

PINA
CENTER FOR PRIVATE INVESTMENT

Non-Government Budget Investment (PINA) for Infrastructure Development in Indonesia

July 2018



Financing Infrastructure Development 2015 – 2019

Efforts to increase the role of SOEs and the private sector in Infrastructure Development through PINA

Total value of investment required
for infrastructure in 2015 – 2019

USD 359.2 billion

-- GOVERNMENT --

APBN/APBD Budget
(USD 148.2 bn)

41.3 %

----- NON-GOVERNMENT -----

State Owned Enterprises
(USD 79.8 bn)

22.2 %

Private Participation
(USD 131.1 bn)

36.5 %



Calculation based on infrastructure investment (required) to be a middle income country by 2025.

Sources: BAPPENAS- JICA, 2014: Background Study for RPJMN 2015-2019, Analyst team of Ministry of National Development Planning (BAPPENAS)

RPJMN: National Medium-Term Development Planning

Non-Government Budget Equity Financing (PINA)

PINA plays a significant role in accelerating project's financial close



Investor



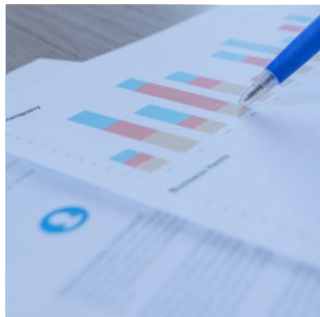
Investee



“FINANCIAL CLOSE”



Facilitation



Pipelining



Ecosystem

How PINA Facilitates Investors in Equity Financing

Enhancing the Equity Participation by Deepening Capital Markets

Direct Equity Financing



Direct **equity participation** in an infrastructure company (investment platform)

Equity Investment Instrument



Investor purchases **near-equity investment instruments**, such as:

- **Limited Participation Mutual Fund**
- **Perpetual Securities**
- **Callable Preferred Stocks**
- **Collective Contract of Infrastructure Investment Fund**
- **State Owned Enterprises (SOEs) Fund** and
- **other near-equity related instruments**

Rp

Limited Participation Mutual Fund

Introduced on August 13th, 2017 with valuation of US \$71.5 million for the financing of Kertajati International Airport



Perpetual Securities

Introduced on April 17th, 2018 with valuation of US \$71.5 million for the financing of PP Energy



Potential: State Owned Enterprises (SOEs) Fund

Optimizing the management of SOEs investment funds as solution to limited funding for infrastructure financing



**Deepening
Capital Markets**

Non-Government Budget Equity Financing (PINA)

Potential investment recycle at each stage

PROJECT
CONDITION



GREENFIELD

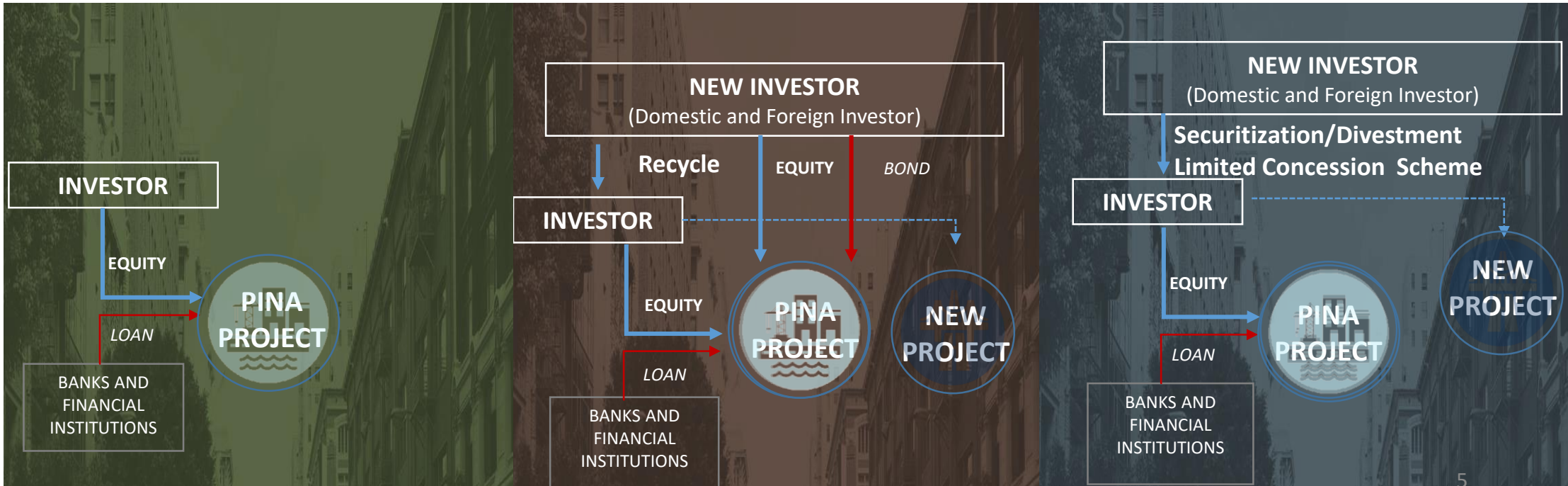


BROWNFIELD



OPERATIONAL

INVESTMENT
FINANCING
SCHEME



PINA Success Stories



Airport

Mutual Fund

IDR 932.0 billion
(USD 69.7mn)



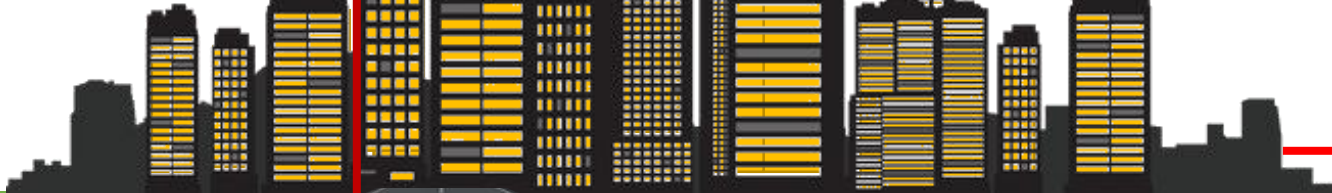
Investment Cooperation

Equity Financing
IDR 1.81 trillion
(USD 134mn)



Toll Road

Equity Financing
IDR 3.5 trillion
(USD 265.0mn)



Fiber Optic Cables

Equity Financing
IDR 174.0 billion
(USD 13.0mn)



Power Plant

Perpetual Notes
(phase 1)
IDR 2.0 trillion
(USD 74 mn)



PINA's Facilitation Network



South Korea



Japan



China



Australia



Oman



Ukraine



Ireland



UK



Canada



UEA



Huatsing Housing Holding Co.,Ltd
— The city's comprehensive operator



ITOCHU Corporation

