

COUNTRY REPORT OF INDONESIA

Presented in the 4th Asian Forum
Tokyo, 8-10 December 2004

A. Current Situation

1. **The Construction cost standard** is necessary in building construction procedures, particularly in the construction of **State Buildings**. This cost is required for:
 - a. Conceiving state buildings development programme, design, procurement, operation and maintenance, leasing, and also demolition
 - b. As a guidelines for construction firms and owners/ users, for buildings construction
 - c. Better quality of building construction
 - d. Providing information system (national, regional, and local) on basic price and unit price
2. Indonesia's diverse natural condition and resources produce in diversity of design, construction types, construction methods, and building materials among its region. Those condition is also affected by location, mode of transportations, availability of building materials and local workers, along with local government capability in providing constructions budget, resulting in **difference of construction cost in every region** (Municipality/Regency).
3. **Difference of construction cost** and **requirement of State Buildings construction** that has to comply with principle of usefulness or benefit, safety, security, health, accessible, match and harmony with the surroundings, which are **need standardisations**, such as; technical standard, cost standard, and procedures standard.
4. **State Buildings** comprise of: offices, schools, hospitals, state housing, etc. Based on its character, complexity, and technology, state building can be classified as:
 - a. Ordinary construction,
 - b. Advance construction, and
 - c. Special construction,**Each construction's classification has different technical specification and construction cost.**
5. State Buildings **Development Cost** consists of:
 - a. Construction cost (standard cost and non standard cost)
 - b. Design Fee

- c. Supervision/ Management Construction Fee
- d. Project Management Fee

The amounts of **construction cost and fees depend on the classifications of the state buildings.**

6. Maximum **non-standard cost** (mostly for mechanical and electrical works) is **not exceeding than 2,5 of standard cost.**
7. In accordance with **The Presidential Decree** No 42 year 2002, Standard construction cost of State Buildings **has to be established by local governments** (approximately 468 municipality/regency), which are include:
 - a. State building construction cost, counted per m2
 - b. State housing construction cost, counted per m2, and
 - c. Fence construction cost, counted per m'.**Standard costs are decided yearly.**
8. Consequently, it is necessary to set up; **basic price, unit price, and labour wages** in each municipality/regency.
9. Standard cost can be utilized by: governments, construction firms, users/owners, also by others who involving in State Buildings construction process. Including **overseas construction firms, who will participate in building construction in Indonesia**, particularly State Buildings construction.

B. Expectations to the Asian Forum

1. The Government of Indonesia expects inputs from Asian Forum's participants, especially in the case of **how to arrange standard construction cost.**
2. Sharing such experience among Asian Forum's countries is necessary in order to enhance and **improve on developing standard construction cost in Indonesia**, particularly for state buildings.
3. The establishment of networking among Asian Forum's countries will provide information about standard construction cost in every country. This information is useful for **construction firms who will involve in building construction in another country.**