



Ministry of Land,
Infrastructure and Transport

Jakarta Railway Project and New Capital Project in Indonesia

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Minister WON Hee-ryong initiated full-scale participation of Korean companies in the Jakarta railway project and new capital project in Indonesia by signing a memorandum of understanding on development cooperation for Jakarta phase-4 MRT and by beginning negotiations on a pilot housing complex for public officials in the new capital city

The Ministry of Land, Infrastructure and Transport (MOLIT, Minister WON Hee-ryong) announced that Minister Won paid a visit to Bali, Indonesia on 14 November to meet with the Minister of Transport, the Minister of New Capital Authority, and the Acting Governor of Jakarta, and signed a memorandum of understanding on development cooperation for the MRT (Mass Rapid Transit) phase-4 and discussed in earnest the promotion of a pilot housing complex for civil servants in the new city.

The visit of the Minister Won to Indonesia was accomplished as a result of signing an MOU on the development cooperation for the MRT phase-4 between the MOLIT, Rep. of Korea and the Indonesian Ministry of Transport and the State of Jakarta on the occasion of the G20 summit.

The MOU with the operator of the project had been concluded based on discussions between Minister Won and Indonesian Transport Minister Budi

Karya Sumadi during the previous visit to Korea on 23 June. This marks the great significance in that it has given impetus to the project and increased the possibility of Korean companies participating in the MRT project, in which Japan has been participating mostly so far.

At the meeting this time, by emphasizing that Korean companies participated in LRT phase-1 project back in 2019 in the fields of systems and vehicles and successfully completed it, Minister Won requested active support from the Minister of Transportation so that Korean companies would be able to take part in the 2nd and 3rd phases of the Bali LRT project in the future.

In addition, Minister Won also said to the acting governor of Jakarta Heru Budi Hartono that Korea's rich experience in metro construction and operation could be a great help to Jakarta MRT phase-4 and LRT phases-2 and 3 projects while Korean government will be providing full support.

Followed by the conversations, the Transport Minister Budi emphasized that the cooperation on ground transportation between the two countries has been greatly contributing to the mobility of people and goods in Indonesia, and expressed that he would like to continue the cooperation with Korea under the agreement of the MOU on the MRT phase-4 project.

After that, Minister Won met respectively with Public Works and Housing Minister Basuki Hadimuljono and New Capital Authority Minister Bambang Susantono, who are promoting the new capital project in Indonesia, to discuss the ways of bilateral cooperation in detail so that the Korean government and companies can play a variety of roles in developing the new capital.

Recently, the Indonesian government issued a letter of approval for the commencement of negotiations to LH (Korea Land & Housing Corporation) in order to proceed the pilot housing complex for public officials in the new capital of Indonesia* as a Public Private Partnership (PPP) project.

* Through the K-City Network by the LH between 2020 and 2022, “Establishment of the master plan and feasibility study for the civil servant housing demonstration complex” for Nusantara (the name of the new capital) was completed.

In this regard, Minister Won stressed again, "If the Korean companies and the LH with abundant experiences in relocating the administrative capital as well as housing projects participate, Indonesian public officials moving to the new capital will be able to settle down stably in a short time,” and requested vigorous attention and support from the Indonesian government for the participation of Korean companies such as LG CNS with smart city experience and technology, and expansion of future cooperation .

Meanwhile, on the same day, Minister Won had a meeting with SHIN Jae-won, President of the UAM (Urban Air Mobility) Department from Hyundai Motor Company, and KIM Young-Seop, President of LG CNS, who attended the B20 event, and stated that “There is a need to take the lead in pioneering the future transportation industry and smart city market overseas in consideration of future markets with high growth potential such as Indonesia.”, and added, “We will spare no government support such as regulatory improvement.”

And, “Indonesia is our major partner from which Korea has won the projects worth of USD 3.4 billion, which is the largest amount of project so far this year, and it means a lot to us in that the projects by the Korean companies including

Korea National Railway and LH have been working hard for a long time can be promoted to the fullest,”

Adding that, “The government will strive to provide active support to increase the possibility of winning projects and improve the competitiveness of Korean companies, while enhancing trust and cooperative relationships between the two countries to higher level through continuous exchanges with Indonesia’s Ministers in charge of infrastructure.”