

# Indonesia News & Views

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## BUNAKEN NATIONAL PARK

The north coast of Sulawesi is a veritable under water paradise. Magnificent coral gardens and a multitude of tropical marine life in the Bunaken Island marine reserve offer some of the best adventure to be had anywhere in the world. With an area of 808 ha and white sandy beaches, Bunaken Island faces the coastline of Manado. Readily accessible, Bunaken and Manado Tua Marine Park has excellent snorkeling and diving spots. Best season to visit on April to October.

In relation to marine conservation, Indonesia is proudly hosting the World Ocean Conference 2009 to build commitment for sustainable management of marine resource. It will be held at Manado city on May 11 -19, 2009 and attended by officials from 121 countries.

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## UN Award for TNI in Congo

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The presentation of the Monuc Medal took place in a military ceremony at a Guasfor (Guatemala Special Forces) camp in Bunia, Congo, Friday (10/4), led by Brigade Commander Khaidir

Brigadier General Fachrudin flanked by Guatemala Contingent Colonel Jorge Enrique Lopez Juarez, and Task Force Commander of the Garuda Contingent Garuda XX-F/Monuc...  
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*April 2009*

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>>> *April 22 - 26, 2009*

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# INDONESIA

## *ULTIMATE IN DIVERSITY*



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## DOMESTIC ISSUES

### Political Issues

#### **President Discusses Post-Election Security Situation**

Jakarta - President Susilo Bambang Yudhoyono chaired a limited cabinet meeting at his office here on Monday (13/4) to discuss the post-legislative election security situation.

Started at 10 on Monday morning, the meeting was attended by Coordinating Minister for Political, Legal and Security Affairs Widodo AS, Law and Human Rights Minister Andi Mattalatta, Home Affairs Minister Mardiyanto, Minister/State Secretary Hatta Radjasa, Communication and Information Minister Muhammad Nuh, National Police Chief Gen Bambang Hendarso Danuri, State Intelligence Agency (BIN) chief Syamsir Siregar, and Attorney General Hendarman Supanji.

Minister/State Secretary Hatta Radjasa said the meeting was held as the president wanted to hear reports on the security situation across the country after the national legislative elections on Thursday, April 9, 2009.

"After a four-day holiday, the president wanted to obtain reports on the latest security situation in the country after the legislative elections," Hatta Radjasa said.

According to him, President Yudhoyono chaired the meeting to discuss the security situation only and not the potential of legal action against the ballot count in the legislative elections.

"Such a case has already had its own legal procedure," Hatta Radjasa said, adding that before the meeting, President Yudhoyono had already received the report on security condition during and after the election.

Earlier, on Thursday night (April 9, 2009), Coordinating Minister for Political, Legal and Security Affairs Widodo AS reported to the president about the security situation and the next day on Friday (April 10, 2009) Home Affairs Minister Mardiyanto reported the same thing to the head of state at the latter's private residence at Puri Cikeas Indah in Bogor, West Java.

At the time Minister Mardiyanto said there was no significant security disturbance during

the election, except the one in Abepura, Papua province. (ANTARA)

#### **Presidential Election Can Proceed in One Round Only: Observer**

Surabaya, E Java, - Political observer Hermawan Sulistyono said the July 2009 presidential elections could proceed in one round only if the Democratic Party was smart in carrying out its political lobbying.

"The (previous) map of coalition would totally change but the Democratic Party should not turn arrogant owing to the fact that it had not yet won 20 percent (of the seats in the House) so that it needed to coalesce," Sulistyono said here on Friday (10/4).

Sulistyono who is political researcher at the Indonesian Institute of Sciences (LIPI), said that the Democrats Party could just coalesce with the Prosperous Justice Party (PKS) if its target was only to usher in Yudhoyono into the second presidential term.

"If the Democrats Party is smart enough to lobby other political parties, let alone if it also includes Golkar, it would most likely be able to leave the Indonesian Democratic Party of Struggle (PDIP) behind alone with the Great Indonesia Movement Party (Gerindra). And this would lead to the presidential elections to be held only in one round," he added.

However, it is also quite possible that Jusuf Kalla joins the PDIP and in this case the Democrats Party still could also split Golkar supporters by embracing other Golkar cadres.

"So, whether or not the number of presidential pairs-up would be two or three would be determined by the smartness of the Democratic Party in its political lobbies," he said.

He said that if the Democratic Party was willing to coalesce with Golkar it would lead to two presidential candidate pairs-up only.

Sulistyono saw that Golkar was playing the mediator key in the coalition map because the Golkar votes which were below 15 percent were potential to be channeled to any side of coalition.

"If it wants to coalesce with the Democratic Party it has to compete with PKS while a coalition with PDIP would take Jusuf Kalla to face Megawati Soekarnoputri and to serve as a running mate," Sulistyono said. (ANTARA)

## **Elections and Localization of State Politics**

During his 32-year rule, Soeharto held a tight grip on political activism and power emanating from the local level, especially in villages. Political activism was essentially forbidden and mass demobilization was carried out in villages to prevent any attempt to contest the New Order's rule.

The state was omnipresent, attempting to control the masses in all activities. Villagers at any gathering, from the village meeting to women's weekly meetings, were under constant pressure to be loyal exclusively to the state and its ruling party at the time, the Golkar Party. Villages soon became the backbone of state power.

After Soeharto's fall, electoral law reform slowly allowed villages to regain power from the state. When semi-district electoral reforms were introduced in 2004, we began to see village figures competing for district legislative seats. However, political parties still remained in control, handpicking which election candidates would get legislative seats. Villages and village figures were again merely an extension of state power.

A recent Constitutional Court ruling on *suara terbanyak* (the most votes) elevated village political dynamics to a quite radical level. Under the new rule, competition moved from centralized political parties to the village masses. As we approach the eve of the elections, we are likely to see a localization of state politics rather than New Order style of state control over local politics. The localization of state politics in this year's elections will be characterized by at least two striking parameters.

First of all, there will be a high number of local elections candidates this year originating from villages. In Java's north coast for example, I noticed many of the candidates were village heads, former village heads and people associated to them, such as the village head's wife or siblings, and other figures such as leaders of village farmers' associations.

The electoral reform combined with the emergence of many new political parties desperately looking for candidates at the local level, encouraged village elites to get involved in this year's elections. Under this new electoral climate, it is no longer surprising to find several candidates competing in one village.

The second key characteristic of this new localization of state politics is the revival of village leaders' canvassing abilities, brought about by tighter competition under the *suara terbanyak* rule. Village leaders that have the capability to canvass include leaders in the farming and fishing communities, youth leaders, school principals and particularly clerics and leaders of village-based religious associations. The leaders become more important if they have a large number of followers, especially if they are large enough to secure the votes needed for a candidate to win a seat.

Although continuous electoral reforms appear to have brought elected public officials closer to their voters, the country is still plagued with voter education issues. Competitive elections at the village level, which are likely to be an intermediary result of this electoral reform, may bring about new problems and costs. First, this new breed of election candidates may revive the practice of money politics common in any *kiyam* (a local term in Java's north coast that refers to the election of village heads). Such village head elections are notorious for the huge amount of money allegedly spent by candidates to win the villagers' votes.

Second, instead of promoting voters' education, candidates' political interaction with village leaders is likely to strengthen patrimonial politics. Faced with tight competition and limited time, candidates will tend to seek guarantees from the leaders who will give them their followers' votes. Candidates might promise those leaders short-term pecuniary incentives for this guarantee.

Third, political competition shifting from state to village level might potentially move the conflict from party leaders to the masses at the village level. Furthermore, competition between candidates in the same village is likely to lead some candidates to claim particular supporter areas in which political rivals are not allowed to come in. Some fear this heightened political tension will culminate in violence on a massive scale on Election Day, especially if those candidates do not agree on the result.

Those risks and costs need to be tackled soon, especially by those involved in the political competition, in order to make this electoral democracy more meaningful. (The Jakarta post)

## **UN Award for TNI in Congo**

Jakarta, - The United Nations has awarded the Indonesian contingent Conga XX-Fa Monuc Medal for its successful peacekeeping mission in the Congo for six months.

The presentation of the Monuc Medal took place in a military ceremony at a Guasfor (Guatemala Special Forces) camp in Bunia, Congo, Friday (10/4), led by Brigade Commander Brigadier General Fachrudin Khaidir flanked by Guatemala Contingent Commander Colonel Jorge Enrique Lopez Juarez, and Task Force Commander of the Garuda Contingent Garuda XX-F/Monuc, Mayor Sugeng Haryadi Yogopranowo.

Information Officer of Konga XX-F/Monuc Captain Leo Sugandi in an electronic letter received by ANTARA in Jakarta Friday said that the award was given to UN military personnel who had carried out a mission of at least six months in the Democratic Republic of Congo.(ANTARA)

## **RI Concerned with North Korea ‘Satellite’ Launch**

Indonesia has expressed concern over the “satellite” launch by North Korea suspected internationally of being a missile test, citing the risk of “escalating tensions” in the Korean Peninsula, Indonesia said. “The launch has increased the risk of tension although it still has to be verified whether it was a satellite or a missile. Our main concern is North Korea’s launch has gone against the nuclear disarmament [spirit] in East Asia,” Foreign Ministry spokesman Teuku Faizasyah told The Jakarta Post on Sunday (5/4).

“We have called for the renewal of six-party talks which stalled last year because suspicions will continue to grow as long as parties do not meet and negotiate,” he said. The six-party members are China, South Korea, North Korea, Japan, Russia and the United States, who had been working on scaling back North’s nuclear program since 2003 in exchange for economic incentives. The last round of negotiations ended December last year in a stalemate after Pyongyang refused to allow international inspectors greater access to verify whether nuclear disarmament steps were being taken.

North Korea launched its long-range rocket on Sunday (5/4) in a move international analysts claim violated UN resolution 1718, imposed after Pyongyang tested a nuclear device in 2006. Under the resolution, North Korea must abstain from any activity linked to its ballistic missile program. As the launch technology for satellites and ballistic missiles are identical, Washington, Seoul and Tokyo have argued this space launch by North Korea contributed to the development of its missile capabilities.

The concerned nations claimed the launch could be testing a ballistic missile with the capacity to carry a warhead potentially as far as Alaska, a distance of approximately 6,700 km. Hikmahanto Juwana, professor of international law at the University of Indonesia, said the launch would spark tensions not only in Asia but also worldwide during a time when leaders were preoccupied with solving the economic downturn.

“The main concern now is to ensure North Korea does not engage in any activities that will endanger global peace. Whether it is a missile or not, the world will not want to see any new pressure to their regional stability as they concentrate on coping with the economic problems,” he said.

This launch may have been North Korea flexing its military muscle, he said, in response to rumors of its leader’s ailing health and potential transition of power. “This launch may have just been a display of supremacy from a nation facing international pressure.” International analysts have said Washington and Tokyo may seek a UN resolution condemning the reclusive state’s action, although this may be met with resistance from China and Russia.

However, Hikmahanto said China and Russia would probably take a tougher attitude toward North Korea at the UN Security Council, in line with the United States and Japan.

“They might not talk about incentives for North Korea to scrap its missile activities. They might want to impose sanctions now,” he said. UN Secretary-General Ban Ki-moon said the launch was not conducive to peace and stability and called on North Korea to return to six-country talks on ending its nuclear programs.(The Jakarta Post)

## **RI-South Korea Enhances Cooperation**

Indonesia and South Korea government agreed to enhance cooperation in four fields: education, research and technology, forestry, and defense industry. The signing of those agreements were signed during the bilateral meeting of South Korea President Lee Myung-bak and President Susilo Bambang Yudhoyono at Istana Negara Jakarta, on 6 March. Lee visited Indonesia on March 6-8, 2009.

In a joint press conference after meeting, President Yudhoyono explained the agreements consist of a memorandum of understanding for the fields of science and technology followed by forestry, concerning the cooperation on development of the wood biomass energy industry, cooperation in the field of education, and intent on defense industrial cooperation between the defense ministries of both sides.

The two Presidents also discussed to enhance cooperation in trade, investment, manpower, tourism and transfer of technology. As President Lee said, on 2008 the trade volume of two countries reached more than \$18 billion, which Indonesia enjoyed a surplus of almost \$4 billion. Korea imports oil and gas, forestry, agriculture and fishery products and other raw materials to support its industries. Indeed, South Korea is the third biggest market for Indonesian LNG.

For investment, Korea is among the 10 biggest investors in Indonesia and investing more than \$13 billion since Indonesia introduced the foreign investment law in 1967. Korean private sectors invest in various sectors such as textile, mining, footwear and energy as well as agriculture. It make Korea become the 7th biggest investor in Indonesia, and for Indonesia, Korea is the 4th largest export destination. Korea also becomes one of the main destinations for skilled workers from Indonesia. Nowadays, around 28,000 Indonesians work in Korea, comprised of skilled workers and semi-skilled workers. Most of them work in high-tech industries in Korea.

Although Indonesia realizes that Korea is also affected by the financial crisis, President Yudhoyono hopes that there will be no lay-off for Indonesian workers. If Korean government must do that, Indonesian workers will be given enough chance to look for

another job. "We are facing a world economic crisis. Both countries have had economic difficulties but we will work hand in hand in the future," President Lee said.

Beside the mentioned cooperation, Korea and Indonesia have agreed to establish close coordination in field of climate change and social culture.(Jurnal Nasional)

## **Palestinian Ambassadors Follow Diplomatic Training in Indonesia**

An international diplomatic training which had been going on for almost a month now in Jakarta and in some other cities in Indonesia were followed by 23 foreign diplomats, including four Palestinians who are ambassadors to Bulgaria, Zimbabwe and Tanzania.

Deputy Foreign Minister Triyono Wibowo when opening the training in Jakarta Thursday (2/4) said that the training for the Palestinian officials was one form of Indonesia`s high commitment to help the struggle of the Palestinian people.

The diplomatic training opened at the foreign ministry on Thursday (2/4) was a Foreign Service Staff School held from March 30 to April 24, 2009. The third training for Foreign Affairs Ministry`s staffs was attended by 13 senior diplomats from Indonesia and nine diplomats from China, Vietnam, Singapore, Thailand, Brunei Darussalam, Cambodia, Myanmar, Malaysia and Laos as well as four Palestinian ambassadors. Indonesia and Palestine have close relationship as Jakarta is the main supporter for Palestinian struggle for independence.(Jurnal Nasional)

## **RI Training Palestinian Infrastructure Reconstruction Experts**

Jakarta - Indonesia will train 13 Palestinians who work as experts in Palestine's infrastructure rehabilitation and reconstruction program in the aftermath of Israel's military aggression in the Gaza Strip.

"The Palestinians want to learn from Indonesia which has been able to complete its rehabilitation and reconstruction program in Aceh after the devastating tsunami on December 26, 2004," Public Works Minister Djoko Kirmanto said here on Monday (13/4).

He said the 10-day training program dubbed "Cycle Project " would take place April 13-14 at the Atlet Century Park Hotel in Jakarta and cover management, planning, and evaluation.

The minister said the training program which would be fully funded by the Indonesian government was part of its support to Palestinian independence which was on the agenda of the New Asian-African Strategic Partnership (NAASP) forum, Ministerial Conference on Capacity Building for Palestine.

In the government agenda, a number of institutions would provide training course to around 1,000 Palestinian nationals for five years until 2013.

According to Djoko Kirmanto, the training course was a preliminary stage to be conducted in Indonesia but later it would be conducted in Palestinian neighbor countries such as Jordan and Doha to make the cost cheaper because Indonesia would only send the trainers there.

Meanwhile, chief of Construction Management Board and Human Resources at the Public Works Ministry, Sumaryanto Widayatin, said the portion of training course for 1,000 Palestinian nationals was not only the responsibility of the government but also of other institutions.

Sumaryanto said the module of the training had been prepared by professional party, universities, and Indonesian National Consultants Association (Inkindo).

The training was opened on Monday (April 13, 2009) and attended by Palestinian Ambassador to Indonesia Fariz Al Mehdawi who said that the training was good for the participants to apply their knowledge in the rehabilitation and reconstruction process in Palestine after the Israeli military aggression. (ANTARA)

## Economic Issues

### **Finance Minister: RI Still Promising for Investment**

Jakarta, - Finance Minister Mulyani Indrawati said Indonesia was actually quite stable in political, economic and security terms making it a promising place for investment.

With the situation and in view of its economic growth, Indonesia had a more positive image and reputation that other countries of the Association of Southeast

Asian Nations (Asean), the minister said here Monday (13/4).

She said after a limited cabinet meeting at the presidential office Indonesia's economy was projected to still grow by up to 4.5 percent which was very good compared to that of other countries such as Singapore which grew minus five percent, Thailand minus two percent, Malaysia minus 0.2 percent. The Philippines meanwhile was projected to still grow by 2.5 percent.

"Among the five countries Indonesia still records the highest economic growth," she said.

She said China meanwhile was predicted to grow 6.5 percent while India five percent.

She said the country's economy which could still grow quite high and its political and security stability would certainly affect positively on capital inflow.

She also said the optimism of the country's businessmen to conduct expansion in addition to the declining tendency of interest rates would also give a positive impact.

Although in general the country's conditions are good, the minister said, investment still remains in the decline, growing only between five and 6.5 percent in the first quarter which is far lower than in 2008 which could grow double-digit between 10 and 13 percent. "So it has been corrected almost more than 50 percent," she said.

The drop in investment could also be seen from declining indicators of cement consumption and capital goods imports. "We are predicting there will indeed be a kind of correction on investment in the next 6 to 12 months. Therefore we think that the positive trend that I have mentioned before such as good economic stability and declining interest rate could still be affected by the negative impact of global economic slowdown and slumping exports," she said.

The minister predicted the country's economic growth in the year could reach 4.5 percent, in view of the growth in the first quarter of 2009 that was recorded at 4.3 to 4.8 percent. (ANTARA)

### **Foreign Investment in South Sulawesi Exceeds 2009 Projection**

Makassar, - Foreign investment in South Sulawesi in 2009 had exceedingly surpassed the set target.

The investment that had been received reached 60 million US dollars of the projected 26 million US dollars.

Head of the South Sulawesi Promotion and Investment Agency (BPPMD) Irman Yasin Limpo said in Makassar Thursday (2/4) that applications for a business license had been filed to the Investment Coordination Agency in view of five projects from three foreign companies to be built in the province this year.

"The five projects included a power plant and a number of processing and mining industries," he said.

The South Sulawesi BPPMD is currently considering the granting of business licenses in the middle of this month.

"Work on the five projects could be started by the end of this month," he said.

In the meantime, he added, domestic investment up to April had not reached a significant amount. And requests for making domestic investment may increase significantly starting in the middle of this year.(ANTARA)

### **ADB Invests 140 Million Dollars in Indonesia's Infrastructure**

The Asian Development Bank (ADB) had approved of an investment up to 140 million US dollars as an Indonesian Infrastructure Financing Facility (IIFF) with government support to help develop infrastructure projects in Indonesia.

"However, there is a big difference between the investment needed for infrastructure projects and funding availability. This situation is posing a serious problem to the development of important infrastructure projects in Indonesia, so that this facility would significantly reduce the gap," ADB's Southeast Asia Director Arjun Thapan said in a press release in Jakarta Tuesday.

The lack of electricity, transportation problems and the lack of other important infrastructure facilities are posing a problem to the country's economic growth and to reducing poverty in Indonesia while investment from the private sector was too low due to the lack of long-term funding from bank or the stock market. The IIFF which was designed in 2007, will provide funding assistance in the form of long-term loan instruments, capital participation or security for infrastructure

projects, and therefore is expected to attract more investment in the private infrastructure sector by six to seven times the current figures.

The ADB investment will take the form of capital participation by up to 40 million US dollars for 20 percent of the stake in the IIFF, and 25 years of loans of up to 100 million US dollars for the holding infrastructure company of the government, namely PT Sarana Multi Infrastruktur with a grace period of 5 years. The loan will be channeled to the IIFF which will take care of the further channeling of the loans. "The IIFF will be funding infrastructure projects which are commercially feasible by offering long-term funding and know-how and skill assistance with a view to encouraging government and private partnership," ADB Director General of Private Sector Operations Department Philip Erquiaga said.

By limiting the amounts of the funding by up to 20 percent of the cost of a project, the IIFF is expected to be able to fund various projects worth 5,5 billion US dollars in the first year of its operations. Investment in the infrastructure sector in Indonesia increased to 3-3,5 percent of the gross domestic product (GDP) in the last few years, but these figures are still lower than those prior to financial crisis in Asia in 1997 reaching 5 - 6 percent.

In the last few years, most of the investment in the infrastructure sector came from the government, while investment in the private sector had dropped in the last 10 year to less than 1 percent of the GDP in the 2000-2006 period.(ANTARA)

### **Indonesia Optimistic Its Economy Will Grow 4.5 Percent**

Jakarta, - Indonesia is optimistic its economy will grow 4.5 percent in 2009 in spite of the impact of the global financial crisis on several of its economic sectors.

Its finance minister Sri Mulyani Indrawati said after a limited cabinet meeting on economy on Monday (13/4) "our projection remains between 4.0 and 4.5 percent until the end of this year. Indeed international institutes are projecting the country's economy will only grow 3.0 to 3.4 percent."

She said the country's economic growth in the first quarter could still reach above 4.0 percent and this was a good beginning to show

that the country's economy remained quite resilient against the negative impact of the global economic crisis.

She said she predicted the country's economy grew between 4.3 and 4.8 percent in the first quarter on consumption that grew 5.5 percent.

She said household economic growth in the period was predicted to be between 4.3 and 5.0 percent or down from 6.4 percent in the fourth quarter of 2008.

"The consumption growth of between 4.3 and 5.0 percent is still quite high as several parties are predicting that the country's economy will grow lower than expectations," she said.

The growth of government consumption in the first quarter this year is predicted at between 8.0 and 13.1 percent or higher than that of the same period last year.

The minister said the global financial crisis had affected investment as well as export and import performance as shown by first quarter figures.

Investment is predicted to grow 5.0 to 6.5 percent in the first quarter or lower than the average growth in 2008 that reached double-digit between 10 and 13 percent. "So there has been a correction of more than 50 percent," she said.

Exports in the period contracted between minus 6.0 and minus 9.0 percent or dropped sharply from 13.6 percent in the same period last year.

"In the fourth quarter of 2008 our exports grew almost 1.8 percent so contraction in the first period of 2009 is a declining trend resulting from global economic downturn," she said.

Imports also contracted in the first quarter of 2009 between minus 8.0 percent and minus 12 percent and because the drop was deeper than that of exports the country's trade balance remained positive at US\$607 million until the end of March. (ANTARA)

### **Japan to Extend Trade Financing to Indonesia**

Japan will extend at least US\$500 million in trade financing to Indonesia this year to assist the Southeast Asian country's economy, an official said last week. Japanese Vice Ambassador to Indonesia Takio Yamada was quoted by AFP that the financing would

be provided by the Japan Bank for International Cooperation. Yamada did not elaborate on the plan.

The 500 million dollar financing package comes after Japan doubled the size of a currency swap with Indonesia to 12 billion dollars earlier this year. Japan will also provide US\$1.5 billion in guarantees for Indonesia's planned yen-denominated bond, and a standby loan commitment of US\$1.5 billion this year. Indonesia's total standby loan is also comprised of two billion dollars from the World Bank and one billion each from Australia and the Asian Development Bank.

Yamada said that during the Group of 20 summit in London, Indonesian President Susilo Bambang Yudhoyono had requested to Prime Minister Taro Aso for Japan to increase its investment in Indonesia's oil, natural gas and coal sectors. Aso then asked Indonesia to "ensure stability of liquefied natural gas (LNG) supplies, to make sure Japan's LNG supply needs are met," said Yamada. Indonesia, Southeast Asia biggest economy, is the second-largest supplier of LNG to Japan after Malaysia. (Jurnal Nasional)

### **RI Economy to Still Grow 2.5 Pct in Worst Scenario**

Jakarta, - In the worst of possible scenarios, Indonesia's economy will still experience a positive growth of at 2.5 percent, according to economic observer Ichsanudin Noorsy.

"Roughly, Indonesia's economy will grow by at least 2.5 percent even if the government does not do anything," Noorsy said here on Thursday (2/4).

He said the Indonesian economy would still experience positive growth because about 60 percent of its economic growth was based on consumption.

With the country's population at 220 million, the consumption sector will remain strong. On the other hand, the sub-sectors in the real sector which support the country's survival are micro, small and medium businesses (UMKMs).

He said UMKMs would boost consumption because this sector was absorbing 90 percent of the country's workforce. "Their resilience amid economic crises and their relatively high work force absorption capability are factors

that cause our economic growth to remain positive," Noorsy said.

The economic observer said that in order to achieve better growth it would be better for the government to release its stimulus packages to the real sector to boost its development.

"It would be better if the stimulus program is implemented through the real sector because if it is carried out through the bureaucracy it will be ineffective and slow," he said.

He said Indonesia could strengthen its economy by increasing its stimuli for UMKMs. "It will be effective if the funds are used to reinforce the people-based economic sectors," Noorsy added.(ANTARA)

### **UAE Advises RI to Sign Free Trade Agreement with GCC**

Abu Dhabi, - The United Arab Emirates (UAE) has proposed to enter into a Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC), Indonesian Ambassador to the UAE M Wahid Supriyadi said.

"Singapore already has an FTA with the six-nation GCC and Malaysia is in the process of establishing the link with GCC," Supriyadi told Indonesian journalists in Abu Dhabi on Thursday (9/4).

He said the UAE had made the proposal through its foreign trade minister, Sheikh Lubna Al Qarini, at a meeting with Indonesian Trade Minister Mari E Pangestu in Dubai early this week.

The UAE had made the same proposal to ASEAN member countries when their finance ministers, including Indonesia's Sri Mulyani, held a roadshow in the Middle East recently, he said.

The GCC groups six Gulf countries, namely UAE, Oman, Saudi Arabia, Kuwait, Qatar and Bahrain. The six countries have a combined population of 40 million.

"Since the onset of the global financial crisis, Gulf countries have become interested in doing business with and investing capital in Asia. Indonesia should use this opportunity," said Supriyadi who has been in UAE post for 11 months.

Speaking about the prospects of widening the market of Indonesian goods in the Middle East in general, the envoy said an "Indonesian Festival" was held in the UAE and other

Middle Eastern countries in cooperation with Lulu Hypermarket, the largest hypermarket chain in the UAE which also had 74 branches in the Middle Eastern region.

Supriyadi said the GCC had also concluded an FTA with India and was negotiating another FTA with Europe.

He said during her one-day visit to Dubai earlier this week, Indonesian Trade Minister Mari E Pangestu met with her Somalian counterpart, Abdi Rashid Mohamed Abdi, to discuss efforts to step up trade relations between their two countries. (ANTARA)

### **President: Indonesia Considering Non IMF Financial Assistance Format**

Jakarta - President Susilo Bambang Yudhoyono reiterated that the government had decided not to beg for financial assistance from the International Monetary Fund (IMF) amid the ongoing worst impact of the financial crisis on Indonesia.

"It does not mean Indonesia is looking down at the IMF. But we are considering other formats if we really need financial assistance from financial institutions. I wish to tell you that I have intention to beg for assistance from the IMF," the president said in an interview with a private TV station here on Sunday (5/4).

It was said the statement was once conveyed during a meeting with the IMF board during the G-20 meeting in London several days ago.

"I met with the IMF leader in London telling him that Indonesia is considering different formats. We will not forge another cooperation with the IMF as what we did 10 years, which had left a deep psychological trauma," he said.

According to him, Indonesia had a bitter experience with the IMF because of the wrong recipe and miscalculation of Indonesia's economy.

Under the current global financial crisis, the head of state also asked international financial institutions like the IMF and the World Bank to have their role changed, so that it would really function as a financial institution that could help the countries in need of funds.(ANTARA)

## **Time for Asia to Change Economic Constellation: Economist**

Jakarta - The ongoing global financial crisis should be a momentum for Asia to change its economic constellation and to create a better economic balance in multilateral institutions such as the International Monetary Fund (IMF) and the World Bank, a senior economist said.

"It is the right time for Asia, in this case Indonesia, to forge a different world economic constellation because Asia is coming out of the present crisis as the engine of growth," Prof Dr Emil Salim, a prominent economist during the New Order era, said here Monday (13/4).

He said Asia, especially Indonesia, China, and India with their big populations could become new economic powers in the region.

"In addition, there is better economic development in these three countries with an abundance of natural resources," Emil Salim said, adding that efforts to change the economic constellation against IMF and the World Bank were urgently needed.

He said the absence of the economic constellation would cause the countries in Asia to have bad judgment on the assistance from the two international donors (IMF and World Bank).

"When the multilateral institution only prioritize the interest of developed countries, bad judgment about their assistance would always happen. Thus, if they really want to save the world's economy, they should also make the Asian economy to grow well," he said.

He added that Indonesia's effort to reform IMF and the World Bank should be supported. (ANTARA)

## **Newmont Must Divest**

The Indonesian government cannot afford to assume control of 17 percent of US Newmont Mining Corporation's copper and gold unit in West Nusa Tenggara, despite the ruling by a Geneva-based international arbitration court last week that the American gold producer complete the divestment within the next 180 days. Although the arbitration panel granted the government the right of first refusal to acquire the 17 percent holding, such an investment should not be a high priority, especially in light of the global financial crisis.

Moreover, an approval from the House of Representatives is needed for any government equity investment. Acquiring that stake, whose market value was recently estimated at between US\$700 million and 800 million, would constitute significant capital flight at a time when the chance of getting new foreign direct investment is quite slim. The commercial viability of such a large investment is also questionable. Even though the Newmont Nusa Tenggara unit is the country's second largest gold producer, due diligence is still required to determine current reserves and remaining life time of the gold mine.

The ruling by the international arbitration panel is nonetheless quite important for the enforcement of Indonesia's mining law, which stipulates, among other things, mandatory divestment by foreign mining contractors in order to ensure the interests of Indonesian owned companies after a ten year period of commercial production. The ruling has also ensured that foreign mining companies respect these laws by discouraging them from disputing the enforcement of the divestment clause.

The ruling stems from a mining contract in 1986, which required Newmont and other foreign investors to gradually reduce their stake in the Nusa Tenggara mine to 49 percent by 2010. Newmont now owns 45 percent of the Nusa Tenggara unit, Sumitomo Corp. owns 35 percent and PT Pukuafu Indah, a private Indonesian company holds the remaining 20 percent.

Newmont plans to produce 455 million pounds of copper concentrate from the Nusa Tenggara mine this year, up 60 percent from 284 million pounds in 2008, and 486,000 ounces of gold, up 80 percent from 269,000 ounces. Under the 1986 contract, 3 percent of Newmont Nusa Tenggara was to be offered to the Indonesian government or other Indonesian interests in 2006, and from then on, 7 percent each year from 2007 to 2010.

The ruling of the Geneva-based international arbitration panel covers the offers from 2006 to 2008. The government and Newmont agreed to bring their dispute to the arbitration court in Geneva after both parties failed to resolve disputes over share prices and the divestment period.

Similar disputes had often arisen in the past because foreign investors or mining

contractors have acted with ill intention in their investment interests. The government, given its limited financial resources, may appoint a consortium of state companies or other national interests to take up the 17 percent stake to be offered by Newmont. However, the ideal economic and political outcome would see a joint ownership of the 17 percent stake between the administrations of West Nusa Tenggara, Sumbawa and West Sumbawa with the state or a private Indonesian company. (The Jakarta Post)

### **MOC Official: ASEAN Likely to Become China's Third Largest Trade Partner**

The 10-nation Association of Southeast Asian Nations (ASEAN) is likely to replace Japan as China's third largest trade partner in the future, said a Chinese trade official Thursday (9/4).

Vice Commerce Minister Gao Hucheng made the remarks at a preparatory meeting of the 6th China-ASEAN Expo in Qinzhou city, Guangxi Zhuang Autonomous Region.

Gao said, China-ASEAN relations have developed further, featured by frequent high-level visits and closer economic and trade relations. "Considering the current development momentum, ASEAN is likely to become China's third largest trade partner in the future."

Greater efforts would be put into making the ASEAN-China free trade area (ACFTA) a reality by 2010, Gao told the preparatory meeting.

China and ASEAN launched their cooperation dialogue in 1991 and signed the China-ASEAN Framework Agreement on Comprehensive Economic Cooperation in 2002, proposing the ACFTA by 2010.

In November 2004, China and ASEAN signed an agreement on goods trade and a similar agreement on services in 2007.

Under ACFTA, China's standard import tariff for ASEAN goods averaged 5.8 percent from 2007 and dropped to 2.4 percent this year. It will end tariffs on 93 percent of its imports from ASEAN in 2010 while ASEAN, whose standard import tariff for China averaged 6.3 percent in 2007, would make similar arrangements, said Gao.

Trade between ASEAN and China shot up from 105.9 billion U.S. dollars in 2004 to 202.5 billion U.S. dollars in 2007.

"ASEAN gets more attention among Chinese businesses as China considers the association a key region to implement its goal of encouraging Chinese companies to diversify into overseas markets," said Gao.

The encouragement had helped China cushion the negative impact of the global financial crisis, he said.

Trade between ASEAN and China rose by 14 percent to 231.12 billion U.S. dollars last year despite the global financial crisis, which made ASEAN China's fourth largest trade partner after the European Union, the United States and Japan.

By 2010, when the ACFTA is established, bilateral trade volume will amount to 1.2 trillion U.S. dollars, transforming the area into the world's third largest FTA by trade volume after those in North America and Europe.

The 6th China-ASEAN Expo will run from Oct. 20 to 24 in Nanning, capital of Guangxi Zhuang Autonomous Region. The first such event was held in 2004.

Formed in 1967, ASEAN groups Brunei, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Myanmar, Laos and Vietnam. ([www.chinaview.cn](http://www.chinaview.cn))

## **Socio-Cultural Issues**

### **Chinese Tourist Arrivals in Bali Up 11.35 pct**

A total of 34,539 Chinese tourists visited Bali in the first two months of 2009, accounting for 11.35 percent of the total foreign tourist arrivals to the resort island over the period. "The number of Chinese tourists increased 5,740 or 19.93 percent compared to the same period last year when 28,799 Chinese tourists visited Bali," Head of the Bali Provincial Office of the Central Board of Statistics (BPS) Ida Komang Wisnu said on Sunday (5/4).

He said China ranked third in terms of foreign tourists visiting Bali after Japan and Australia. In total, 131,319 Chinese tourists visited Bali last year, up 55.82 percent from a year earlier. More than 1,992,290 foreign tourists visited Bali last year, an increase of 19.40 percent from the year before. (ANTARA)

## American Tourists to Bali Up 4.55 Pct

Denpasar - A total of 8,986 American tourists visited Bali in the January-February 2009 period, an increase of 4.55 percent compared to 8,595 who came to the island paradise in last year's corresponding period.

"Most of them arrived in Indonesia by way of Bali's Ngurah Rai airport, and only 323 by sea," Head of the Bali Office of the Central Bureau of Statistics Ida Komang Wisnu said here Sunday (12/4).

She said the United States merely ranked the tenth among the ten countries in the world with the biggest number of tourists coming to Bali.

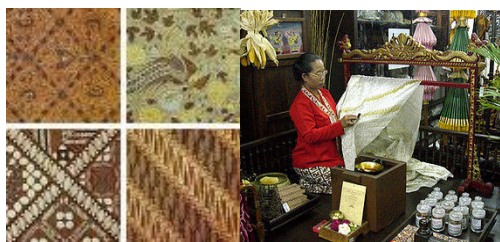
A total of Japanese 54,895 tourists (18.02 pct) had come to Bali, 48,211 Australians (15.85 pct), 34,39 Chinese (11.35 pct), and in lesser numbers Malaysians, South Koreans, Taiwanese, Russians, French and British.

Ida Komang Wisnu said last year 68,619 Americans spent their holiday in Bali, 11,967 (21.12 pct) more than the last year's 56,652.

In the meantime, among the ten countries whose tourists came to Bali, the tourists from Japan, South Korea, Taiwan and the United Kingdom, had dropped in their number, while those from Australia, China, Malaysia, Russia, the UK and the US, increased in number.

In January 2009, a total of 304,244 foreign tourists came to Bali, which was a 3.47 pct increase compared to the 294,032 tourists who came to the island paradise in the same period last year. (ANTARA)

## Batik, Spirit of Indonesia



The word "Batik" originally comes from the word "ambatik" – a cloth with dots or spots, which derived from two Javanese words "amba" which means "to write", and "titik" which means "dots". Batik is a traditional handcrafted textile, rich in intangible cultural values, passed down for generations in Java since early 19<sup>th</sup>

century, made by applying dots and lines of hot wax to cloth using a copper pen-like instrument (canthing tulis), or copper stamps (canthing cap) as a resist to hand-dyeing, later removed by boiling and /or scrapping, repeating the process for each colour. Indonesian Batik uses natural vegetables dyes made from roots, leaves, bark and fruits mixed with other ingredients such as lime, palm sugar, fermented cassava, banana, etc to produce colour nuances.

The patterns and motifs of batik are strongly influenced by its cultural values, such as associated rituals, symbolism, and cultural identity of the community in an area. Each province, or even in each district in the same provinces, has its own typical and distinctive style of patters and motifs of batik. Batiks are even passed down as family heirlooms, each having its own story to tell. Batiks with certain motifs are worn for important events at different times during the life cycle of a person. Batik culture in Java is closely related to other elements of Indonesia's intangible cultural heritage, eg. the "wayang" puppet theatre and the "kris". Wayang characters wear batik with patters and motifs considered appropriate for their rank and personality. Batik motifs could also be found on some kris blades and sheaths.

Due to its delicate process, the batik artists work painstakingly for weeks, months or even a year to produce a high quality piece of hand-made batik where each piece being a unique work of art.

However, this traditional hand-made Indonesian Batik is threatened by a factory-made printed/silk-screened textile with Batik patters and motifs, which are cheaper to produce that wax-resist batik. Price of raw materials for batik tends to increase, whilst income is slow to increase, thus, traditionally produced batik becomes unaffordable. The knowledge of the batik community regarding the symbolism of

batik patterns and motifs is eroding, and this needs to be overcome through lectures, workshop, and ongoing education. (Indonesian Embassy)

**Events: Tour de Singkarak 2009**



**April 29th to May 3rd 2009**

**Contact Address:**

Sapta Pesona Building 23.fl - Jl. Medan Merdeka Barat No.17  
 Jakarta 10110, Indonesia  
 ph: +6221-3838644 , +6221-3838633  
 fax: +6221-34833587  
[info@tourdesingkarak.com](mailto:info@tourdesingkarak.com) ,  
[www.tourdesingkarak.com](http://www.tourdesingkarak.com)

**RACE CATEGORY :**

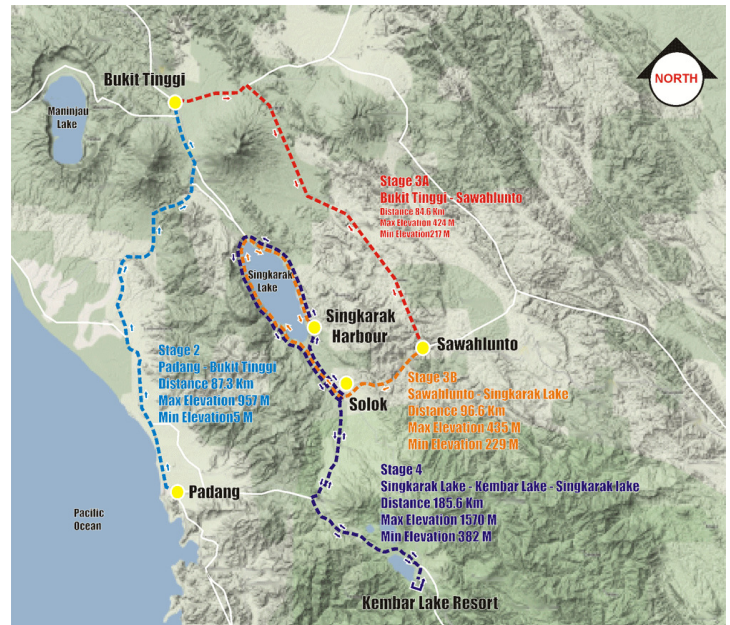
- 2.2 Category
- Asia Tour 2009 Constitute combination
- Registered in UCI (Union Cycling International)

**Total Distance 462 Km**

**Concerned Area :**

- Solok Regency•Solok City•Padang City•Padang Panjang City•Agam Regency•Bukit Tinggi City
- Payakumbuh City•Limpapuluh Kota Regency•Tanah DatarRegncy•Sawahlunto City
- SawahluntoSijunjung Regency

**Route :**



**Stage Summary**

Stage	Direction	Date	Description	Place	Elev (M)	Dist (Km)	Tot Dist (Km)
Half Stage		Time					
1	TTT	April 30th / 14.00-16.00		Padang Beach			4.4
2	Padang - Bukit Tinggi	May 1st / 08.00-10.30	Sprint	Batang Anai		23	88.2
			Special KOM1	Padang Panjang	703	67	
			KOM2	Koto Baru	1154	77.8	
3A	Bukit Tinggi - Sawahlunto	May 2nd / 09.00-11.15	Sprint	Pagaruyung		43.6	84.6
			KOM	Santun	424	79.4	
3B	Sawahlunto - Lake Sigkarak	May 2nd / 14.00-16.40	Sprint	Solok		24.9	91
4	Lake Singkarak - Lake Kembar - Return	May 3rd / 09.00-14.00	Sprint	Solok		64.6	188.8
			KOM1	Lubuk Selasih	1001	86.2	
			KOM2	Talago Ameh	1574	111	

## ENVIRONMENT ISSUES

## REGIONAL/INTERNATIONAL ISSUES

### **RI's Stance at G-20 Summit Same As London Street Demonstrators'**

Surabaya - President Susilo Bambang Yudhoyono said Indonesia's stance at the just-concluded G-20 summit in London was basically the same as the aspirations of the people who staged street protests there during the meeting.

"Indonesia's stance, my intervention, my statements, my diplomacy at the G-20 forum actually accorded with the views of the demonstrators in London," Yudhoyono told newsmen during his flight from London to Surabaya on Friday.

About 4,000 protesters on the first day of the G-20 forum on Wednesday gathered outside the Bank of England in the heart of London's financial district to voice their aspirations.

The demonstration started peacefully but all of a sudden the protesters clashed with British police after they attacked a nearby branch of the Royal Bank of Scotland and the Bank of England.

The police finally arrested some 63 protesters and at least one officer was taken to hospital for treatment.

According to the President, the protesters voiced various issues related to capitalism, justice and protection of poor people, opposition to war, and environmental safety.

The President then told members of the Indonesian delegation to the G-20 summit that the protesters' aspirations were not something new.

"There is nothing new in the protest rally in London because the issues they raised are the same as what we have all along been struggling for in global forums like the G-20 summit," Yudhoyono said.

The president and his entourage of 89 people arrived at Juanda International Airport here at 11.30 West Indonesia Time (WIB) on Friday morning after flying for 17 hours from London with a one-hour stop-over at Dubai International Airport in United Arab Emirates.

In Surabaya, the president will spend his time of leave from office to attend a Democratic Party outdoor campaign rally in the afternoon, and on Sunday, April 5, 2009, he will appear at more campaign rallies in Yogyakarta, Semarang, and Magelang in Central Java.

During his three-day visit in London, President Yudhoyono held bilateral meetings with several foreign leaders, namely with Japanese Prime Minister TARO Aso, Australian Prime Minister Kevin Rudd, British Prime Minister Gordon Brown, Thai Prime Minister Abhisit Vejjajiva, UN Secretary General Ban Ki-Moon, Prince Charles, and the Duke of York, Prince Andrew. (ANTARA)

### **Summit 'Best Solution' to Global Crisis: RI**

President Susilo Bambang Yudhoyono greets audience members after giving a speech Tuesday at the London School of Economic and Political Science. The event was held as part of Yudhoyono's agenda before taking part in the G20 Summit in the UK capital Thursday (2/4) (Courtesy of Presidential Office/Abror Rizki)

A threatened walkout by French President Nicolas Sarkozy from Thursday's G20 Summit has not dampened hopes of developing and developed nations alike striking a deal to jointly cushion the impacts of the global economic meltdown.

AP reported Wednesday that Sarkozy had threatened to walk out of the summit if it failed to reach concrete actions, saying that "the crisis is too serious for us to hold a summit for nothing".

However, US President Barack Obama and UK Prime Minister Gordon Brown remained confident over a global deal to lift the world out of a massive recession — an optimism shared by Indonesian President Susilo Bambang Yudhoyono, who is also in London to take part in the summit.

Yudhoyono suggested that emerging countries, including Indonesia, put high hopes in the world leaders meeting coming up with a concrete solution, calling it "humankind's best hope for the... beginning of a solution" to the current meltdown, warning that failure to achieve that would be costly.

"As a permanent member, I want coordinated global actions [resulting from the summit] to be effective and concrete and of

benefit to us all,” Yudhoyono said Wednesday in London.

On Tuesday, hours after the Indonesian delegation arrived in London, Yudhoyono also told his audience at the London School of Economics and Political Science that only with global cooperation could the world survive the crisis.

“That is why Indonesia is deeply involved in the work of the G20, which is humankind’s best hope for the solution or the beginning of a solution to the crisis that has engulfed us all. Indonesia also wants to ensure that developing countries will not be left behind [in the process].

“I realize it is not enough to have a regional vision. We must also have a global vision, most especially at a time when the whole world, without exception, is reeling from the impact of the global economic and financial crisis,” Yudhoyono said.

Meanwhile, AP reported Obama as saying there was “enormous consensus” between the world’s rich and emerging countries on plans to kick-start the global economic recovery, despite a warning from Sarkozy who said neither his country nor Germany would align with any “false compromises”, suggesting that a clear deal was not secure.

Brown, too, sought to play up consensus, foreshadowing agreement on issues including a possible US\$100 billion boost for global trade, financial regulation and support for economic growth and job creation.

Washington has eased off on a push for other governments to pump more money into economic stimulus programs, after heavy opposition from Europe, but Germany and France are still unhappy that not enough is being done to tighten international regulation to rein in financial market excesses.

Earlier, Indonesian Finance Minister Sri Mulyani Indrawati said deputies of world leaders were getting back to square one in “the making of the draft of communiqué”, because of what many members described as early information leakage before it was officially agreed on when the summit ends Thursday evening.

“We don’t want our G20 communiqué to not be good enough, not be strong enough. Therefore, deliberations start from zero and there are dramatic changes made from Tuesday night until Wednesday morning.”

However, she refused to disclose more details. The summit will be attended by leaders of the world’s 20 largest economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the UK, the US and the EU.(The Jakarta Post)

## **Europe Agrees to Help Form Global Support Funds**

London - European countries agreed at the G20 summit here to help form Indonesia-proposed global support funds for developing countries to address the impact of the global financial crisis, a minister said.

In the latest developments European nations agreed that emerging and developing countries were innocent victims of the global crisis, Finance Minister Sri Mulyani Indrawati said here on Thursday (2/4).

“Europe said that emerging and developing countries have become innocent victims of the crisis and therefore, they must be assisted,” she said.

She said the Indonesian proposal received great support from G20 member countries at the summit.

Under the mechanisms agreed upon to provide global support funds, they supported a proposal to increase the capital of the World Bank, the International Monetary Fund (IMF) and regional development banks, she said.

“Several mechanisms have been agreed upon through the World Bank, regional development banks and the IMF. The IMF has provided such funds to Mexico without any condition,” she said.

The G20 opined that the mechanism of providing such funds to Mexico had a good reputation and was a wise policy, she said.

There was growing awareness on the part of G20 members on Wednesday night to harmonize their views on the equal significance of their economic stimulus packages and tight monetary policies, she said.(ANTARA)

## **New Economic World Order Emerges**

The world’s 20 most powerful economies ended their summit Thursday with a set of measures that are hoped to function as

a panacea to immediately cure the failing global economy. Leaders of the G20 member countries walked out of the group's summit venue in London with a united optimism of turning the course of the world's economy into a more transparent and accountable financial system.

The group said in a statement that confidence would not be restored until trust in the financial system had been returned. "Strengthened regulation and supervision must promote propriety, integrity and transparency; guard against risk across the financial system; dampen rather than amplify the financial and economic cycle; reduce reliance on inappropriately risky sources of financing; and discourage excessive risk-taking," the group said.

Aside from setting out stricter rules for financial companies, the G20 also agreed to shame and name blacklisted tax havens. It will also set out new rules on pay and bonuses for corporate chiefs, and draft details to curb speculation among hedge fund companies, which have been widely blamed for the financial turmoil in the United States that proliferated to other countries.

"Our interests right now are to restore confidence and economic growth at the global level," Indonesian President Susilo Bambang Yudhoyono told the accompanying Indonesian reporters. "And that can only be reached with a high degree of financial system transparency, a stimulus package and monetary policies as counter-cyclical measures to help revive global demand and to make the economy run again."

UK Prime Minister Gordon Brown said he believed a new world order had emerged from the summit. "A new world order is emerging, and with it we're entering into a new era of international cooperation," he said in a press conference.

Other key measures agreed upon included pouring an extra US\$1 trillion into international agencies, including tripling the International Monetary Fund's (IMF) financing to US\$750 billion.

Yudhoyono said it would require more efforts by developed countries to help strengthen the multilateral financial institutions to help developing and poor countries recover from the crisis, as the cause of the problems stemmed primarily from developed countries. The group said it had agreed to make available an additional \$850 billion of resources through

the global financial institutions to support growth in emerging markets and developing countries by helping finance counter-cyclical spending, bank recapitalization, infrastructure, trade finance, balance of payments support, debt rollover and social support.

"It's unfair for underdeveloped and developing countries to be held responsible for the mistakes they didn't make, without the help from the international community," Yudhoyono said.

The G20 members also vowed to promote global trade and investment and reject protectionism, to underpin prosperity, and to build an inclusive, green and sustainable recovery.

The G20 members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the US, the UK and the EU.

G20 key measures

1. G20 countries expect to have spent \$5 trillion to counter the economic crisis by the end of 2010.
2. Multilateral agencies will get financing boost worth \$1 trillion. This includes a three-fold rise for IMF capital to \$750 billion.
3. The IMF will sell billions of dollars of gold reserves to help finance poor countries.
4. To smooth the trade flow, an extra \$250 billion will be allocated for trade financing.
5. A concerted effort to shame and name blacklisted tax havens.
6. Setting out new rules on pay and bonuses for corporate executives.
7. Agreement to "act urgently" to conclude the WTO's Doha round.
8. Establish a new Financial Stability Board (FSB) with a strengthened mandate. (The Jakarta Post)

### **RI Hopes ASEAN Summit Can Be Restaged Soon**

Jakarta, - Indonesia hopes the cancellation of the ASEAN Summit plus three will not last too long and the meeting can be held in the not-too distant future, President Susilo Bambang Yudhoyono said here Saturday (11/4).

Speaking on his arrival at Jakarta's Halim Perdanakusuma airbase from his short visit to Thailand, the President said Indonesia would propose to the ASEAN Secretary General and

Thai Prime Minister Abhisit Vejjajiva to immediately organize the summit again in the near future.

"We hope the cancellation does not take a long time and Indonesia will convey this hope through the ASEAN chief or the Thai prime minister," the president said.

ASEAN, he added, was expected to reset the schedule for organizing the summit after the cancellation of the event in Pattaya, Thailand, on , 2009.

According to Yudhoyono, the ASEAN Summit plus 3 which would discuss the Chiangmai Initiative as a joint way out from the global financial crisis for ASEAN member countries as well as South Korea, Japan and China.

Not only the Chiangmai Initiative, the president also said the ASEAN summit plus 3 was of significance to stabilize the financial markets in East Asia and restore trade as well as investment affected by the global financial crisis.

"An East Asian Summit is very important, especially to ensure that we can also cooperate effectively at regional level to overcome the global economic crisis ," he said.

The president and entourage left for Thailand on Saturday morning at 07:00 Western Indonesian Standard Time to attend the ASEAN summit plus 3 till Sunday, , 2009.

Upon his arrival at the Thai military airbase of U Tapao, Pattaya, the president and entourage stayed at the airport following the anti-government demonstration to demand the resignation of the Thai prime minister.

According to Yudhoyono, he was also offered to go to the hotel as the venue of the summit by using a helicopter. But the access through the front door of the hotel had been occupied by the demonstrators and practically he had to go through the back door which was not guarded by security personnel.

"I think it is much better to wait for half an hour. But, after that, what happened was the cancellation of the event, as the situation was quite precarious to continue the meeting," the president said.

The president received the information on the cancellation from Thai Prime Minister directly and then decided to return home.  
(ANTARA)