

Indonesia News & Views

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RIAU

Riau, which includes a large part of East Sumatra, is homeland to Malays and the source of Indonesia's Malay-based national language. The first book of Malay grammar, called *Bustanul Katibin*, was written and published here in 1857.

Pekanbaru became the provincial capital in 1959, taking over from the former capital of Tanjungpinang on the island of Bintan. About 160 kms upstream on the Siak River a number of buildings in the traditional style are still in this area, among them the Balai Dang Merdu the Balai Adat and Taman Budaya Riau, or Riau Cultural Park.

source: www.my-indonesia.info

Top quotes inside this issue:

- ◆ "We are against the development of nuclear weapons, even if carried out by our fellow countries." (page 19)
- ◆ "Chinese investors have expressed interests in building two sugar plants in Malang, East Java, with total investment of Rp 2 trillion (\$195 million)." (page 5)
- ◆ "The Indonesian Chamber of Commerce and Industry (Kadin) believes the national economy will grow 5 percent in 2009 and 9 percent in 2014 on strong domestic consumption." (page 7)
- ◆ "The event Sail Bunaken 2009 is to give a chance to the world to see the marine beauty of North Sulawesi, to develop the mariners' spirit, and to make North Sulawesi a gateway to East Asia." (page 10)
- ◆ "Studies conducted in 2,815 regions have shown Indonesia has no fewer than 442 regional languages." (page 12)

RI Playing Important Role in Holding Peat Carbon Sinks

Indonesia plays an important role in holding billions of tons peat carbon sinks which, if released, could aggravate global warming and endanger life on earth. Indonesia is host to 34 billion

tons of peat carbon sinks, most of which are to be found in Riau province and Kalimantan. In Kalimantan, which is the world's third largest island, there are 5,769,246 hectares of peat

forests with 10.183 billion tons of carbon sinks, Daniel Murdiyarso of the Center for International Forest Research (CIFOR), said in Denpasar, Bali, on Friday (29/5). (continue to page 14)

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Information, Socio - Cultural Affairs

Embassy of the Republic of Indonesia

Kuusisaarentie 3, 00340 Helsinki

FINLAND

Telp. +358 9 477 0370

Fax +358 9 458 2882

info@indonesian-embassy.fi

bidpen@indonesian-embassy.fi

www.indonesian-embassy.fi

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DOMESTIC ISSUES

Political Issues

President: Maintain Peace and Security Ahead of Presidential Election

Surabaya, - President Susilo Bambang Yudhoyono has called on all parties to maintain peace and security ahead of July 8 presidential election.

The president made the call in his speech after performing Friday (22/5) prayers at the Sunan Ampel mosque on the sidelines of his visit to the Surabaya-Madura (Suramadu) bridge construction site on Friday.

"In the election, there will certainly be tight competition among political parties, presidential and vice presidential candidates but it should not break our bonds of friendship and brotherhood," the president said in his speech.

With a peaceful election and success in overcoming economic crisis, the president expressed hope that the people's welfare would gradually be improved.

After delivering his speech, the president in the company of his two sons, Agus Harimurti and Edhie Baskoro, made a devotional visit to the Sunan Ampel tomb located next to the mosque.

Before performing Friday prayers, the head of state took a close look at the construction site of the Suramadu bridge and said the longest bridge in Indonesia was a symbol of national awakening and development.

"Do not see the bridge as a mere link between Surabaya and Madura but try to understand that it is a symbol of our civilization and national development," the president said.

According to the head of state, the construction of the Suramadu bridge was of great significance to Indonesia because of its exorbitant cost and complicated technology.

"After the bridge has been inaugurated, it should be used properly for the welfare of all people in East Java and Madura," the president said, adding that its construction should not disturb the cultural and religious values of the Maduranese people.

When completed next month, the 5.4-kilometer bridge, including its connecting

roads built at a total cost of about Rp4.5 trillion, will be the first land link between the two islands and the longest bridge in Indonesia. (ANTARA)

President Chairs Meeting on Government's 2010 Plan of Action

Jakarta, - President Susilo Bambang Yudhoyono chaired a limited cabinet meeting at his office on Wednesday (27/5) to discuss the government's 2010 Plan of Action (RKP).

The RKP 2010 had been discussed in four previous meetings since early this year to produce a document for the 2010 state budget.

The July 8 presidential election might produce a different government but President Yudhoyono had asked his cabinet to remain responsible in preparing the government's plan of action for 2010.

"Although the RKP 2010 and 2010 state budget will be conducted after the presidential election, we have an opportunity to prepare everything well," the president said.

He added the next two years would be an important period that needed hard work by the next government to free the country from the global financial crisis.

"Again I say that the RKP is of great importance, because we have to work hard in the next two years to overcome the impact of the global financial crisis," the president said.

Present at the limited cabinet meeting were Vice President Jusuf Kalla, Coordinating Minister for People's Welfare Aburizal Bakrie, Coordinating Minister for Economy Sri Mulyani Indrawati, Coordinating Minister for Political, Legal and Security Affairs Widodo AS, Trade Minister Mari Elka Pangestu, Public Works Minister Djoko Kirmanto, Transportation Minister Djusman Safei Djamal, Energy and Mineral Resources Minister Purnomo Yusgiantoro, National Education Minister Bambang Sudibyo, and Defense Minister Juwono Sudarsono.

The increase in the budget for the Defense Ministry in 2010 was also part of the agenda of the limited cabinet meeting.

Earlier in the day, the president also chaired a consultative meeting with House of Representatives (DPR) leaders to discuss the completion and passage of several bills.

The discussions and passage of the bills by the House was expected to be accomplished

soon or before the end of the present House's and government's terms.

President Yudhoyono said the meeting was held to facilitate communication between the government and the DPR to get common views on matters recommended by a special team.(ANTARA)

President: Never Think To Be Small Nation

Jakarta, - President Susilo Bambang Yudhoyono has reminded his countrymen that they should never think of becoming a small nation.

In his address to mark the 101st anniversary of National Awakening Day at the SCTV Tower here on Wednesday (20/5), the president said that by thinking of being a small nation, Indonesia would never be a big nation.

"We should never think that we are a small nation, because as such we will never be a big country," the president said, adding that the people of Indonesia should think big in order to achieve great things.

The President said there was reason to believe Indonesia could become a developed nation in the 21st century.

The commemoration of the 101st anniversary of National Awakening was also marked with the dedications of a digital television by a consortium of several TV stations, of the village telephone service line, and the redeclaration of "I Love Indonesia Movement."

According to the president, the dedication of digital television which was aired by the consortium of several TV stations at the National Awakening Day commemoration proved that Indonesia had entered a new technological era.

In addition, Yudhoyono also mentioned that a number of events that had been the pillar of the national history indicated that Indonesia already had the capability to become a developed nation.

Among the events, according to the president, were Indonesia's success in hosting the United Nations conference on climate change and the World Ocean Conference (WOC) which was held in Manado, North Sulawesi, recently.

Other outstanding achievements the president mentioned on the occasion were the country's ability to overcome the food and energy crises, and to maintain its economic

growth in the midst of the global financial crisis.

Meanwhile, Information and Communication Minister Muhammad Nuh said around 31,000 villages in Indonesia at present had yet to be reached by information services but it would be overcome in 2010.

He said through the development of information technology in 2010, the 31,000 villages across the country would be reached by communication services including internet.(ANTARA)

RI to Increase Personnel in UN Peace-Keeping Missions

New York - Indonesia hoped that the number of the country's personnel being attached in peace-keeping missions of the United Nations could reach 2,000 in 2009.

Indonesia's target was to have 2,000 personnel in UN peace-keeping missions this year, according to Marty Natalegawa, Indonesian Ambassador to the United Nations (UN) here on Friday (29/5).

"It's an ongoing process. We have reached the target now, around 1,600 personnel," Natalegawa told ANTARA at the UN Headquarters, after attending a ceremony observing the anniversary of the International Peace Keeper Day on May 29.

Indonesia intended to improve not only the quantity, but also the quality of its personnel joining the UN peace-keeping missions, he said. Besides, Indonesia hoped to provide more contributions in other forms, he added.

Citing an example of a contribution in another form, he said KRI (warship) Diponegoro 365 sent by the Indonesian Navy to Lebanon last March 2009, to join the UNIFIL (United Nations Interim Force in Lebanon), was part of the maritime peace keeping operation.

"So, it's not only the number, but also other forms of contributions, from officers, warships, female peace-keepers, and police unit. Even there has been a request from the United Nations that we should send medical personnel to peace mission," the ambassador said.

Meanwhile, Commodore I Putu Adnyana, military adviser of the Indonesian Permanent Representative to the UN in New York, said around 1,600 personnel of the Indonesia Defense Force (TNI) and the National Police,

are currently joining the UN peace missions in Lebanon, Congo, Nepal, Darfur and Sudan.

In Mid 2007, Indonesia sent only 1,072 personnel who were all from TNI and assigned in Lebanon, Congo and Nepal, he said.

Putu Adnyana said the UN had also invited Indonesia to add personnel in UNIFIL, namely 175 personnel for infantry company and 140 personnel for logistics.

The UN also invited Indonesia to send 140 more police personnel to be assigned in Darfur, he said.(ANTARA)

RI and China to Sign Extradition Agreement

Indonesia and China will sign this year an extradition agreement as part of a plan of action for the 2005 strategic partnership between both countries, said the Indonesian ambassador to China on Tuesday (19/5).

Sudrajat said the extradition agreement was already finalized last year but had yet to be signed up to now as both countries were looking for the right moment when it could be conducted in a ministerial-level meeting. "We expect it to be signed in the capital city (of one of the two countries) some time this year by the foreign ministers. The scheduling is still underway," said Sudrajat during a seminar of Indonesia and China relations organized at the Foreign Ministry.

"Once it enters into force, Indonesian criminals caught in China will be extradited to Indonesia and the other way round. The extradition agreement falls into the category of our legal cooperations." Besides the extradition agreement, the plan of action will include political, security and economic cooperation at the top of the list, according to Sudrajat. The 2005 partnership marks another phase of Indonesia China bilateral ties, which resumed in 1990.

In 1967, Indonesia's diplomatic relations with China were suspended in the aftermath of a failed coup d'etat in 1965 to oust the then president Sukarno. Bilateral trade between Indonesia and China stood at US\$31.52 billion in 2008, an increase from \$25 billion in 2007, according to Sudrajat. The trade figure already surpasses targets of \$30 billion aimed to be reached in 2010.(The Jakarta Post)

RI to Deport 114 Rohingya Boat People

Banda Aceh, - Indonesia will in the near future deport to their country of origin 114 of the 391 Rohingya boat people who have been staying in Aceh since January 2009, a foreign ministry official said.

"They will be repatriated to Bangladesh in the near future and they have agreed to be returned to their country," Central and South Asian Affairs Director of the Ministry of Foreign Affairs M Asruchin said after a meeting with the Aceh vice governor here on Monday (25/5).

He said that the Ministry of Foreign Affairs had conducted verification of the Rohingya boat people who came ashore in Sabang and Idi Rayeuk, East Aceh district. Of the Rohingya boat people, 114 were Bangladeshi citizens.

According to Asruchin, the United Nations High Commissioner of Refugees (UNHCR) will take over the problem of the Rohingya boat people who refused to return to their country.

"If I am not mistaken the UNHCR is already there and if they are already there the boat people will be declared as refugees. Usually, a third country which is prepared to accommodate them will be sought," he said.

Last January, 193 Rohingya were rescued by the Indonesian navy after they sailed into Indonesian waters near Aceh on the northern tip of Sumatra.

Indonesian authorities have refused to offer asylum to any of this first group of boat people, saying that they are economic migrants and not refugees fleeing persecution.

Thailand's House committee on security said that international human traffickers were behind the massive influx of Rohingya boat people, who said that they were fleeing discrimination in Burma's Arakan State.

A rising tide of Rohingya refugees has been fleeing Burma to the neighboring countries of Indonesia, Malaysia and India's Andaman and Nicobar Islands.

Their numbers usually increase after November, when the seas are at their calmest. Many seek to escape the economic hardship of their restricted lives and turn to brokers to find a better life in countries such as Malaysia and Thailand. (ANTARA)

RI Accuses the West of Double Standards Over Sri Lanka

Indonesia on Monday (25/5) accused Western countries pushing for a rights violations probe into Sri Lanka's final offensive against the Tamil rebels of applying double standards, comparing the situation in the Indian Ocean island state to that in Palestine and Afghanistan.

Indonesia supports Colombo's draft resolution to be presented at the UN Human Rights Council meeting on Sri Lanka in Geneva on Tuesday (26/5).

The resolution, backed by other non-aligned nations such as China, India, Pakistan, Cuba, Malaysia, the Philippines, Saudi Arabia and Egypt, highlighted the "principle of non-interference" in internal matters and respect for Sri Lanka's sovereignty, territorial integrity and independence.

"We are not trying to compare *the situation in Sri Lanka and that in Gaza*. But we see *the calls for rights probe* are political. Why did they reject or respond unenthusiastically to the initiation of rights violations investigations into Israel's assault on Gaza?" Foreign Ministry spokesman Teuku Faizasyah told The Jakarta Post.

Indonesia, home to the world's largest Muslim population, strongly demanded the UN conduct a rights probe into Israel's offensive on the Gaza Strip early this year.

Western countries have called for independent investigations into possible war crimes allegedly committed both by the Sri Lankan government and the Tamil rebels in the final days of the 25-year civil war in which thousands of civilians were reportedly killed by both parties' indiscriminate shelling.

Western diplomats are also preparing a resolution to be presented at Tuesday's meeting, acknowledging the non-aligned nations' alliance to support Sri Lanka. The resolution, prepared by Switzerland, does not call for an international inquiry into the alleged rights abuses, Reuters reported.

"No matter how much we would like to have a UN investigation, it wouldn't fly with the other countries," a European diplomat earlier told Reuters.

Indonesia and its non-aligned allies, Faizasyah said, are looking for a constructive resolution for Sri Lanka, which he said was "open enough" to invite UN Secretary-General

Ban Ki-moon to visit the internally displaced Tamils.

"There is an impression the UN secretary-general's visit was initiated by the international body, as if *Sri Lanka* is a reclusive country," he said.

While lamenting the deaths of the civilians, Indonesia has said it supported Sri Lanka's military campaign against the Liberation Tigers of Tamil Eelam (LTTE) rebels as an effort to retain its territorial integrity.

"As a sovereign country, it has the right to take any measures, including the use of weapons, to fight against insurgencies," Faizasyah said.

Meanwhile, Human Rights Watch (HRW) said Sri Lanka should be pushed at the UN meeting to allow aid workers and journalists into the country's camps and detention centers, stressing "respect for human rights is just as essential after a conflict ends."

"Although the fighting has stopped, the humanitarian situation is still alarming and real improvements are needed," HRW Asia director Brad Adams was quoted by Reuters as saying.

Sri Lanka argues the UN examination of the conflict is "ill-timed", and says the international community should focus now on helping the country rebuild after last week's end to its 25-year civil war.(The Jakarta Post)

Economic Issues

Taiwan's Investment in Indonesia Reaches US\$13 Billion

Jakarta, - Taiwan's investment in Indonesia until 2008 reached US\$13.837 billion and the amount is still to increase in line with the country's economic development.

Director of Economic Division of Taipei Economic and Trade Office (TETO) Bennet Wen-bin Chen said here on Wednesday (27/5) Taiwan's investment in Indonesia was the eighth biggest after other big countries investing in the country.

"Taiwan's investment in Indonesia this year will probably continue to rise," he said.

Taiwan investors have invested in 1,239 companies in Indonesia including several renown firms such as Pao-cheng Shoes Co., ACER, Bank Chinatrust, President Food,

RSEA, Evergreen Group and Na Ya Plastics Corp.

"Taiwan has not only put an investment but has also contributed managerial- and technical-skilled employees total around 10,000," he said.

He said cooperation between Taiwan and Indonesia had been done since 1990 in the fields of energy, economy, agriculture, investment assessment and protection and eradication of double taxation.

He said Taiwan had also provided scholarships for Indonesian students wishing to study at universities in Taiwan and also training for Mandarin teachers and had also cooperated with Indonesia under APEC and WTO programs. (ANTARA)

Chinese Investors to Build Sugar Plants in Malang

Chinese investors have expressed interests in building two sugar plants in Malang, East Java, with total investment of Rp 2 trillion (\$195 million), but have yet to get licenses from the central government. Malang regent Rendra Kresna told Antara news agency on Monday (18/5) that the currently Malang had two sugar plants, with combined capacity of 20 tons per day, but the two plants could not absorb all sugar canes produced in the regency.

"I hope the two sugar plants will be materialized. We at the local government will surely help the investors in processing their required licenses," he said, without giving details on the investors. Meanwhile, Malang Investment Coordinating Board chairman Adji Jatmiko said the central government had given its green light for the Chinese investor's proposal to build the sugar plants. Adji explained that in addition to the Chinese investors, a number of other foreign investors had also proposed to invest in the regency.

They include a Japanese investor who planned to invest a \$5.3 million in retail business, an Indian investor who proposed to build textile plant in Pakis subdistrict, and a Singaporean investor who would invest in salmon canning industry in Sendangbiru beach. (The Jakarta Post)

Japan Investors Interested in Hotel Business in Bantaeng

Bantaeng S Sulawesi, - Three investors from Japan have expressed interest in doing

business in the hotel and fish processing industries in Bantaeng district, South Sulawesi, a regional government official said.

Bantaeng regional government spokesman Syahrul Bayan said here on Friday (22/5) the three Japanese investors led by Shio Honma of Real Housing company were interested in investing in the hotel sector in The New Bantaeng Business center.

He said that the three investors who came from Tokyo were also willing to build fish processing industries in the location.

So far, PT Global Seafood International Indonesia, another Japanese firm has previously been established in Bantaeng district. (ANTARA)

CPO Exports to Remain Stable Despite Export Tax: Minister

Jakarta - Trade Minister Mari Elka Pangestu said the value of crude palm oil (CPO) exports would become more stable in June 2009 than in the previous month although a tax would be imposed on CPO exports.

"We have carried out calculation with regard to the plan to impose an export tax. The value of the exports will remain stable though its volume will drop slightly. But the price will increase," the minister said here on Tuesday (26/5).

The trade minister said a progressive export tax formula was made by taking into account its impact on export performance and development in the cooking oil price at home.

"We have calculated its impact on exports and on the stability of the domestic price of cooking oil in the country," the minister said.

Previously, the trade minister had set the CPO export tax for June 2009 at three percent considering that the average price of CPO in Rotterdam, so far used as reference to set the CPO price, in May reached US\$774.93 per ton, while at the same time the CPO reference price was set at US\$700 per ton.

The value that exporters would pay for their export taxes is three percent times the reference price.

The minister said that the imposition of CPO export tax at a time the price of CPO in the world market was increasing was effective to keep the stability of the cooking oil price at home.

She said that the export tax imposition was expected to restrict the flow of CPO exports so

that frying oil supply in the country would continue to be guaranteed while its price would not sky rocket.

"It will be effective to stabilize the frying oil price. We learned a lesson last year when the CPO price fluctuated by 30 - 40 percent in the world market but at home they fluctuated by 17 - 20 percent only," she said. (ANTARA)

China is Biggest Supplier of Goods to RI

China was the biggest supplier of non-oil/non-gas commodities to Indonesia in March 2009 with a value of US\$1.048 billion, an official said. The figure accounted for 18.68 percent of Indonesia's non-oil/non-gas imports totaling US\$5.611 billion in that month, Head of the Import Statistics Section at the Central Statistics Board (BPS) Dodo Sarwanto said here on Tuesday (26/5). Indonesia's imports from China mainly consisted of machines, mechanical appliances, electrical instruments, and iron and steel goods, he said.

Indonesia also imported ships, cotton and organic chemicals from China, he said. Japan trailed behind in second place with a value of US\$698.3 million, accounting for 12.44 percent of the total, he said. He said Indonesia's imports from Japan were mainly made up of artificial filament, and iron and steel goods. Singapore came in third with US\$653 million (11.64 percent), followed by the United States US\$609.7 million (10.86 percent) and South Korea US\$317.7 million (5.66 percent).(ANTARA)

BI: Foreign Exchange Reserves in 2009 Good

Indonesia's foreign exchange reserves are recorded at US\$56.6 billion which is quite good as it is higher than earlier predicted. Bank Indonesia deputy governor Hartadi A Sarwono said here on Friday (15/5) the foreign exchange reserves were still safe despite foreign debt repayment pressures. "Foreign exchange reserves must be made available as it is needed to deal with a possible shock," he said.

He said the foreign exchange reserves were collected from surplus in the state budget and foreign loans. He said the budget surplus that went to the foreign exchange reserves was collected from export-import surplus which in the first quarter of 2009 reached US\$1.8 billion. "The amount is higher than BI's

prediction which was around US\$600 million," he said. The surplus from exports and imports was high because the value of non-oil and gas exports in the first quarter was also high reaching around US\$20 billion or US\$2 billion higher than BI's prediction.

The value of oil and gas imports in the period meanwhile dropped from that of the fourth

quarter of 2008 causing a surplus, he said. "In the fourth quarter of 2008 the government imported a lot to increase stocks to meet the first quarter of 2009," he said. He said to increase the value of exports the government had to conduct recovery particularly in the mining and agro-industrial sector. "Indonesia's non-oil and gas exports although their value is above estimates remained affected by global financial crisis," he said.(ANTARA)

State Companies Increasingly Well Managed: Official

Jakarta, - State-owned companies (BUMN) are being increasingly well managed as reflected in the government's paid-up capital which has exceeded the break-even point, an official said.

"In 2008 alone, BUMNs transferred Rp240 trillion to the government in the form of dividends and taxes, or half of the government's total capital amounting to Rp485.6 trillion," Secretary of the BUMN Ministry Said Didu said here on Friday (22/5).

He said that when the BUMNs were formed the funds injected by the government as capital totaled Rp521.3 trillion. Of the total, Rp485.6 were recorded as BUMNs' capital.

"So, basically BUMNs have paid off since long ago the capital injected by the government. What the government is now waiting for is the profit," Said Didu said.

He said that the opinion so far among the people that BUMNs cost a lot to the government was by no means true.

He said that last year's transfers by BUMNs to the government amounting to Rp240trillion consisted of Rp30 trillion in dividends, Rp160 trillion in value added tax, Rp20 trillion in land and building tax and Rp10 trillion in income tax. These exclude transfers in the form of export levies, customs taxes and royalties.

He said that with that fact the government's capital injection should no longer be considered a burden. This is because it would

increase profit to the state while the capital injection would surely be paid later on by the state-owned companies.

"So, this is a proof that if the government inject capital it would not always cause losses to the state. It would adversely reduce burden because it would be repaid later on," Said Didu said.

He said that the total assets of all state-owned companies were valued at Rp1,964 trillion. These assets consisted of current assets worth Rp1,214 trillion and non-current assets valued at Rp665 trillion.

In the meantime, the total obligations of state-owned firms reached Rp1,412 trillion, consisting of Rp1,039 trillions to owners and Rp373 trillion to loans. (ANTARA)

Q3 Economic Growth Can Be Better: Economist

Jakarta, - Indonesia's economic growth in the third and fourth quarters of this year would be better than in the previous quarters, economic observer Faisal Basri said.

"I am optimistic that the economy would grow better. After all, the consumers' confidence index in the second quarter increased from 102 to 103," he said here on Friday (22/5).

He said that the increase in the consumers' confidence index indicated that consumers were now ready to spend more. He said that in the first quarter there could be small growth slow down. This condition would continue to take place until the end of the year.

"Whoever is elected president there would be a kind of euphoria and this would create new hope," he said.

He said that something miracle had happened after Indonesia experienced difficulties in its economic growth condition.

"Looking at the first quarter there was a miracle. It would be difficult to believe where growth was slowing down while the ratio of unemployment also dropped," he said.

Faisal said he had no doubts about the government's data. But when the worker absorption capacity of the real sector was smaller, workers even moved to the formal sector.

"Our economic growth has been declining but it would constitute the smallest decline if the five percent growth target this year is achieved," he added.

Indonesia's economic growth happened to drop from 6.1 percent to five percent, and finally to the 4.4 percent position.

"It is expected that the decline would stop in the second and third quarters and in the fourth quarter it would rebound," the economist said.

He compared the drop of the economic growth of China and of Indonesia, saying China's economic growth fell more steeply. China's economic growth dropped from 9 percent in 2008 to 6.1 percent in 2009 while India from 8 percent to 5.3 percent. (ANTARA)

Chamber Optimistic RI Economy to Continue Growing

Jakarta - The Indonesian Chamber of Commerce and Industry (Kadin) believes the national economy will grow 5 percent in 2009 and 9 percent in 2014 on strong domestic consumption.

The economy will continue to pick up as the domestic market, the small- and medium-scale business sector in particular, is developing in an encouraging way, Kadin Deputy Chairman for Small and Medium Businesses and Cooperatives Sandiaga S Uno said on Saturday (23/5).

"The national economic growth forecast of 5 percent for 2009 is realistic as the first-quarter economic growth rate reached 4.5 percent," he said.

But he added that the still unresolved dilemmatic problems including a lack of legal certainty, land clearance and overlapping of central and regional government regulations would pose obstacles to economic growth.

"They are classical problems which have remained unsolved until now," he said.

If the classical problems were resolved the economy might perform better and grow 7 percent next year, he said.

Kadin Deputy Chief for Domestic Trade Bambang Soesatyo said earlier the economy would grow at a stable rate of 4.5 percent until the end of this year.

The economy would not grow significantly until the end of 2009 due to low absorption of state budget funds in the first quarter, he said. (ANTARA)

RI to Expand Cooperation in Auditing

Indonesia will expand cooperation with other countries as part of efforts to increase its capacity and capability in the field of auditing. "We have and will conduct audit cooperation with several countries in various areas," the head of the country's state audit board (BPK), Anwar Nasution, said here on Monday (25/5).

He made the remark after signing a memorandum of understanding with the Chinese state audit board, the NAC, for cooperation in the field of auditing. Anwar said several countries that have cooperated with Indonesia were the US, Australia, New Zealand, Malaysia, Brunei Darussalam, Thailand, Russia, Czech and Poland, Tunis, Algeria and Morocco. "The form of cooperation varies including on arms purchase auditing," he said.

In the future, he said, BPK would continue to expand cooperation with other countries as part of efforts to promote bilateral relations with the countries concerned. He said BPK signed a cooperation agreement with the Cour des Comptes of Republic of Tunisia on April 24, on areas such as experience exchange, corruption eradication, human resource management, public awareness program, quality assurance, jurisdictional control and others.

On April 27 meanwhile BPK signed similar cooperation with the Cour des Comptes of Algeria on areas such as research, international relations, audit law and others. On April 30 the BPK also signed a cooperation agreement with Morocco on capacity building, quality assurance system, information exchange and others.(ANTARA)

Asian Currency Swap Deal A Step to Unity

Currency swap arrangements between East Asian countries could provide foundations to help build stronger and deeper regional integration on the road to a unified market similar to that of the EU, experts say. Economist Hadi Soesastro, a senior fellow at Jakarta-based Centre for Strategic and International Studies, said Saturday that East Asia had several overlapping regional structures, but none strong enough to build deeper integration upon them.

Therefore, the agreement signed by East Asian finance ministers in Bali earlier this month could offer a breakthrough and become a stepping stone towards East Asian regional cooperation, eventually moving towards market integration. "We in East Asia, are sleeping on one bed, but we don't have the same dream," Hadi told a group of Asian and European journalists gathering here. "With this Bali outcome, a new regionalism has emerged."

Finance ministers from the 10 ASEAN states, plus China, Japan and South Korea (ASEAN + 3) agreed in Bali earlier this month to pool up to US\$120 billion in currency swap funds. The agreement, a follow up to the ASEAN+3 Chiang Mai Initiative Multilateralization (CMIM) scheme set up in 2000, includes offering emergency balance of payment swap support to any country hit with extreme devaluation and capital flight, as witnessed in the Asian financial crisis in the 1990s.

These swap arrangements give real substance to the ASEAN+3 process which for many years has had no clear institutional framework in sight, Hadi said. The Bali agreement on CMIM gives Japan and China the same amount of shares, 32 percent each. Together with Korea, they control 80 percent of the pooled fund, while the remaining 20 percent is taken up by ASEAN countries. Indonesia takes 3.98 percent. Hadi said the next logical step of this swap arrangement would be the institutionalization of a "CMIM-centered institutional arrangement."

Such an institutional arrangement, Hadi said, could move toward better coordination of monetary policy, and with institutional strengthening it could lead to a more permanent format, similar to the European Monetary Union (EMU). Speaking at the same forum, Klaus Regling, EU fellow at the Lee Kuan Yew School of Public Policy in Singapore, said despite the differences with Europe, East Asia could learn a lot from EU processes, including the introduction of its single currency, the euro.

"Europe provides the only successful model for regional integration in the world. Asia can draw some lessons from European experiences without trying to copy one-to-one what has happened there during the last 60 years, and without the pain of creating an Asian monetary union," Regling said. He

argued that the European experiment with the single currency had turned out to be a huge success, in terms of reducing inflation and budget deficits, while maintaining positive economic growth in the euro area since the introduction of single currency a decade ago.

The euro's share of global foreign exchange reserves rose from 19 percent in 1999 to 26 percent in 2007, reducing the role of the US dollar. Regling said he hoped East Asia would eventually forge a deeper cooperation and adopt a single currency. If that happened, it would create a more balanced world, no longer dominated by the US dollar. Ultimately, he said, economic integration through monetary union would improve the welfare of the people, through trade and investment, financial integration and coordinated crisis management. (The Jakarta Post)

Socio-Cultural Issues

RI Optimistic to Attract One Million European Tourists

The Hague, - Culture and Tourism Minister Jero Wacik said he was optimistic that Indonesia would be able to attract one million European tourists annually.

After attending the opening of the 'Tong Tong Market' in the Hague, the minister pointed out indicators that supported his optimism such as intensive tourism promotions in a number of points in Europe such as in Berlin, the World Tourism in London and the Pasar Tong tong in the Netherlands.

"I believed the echo of Indonesia's tourism promotions would attract more European tourists to the country," Jero Wacik said.

He said that about 700 thousands European tourists arrived in Indonesia. After all, in 2009, efforts were being made so that the national flag carrier Garuda Indonesia would resume operations in Europe, the minister said.

The minister said that if the operation of Garuda to Europe could be reopened, Indonesia's tourism operators could well produce a kind of family tour packages.

He said that security in Indonesia had also been improving and services becoming faster, particularly with regard to the visa on arrival handling.

However, the minister said that the proceeds of tourism were not comparable to the funds the government spent for tourism promotions.

This year, he said, his ministry obtained Rp1.1 trillion for tourism promotion but income obtained from the tourism industries was only Rp7.5 billion. (ANTARA)

Number of Foreign Tourists Rises 0.46 Pct in Q1

Jakarta, - Foreign tourist arrivals in Indonesia in the first quarter this year only rose around 0.46 percent compared with the same period last year.

The general chairperson of the Association of the Indonesian Tour and Travel Agency (ASITA), Ben Sukma, said here on Friday (22/5) the rise in tourist arrivals had been small because of several factors including global economic crisis and spread of swine flu.

Ben said the number of foreign tourist arrivals was expected to rise after the presidential election in July.

According to the ministry of tourism and culture around 80 percent or 4.4 millions of around seven millions targeted to arrive in the country in 2009 would be those who had ever visited the country before. (ANTARA)

Arrivals of Russian Tourists in Bali Up 6.3 Pct

Denpasar, Bali - The number of Russian tourists arriving in Bali in the January - March 2009 period increased 6.3 percent to 20,403 from 19,189 in the corresponding period a year earlier, an official said.

"All the Russian tourists arrived in Bali through Ngurah Rai international airport," Chief of the Central Board of Statistics (BPS) for Bali office, Ida Komang Wisnu, said here on Monday (25/5).

He said that the number of Russian tourists to Bali contributed 4.1 percent of the total foreign tourists visiting the Indonesian tourist resort province which stood at 490,454 in the first quarter of the year.

The total number of foreign tourist arrivals in the first quarter of 2009 showed an increase of 4.2 percent if compared with the same period in 2008 which were 470,344 persons.

Russia is ranked seventh in the list of major foreign tourist contributors to the Indonesian

tourist resort island. This country has never before been included in big ten of tourist contributors to Bali.

Ida Komang Wisnu said that of the big ten tourist contributors five countries, including Russia, showed an increase in their tourist contribution and five others showed a decline.

Besides Russia, four other countries whose tourists coming to Bali were increasing were Australia with a 24.85 increase, China with 55.62 percent, Malaysia with 19.85 percent and France with 19.02 percent.

In the meantime, the five countries which saw a decline in their tourist arrivals contribution to Bali were Taiwan (24.01 percent), Japan (11.63 percent), South Korea (8.82 percent), Britain (16.04 percent) and the United States (7.05 per cent).

It was reported earlier that the number of Taiwanese tourists visiting Bali in the January-March 2009 period fell 24.01 percent to 28,066 from the same period a year earlier.

"Taiwanese tourists accounted for 5.72 percent of the total tourist arrivals in Bali in the first quarter of 2009 which reached 490,454," Ida Komang Wisnu said. (ANTARA)

West Sumatra Has 39 World Class Diving Spots

Padang, W Sumatra, - The sea waters of West Sumatra have the potential to be developed into open air diving tourism, because the sea waters of the province has at least 39 world class diving spots.

The conclusion was made after diving in those spots, and comparing them with other world class diving spots in other regions and countries, Indrawadi, a diving organizer of the Fishery and Marine Faculty of Bung Hatta University, said here on Tuesday (26/5).

According to him, the 39 diving spots were located in the sea waters of seven districts and cities including Padang, Pesisir Selatan and Padang Pariaman.

Of the 39 diving spots, five are 10 miles off the West Sumatra coast or a 30 minute trip by boat.

The five spots are Gosong sea waters of Padang City, about 11 miles from Padang beach which has a beautiful panorama with coral reefs and divers can watch turtles travelling to an isolated islands to lay eggs.

The second spot is located in the waters of Pulau Air, Padang City where a Dutch sunken shipwreck have been covered, and various coral reefs can be seen from the surface of the sea.

In the location, divers often see a group of big sharks which even attacked people, especially divers.

The third location is in the water of Pulau Pieh, Padang Pariaman district which has a steep wall under the sea which are grown by coral reefs similar to that in Bunaken of North Sulawesi.

The fourth spot is in the waters of Pulau Marak, Pesisir Selatan district which has a huge steep wall with beautiful coral reefs growing on the wall.

The fifth spot is in the waters of Pandan island, Padang City, which has a beautiful panorama and colorful coral reefs. (ANTARA)

Some 42 Countries to Participate in Sail Bunaken

Manado, N Sulawesi, - Some 42 countries have confirmed their participation in Sail Bunaken 2009, which will be organized in Manado and Bitung, North Sulawesi, August 15-18, 2009.

"Forty-two countries have confirmed their participation. They will send their naval chiefs of staff and some deputy chiefs of staff," First Admiral Willem Rampangilei, commander of the Indonesian Navy's Main Base VIII, said in a meeting on preparations for the Sail Bunaken 2009 here on Tuesday (26/5).

Sail Bunaken was aimed at building a sense of seamen's brotherhood and enhancing international relations, he said

"The event is to give a chance to the world to see the marine beauty of North Sulawesi, to develop the mariners' spirit, and to make North Sulawesi a gateway to East Asia," he said.

Activities of "Sail Bunaken" will include "Indonesian Fleet Review 2009" consisting of a sailing pass parade to be participated in by warships, traditional ships, state ships, tall ships, yachts, and open ships.

A yacht rally will also be organized by the marine affairs and fisheries ministry on the occasion.

"Up to , 150 yachts have been registered for the Yacht Rally which will start from Darwin, Australia, to Bitung and Manado," he said.

The warship parade will be participated in by among other things USS George Washington with around 5,000 crew members on board, and the US warship will be guarded by three frigates with respectively having 500 crew members on board.

The warships will arrive in Bitung starting August 12, 2009, he said.

The Sail Bunaken Festival will bring together around 7,000 to 8,000 sailors from all over the world.

"Ship crew members from all over the world will sail to Manado to visit the Bunaken marine park. Sail Bunaken will be greater than the Bunaken Festival which was held earlier," North Sulawesi Governor Sinyo Sarundajang said earlier.

The sideline activities will include an international seminar on "Building a Comprehensive Maritime Security" to be organized by the Indonesian Navy, and another seminar on "Possible Benefit of the Effort to Minimize Illegal Fishing in the Region" to be organized by the Indonesian marine and fishery affairs ministry. (ANTARA)

Bunaken Festival to Bring Together Thousands of Sailors

The Sail Bunaken Festival to be organized in Manado in August will bring together around 7,000 to 8,000 sailors from all over the world, the governor said. "Ship crew members from all over the world will sail to Manado to visit the Bunaken Marine Park. Sail Bunaken will be bigger than the Bunaken Festival which was held earlier," North Sulawesi Governor Sinyo Sarundajang said, as quoted by Antara state news agency in Manado on Tuesday (26/5).

The upcoming festival will include parades of the world's best fleet and a Darwin to Manado yacht rally. "One of the world's largest aircraft carriers, the USS George Washington, will be present. It will arrive at Bitung seaport, an extraordinary natural seaport," he said. Several heads of state and navy chiefs from a number of countries will attend a meeting to be held for 10 days in Manado, the governor said.

The festival is expected to cost more than Rp 40 billion (US\$3.8 million), funded by both the regional and central governments. On the sidelines, the festival will host an international seminar on "Building a

Comprehensive Maritime Security" to be organized by the Indonesian Navy, and a seminar on "Possible Benefits of the Effort to Minimize Illegal Fishing in the Region" to be organized by the Ministry of Marine and Fishery Affairs. More than 100 international participants are expected to take part in the seminars, which will be held on August 18, 2009.(The Jakarta Post)

Some 61 Countries to Participate in SSEASR in Bali

Denpasar, Bali Province - Around 506 participants from 61 countries will attend the 3rd South and Southeast Asia Association for Study of Culture and Religion (SSEASR) conference in Denpasar, Bali, on June 3-6, 2009.

SSEASR President Prof Amarjiva Lochan said here on Saturday (30/5) the international event would take place at Indonesian Art Institute (ISI) and Denpasar Hindu University (UNHI) campuses.

Culture and Tourism Minister Jero Wacik is scheduled to open the conference, themed "Water Perspective from South and Southeast Asia as Religion and Cultural Interaction."

Lochan said the international conference will involve the Ministry of Religious Affairs, National Education Ministry, and Culture and Tourism Ministry.

He added that the participants of the conference would come from among others the United States, Canada, China, Denmark, Britain, Germany, the Netherlands, Japan, South Korea, Laos, Malaysia, New Zealand, Oman, Singapore, Romania, Sri Lanka, Thailand, Mexico and Indonesia as the host country.

"The participants start to trickle in and stay at a number of star hotels at Sanur, Kuta, and Nusa Dua," the SSEASR president said in the company of the organizing committee officials Prof Dr Ida Bagus Yudha Triguna and Ni Ketut Dewi Yulianti.

Meanwhile, Ida Bagus Yudha Triguna, the rector to UNHI, said the participants in the conference would discuss hundreds of working papers from the participating countries.

He said the participants from various scientific disciplines would exchange ideas in their effort to find the solution to problems related to religion and culture.

"Indirectly, the event will have a positive impact on the local scientists to show their identity," Yudha Triguna said. (ANTARA)

Minister Hands RI's Linguistic Map to President

Bandung - National Education Minister Bambang Sudibyo presented a newly-composed map of 442 regional tongues existing in Indonesia to President Susilo Bambang Yudhoyono at a ceremony here Tuesday (26/5).

The map was handed to the president on the occasion of National Education Day as an official document attesting to the nation's linguistic wealth and diversity.

Sudibyo said at the ceremony held at the Bandung Institute of Technology (ITB) Indonesia was endowed with an invaluable cultural and linguistic diversity.

"Studies conducted in 2,815 regions have shown Indonesia has no fewer than 442 regional languages," he said.

Most Indonesians, he said, were born into bilingual social environments where they learned to speak their mother tongue and Bahasa Indonesia, the national language.

"The regional language is in many parts of the country the mother tongue but some of the regional languages have now begun to be threatened by extinction as a result of globalization," he said.

Meanwhile, the head of the education ministry's Linguistic Center, Dr. Dendy Sugondo, said on the occasion, the map of Indonesia's regional languages had taken as long as 15 years to compose because the field work to collect the data on mother tongues across the country was often hampered by geographical constraints.

The studies on regional languages or mother tongues were conducted to inventorize and document the Indonesian people's languages as forms of their cultures, and thereby create a means to help defend the concept of the unitary state of the Republic of Indonesia, he said.

"So, as a result of these studies, Indonesia now does not only have a territorial map but also a linguistic map," he said.

Sugondo said the studies had also shown that six regional languages or mother tongues had now become almost extinct. These languages were once widely spoken in parts of

East Nusatenggara, Papua, and Maluku. At present each of the six languages was still being used by only less than 100 people. (ANTARA)

Minister Reiterates Free Education Program

Semarang - National Education Minister Bambang Sudibyo has reiterated free education program for state elementary schools and secondary schools across the country.

"The free education program has been regulated in the Law on 2008 budget, Law on National Education System, and 19945 Constitution," the minister said after attending 2009 Educational Development and Research Network National Coordination meeting at Patra Jasa Hotel here on Wednesday (27/5).

Bambang Sudibyo said he visited ten districts and municipalities in Central Java and found out that they had implemented free education program in accordance with their respective versions.

"The implementation of free education is not always homogeneous because it is implemented in accordance with the principle of special autonomy, and the ability of respective regions," the minister said.

He said the ten districts/municipalities he had visited were Kudus, Pepara, Purwodadi, Surakarta, Karanganyar, Sragen, Temanggung, Banjarnegara, Purbalingga, and Banyumas.

The minister also pointed out that the provinces which had implemented free education were among others Jakarta, West Java, East Java, South Sumatra, Riau, Riau Islands, East Kalimantan, South Sulawesi, Southeast Sulawesi and Maluku.

He said the free education program should be implemented this year, especially for state elementary school and secondary school levels. (ANTARA)

Indonesia by province: Riau

Riau, which includes a large part of East Sumatra, is homeland to Malays and the source of Indonesia's Malay-based national language. The first book of Malay grammar, called *Bustanul Katibin*, was written and published here in 1857. Pekanbaru became the provincial capital in 1959, taking over from the former capital of Tanjungpinang on the island of Bintan. About 160 kms upstream on the Siak

River a number of buildings in the traditional style are still in this area, among them the Balai Dang Merdu the Balai Adat and Taman Budaya Riau, or Riau Cultural Park.



Tourist Office:

Jl. Jend. Sudirman No.200, Pekanbaru
Phone. (0761) 31452, 40356, Fax. (0761) 40356

Riau Tourism Board:

Gd. Badan Promosi & Investasi Prov. Riau, Lt. 2
Jl. Gajahmada 200, Pekanbaru - Riau
Tel/fax: +62-761-858441

Getting there:

- ✓ Simpang Tiga Airport is a busy visa free entry point
- ✓ Pelangi flies to Kuala Lumpur and Silk Air flies to Singapore
- ✓ Domestic airlines direct flights from Jakarta as well as from Medan and Batam
- ✓ There are frequent departures from the bus station. Agencies all around town sell tickets for the boats to Batam.

Tourism Events:

- ✓ Perahu Naga Festival, Tanjung Pinang. It is the Dragon Boat Race, both local and foreign contes, tank race a distance of 400 m.
- ✓ The event is held on Oct-08 at the Tanjung Pinang seaside facing Penyengat Island. To enhance the event there are culture performances, swimming competition for men and women and traditional diving contest.
- ✓ Pacu Jalur, Teluk Kuantan, Indragiri Hulu, Riau. Jalur or canoe races coincide with Indonesia's

Independence Day celebration. Every decorative jalur used for the race on the Kuantan River is made of one single large bark of tree, approximately 30 m long and manned by 25-30 rowers. Before the festival was only held after a harvest and considered a sacred event. The event will be held on Aug 23-26 2008.

- ✓ Traditional Culture and Dance Parade on March, 2008 presents the Malay culture and traditions the event features a dance competition and dance performance from dance group and schools in city of Batam.

Places of Interest:

Candi Muara Takus

Like many others structures of its kind in Sumatra, this Budha temple stupa near the village of Muara Takus in the Tigabelas Koto district, was built with red bricks and sand. The temple is believed to have been built at around the 9th century A.D. when the power of the South Sumatra-based Sriwijaya Empire was at its peak. Excavations are still being made to determine the precise age and function of the stupa. It can be reached in 118 Km from Pekanbaru.

Kerumutan Nature Reserve

Located in mainland Riau in the Kuala Kampar district, this 120,000 hectares (30,000 acres) nature reserve can be reached in 18 hours by motor boat from Pekanbaru.

Bono

Bono is a curious natural phenomenon, which the Rokan River (in the Kampar regency) displays daily along its downstream reaches. Every day at the time high tide sets in, a swelling appears in the water at the river mouth. Accompanied by a rumbling sound, the swelling grows in mass until it is about as high as a small tree, spinning as it moves upwards along the river and growing smaller in the process until it finally disappears.

Dumai

Formerly a fishing village on the east coast, it is now a major oil terminal. Storage tanks and

modern installations rise against the sky, although the town itself is quite pleasant and interesting.

The Siak Sultanate's Park

This Moorish style palace of the Sultan Siak, 120 kms upstream from Pekanbaru on the Siak River, was built in 1889 by Sultan Syarif Hasyim Abdul Jalil Syarifuddin. Now a museum, the palace contains the sultanate's royal paraphernalia and others items of historical interest.

source: www.wisatamelayu.com, www.my-indonesia.info

ENVIRONMENT ISSUES

RI Playing Important Role in Holding Peat Carbon Sinks

Jakarta - Indonesia plays an important role in holding billions of tons peat carbon sinks which, if released, could aggravate global warming and endanger life on earth.

Indonesia is host to 34 billion tons of peat carbon sinks, most of which are to be found in Riau province and Kalimantan. In Kalimantan, which is the world's third largest island, there are 5,769,246 hectares of peat forests with 10.183 billion tons of carbon sinks, Daniel Murdiyarso of the Center for International Forest Research (CIFOR), said in Denpasar, Bali, on Friday (29/5).

He was in Bali to deliver a speech at an Asian Forestry Partnership (AFP) meeting which discussed a mechanism to reduce green-house gases from forest destruction and functional change. Greenhouse gases from forest destruction and functional change contribute 20 percent to global warming which at present had reached three degrees Celsius over the last 20 years.

"One can imagine the greater role the Indonesian peat forests can play. Suppose that the Indonesian forest degradation release 2.4 billion tons of carbon per annum, how much it would contribute to green house gases emission," he said.

One of the important issues discussed at the AFP meeting is a payment and supervision scheme for world carbon gas reduction.

CIFOR proposes several alternative concepts that could be easily applied in all countries.

The World Bank has set aside funds amounting to US\$170 million for developing countries that are ready to cooperate in greenhouse reduction schemes. There are 11 international donors who are ready to finance a greenhouse reduction facility.

Indonesia and eight other countries in Asia and the Pacific, along with 14 African and 15 Latin American nations have expressed their commitment to taking part in the World Bank's financing facility.

Various forums on greenhouse gas emission reduction have discussed several endeavors, including a carbon credit mechanism. The deforestation and gas emission reduction credit scheme could be traded in the international carbon market.

According to Bambang Setiadi, chairman of the Indonesian Peat-land Association, on the sidelines of a workshop on Wild Fire and Carbon Management in Peat Forest in Indonesia, a carbon project could be exchanged for cash payment.

Since 1990, global warming has been admitted by all countries as an important issue that had to be overcome jointly and was included in the Kyoto Protocol in 1997.

"The spirit imbued in the Kyoto Protocol enables the adoption of a scheme where carbon projects could be exchanged with a payment of an amount in US dollar or in Euro currency for each ton of preserved carbon by developing countries," he once said.

Peat forests hold bigger carbon sinks than other forests. Indonesia has some 27 million hectares of peat lands in Kalimantan, eastern coast of Sumatra and Papua, with a combined carbon sinks of between 10,000 and 34,400 billion tons.

Thus, Indonesia badly needs to protect its peat land as otherwise it would release multiple amount of carbon as compared with other forests, which could worsen the green house effect.

That's why, destructive exploitations of peat lands for economic benefit could be exchanged with other schemes, where advanced countries are required to pay less developed nations for helping preserve carbon sinks in their forests.

The schemes could take the form of the Clean Management Mechanism or of the Reducing Emissions from Deforestation and Degradation (REDD) in developing countries.

Virtually, Indonesia, when it hosted the Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) in Bali in December 2007, has drafted the REDD mechanism.

Host of 120.3 million hectares of forests, Indonesia set aside 37.5 million hectares of its forests for the REDD project. "If one hectare is paid US\$10 a year, Indonesia will gain US\$3.75 billion every year," Environment Minister Rachmat Witoelar said at that time.

However, Elfian Effendi, executive director of Greenomics Indonesia, a natural resources advocacy non-governmental organization, said the REDD scheme with which Indonesia is expected to get US\$3.75 billion incentive a year, belittled the economic value of Indonesian forests.

Indonesian forests held 7,000 megatons of carbon sinks with an economic value of about US\$134.5 billion. Advanced countries must pay 134.5 billion dollars if they want to prevent Indonesia from releasing 7,000 megatons of carbon into the atmosphere through deforestation and peat land cultivation.

So, if this scheme works, the government should design how farmers would also enjoy the benefit so that they should not shed too much sweat to toil peat lands for dollars.

Central Kalimantan Governor Teras Narang, who also spoke to the AFP forum said that his side together with other sides was working hard to recover the ecological functions of forest lands.

So far, vast peat land in Kalimantan have been exploited after their bushes were to plant crops. Planting crops on peat land is much easier than on other types of soil because the planting activity can be carried out soon after bushes have been burnt. (ANTARA)

Forest Experts to Discuss Illegal Logging and REDD

Forestry experts from 50 countries are slated to hold conference to discuss long standing illegal logging and mechanism of carbon trading from forestry sector on Thursday (28/5). Indonesian Forestry Minister MS Kaban will open the two-day conference, which is expected to be attended by some 275 participants.

"This conference is very important because we will be discussing the intersection of two issues: the need to fight forest crime

and the need to find workable mechanisms for REDD," Frances Seymour, Director General of the Center for International Forestry Research (CIFOR) told the Jakarta Post on Wednesday (27/5). She is referring to the much debated reducing emissions from deforestation and forest degradation (REDD).

She said that the failure to fight forest crime will undermine the chances of success for REDD. "But equally both the finance and political momentum that may be generated by a global REDD agreement could help address forest crime," she said. She said that in Indonesia many of the problems that need to be overcome in forest governance are directly relevant to both REDD and forest crime.

"It is particularly appropriate that this agenda is discussed at the AFP because both issues require international cooperation for success: dealing with the trans-border trade in illegal forest products and the issue of international leakage in the case of REDD," she said. The conference was organized jointly by the Asia Forest Partnership (AFP) and Cifor.

The conference was made in just six months of the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen in December which one of the agenda for adoption of the REDD mechanism in emission cut program. Indonesia, the world third largest forest nations with 120 million hectares of rainforest, was expected to gain huge money from carbon trading under the REDD. (The Jakarta Post)

Minister Claims Illegal Logging Decline Sharply in Indonesia

Indonesian Forestry Minister MS Kaban claims that illegal logging cases continued to decline in the last four years across archipelago mainly from the larger scale of illegal activities thanks to intensive law enforcement.

"Our data showing a decline of illegal logging cases, especially those of larger scales," Kaban told a forest conference in Bali on Thursday (28/5).

The two-day conference organized jointly by Asia Forest Partnership (AFP) and the Center for International Forestry Research (Cifor) and attended by about 275 participants from 50 countries. The 8th meeting of AFP

focused on topics of illegal logging and REDD.

Kaban said that in 1990 era, the illegal logging reached 9,600 cases compared to only hundreds in the last four years.

"While we still need to keep an eye on the large scale illegal logging, emphasis should now be given to smaller scales but greater in number, and even more worrying is raising trend of illegal trafficking of wild," he said.

Forest contributes about 20 percent of global greenhouse gas emission.

Climate change has been vehicles that returned forestry to center stage of international agenda during the past three years with the climate change conference in Bali in 2007 adopted the reducing emissions from reforestation and forest degradation (REDD) mechanism as alternative way in cutting emission from forest.

Coral Nations Agree RI Will Host Office

The six member countries of the Coral Triangle Initiative (CTI) have agreed to support Indonesia's push to host the grouping's permanent office, which will manage funds given by donors to protect coral environments across the shared marine region. Maritime Affairs and Fisheries Minister Freddy Numberi said those who had pledged to provide financial aid to the CTI effort currently could not do so because there was no official secretariat.

"In principle, all CTI members have agreed Indonesia will host the permanent office. But we have not yet decided whether the office will be in Bali or Manado," Freddy told reporters in Jakarta on Monday. "Hopefully, member countries will decide on the location for the fixed secretariat by mid-June." Currently, the interim CTI secretariat office is in Jakarta. The Philippines had earlier submitted its proposal for hosting the office.

The head of states of six countries – Indonesia, the Philippines, Malaysia, Papua New Guinea, Solomon Islands and Timor Leste – signed a declaration at an oceans summit in Manado earlier this month vowing to cooperate to protect coral environments shared within their regions from the impacts of climate change. Indonesia and the Philippines have pledged to contribute US\$5 million, while Papua New Guinea and Malaysia pledged \$2 million and \$1 million,

respectively. From the donor countries, the US committed \$41.6 million and Australia said it would provide an initial \$1.5 million. The Global Environment Facility (GEF), the largest donor organization under the UN, has provided \$63 million.

"The GEF has said it will increase its grant to up to \$250 million to support the CTI plans," Freddy said. The CTI is home to about 76 percent of the world's coral species and nearly 40 percent of reef fish species in the world. It stretches across the six countries and covers an area of nearly 75,000 kilometers. Indonesia has 61,000 kilometers of coral-reef areas with the potential to absorb nearly 75 million tons of carbon dioxide (CO₂), the main contributor to global warming, every year.

Freddy said protecting coral reefs in the CTI region area, as the global epicenter of marine biodiversity, was crucial to sustaining the livelihoods of around 120 million people within the region. The CTI regional partnership was proposed by President Susilo Bambang Yudhoyono at the 2007 Asia-Pacific Economic Cooperation (APEC) in Australia, and aims to build political will and take action to safeguard marine and coastal resources within coral triangle. Three major international conservation groups – the WWF, The Nature Conservancy (TNC) and Conservation International (CI) – have pledge support to the CTI.(The Jakarta Post)

Developing Countries Hit Worst by Impact of Climate Change

The developing countries are hit worst by the impact of climate change because they depended more on natural resources, according to Alfred Nakatsuma, director of the Environment office of the US Agency for International Development (USAID) said here on Friday (15/5). While the developed countries depended more on industries and information services than on natural resources, he said when speaking to journalists participating in the OANA Workshop on "The Role of the Media in Preserving the Global Environment".

Nakatsuma pointed out at that Indonesia's marine tourism revenue reached US\$2 billion per year and the country earned around US\$2.2 billion from fish exports in 2008. About 120 million people depended on oceans and coastal areas in earning a living, he

said. However, the situation regarding oceans and coastal areas as well as marine biodiversity was worse than people thought, he said.

Oceans which were very important, were very distressed among other things because of overfishing, over exploitation, pollution, and global warming. He emphasized the importance to improve fishing licensing, fishing practices, and reduce illegal fishing. He said temperature rise induced more frequent El Nino (nature phenomenon which could cause droughts), coral bleaching, and sea level rise.

The OANA workshop is being organized here May 13-15, coinciding with the implementation of the World Ocean Conference (WOC) which is also being organized here, May 11-14. The Workshop is organized by the OANA Secretariat at ANTARA News Agency, with the cooperation of the Foreign Affairs Ministry and the Indonesian Communications and Informatics Ministry. In the last day of the workshop, journalists will join a field trip to the Bunaken marine park, around 10 km from Manado, to see the rich marine biodiversity of the protected marine park. OANA (Organization of Asia-Pacific News Agencies), which was established in 1961 with the support of UNESCO, now has 40 member news agencies from 33 countries. (ANTARA)

Six Nations Sign CTI Leaders' Declaration

Six countries attending the Coral Triangle Initiative (CTI) Summit here Friday (15/5) launched CTI Leaders' Declaration to address threats to marine, coastal and small island ecosystems in the coral triangle region through accelerated and collaborative action.

President Susilo Bambang Yudhoyono of Indonesia, President Gloria Macapagal Arroyo of the Philippines, Prime Minister Jose Ramos Horta of Timor Leste, Prime Minister Michael Somare of Papua New Guinea, Prime Minister Derek Sikua of Solomon Islands and Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak of Malaysia launched the CTI on Coral Reefs, Fisheries and Food Securities (CTI-CFF) at their one-day summit.

The six leaders agreed the CTI primarily focuses on areas of cooperation related to coral reefs, fisheries, food security and adaptation to climate change. They also agreed to adopt the CTI regional plan of action, a living and non-legally binding

document to conserve and sustainably manage coastal and marine resources in the coral triangle region by observing laws and policies of each country.

They recognized that the implementation of the declaration is a voluntary cooperation and without prejudice to their respective countries' sovereignty, territorial integrity, sovereign rights over their marine resources, and their position on the ongoing and future negotiation on delimitation of maritime boundaries between the countries. Under the declaration, the six leaders agreed to task their relevant ministers to formulate the implementation modalities of the CTI-CFF with a view to enhancing cooperation and to establish a secretariat for CTI-CFF to service the ongoing CTI-CFF implementation process.

They called for the mobilization and effective allocation of sustainable financial resources needed to implement the CTI regional and national plans of action. To help ensure that a high level of political commitment continues to be dedicated in furthering the attainment of CTI-CFF's goals, they agreed to convene the next CTI summit if considered necessary.

The WOC and marine carbon trading

Indonesia's Maritime Affairs and Fisheries Ministry showed a strong desire to propose marine carbon trading as an additional component in the Clean Development Mechanism (CDM) during the just concluded World Ocean Conference (WOC) in Manado, North Sulawesi. In other words, beside forests, the Indonesian delegation wants the Indonesian seas to be considered in carbon trading.

Will this proposal benefit the country?

Before finding out the proper answer, it is better to understand air-sea carbon exchange and its controlling factors. There are four main parameters: Partial pressure of CO₂ (pCO₂), dissolved inorganic carbon (DIC), total alkalinity and pH. Although they interrelate in the ocean, the reference parameter is pCO₂. If pCO₂ at the ocean's surface (SSpCO₂) is lower than pCO₂ in the atmosphere, the surface of the ocean absorbs atmospheric CO₂, and vice versa. SSpCO₂ itself is controlled by the sea surface temperature (SST), so it varies from low to high latitudes. SSpCO₂ in tropical oceans is in general higher than in temperate ocean.

The mechanism of how the SST affects SSpCO₂ can be illustrated with a cup

of Coke. Gas concentration in the Coke tends to disappear when the cup is put under the Sun, compared to when it is put in a fridge. This is what happens in dissolving CO₂ in the ocean. Gas solubility in temperate oceans is much higher, resulting in lower gas partial pressure than in tropical oceans. This mechanism is known as the solubility pump.

On the other hand, photosynthesis by phytoplankton will reduce dissolved CO₂ in seawater. Organic matter production during photosynthesis will sink to deeper layers (at depths of more than 1,000 meters) and will be buried in the bottom sediment. This is called the biological pump. However, the deposition of organic matter in shallow seas cannot be categorized as a biological pump since the deposited sediment at the bottom can be eroded by strong tidal currents. In this case, the organic carbon can be released back into the water column.

Takahasi, a researcher at Columbia University's Lamont-Doherty Earth Observatory, deals with the global SSpCO₂ in several publications dealing with carbon sources and sinks in tropical and temperate oceans. Some regions, like middle-latitude oceans, are influenced by the combination of solubility and biological pumps, depending on season and ocean characteristics. Therefore, it should be noted that marine photosynthesis will not directly uptake atmospheric CO₂. The air-sea gas exchange is determined by the four parameters, known as the marine carbonate system.

The previous explanation clearly shows Indonesian seas tend to be a carbon source. My research on the Java Sea and cruise data from the Meteorological Research Institute of Japan along the Makassar Strait to the Celebes Sea also reached a similar conclusion. Regarding the carbon cycle and future climate system, the ocean in general may play an important role. Sabine, a researcher at the National Oceanic and Atmospheric Administration's (NOAA) Pacific Marine Environmental Laboratory, reported in a publication in 2004 that from the 1800s until 1994, the ocean removed about 118 Pg C (1 Pg=10¹⁵ grams). This is equal to about half of the CO₂ released into the atmosphere from the burning of fossil fuels. The carbon cycle during the pre-industrial era is then determined by scientists as a natural cycle. On the other hand, the emission of CO₂ after the industrial

era is categorized as anthropogenic carbon. Concentrations of atmospheric CO₂ during the pre-industrial era and now are about 280 ppm (parts per million) and 380 ppm, respectively.

A decade ago, it was not clear what the fate of anthropogenic carbon in the ocean was, particularly its spatial distribution. There was no accurate method to determine the concentration of anthropogenic carbon in the ocean. However, the method improved year by year. Then, a recent paper by Gruber and his colleagues (published in February 2009) reported a synthesis of oceanic sources, sinks and transport of atmospheric CO₂, including natural and anthropogenic carbon in the ocean. They concluded the world's oceans now act as sinks for anthropogenic atmospheric CO₂. Their findings agree well with Sabine (2004). So the ocean in general naturally acted as a carbon source during the pre-industrial era, but changed into a sink due to anthropogenic perturbation.

Concerning marine carbon trading, one of the difficulties is related to boundaries and transboundary currents. In addition, if the carbon trading deals with the anthropogenic carbon cycle, then all marine countries will benefit, because the entire oceans work as sinks. However, it's not certain marine countries will benefit, since the ocean becoming a carbon sink has a negative impact on marine organisms (through marine acidification). On the other hand, if carbon trading deal with the natural carbon cycle, then countries located in tropical oceans, including Indonesia, will have to pay the tax. However, this is impossible since the natural carbon cycle occurred during the pre-industrial era.(The Jakarta Post)

REGIONAL/INTERNATIONAL ISSUES

RI Welcomes UN's Stance on North Korea

New York - Indonesia hails the UN Security Council's statement on Monday (25/5) condemning North Korea's nuclear tests, its top representative at the UN headquarters here said.

"We hail the stance which the UN Security Council has taken in response to the nuclear test by North Korea," Indonesian ambassador

to the UN Marty Natalegawa said told ANTARA here on Tuesday (New York time).

Indonesia believed the UN Security Council needed to think of more than giving sanctions in dealing with the North Korean nuclear problem.

Marty made the statement in response to the UN Security Council's emergency meeting on Monday or several hours after North Korea conducted the test.

The meeting that lasted for less than an hour produced an agreement to condemn the North Korean action.

Indonesia itself has expressed concern over the North Korean nuclear test on May 25, 2009.

The North Korean action is widely seen as a violation of UN Security Council Resolution Number 1718 issued in 2006 following North Korea's first nuclear test.

Through the resolution the UN Security Council banned North Korea to conduct all activities linked to atomic weapons and rocket programs.

The UN Council has also imposed a limited financial sanction and a partial trade and weapons embargo on Pyongyang.

Indonesia has met with various parties to express its concern over the North Korean test. Marty has met with key elements particularly UN Security Council members including from Japan as one of temporary members of the Security Council.

"We have said that for Indonesia the case is not only concerning not only in view of its potential threat on non-proliferation but also of the Asian countries," Marty said.

"We urged North Korea to adhere to the UN Security Council's resolution and to immediately return to the six-party dialogues," he said.

North Korea has rejected the six-party talks mechanism involving the US, South Korea, China, Russia and Japan.

Indonesia hopes the rejection will not close the possibility of continuing efforts to seek a dialogue such as through the ASEAN Regional Forum meeting in the near future.

"This may be one of the forums North Korea could still hold a dialogue with parties concerned," Marty said.

The UN Security Council on Tuesday (26/5) started discussing a new draft resolution to be imposed on North Korea.

When asked if Indonesia considered it necessary to impose more sanctions on North Korea Marty hinted that Indonesia would rather choose dialogues as the best way to settle the problem.

Indonesia held the view because of North Korea's adamant stance towards sanctions.

"There has been no discourse of increasing sanctions North Korea is being more isolated. The problem now is North Korea is already used to isolation. So it is important to think of (alternative solutions) more than that," Marty said.

"Our hope is the Security Council could convey its stance unitedly calling on North Korea to abide by the UN Security Council's resolution and return to six-party talks," he said. (ANTARA)

RI Deplores N. Korea's Second Nuclear Test

Indonesia has deplored North Korea's second nuclear test, saying it "would only create new tensions in the region, especially in East Asia". Pyongyang's latest provocative move, Foreign Ministry spokesman Teuku Faizasyah said Monday (25/5), would again disrupt the already stalled six-nation talks, which aim to find a peaceful resolution to the nuclear ambitions of the recalcitrant communist state.

Bilateral relations between Indonesia and North Korea have been good, but Faizasyah said, "Our position [on the nuclear issue] is clear. We are against the development of nuclear weapons, even if carried out by our fellow countries." North Korea said it had successfully conducted a nuclear test on Monday, the Associated Press reported, quoting the country's official KCNA news agency as saying the move was "part of the measures to bolster up its nuclear deterrent for self-defense in every way".

The US Geological Survey said it had detected a 4.7-magnitude quake in an area close to where the test site is thought to be. (The Jakarta Post)

Indonesia Supports Increasing ASEM Membership

Jakarta, - Indonesia supports a plan to add Australia and Russia to the membership of the Asia-Europe Meeting (ASEM) forum at the

8th ASEM summit in Brussels, Belgium, in October 2010.

According to the Indonesian embassy in Hanoi, Vietnam, on Wednesday (27/5) Indonesia supports the Australian and Russian membership in the ASEM because Indonesia thinks that every country has positive values that could be contributed to the forum.

It said however that the modality for their membership still had to be formulated by ASEM senior officials before the implementation of the summit.

Indonesia's support for the plan was voiced by Foreign Minister Hassan Wirajuda at the 9th ASEM Foreign Ministers' Meeting in Hanoi, earlier this week.

In the meeting the ministers agreed that the global economy would revive in 2010, although it had now dropped due to the impact of the global crisis.

Therefore, efforts needed to be made to strengthen and increase the international trade and financial systems as well as existing international cooperation so that the Millennium Development Goals (MDGS) could be achieved on time, the embassy said.

Meanwhile, with regard to global challenges such as a possible H1N1 virus pandemic and climate change the meeting had appealed for joint efforts to deal with them.

The meeting also reiterated its support for the United Nations Framework on Climate Change Conference and the Kyoto Protocol and hailed the progress made at the Bali Conference in 2007.

The ASEM ministers at the meeting also reiterated the need to increase dialogues between Asia and Europe in line with the existing ASEM framework, it said. (ANTARA)

Indonesia to Host World Guangdong Community Federation Conference

Jakarta - Indonesia will host the 5th Conference of the World Guangdong Community Federation here on May 22-24.

"The conference will bring together 2,500 to 3,000 participants from more than 100 Guangdong community organizations from all over the world," Chief of the Indonesian Guangdong Community Federation Sugeng Prananto said here on Monday (18/5).

The participants would come among others from Mauritius, Argentina, China, the United

States, Seychelles, Brazil, Hong Kong, Macau, Taiwan, Malaysia, Brunei Darussalam, the Philippines, Myanmar, Japan, France, Australia, Singapore, New Zealand, Canada, Panama, and host Indonesia.

Sugeng said the participants were expected to arrive in Indonesia a day ahead of the conference's opening.

Indonesia was appointed to host the meeting at the federation's 4th conference held in Malaysia in 2007. The first such meeting was held in Singapore in 2001.

He said the three-day meeting was aimed at strengthening relations among people of Chinese descent from Hakka, Teo Chew, Guang Zhao and Hai Nan ethnic groups.

"We also hope that through the conference participants could see for themselves how beautiful is the Indonesian nature," he said.

President Susilo Bambang Yudhoyono is expected to open the meeting. (ANTARA)

RI Calls for Greater Asia-EU Cooperation on Crisis

Foreign Minister Hassan Wirajuda has highlighted the need for closer cooperation between Asian and European countries to tackle global crisis at the last day of the 9th Asian European Meeting in Hanoi.

Minister Hassan said that the current global crisis had led to higher poverty and unemployment rate and that effort to tackle the problems couldn't be done properly if the two continents failed to forge closer ties. "We are in the middle of looming food and energy crisis ... Asia and Europe should be willing to cope with an agreed measure, such as reducing their carbon emissions and sharing environmentally friendly technology," he said on Tuesday (26/5). (The Jakarta Post)