ABSTRACT

The development of rail transportation modes in Indonesia has become one of the national interests that must be met. Railway transportation will be the backbone of population mobilization and logistics for economic growth. To achieve a superior train, modern technology is needed for each railroad facility. Indonesia needs to conduct diplomacy for bilateral relations in order to improve the development of national railways through transfer technology. Indonesia has PT INKA (Persero) which is a single railway manufacturing company that plays a role in the railway industry. Indonesia established bilateral cooperation with Sweden in the field of transportation to create an independent railway industry. This study discusses the bilateral relations between Indonesia and Sweden to improve national railways. The analysis used in this study to answer the focus of the problem is how does the influence of the cooperation between Indonesia and Sweden through PT INKA (Persero) and Bombardier Transportation in improving railways in Indonesia? With the basic argument that Cooperation between Indonesia and Sweden through PT INKA (Persero) and Bombardier Transportation in the railway sector has had a positive influence on the development of national railway infrastructure, namely the development of the quality of rail transportation modes and the increase of the economy in the railways sector and opens a great opportunity for Sweden to invest in Indonesia. The bilateral relations between Indonesia and Sweden have been able to make Indonesia improve the quality of national transportation modes. Indonesia is able to improve connectivity by connecting railways to the center of the economy and integrating railways with other modes of transportation. Sweden has had a positive impact to expand and increase its investment in Indonesia. Thus, this bilateral cooperation is able to meet the national interests of Indonesia and Sweden.

Keywords: *Bilateral Cooperation, Economic Growth, Investment, National Interest, Railway Industry.*