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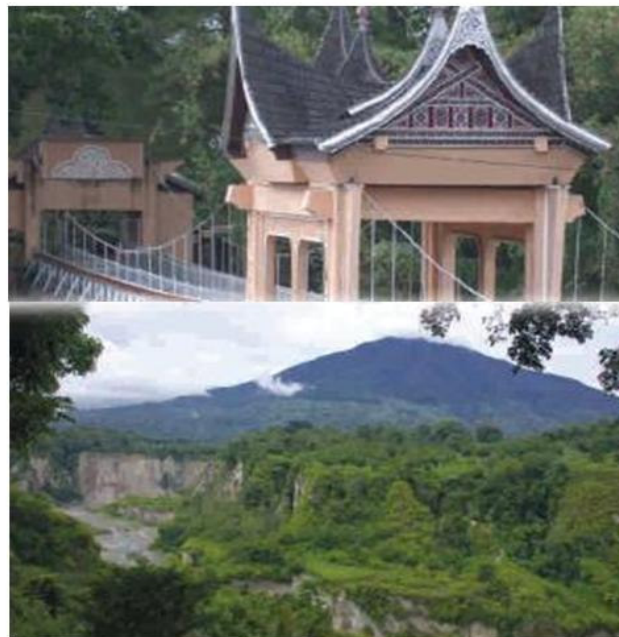
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Investment
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Sianok Canyon

As one of the jewels in West Sumatra, Sianok Canyon in the outskirts of Bukittinggi, creates deep admiration. The canyon is between 100–150 meter high, surrounded by panoramic green valley. Viewing from height, the bottom of the canyon is as if carved with a winding river in its shimmering silver color.

(Source: IMP2D)

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POLITICS

ACEH GOVERNOR TO BE INSTALLED ON FEBRUARY 8

Banda Aceh - At least 18 governors and several prominent figures will attend the inauguration of newly elected Nanggroe Aceh Darussalam (NAD) Governor Irwandi Yusuf and Vice Governor Muhammad Nazar slated to be held on February 8.

"They have confirmed to attend the occasion," head of the provincial legislative assembly (DPRD) H Sayed Fuad Zakaria told ANTARA.

Among those are Jakarta Governor Sutiyoso, Gorontalo Governor Fadel Muhammad, and former Finnish president who is also Chairman of the Crisis Management Initiative (CMI) Martti Ahtisaari.

"We will also invite ambassadors of all countries having helped ease the burden of the local people in the aftermath of the tsunami in 2004 as well as Acehnese figures abroad who took part in the settling of the conflict in the province peacefully, including

Malik Mahmud and officials from several European nations, such as Turkey and Sweden," he added.

Former President Ahtisaari is one of the figures who have played significant roles in the signing of the peace agreement between the Indonesian government and the Free Aceh Movement (GAM) in Helsinki on August 15 in 2005, which ended the prolonged armed conflict in the country's northern most province. (ANTARA)

WORLD APPRECIATION FOR RI INCREASING, SAYS FOREIGN MINISTER

London - The world is increasingly appreciating a new and democratic Indonesia with its predominantly moderate Muslim population, Foreign Affairs Minister Hassan Wirajuda.

"The appreciation has been expressed by many international quarters and is enabling Indonesia to pursue its active and independent foreign policy," Wirajuda said at a gathering with members of the Indonesian community in Britain.

Present at the function were also Indonesian Ambassador to the United Kingdom and Ireland Marty M. Natalegawa, Kartika Soekarno Puteri, a daughter of the late President Soekarno.

Wirajuda is visiting London together with Trade Minister Mari Pangestu and Defense Minister Juwono Sudarsono to attend an Indonesia-UK Partnership Forum and to inaugurate the newly-established Indonesia-UK Islamic Advisory Group (IAG).

The Group's formation was agreed on at a meeting between President Susilo Bambang Yudhoyono and Prime Minister Tony Blair when the latter visited Jakarta in March 2006.

Wirajudha said Blair's visit to Indonesia had become a new pillar in Indonesia-UK bilateral relations. (ANTARA)

ECONOMY

PRIVATE SECTOR TO STIMULATE GROWTH IN FIRST HALF OF 2007 : BI

Jakarta - Bank Indonesia (BI) believes that the private sector will stimulate the country's economic growth in the first half of 2007.

In its report on monetary policies in the fourth quarter of 2006 released on Tuesday, the central bank forecast the economy will rebound this year after it slowed down last year because of the people's low purchasing power.

Public consumption is expected to stimulate economic growth in the first half of 2007, it said.

An improvement in the people's purchasing power due in part to an expected increase in public servants' salaries and workers' minimum wages is expected to boost public consumption, it said.

The central bank predicted that another rebound in the economy would occur in the second half of 2007, driven by strong investment performance.

In addition to an increase in government capital expenditure, private investment was expected to grow by 28 percent. Hopefully, private investors would have increasingly stronger expectations of high prospects for the economy ahead, it said.

The high expectations of the economy coupled with a downward trend in lending rates would hopefully give the private sector wider room to realize its investment proposals this year, it said.

The Bank Indonesia report said sluggish global demand was expected to lead to a slowdown in export growth. On the other hand, imports would increase as a result of rising economic activities.

A more robust domestic economy would be followed by high growth in the processing industry, trade, hotel and restaurant business, it said.

Based on the forecasts, the central bank said, the economy is expected to grow by 6.0 percent this year.

Bank Indonesia earlier forecast the economy will expand in the range of 5.7 percent and 6.3 percent this year.

Household consumption was expected to grow by 4.3 percent this year compared to 3.1 percent last year.

Household consumption which had begun to show signs of recovery in the last quarter of 2006 would continue to grow throughout the year, it said. (ANTARA)

FOREIGN INVESTORS BEGIN EYEING RI AS INVESTMENT DESTINATION : BI GOVERNOR

Jakarta - Foreign investors have begun eyeing Indonesia as an investment destination besides China, India and Vietnam thanks to its increasingly stable economic and political conditions, Bank Indonesia (BI) Governor Burhanuddin Abdullah said.

"I think that the investment climate, political stability and macro economic conditions are getting better," he said.

Foreign investors would only invest in a country which offered more favorable opportunities, he said.

"I think Indonesia is one of the nations that must be taken into account thanks to its increasingly stable conditions," he said.

"Therefore, I am optimistic that the engine of economic growth in 2007 will be not only the government, the banking sector and exports but also foreign investment," he said.

Lack of legal certainty remains a major obstacle to attracting investments into the country.

In the January-November period of 2006 foreign investment fell by 45.91 percent from a year earlier.

Burhanuddin further said to enable domestic banks to carry out their intermediary function they needed to reduce credit risks and increase credit access.

"Why does the intermediary function not work? This is not because of liquidity shortages but because of their failure to reduce credit risks and increase credit access," he said.

He said the problem currently facing the banking sector was overhanging liquidity funds which reach more than Rp200 trillion. On the other hand, the real sector was in dire need of funds to run their business. (ANTARA)

SWITZERLAND, BELGIUM TO BE INVITED TO SET UP CHOCOLATE PLANTS IN RI

Jakarta - Indonesia will invite Switzerland and Belgium to set up chocolate producing plants in the country which is known as one of the world's biggest cocoa producers, a cabinet minister said.

"I will invite world-class producers from Switzerland and Belgium to invest in Indonesia. We are already to establish contacts with them. I will ask my colleagues (in the cabinet) to grant them facilities so that they can develop a chocolate industry in Indonesia," Industry Minister Fahmi Idris said.

He said cocoa-based industries could be built at upstream as well as downstream level because the country had huge resources of the raw materials.

Like in the crude palm oil industry, the government would also issue regulations to encourage the building of downstream cocoa-based industries, he said.

He said the government hoped top chocolate producers in the world would invest in Indonesia. "We are seeking cooperation. They will maintain their brands but have to build plants here," he said.

He said the chocolate industry had not yet developed properly in Indonesia although some local brands such as "Silver Queen" had already been in circulation in the country.

"We wish to develop an industry with a complete and integrated network like the CPO industry," he said.

He said because Indonesia wished to build a chocolate industry it had refused to cooperate with a chocolate association from the European Union (Coabisco) because they only wished to buy cocoa beans from Indonesia.

"They were prepared to train farmers in the raising good cocoa plants, which they would buy later on. I did not agree with their proposal. I want them to train the local farmers and set up a factory here," he said.

Indonesia has so far been the world's third biggest producer of cocoa beans after Ivory Coast and Ghana with its production reaching around 400,000 tons a year. Around 70 percent of the production is exported.

The minister said the government would also support the development of downstream coffee industries and local coffee trademarks because the country was also one of the world's biggest coffee producers. (ANTARA)

SOCIETY & CULTURE

MINISTER EXPRESSES OPTIMISM POVERTY RATE WILL DECLINE IN 2007

JAKARTA– Coordinating Minister for People’s Welfare Aburizal Bakrie has expressed his optimism that poverty and unemployment rates in Indonesia can be reduced significantly in 2007.

“This optimism is based on programs and more funds allocated by several ministries under his coordination in eradicating poverty and the creation of jobs,” Aburizal said in a press briefing on 2006 program evaluation and 2007 program implementation.

The minister further said that to cope with poverty, the government already had a National Poverty Eradication Program (PNPM) by increasing the portion of revolving funds expected to help create new jobs.

PNPM covers 33 provinces, 2,891 sub-districts and 33,527 villages, or 31.92 million poor people across the country by providing Rp4.43 trillion.

He said the program was expected to help create 12.5 million to 14.4 million jobs per year. In addition, the government would also integrate the poverty eradication program with the PNPM in 19 ministries.

Aburizal also said the government promoted other programs to cut a chain of poverty of one generation to the next generation, to optimize the use of a certain tree to make sugar, intensify the collection of national tithe (zakat) to help the poor and the national drive for building one million homes.

Apart from these, the government will also increase the development of micro ventures, bio-fuel and poverty trust funds.

He also said to promote health, the ministry would optimize its support for 33 districts as pilot projects in for tackling public health problems. (ANTARA)

INTERNATIONAL

RI TO HOST CLI MEETING OF UN FORUM ON FORESTS

Jakarta - Indonesia will host a Country Led Initiative (CLI) meeting of the United Nations Forum on Forests (UNFF) on the island resort of Bali on February 13-16, 2007.

The UNFF CLI meeting was aimed at facilitating negotiations within the UNFF framework, especially in developing a multi-year program of work, modalities and regional perspectives to be discussed and adopted in the upcoming 7th UNFF, a press statement of the Indonesian forestry ministry said.

The sixth UNFF, which was held in New York, the United States, in February 2006, issued several recommendations to strengthen the International Agreement on Forest (IAF).

The recommendations included agreeing on four global objectives on forests, extending the mandate of the UNFF until 2015, adding three new additional functions to UNFF and urging the UNFF to continue playing a central role in international collaboration on forests including guidance to CFP. (ANTARA)

**SYAMSUDDIN: INDONESIA
RESPONSIVE TO ISLAMIC WORLD
ISSUES**

JAKARTA - General Chairman of Muhammadiyah Din Syamsuddin said that the government of Indonesia as a predominantly Muslim country has been quite responsive to Islamic world issues although with limited results.

The chairman of the second largest Moslem organization in Indonesia made the remarks to the press after meeting Syeikh Yusuf Al-Qardhawi, chairman of the International Association of Muslim Scholars.

According to him, Indonesia was still unable to play a decisive role in contributing to solving the Middle East conflict because political and economic limitations.

Din insisted Indonesia on playing more active role in the Organization of Islamic Conference (OIC) especially in trying to solve the present conflict in the Middle East.

Earlier along with General Chairman of Nahdlatul Ulama, the biggest Moslem organization in the country, Hasyim Muzadi, Din also urged the OIC to play a more active role in solving conflict in the Middle East.

In the meantime, Foreign Minister Hassan Wirajuda said that at present Indonesia was giving an opportunity to other members of the OIC to play an active role in settling Middle East issues.

Wirajuda also disclosed that the Indonesian government has been trying to bring about world peace such as by contributing to the settlement of the conflict in the Middle East.

As to the Palestinian issue, Minister Wirajuda said that Indonesia was planning to organize a meeting between Hamas and Fatah leaders to support the

establishment of a United Palestinian Government.

On the Iraqi issue, Indonesia has proposed the international community to play a more active role in solving the conflict, creating a reconciliation of the groups in Iraq leading to an international convention, and the deployment of troops from moderate Islamic countries and the rehabilitation of Iraq and its economic recovery," Wirajuda said. (ANTARA)

OTHERS

**RI SENDS RELIEF AID FOR FLOOD
VICTIMS IN MALAYSIA**

Jakarta - Indonesia on Friday sent relief aid for flood victims in eastern Malaysia consisting of clothes, food and medicines worth US\$104,000.

"The aid was sent by Hercules planes from Halim Perdanakusumah airbase," presidential spokesman Dino Patti Djalal said.

He said President Susilo Bambang Yudhoyono ordered the coordinating minister for people's welfare and the commander of the defense forces to immediately send aid to Malaysia to help victims of floods that had been sweeping the region since the end of last month.

The floods which were the biggest on record in that country had inundated a number of regions in eastern Malaysia such as Kelantan, Trengganu and Negeri Sembilan, killed seven people and displaced around 100,000 people.

"After coordination with our ambassador in Malaysia and the Malaysian ambassador here we decided to send 10 tons of clothes, six tons of

food and five tons of medical supplies. Totally they weigh 21 tons worth US\$104,000," he said.

He said the president had taken the initiative upon consideration that Malaysia had been one of the neighboring countries that had swiftly sent aid to Indonesia following a tsunami disaster in Aceh in 2004.

He said Indonesia would send more aid if Malaysia still needed it. "We will see if they still need further aid," he said. (ANTARA)

YOGYAKARTA ALLOCATES RP15.2 BLN FOR ECONOMIC RECOVERY IN EARTHQUAKE AFTERMATH

YOGYAKARTA - The Yogyakarta provincial administration has allocated a total fund amounting to Rp15.2 billion in the 2007 regional budget for program of the economic recovery in the earthquake aftermath.

"The fund will be provided as credits with low interest of 6 percent annually and a grace period of 10 years," Alex Samsuri, a spokesman of the Yogyakarta administration said.

The credits would be channeled through the province's industry, trade and cooperatives service, he added.

Around 5,250 small-scale businessmen were affected by 5.6-magnitude earthquake which hit Yogyakarta and some parts of Central Java on May 27, 2006. The massive earthquake killed around 5,700 people and rendered thousands of others homeless.

Every small-scale businessmen would get Rp3 million from the economic recovery fund, he said. The money could be used for business capital, promotion and training, as well as to buy necessary equipment, he said.

Alex Samsuri said that the Yogyakarta administration had allocated Rp47.3 billion for the economic recovery programs in 2006, but only Rp36.5 billion were used up.

The remaining Rp10.8 billion would be reallocated for the 2007 regional budget, which was still pending for the regional legislative council (DPRD)'s approval, he said.

Indonesia with more than 17,000 islands, lies in a zone known as the Pacific "ring of fire", which is prone to earthquakes and volcanic activity. (ANTARA)

EDITORIAL

HOW MEDIA CAN CREATE CULTURAL DIALOG

Jakob Oetama, Nusa Dua, Bali

I start our discussion by quoting Ian Hargreaves' book, *Journalism: Truth or Dare*. He wrote, "Where once journalism's reach was confined by the time it took to hand bundles of newsprint from one end of a country to the other, now it is global, instantaneous and interactive."

We experience it not just daily but every time an event occurs in any part of the world and we instantaneously witness it. The dissemination of news as information in the current multimedia era is global, instantaneous and interactive in nature.

In the context of our meeting, our attention is attracted to interactive qualification. Interactivity makes information become communication. The traffic is not one way, but two way, and even multi ways. The opportunity and the stage for dialog are open then.

This open opportunity is the central subject of our meeting; i.e. to make "current media and information/communication systems work better for cultural dialog and peace".

We start the issue by asking, "Of the many events and problems, which one we will choose as news and material for commentary." Of course, what is interesting for readers, listeners and viewers.

Is the criteria limited only to its attractiveness or also to its benefit? Interesting and beneficial for the public, it also becomes useful for the continuation of dialog among citizens of a nation and between citizens of different nations. Such dialog is needed by a nation, because of the plurality of society and the existence of different and even conflicting interests.

I am including the people who have the view that the media need an outlook and goals. The media need policy, say editorial policy.

The media outlook or editorial policies are the benchmarks and criteria to select event and issues to be raised as material for information and communication.

Outlooks and editorial policies also give value to the news, apart from the criteria of attractiveness and public attention.

Currently, the world is confronted with problems like conflict, war, poverty, injustice, prejudice and suspicion. The world is confronted with problems that hamper the continuation of cultural dialog and endanger peace. Therefore, the media must pay attention and raise such problems and situations as materials for news, coverage and commentary.

All these issues have become the focus of the media. A further effort that needs to be taken by the media and communication systems is to answer the challenges posed by the fact that information and communication have become "global, instantaneous and interactive". This effort should include more meetings and dialogues like this Bali Global Forum.

The media society has periodically met in global forum. This meeting is caused by internal and external challenges. Internal challenges include the major changes and developments being experienced by the media. There are also technological changes that have big and determining influences on the print, electronic and digital media.

There are also periodical meetings between publishers, editors and reporters at the regional and global levels. The direction and spirit of those meetings are preoccupied not only with internal media affairs, but also with the external obligations, roles and functions of the media, which is also the theme of this Bali forum.

In the media community what is often discussed is not just the what, but also the why, the how and the background. They discuss how to provide in-depth and comprehensive news coverage, which combines background, relations and interactions. An event is put not just in the national and regional context, but also in the international context.

We still need old practices. Placing journalists abroad and regularly conducting in-depth reports about the respective countries and the reportage conducted in the countries.

Of course, the media society and members of the media themselves have the role of determining what urgent tasks are expected from the media. That

is, "How can the current media and communication media and information/communication system work better for cultural dialog and peace."

Such a big job can only be carried out by knowledgeable, hard working and committed media and media people, with care for the fate of fellow human beings, especially those suffering from hunger, poverty, conflict and war.

The writer is the CEO of Kompas daily/Gramedia Group. This paper was presented during the three-day Bali Global Forum, organized by UNESCO recently. (The Jakarta Post)