



Indonesia

News and Views

DOMESTIC ISSUES

Political Issues

Economic Issues

Socio - Cultural Issues

ENVIRONMENT ISSUES

REGIONAL/
INTERNATIONAL ISSUES

Profile of Region

USEFUL LINKS:

Government
(www.indonesia.go.id)

Department of Foreign Affairs
(www.deplu.go.id)

Department of Cultural and
Tourism (www.budpar.go.id)

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

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

Statistics Indonesia
(www.bps.go.id)

The Jakarta Post
(www.thejakartapost.com)



Mt. Bromo & Semeru, East Java

The Bromo Tengger Semeru National Park covers some 800 square kilometers in the centre of East Java. It is the largest volcanic region in the province and there stands Mt. Semeru, which rises 3676 meters above sea level. At its northern end is the spectacular Tengger Caldera, Java's largest, with its 10 km barren desert-like sea of sand. Within the caldera rise the deeply fissured volcanic cones of Batok and Bromo, the latter is still active with a cavernous crater from which smoke blows skyward. Temperatures at the top of mount Bromo range about 5 to 18 degrees Celcius. To the south is a rolling upland plateau dissected by valleys and dotted with several small scenic lakes, extending to the foot of Mount Semeru, a towering grey forest-skirted cone dominating the southern landscape.

source: www.my-indonesian.info

Contents

DOMESTIC ISSUES

Political Issues

- 1 President Yudhoyono Receives Australian Prime Minister 1

Economic Issues

- 1 Sri Mulyani Appointed As Acting Economic Coordinating Minister 1
2 Exports and Investments Remain Key Driving Force for 2008 Economic
Growth 2
3 RI to Record Highest Economic Growth in Asia By 2011, Says Chief Minister
..... 2
4 Government to Shield Creative Industry with Copyrights..... 3
5 RI Issues Decree to Restrict Foreign Ads 3
6 Russian Co to Build \$500M Kalimantan Equipment Plant 4
7 Four Companies Plan to Build Shipyards 4
8 Gulf Investor Keen to Open ‘Rice Estates’ 5

Socio-Cultural Issues

ENVIRONMENT ISSUES

- 1 President Calls for Concrete Actions to Save Environment 5
2 Illegal Logging Must Be Legally Treated As Corruption: Minister 6
3 World Bank Approves US4-Million Grant for Geothermal Project in RI 6

REGIONAL/INTERNASIONAL ISSUES

- 1 Muslim HOMs Met Vanhanen 7
2 President Launches Asia-Pacific Development Report 2008 8
3 House Speaker Agung Laksono to Attend 5th ASEP Meeting In Beijing 8

Profile of Regions: Opportunities for Investment

- 1 Profile of Gorontalo: Agriculture and Fishery 9
2 Profile of East Kalimantan: Oil and Gas Commodities, Mining 10
3 The Synopsis of Macroeconomic in Indonesia, 2001 - 2007 11

DOMESTIC ISSUES

Political Issues

President Yudhoyono Receives Australian Prime Minister

Jakarta - President Susilo Bambang Yudhoyono received visiting Australian Prime Minister Kevin Rudd at Merdeka Palace here on Friday (13/6).

The Australian prime minister arrived at the palace at 9 in the morning and were received by President Yudhoyono and First Lady Ani Yudhohono.

Yudhoyono and Rudd, who arrived in Jakarta on Thursday (12/6) for his first state visit since taking power in November last year, are expected to discuss various issues and then to witness the signing of a cooperation agreement on forests management and carbon trading between the two countries.

After the meeting with President Yudhoyono, Rudd will meet with Indonesian Vice President Jusuf Kalla at the vice presidential palace for about 30 minutes, and then to meet with businessmen and ASEAN Secretary General Surin Pitsuwan.

In the afternoon, the Australian prime minister will meet with the House of Representatives (DPR) Speaker Agung Laksono, and visit the headquarters of Muhammadiyah and Nahdlatul Ulama to sign a cooperation agreement on disaster management between Australian government and the Indonesia's two largest Muslim organizations.

In the meeting with President Yudhoyono, Rudd was accompanied by Secretary of the Australian Foreign Affairs and Trade Department Michael L'estrage and the country's ambassador to Indonesia Bill Farmer,

while President Yudhoyono was accompanied by a number of his cabinet ministers.

Rudd during his two-day visit to Indonesia will also travel to Nanggroe Aceh Darusalam province on Saturday to visit the areas devastated by the 2004 deadly tsunami.

In a speech to the Asia Society in Sydney on June 4, 2008, Australian Prime Minister Kevin Rudd outlined his government's vision for an Asia Pacific Community, especially in relation with Indonesia.

Rudd also emphasized the Australian government's commitment to comprehensive engagement with Asia, particularly Indonesia, as the third pillar of his government's foreign policy.

He traveled to Indonesian island resort of Bali in December last year to attend the United Nations Framework of Climate Change Convention (UNFCCC). (ANTARA)

Economic Issues

Sri Mulyani Appointed As Acting Economic Coordinating Minister

Jakarta - President Susilo Bambang Yudhoyono has officially appointed Finance Minister Sri Mulyani as acting coordinating minister for economic affairs to replace Boediono who was transferred to the post of Bank Indonesia (BI) governor, Cabinet Secretary Sudi Silalahi said here on Saturday (14/6).

Silalahi made the statement before leaving for Bali to accompany President Yudhoyono on a working visit to the Indonesian resort island.

"The president has signed a decree appointing Finance Minister Sri Mulyani as acting coordinating minister for economic affairs, the post previously held by Boediono," Silalahi said, adding

that the decree was signed on Thursday night.

Sri Mulyani would be acting economic affairs coordinating minister concurrently finance minister, he said. Boediono was installed as Bank Indonesia (central bank) governor early last month. (ANTARA)

Exports and Investments Remain Key Driving Force for 2008 Economic Growth

Jakarta - Exports and investments will remain the key driving force of Indonesia's economic growth this year, a National Development Planning Agency (Bappenas) official said.

"Thus, it is important to maintain the community's and business world's confidence in the national economy. The government needs to ensure that the momentum of economic growth, including macro economic stability will be well managed," the agency's macro planning director, Bambang Prijambodo, said on Wednesday (4/6).

The Finance Ministry has revised downward the country's economic growth target for this year to 6.0 percent from 6.4 percent set in the revised 2008 state budget.

He said the government was striving to slash the number of activities that led to the current high cost economy so that the recent increase in fuel oil prices would not add to the companies' production cost.

"The move will also maintain the Indonesian products' competitive edge," he said.

The government must be able to maintain the performance of non-oil/non-gas exports which grew 22.4 percent in the first four months of 2008 so that exports would contribute 15 percent to the national economic growth this year. "Investments grew by 13.3 percent in the first quarter of this year," he said. (ANTARA)

RI to Record Highest Economic Growth in Asia By 2011, Says Chief Minister

People's Welfare Coordinating Minister Aburizal Bakrie said the highest economic growth in Asia in 2011 may prevail in Indonesia.

"In his meeting with Vice President Yusuf Kalla, Bakrie said Indonesia may reach the highest economic growth in Asia in 2011 by implementing various programs including economic retrenchments," he said here on Thursday (5/6).

The minister said that with the retrenchment programs, fuel oil price hikes, and the kerosene to gas conversion scheme, at least Rp 240 trillion could be saved. "The money could be used to build a better Indonesia. But, it should be supported by a firm intention and togetherness to develop Indonesia into an advanced country," he said.

With regard to the direct cash assistance (BLT) which has now covered 19.1 million poor families, he said that the number may eventually twice as poor families.

"Therefore, the distribution of cash assistance fails in meeting expectations, it is still within the corridor," he said.

However, the seriousness of many parties in handling and supervising the distribution of the direct cash aid should reach the target.

"If a rich person receives it, it is the task of the local government to make the necessary correction," Bakrie said.

Speaking of scholarships which had been granted to university students, the program was discontinued due to lack of fund. "But now the government again provides such scholarships following the fuel oil price hikes," he said.

At present, he added, about 10 percent of the total number of university students in Indonesia are in need of the assistance. (ANTARA)

Government to Shield Creative Industry with Copyrights

The government plans to provide a framework for the protection of copyrights and financial assistance to help encourage creative businesses, a minister Wednesday (4/6) said.

Trade Minister Mari Elka Pangestu said the framework would form part of industry's development blueprints.

"With the protection of copyrights and provision of financial assistance for small and medium businesses, we expect to be able to nurture the industry," she said, without elaborating.

The included creative industries comprise some 14 areas; music and musical instruments, advertising, architecture, handicrafts and art festivals, antiques, design, fashion, film, video and photography, interactive games, performing arts, printing and publishing, computer services and software and radio and television.

A lack of effort by the government in developing the industry and protecting copyrights has discouraged many companies from engaging in the sector.

Analysts have regularly said Indonesia's creative industry is lagging far behind other developing countries in Asia, with China estimated to be 18 years ahead in the sector.

By providing concrete facilities, including hefty tax exemptions and discounts and sufficient business infrastructure, China has already managed to attract global giant software firms, while also stimulating the emergence of local creative firms.

China's Hangzhou city, for example, established in 1990 the Hangzhou Hi-Tech Industry Development Zone, which now houses research and development centers for Microsoft, Intel, Nokia Siemens Networks and Samsung.

Software designers and engineers are also exempted from income tax to encourage them to engage in the

industry, despite the fact that China is the world's biggest copyright violator.

Mari, however, remained upbeat Indonesia would achieve the target of 11 percent contribution to the country's gross domestic product (GDP) by 2025, as stated in the blueprint.

"Between 2009 and 2015, our efforts will be to strengthen the basic creative economy, while the acceleration (of that process) will occur between 2015 and 2025," she said without mentioning any methods.

Mari said during the acceleration period, the industry would contribute 9 to 11 percent to the GDP and account for 12 to 13 percent of the country's total exports.

According to the Central Statistics Agency, between 2002 and 2006, the creative industry contributed an average 6.3 percent to the national GDP, or equivalent to Rp 104.68 trillion.

The industry absorbs some 5.4 million workers and ranks fifth among Indonesia's top export commodities. (The Jakarta Post)

RI Issues Decree to Restrict Foreign Ads

In a bid to protect the country's interests, the Indonesian government has issued a decree restricting the Indonesian media from displaying foreign advertisements.

The joint ministerial decree was signed May 30 by Communication and Information Minister Muhammad Nuh and Culture and Tourism Minister Jero Wacik, Antara news agency reported Saturday (7/6).

"The joint decree is aimed at giving more opportunities to domestic production houses, and the employment of one foreign expert must be accompanied by three domestic workers," Nuh was quoted as saying.

The minister said the regulation was in response to missed profit opportunities amid increases in advertisement production costs from Rp 25.5 trillion in 2005, to Rp 30.03 trillion in 2006 and Rp 35.1 trillion in 2007.

"It's a pity we could not reap benefits from the advertisements' Rp 35.1 trillion. So far, only foreign production houses have benefited," Nuh said.

Local television stations saw advertisement revenues of Rp 23 trillion last year, or 66 percent of the market's total, while newspapers accounted for 30 percent and magazines four percent.

Advertisement spending during the January-March 2008 period increased to Rp 8.661 trillion from Rp 7.019 trillion in the same period last year.

The joint decree made some exceptions for advertisements on tourism promotion of foreign countries, properties located outside Indonesia; international games, competition and education, and brand global or brand image with same actors all over the world.

The regulation came one year after Nuh's predecessor Sofyan Djalil issued an advertising regulation limiting the involvement of foreign actors and other resources in the production of broadcast advertising.

The ministerial decree stipulates that the role of local human resources -- models, directors, cameramen, editors, animators and music directors, should be grown, while materials including settings, buildings, languages and music should represent local values. The government expects locals should be able to take over the position held by a foreign worker in 2009.

Foreign workers in advertisement production are also expected to register with associations related to their professions. (The Jakarta Post)

Russian Co to Build \$500M Kalimantan Equipment Plant

Russia's Uraltrac plans to team up with PT Minang Jirdanindo to build a heavy equipment plant in Kalimantan with an investment of \$500 million. A joint venture company, PT Uraltrac Indonesia, will be established to build the project early next year, President Valery M. Platonov was quoted as saying by *Bisnis Indonesia*.

The factory will be built with local content making up 60% of the components, Platonov said. He said negotiations on the project have been underway with Indonesian authorities since 2006. He said Uraltrac needs a new big market and Indonesia is a potential market for heavy equipment.

Four Companies Plan To Build Shipyards

Four companies plan to build shipyards in separate areas of the country with a total investment of Rp3.9 trillion (approx. USD 430,000,000.00), *Asia Pulse* reported.

The Arpeni Pratama Ocean Line Group has the largest project with a shipyard to be built in Batam at a cost of Rp3.25 trillion. It will have the capacity to build 300,000 dead weight ton (DWT) ships, an official of the Industry Ministry said.

PT Waruna Nusa Sentana plans to build a Rp350 billion facility in Belawan, North Sumatra, with a capacity to build 50,000 DWT ships, Director General of Transport Equipment and Telematics Budi Dharmadi said. PT Jasa Marina plans to invest Rp250 billion to build a

shipyard in Central Java with a capacity to build 30,000 DWT ships while PT Noahtu Daya Darotama will invest Rp50 billion to build a shipyard in Lampung with a capacity to build 8,000 DWT ships.

Arpeni president Oentoro Surya said construction of his company's project in Batam will start next year, to be completed in five years.

Gulf Investors Keen to Open 'Rice Estates'

A number of Middle Eastern investors including Kuwait, Qatar and Saudi Arabia have expressed keen interest in creating 1 million hectares of paddy fields in Indonesia, National Logistics Agency (Bulog) chief Mustafa Abubakar said, Asia Pulse reported.

He said the Middle Eastern investors would cooperate with Bulog in developing the rice estates. The rice produced would be exported to the Middle Eastern countries, and it would take at least six months for Bulog to make preparations for the cooperation so that the project could be started in 2009, he said. "This is an optimistic target. But according to our calculation, we need at least two years to realize the project," he said without elaborating on the value of investment needed.

Socio - Cultural Issues

ENVIRONMENT ISSUES

President Calls for Concrete Actions to Save Environment

President Susilo Bambang Yudhoyono

has called for concrete actions to save the environment in the face of the global warming and climate change phenomena that were degrading the environment.

Nobody should wait to do something to save the environment, Yudhoyono said at a function to mark National Environment Day 2008 at the State Palace here on Thursday (5/6).

"Climate change and global warming are real. Let us stop arguing about these issues, let us take concrete actions," the President said at the event which was also attended by First Lady Ani Yudhoyono.

Among the concrete actions people could take were preserving forests and land by planting trees, especially coconut and breadfruit trees, he said. "My message to the forestry minister is, please plant coconut and breadfruit trees because breadfruit trees can retain water. So, God Willing, there will no more flooding," Yudhoyono said.

The second example of concrete actions was energy saving for the benefit of the environment and the economy, he said. "The third step is clean up the sewage system. If the sewage system is clean, the environment will be healthy. Besides, it will prevent flooding," he said.

The President also urged the people and the regional administrations to promote healthy, clean and esthetic life styles.

In remarks addressed to regional administration chiefs, the president said the quality of the environment in their respective jurisdiction was one of the indicators of their success or failure in running their administrations.

Yudhoyono cited four factors affecting

environmental preservation, namely government policies, education, behavior and life style as well as technology.

On the occasion, Indonesian First Lady Ani Yudhoyono and Forestry Minister MS Kaban, received a "Certificate of Global Leadership", an award from the United Nations, for promoting the planting of millions of trees in Indonesia as part of the Billion Tree Planting Campaign spearheaded by the UN Environment Programme (UNEP) and the World Agro-forestry Center (ICRAF).

President Susilo Bambang Yudhoyono also presented `Kalpataru` (Tree of Life) awards to nine people and three NGOs who have been helping the country's environmental preservation, and `Adipura` Awards to a number of cities for keeping up high cleanliness standards. (ANTARA)

Illegal Logging Must Be Legally Treated As Corruption : Minister

Jakarta - Forestry Minister MS Kaban said judicial officials should treat illegal logging cases as corruption cases because the practice causes losses to the state.

"I hope illegal logging will be classified as corruption because it causes losses to the state. So far, judges always link illegal logging to technical and administrative matters. This is not right because illegal logging causes losses to the state," the minister said on the sidelines of a function to observe National Environment Day at the State Palace here on Thursday (5/6).

He said trees in state forests were all state assets so that if they were stolen the state would suffer losses. That's why

such a case should be handled like a criminal corruption case.

"Judges should change their perception by linking illegal logging with state losses," the minister added.

Besides illegal logging, the confiscation of such logs must also be supervised with a corruption criminal approach because the auction of confiscated logs often did not meet the target set by the government.

"I agree with the idea of the Indonesian Corruption Watch (ICW) that there were potential state losses if logs are auctioned with proceeds different from the target set by the government," the minister said. (ANTARA)

World Bank Approves US4-Million Grant for Geothermal Project in RI

Washington - The World Bank's board of executive directors has approved a US\$4-million GEF (Global Environment Facility) Trust Fund Grant for a geothermal power generation development project in Indonesia.

The geothermal power generation development project aims to promote the expansion of economic and environmentally friendly geothermal power generation in Indonesia, and reduce carbon dioxide (CO2) emissions from the power system, according to information on the bank's official website.

There are four components to the project which was approved on May 29, 2008.

The first component is the policy framework for scaling-up the development of geothermal power.

This component will assist the Indonesian government in developing and implementing an integrated set of policies that will provide sufficient regulatory certainty, risk mitigation, and economic incentives for increased public and private investments toward developing geothermal power in Indonesia.

The second component is transactions management for mobilizing investments in geothermal power generation. This component will assist the Indonesian government, especially the energy and mineral resources ministry, to develop its capacity in planning and transacting geothermal power development in an efficient and transparent manner.

The third component is geothermal sector technical capacity building. This component will help address the limited domestic technical capacity for handling most geothermal related activities, and support the long-term development prospects of the sector.

Finally, the fourth component is project management assistance.

This component will provide the necessary technical consultant support to the directorate of geothermal enterprise supervision and ground water management, the executive implementation unit, for the management and supervision of the project.

Apart from the grant, the Indonesian government also expected to get a program loan from the World Bank amounting to US\$1.2 billion to cover the country's budget deficit of around RP82.3 trillion.(ANTARA)

REGIONAL/INTERNATIONAL ISSUES

The Muslim HOMs in Finland met with Prime Minister Vanhanen for a working luncheon hosted by HE Dato' Syed Sultan Idris, Ambassador of Malaysia on 27 May at Rumah Malaysia, Finland.

The topics of the luncheon discussion were Islamophobia and relations between the Muslim world and the West. The luncheon was attended by all the Muslim HOMs in Helsinki which included the Ambassadors of Turkey, Iran, Egypt and Indonesia; CDA's of Morocco, Tunisia, Iraq and the Counsellor of Palestine General Delegation. Also in attendance was H.E. Amb. Esko Hamilo, Under-Secretary of State for Foreign Affairs and Riina Nevamäki, Special Advisor, EU Affairs, Office of the Prime Minister.

The Initiative to hold this meeting with Vanhanen was taken as one of the ways to have active and constructive interaction and exchange of views between the Muslim Ambassadors and the Government. Attendees expressed the meeting as successful and the discussions as "fruitful".

The HOMs thanked the Government in looking into the welfare of the Muslim minorities. The HOMs also conveyed their hope to play a more active and constructive role towards bridging Islam and the Nordic region, and the West as a whole. Vanhanen responded positively to their request and also agreed to have the HOMs gathering on an annual basis.(Helsinki Times)

President Launches Asia-Pacific Development Report 2008

Jakarta - President Susilo Bambang Yudhoyono launched a UNDP report on development in Asia-Pacific in 2008 titled "Efforts to Fight Corruption, Changing Life" at the State Palace here on Thursday (12/6).

On the occasion, the head of state was accompanied by the United Nations Assistant Secretary General and UNDP Development Bureau Director Olav Kjørven, and Minister/ National Development Planning Board (Bappenas) Chairman Paskah Suzetta.

According to official information from the UNDP, the report gave a vivid account of how minor corruption cases in the region were slowly depriving the very weak groups in the population of opportunities, limiting their access to education and reducing basic health services.

The report also offered a glimpse into the innovative ways in which communities and governments in a number of countries in the region, including Indonesia, were strenuously fighting corruption.

It also carried President Yudhoyono's statements about fighting corruption and his promise that fighting corruption would be the main priority of his administration.

In the report, Yudhoyono was also quoted as saying that corruption had to be eradicated structurally and culturally.

"This country will be destroyed if we fail to stop corruption," Yudhoyono said.

The report also contains special contributions from Indonesia Corruption Watch (ICW) chairman Teten Masduki and Aceh-Nias Reconstruction and Rehabilitation Agency (BRR) chief Kuntoro Mangkusubroto.

UNDP also said in Asia-Pacific countries, politicians were considered the most corrupt group in government, followed by the police and legal institutions.

It said nearly one in every five people in the Asia-Pacific region had admitted to having ever given a bribe to police over the past few years.(ANTARA)

House Speaker Agung Laksono to Attend 5th ASEP Meeting In Beijing

Beijing - Indonesian House of Representatives (DPR) Chairman Agung Laksono is scheduled to take part in the 5th Asia-Europe Parliamentary Partnership Meeting (ASEP) here from June 18 to 20.

"House Speaker Agung Laksono and a number of other Indonesian lawmakers will attend the meeting," Deputy Chief of the Indonesian Mission in Beijing, Mohamad Oemar, said on Sunday (15/6).

Oemar said a number of Indonesian lawmakers from the Golkar Party will also visit Beijing next week to meet with leaders and members of the Communist Party of China (CPC).

The National People's Congress (NPC) of China said in its official website that more than 150 parliamentary leaders from Asia and Europe will meet here on Wednesday (June 18) for an exchange of views on social and economic cooperation.

The 5th ASEP meeting will focus on enhancing Asia-Europe cooperation and promoting development efforts in the two continents.

The three-day meeting is expected to issue a declaration to be submitted to the 7th Asia-Europe Summit here in October 2008 for approval.

As many as 150 delegations have confirmed participation in the 5th ASEP meeting.

ASEP was established in 1996 with the aim of enhancing mutual understanding between Asia and Europe through interparliamentary dialogs.

ASEP meets once every two years in Asia and Europe by turns. The last meeting was held in Helsinki, Finland.(ANTARA)

Profile of Region: Opportunities for Investment

Profile of Gorontalo : Agriculture and Fishery

Gorontalo Province is the 32nd province according to Undang-Undang (Act) No. 38 in the year of 2000 on 22 December 2000. Initially, this province was a part of North Sulawesi Province. Gorontalo Province covers 12.215.5 km² including 4 regencies and 1 city: Gorontalo regency, Boalemo, Pohuwato, Bonebolango and Gorontalo. The province borders on North Sulawesi Province in the east, Central Sulawesi Province in the west, Sulawesi Sea in the north and Tomini Bay in the south.

In 2005, on the basis of the constant price, the Gross Regional Domestic Products (PDRB) of the province reached Rp. 2.2 trillion. The sectors which contributed the biggest amount to this province s PDRB were from agricultural sectors with its amount of Rp. 617.4 trillion or 30.5% out of the total of PDRB. This was followed by service industry sectors with the amount of Rp. 342.8 billion (16.9%) and finance sectors with the amount of Rp.207.9 billion (10.3%) as shown by the pie chart.

There are some leading commodities in

the province, especially agricultural sectors covering rice, corn, coconut, cacao, clove, candle nut and areca palm trees. Fishery production sub-sectors consist of capture fishery and aquaculture. The export of the province reached up to US\$ 6.2 million, mostly contributed from corn production amounting US\$ 3.9 million equal to 63.8% out of the total export.

Gorontalo Province owns 1 industrial estate, Kawasan Industri Argo Terpadu (KIAT, Integrated Argo Industrial Estate), located at Bone Bolange regency. To support the industrial and economic activities, the province has provided 4 seaports: Tilamuta, Kwandang (37 m long), Anggrek (143 m long) and Gorontalo (a 60 m-quay long). There is one airport at Gorontalo regency, Djalaludin Airport, with its ground of 2.25 km long.

source : www.bkpm.go.id (Investment board's website)

Profile of East Kalimantan : Oil and Gas Commodities, Mining

East Kalimantan Province is the second largest province in Indonesia after Papua Province and its area is equal to 1.5 Java and Madura Islands. The province borders on our neighbouring country Malaysia, to be exact Sabah and Serawak States. Administratively, this province owns 10 regencies and 4 cities and Samarinda as the provincial capital. The width of its area covers 208.657.74 km² and until 2005 the number of inhabitants was 2,840,874 persons with its population density at 12 persons/km².

In 2005, the Gross Regional Domestic Products (PDRB) of the province reached Rp. 93.5 trillion. The sectors which contributed the biggest amount to this province s PDRB were mining and quarrying sectors with its amount of Rp.

35.4 trillion or 37.9% out of the total of PDRB. This was followed by manufacturing industry and trade, hotels and restaurants with the values of Rp.34.3 (36.7%) and Rp. 6.38 (6.8%).

There are some leading commodities in the province, such as oil palm, coconut, rubber and fishery. The 2005 export value of East Kalimantan reached US\$ 14.2 billion and was dominated with oil and gas commodities which in the same year were at US\$ 10.8 billion or 75.7% out of the total export value. The export of the non-gas and non-oil commodities obtained US\$ 3.5 billion.

East Kalimantan Province owns 2 main industrial estates, namely Bontang Industrial Estate in Bontang City and Kariangau Industrial Estate in Balikpapan, and KAPET DAS KAKAP in Banjarmasin. In this province, the national road is 1,226.21 km long, provincial road is 1,762 km long and regency road is 7,105 km long. For sea transportation, there are 4 main seaports, namely Laut Nunukan Seaport, Tarakan Seaport, Samarinda Seaport, and Balikpapan Seaport also functioning as a crossing seaport. 4 airports are also available here, namely Temidung Airport, Juwata Airport, Tanjung Berau Airport and Sepingan National Airport in Balikpapan. The further information about the communication infrastructure in the province can be seen in the following map.

Source: -

Updated: 29-1-2007

- : not available

The Synopsis of Macroeconomic in Indonesia 2001 – 2007

No	Indicator of economy	2001	2002	2003	2004	2005	2006	2007 1)
1	Economic Growth (%)	3,6	4,5	4,8	5,0	5,7	5,5	6,3
	- Non Oil and Gas	4,9	5,2	5,7	6,0	6,6	6,1	6,9
2	Inflation (%)	12,5	10	5,1	6,4	17,1	6,6	6,7
3	SBI rate % (3 months)	17,63	13,02	8,31	7,43	12,75	9,75	8
4	Rupiah Exchange Rate (Rp/USD)	10256	9318	8593	8940	9713	9050	9130
5	External Sector							
	- Foreign Exc. Reserves (USD billion)	28	32	36,6	36,3	34,7	42,6	56,9
	- Current transaction (% to PDB)	4,2	3,9	3,4	1,2	0,1	2,7	2,6
7	The Budget Deficit (% to PDB)	2,4	1,3	1,7	1,3	0,5	0,9	1,2
8	The Government Debt (% to PDB)	75,3	63,9	57,4	55,5	46,5	39,2	35,5
9	Foreign Debt							
	- % to PDB	81,0	66,5	56,8	53,8	46,5	35,2	32,7
	- Debt Service Ratio (% to export)	41,4	33,1	32,3	27,1	17,3	24,8	21,5
10	Open Unemployment Rate (%)	8,1	9,1	9,7	9,9	11,2	10,3	9,1
11	Poverty rate (%)	18,2	17,4	17,4	16,7	16,0	17,8	16,6

1) For the economic growth, assumption based on realization of the 3rd quarter; DSR based on the 3rd quarter/07

10

source : www.bi.go.id [1] (Economic report)