

CHAPTER I

INTRODUCTION

A. Background

Economic development in Indonesia, the infrastructure is one of the main support in enhancing the potential of the industry. The increasing national competitiveness in the trade of goods and services made major infrastructure as an alternative in the distribution of goods and services. Land transportation infrastructure which is currently being developed is the railways. A train is a rail mode of transportation capable to transport en masse in the form of passenger transport and logistics. Mass transportation by rail is more efficient than other land transport such as cars, buses, and trucks.

This research is a research that discusses Indonesia's cooperation with Sweden through two train manufacturing namely PT INKA (Persero) – Indonesia with Bombardier Transportation – Sweden. The cooperation of the two countries regarding the production of the train with the transformation technology from Bombardier Transportation to PT INKA (Persero). This research will describe how the cooperation and positive influence for both countries, especially for the development of infrastructure in Indonesia. PT INKA (Persero) is manufacturing in the country which has a role in improving national railways, but some systems or component used in the rail have not been able to created by PT INKA (Persero). Therefore, it is important for Indonesia to establish cooperation with Sweden to meet the raw material source for PT INKA (Persero) in producing the train.

In the 2015-2018 period, railways were the main focus of the government to fulfill the President Joko Widodo's Nawacita. The construction of railways in this period to make railways the backbone of the mode of transportation. Railways will increase connectivity to economic centers and be integrated with other transportation modes. In the 2015-

2018 period, the Indonesian government sought to create an independent Indonesian railway. Following the development of the railway industry, the government will be able to have a railway that is independent, competitive and has high capacity.

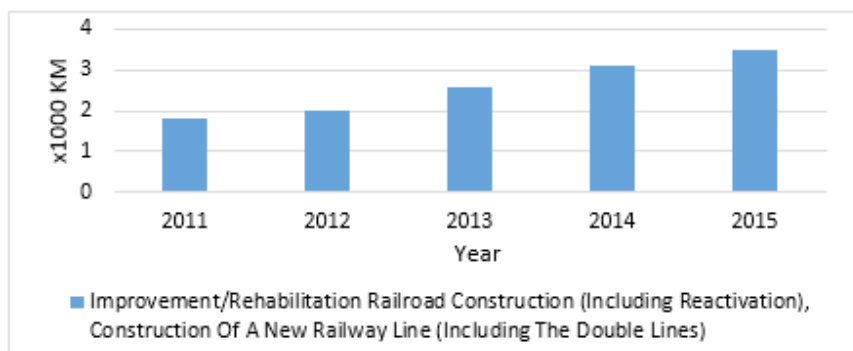
The development of railways in Indonesia includes the railway infrastructure development and upgrading of product markets railways. The construction of the railway infrastructure led to the construction of a new railway line, double line, and reactivation the railway line.¹ According to *Badan Pusat Statistik (BPS)*, 2015, that the construction of infrastructure in the transport sector designed to meet three goals, among them is supporting the movement of the economy, national stability and to reduce inequalities development of the region by way of expanding the reach of the current distribution of goods and services throughout all corners of the country. With the widespread development of infrastructure will facilitate the distribution of goods and services that are evenly distributed all over Indonesia.

The train is the rail mode of transportation more efficient than other land transport such as cars, buses, and trucks. Railways will continue to evolve through a large number of infrastructure development and upgrading of other railways facilities. The increasing number of means of rail transport will certainly reduce the level of congestion in Indonesia. The construction of railway transportation includes the construction of new transportation facilities to other transportation centers. Railways infrastructure development continued to increase, in 2011-2015, the construction of the railway, including the reactivation of line and the creation of new railway line, reached 13,224.62 Km with the following details:²

¹ Direktorat Jendral Perkeretaapian, Kementerian Perhubungan. *Reviu Rencana Strategis Kementerian Perhubungan Bidang Perkeretaapian 2015 – 2019*, Page III-6.

² Kementerian Perhubungan, *Buku Informasi Transportasi 2015*, Page 20.

Figure 1. Improvement/Rehabilitation Railroad Construction (Including Reactivation), Construction Of A New Railway Line



Year	2011	2012	2013	2014	2015	Total
Improvement/Rehabilitation Railroad Construction (Including Reactivation), Construction Of A New Railway Line (Including The Double Lines)	1.834,37 Km	2.036,30 Km	2.655,40 Km	3.131,40 Km	3.567,15 Km	13.224,62 Km
Growth	17,95%	11,01%	30,40%	53,78%	34,34%	-

Source: Direktorat Jendral Perkeretaapian, December 2015

The widespread development or rehabilitation of the railway line to make the government take steps to do the addition and rejuvenation of train units with a train that is largely produced by PT Industri Kereta Api (Persero) or often abbreviated PT INKA (Persero). The railway rejuvenation aimed to replace the trains already aged 30 – 50 years. According to Edi Sukmoro (2015) as President Director of PT Kereta Api Indonesia, that the rejuvenation and increased rail aims to increase the number of passenger transport as well as to support “*one man one seat*” program. To increase the amount of capacity of rail transport modes, PT KAI has built railroad infrastructure and facilities for urban areas. In cooperation with PT INKA (Persero), the construction of railroad infrastructure in urban areas to facilitate the mobilization of the community towards the centers of the economy.

The direction of the construction of railways in Indonesia has been regulated by the Ministry of Transportation under the responsibility of the Directorate General of Railways. Review of Rencana Strategi (Renstra) Ministry of Transportation, the national development goals both are to build national connectivity to achieve a balance of development and constructing public urban mass transports. Targets on the construction of railways 2015-2019 year according to Directorate General of Railways will be focused to improve the transportation connectivity to centers of the economic activity.³

Strategies in improving the capacity of transportation through three main ways, among others are the development of a network of railways, technology transfer and industry development, and investment and funding. The role of the Ministry of transportation especially Ditjen Railways in determining the direction of the development of the railways is to support the President's Nawacita Program Period of 2015-2019. Regulatory requirements against the construction of the railways, in general, are more related to technical standardization of new technologies. The technology development has certainly become one of the government's development policy directions for the railways' industry PT INKA (Persero) and PT KAI.

According to the regulation of the Minister of Transportation Number: PM 43 Year 2011 about the Railways Master Plan (RenStra) explained that industrial railways are an attempt to increase self-reliance in the national rail industry. PT INKA (Persero) as one train manufacturing, has an important role in the development and construction of national railways. According to BAPPENAS (2013), Indonesia is undergoing strengthening global competitiveness in the railway's sector. Indonesia is at a transition period towards a more efficient economy. Infrastructure and technology readiness is the weakness of competitiveness should be built.

Domestic-made trains were initially more dominating the freight trains then domestic passenger transport train. According to Ignatius Jonas

³ Direktorat Jenderal Perkeretaapian, Kementerian Perhubungan. 2015. *Rencana Strategis Kementerian Perhubungan Bidang Perkeretaapian Tahun 2015-2019*. Page 24.

(2015), PT KAI (Persero) are more likely to use the former train passenger transport from Japan. Because artificial train PT INKA (Persero) has not been able to fulfill the safety standards aspects of passengers. If artificial train PT INKA (Persero) runs as a mode of passenger transport, of course, will harm society and the operator in the event of disruption of the field. Of course, this problem became the main task of PT INKA (Persero) to improve and develop the railway technology.

Role in developing the infrastructure and markets railways make PT INKA (Persero) take steps to cooperate with foreign manufacturers in developing railway products in the country. In the period 2012 – 2014, to improve the export market or the domestic market, PT INKA (Persero) cooperation with two world-class manufacturing with Bombardier Transportation (BT) and General Electric (GE).⁴ Cooperation is conducted to enhance technology development and supplying system of railroads that have not been created or capable of being developed. With the transformation of the technology will become a place of learning for PT INKA (Persero) to create technologies that are currently not able to be created.

The cooperation of PT INKA (Persero) with Bombardier Transportation in order to improve the quality of the train for the domestic market and to improve the infrastructure of the national railways. On the other hand, by increasing train technology, Indonesia will certainly be an attraction for foreign countries to import the train made by PT INKA (Persero). A technology development program to encourage the Government in making Indonesia an independent and mastering global markets railways as in 6th NAWACITA Indonesia 2015-2019 which is **“improving productivity of society and competitiveness in the international market”**.⁵ Development of quality trains by PT INKA (Persero) became very important to push the President’s Nawacita Program 2015-2019 Period.

⁴ PT Industri Kereta Api, 2015, *Rencana Jangka Panjang Perusahaan 2015-2019*, Chapter II.

⁵ Direktur Jendral Perkeretaapian, 2015, *Rencana Strategis Kementerian Perhubungan Bidang Perkeretaapian 2015-2019*, Page 44.

Technology developed through cooperation with Bombardier Transportation leads to an increase in trains that are safe and environmentally friendly. This cooperation also targeted the country's global market to rival competitors such as China, Japan, and South Korea. In the year 2012 PT INKA (Persero) in collaboration with Bombardier Transportation in project tender procurement 40 series electric train (KRL) in the Philippines. The project tender procurement KRL worth IDR 1,4 trillion PT INKA (Persero) working with Bombardier Transportation to produce traction motors as the engine for the electric train.

The relationship of PT INKA (Persero) with Bombardier Transportation has created the first Indonesia-made locomotives, i.e. CC 300 Series Locomotives. This locomotive is referred to as the anti-flood locomotive because this locomotive is a type of diesel-hydraulic locomotive. When the rail path trains flooded 15-20 cm or more of this locomotive still running. Unlike the other locomotives in Indonesia, this locomotive has been equipped with generators to supply the needs of electric power trains. Although operationally the CC 300 locomotives still operated by the Department of Transportation, the target is this locomotive is capable of mastering rail transport in Indonesia by defeating the dominance of United States-made locomotives, i.e. CC 206 Series Locomotives.

Bombardier Transportation certainly brings great influence on the development of train manufactured by PT INKA (Persero). Growing rail technology will push the rate of economic growth through infrastructure and global markets railways train. Therefore, this research uses the background of cooperation PT INKA (Pesero) with Bombardier Transportation in improving the national railway.

B. Focus Problem

Based on the background of the problem above, then it can be formulated the issue or problem that is:

“How is the influence of the cooperation between Indonesia and Sweden through PT INKA (Persero) with Bombardier Transportation in improving Indonesian railways?”

C. Research Objectives

Based on the focus problem above, below are the research objectives are:

- a. To find out how Indonesia’s cooperation with Sweden through PT INKA (Persero) and Bombardier Transportation in the railways’ sector.
- b. Answering the questions on the focus issue with the concept and the relevant theory and prove the basic arguments with data and facts.

D. Research Usability

This research is expected to:

- a. Academically for deeper understanding the concept of national interests of Indonesia in building the railways infrastructure.
- b. In the practitioner to know Indonesia’s international economic cooperation, in particular, the bilateral cooperation between Indonesia and Sweden in the railways’ sector.

E. Literature Review

Indonesia continues to strive to enhance the growth of the economy of the country in order to compete with developed countries in the world. To improve the economy, Indonesia should improve the competitiveness of the domestic market and the global market. But not all of the basic necessities needed are in the country so that Indonesia needs to establish cooperation with foreign countries in order to meet the sources which are not capable of mobilizing in the country.

In 1979 Indonesia has initiated bilateral cooperation with South Korea in the field of economics. The cooperation related of policies in the

energy field between the two countries, foreign trade (export-import), crude oil, the result of the refinery, coal mines and the results of cooperation in the development of oil and gas as well as coal and energy electricity. This economic relationship is utilized by both countries to meet one another needs. Indonesia is located on a large number of advantages in natural resources, manpower, and a broad market as well as active. These advantages can complement the advantages of South Korea in terms of capital and advanced technologies, as well as vice versa.⁶

The improvement of the cooperation with South Korea continued, on 4-5 December 2006, the Republic of Indonesia and the Republic of South Korea signed a “*Joint Declaration on Strategic Partnership to Promote Friendship and Cooperation in the 21st Century*” in Jakarta. The Declaration encourages the two countries to deepen friendship and a more concrete partnership which includes the 3 pillars, namely political and security cooperation; economic cooperation, trade, and investment; as well as the social-cultural cooperation. This cooperation increasing trend of investment and trade between the two countries.⁷

Bilateral economic cooperation in the fields of infrastructure, the Government of Indonesia and the Government of South Korea entered into an agreement to boost investment in land and maritime infrastructure development as well as cooperation in the field of creative industries. In this partnership, South Korea had the interest to invest in the construction of toll roads, ports, rail lines, and power plants as well as other maritime infrastructure. According to Arifin Multaza in his research mention that South Korea gives a good opportunity for Indonesia as a source of capital or investment, technology, and technology products. In this case, South Korea be an alternative source of technological development especially in the field

⁶ Hubungan Indonesia-Korea Selatan, 2011, <http://www.neraca.co.id/article/6523/hubungan-indonesia-dan-korea-selatan> Retrieved 26 December 2018.

⁷ Kedutaan Besar Republik Indonesia di Seoul Republik Korea Selatan, 2017, Hubungan Bilateral, <https://www.kemlu.go.id/seoul/id/Pages/HUBUNGAN-BILATERAL.aspx> retrieved 29 December 2018.

of *Heavy Industry*, IT, and Telecommunications.⁸

Indonesia has also established close bilateral cooperation with China in the construction of the fast train from Jakarta-Bandung in the year 2015. Investments from China very profitable for Indonesia, because China ensures that the rapid rail project Jakarta-Bandung will not reduce the Indonesian state budget (APBN). Investment offered the USD 5.5 Billion investment scheme with a 40% ownership by China and 60% local ownership where about 25% will be funded by capital together and the rest is obtained through loans with a tenor of 40 years with an interest rate of 2% per year.⁹

China is willing to approve the format of partnership or “Joint Venture Company” which is one of the conditions given Indonesia to establish partnerships in the development of the fast train project Jakarta-Bandung. This fast train project cooperation is covered by BUMN namely PT Pilar Sinergi BUMN Indonesia (which is a combination of PT KAI, PT Wijaya Karya, PTPN XIV VIII, and PT Jasa Marga) with China Railway International co. Ltd.¹⁰

According to Engra Rahmadoni in his research describes that investment offered by China has four advantages. *First*, in the procurement and acquisition of land that the Chinese do not exist any responsibility by the Government. *Second*, in increasing Domestic Level Content (TKDN), China is able to offer 58.2% using local content in the fast train. *Third*, in the use of labor force, China is able to create 39 thousand new jobs while construction with Chinese workers involved only as expert workers or skilled worker. Fourth, the technology used China i.e. Siemens developed

⁸ Multazam, Arifin. 2010. *Diplomasi Pertahanan Indonesia Terhadap Korea Selatan Periode 2006-2009*. Skripsi, Ilmu Hubungan internasional FISIP. Universitas Indonesia.

⁹ Beda Kepentingan Jepang dan China di Proyek Kereta Cepat. 2015. <http://www.cnnindonesia.com/internasional/20150831115055-106-75588/beda-kepentingan-jepang-dan-china-di-proyek-kereta-cepat/> Retrieved on 29 December 2018.

¹⁰ BUMN Bentuk Konsorium Penggarap Proyek Kereta Cepat, 2015, <https://m.tempo.co/read/news/2015/10/06/090707043/4-bumn-bentuk-konsorium-penggarap-proyek-kereta-cepat> Retrieved on 29 December 2018.

since the year 2003 which the train reaches a maximum speed of 308 km/h. This technological progress is very suitable for Indonesia which has a tropical climate.¹¹

International economic cooperation in Indonesia was committed to balancing the national economy and was able to offset the influence of the global economy. With the growing domestic economy, Its certainly will be able to compete with China and Japan as the country with the strongest economy in Asia as well as in the world. Here are some of the results from previous research as a literature review to reposition this research:

Research Name	Concept	Result	Research Positions
Arifin Multazam, 2010, <i>Diplomasi Pertahanan Indonesia Terhadap Korea Selatan Periode 2006-2009</i> .	International Economic Cooperation (Bilateral Cooperation)	Indonesian bilateral cooperation with South Korea as a source of capital or investment, technology, and technology products. In this case, South Korea be an alternative source of technological development especially in the field of Heavy Industry, IT, and telecommunications.	This research is more discusses Indonesian cooperation through PT INKA (Persero) with original Sweden's train manufacturing i.e. Bombardier Transportation related to the train drivers technologies to enhance the means of Indonesian railways.

¹¹ Rohamdoni, Engra. 2016. *Kebijakan Ekonomi Dan Politik Indonesia Memilih Bekerjasama Dengan Tiongkok Dari Pada Jepang Dalam Proyek Kereta Cepat Jakarta-Bandung Tahun 2015*. JOM FISIP Vol. 3 No. 2 – Oktober 2016.

<p>Engra Rohmadoni, 2016, <i>Kebijakan Ekonomi Dan Politik Indonesia Memilih Bekerjasama Dengan Tiongkok Dari Pada Jepang Dalam Proyek Kereta Cepat Jakarta-Bandung Tahun 2015.</i></p>	<p>National Interest and International Economic Cooperation (Bilateral Cooperation)</p>	<p>The election of China as a partner of cooperation in fast train projects from Jakarta-Bandung because Indonesia wanted to balance the economic influence between China and Japan in Indonesia where both countries are major countries in Asia.</p>	<p>In this study that the cooperation with Bombardier Transportation in the field of railways was able to open up opportunities for PT INKA (Persero) became the main railways' supplier of Indonesia so that be able to improve the economy in the field of railway transport.</p>
<p>Muhammad Yamin dan Shellia Windymadaksa, 2017, <i>Pembangunan Kereta Cepat Jakarta-Bandung Sebagai Mercusuar Hubungan Indonesia-Tiongkok</i></p>	<p>International Economic Cooperation (Bilateral Cooperation)</p>	<p>Indonesia's cooperation with China was able to win the tender for the fast train from Jakarta-Bandung because China has the technology and the financial ability without any government guarantee via state budget (APBN).</p>	<p>The technology gained from cooperation with Bombardier Transportation is able to make PT INKA (Persero) won several tenders for the procurement of domestic railway as a means of mass transport.</p>
<p>Agita Suryadi, 2015, <i>Kepentingan Indonesia Menyepakati Kerjasama Ekonomi dengan Slokovia dalam Bidang Energi dan Infrastruktur</i></p>	<p>International Economic Cooperation (Bilateral Cooperation)</p>	<p>Energy and infrastructure cooperation in Indonesia with Slokovia is to improve the country's foreign reserves through additional capital in order to achieve the targets in the areas of energy and infrastructure.</p>	<p>Cooperation in the field of railways with the original company of Sweden, namely Bombardier Transportation was able to increase the country's foreign exchange in the field of railways infrastructure.</p>

1. National Interest Concept

The concept of national interests was originally based that a strategy of diplomacy must be based on the national interest to pursue power through force or cooperation relations. Hans j. Morgenthau also explained that a country's national interests are the minimum capability of a country to protect and maintain the physical identity, politics, and culture from other countries. This description is supporting the explanation that national interest is a bilateral or multilateral relation of a country to achieve its goals. These relationships occur because each country has different advantages in production. By leveraging the comparative advantages, that each country had the opportunity to support the national development of appropriate national interests.¹²

A country's national interests have particular usefulness in explaining its national identity. National interests as an analytical term for describing, explaining or evaluating foreign policy and as a tool for criticizing, justify or propose a policy. Countries that establish cooperation with other countries will not experience the debate or dispute between these countries. The condition of national interest will clarify the action directly or indirectly to realize the objectives of the collaboration.¹³

According to K.J. Holsti, the national interest is an image of a country in the foreseeable future and future conditions by expanding the influence of its country out of bounds with change or maintain behaviors towards other countries to reach a certain condition. National interests have a purpose to defend the will of the country with other countries by creating policies to reach certain conditions. the Output of foreign policy can be in the form of policies, attitudes, and actions of the state, which are actions or thoughts compiled by policymakers. The

¹² Sitepu, Anthonius. 2011. *Studi Hubungan Internasional*. Yogyakarta. Graha Ilmu. Page 163

¹³ Masoed, Mochtar. 1994. *Ilmu Hubungan Internasional: Disiplin dan Metodologi*. Jakarta. PT Pustaka LP3ES. P.34.

national interest is divided into three clarifications:

1. *Core values*, something very important and concerns the existence of a State.
2. *Middle-range*, the needs which it aims to improve the economy through international action.
3. *Long-range*, interests that are ideal as maintaining world peace.¹⁴

Based on the classification and distribution of national interests according to K.J. Holsti above, the cooperation between Indonesia and Sweden in the railway sector is a medium-term or middle-range national interest in the transportation sector to increase economic growth. Indonesia's national interest is improving national infrastructure in the railways' sector to accelerate economic growth and improve the quality of trains to expand the export network. Sweden in bilateral cooperation with Indonesia has the national interest to expand investment opportunities in Indonesia.

2. International Economic Cooperation

International economic cooperation is a relationship of cooperation between countries in the field of the economy by holding the principles of fairness and mutual benefit through agreement or the agreement together. Simply put, international economic cooperation process formulated as relations between countries together with the approach to finding solutions to the economic problems they face through approach each other and hold negotiations on the issue.¹⁵

The purpose of the country establish international economic cooperation is to create and improve the welfare of the country. Such cooperation also benefits Indonesia, among them:

1. Advancing the national economy through increased exports and

¹⁴ Holsti, K.J.1988, *Politik Internasional*, Page 142.

¹⁵ Mochtar Mas'oeed, *ASEAN Problem and Prospek Dasawarsa*, Jakarta, Deplu RI,1997

imports of goods or services.

2. Promote the progress and development of the technology of the countries that are in a cooperation relationship.
3. Improve the bargaining power and the position of Indonesia to increase overseas investment.
4. Expand the interest in the export of domestic products and increase the amount of cost of goods.
5. Ease in obtaining raw materials and reduce the unemployment rate by expanding employment.¹⁶

International economic cooperation is comprised of three divisions, namely the bilateral cooperation, multilateral cooperation, and regional cooperation. This research will discuss cooperation between Indonesia with Sweden, so the theory that will be used is the bilateral cooperation. Bilateral cooperation is a relationship which is used to strengthen the cooperation between the two countries by making use of his influence to achieve the national goal of the country.

According to Didi Krisna, bilateral relation is a situation that describes the existence of a relationship that affects each other or gives reciprocity between two parties or states. Bilateral cooperation relations essentially that the State is an actor to interplay with the pros or advantages of each country in reciprocity. The relationship of bilateral cooperation basically states is an actor to influence each other with the advantages or advantages of each country so that reciprocity occurs. Bilateral relations were formed due to the diplomatic conditions that existed between the two countries. Bilateral relations are conditions that describe the relationship between the two countries that influence each other or there is an effort to give mutual reciprocity.¹⁷

¹⁶ Pengertian, Manfaat Serta Bentuk Kerjasama Ekonomi Internasional, <https://www.seputarpengetahuan.co.id/2016/06/pengertian-manfaat-serta-bentuk-kerjasama-ekonomi-internasional-lengkap.html>. Retrieved on 22 December 2018.

¹⁷ Didi Krisna. 1993. Hubungan Bilateral dan Politik Internasional. Jakarta. Gramedia. Page 18.

The bilateral cooperation between Indonesia and Sweden in the railways' sector focusing on the development of train technology. Components and materials of the train which are not able to produced by Indonesia would be the main reason for this partnership. In other words, the inability or the limitations of the sources make Indonesia takes steps to establish bilateral cooperation with Sweden that handled by PT INKA (Persero) and Bombardier Transportation.

3. Islamic View of Bilateral Cooperation

Islam views bilateral cooperation as the Syirkah concept which is a concept that is appropriately used to solve capital problems. Syirkah took advantage of the advantages of the two actors' resources to establish cooperative relations to improve welfare. The reciprocal process of collaboration results then becomes a requirement that syirkah fulfill an interest. Countries that carry out economic cooperation relations will focus on achieving national interests. In the Al-Quran have described syirkah in Shaad verses 24:

“Indeed, most of the people that doing syirkah, some of them commit wrongdoing against the other, except for the people who believe and do good deeds” (QS: Shaad 38:24)

Syirkah's definition according to Ismail Nawawi is a collaboration that involves two or more people in a particular business by using predetermined capital in accordance with a joint agreement to use a business program and the distribution of assistance or parts agreed upon in the agreement. The process of syirkah activities uses the concept of musyarakah contract in collaboration between parties or more to conduct business that is lawful and productive with interests borne by each party. Syirkah uses the principle of profit sharing to meet the needs of the perpetrators through profits derived from cooperation or reciprocity from each competitor.¹⁸

¹⁸ Lukman Hakim, Prinsip-Prinsip Ekonomi Islam, hal. 106.

The concept of Syirkah is very supportive of bilateral cooperation between Indonesia and Sweden in the railway sector. Both countries have reciprocal relationships with excellence in each country. Syirkah views that Indonesia is able to improve railroad transportation modes and the Indonesian railroad industry, so that it is able to meet Indonesia's national interests. The bilateral cooperation provides an opportunity for Sweden to increase its investment in Indonesia in accordance with their national interests. Thus, Syirkah views that the bilateral relations between Indonesia and Sweden have the same results as the musyarakah of both countries.

F. Research Method

This research is scientific works in the form of qualitative descriptive. Qualitative methods i.e. research aims to understand the phenomenon that happened towards the subject of the research. This research begins with the data obtained through observation, collecting, compiling and analyzing data by using theories approach.

Data collection techniques used in this research is the Library Research technique supported by previous research, written information, books, magazines and journals, newspapers, and internet media. The results of the collection of the data will be processed and analyzed through explanatory approach with supporting theories.

G. Basic Argument

Based on the focus problems and assumptions which corresponds to the concepts and theories on this research, it can be inferred a basic argument that:

“Cooperation between Indonesia – Sweden through PT INKA (Persero) and Bombardier Transportation at the railways sector brings a positive influence to the national railways infrastructure development, there are the development of the quality of railway transportation modes and growing economy in the field of railways as well as opening up great

opportunities for Sweden to invest in Indonesia.”

H. Systematic Discussion

To make it easier to discuss problems in the writing of this research were systematics deliberations as follows:

CHAPTER I: Introduction

Discuss about the background problems, focus problems, research objectives, usability research, literature review, the basic argument, research method, and systematic discussion.

CHAPTER II: The Indonesia-Sweden Partnership in the Field of Transportation and Development of the National Railway

Discusses the issue of the competitiveness of the international railway market and bilateral cooperation between Indonesia and Sweden in the field of transportation. This chapter also discusses the construction of Indonesian railroad transportation infrastructure.

CHAPTER III: Cooperation between Indonesia and Sweden in the Railway Sector and Its Impact on Both Countries

Discuss the form and cooperation of PT INKA (Persero) with Bombardier Transportation in the railway sector. This chapter will also discuss the influence of cooperation between PT INKA (Persero) and Bombardier Transportation for Indonesia and Sweden.

CHAPTER IV Conclusions

Delivering the concluding remarks from the research which concludes.