



## More funds for Nusantara as 2024 deadline looms

KOTA KINABALU (JUNE 20, 2023) - With less than 10% of construction completed and expected to host the 2024 independence Day, the Indonesian parliament last week approved another billion-dollar allocation to hasten the readiness of its new national capital IKN Nusantara in East Kalimantan.

The plan for the new city built on virgin land amid rainforests relies on private investment for around 80% of its projected US\$32 billion, Reuters reported.

No investment deal has been signed yet, despite the Indonesian government's heavy promotion of the scheme, including huge tax breaks for investors (see further reading).

Budget committee chair Said Abdullah said the latest cash release would help ensure the country's president can move into the new presidential palace in June next year, as planned.

The latest allocation was in addition to US\$1.47 billion provided earlier in 2023.

In April this year, the body delivering the city project, Nusantara National Capital Authority, said progress on government offices and the presidential palace stood at 5.8% and 8%, respectively. Be that as it may. The president's office and four other ministries are expected to operate from Nusantara in early 2024, and the 2024 Independence Day in August is also scheduled.

Indonesian president Joko Widodo unveiled the Nusantara plans in 2019 but he is unlikely to be the occupant at the new facilities because Indonesian law prevents him serving more than two terms. A general election is scheduled for February 2024.

Planners want to have the capital's main administrative offices including the presidential palace and ministerial buildings completed by mid-2024, with at least 16,000 civil servants, military, and police moving in.