

ABSTRACT

This undergraduate thesis is aimed on describe and analyze the political economy reasons of Indonesia's final decision on choosing China's proposal on the procurement of Jakarta-Bandung High-Speed Rail Project. On the 2008, Indonesian government initiated a procurement to build the High-Speed Rail (HSR). In the beginning of this project, Japan had an interest towards the procurement of the HSR in Indonesia. Japan had already done the feasibility report. Japan submitted their proposal after Indonesia officially open for foreign investment on this project. Lately, in the 2015, China also interested in this project and they submitted the proposal. The final decision of this project, the HSR project will be handled by China. Indonesia and China created Joint Venture Company which called as PT. KCIC (PT. Kereta Cepat Indonesia-China). This issue was quite prominent for bilateral relations between countries. This undergraduate thesis will try to seek the political economic reasons of Indonesia chose China's proposal instead of Japan's Proposal. This research found some factors and policy influencers in this issue, 1) Support and demands from domestic context such as from President of Indonesia, Joko Widodo and his government officials as the decision makers and also from society, 2) International context that leads into China's expertise on HSR and also OBOR initiatives as one of consideration to boost investment in Indonesia.

Keyword(s): Indonesia High-Speed Rail, China, Japan, Contract Proposal, Decision Making