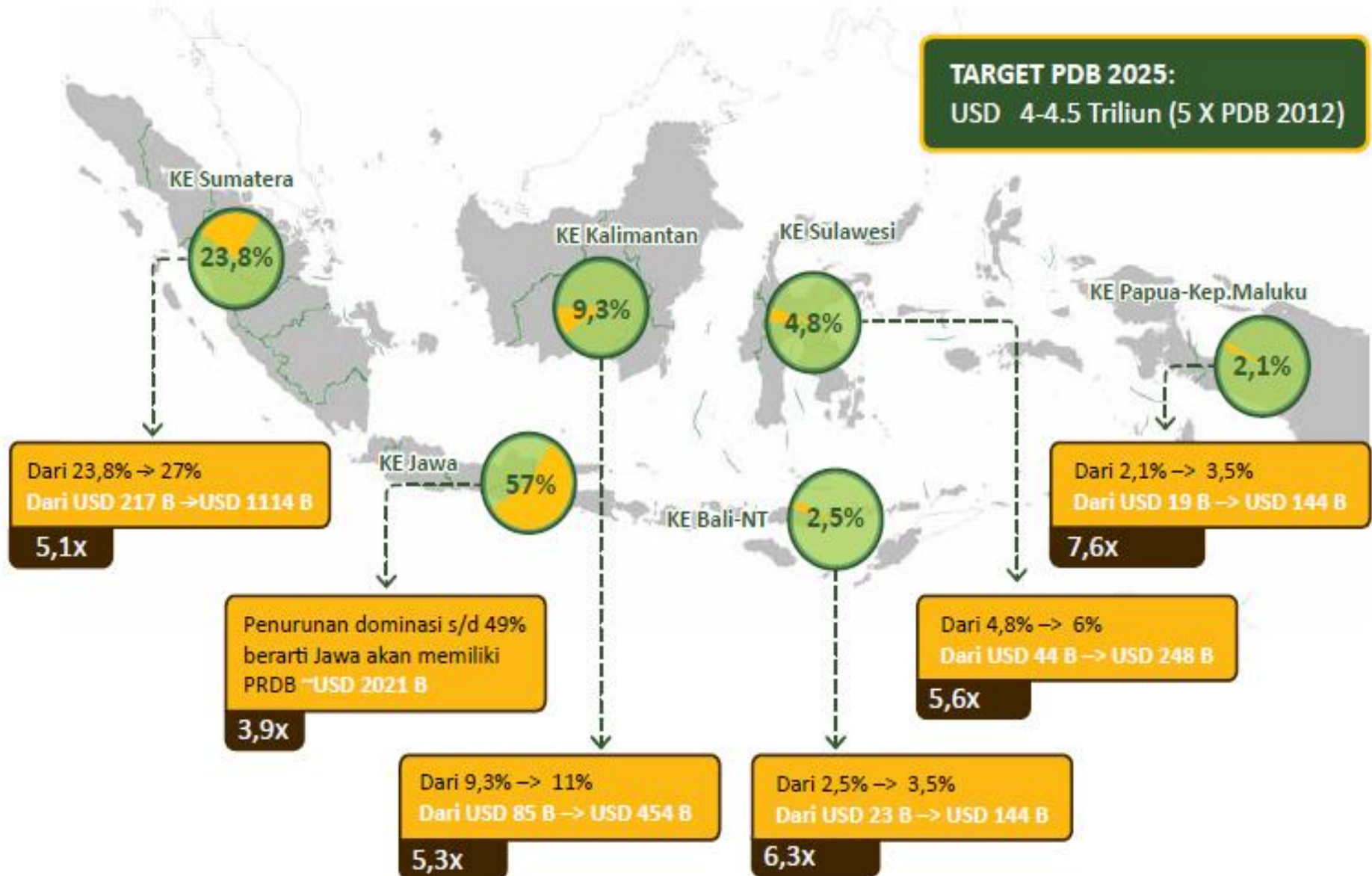
### Changes in the Global Competitiveness Report ranking 2006-2013 - South and South-East Asia



- ❑ **During pre-Asian crisis (1994-1997)**, the economy grew at an annual average rate of 7.1%, and was named an 'Asian Tiger' by the World Bank along with South Korea and Thailand.
- ❑ **After Asian Crisis (2001-2006)**; Indonesia's average annual GDP growth rate was 5%.
- ❑ **From 2007-2012**; Indonesia's average annual GDP growth rate was 6%. If this can be raised to 7% over the next 20 years, we believe Indonesia will be among the world's 12 biggest economies by 2025, and the 6 biggest economies by 2050. Mc Kinsey Global Institute predicts Indonesia will be the 7th-largest economy in the world in 2030. Standard Chartered Global Research predicts Indonesia will be the world's 10 largest economies in 2020, and the top six in 2030.

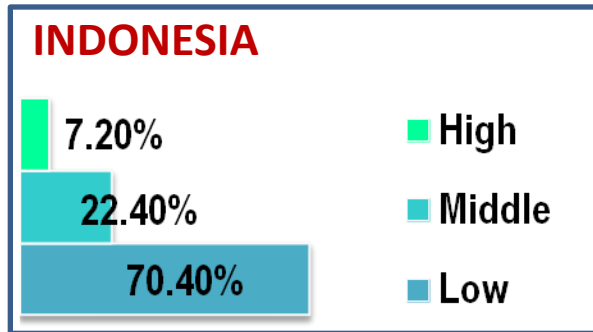


# THE EXPECTED NATIONAL GDP STRUCTURE 2025 (BY ECONOMIC CORRIDOR)



# Indonesia Tourism and Human Resources Capabilities

2012



2025

Improving and intensifying related educational programs to pursue targets, as follows:

- **High : 20 %**
- **Middle: 45 %**
- **Low : 35 %**

Source: Ministry of National Education and Culture

Building human resources knowledge, sciences and technology is an integral strategy in the process of Acceleration and Expansion of Indonesia Economy (MP3EI)

This will support total economic national development, ... INCLUDING TOURISM INDUSTRY

## Indonesia's Population is Growing and Becoming More Educated and ... More Affluent



MAC population includes middle, upper-middle, affluent, and elite consumers

Sources: BCG Population and Household Expenditure Database 2012; BCG analysis; Indonesian Government Statistics Office (BPS).

<sup>1</sup>Monthly household-expenditure numbers are stated in real 2011 terms (adjusted for inflation) and include regular household expenditures such as food, utilities, transportation, communication, and regular household supplies, and exclude discretionary spending such as entertainment, restaurant dining, and similar categories. Note that the expenditure level is based on data from BPS, which uses regression analysis to remove irregular expenditures. The spending levels used to define wealth classes in this model may differ from those used by market research agencies to define socioeconomic status levels because of different data-collection methodologies and models.

# New airports for better connectivity

By 2015, no less than 24 new airport will be added to the currently 217 airports. These airport will serve Indonesia's tourism industries and destination by better connectivity. More tourism destinations would be develop accross the 5200 km span archipelago .

## SUMATRA ECONOMIC CORIDORS

1. Medan Baru, Sumatera Utara
2. Pekonserai, Lampung Barat
3. Muara Bungo, Jambi
4. Silangit, Lake Toba
5. Enggano, Bengkulu

## PAPUA-MALUKU ECONOMIC CORIDORS

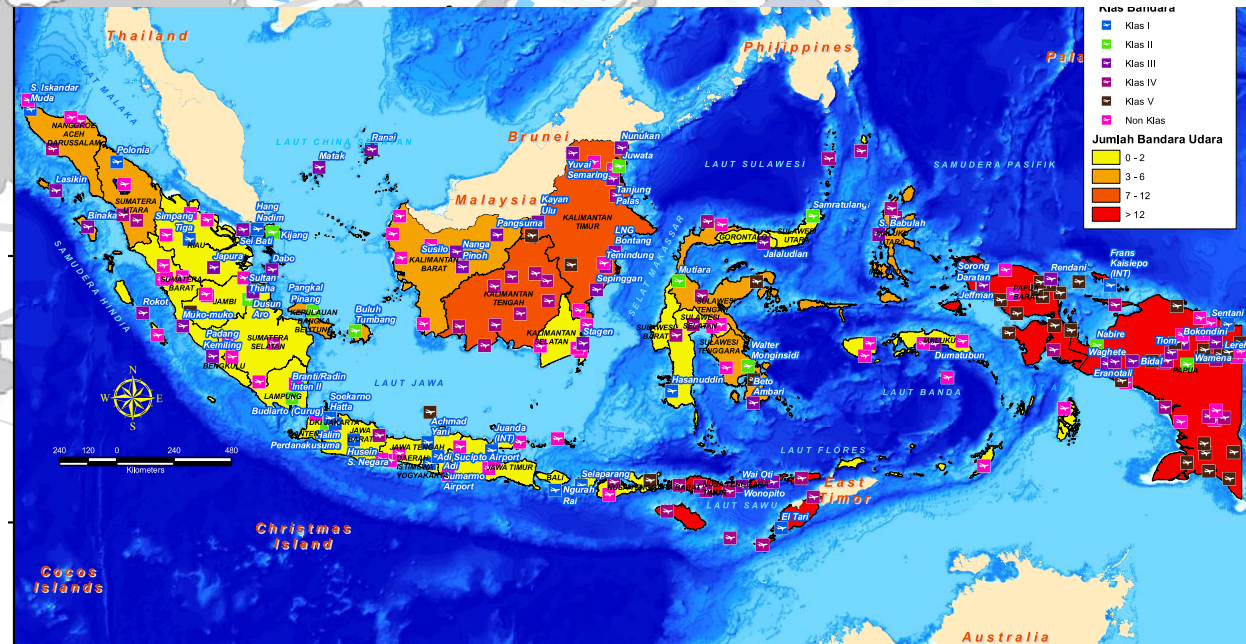
1. Kufar, Maluku
2. Tual Baru, Maluku
3. Saumlaki Baru, Maluku
4. Waisai, Raja Ampat
5. Kamanap Serui, Papua
6. Waghete Baru, Papua
7. Segun, Papua
8. Werur, Papua
9. Namniwel, Maluku
10. Moa, Maluku

## KALIMANTAN ECONOMIC CORIDORS

1. Muara Teweh Baru, Kalimantan Tengah
2. Tebelian, Kalimantan Barat
3. Sinak Baru, Kalimantan

## SULAWESI ECONOMY CORIDORS

1. Bone, Sulawesi Selatan
2. Sumarorong, Sulawesi Barat
3. Morowali, Sulawesi Tengah
4. Buntu Kunik, Sulawesi Selatan
5. Tojo Una-Una, Sulawesi Tengah
6. Miangas



SLOC & ALKI Strategic Sea Lines



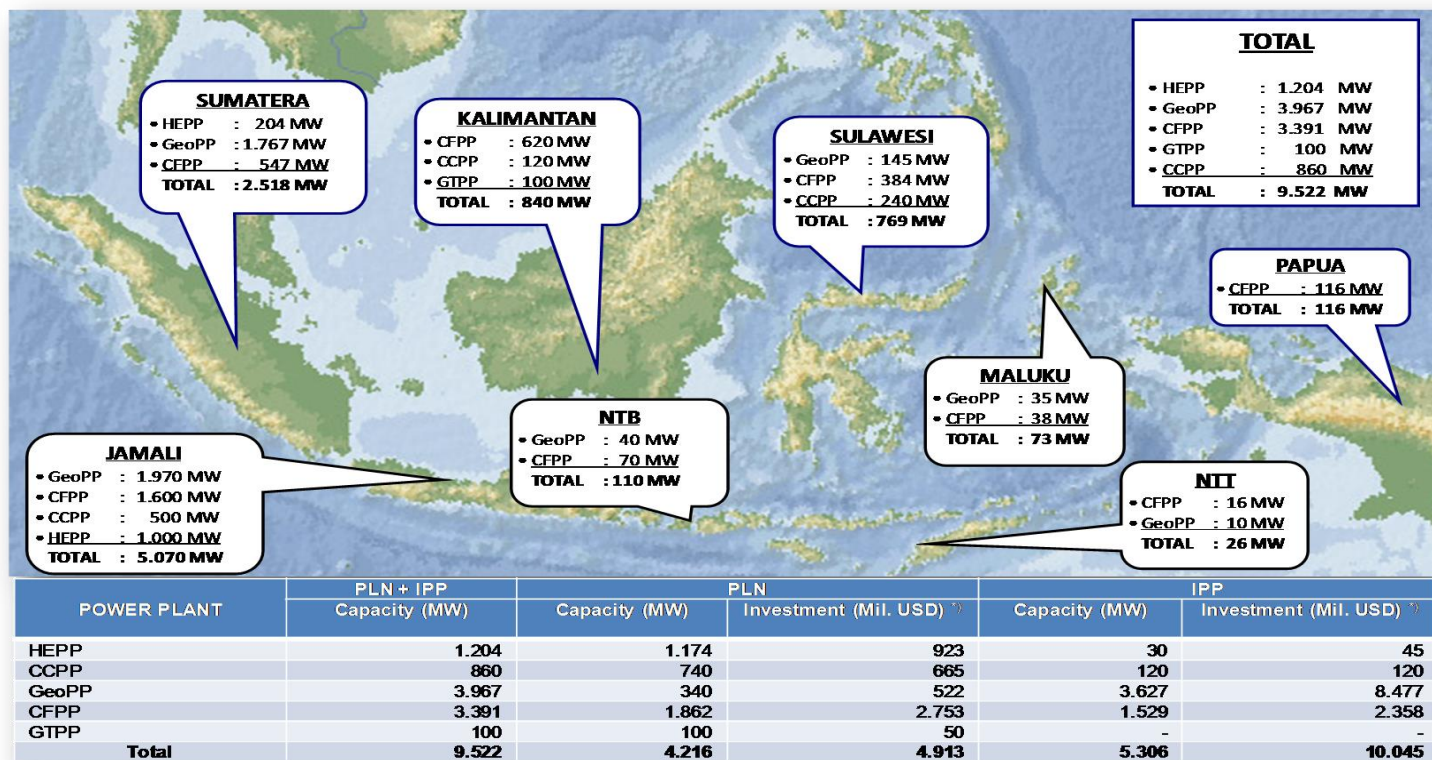
# Provision of Sustainable Energy Supply

## Fast Track Program 10,000 MW Phase II

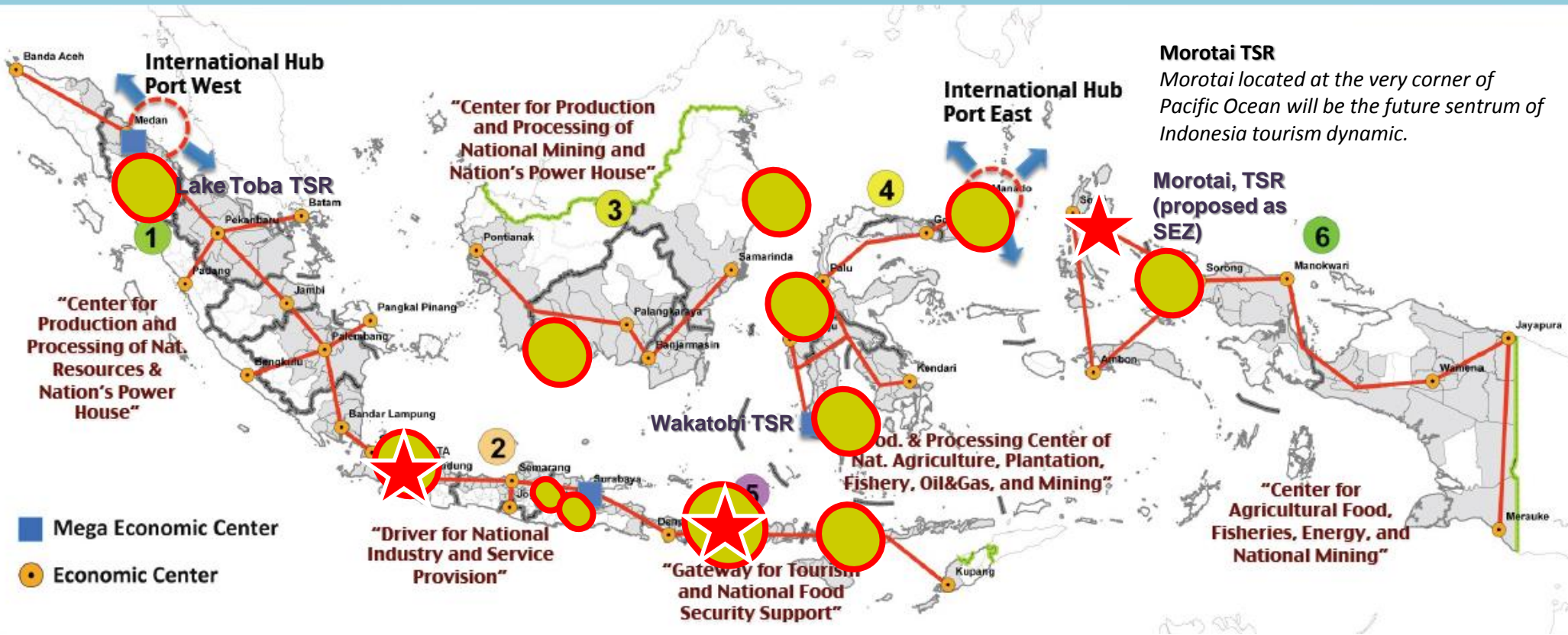
Up to the end of 2013, MP3EI has initiated no less than 12,600 MW electricity power supply.

9.377 MW for Eastern Part of Indonesia and 3.281 MW for West Part of Indonesia.

TOTAL POWER SUPPLY TO BE DEVELOPED 60,000 MW



# NATIONAL STRATEGIC TOURISM REGIONS AND TOURISM SPECIAL ECONOMIC ZONES



## Morotai TSR

Morotai located at the very corner of Pacific Ocean will be the future sentrum of Indonesia tourism dynamic.

## Morotai, TSR (proposed as SEZ)

**TANJUNG LESUNG SPECIAL ECONOMIC ZONE**  
Located in the border of Sumatera and Java Economic corridors, Tanjung Lesung provides sanctuary from the robust and dynamic economy activities

**MANDALIKA SPECIAL ECONOMIC ZONE**  
Mandalika has potential to attract US\$ 300 Million investment and Senggigi is already attracting investment

**TSR: Tourism Strategic Region**

**SEZ: SPECIAL Economic Zone**



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**THANK YOU**