Jakarta, September 25, 2018 - The Indonesia Investment Coordinating Board (BKPM) in cooperation with the Ministry of Transportation had organized a Market Sounding for Komodo Airport – Labuan Bajo PPP Project. This project is the development of Komodo Airport through a PPP scheme with around IDR 3 Trillion total investment requirement, consists of IDR 1.17 Trillion for Capital Expenditure (CAPEX) and IDR 1.83 Trillion for Operational Expenditure costs. The return on investment comes from the tariff of airport service facility during a 25-year concession period. The project is also planned to get a government guarantee through PT Penjaminan Infrastruktur Indonesia.

In this event, there were approximately 150 participants including investors engaged in airport management, contractors, banks and financial institutions, consultants and related associations from inside and outside the country. Several companies and BUMNs were present, including: GVK Services Indonesia, Airport GMR, PT Angkasa Pura I, PT Angkasa Pura II, PT Dirgantara Petroindo Raya, PT Cardig Aero Services Group, Muhibbah Engineering BHD, PT Wijaya Karya Bangun Gedung, PT Sojitz Indonesia, PT Pembangunan Perumahan, Astra Infrastructure, Mitsubishi Corporation, Hyundai Engineering Co., Ltd, China Construction Eighth Engineering Division Corp. Ltd., Bank of Tokyo-Mitsubishi UFJ, BNP Paribas, Mitsui, Marubeni Corporation, ITOCHU Corporation, Indika Logistics, and several embassies of friendly countries.

In his opening remarks, Caretaker for Deputy of Investment Planning, Wisnu Wijaya Soedibjo said that the development of Komodo Airport – Labuan Bajo with PPP scheme was intended not only to build an international airport complex physically but also to provide airport facilities which can provide quality services for foreign and local tourists who visit the Komodo Tourism Area for 25 years of concession. Furthermore, Wisnu also conveyed that the selection of PPP schemes in the provision of infrastructure is not only due to budget constraints, but more important is also to empower the participation of private sectors that own the knowledge, expertise and experience to realize a good quality airport infrastructure with a more efficient budget.

It was also emphasized that market sounding is a forum to facilitate communication between the Government and potential investors, at the same time to get feedback on the improvement of the collaboration model offered by the government. Therefore, in a special one-hour project consultation session, the participants were divided into 3 small groups so that they can be more open to submit questions or opinions to the project owner or the Contracting Agency (PJPK).

Director of Aviation Security at the Ministry of Transportation, Nur Isnin Istiarto, in his remarks said that currently the Ministry of Transportation is reviewing the potential implementation of PPP schemes in several airport projects. In this matter, Komodo Airport was chosen as a pilot project, considering its role to support the development of the Labuan Bajo National Tourism Strategic Area, as well as the potentials from the surrounding area that offers the panoramic beauty of nature and local wisdom of East Nusa Tenggara. Furthermore, Pramintohadi hoped that through the PPP scheme there would be opportunities for knowledge transfer between prospective partners and State-Owned Enterprises (BUMN) for the more efficient and profitable airport management.

In the presentation session, the Director of Airport at the Ministry of Transportation, Polana B. Pramesti, explained that the scope of the development and construction work of the Komodo Airport
facilities under this PPP scheme including the construction and operation of international passenger terminal buildings and cargo terminals, runway extension, and airport facilities maintenance. In addition, Pramesti also informed that the project Prequalification phase will be carried out around October 2018.

The material related to the PPP scheme for the airport project in Indonesia was delivered by Sri Bagus Guritno, Director of Government Cooperation with Private and Construction Design, Bappenas. Armand Heryawan, Managing Director of PT Penjaminan Infrastruktur Indonesia, also gave an explanation about the mechanism and form of guarantees the government can provide for airport projects in Indonesia.

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