CONS MA 2023

SEOUL , APRIL 10TH TO 11TH , 2023

CONFERENCE HALL NO 2 , NATIONAL ASSEMBLY MEMBERS OFFICE BUILDING

INTERNATIONAL GEOPOLITIC TOWARD THE ENHANCEMENT OF INDONESIAN INFRASTRUCTURE DEVELOPMENT

DARMA TYANTO SAPTODEWO

Chairman of
Indonesian Society of Project Management
Professionals

ABSTRACT

Indonesia is one of the G-20 countries that has problems in infrastructure development and is included in the three countries with the worst infrastructure quality in the G-20 along with India and Argentina. Infrastructure problems have made Indonesia's economic growth less than optimal. Therefore infrastructure development has been a top priority for the Indonesian government to address for the past decade and has been the cornerstone of President Joko Widodo's administration . During his eight years in office, the government has built 1,700 km of toll roads, more than 4,000 km of non-toll roads, 30 reservoirs, 18 ports and 21 airports, with most of them being developed outside Java. As an illustration, Indonesia has only had 780 km of toll roads in the last 40 years.

Between 2022 and 2024, Indonesia needs more than US$400 billion in infrastructure investment. Specifically for 2023, the government has budgeted US$25 billion in the State Budget for infrastructure.

There were the Covid 19 pandemic disaster which stopped most of the world's economic activities in property, hospitality, transportation, tourism, logistics and construction for almost 3 years.

Also natural disasters, earthquakes, floods, forest fires, liquefaction due to climate change etc. are causing more and more victims.
Indonesia's central bank, Bank Indonesia, predicts that the country's economy is expected to grow at between 4.5-5.3 percent in 2023 – one of the highest among G20 members – and will be supported by several important sectors, including commodities, infrastructure development, tourism, and manufacturing of high-value products, such as electric vehicle batteries.
GDP had accelerated to 5.31 percent in 2022, bringing Southeast Asia's largest economy back to pre-pandemic growth. The pace of growth in 2022 was largely supported by Indonesia's large domestic consumption and further bolstered by the export of commodities as global prices of key shipments, such as coal, palm oil, and iron, rallied upwards.
The highest priority for the Indonesian government for 2023 will be to hold inflation at three percent. Further, weakening global economic activity and a slowdown in commodity prices could impact GDP this year. However, external demand for commodities and pent-up domestic consumption will continue to be the backbone of growth in 2023.

In terms of Portfolio Management, it is necessary to realize that the foreign exchange reserves of all countries in the world even if will be collected and if put together, will not be able to cover the costs due to the Covid and all other natural disasters.

The costs that should have been spent to cope Covid 19 in the whole world are around USD 11 trillion (Rp. 158,400 trillion).

The costs and losses due to the Russia-Ukraine war to date, if taken into account, including damage to infrastructure buildings, have reached around USD 300 billion.

Before it's too late and the risk still to lead to a big war, it is necessary to realize again in terms of world portfolio management that the impact of the Covid 19 and natural disaster should be the first priority .

Let's with a spirit of Cons Ma 2023 . all participant reshaping the spirit to build the infrastructure and leaving the spirit of destroying the infrastructure by supporting the war .

Indonesia's position geopolitically is fixed - as a non-aligned country and remain oriented towards economic development, balance and peace in Southeast Asia in particular and the world in general.

INTERNATIONAL GEOPOLITIC.

Geopolitically, Indonesia has tried to take a non-alignment position in order to get sustainability in building infrastructure for the welfare of the Indonesian nation and state.

In the discussion of this presentation, with regard our profession is Project Construction Management (PCM), the discussion will revolve around the relationship between international geopolitical status and its relationship with Project Management (Portfolio Management and Program Management).

This non-alignment attitude in the long term has benefited Indonesia's position.

Indonesia's cultural attitude is quite careful and regulates all assistance from developed countries so that it is not politically binding in the long term but economically long term ties will follow international trade law and bilateral and multilateral agreements.

It is hoped that one day this non-alignment attitude will be effectively in making the world peace where cooperation between countries is based on civilized humanity, mutual respect and mutual benefit.

We should try to penetrate and applying the principles of Project Management in managing , arranging and controlling the one-world which basically one unity .

So we enjoy the benefits and profits together for the common prosperity.

Of course, all countries apply Portfolio and Program Management for the interests and benefits of each country, but the management of world prosperity is managed properly by applying project management principles, especially Portfolio Management.

We will review the impact of the problems faced by life in the world using the rule of Project Management,.

And this presentation will be closed by the report on the strategic plan for infrastructure development in Indonesia.

Portfolio Management.

Portfolio management is the art and science of selecting and overseeing a group of investments that meet the long-term financial objectives and risk tolerance of a client, a company, or an institution.
It is requires a basic understanding of the key elements of portfolio building and maintenance that make for success, including asset allocation, diversification, and rebalancing.
Investment portfolio management involves building and overseeing a selection of assets such as stocks, bonds, and cash that meet the long-term financial goals and risk tolerance of an investor.

Source : Adam Hayes : Updated February 26, 2023

Program Management.

A program is a group of related projects managed in a coordinated manner to obtain benefits not available from managing them individually. Program management is the application of knowledge, skills, tools and techniques to meet program requirements.

Source : Project Management institute.

Program management prioritizes strategic thinking over purely tactical response, which is not always an easy transition for project managers to make. Program managers provide long-term value for the vision and direction of the institution ; they help others more concerned with short-term plans, sprints, and deadlines while remaining mindful of the direction of the institutions as a whole. Programs serve as the connective glue that enables complex initiatives and transitions to be successful, particularly over long periods, and demand competent oversight from its managers.

Source : © ProductPlan 2023

Summary

Program management is the management of multiple related projects at the same time. A program is a set of interconnected projects overseen by a program manager whose main goal is to ensure that all work ties back into company-wide goals and objectives.

Program management is the simultaneous management of multiple related projects.

What does the program manager do?

A program manager is in charge of a group of related projects. One of a program manager's key responsibilities is to make sure the program goals align with their company's objectives. The program manager should frequently check in on the progress of the projects within their program to confirm they're still aligned with strategic and business goals.

Source : © 2023 Asana, Inc.: http://asana.com/id/company

A geopolitical overview of the Russia–Ukraine War.

The war that has been going on since February 2022, has not been seen the resolution for ending the war .

The Ukrainian side in May 2022 claimed losses due to the war of around IDR 7000 trillion (USD 466 billion)

At the United Nations forum in March 2023, the Ukrainian party demanded compensation from Russia in the amount of IDR 2100 trillion (USD 140 billion). it is possible that this number of values is only related to the loss of infrastructure destroyed by the Russian side and does not include the loss of war equipment for Ukraine and NATO.

The Russian side has not been published the cost of the Ukraine war, but for the sake of awareness of Portfolio Management, we assume that the Russian side has spent Rp. 15,000 trillion (USD 1000 billion) so far.

In terms of project management, losses for both parties, including NATO, are around IDR 30,000 trillion (USD 2000 billion).

In terms of Portfolio and Program management there has not been any benefits and gains from the two warring parties.

Questions from the Project Management side:

1. How much more will it cost to finish this war.
2. Who will bear or pay for this war and where will the funds come from?

3. It is clear that each party will not want and will not be able to finance this war, especially to finance the opposing parties of the war.
4. It should be noted that the infrastructure and armaments that were destroyed were the production , value added , working result of both Ukraine, Nato and Russia over the last 50 years.
5. How long can a country generate an added value of USD 2000 Billion as a result of the war, even though it is forced to sell its natural resources (and this, if forced to do so, will add to the damage to the nature)
6. If the war continues, it will drain all human wealth on earth worth USD 2000 billion per year.
7. Is there any profit or benefit for the warring parties ? or should we all admit that this mistake was made by humans because they were not aware of the need to manage a portfolio management for this world for the welfare and prosperity of human life in one unity of the world.

The threat of geopolitical tensions in the South China Sea.

It is assumed that the cost of adding safeguards and security equipment in order to maintain compliance with the strategy of both parties is around USD 100 billion per year.

If there is a maneuver error and a war occurs, it will involve funding that is far greater than the potential for oil contained in the South China Sea.

Portfolio and Program management analysis :

1. Why don't we share the disputed area together, each party who feels that in terms of the continent's shelf boundaries has the right to be given a proportionate share according to the each wide -area ‘ s own .
2. In any way, actually with common sense and international law that has been mutually recognized, a fair distribution can be carried out through negotiations involving interested parties who also have military strength that has been securing the area.
3. This will be far more beneficial for human life on earth than racing to strengthen our respective fleets for the next 10 years with the risk that if a war occurs it will burn the world's wealth which we have together around USD 2000 billion and what we will get is only the destruction of the Southeast Asia region.

The Threats of Geopolitical tensions in the Taiwan Strait.

Portfolio and program management analysis :

1. At present there is practically no difference politically between China and Taiwan, both have recognized individual property rights and any business can be develop in both countries with the system in place.
2. Historically, however, the Taiwanese are indebted to the US for securing and in particular obtaining convenience in the development of various industries with high technology, especially in the IT field.
3. Taiwan as a semiconductor or chip producer controls almost 60% of the world's chip production

4. Taiwan's geographical position which is very close to China is indeed no matter how strong the US fleet will not be able to secure the island of Taiwan .

5. In the event of a war in the Taiwan strait which of course we avoid together, Taiwan will be destroyed regardless of who will wins the war.

6. The Taiwan issue should be resolved peacefully, portfolio and program management designed and mutually beneficial for both the US, China and Taiwan itself.

7. If the cold war in Taiwan continues, then all three sides will be forced to spend funds including the manufacture of weapons, nuclear submarines and developing of new war bases of about USD 100 billion per year. Who will pay for these expenses ?

Threats of geopolitical tensions on the Korean Peninsula.

Portfolio and program management analysis :

1. **The two nations of North Korea and South Korea actually come from one nation.**
2. **The two countries separated by agreement at the end of world war 2.**
3. **If it cannot be united, it should be at least work together for mutual benefit and help each other.**
4. **Looking at the war damage data in Ukraine, if there will be a war on the Korean peninsula which of course would involve other major countries, it can be imagine that the joint losses would be around USD 3000 Billion in just the first one month.**

5. **Which party or which country is capable of financing the damage and losses caused by this war. There are no reserves of natural wealth that can finance this damage, there is only mutual regret why this war had happened.**

6. **It is much better to implement stakeholder management, with the agreement of the big countries related to North Korea and South Korea, the two countries share, help each other for the sake of common prosperity.**

INDONESIAN VISION OF 2045 INFRASTRUCTURE DEVELOPMENT

REPUBLIK INDONESIA

Kementerian PPN/ Bappenas

Indonesian citizens are excellent, cultured, and expert in science tech

Progressive and sustainable economy

Inclusive and equitable development

Democratic, powerful, and virtuous country

Development Pillar of Indonesia 2045

HUMAN DEVELOPMENT AND MASTERY OF SCIENCE & TECH

- Impartial Acceleration of Indonesian Citizen's Education
- Increased Role of Culture in Development
- Increased Contribution of Science and Technology in Development
- Increased Community's Health Level and Life Quality
- Workforce Reform

SUSTAINABLE ECONOMIC DEVELOPMENT

- Increase Investment and Economic Competitiveness
- Acceleration of Industrial and Tourism Dev
- Maritime Economic Development
- Reinforced Food Security and Farmer's Welfare
- Strengthened Energy and Water Security
- Commitment Towards

EQUITABLE DEVELOPMENT

- Acceleration of Poverty Eradication
- Equal Opportunity and Equitable Distribution of Income
- Equitable Regional Development
- Integrated and Equitable Infrastructure Development

NATIONAL RESILIENCE AND GOVERNANCE

- Substantial Democracy
- Institutional and Bureaucratic Reform
- Enhanced National Justice System and Anti–Corruption
- Free and Active Foreign Politics
- Free and Active Foreign Politics

Technology Development

Technology is growing faster and bringing changes to all areas of development and people's

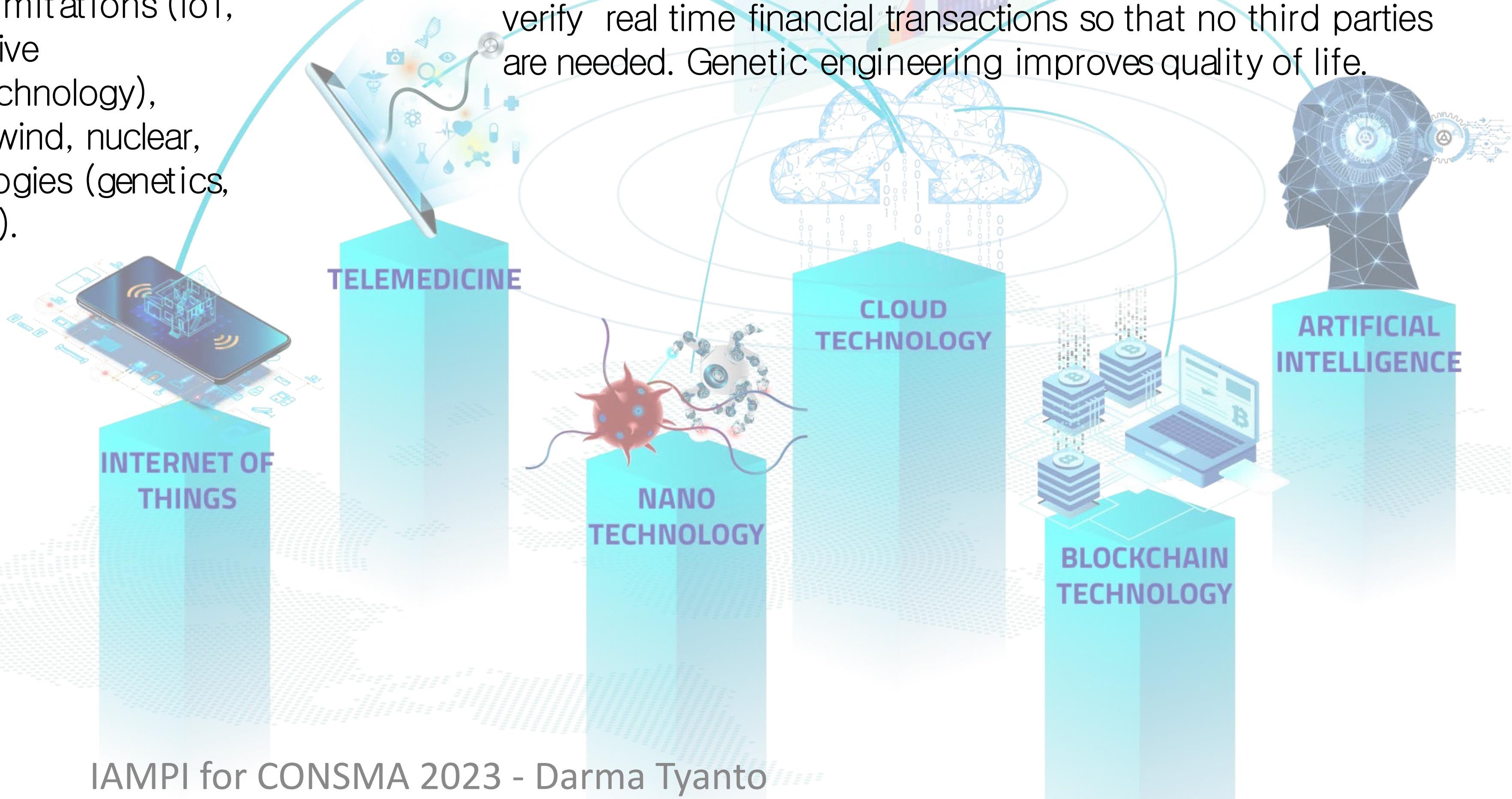
Future technology trends: digital technology (mobile internet, automation, cloud technology), technology that reduces physical and distance limitations (IoT, transportation and distribution, addictive manufacturing / 3D printing, nano technology), energy technology (renewable, solar, wind, nuclear, bio, geo-thermal) and health technologies (genetics, medicine and recovery, health services).

Besides increasing efficiency and new opportunities, technological advances have an impact on labor requirements. Jobs that are routine, manual, and cognitive will decrease.

Indonesia will utilize technological progress for development by minimizing disruption.

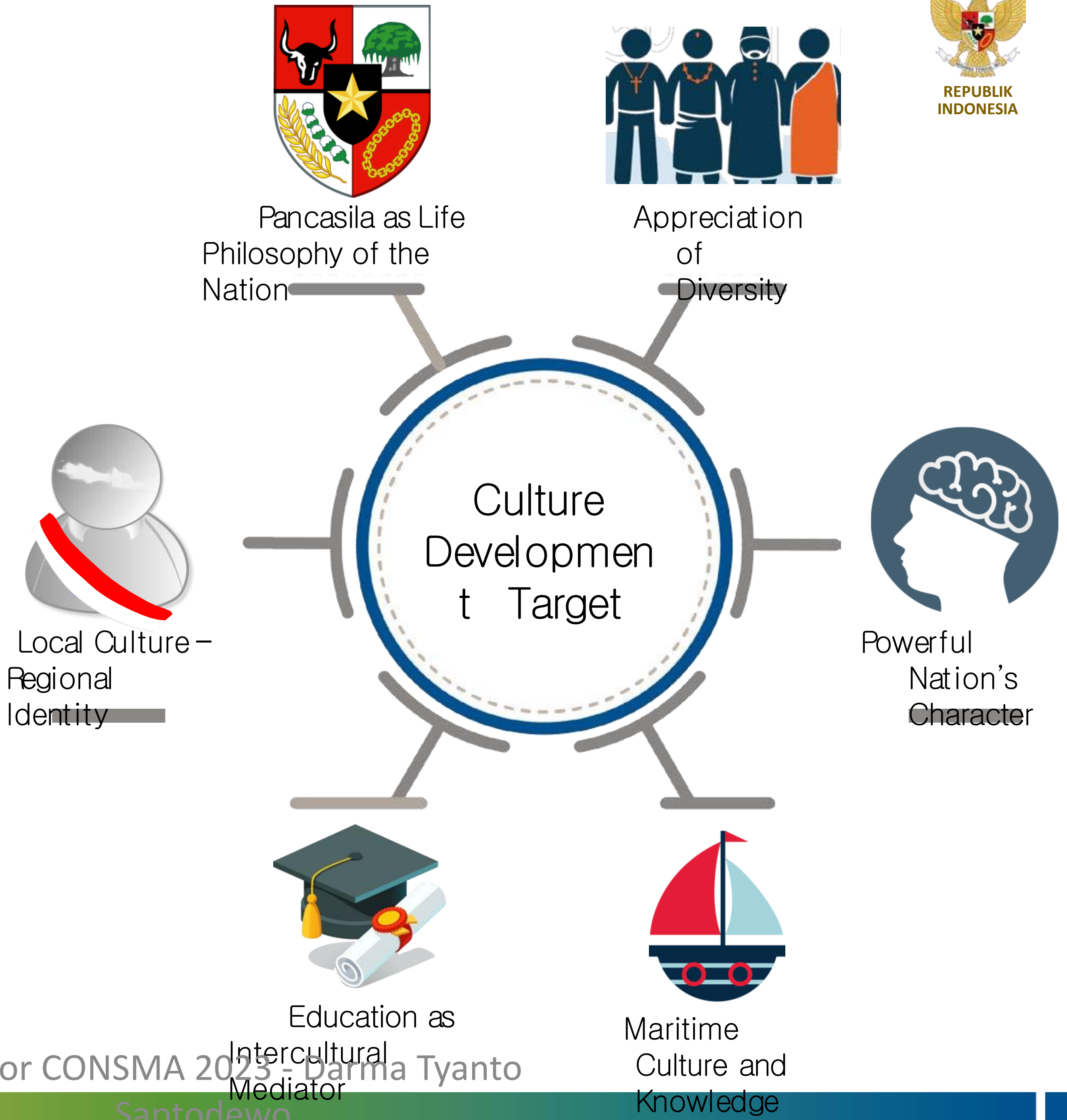
E-commerce turns conventional trade into electronic system. Industry 4.0 integrates production processes virtually based on cyber and artificial intelligence.

Blockchain, a combination of AI, big data and IoT, is able to verify real time financial transactions so that no third parties are needed. Genetic engineering improves quality of life.



Increased Role of Culture in Development

Increasing role of culture in development through the capitalization of virtuous values of the nation's culture and the development of work ethic



II

Sustainable Economic Development

Indonesia becomes a developed country and one of the world's largest economy, driven by investment and trade, industry, tourism, maritime, and services; as well as supported by reliable infrastructure and strong resilience on food, water, and energy. Commitment towards the environment is maintained for sustainable development.

INDONESIA 2045

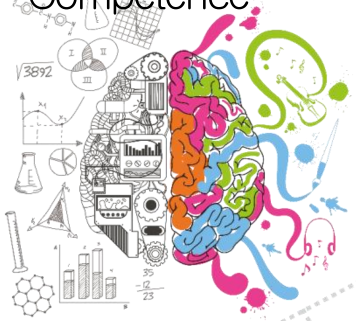
Development of Creative and Digital Economy

Increasing creative and digital economy contribution in development

Target of Creative and Digital Economy's Development

2025	Creative and Digital Economy as Sources of Economic Growth
2035	Creative and Digital Economy as Drivers of Innovation-based
2045	Indonesia as One of the World-class Creative and Digital

Enhancement of the Structure of Creative and Digital Economy



Development of Creative Human Resource's Competence

Increased Scale of Export-oriented Creative Industry

Enhancement of World-scale Creative and Digital City/Cluster

Indonesia as Primary Tourism Destination

Indonesia's diversity that includes more than 17 thousand islands, more than 300 ethnic groups, more than 700 languages, world heritage sites, as well as the 3rd biggest biodiversity is a great potential for tourism development

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	Year	Total International Tourists
Development of Prime Destination	2020	21.6 millions
Increasing Competitiveness	2025	31.8 millions
Improving Tourism Diversity	2030	42.8 millions
Increasing Tourism Integration	2035	57.5 millions
Enhancement as Asia's Primary Destination	2040	65.1 millions
Enhancement as World's Primary Destination	2045	73.6 millions

Indonesia towards the World's Maritime Axis

Indonesia is moving towards world's maritime axis by developing accelerated maritime economy, strong maritime power, and strong maritime culture. The contribution of maritime economy to GDP increases from

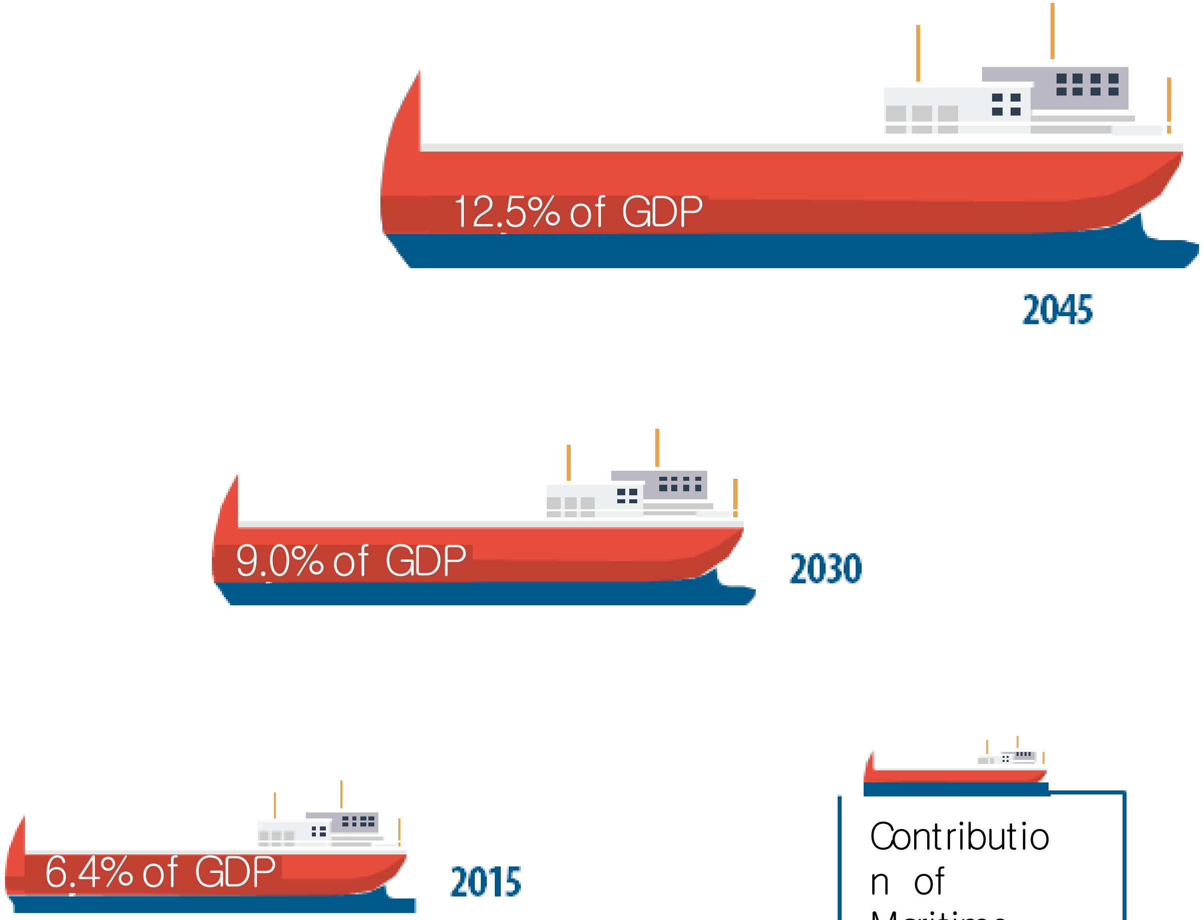
6.4% in 2015 to 12.5% in 2045.

Maritime Development Strategy

Maritime Economy: Increasing the role of maritime economy to around 12.5% of GDP in 2045 by focusing on (1) the development of efficient and effective marine connectivity, (2) sustainable and competitive fishing industrialization, and (3) inclusive maritime tourism

Maritime Culture: Creating excellent quality of maritime human resources. innovation in marine technology. and strong maritime culture as the basis of maritime culture.

Maritime Power: Actualizing strong and capable maritime security and defense to face regional and global challenge.



Enhancement of Water Security

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Water security is increased to support strategic sectors, disaster mitigation, and increase community's welfare

Forest and land rehabilitation along priority river basin area

Integrated and sustainable management of lake, swamp, pond, river, and other land water

Development of infrastructure to prevent erosion and Sedimentation

Development of city forest

Development of water resources infrastructure

Improvement of land management along river basin area by involving the community

Implementation of water–use efficiency principles through reduce, reuse, and recycle principles

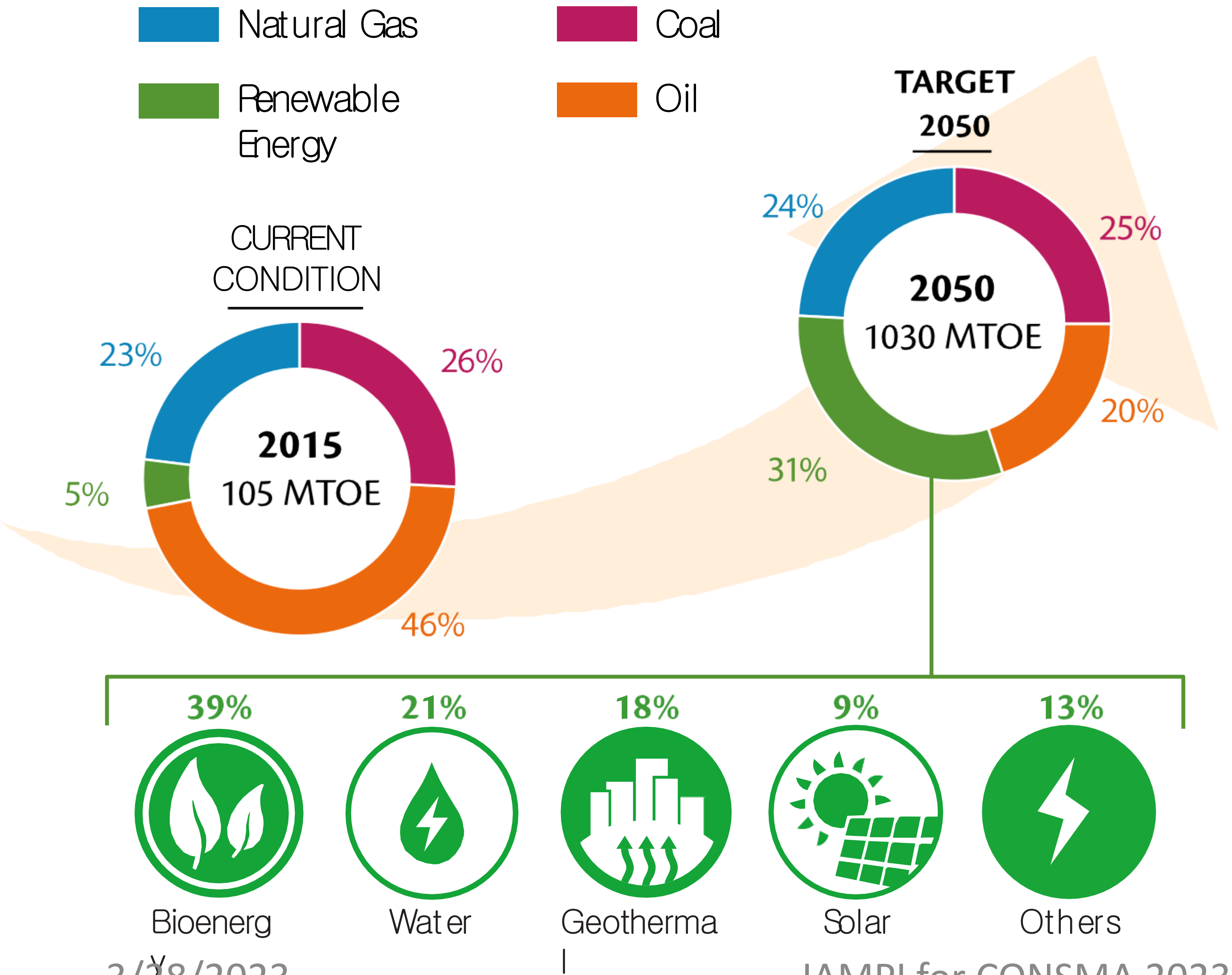
Development of rain water harvesting

Development of processing and water quality enhancement technology that is cheap and environment–friendly

Improvement of hydrology, hydrometeorology, and hydrogeology information system and development of river basin area and water resources monitoring system

Campaign of "Keep, Preserve, and Save Water"

Increased Energy Security



Energy as development assets through increasing the role of Renewable Energy.

- Share of Renewable Energy final energy demand is increased to 30 percent in 2045.
- Power Plant installed capacity continue to increase until more than 430 GW.
- Electrification ratio 100 percent in 2020 and energy consumption is increased to 7,000 kWh per capita.
- Electrical infrastructure development implements archipelago concept.
- Fulfillment of energy needs that considers its impact on environment.
- The possibility of using nuclear energy if other energy sources do not meet.

Commitment towards the Environment

Towards green economy, signed by 41% of emission reduction from baseline scenario, Environmental Quality Index > 80, and sustainable biodiversity utilization.

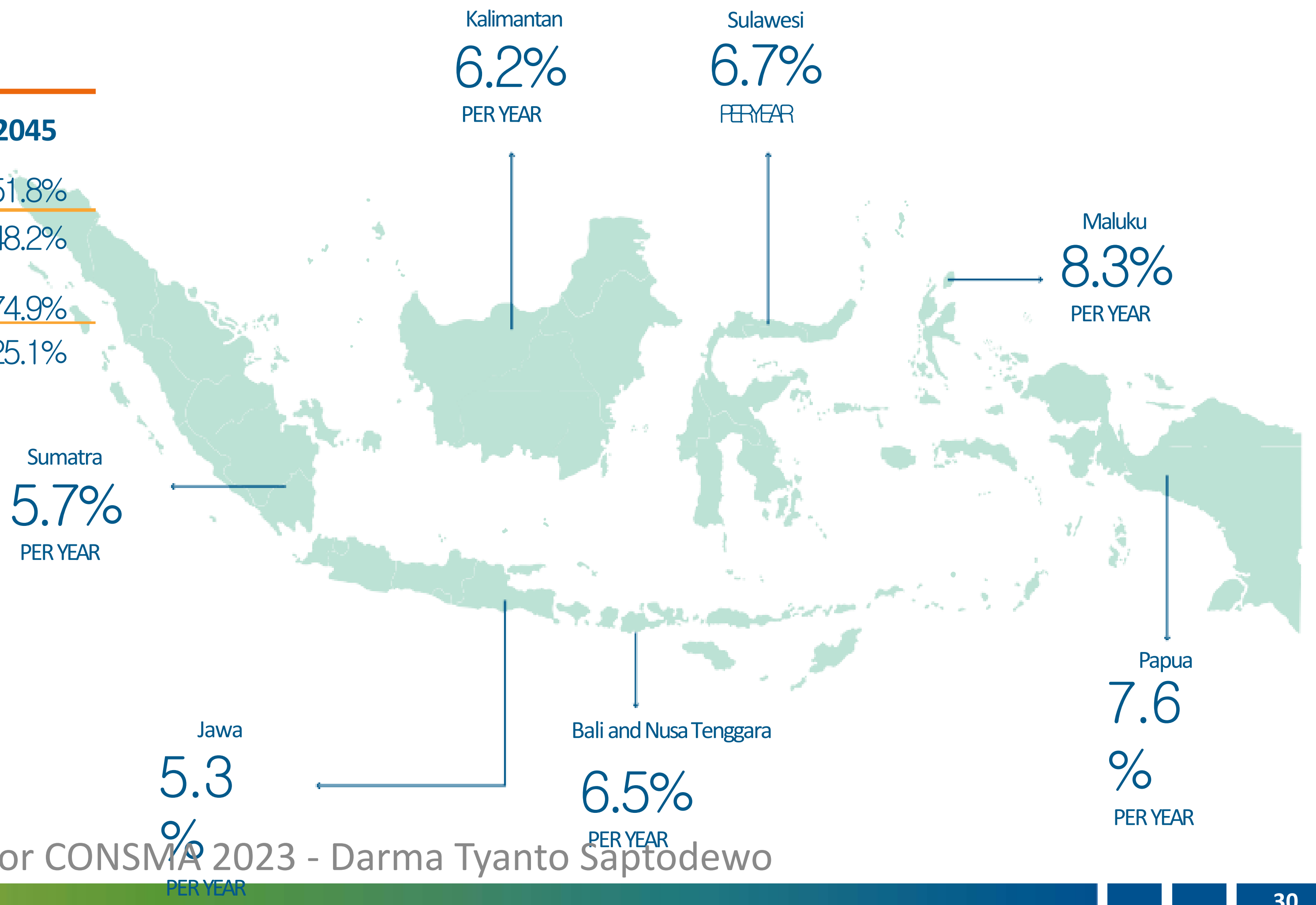
Environment Development Strategy

Equitable Regional Development

Equitable regional development is increased by encouraging growth in the Eastern Region of Indonesia (KTI) while maintaining growth momentum in Java.

30 Years Before | 30 Years After

	1983	2013	2015	2045
Java	53.8%	57.1%	58.3%	51.8%
Outside Java	46.2%	42.9%	41.7%	48.2%
KBI	82.5%	80.1%	80.5%	74.9%
KTI	17.5%	19.9%	19.5%	25.1%



Regional Development Direction

Papua	National Food Basis & Resources– based Economic Sector
Bali. Nusa Tenggara & Maluku	International Tourism & National Fishery Basis
Sulawesi	Food Industry Basis & Gate for KTI
Kalimantan	Manufacturing Industry & National Energy Basis
Java	Trade & Services Basis
Sumatra	New Industrial Basis & Gate to Asia Region

Equitable and Integrated Infrastructure Development

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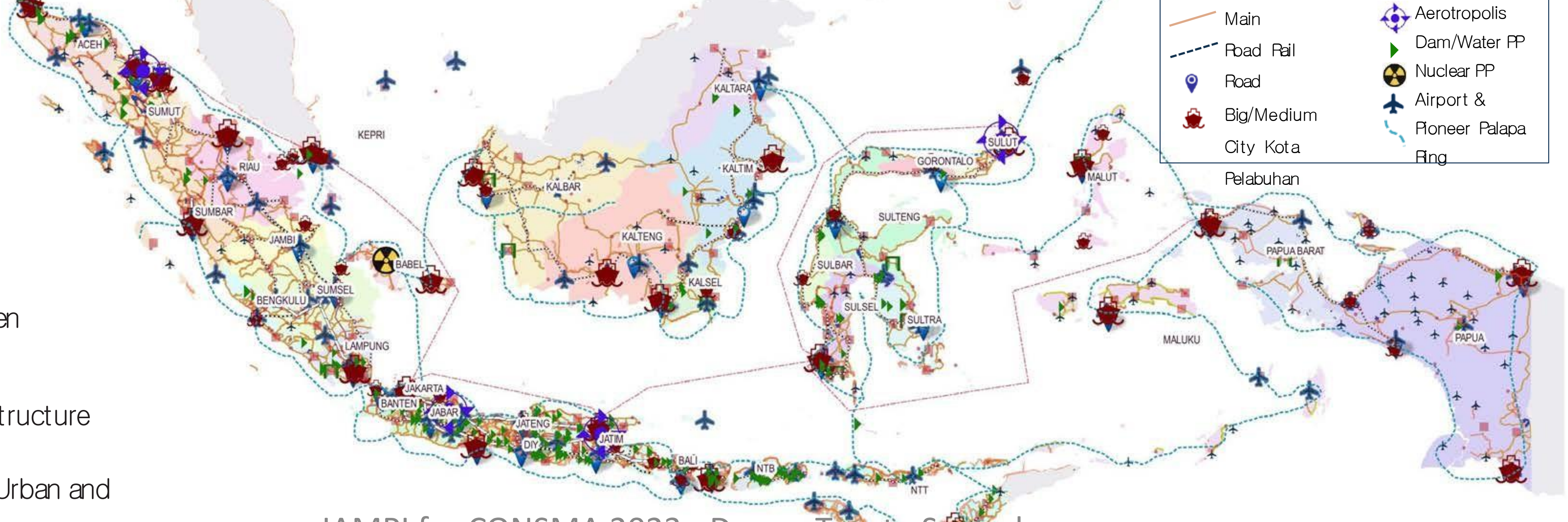
- Finishing main road constructions in all islands.
- Rail-based transportation and High-speed Train to anticipate mega urban and urbanization.
- Air and sea transportation to support inter-region mobility and goods distribution.
- Sea transportation as the main element of maritime connectivity.
- Development of aerotropolis area.
- Fulfillment of digital and virtual connectivity for all community.
- Fulfillment of people's access to basic infrastructure.
- Logistic cost in 2045 fell to 8% of GDP

Infrastructure Development Direction:

- Increasing Physical and Virtual Connectivity
- Promoting Equitable Development between Regions
- Fulfilling Basic Infrastructure
- Access Supporting Urban and Rural Development



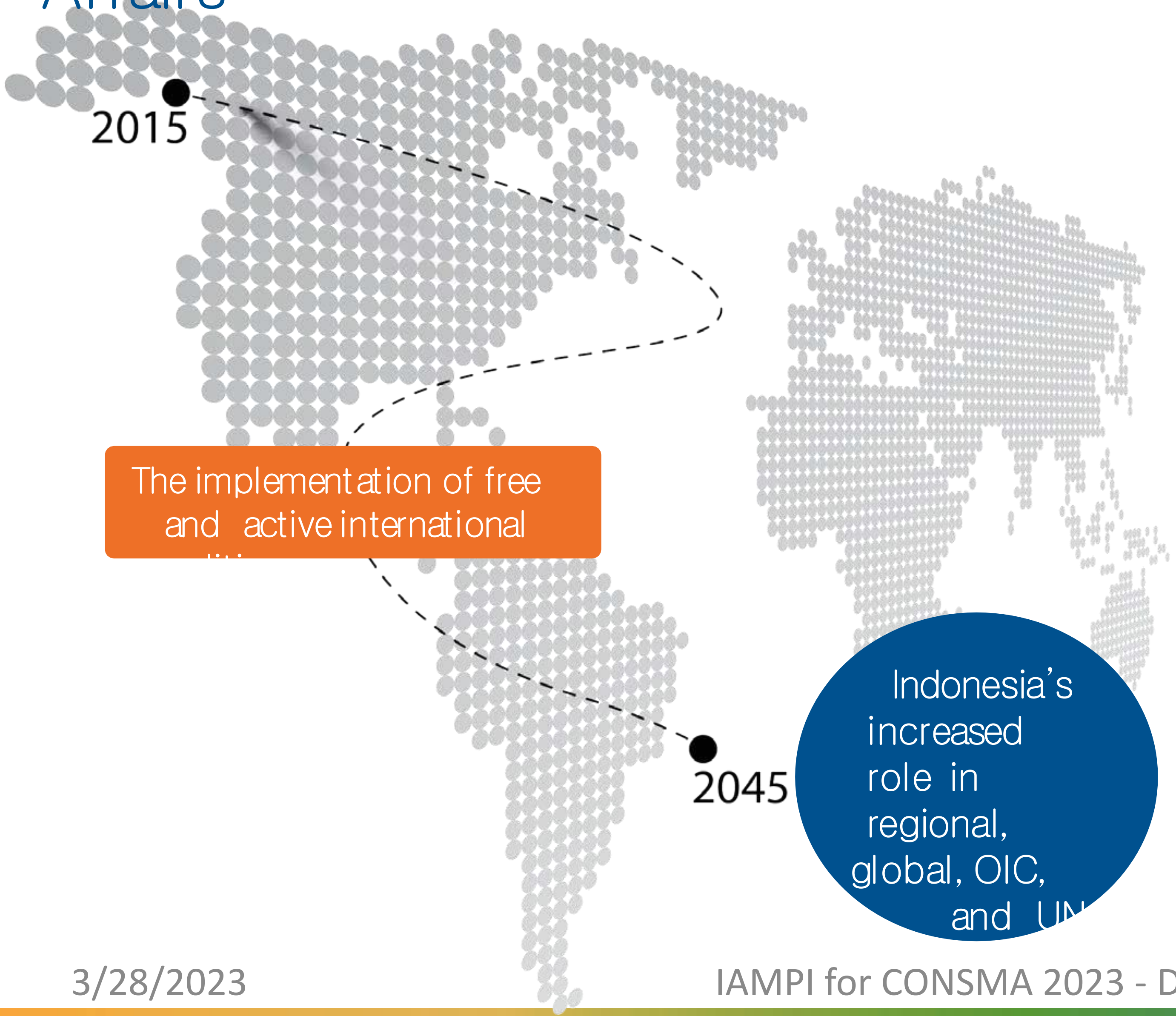
IV

Strengthening National Resilience and Governance

National resilience and governance becomes stronger with better quality of democracy, institutional and bureaucratic reform, development of national justice system and anti-corruption, implementation of free and active international politics, and strong security and defence.

INDONESIA
2045

Foreign Affairs



Indonesia is still conducting international politics that is free and active to build just world governance, becomes a developed and independent country, and one of the most influential country in Asia Pacific.

International politics is also directed to implement World Maritime Axis roadmap and establish regional arrangements including maintaining ASEAN's centrality.

Defense and Security

Defense and security is increased to actualize:

a. Inclusive community order
b. Strong defense
c. Dignified human security

Inclusive Community Order

Indonesian identity beyond ethnic, tribe, religion, race, and group identity.

Participative community order based on fairness and equality in unity and national insight.

Strong National Defense

National defense power based on smart power, which has expenditure of 1.5% GDP.

Strong military force equipped with advanced technology armament.

Defense industry that is progressive and healthy, as well as being the main actor in global supply chain.

Dignified Human Security

Safely and peacefully living in Indonesia as civilized human based on the spirit of respect

Human security that integrates with national security based on humanitarian values and partnership with all elements of the nation.

ANALYSIS :

In terms of Strategy:

1. The most beneficial thing is that all the remaining funds and power on earth are concentrated to restore the welfare conditions due to the Covid 19 attack which has not recovered in the global economy, it should be noted that the impact of Covid on the global economy is worth 10,000 Billion USD in just 3 years.
2. The impact of USD 10,000 Billion until now has not been clear sources of financing to overcome it and sooner or later it will burden all of us as managers of the world which in reality is one earth and one sun.

3. It needs to be anticipated to prevent war and carefully calculated due to the damage of war itself, because human prosperity reserves from natural resources in the form of oil and gas and forests will run out within the next 15 years.

4. Need to be aware of the threat from natural disasters, especially earthquakes, forest fires, flash floods and other natural disasters which are calculated at around USD 200 Billion per year.

(source :Swiss Re. https://p.dw.com/p/3yvwH)

In terms of PORTFOLIO MANAGEMENT:

The greatest benefit is achieved if each country in both the US and in East Asia immediately establishes peace and eliminates political domination competition and designs mutually beneficial for global collaboration. .

In terms of Program Management

If the cold war can be eliminated, all parties involved will be benefited maximally and all added value generated can be used optimally to develop their respective countries

In terms of Project Management:

Funds used to build armed forces in each country to outperform each other, both traditional weapons and nuclear weapons can be diverted to build civilian buildings and infrastructure that are useful to improve human welfare and prosperity on earth to the maximum.

CONCLUSION

1. Indonesia's plan to build with the 2045 vision can be achieved only if there is a process of improving global prosperity because basically the world consists of only one earth and one sun.

2. Geopolitical stability in Southeast Asia and East Asia is very influential on the progress of development in Indonesia.

3. Climate change that causes more or less disasters will be a common burden and must be overcome and resolved together.

4. The impact of the Covid 19 virus, which until now is worth USD 10,000 billion.In the real terms, we have not been able to overcome this burden of the world, whose the solution still requires the support of the process of increasing added value globally for the next 10 years.

5. The cost of natural disasters that we face together globally is USD 200 Billion per year, each country must allocate the risks faced according to geographical conditions and possible possibilities that will be faced.

6. If the cold war continues, the costs incurred for 3 regions in Southeast Asia and East Asia, namely the South China Sea, Taiwan Strait and the Korean peninsula are calculated at around USD 300 Billion per year.

7. It is expected that there will be immediate consolidation of all stakeholders from the world and found solutions in Project Management, awareness of implementing Portfolio Management and Program Management to find solutions to reconcile the world, building strategies for the greatest benefit for the one earth and bringing benefits to the prosperity and well-being of humans on earth.

THANK YOU