ABSTRACT

To achieve the level of infrastructure performance as a middle income country by 2025, to catch up with the special infrastructure of highway projects, the government targets that in 2021 Indonesia will have a highway lenght up to 5200 km so that there is a significant increase from 3000 km at the beggining. The government, especially in the development of highway infrastructure, gives a larger portion to pure private sector, state-owned corporation and public private partnership (PPP) - public private partnership (PPP) with non government budget guarantees.

Highway projects must have a level of eligibility that can guarantee investment security for Investors, risk constraints in planning, implementation and operation also become matters that affect the desires or interests of investors / private parties to invest. The government made a paradigm shift through Perpres No. 38 2015 which is important to provide business certainty, licensing and incentives to increase the feasibility of the projects offered

The study was conducted on 15 incentive variables using the Structural Equation Model based on Component-Smart PLS. The analysis aims to obtain the value of the effect of incentives on 19 risks and on investment feasibility performance including Net Present Value, Benefit Cost Ratio, Payback Period, Internal Rate of Return. This study involved 100 respondents and 6 experts who are experienced in the field of highway investment, the expected results of the analysis will get the most interesting incentives and provide optimal results in the investment feasibility performance of highway projects.

The results show based on the preparation of the model and results of data processing, the significant influence of the implementation, operational and investment risk variables of the highway project through incentive variables on the investment feasibility of the highway project, this will be an alternative for stakeholders or toll road investors in considering their investment, because risks incurring additional costs can be helped by proposing the best incentive schemes in the form of space utilization and controlling the use of space around the highway (physical) to obtain additional income.

Keyword: Highway, investment feasibility, Risk, Incentive