SUMMARY

Privatisation of infrastructure project has proved to be an effective strategy used by governments to accelerate development programmes. In recent years, the Build-Operate-Transfer (BOT) method of financing has found widespread applications in the Asia-Pacific region. Each country has its own arrangement to implement this method.

This dissertation presents a comparative study of BOT toll road arrangements between Indonesia and Malaysia, in terms of their different structure and the associating implications for management and contracts.

Taking East Bekasi-Cawang-Kampung Melayu toll road project in Indonesia as the first case study, we are informed of how Indonesia arranges the privatisation of infrastructure. PT Jasa Marga, a state-owned company, which is in charge of managing toll roads in Indonesia, always takes part in the project company and contributes on the success of the development programme in the country. Having no operator in the structure makes the project differ from the others.

Being one of the longest toll road in the world, Malaysia's North-South Expressway may be adopted as a model of a successful project. The project structure is completed, but the manner of giving such a big protection to the project company is considered rather too much.

Both cases were not through a clear and fair bidding process. The risks they are facing are different. But the problems that should encounter in the construction management would be relatively the same.

The BOT schemes in both countries are already established, but the implementation of realising the programme has to be evaluated and monitored intensively from time to time.