

CHAPTER II

INDONESIA'S INFRASTRUCTURE DEVELOPMENT UNDER JOKO WIDODO ERA

As we know that Indonesia is hanging on the fourth global position on total population. Indonesia's population according to World Bank, in 2016, total population was around 261,115,000 (World Bank, 2017). This amount of population, obviously, needs sufficient transportation network which can pick-up on a high amount of passengers to mobilize easily. There are already a lot of type mass public transportation in Indonesia from the air, water, and land transportation system which provided by the government. There are buses, taxis, ferries, airplanes, and trains. Each transportation modes have their network and integrate with other modes to reach effectiveness to serve passengers highly. The meaning of effectiveness here is the integrity with other small type transportation modes to take passengers to their destination place. The purpose is to keep the flowing mechanism of passengers effectively. For example, passengers from the airport there should be provided other transportation modes such as trains, buses, and taxis.

This chapter will describe the current situation of Indonesia's transportation and its challenges and solutions, especially on land transportation. Then, development of Indonesia's both current and ongoing train networks includes Jakarta-Bandung High-Speed Rail Project specifically and Indonesia perspective on HSR Project.

A. Indonesia Transportation System

1. Current Condition of Indonesia Transportation

Infrastructure is the main factor to support the development of the country. Basic infrastructure that society needs is transportation infrastructure. Well-Developed transportation infrastructure can accommodate the necessity of the society such as boost up the economy, socio-cultural activity, politics, and security. Transportation is one of the essential facility that should be

provided by country to functionalize national development, mass mobilization, and national-scale distribution of goods (Indonesia Ministry of Transportation, 2008). Indonesia as the maritime country that spread along the Sabang to Merauke was acknowledged as the 4th biggest country in the world for the population rank (World Bank, 2017). According to that, Indonesia should provide a sufficient and efficient transportation system. The example of transportation facilities that should be developed, such as land transportation, water transportation (river, lake, and ocean), and air transportation.

Ministry of Transportation has projected based on its report that the three main sectors will frequently be developed until reach 2025. This projection has the same line with current Indonesia's president Joko Widodo with one of his 9 Nawa Cita program, the development of each district by strengthening the region's capabilities. 9 Nawa Cita program were the campaign promises of Joko Widodo and his vice president Jusuf Kalla on the presidential election.

Based on Long-term Development Plan 2005-2025 Report (RPJP), in 2004, the road sectors were counted; around 34.628,83 km of national road, province road around 40.125,02 km, district road around 166.516,15 km, city road around 26.102,00 km, and around 660 km of highway. From road public transportation, there are around 1.624 routes with 19.370 of vehicles modes. Railroad sector was noted around 6.482 km which spread around Java and Sumatera. The amount of airport around 187 facilities which 23 were managed by SOEs (PT Angkasa Pura I and II) and 164 were still managed by the central government. While from water transportation, there were 8.042 fleets of the cargo ship and 21.117 of ferries. The operational ports that available around 718 ports (Indonesia Ministry of Transportation, 2008).

The development of the three sectors of transportation has been run well towards Joko Widodo presidency. Based on the reports of Ministry for Public Works and Human Settlements, there is some project that already done and still ongoing in order to support the development of transportation infrastructure. The development of transportation is not focusing only on Java, but also in the border of the country, and other main islands such as Kalimantan, Sulawesi, and Papua. As the job descriptions of Ministry for Public Works and Human Settlements to develop the infrastructure, they have a target to develop in the three sectors such as developing new road networks. The idea of the projects are adding 3.073 km capacity of the national road, 30 km bridges and 20 km of bridges renewal, 1.000 km new highway project and also 2.650 km new roads length (Ministry for Public Works and Human Settlements, 2016).

Directorate General of Railway plans to developed national railway network will reach around 12.100 km from Sumatera to Papua. In some areas, there are some unused-rail sequences which spread in Java. Ministry of Transportation wants to reactivate this unused-rail sequences to revitalize the region and to increase the capabilities of a train. This reactivation still needs time to be developed, it is planned until 2030. The regions that under this project are Banten (95 km), West Java (432 km), Central Java (609 km), East Java (728 km), and Yogyakarta (199 km). The number of train sequences for passengers and goods also will be increased with the detail of 2.805 locomotives and 27.960 coaches for passenger trains and also 1.995 locomotives and 39.655 wagons for goods trains (Gideon, 2015).

2. Challenges of Indonesia's Transportation System

Indonesia's transportation system has become an issue in last few years. Either central government or local government strived to solve some problem that caused by lack of transportation management in Indonesia. Many

efforts have been made by the government to improve the mass public transportation services such as developing new road and railway networks, adding more airports and harbors.

According to ITB Team Research which Ofyar Z. Tamin as the coordinator, there are several challenges on developing transportation system in Indonesia (ITB Transportation Team, 2000).

a. Regulations

Rapid changing of regulations that occur in transportation system can cause some problems. This changing needs to be socialized and requires time to implement it in order to be understood by various parties that involved in transportation system. The purpose of socialization of each new regulation is to make sure about the idea of concepts, definition, and implementation of the regulations.

b. Transportation Sector Funding

In order to create sufficient and adequate transportation infrastructure obviously needs much money. This procurement needs some big investment side from both private and public sectors, foreign investment or consortium companies. The needs of funding are really crucial while the necessities of the advanced transportation system are urgent to reduce the traffic delay to reach optimal development.

c. Human Resources

The lack of availability of human resource can be challenging to the transportation system in Indonesia. In order to operate transportation system, the necessity of skilled workers is urgent to be specific in planning, designing, developing, operating and managing all the transportation infrastructure.

d. Safety and Environmental Aspect

Indonesia has an extreme environmental aspect which spread geologically. It has several mountainous terrain which can be dangerous to be passed by any transportation modes. Sometimes it creates many victims and any material lost. In this case, the improvement of quality to make sure the safety of transportation modes in order to reduce the amount of traffic accident.

e. High Consumption of Energy

The energy factor has been significant issues in developing the transportation system. The amount of transportation modes over the years has been increased the amount of energy consumption for transportation modes reciprocally. This factor also can lead to the pollution effect that would create inconvenience environment.

B. Development of Train Network

1. The necessity of Train as an effective transportation modes in Java

In this current condition, the usage of a train on using for mass public transportation is more efficient and effective. Using train as a tool to mobilize still becomes the favorite such as the ticket is cheap and reachable for everyone. A train is also quite fast and can carry more passengers than another transportation network. Imran Rasyid said that “If we compare one trip full-train with other mass transportation example buses, one trip train can reach amount 1,250 passengers, while one trip full-bus just around 40 passengers. It means that one trip of the passenger train is the same as 31 trip full-buses”. While on coal train with 60 wagons can distribute around 3.000 tons of coal. Compare with the capability of each truck which only can distribute 10 tons of coal. It means that one trip of coal train is the same as 300 trucks coal distribution (Gideon, 2015).

Based on what Imran Rasyid said, railway transportation modes have become more efficient to be used for Indonesia transportation system correctly in Java. Java as the densest island in Indonesia has a more dilemmatic way to develop rail-based transportation, although Java railroad system is way more advanced with other islands, it still needs to be upgraded. According to Statistics, in 2015 there are around 145.143.600 people that live in Java (Statistics Indonesia, 2017). Based on this data, the train could be the efficient transportation modes to be used for Javanese to mobilize and travel.

The condition in Java's railroad is merely appropriate. The parameters of the condition are the ability of each train sequence can lift up the passenger and the quality of services of the rail-based transportation modes. Based on Statistics in 2015, there are around 320.621.000 people consecutively use rail-based transportation modes (Statistics Indonesia, 2017). This amount can be even larger for the next years. In order to prevent the lack of effectiveness on using the train, Java needs an upgrade quality for trains. Java's train sequences quality can be derived they are to slow to pick up passengers efficiently. The regular train sequences with has speed around 100-120km/h, for traveling from first place to another place still need hours spend time. For example, the shortest route of a railroad in Java is Jakarta-Bandung which has 173 km length, and it needed time to arrive for three hours. While the longest route is Jakarta Surabaya around 725 km length needs time to arrive for nine hours. If could Java's railroad transportation modes have an upgrade quality in speed, and it will cut the estimated arrival time significantly.

2. Improvement in PT. Kereta Api Indonesia (Persero)

Indonesia railway system under the name PT. Kereta Api Indonesia (Persero), which under the state-owned company status, is established rapidly. The number of stations since 2016 are 539 operational and 21 non-

operating stations, while the rail length since 2016 is 5.367,02 km active rail line and 5.578,89 km non-active rail line. There are some innovations and improvements in passenger services. Those are; the improvement on ticketing and boarding pass system, rejuvenation of trains (executive, business, and economic class trains), e-ticketing system, and add new facilities and also some restoration on several railway stations (PT. Kereta Api Indonesia (Persero), 2016). There are also some assets which have been increasing the number until now such as trains (locomotives, wagons, and coaches), and also railway routes. This data below shows is the assets of PT. KAI since 2014 until 2016.

Table 1 2.1 PT. Kereta Api Indonesia (Persero) Assets Table

Assets	Years			
	2013	2014	2015	2016
Locomotive	569	464	430	460
Diesel Train	85	86	114	95
Electric Train	410	582	685	760
Coaches (Passenger)	1492	1430	1493	1745
Wagon (Goods)	5758	6387	6879	6997

Source: *PT. Kereta Api Indonesia (Persero); Annual Report 2016*

As result of the improvements on every sector, rail transportation-based is becoming the most favorite to travel by the passengers. According to the annual report of PT. KAI, the volume of the passenger in 2016, was increased than last year. In 2016, the volume of passenger reached 352,309,298 passengers while in 2015 was 327,129,497 passengers. It means that 7.70% new passengers now use the train to travel.

PT. KAI also has several subsidiary companies which still under the mandate of PT KAI. Subsidiary companies have their purposes to run. They also have specified the capabilities railways sectors. Those subsidiary companies are delivered in the table below.

Table 2 2.2 PT. KAI Subsidiary Companies

No.	Subsidiary Companies	Focuses
1	PT Reska Multi Usaha (PT RMU)	Business development on railway restaurant unit.
2	PT Railink	Airport railway transportation-based.
3	PT KA Commuter	Mobilization for urban people around Jakarta.
4	PT KA Pariwisata	Transportation modes to provide railway-based tourism on passengers transport.
5	PT KA Properti Manajemen	Manages all the assets of PT. KAI such as locomotives, passengers' coaches and also goods' wagons.
6	PT KALOG	Serves logistic distribution railway-based and delivers to the loading bay.
7	PT Pilar Sinergi BUMN Indonesia	Focuses on the development of the Jakarta-Bandung High-Speed Rail Project route. It was a joint venture of other 4 SOEs of Indonesia such as PT Wijaya Karya, PT KAI, PT Jasa Marga, and PT Perkebunan Nusantara VIII. The HSR project also involves Chinese consortium companies under China Railway International Co., Ltd such as China Railway Group, Sinohydro Corporation Ltd, CRRC Corporation Ltd, and China Railway Signal and Communication Corp.

Source: PT. Kereta Api Indonesia (Persero); Annual Report 2016

3. Current Train Network

The establishment of railway line network in Indonesia had begun in the colonial era. Under PT KAI, there are two main islands, Sumatera and Java which already developed railway line. These are called Operational Areas. The working areas in Java called Area of Operation (Daop). While in Sumatera is called as Regional Division (Divre).

The huge stepping stone for railway line network in Indonesia was in 1997. There was the procurement of Argo Bromo Anggrek train sequence which served Jakarta-Surabaya railway route. The Argo Bromo Anggrek train

sequence was the first executive class train sequences ever develop under PT KAI (previously named as Perumka). Argo Bromo Anggrek is also acknowledged as the fastest train in Indonesia. It has maximum speed around 120km/h and takes time cruise from Jakarta Gambir Station to Surabaya Pasar Turi Station for 9 hours. This train sequence becomes the pioneer for another executive class train sequences in Indonesia. After the establishment of Argo Bromo Anggrek, there are seven executive class train sequences (Rifai, 2015).

Table 3 2.3 Executive Class Train Sequences

No.	Train Sequences	Distance	ETA
1	<i>Argo Wilis</i> (Bandung-Surabaya)	699 km	11 hours
2	<i>Argo Sindoro</i> (Jakarta-Semarang)	445 km	5 hours 30 minutes
3	<i>Argo Parahyangan</i> (Jakarta-Bandung)	173 km	3 hours
4	<i>Argo Muria</i> (Jakarta-Semarang)	445 km	5 hours 30 minutes
5	<i>Argo Lawu</i> (Solo-Jakarta)	576 km	7 hours 30 minutes
6	<i>Argo Jati</i> (Jakarta-Cirebon)	219 km	3 hours
7	<i>Argo Dwipangga</i> (Jakarta-Solo)	576 km	8 hours
8	<i>Argo Bromo Anggrek</i> (Jakarta-Surabaya)	725 km	9 hours 30 minutes

Source: Ahmad Rifai (2015); *Daftar Kereta-Kereta Tercepat Di Indonesia*, <http://kereta-api.info/daftar-kereta-kereta-tercepat-di-indonesia-4301.htm>

Indonesia also has some train sequences that already developed and ran on so many occasions.

a. Commuter Train

The initiation of Commuter train/Commuter line in Jakarta and periphery cities such as Bogor,

Depok, Tangerang, and Bekasi had begun since 1976. Commuter line is a train which powered with electric. The purpose of Commuter line is to easily mobilize the passengers who work and lives around Jakarta (PT. Kereta Api Indonesia (Persero), 2016).

The early establishment of Commuter Line was a mess. The operation of the routes, passengers, and stations was not well organized. PT KCI, in 2009 has done some transformation to the Commuter Line such as passengers and traders control both on trains and stations, ticketing system, and also the renewal of train sequences to create convenience transportations modes (Nursita, 2017).

b. Railbus

Railbus was the other type of railway line which intersects with a road. The speed of railbus is relatively slow. It also has a lightweight and minimum capacity of passengers.

The development of railbus in Indonesia is served only in two regions. First in Solo and second is in Palembang. The establishment of railbus in Indonesia was initially started in 2011, but for some reasons, it was canceled. The railbus in Palembang was re-established in 2015. It was called Kertalaya which serves 4 stations from Kertapati to Indralaya (Murti, 2015). Solo's railbus was also re-established in 2015. It was called Bathara Kresna. It serves the Wonogiri-Purwosari route (Bintoro, 2015).

c. Airport and Harbor Train Integration

According to RIPNas of Directorate General of Railway, the establishment of Airport and Harbor Train Integration is operated to increase convenience rate of passengers and goods services. Previously, Indonesia already had airport

railway in Adisutjipto Airport, Yogyakarta. Last year, Indonesia finished the airport railway in Kualanamu International Airport, Medan. The government also plans to build another airport railway lines at 13 airports. While on the port freight railway is to connect logistics ports and dry ports to production unloading stations.

4. On-going Train Network

According to Joko Widodo plans on Nawa Cita program which to develop of each district by strengthening the region's capabilities especially in transportation modes, there are at least 19 projects of the railway line which on-going status (Izzudin, 2016). These projects were under PT KAI supervision as the SOEs which operates railway transportation modes.

The first project is the procurement of Light Rail Transit (LRT) facility in South Sumatera and Greater Jakarta (Jakarta-Bogor-Depok-Tangerang-Bekasi). This project was provided the facilities such as train sequences, stations, automated ticketing system, and maintenance infrastructure. LRT in South Sumatera will serve total length around 23,4 km railway route, and it was projected to be operational in 2018. While Greater Jakarta LRT has two phases, Phase 1 is Cawang-Cibubur-Cawang-Kuningan-Dukuh Atas-Cawang-East Bekasi routes and Phase 2 is Dukuh Atas-Palmerah-Senayan-Cibubur-Bogor-Palmerah-Grogol. Greater Jakarta LRT is targeted to be finished in mid-2019 (PT. Kereta Api Indonesia (Persero), 2016). This project also procurement of MRT (Mass Rapid Transit) which divided into two sectors, North-South Corridor and West-East Corridor.

The second project is High-Speed Rail Jakarta-Bandung and Jakarta Surabaya routes. This procurement will connect three crucial cities; Jakarta, Bandung, and Surabaya in two phases. HSR Jakarta-Bandung is operated by Chinese consortium while MSR Jakarta-Surabaya

currently under Japan's investment project (PT. Kereta Api Indonesia (Persero), 2016).

The third project is the procurement of airport railway integrity. There are several projects on this procurement. Those are New Yogyakarta International Airport Railway, Minangkabau International Airport Railway, Adi Sumarmo Airport Railway, Hasanuddin Makassar Airport Railway, Juanda Surabaya Airport Railway and Double-tracked Soekarno-Hatta Airport Express Railway. There is also some project on Harbor Railway to distribute freight into production loading stations (PT. Kereta Api Indonesia (Persero), 2016).

The fourth project is inter-city railway project in Surabaya and Jakarta. Surabaya inter-city railway is the procurement of tram railway route that serves around 17,14 km and was planned as a convenient downtown public transportation. The procurement also includes 20 bus stops and two stations, telecommunication and electricity signals, depot and other facilities (PT. Kereta Api Indonesia (Persero), 2016) While Greater Jakarta Circular Line was planned to make more efficient and integrate with other railways transportation modes such as MRT, LRT, BRT, and Commuter Line (Jakarta MRT, 2017).

The last is the procurement of operational Trans Sumatera Railways, Trans Kalimantan Railways, and Trans Sulawesi Railways. Trans Sumatera Railway is trained sequences route that will connect three main railway line; Prabumulih-Kertapati route in South Sumatera, Kertapati-Simpang-Tanjung Api-Api route in South Sumatera, Tebing Tinggi-Kuala Tanjung route in North Sumatera, Muara Enim-Pulau Baai route in Bengkulu, and Tanjung Enim-Tanjung Api-Api route South Sumatera. Trans Sulawesi Railway will serve Makassar-Parepare route in phase 1. This railway will use the procurement of High-Speed Rail. While the last is Trans Kalimantan Railway which connects Purukcahu-

Bangkuang and also development railway tracks in East Kalimantan (Izzudin, 2016).

C. High-Speed Rail Project

1. Procurement Ideas

This procurement idea of this project was initially created in 2008. Director Transportation on Ministry National Development Planning/Bappenas, Bambang Prihartono, said that “the procurement of High-Speed Rail already existed in 2008, the route was only Jakarta-Surabaya. It was designed by Bappenas and Transportation Ministry. Because of political economy consideration, this procurement was postponed and shifted into another procurements” (Deny, 2016). On the other hand, he also said that, in order to fulfill the procurement of High-Speed Rail in Jakarta-Surabaya, Bappenas changed the route into Jakarta-Bandung. The first consideration was to increase income per capita significantly around the route.

Indonesia already has its own fastest train. It was developed since the establishment of the executive class train for passengers. PT KAI has some trains which have average speed around 100-120km/h. Argo Bromo Anggrek is a train initially from Area of Operation of Surabaya which serves railway line Surabaya-Jakarta. It routes length around 720 km for 9 hours. It has a maximum speed of 120km/h (Rifai, 2015). According to Wilmar Salim and Siwage Dharma Negara, the current fast train in Indonesia is still not enough to fulfill its capability to boost economic region. Instead, Indonesia still needs to have HSR in their railroad system (Salim & Negara, 2016).

2. Japan Feasibility Study Report on HSR in Indonesia

Japan as the first actor which involved in this procurement of High-Speed Rail, had already been put a stance. In Japanese Train Exhibition conducted by Japan International Cooperation Agency (JICA) under the named Indonesia-Japan Expo 2008. This expo also contained an agenda to share each countries capabilities on train

development (Japan Official Development Assistance - Indonesia, 2008).

Next agenda which Japan held feasibility study on the procurement of HSR which under the order of Bappenas, Jakarta-Surabaya route. According to Japan Feasibility Report in 2009, the main background of this procurement are; one of the tools to devote a commitment of Japan feasibility study on this project. Japanese national point of view on promoting their *Shinkansen* as the excellence of mass transportation on railway-based, and the last to boost the economy on Java especially around the vital city along this procurement.

Japan also published their project feasibility report on HSR procurement. This report talked about the capability, availability, and some information regards the necessities of this procurement. Japan also predicted all the risks possibility along the route that will be shown in picture 1 below. The risks are required HSR specifications on construction, commitment on both Japan and Indonesia government, support from Japanese companies, Indonesia consensus, private sector's commitment, global warning prevention program, land acquisition, implementation equity and decentralization of autonomy.

The necessary information of about procurement on the feasibility study such as the characteristic of the railway, construction standard, structure breakdown, number of stations, number of cars for a train sequence, length and time predictions, estimated cost, and other probability that would happen along the establishment of HSR. Japan will use their standard bullet train/*Shinkansen* which contain 8-12 coaches in a train sequence. It has maximum design speed 350km/h and maximum commercial speed just around 300km/h. In the future, this project will be located nine stations; Jakarta station, Cikampek station, Cirebon station, Tegal station, Pekalongan station, Semarang Poncol station, Gambir station, Cepu station, and Surabaya Pasarturi station. It was

estimated to be finished in next nine years which three years of designing, five years for construction and one year for trial operation. For structure type breakdown Japan will provide cut and embankment for 380km length, bridge and viaduct around 270km length and tunnel around 39km length in total.

The second feasibility study report that held by Japan was taking place on Jakarta-Bandung route. The reason why the next report was made for Jakarta-Bandung route because both Jakarta and Bandung are largest cities in Java which can increase and support the economic region. Both cities also have their ppherical cities on their own that can have economic support towards this project.

Since this route has some mountainous area, there are slight differences on the process of feasibility report regards on the distance which significantly shorter than Jakarta-Surabaya and also the quality of soil and other necessities in this route. The description of the characteristic of the train is the same with Jakarta-Surabaya, but it will need more tunnels and bridges to help the train mobilize efficiently. The station that will provide HSR is Jakarta station, Bekasi station, Cikarang station, Karawang station, and Bandung station .

3. Initiation and Progress of the HSR Project

Ministry of Transportation alongside with Directorate General of Railway System has initiated a report which contains some upcoming agenda to promote the betterment of Indonesia's transportation system especially on railway-based transportation in 2030. There are ten main agendas as a point to achieve that goal. The focusing point of this chapter is on point number 5 about the development of High-Speed Train networks and services (Directorate General of Railway, 2011). The objectives of this project are to facilitate the mobility of people in around HSR stations and also to reduce the burden of the north coastal railway line that already

overloaded. With all of the train assets that already have by PT KAI, such as current fastest trains and the railway line which spread out around Sumatera and Java Island, it is still not enough to fulfill the objectives. So that is why the HSR should be developed.

The idea of this procurement had been delivered in 2008 and Japan already done their feasibility study on this project, which still under Susilo Bambang Yudhoyono administration as a president, the HSR project was terminated since then. The main reason would be the project cost much money and other resources. The estimated time to build and develop HSR was around nine years. That is why the previous government tried to shift the idea into another project which cost less of money and more important in other sectors.

As the Bappenas, Ministry of Transportation, and Ministry of SOEs along with PT KAI agreed to this terms, the HSR project will be developed in further years. The result of Japan's feasibility study report will be used as the main study guide along this initiation procurement. HSR Project has two routes which also divided into two phases. The first phase is the Jakarta-Bandung route which has a length around 150 km. This phase will estimate around US\$5,5 Billion. The second phase is Jakarta-Surabaya route which has a length around 720 km. It was estimated at US\$7,6 Billion. Indonesia government thinks that the project will cost much money, so they consider to put this project into bids with other countries who want to cooperate in this procurement (Praditya, Perbedaan Proposal Proyek Kereta Cepat China dan Jepang, 2016).

At the beginning of 2015, there was two finalist of countries which already sent their proposal of this procurement. Those countries are Japan and China. Japan emerged again as a country who want to take responsibility for their last feasibility study report on 2008 and 2012. While China brings their ideology of One Belt, One Road which includes the new Maritime Silk Road across Asia

Continent and High-Speed Train Diplomacy. China is also interested in investing in this procurement at a time to promote that idea in Indonesia. Both of countries were tried to convince Indonesia's government to choose their proposal.

In the middle of 2015, the big decision was made by Indonesia's government. Officially, Indonesia appointed China as the winner of this project procurement. According to Secretary of Cabinet's website, on March 26th both countries put a signature to ratify this agreement under the Memorandum of Understanding for both countries. This event was held in Beijing on Bilateral meeting to talk about the efforts to increase the cooperation in trade, finance, infrastructures, industries, and tourism inter-community relations. This MoU of the establishment of HSR was signed by Minister of SOEs of Indonesia, Rini Soemarno and by Chief of National Development and Reform Commission of China, Xu Shaoshi (Directorate General of Railway, 2011).

After knowing this event, Japan felt disappointed with Indonesia's integrity. Japan considered that Indonesia's government have not been professional to deal with this problem. Indonesia's government has terminated the contract towards Japan that took place in Indonesia-Japan Expo 2008 by JICA. They believe that they already did something generous toward this project through their feasibility study report on this project. Japanese Prime Minister, Shinzo Abe also stated his disappointment of Indonesia's government that prefer to choose China's proposal over Japan. Also, Chief Cabinet Secretary, Yoshihide Suga, stated in Financial Times Online, they already took every way to win the tender of High-Speed Rail Project, but at the last time of completion, the result is way more disappointing to be accepted (Harding, Chilkoti, & Mitchell, 2015). One of the point on MoU said that China should have done their feasibility study report by the

end of August 2015. It means that China has not started their feasibility study on this project.

This contract between Indonesia and China was also signed by several consortium companies from both countries. Both countries initiated a joint venture company named PT Kereta Cepat Indonesia China (PT KCIC). Indonesia was represented by PT Pilar Sinergi BUMN Indonesia which one of the subsidiary company and joint venture companies of PT KAI, PT Wijaya Karya, PT Jasa Marga, and PT Perkebunan Nusantara VIII. China was also represented with China Railway International Co., Ltd and its joint venture companies China Railway Group, Sinohydro Corporation Ltd, CRRC Corporation Ltd, and China Railway Signal and Communication Corp (Waluyo, 2015).