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National Agency for
Export Development
(www.nafed.go.id)

Investment
Coordinating Board
(www.bkpm.go.id)

Statistics Indonesia
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The Jakarta Post
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Mount Bromo

Bromo Tengger is a National Park covering 50,273.30 hectares area, located in the East Java. The area itself is highland between 1000-3,676 meters above sea level, and there is an active volcano, known as Mount Bromo as the highest in Java. Other mountains are Mount Batok, Mount Kursi, Mount Watangan, and Mount Widodaren. Unlike the common tropical climate, the temperature on the mountain ranges between 3-20° Celcius.

(Source: IMP2D)

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POLITICS

DEMOCRACY IN RI, TUNISIA CAN SERVE AS EXAMPLE FOR WEST ON ISLAM

Jakarta - The democracy practiced in Indonesia and Tunisia can serve as an example for the West in understanding Islam, thus helping them prevent seeing at Islam from a negative and misleading perception. The West often looks at Islam as a constraint in the democratization process in predominantly moslem countries. The presence of Indonesia and Tunisia in reviving democratization will cause doubts in the West, Tunisian Ambassador to Indonesia Faysal Gouia told Antara in an interview at his office on Wednesday.

Indonesia with a population of 220 million, 90 percent of whom are moslems, managed to emerge as the third most democratic country in the world. A similar success in democratization was also achieved by Tunisia, also as a populous moslem country, he added. So far, the West tends to look at Islam from a narrow-minded point of view. Their perception on Islam is always linked to fanaticism, inability to accept western concepts, difficulty in making reforms, and more saddening is that Islam is even often associated to terrorism. All kinds of negative perceptions are of course unfavorable to the Islamic world, as they are easily cornered by the West with their groundless accusations against Islam.

The emergence of democratization in predominantly moslem countries like Indonesia and Tunisia, will steadily cause the West's bad image on Islam to fade away, which means that that Islam

is no longer seen as a stumbling block to the process of democratization in the Moslem countries.

It is true that the big challenges and constraints will be faced in upholding and implementing democratization. Most developed countries had in the past also faced such obstacles in their efforts at upholding democratization. Touching on the political relations between the two countries, Faysal said that it had lasted for three decades and there had been no ups and downs in these relations.

The fact is actually the other way around, namely similarities in dealing with international issues between Indonesia and Tunisia in the international fora. As to the Iraq problem, Tunisia's views and stance are similar to Indonesia's, which were once expressed to American President George W. Bush in Bogor during his visit to Indonesia last year.
(ANTARA)

ECONOMY

PRESIDENT DEDICATES SEVEN ENERGY PROJECTS, WITNESES SIGNING OF 34 CONTRACTS

Subang, W Java - President Susilo Bambang Yudhoyono on Wednesday symbolically dedicated seven projects and witnessed the signing of 34 contracts in the energy and mineral resources sectors worth some US\$7.788 billion. The dedication and contract-signing ceremony took place near an oil exploration well in state oil and gas company PT Pertamina's Subang-17 oil field at Cidahu village, Subang district.

Among those attending the ceremony were also Energy and Mineral Resources Minister Purnomo Yusgiantoro and State Enterprises Minister Sugiharto. The overall figure of US\$7.786 billion covered seven projects each worth US\$1.364 billion and 34 contracts worth a total of US\$6.425 billion.

The projects and contracts would involve investments totaling some US\$6.174 billion while state revenues to accrue from them would reach some US\$1.614 billion. Four of the seven projects worth a total of US\$414 million were Pertamina's and the other three worth a total of US\$950 million involved other parties.

The four Pertamina projects were expansion of the Subang gas field and the Pondok Tenah oil field with a total investment of US\$343 million, construction of the main transit terminal of Balongan worth US\$62 million and construction of the Cikampek Depot worth US\$9 million.

The others are the expansion of the Subang II gas field in South Sumatra owned by ConocoPhillips (US\$220 million); the 10th phase of the expansion of Total EP's Tunu gas field in East Kalimantan (US\$326 million) and the second-phase expansion of Total EP's Tambora field in East Kalimantan (US\$404 million).

Meanwhile, the 34 contracts consist of nine cooperation contracts worth some US\$411 million, seven gas selling contracts worth US\$1.614 million and four amended mining contracts worth US\$235 million. Others are construction of five thermal power plants with a combined capacity of 10,000 MW worth US\$3.022 billion, 14 electricity contracts worth US\$1.096 billion and two loan projects worth US\$44 million.

Minister Yusgiantoro said it was the third time that contracts in the energy and mineral resources sector were signed this year. The first time was on January 9 and the second time on January 16. He expressed optimism that the government's investment target in the energy and mineral resources sector for 2007 could be met.
(ANTARA)

FINANCE MINISTER: TARGET OF BALANCED BUDGET LIKELY TO MISS

Jakarta - Finance Minister Sri Mulyani said here on Thursday the target of a balanced budget or zero deficit would likely not be met in 2008 as set in the Mid-Term Development Plan.

"Because the government still wants to maintain the momentum to make the economy to grow by six or even seven percent, the government's fiscal condition would be more relaxed, which means that it would not meet the target set in the Mid-Term Development Plan such as that for a balanced budget which should be achieved in 2008," she said.

She said the current national economic condition has yet to meet expectations because the unemployment and poverty rates were still high. She said many physical development plans also still needed budget allocations. "Various development agendas still need attention and funds for rehabilitation and reconstruction projects in areas affected by natural disasters," she said.

She said the present condition made it impossible for the government to meet the target of a balanced budget or surplus budget as set forth in the Mid-Term Development Plan. She said the sluggish growth of investment had forced the government to conduct a

fiscal expansion. She said investment must be channeled through the manufacturing sector or other sectors such as construction, trade, hotel and restaurant, transportation and telecommunications.

"These need large investment because we will purchase not only trains, cars, trucks and buses but will also need funds for building roads, toll roads, ports, railway tracks and other such infrastructure. Therefore the government has to reduce expenditures," she said.

She said fiscal expansion would be seen in 2007 and 2008 in which government spending on transportation and public works sectors would rise sharply. "Although it will relax a bit, the government will remain prudent so that the deficit will be maintained at around one to 1.5 percent of the gross domestic product (GDP)," she said (ANTARA)

IATA TO INVEST US\$15 MLN TO GET NEW PLANES

Jakarta - PT Indonesia Air Transport Tbk (IATA) plans to get five new planes to serve passengers to East Nusa Tenggara (NTT), West Nusa Tenggara (NTB), Labuhan Bajo, and Bali, this year. "For that purpose, we will invest around US\$15 million with an assumption that each plane will cost around US\$3 million," President Director of IATA Roekman Prawirasastra said here on Monday.

Roekman Prawirasastra said that the chartered planes would be rented under a contract bases to travel agencies. "They will serve domestic and foreign tourists wishing to visit Bali, NTT, NTB and Labuhan Bajo. The travel companies have expressed their need to have additional five planes" he said.

IATA has so far had two planes of ATR 42-300 type, which have been ordered by PT Mirantha Nuansa Ayu travel agency. One plane was handed over to the company last Saturday (March 17, 2007) and another one will be presented in May. He said that his company has been operating 16 chartered planes and helicopters especially to serve foreign oil companies. However, currently the company also serves travel agencies intending to charter planes for tourists.

Meanwhile, President Director of PT Mirantha Nuansa Ayu travel agency Henry Sulysto said that NTT, NTB and Labuhan Bajo were potential tourist destinations. "NTT, NTB and Labuhan Bajo have become favorite tourist destinations, but unfortunately there are no adequate transportation facilities to take tourists to those areas. Therefore, we need cooperation with IATA to provide air transportation means," Henry Sulysto said.

The contract between IATA and Mirantha Nuansa Ayu will last for six years. The value of the contract is based on flight hours or at least US\$160,000 monthly for each plane. IATA has targeted to get a total income of Rp 300 billion this year, or an increase from Rp 204 billion in 2006. "The target has not included the revenue from the contract with Mirantha. If it is included, the income will be higher than that," The IATA President Director said. The company is also expected to get a net profit amounting to Rp 30 billion in 2007, or an increase from Rp 28.6 billion in 2006. (ANTARA)

SOCIETY & CULTURE

INDONESIA PROJECTS NUMBER OF MALAYSIAN TOURISTS AT ONE MILLION THIS YEAR

Kuala Lumpur - The Indonesian government has projected the number of Malaysian tourists to Indonesia at not less than one million this year, which would be a 78.55 percent increase compared to only 560,061 last year. Tatang Rukhiyat, National Culture and Tourism Ministry's International Promotion Director, told a press conference on the occasion of the Malaysian Association of Tour and Travel Agents Fair (MATTA Fair) 2007 in Kuala Lumpur, Malaysia, on Thursday, that the number of Malaysian tourists coming to Indonesia in 2006 were second only to their 1,130,026 Singapore counterparts.

Speaking to Malaysian and Indonesian journalists, Tatang said that by way of promotions like participation in MATTA Fair 2007, he hoped the number of Malaysian tourists coming to Indonesia would increase and meet the set target. Not only that, he said to boost the number of foreign tourists to Indonesia this year, Indonesia will also take part in exhibitions in Berlin, in the World Travel Market (WTM) in London, and in the China International Travel Mart (CITM) in China, JATA in Japan, and in other such prospective events.

In MATTA Fair 2007 to be held on March 16 through 18, 2007, the Indonesian delegation will comprise representatives of 34 hotels, resorts and spas, in addition to 21 travel agents, two restaurants, and an airline company, as well as five tourism associations. On the same occasion, General Manager of PT Garuda office in Malaysia, Tharian said the Indonesian flag-carrier was set to support efforts at boosting the number of Malaysian tourists visiting Indonesia.

In this context, Garuda Indonesia which has been serving the Kuala Lumpur - Jakarta route only once each day, may this year also fly from the

Malaysian capital to some other cities in Indonesia like Surabaya, Bali, and Lombok. "And yesterday, we have even brought along a Malaysian travel agent to Lombok to promote the tourist objects on the island," he said.

According to Tharian, tourist sites which had the strongest attraction to the Malaysians spending their holiday in Indonesia include golf courses. "We will promote golf as a tourist attraction in association with Malaysia Airlines," he added. Not only holding a media briefing, the Indonesian delegation also made a head start, by organizing a Table Top (forum with buyers) on the same day, although MATTA Fair was scheduled to open only the following day.

It was no disappointment, as it turned out that in the Table Top many local tourist agents expressed keen interest in the packages offered by travel bureaus from Indonesia. The Table Top opened at 2 p.m Malaysia time (1 p.m in Jakarta), was followed by an Indonesian Dinner in the evening, also inviting buyers, and attended by representatives of the Indonesian Embassy in Kuala Lumpur. (ANTARA)

PRIVATE SCHOOLS CAN SET THEIR OWN EDUCATION STANDARDS, SAYS VP

Jakarta - Vice President Jusuf Kalla said private schools can set their own national education standards at a higher level than those of state schools. "If need be, private schools can adopt education standards that are higher than those of state schools," Kalla said after opening a Private College Deliberation Council (BMPS) national working conference here on Wednesday.

According to the vice president, the quality of national education standards needed to be raised in order to improve

the quality of education in regions across the country. "Higher national education standards should be adopted to prevent quality gaps at regional level," Kalla said, adding that private schools should also formulate their own instruction ethics.

Kalla said a student who failed to pass to the next grade at a particular school could move to another school to get through to the higher level. On the occasion, Kalla expressed his gratitude to the managements of and teachers at private schools for their participation in the improvement of national education.

He said the government had never made a distinction between private schools and state schools because the most important thing was that the government and private parties should cooperate to improve the quality of national education.

Meanwhile, asked to comment on the plan to replace State Logistics Agency (Bulog) President Director Widjanarko Puspoyo, Kalla said the position of Bulog chief was a "hot chair" and thus it needed to be held by an honest figure who had a thorough understanding of his role and tasks.

"Since the position of Bulog chief is a hot chair, the figure we need for it should have sufficient understanding and experience," Kalla said. Widjanarko was sent to Cipinang prison on Tuesday evening after being grilled for 10 hours at the Attorney General's Office as a graft suspect in a Rp 11 billion procurement case involving cattle imports in 2001.
(ANTARA)

SURABAYA HAS MODERN CITY PARK WITH INTERNET FACILITY

Surabaya, East Java - The Bungkul Park, an Internet-equipped 9,000 m2 city park was opened on Wednesday after it had been revitalized by the state telecommunications company, PT Telkom at a cost of Rp1.2 billion.

The dedication was marked with the transfer of the management of the park from the Telkom's Human Resources Director Faisal Syam to Surabaya Mayor Bambang DH. The park also has facilities for handicapped people as well as a jogging track. It could also be used for staging performances. "The revitalization is a form of our awareness of the public facility," Faisal said.

On the occasion, Executive Director of East Java Telecommunications Office Nanang Ismail Kosim said the company would build another 500 base transceiver stations (BTS) for its CDMA-based phones, popularly known as Flexi. "Of the 500, 193 would start operating in the first semester of this year, while the rest are scheduled for completion in the second semester of this year," he added.
(ANTARA)

INTERNATIONAL

RI, SOUTH AFRICA TO PROPOSE AMENDMENTS TO UNSC DRAFT RESOLUTION ON IRAN

New York - Two of the United Nations Security Council (UNSC)'s 15 members, Indonesia and South Africa, are reported to be planning to propose amendments to the substance of a draft resolution prepared by the Council's five permanent members plus Germany to impose additional sanctions on Iran for refusing to halt its nuclear development program.

The 15 Council members will hold an ambassadorial-level meeting to discuss the draft resolution at the UN headquarters on Wednesday (Thursday in Indonesia).

Five of the 15 UNSC's members have permanent status, namely the United States, Britain, France, Russia and China while the rest hold non-permanent membership. During the past one week, diplomats of the 15 countries have been busy lobbying each other about the draft resolution on Iran but it was still not known when the Council would call a vote on it.

Sources close to the Indonesian delegation to the UNSC said Indonesia would formally propose its amendments to the draft resolution at Wednesday's meeting. Indonesia would among other things ask the United Nations Security Council to express its concern not only in relation with Iran but also with global developments, including in the Middle East.

The sources said Indonesia would also ask the Council to disclose the names and parties mentioned in the annexes to the draft resolution and their relationship with the Iranian nuclear program. Meanwhile, in the draft resolution the United Nations Security Council called on all countries not to have any contact with the names and parties mentioned in resolution's annexes, including names of members of Iran's Revolutionary Guards.

South Africa would propose that Iran be given 90 days' time to "think" before the sanctions were to come into force. South Africa also did not want the draft resolution to include the option of a weapons embargo nor financial sanctions against Iran. Qatar was also reported to be intending to propose certain amendments to the draft resolution.

The draft resolution was prepared by the five permanent members of the Council plus Germany after Iran failed to meet the Council's and the International Atom Energy Agency (IAEA)'s calls to stop its nuclear program up to two months after UN Resolution 1737 was passed on December 23 last year by all the 15 members of the Council. At the time, Indonesia and South Africa had not yet assumed their positions in the Council.

(ANTARA)

RI-TIMOR LESTE COMMISSION TO INTERVIEW 18 PEOPLE LATE MARCH

Jakarta - The Indonesia-Timor Leste Commission of Truth and Friendship (KKP) has invited 18 Indonesian and Timor Leste people for interviews on incidents that occurred before and after the 1999 vote in Timor Leste (then East Timor) to be held here on March 26-30, a spokesman said.

"The 18 people invited for the interviews will come from the two sides, namely Indonesia and Timor Leste. They have been invited because they are persons associated in one way or the other with the events, namely policy makers or influential figures during the transitional period, alleged actors and witnesses," KKP Co-chairman Benjamin Mangkoedilaga said here on Saturday.

The invited people are former president BJ Habibie, Bishop Carlos Felipe Belo, retired Major General Zacky Anwar Makarim, retired Major General Adam Damiri, Major General Suhartono Suratman, Galuh Wandita, Domingos Soares, Mateus Maia, Edmundo Conceicao, Marthinho Fernandes, Eurico Guterres, Jose Afat, Sera Malik, Joanica Belo, Esmerelda Dos Santos,

Nonato Soares, Adelino Brito and Fares Da Costa.

"The second hearing is part of efforts done so far aimed at unveiling the truth of the incidents linked to the 1999 vote in Timor Leste to strengthen the relations between the two countries," he said. Benjamin said he hoped the results of the hearing would help give the KKP a fuller understanding and knowledge about the background and context of the incidents in 1999.

"The results of the hearing will be further studied to find what lessons can be learned from the incidents," he said. About why the hearing would be held at Hotel Crowne here, he said the choice was made to ensure neutrality and transparency, he said. "Most of the sessions will be done openly so that any member of the public can attend them," he said.

He said the results of the hearing would also be directly made known to the public through mass media. One of the KKP members from Timor Leste, Jacinto Alves, said the hearing would be part of the whole process of truth finding but it would be a standard bearer for KKP's transparency. "The KKP will invite all parties including international community members in the UN who were involved in the 1999 vote," he said.

He said the success of the KKP's effort would provide education for the two countries' communities in the field of human rights. Timor Leste's Prime Minister Ramos Horta last January expressed his full support for the KKP which he considered the best institution to settle the two countries' problems saying Timor Leste did not want to bring the case to the International Court of Justice.

The KKP was established based upon an agreement between President

Susilo Bambang Yudhoyono and President Xanana Gusmao on August 11, 2005. It is planning to hold five hearings to uncover the background of human rights violations with the aim of strengthening the two countries' relations. Its first hearing was held in Denpasar on February 19-20 and was attended by former Indonesian foreign minister Ali Alatas and former Indonesian Ambassador to Portugal, Francisco Lopez da Cruz. The third, fourth and fifth hearings are expected to take place in April, May, and June this year but the venues have yet to be determined. (ANTARA)

OTHERS

NUMBER OF UNEMPLOYED EXPECTED TO INCREASE BY 2.5 MILLION IN 2007

Jakarta - The number of Indonesians with the potential of being categorized as unemployed in 2007 is estimated to increase by 2.5 million consisting of 2.3 million additions to the work force and 200,000 natural disaster victims, Manpower and Transmigration Minister Erman Suprano said. "At present, there are 10.9 million jobless people whereas the government's target is to reduce this number to 9.4 million in 2007," he said here Thursday.

Giving a break-down of the number of people who would join the ranks of the unemployed because of natural disasters, he said about 20,000 would be victims of the Lapindo mudflow, 800 of the East Nusa Tenggara (NTT) earthquakes, 15,000 of the West Sumatra earthquake, 60,000 of the Yogyakarta earthquake and 223,007 of the Jakarta and environs floods.

To reach its 2007 unemployment reduction target, the government would have to absorb or create jobs for four

million people, he said. The government was trying to reduce unemployment through three strategic approaches, namely accelerating economic and investment growth, expanding fields of employment and alleviating poverty, he said.

The national program being implemented was designed to empower 12 million poor people in 33 provinces, 2,000 sub districts and 23,500 villages with a total budget of Rp51 trillion. The government would focus its attention on development efforts that were "pro-growth", "pro-jobs" and "pro-poor" by promoting export- and investment-based growth, activating the real sector, revitalizing the agricultural, forestry, marine and rural economic sectors, he said.

The manpower and transmigration ministry itself would focus on efforts to intensify rural and urban poor communities' entrepreneurial capabilities through training, certification and placement programs, Erman said.

About placement of Indonesian workers overseas, the minister said the government would facilitate the sending of Indonesian workers to 15 more destination countries. At present there were only 15 destination countries. The government's target of sending 600,000 workers abroad in 2006 was achieved while the target for 2007 was 800,000, he said. (ANTARA)

EDITORIAL

TNI ENLISTS IN NATIONWIDE WAR AGAINST POVERTY

Juwono Sudarsono, Jakarta

The most urgent issue facing Indonesia today is poverty reduction. Measured in terms of income, poverty affects 48 percent of Indonesia's total population of 220 million. The government's Medium Term Development Program aims to reduce poverty from 18.2 percent in 2004 to approximately 8.4 percent by 2009.

When the plan was announced in President Yudhoyono's first Cabinet meeting in late October 2004, no one could predict the various domestic and international crises that have severely disrupted the trajectory of poverty reduction strategies.

Following the tsunami in late December 2004, there have been earthquakes, landslides, a mudflow disaster, rice price hikes, international oil price increases and a host of residual social and ethnic conflicts throughout the archipelago arising from the economic crisis of the late 1990s.

These disasters depleted the government's resources to alleviate poverty at the scope and speed originally targeted in October 2004. In its landmark report *Making the New Indonesia Work for The Poor* (November 2006), The World Bank's Jakarta office makes a clear case for the urgency that, in addition to income-poverty, Indonesia still faces a long and difficult journey in pursuing programs to reduce non-income poverty. Examples are malnutrition among a quarter of all children below the age of five, high maternal mortality rates (307 deaths in 100.00 births), weak education outcomes (among 16-18 year olds from the poorest quintile, only 55 percent complete junior high school), limited access to safe and clean water (43 percent in rural areas, 78 percent in urban areas for the lowest quintile).

What do all these issues have to do with the Department of Defense and the Indonesian Military (TNI)? The answer is clear : plenty.

The Ministry of Defense and the TNI are committed to providing an effective and accountable delivery system in support of a still essentially weak civic governance and civil competence at all levels. Governmental capability, especially outside Java, still needs the support of a carefully measured and calibrated role of the military in support of civic governance.

Political stagnation, economic collapse and social unrest resulting from the financial crisis in 1997-1998 led to violence among marginalized groups deprived of jobs, livelihoods and hope.

Between 1998 and 2003, drastic and immediate political openness in an environment of mass poverty, unemployment and fear of an uncertain future led to paroxysms of "the virility of violence" which gave rise to sectarian, ethnic and intra-regional enmity.

With respect to the TNI as a people's force, the TNI has always been true to its historical mission to assist those most deprived from access to basic human needs. Since the early 1950s the Army, Navy and Air Force have been actively engaged in support of people-centered projects at ground level. These include constructing simple village housing, building dams and irrigation channels, setting up affordable health care through various medical units assigned in villages and sub-districts and non-commissioned officers standing in as teachers of Bahasa Indonesia and basic numeracy. In short, the TNI has long been involved in the projects that international donor agencies focus on in regards to non-income poverty,

particularly in rural areas.

Although poverty by itself does not directly relate to terrorism, the number of both income poor and non-income poor in Indonesia strengthens our determination to wage war against the three main sources of domestic terrorism.

The first is inequity in development. With nearly half of Indonesia's population living below the poverty line, there is an urgent need to speed up programs that overcome disparities in income and access to basic human needs. Those who earn between US\$2 per day and \$1.55 per day fall into a category where young men or women disenfranchised economically may resort to desperate measures or be attracted to radical ideologies that justify civil violence.

The second is poverty eradication. A people's defense force can only be credible if it true to its mission of caring and sharing with those who are yet to be lifted from abject poverty. Equally important, the TNI realizes that striving for a just and egalitarian society supports the notion of total defense. Social and economic justice is a nation's best defense.

The third is anti-corruption. The Ministry of Defense has completed a two-year program in transferring assets of all units of cooperatives, foundations and businesses to an inter-agency panel incorporating the Ministries of Defense, Finance, State Enterprises and Law and Human Rights. Past military abuses have been identified with large-scale corruption and pervasive repression. Having successfully pioneered an anti-corruption drive within its own house, the Ministry of Defense and the TNI have staved off critics of the decades-old political ammunition about "a pervasive

octopus-like" military business complex.

Indonesia's war against poverty and terrorism has a long way to go. There will be glitches over the next ten to fifteen years until more and more poor people climb up the social ladder. But the overall plan will remain on course. There are now firmer grounds for optimism that Indonesia's war against poverty will give greater substance to the notion that to be really tough against terrorism, tougher measures against the sources of terrorism should be maintained in the years ahead. The Ministry of Defense and the TNI are leading the way.

The writer is Defense Minister of Indonesia. This is a personal view. (The Jakarta Post)