



Indonesia readies 300 investment packages to lure investors to new capital

JAKARTA: The Nusantara Capital Authority (OIKN, overseer of the development of Indonesia's new national capital) has prepared 300 investment packages that will be offered to domestic and overseas investors for the development of Indonesia's new capital (IKN) Nusantara in East Kalimantan province.

This is great news to investors in neighbouring Malaysia who have been anticipating business opportunities since plans of IKN's development was unveiled several years ago. Construction pace has been intensifying with plans to hold the 2024 Indonesian Independence Day celebration at IKN.

This was conveyed by head of the OIKN, Bambang Susantono, in a press release last Friday (May 26). The investment packages are intended for the construction of housing, transportation, and energy infrastructure.

The OIKN said it expects the construction of the new capital to

be carried out quickly and sustainably until 2045.

Susantono said that the city will be developed into a futuristic city with a lot of prospects for world-class businesses.

As the state budget will only fund 20 percent of the total needs for the development of the new city, OIKN is hoping that the rest would be financed by the private sector.

The OIKN head said that the participation of the private sector in the establishment of the IKN can be realized through public-private partnership, direct investment, as well as creative financing, such as crowdfunding, carbon trading, philanthropy, and others.

Investments are not only required to build the physical facilities in the city, but also the digital technology and systems to make Nusantara a smart city, he noted.

In addition, investors can invest as area developers or managers in certain areas, such as tourism areas or economic centers.

The central government only builds vital basic infrastructures, which can have a multiplier effect on the community, such as dams, toll roads, as well as access roads in the central government core area (KIPP).

Some of the access roads have started to be used for transporting logistics and construction materials.

Susantono said that the development of vital facilities is still running, including the construction of the State Palace, coordinating ministry offices, and housing for state officials.

Earlier, he said that the new capital has the best investment opportunities for domestic and foreign investors given the various incentives offered.

As of May 7, 2023, the OIKN noted that as many as 17 countries have shown interest in investing in Indonesia's new capital.