



# Indonesia-Korea Collaboration on IKN Relocation: Current status and suggestions for the future

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On behalf of



Ministry of Land,  
Infrastructure and Transport



Ministry of Economy  
and Finance



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# 1. IKN Relocation – A view from outside

Solid economic growth powered by surged trade surplus is heralding favorable setup for the capital relocation. Political consistency will strengthen foreign investors' trust.

Trade surplus thanks to bullish commodity prices  
- **Tax revenue soaring /**  
**3 consecutive quarter 5+% YoY growth**

Nusantara Authority launched  
- **Transition team is in active discussion**

Very much detailed IKN presidential orders  
- **Construction standards, Utilities map,**  
**BIM work, etc.**

Land preparation and works already started  
- **Various works are already on tender**

VS.

Emotional resistance  
- **Inland commute impossible /**  
**underdeveloped image**

Political risk of cancellation  
- **Force majeure**

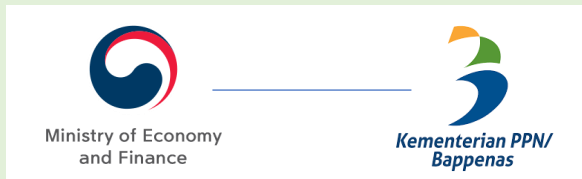
MDB's passive stance so far  
- **e.g. WBG**

## 2. Current status of collaboration

### 1) G2G

#### MOU

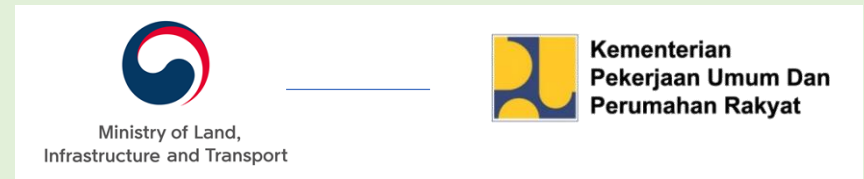
('20. 1. 13, in effect for 5 years)



- MOEF's IKN Planning supports:  
**EIPP** (Economic Innovation Partnership Program)  
and **advisors dispatch to Bappenas**  
(Estimated in October 2022)

#### MOU

('19. 11. 25, renewed on '22.7.28)



- MOLIT's IKN Planning supports:  
**K-City Network**,  
and **Experts dispatch to PUPR**  
(Feb 2020~)

Both **EIPP** and **K-City Network**  
operated by



With annual budget of  
**approx. 3 mil.** (for Indonesia only)



## 2. Current status of collaboration

### 2) G2B

#### ‘Team Korea collaborating for IKR relocation’

- Formed in Feb 2021
- A public-private committee (26 member corp./institutions)
- Active engagement with Indonesia public (congress) and private (Indonesia Real estate Association) sectors



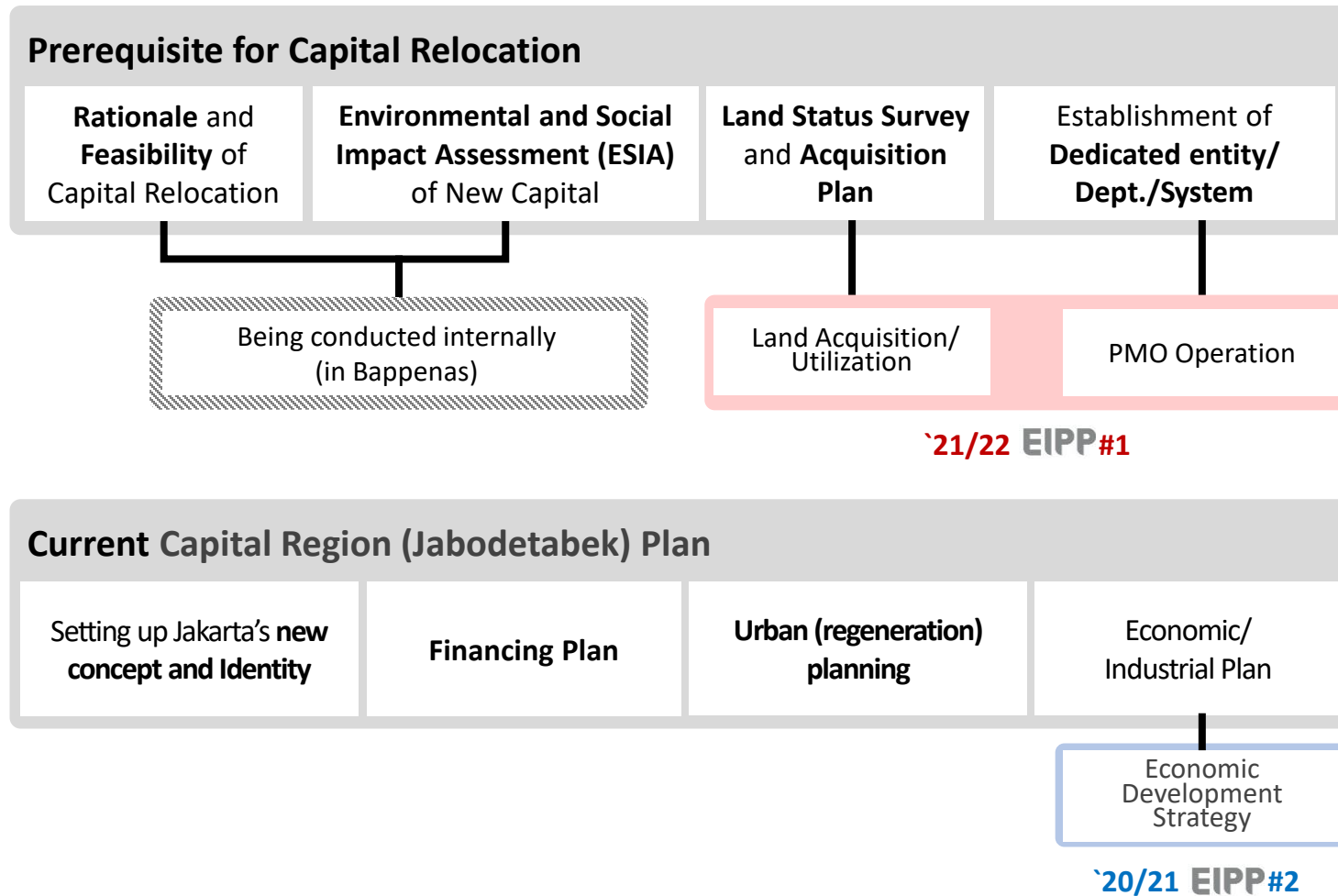
### 3) B2B

#### So far the least active area, but..

- Indonesia Real estate Association started discussion with Korean private companies
- Collaboration discussion also started between Korean and Indonesian construction companies

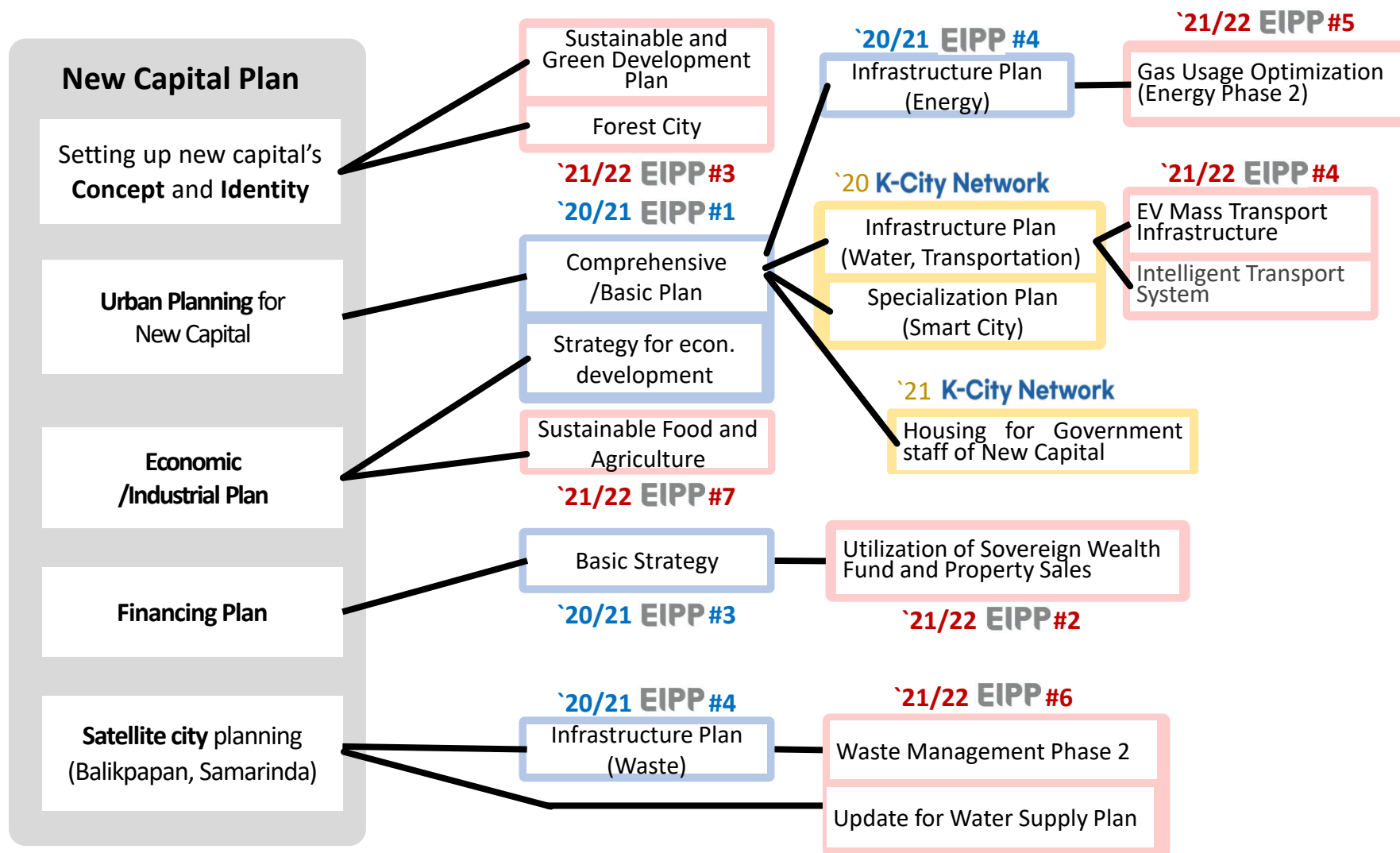
### 3. Achievements and limitations

#### Planning / Policy advisory by EIPP and K-City Network



### 3. Achievements and limitations

#### Planning / Policy advisory by EIPP and K-City Network



### 3. Achievements and limitations

EIPP and K-City Network supports **lead to project development and investment**

**Private sponsors in move for a project developed by K-City Network**

Smart city basic planning  
K-City Network 2020



Smart residence pre-F/S  
K-City Network 2021



Sponsors preparing investment  
proposal (Unsolicited)  
Sponsors' budgets

**EIPP's transformation: from policy advisory to actual project preparation**

Policy advisory / Sejong case  
analysis / Basic planning  
EIPP 1<sup>st</sup> year



Policy advisory / Sejong case  
analysis / Basic planning  
EIPP 2<sup>nd</sup> year



Solar power pre-F/S /  
Industrial estate pre-F/S  
EIPP 3<sup>rd</sup> year ~



### 3. Achievements and limitations

#### Other achievements

Consistent supports since highly uncertain times

- Compared to other foreign governments or companies that withdrew their position, Korea showed its most sincere will for partnership

IKN law, orders with detailed master plan

- Deliverables of **EIPP** and **K-City Network** were digested and partially reflected

Bappenas – KIND close working level relationship

- Real-time messaging / Regular videoconference
- Increased face-to-face discussion thanks to improved COVID situation

#### Limitations

Organizational integration not yet done

- Information and works are fragmented, rather than integrated

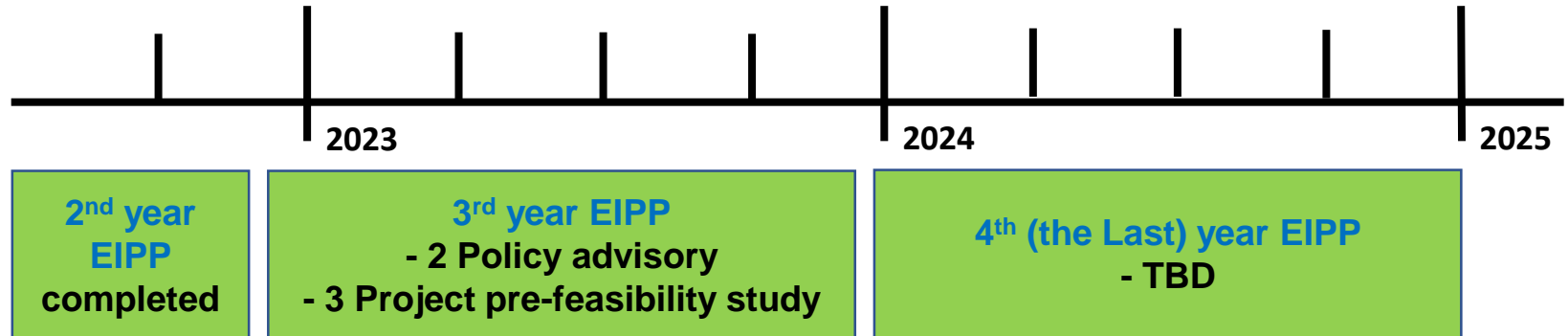
Limited access to core information

- This one is solved as IKN law and orders were publicly opened

Building trust between partners is not enough

- Closer G2G, G2B and B2B collaboration on actual implementation will be the key in the future

## 4. Future schedule



**G2G**

**EIPP Special Advisors dispatch to Indonesia**

- 1 Fiscal/International finance expert
- 1 Urban planning expert with Sejong experience

**G2B, B2B**

**IKN East Residence Consortium formed**

**IKN East Residence Proposal submission**

**IKN East Residence Negotiation with Govt.**

**IKN East Residence Pilot village construction**

**Based on 3<sup>rd</sup> year EIPP pre-F/S result**  
**Unsolicited proposal for energy, industrial estate will be followed**

## 5. Suggestions and Requests

**To Korean companies: No time to doubt or hesitate – Consider IKN relocation is being done and act on it**

**Carry out activities like marketing, intelligence, partnership making**

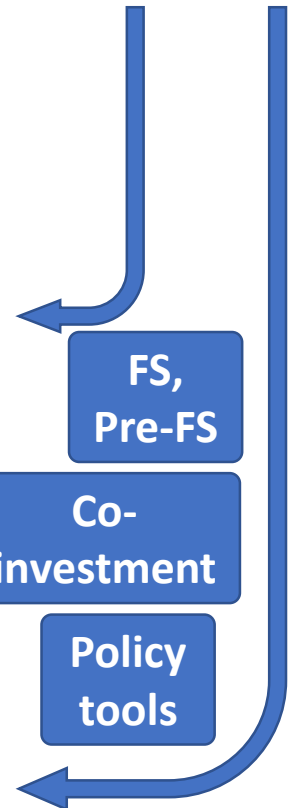
**Form a consortium with local partner and review the law and orders**

**Identify government needs and prepare and submit proposal to government**

**To Indonesian government: High visibility on policies and implementation will bring foreign investments**

**For example: announcing which government buildings will be on sale or lease due to relocation will bring developers' interests to invest**

**Announcing specific project needs for the new capital will provide directions to foreign investors**





Economic Innovation  
Partnership Program

**EIPP**

**K-City Network**

**Terima Kasih**

**감사합니다**

**Thank you very much**



**KIND**

Korea Overseas Infrastructure &  
Urban Development Corporation