

Urban growth and its challenges: Case of Indonesia

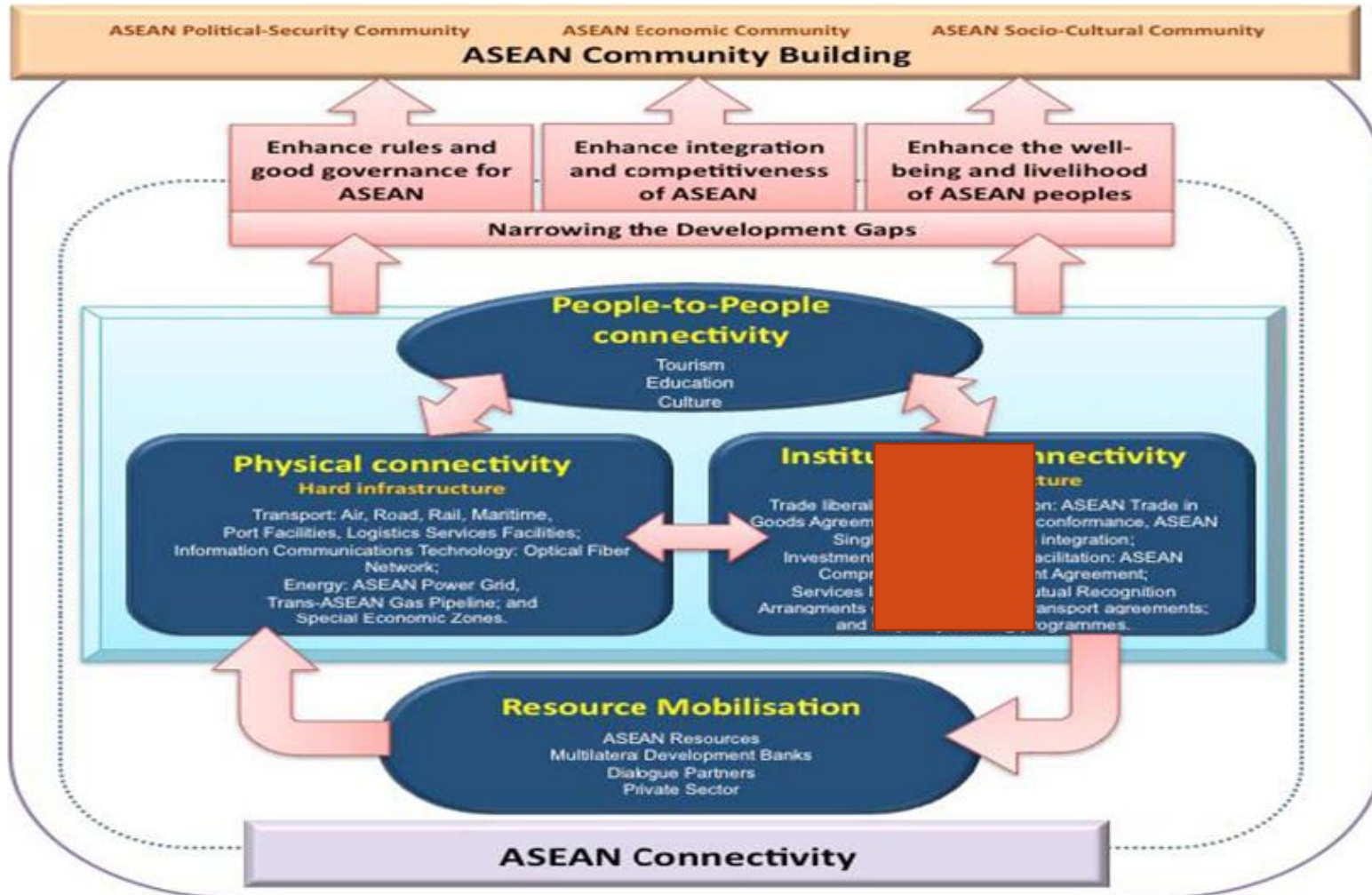
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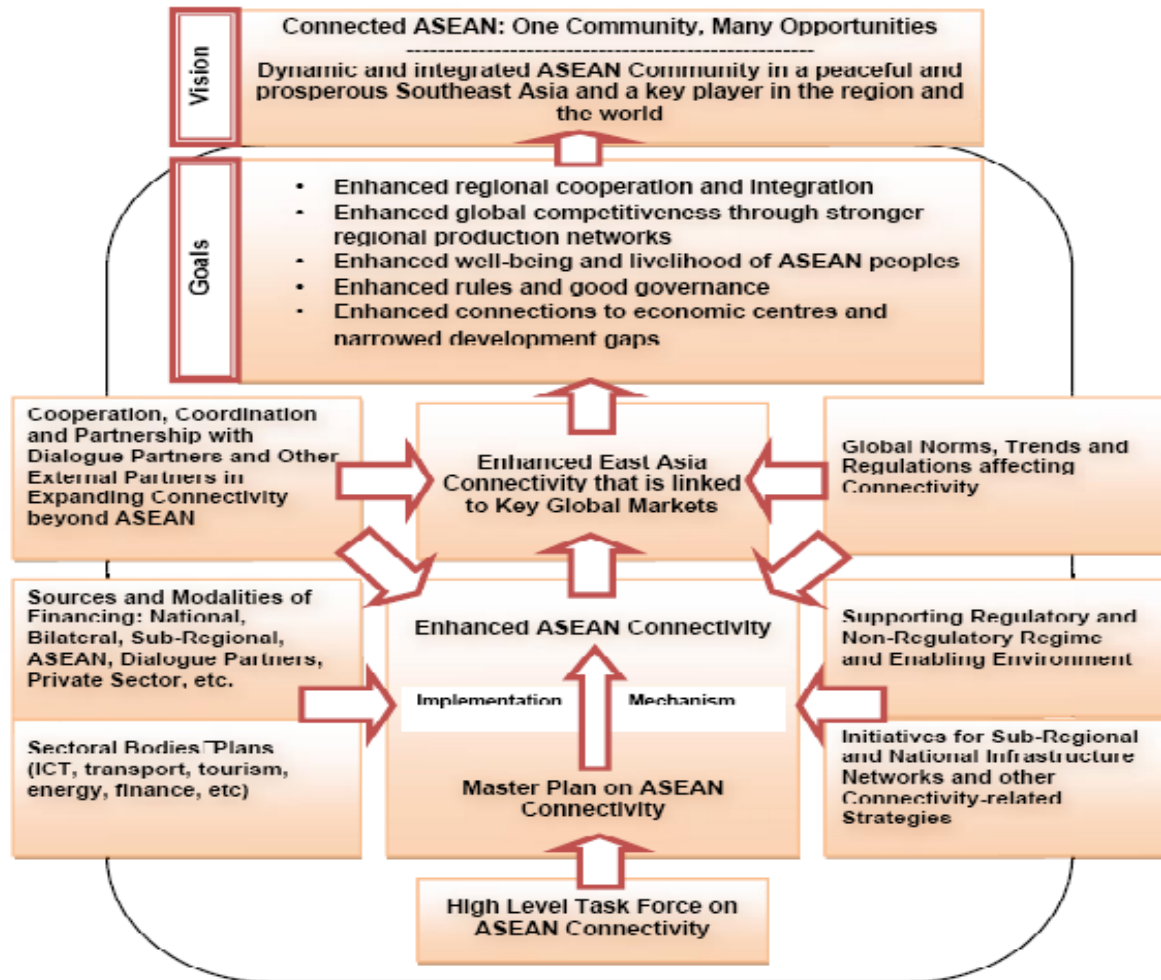
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Interaction between ASEAN Connectivity and ASEAN Community



“Vision and Goals of ASEAN Connectivity”



Source: Modified from Thailand’s paper on “Possible Approaches towards Enhancing Regional Connectivity: A Preliminary View”

ASEAN Main Key Indicators 2009

Country	Area 1000 km	Population million	Density person/km	Pop growth % yr	GDP per cap PPP- US\$
Brunei D	5.8	0.4	70 .0	2.1	36, 2 00
Cambodia	181.0	5.0	83 .0	2.1	1,800
Indonesia	1, 860.4	231.4	124 .0	1.2	4,400
Lao PDR	236.8	5.9	25 .0	2.8	2,300
Malaysia	330.3	28.3	86.0	2.1	12,300
Myanmar	676.6	59.5	88.0	1.8	1,100
The Philippines	300.0	92.2	307.0	2.0	5, 600
Singapore	0.7	5.0	7,023.0	3.1	52,900
Thailand	513.0	66.9	130.0	0.6	7,900
Viet Nam	331.0	87.2	283.0	1.2	3,100

ASEAN/Asian Highway Network Map



Designated Transit Transport Routes (TTRs) in ASEAN

Country	Total Length of TTRs (km)	Total Length of Below Class III TTRs (km)
Brunei Darussalam	168	0
Cambodia	1,338	0
Indonesia	4,143	0
Lao PDR	2,170	391
Malaysia	2,242	0
Myanmar	3,018	1,467
Philippines	3,073	211.5
Singapore	- ^{1/}	-
Thailand	4,477	0
Viet Nam	577	0
Total	21,206	2,069.5

Note: 1/ Designated TTRs for Singapore to be submitted at the time of deposit of Instrument of Ratification for Protocol 1 of the ASEAN Framework Agreement on the Facilitation of Goods in Transit.

Source: Thailand Report "The Updated Status of the AHN Project" Presented to 29th Senior Transport Official Meeting in Brunei Darussalam (1-3 June 2010), ASEAN Secretariat

Rate of urbanization in some major Asian countries, 1970 - 2010

- **Indonesia** : 4.2 %
- China : 3.8 %
- Philippine : 3.4 %
- India : 3.1 %
- Vietnam : 3.1 %
- Thailand : 2.8 %

Indonesia: Rural – Urban Population

• Year	Urban (millions)	Rural (millions)
• 1971	20.5 (17.2%)	98.9 (82.8%)
• 1980	32.8 (32.4%)	114.1 (67.6%)
• 1990	55.5 (30.9%)	123.8 (69.1%)
• 2000	85.8 (42.2%)	117.7 (57.8%)
• 2010	118.3 (49.8%)	119.3 (49.2%)
• 2025	(67.5%)	(32.5%)

Indonesia continue....

- Indonesia has urbanized rapidly and continue for the mid-term future.
- This creates significant opportunity for Indonesia; with urbanization's potential to boost regional economic growth, and create vibrant cities and metropolitan areas.
- Ie. Indonesia has the potential to substantially increase its economic return from urbanization.

Continue....

- There are 44 agglomeration areas in Indonesia.
- Larger cities in general are more productive because of positive externalities (agglomeration).
- Java-Bali metropolitan regions continue to play a dominant in Indonesia's economic development.

Continue.....

- The core cities lead in economic output, but urban – periphery also important role as driver growth agglomeration.
- Inefficient land market, limited connectivity and limited investment credit facilities.
- This is a big challenge to economic development of cities.

Continue...

- Indonesia's surface transportation network is inadequate, far lag behind in its neighboring countries.
- Improve inter-island connectivity will strengthen transportation link between major urban areas.
- Capital expenditures on infrastructure is insufficient in the metropolitan areas.

Access to water, sanitation, electricity and roads, 2008.

	Urban	Rural	Total
Water (% HH)			
-Drinking water	78.3	49.1	55.1
- Pipe water	32.0	10.7	15.0
 Sanitation			
Own toilet	71.8	52.0	61.7
with septic tank	59.6	29.3	44.1
Shared toilet	18.1	16.3	17.2
No toilet	10.1	31.7	31.1

Continue....

	Urban	Rural	Total
• Electricity(% HH)			
- PLN	97.9	81.4	89.4
- with meter	88.5	82.7	95.3
- w/o meter	11.5	17.7	14.7

Roads 2000-2004 : Network expanded : 12%

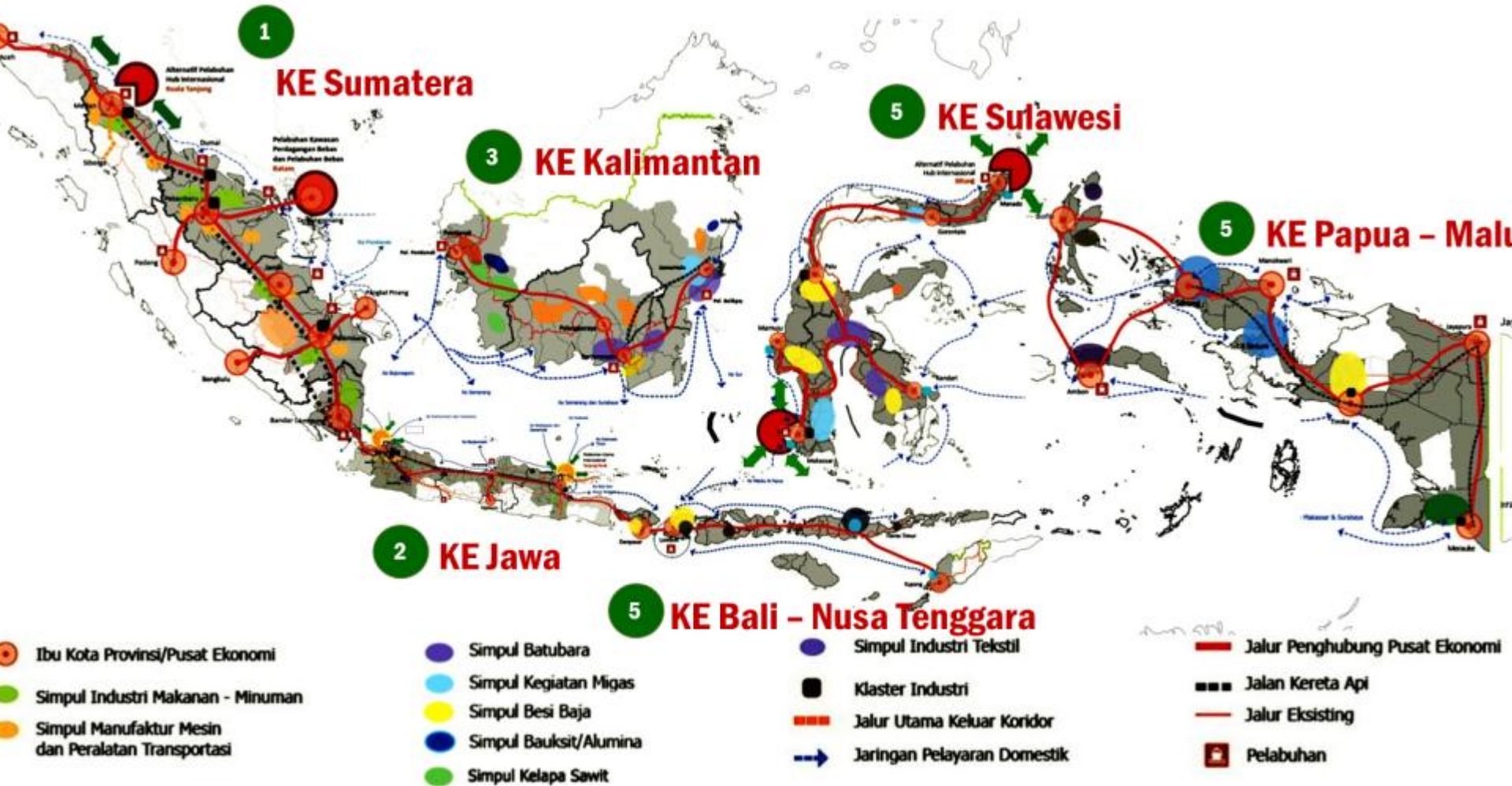
But vehicle owner/1000person: 80%

(logistic and efficiency in roads decline; congestion worse)

Other critical issues.....

- Housing
- Urban environment
- Waste management
- Green public space
- Other social and economic issues:
 - Education
 - Health
 - Informal sector
 - Poverty
 - Social harmony
 - etc

Six economic development corridors as the backbone of MP3EI



Continue....

- The Master plan for acceleration and expansion of Indonesia economic development (MP3EI) should increase the connectivity among major urban areas.
- The GOVERNANCE issues are very critical.
- A proper and inovative policy and investment strategy is needed so that the positive impacts of Indonesia rapid pace of urbanization will greater than it has been achieved so far.

THANK YOU