## SURABAYA CITY BRIEF

Updated as of 22 December 2014

### Key statistics of Surabaya (2013)

<table>
<thead>
<tr>
<th>Category</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Province</td>
<td>East Java</td>
</tr>
<tr>
<td>Settled</td>
<td>31 May 1293</td>
</tr>
<tr>
<td>Mayor</td>
<td>Tri Rismaharini</td>
</tr>
<tr>
<td>Vice Mayor</td>
<td>Wisnu Sakti Buana</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.surabaya.go.id">www.surabaya.go.id</a></td>
</tr>
<tr>
<td>Total Area</td>
<td>326.8 sq km (126.2 sq mi)</td>
</tr>
<tr>
<td>Timezone</td>
<td>UTC+7</td>
</tr>
<tr>
<td>Area Code</td>
<td>+6231</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>3.4 million rupiah/ S$364</td>
</tr>
<tr>
<td>Economic Growth</td>
<td>7.3%</td>
</tr>
<tr>
<td>Rate of Inflation</td>
<td>7.5%</td>
</tr>
<tr>
<td>ICOR</td>
<td>3.3</td>
</tr>
<tr>
<td>Average Household Expenditure per capita/ month</td>
<td>1 million rupiah/ S$110</td>
</tr>
<tr>
<td>Average Labor Wages/ person</td>
<td>1.7 million rupiah/ S$182</td>
</tr>
<tr>
<td>Population</td>
<td>2.8 million (50.6% female; 49.4% male)</td>
</tr>
<tr>
<td>Life Expectancy</td>
<td>71.8</td>
</tr>
<tr>
<td>Unemployment Level</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

Source: Surabaya Central Bureau of Statistics
Overview of Surabaya

History
Surabaya is Indonesia’s second largest city and the capital of East Java province. The name “Surabaya” is derived from the words Sura or Suro (shark) and Baya or Boyo (crocodile). It describes the heroic event that took place in Ujung Galuh (the past name of Surabaya), where the army led by Raden Widjaja defeated Tartar army troops on 31 May 1293. This date is commemorated as the city anniversary.

Geography
Surabaya is on the northern coast of East Java province and is divided into 163 districts and 31 sub-districts. It is mostly lowlands with a river estuary of Kalimas (one of two fractions of Brantas River). The Surabaya city borders Madura strait in the north and east, Sidoarjo regency in the south, and Gresik regency in the west.

Like many other large Indonesian metropolises, many residents reside outside the city limits in a metropolitan area called “Gerbangkertosusila”. The city is highly urbanised due to the many industries located there.

Population
Surabaya is rich with human resource; it is the second most populous city in Indonesia (after Jakarta), with the population growing at 1.2% yearly. As at 2013, total working-age population in Surabaya is 1.4 million people (about 48% of its total population).

Its people are also relatively well-educated. The city has 16 major universities and institutions with technical specialties, such as Airlangga University (UNAIR) and Sepuluh Nopember Institute of Technology (ITS). UNAIR is well-known in Indonesia for its medical program while ITS is a public technological institute strong in robotics and mechanics.

Foreign nationalities in the city include Malaysians, Chinese, Filipinos, Indians, Arabs and Europeans.

Connectivity
As the capital of East Java province, Surabaya has better supporting infrastructure than most other cities in East Java. The city is well connected by land, air and sea transport infrastructure to serve local, regional and international trips.

Land transportation
As the central business area of eastern Indonesia, Surabaya is well connected to the rest of Indonesia via national roads like the North Coast Road/ Jalur Pantura that runs through the Java Island, (Jakarta – Bandung – Yogyakarta – Surabaya), and the Trans Java toll road from Jakarta to Surabaya. Surabaya is also known for being a transit city between Jakarta and Bali or Madura for ground transportation. Cities in East Java are connected by inter-city bus networks operating 24/7.

Intra-city transport is dominated by motor vehicles, motorcycles, and taxis. Public bus, metered taxis, shuttle vans (or bemo), and rickshaws (or becak) are also available with multiple routes throughout the city. Surabaya also has commuter rail inter-city transportation system from Surabaya to other cities in eastern part of Surabaya, such as Malang, Sidoarjo, Kertosono, and Mojokerto. The

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1 Gerbangkertosusila is made up of Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo and Lamongan.
2 Defined as 15-55 years old
3 In 2012, the ITS student team was awarded the Toyota award at ABU Asia Pacific Robot Contest and Shell Helix Tribology Award in Shell Eco Marathon Asia 2013.
4 Anyer – Jakarta – Surabaya – Banyuwangi
government is in the midst of conducting a feasibility study to build two additional modes of public transport: tram and monorail.

**Movement of people and goods can also be done through rail.** The railway system in East Java (including Surabaya) was built in the Dutch East Indies colonial era. This 895,750-km path way consists of:
- The Northern path (Surabaya Pasar Turi Station – Semarang – Bandung – Jakarta)
- The Middle path (Surabaya Gubeng Station – Jakarta – Yogyakarta)
- The Southern path (Surabaya Gubeng Station – Malang; Surabaya Gubeng Station – Kertosono – Blitar)
- The Eastern path (Surabaya Gubeng Station – Jember – Banyuwangi)

State-owned public railway operator in Indonesia, PT KAI, opened a double track, 727km railway line from Jakarta to Surabaya through Semarang. This sped up the transport of goods and lowered logistics costs as the tracks can now accommodate more trains.

**Air transportation**

Based on aircraft and passenger movement, **Juanda International Airport in Surabaya is the second busiest airport in Indonesia.** In 2013, Juanda Airport served 120,750 aircraft and handled 17.7 million passengers. Juanda airport is a renowned transit airport between west and east Indonesia for domestic airlines such as Citilink, Garuda Indonesia, Indonesia AirAsia, and TigerAir Mandala, and international airlines such as Cathay Pacific, China Airlines, Eva Air etc.

Besides national and international flights, Juanda Airport also serves local flight connections between cities to Banyuwangi, Madura Island and Bawean Island (Gresik regency) approximately three or four times a week.

**Sea transportation**

**Tanjung Perak is the main port of the city and is one of the busiest ports in the country** and plays a critical role in improving trade flow not just within Surabaya and East Java, but also eastern Indonesia. More than 2.1 million TEU containers and 6.7 million tonnes of bulk cargo entered Tanjung Perak in 2013.

Although the port is managed traditionally, it is able to handle modern cargo ships. As an international port, Tanjung Perak main business activities are provision of ponds and water ports for traffic and boat moorage. Other services provided include:
- pilotage services
- dock services
- container loading and unloading services, cargo, vehicles
- container terminal services like bulk water, general cargo, multipurpose, passenger, people cruise

The port also provide electricity, the installation of sewage and waste disposal, and fuel filling services to ships in the port area.

As a part of the government’s master plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) to boost connectivity in the archipelago and reduce high logistics costs, the new Teluk Lamong Green Sea Port began trial operations in 2014, serving both

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5 Travel time from Jakarta to Surabaya is shortened from 13 to 8.5 hours and railway container traffic increased from 200,000 TEUs to 1 million TEUs yearly.

6 In 2013, Soekarno-Hatta International Airport (Jakarta) served 438,000 aircraft and handled 62.1 million passengers while Ngurah Rai International Airport (Bali) handled 125,000 aircraft and 15.6 million passengers.

7 The port of Tanjung Priok (Jakarta) handled approximately 6.4 million TEUs in 2013.
international and domestic shipping. Covering an area of 38 hectares, Teluk Lamong will be able to accommodate 5.5 million TEU containers and 20 million tonnes of bulk cargo.

**Political Landscape**

**Political stability**

Surabaya is politically stable. Apart from rare political turmoil and tumultuous social conflicts, Surabaya is known for its democratic political governance. Institutional interaction between the Provincial Government (executive) in East Java with the Central Parliament (legislature) is harmonious. Hence, there is *minimal risk of social disorder* that may threaten business continuity.

**Government system**

The city has its own local government and legislative body. The mayor and members of representatives are locally elected by popular vote for a 5-year term.

The local level of government has two levels of authorities namely the compulsory and optional authorities and their area of duties are spelt out in Annex: Figure 4. *Implementation of compulsory matters is based on fulfillment of minimum service standards set by the central government.*

Furthermore, the Local Autonomy Law 23/2004, Article 10(2) states that *the local government has the autonomy and authority to regulate and resolve government matters.* The local government also enjoys greater decentralisation of affairs than the provincial body, such as the provision of public schools, public health facilities and public transportation.

**The Mayor**

*Tri Rismaharini is the first female mayor in Surabaya and had led Surabaya to achieve multiple regional, national and international awards since her election in 2010.* In 2003, when she was the Head of Surabaya Program Controlling Division, she created the first e-procurement system in Indonesia which was implemented nationwide and saved up to 20% of Surabaya’s annual regional budget.

Another internationally recognised achievement is her success in turning Surabaya into a clean and green city. Surabaya under Mayor Tri has become “Sparkling Surabaya”. From her time as Head of Surabaya Landscape and Cleanliness Department, she converted bare lands and gas stations into city parks. Green open spaces cover more than 20% of Surabaya land area and had been flood-free for the last three years.

Public participation in the environmental program has won the city many environmental awards as a pioneering eco-city. In 2012 Surabaya was awarded the “ASEAN Environmentally Sustainable City Award”. Since 2006, Surabaya had received the *Adipura Kencana*⁸, the highest environmental awards in Indonesia yearly.

Mayor Tri strongly believes that a city should be a home for its dwellers and that the city’s development should not compromise the standard of living for its citizens. To balance its fast development, Mayor Tri’s administrative program strives to provide free education and healthcare for the underprivileged. One of her main goals is to develop not just the city’s infrastructure and economy, but also its people, through education and awareness programs. 35% of Surabaya’s budget is spent on education which is far higher than the national standard.

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⁸ See list of city awards can be seen in the Annex.
Her leadership has attracted national and global attention lately. She is a regular feature in national and international media for her leadership style and has received several awards, including the Women Leader Award by Globe Asia in 2012 and the 10 Inspiring Women 2013 by Forbes Indonesia. Mayor Tri is the sole Indonesian finalist nominated for the 2014 World Mayor Prize.

Economic Development

Overview

Since early 1900s, Surabaya has been the busiest port and largest and has since grown into one of the most important trading city ports in Asia. Its rich history as a trading port with rich produce in sugar and tobacco (from the Brantas Valley stretching from Jombang and Kediri to Madiun) has led to a strong financial infrastructure with modern economic institutions, like banks, insurance and sound export-import companies.

As the provincial capital, Surabaya is home to many offices and business centres. Surabaya's economy has been influenced by the influx of foreign industries and the completion of the “Suramadu” bridge – a 16-kilometer bridge that connects Surabaya and Madura Island. Infrastructure projects like apartments, condominiums and hotels are ongoing while new public transportation modes monorails and trams are being explored. The high potential and economic activity in the city hence makes Surabaya attractive to foreign investors interested to start a business, work or settle in Surabaya.

Surabaya Metropolitan Area or “Gerbangkertosusila”

“Gerbangkertosusila” is the area surrounding the metropolitan area of Surabaya, East Java province. It is a main metropolitan or planning area in East Java consisting of the seven cities and regencies and is also an Extended Metropolitan Area (Zona Surabaya Pengaruh Raya). This region is considered as an urban economic planning area.

Economic Performance

Surabaya’s economic growth in 2011 was 7.5%, exceeding the East Java province economic growth of 7.2% and the national economic growth of 6.5%. It also surpassed the growth in other major provinces, such as DKI Jakarta (6.7%), West Java (6.5%) and Central Java (6%).

With a GDP of 264.3 trillion rupiah (US$22.3 billion) in 2012, Surabaya is the largest contributor of GDP in East Java Province, at 26.6%. The largest contributing sector to the GDP is the services sector (consisting of trade, hotel and restaurant) with a contribution of 44.5%; while the second largest contributor of the city of Surabaya’s GDP comes from the manufacturing sector which reached 21.7%.

The rate of inflation in Surabaya had dropped from its peak of 14.2% in 2005 to 8.7% in 2008 and finally, to 3.4% in 2009. High inflation in 2008 was allegedly due to rising global crude oil prices, resulting in inflationary pressure. Despite the global financial crisis in 2008, the agriculture, mining, manufacturing, and tourism sectors in Surabaya managed to stimulate the economic growth of Surabaya in 2009. The city was also awarded by Financial Times Magazine as most cost effective city among 133 Asian cities.

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9 Consisting of Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo and Lamongan
10 An Extended Metropolitan Area is defined as one that has a total area of 5,926 sq km and total population of 9.1 million people.
11 See Annex: Figure 5 for Gerbangkertosusila’s economic indicators
12 Source: Surabaya Central Bureau of Statistics
13 See Annex Figure 1 for economic growth figures in Surabaya, East Java and Indonesia from 2002 to 2011
14 See Annex: Figure 1
**Investment Performance**

Surabaya city became the leading *Penanaman Modal Asing*-*Penanaman Modal Dalam Negeri* (PMA-PMDN) investment location based on the realisation of investment. In 2011, Surabaya was the *top destination location for investment* with 90 projects worth of 4 trillion rupiah (US$341 million), employing about 14,500 people. In 2012, the total realised investment rose to 4.6 trillion rupiah (US$396 million) of which 96% came from domestic investments.

In terms of sector, the rubber and plastic industry is the most common business for foreign investors, while telecommunication sector is the most desirable business for domestic investors in Surabaya.

The growth of investment (PMA and PMDN) could be explained by the *local government efforts in improving the investment climate in Surabaya*. For instance, licensing administration has been simplified and shortened to range from 11 to 17 days.

**Surabaya Industrial Estate Rungkut (SIER) Industrial Area**

SIER was established on 28 February 1974 to conserve and develop industrial areas in Indonesia, mainly in East Java. It implements and support policies and programs in to fuel economic and national development, specifically in the area of development and management of industrial zones.

SIER, with an area of 245 hectares, accommodates more than 300 companies and is located in the Surabaya city territory. About 70% of the total land is used for industry while the rest is for public use. It is well-managed and has a biological system for wastewater treatment facilities, with easy access to Tanjung Perak port and Juanda International Airport.

**Central Business District (CBD) in Surabaya**

Surabaya has a strategic area that can be developed to increase economic growth, namely:

1. **Margomulyo Industrial and Warehousing Zone**
   - Highly accessible due to its proximity to Tanjung Perak port and Sidoarjo–Surabaya-Gresik toll road
   - Focuses on smart and clean industries and is also supported by adequate infrastructure

2. **Tunjungan Golden Quadrangle Area and its surroundings**
   - A trade centre and office district

3. **Suramadu Foot Bridge Area-Kenjeran Beach**
   - It is a strategic area located at the intersection of foot-bridge and the eastern ring road plan
   - Possesses potential to become a trade and service area on a regional scale
   - Raise the role of Surabaya as the centre of regional activities, not only in “Gerbangkertosusila”, but also to Madura Island (Bangkalan, Sampang, Pamekasan and Sumenep Regency)

4. **Waterfront City Area that is integrated with Teluk Lamong Port Development Plan**
   - This area will be developed with mixed use concept of both residential and commercial areas
   - Supported by good urban design
   - Integrated with the Teluk Lamong Port development plan
   - In the future, the port area and waterfront cities will be integrated with the surrounding commercial and residential developments

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15 Source: Investment Board of East Java
16 See Annex: Figure 2
17 See Annex: Figure 3
18 See Annex: Figure 7
(5) Integrated Area of Western Surabaya

- This area will be developed into an integrated area with its centre at Bung Tomo Stadium as a national sports centre
- Development of trade and services in the surrounding areas
ANNEX

City Awards
Source: Surabaya City Official Website (www.surabaya.go.id)
- International Socrates Award (2014) – International award by the Europe Business Assembly (EBA) for Innovative City of the Future
- Adiwiyata Mandiri Award (2010-2013) – National highest award for environmentally friendly school
- Kalpataru Award (2013) – National award for person who succeed in preserving environment
- “Taman Bungkul Park” won The 2013 Nations Asian Townscape Award (2013) – Presented by UN Habitat Regional Office for Asia and the Pacific, the Asia Habitat Society, the Asia Townscape Design Society, and the Fukuoka Asia Urban Research Center
- Future Gov Award Indonesia of the “Future City of The Year” category (2013) - by the FutureGov Magazine in cooperation with the Ministry of Communication and Informatics RI
- Indonesia Marketeers Champion of the Government and public service category (2013)
- City to City Cooperation Award of Participation category (2012)
- ASEAN Environmentally Sustainable City Award (2011-2012)
- Indonesia Green Region Award (2012)
- Smart City Award of Governance, Living and Environment category (2011)

**Figure 1: Share of Biggest Sector Economy of Surabaya’s GDP in 2012**
Source: Surabaya City Development Planning Agency
Figure 2: FDI Investment Realization Based on the Most Desirable Business in 2012
Source: Investment Board of Surabaya City

Figure 3: Domestic Investment Realisation Based on the Most Desirable Business in 2012
Source: Investment Board of Surabaya City
### Figure 4: The Separation of Authorities between Central and Local Government (Provincial and Region/City Level)

*Source: Republic of Indonesia Law 32/2004 concerning Local Government*

<table>
<thead>
<tr>
<th>Government</th>
<th>Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central Government</strong></td>
<td>• foreign affairs or politics  &lt;br&gt; • defense  &lt;br&gt; • security  &lt;br&gt; • justice  &lt;br&gt; • national monetary and fiscal  &lt;br&gt; • religion</td>
</tr>
<tr>
<td><strong>Compulsory</strong></td>
<td>• development planning and control  &lt;br&gt; • spatial planning, using and supervising  &lt;br&gt; • public order and serenity  &lt;br&gt; • public tool and infrastructure  &lt;br&gt; • health service  &lt;br&gt; • education and potential human resource allocation arrangement  &lt;br&gt; • over regions/ cities social problem overcoming  &lt;br&gt; • over regions/ cities labour service  &lt;br&gt; • cooperation, small and medium enterprise improvement facilitation including over region/city  &lt;br&gt; • environment control  &lt;br&gt; • land service including over region/ city  &lt;br&gt; • citizenship and civil administrative service  &lt;br&gt; • general government administrative service  &lt;br&gt; • investment administration service including over region/ city  &lt;br&gt; • other basic services that have not been able done by region/ city  &lt;br&gt; • other compulsory authority that mentioned by law</td>
</tr>
<tr>
<td><strong>Optional</strong></td>
<td>Governmental authority which is exist and potential to improve social welfare based on condition, special characteristic and local competitive potentiality</td>
</tr>
</tbody>
</table>

The concept of area and scale is used to determined which government should handle, e.g. activities over one regions or cities will be handle by province government.
Figure 5: Gerbangkertosusila Statistics in 2010
Source: Indonesia Central Bureau of Statistics

<table>
<thead>
<tr>
<th>Administrative Region</th>
<th>Area (km²) 2010</th>
<th>Population 2010</th>
<th>Density (/km²) 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surabaya Municipality</td>
<td>333.06</td>
<td>2,765,487</td>
<td>8,303.19</td>
</tr>
<tr>
<td>Gresik Regency</td>
<td>1,192.05</td>
<td>1,177,042</td>
<td>987.45</td>
</tr>
<tr>
<td>Sidoarjo Regency</td>
<td>591.59</td>
<td>1,941,497</td>
<td>3,281.83</td>
</tr>
<tr>
<td><strong>Zona Surabaya Raya (Surabaya Core Metropolitan Area)</strong></td>
<td><strong>2,116.70</strong></td>
<td><strong>6,484,026</strong></td>
<td><strong>3,063.34</strong></td>
</tr>
<tr>
<td>Bangkalan Regency (or Madura island)</td>
<td>1,144.00</td>
<td>906,761</td>
<td>792.62</td>
</tr>
<tr>
<td>Mojokerto Regency</td>
<td>853.93</td>
<td>1,025,443</td>
<td>1,226.71</td>
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<tr>
<td>Mojokerto Municipality</td>
<td>16.46</td>
<td>120,196</td>
<td>7,302.30</td>
</tr>
<tr>
<td>Lamongan Regency</td>
<td>1,812.80</td>
<td>1,179,059</td>
<td>650.40</td>
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<tr>
<td><strong>Gerbangkertosusila (Surabaya Metropolitan Area)</strong></td>
<td><strong>5,925.89</strong></td>
<td><strong>9,115,485</strong></td>
<td><strong>1,583.30</strong></td>
</tr>
</tbody>
</table>

Figure 6: Comparison of economic growth in Surabaya, East Java Province and National
Source: Surabaya Central Bureau of Statistics, 2011
Figure 7: Surabaya Economy Strategic and Trade and Services Areas
Source: Surabaya RPJM and Revision RTRW of Surabaya
Figure 8: Share of Sector Economy of Surabaya’s GDP in 2011–2012
Source: Surabaya City Development Planning Agency

<table>
<thead>
<tr>
<th>No</th>
<th>Lapangan Usaha/Industrial Origin</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pertanian, Peternakan, Kehutanan dan Perikanan/Agriculture, Livestock, Forestry, and Fishery</td>
<td>0.08%</td>
<td>0.07%</td>
</tr>
<tr>
<td>2</td>
<td>Pertambangan dan Penggalian/Mining and Quarrying</td>
<td>0.01%</td>
<td>0.01%</td>
</tr>
<tr>
<td>3</td>
<td>Industri dan Pengolahan/Manufacturing</td>
<td>21.78%</td>
<td>21.71%</td>
</tr>
<tr>
<td>4</td>
<td>Listrik, Gas dan Air Bersih/Electricity, Gas and Clean Water</td>
<td>3.27%</td>
<td>3.05%</td>
</tr>
<tr>
<td>5</td>
<td>Bangunan/Constructions</td>
<td>6.90%</td>
<td>6.87%</td>
</tr>
<tr>
<td>6</td>
<td>Perdagangan, Hotel &amp; Restoran/Trade, Hotel and Restaurants</td>
<td>43.90%</td>
<td>44.46%</td>
</tr>
<tr>
<td>7</td>
<td>Pengangkutan dan Komunikasi/Transportation and communication</td>
<td>10.09%</td>
<td>10.17%</td>
</tr>
<tr>
<td>8</td>
<td>Keuangan, Persewaan, dan Jasa Perusahaan/Financial, Rental, and Business Service</td>
<td>6.03%</td>
<td>6.07%</td>
</tr>
<tr>
<td>9</td>
<td>Jasa-Jasa/Service</td>
<td>7.94%</td>
<td>7.60%</td>
</tr>
</tbody>
</table>

Figure 9: FDI vs Domestic Investment in Surabaya (2012)
Source: Investment Board of Surabaya City

Investments

- 95.65% Domestic
- 4.35% Foreign

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