

Indonesia News & Views

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CENTRAL KALIMANTAN

Central Kalimantan is the biggest province on the island, where tropical forest covers mostly the total area of the province 153,800 square kilometers. While the northern area covers by high mountains, the southern area has many rivers and marshy. The weather climate is fairly hot and humid.

Ngaju, Ot Danum, and Ma'anyan Ot Siang are the tree Dayak sub-tribes who inhabit in this province. The Ngaju are nomadic, adhering to old Kaharingan religion, which is a form of ancestor worship mixed with elements of animism.

source: www.my-indonesia.info

Indonesia Becomes Toshiba Production Hub for Asia

Japanese electronics giant Toshiba has chosen Indonesia as the company's regional production hub for liquid crystal display (LCD) television sets and has relocated its Vietnamese factory to Indonesia.

"Indonesia will be the only production base for

Toshiba LCD TV in Asia and Oceania," the president director PT Toshiba Consumer Product Indonesia (TCPI), Yuzo Tsuchiya, told reporters following a ceremony to mark the company's 15th anniversary in Indonesia.

Yuzu said the company's factory in Vietnam had been relocated to Indonesia to strengthen the LCD TV operation here. It is expected to increase monthly production by about 50 percent this year to 100,000 units. ... continue to page 6

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www.deplu.go.id

Ministry of Cultural and Tourism
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www.my-indonesia.info

National Agency for Export
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DOMESTIC ISSUES

Political Issues

Indonesia on the World Stage

The Indonesian Foreign Minister Marty Natalegawa's trip to London for talks on Afghanistan and the increasing activity of Indonesian state-backed construction companies in the Middle East both reflect the new policy of President Susilo Bambang Yudhoyono that Indonesia must go global and take a lead in the Muslim world.

The Indonesian delegation in London held bilateral meetings with US Secretary of State Hillary Clinton. President Barack Obama and the British Prime Minister Gordon Brown are pushing for Indonesia to play a bigger role in Afghanistan and on the global stage. For the US and UK, it is painfully obvious that negotiations with the Taliban and the need for soft-power solutions in Afghanistan, backed by hard power, are the order of the day.

In the global Muslim hot-spots of Afghanistan, Pakistan, Yemen and Somalia, the battle for development is the only battle that can be winnable, and has to be. There are no military solutions. Indonesian Trade Minister Mari Elka Pangestu has just signed an agreement to increase Indonesian trade with Somalia, admittedly an ungovernable wreck of a country. Nonetheless, Somalia, bad off as it is, demonstrates Indonesia's newfound mission and a start. Although Indonesia-Somalia trade slumped from an already anemic \$8 million in 2008 to \$1.5 million in 2009, Pangestu predicted that "This year, we can rebound back to \$8 million as the direct trading will contribute to this."

Somali Ambassador Mohamud Olow Barrow said, "Even though Somalia's population is only 9.8 million the total

number of Indonesian sarongs being exported to Somalia via Dubai is 20 million pieces per year." Indonesia has now decided to boost textile exports to Somalia through direct trade instead of via Dubai, and to push its increasingly global construction companies into the reconstruction of war-torn Somalia.

Indonesian state-backed construction companies like Adhi Karya, Waskita Karya and Wijaya Karya, are increasingly active in the Gulf, Saudi Arabia, Libya, Morocco and Algeria. Somali Trade Minister Abdirashid Mohamed Abdi said, "With many of our construction experts working abroad due to the instabilities that our country has been experiencing, we will require support from Indonesia, which is why construction materials that Indonesia exports will be given a 0 percent tariff rate."

Juniman, an economist at PT Bank Internasional Indonesia, praised the Yudhoyono government for its efforts to penetrate new markets in East Africa but warned about security issues, especially maritime piracy. But there is a thread of logic in an emerging Indonesian foreign and trade policy that will engage non-traditional markets and use the Indonesian comparative advantage arising from its status in and commitment to the Organization of Islamic Congress.

The fact is that the biggest majority-Muslim nation in the world is on the move and its sheer economic weight, potentially the seventh largest economy in the world by 2040, could make it increasingly significant in the deployment of the soft power needed to consolidate global Muslim modernization across the diversity of the ummah – the global Muslim community.

If that were to mean that an Indonesian frigate should join the multilateral force on pirate patrol off the coast of Somalia, or that Indonesian troops might eventually

end up as UN blue-helmet peace keepers in Afghanistan, Somalia or Yemen, alongside Turkish or Jordanian troops, then that would be no bad thing. Better the West pay for the blue helmets and equipment that are needed, than set itself up as the target and recruiting agent for extremists.

If the World Bank economist Timothy Bulman is right, Indonesia could soon be galloping along with growth rates reminiscent of those during the Suharto era, at 7 or 8 percent growth a year. “The real economy has returned back to solid growth”, he was quoted in local media as telling a seminar of the Institute for Development of Economics and Finance.

It appears to be time to use the growing economic weight of Indonesia, with its 230 million people, to help make progress in Africa and in the Arab and Muslim world. It is sorely needed.

Terry Lacey is a development economist who writes from Jakarta on modernization in the Muslim world, investment and trade relations with the EU and Islamic banking.

Source: the Asia Sentinel, GNFI (Good News From Indonesia)

Russia Competes for Greater Indonesia Influence

Russia and Indonesia have forged stronger ties through trade and defense cooperation 60 years after their first diplomatic contact, rivaling ties with other major powers vying for influence in Southeast Asia’s largest economy.

The two nation’s relationship, once sour during the New Order era, has strengthened, making the former communist country one of most important trade partners, with whom Jakarta signed its first bilateral strategic partnership.

“Russia is an important partner for Indonesia,” the Foreign Ministry’s director general for American and European affairs Retno L. P. Marsudi told The Jakarta Post on Tuesday (2/2/2010).

“We established the ‘Frame of Friendly and Partnership Relations in the 21st century’ with Russia in 2003. This is our first strategic partnership with another country”.

Retno said bilateral trade between Indonesia and Russia reached US\$1.6 billion in 2008, surpassing the target of \$1 billion set in 2007 during the visit of then president Vladimir Putin to Jakarta. The number of Russian tourists to Indonesia stood at 69,000 in 2008 with most of them staying for an extended period in the country, helping boost the local economy.

“Indonesia has strong leverage on the world’s political stage now, no wonder it attracts the attention of major global powers,” said Retno.

Jakarta has attracted the attention of China, the United States and Japan in the last few years. It has added to its global standing by becoming a member of the G20 or world’s 20 biggest economies.

Analysts have said Indonesia’s positive growth during last year’s global economic crisis not only proved that the country has resilient economy and a huge market, it also increased its leverage as a major democracy in the world and its potential of becoming a diplomatic bridge to the Muslim world.

“We seek to develop stronger relations with countries around the world. We will build strong relations with ASEAN members as well as any other countries,” said Retno, referring to the 10 member grouping in Southeast Asia that has remains the cornerstone of Jakarta’s foreign policy.

Indonesia has signed strategic partnerships with China, Japan, South Korea, Brazil and the European Union and will sign a comprehensive partnership with the US this March during US President Barack Obama's visit to Jakarta.

"Indonesia and Russia's bilateral relations have grown very strong as Jakarta sees the importance of not relying on one major power," former ambassador to Russia Susanto Pudjomartono told the Post.

China and Russia grew closer to Indonesia in the early 1990s at the end of Cold War, undermining the influence of the US and European countries, who had at that time strained relations with Jakarta with arms embargos and concerns of human rights.

Along with the improvement of its human rights records and the urgency of fighting terrorism, Washington has restored its defense relations with Jakarta by waiving the arms embargo in 2005.

However, Indonesia has never since purchased military hardware from the United States, turning instead to the Kremlin with whom it has already established good defense ties to renew its aging arsenal, especially those of the Navy and Air Force. There additional Russian Sukhoi fighter jets, purchased by Jakarta, will be delivered this October.

"Our current defense ties with Russia is the result of our good relations with them through the 1990s, when the financial crisis started to take toll," said Evan A. Laksmana, a researcher with the Centre for Strategic and International Studies.

"Unlike other countries, especially the US, Russia offered us a very flexible payment scheme... and they also have no any strings attached in the purchases we made. Russia does not put pressure on our domestic policies related to the military purchases. They uphold principles of non-

interference, which is very attractive to us."

Evan said Indonesia's and Russia's relationship would not concern the US as much as it would to the Indonesia-China relations, which Washington has paid cautious attention to.

"American interests are tied more closely to China's growing influence in the region rather than Russia's influence because of [Jakarta's] geographical proximity and political closeness to [Beijing]," he said.

Russian Ambassador to Indonesia Alexander A. Ivanov said Indonesia would remain one of the most important countries to Russia as attested by the extensive cooperation between both countries, from energy, telecommunications and education to interfaith-dialogues.

"We have had very diverse and good relations with Indonesia since the start of our diplomatic relations. In the 1950s and 1960s, the Soviet Union provided assistance in building the defense capabilities of the newly independent Indonesia," he said.

"Implementation of our cooperation commitments that reach a wide range of areas has grown significantly since the visits of President Susilo Bambang Yudhoyono to Moscow in 2006 and [then] president Vladimir Putin to Jakarta in 2007," said Ivanov.(The Jakarta Post)

Obama Indonesia Visit Now Set for Mid-March, With Focus on Partnership-Building

Cipanas, West Java. When US President Barack Obama and his family finally make their long-awaited state visit to Indonesia in March, it will be for more than just a look at his childhood home in Menteng and a plate of nasi goreng.

Obama and President Susilo Bambang Yudhoyono will formally launch the US-Indonesia Comprehensive Partnership, an initiative by which the United States will broaden and strengthen relations with Indonesia to tackle regional and global issues.

Presidential spokesman Dino Patti Djalal said the two leaders would discuss key issues related to the partnership, an idea now “well accepted” in Washington and first raised by Yudhoyono on a visit there in November 2008.

“There have been discussions on drafting the content of the comprehensive partnership that will be launched,” Dino said.

“The significance of the visit is to intensify the Indonesian-American relationship to adapt to the challenges of the 21st century.”

Dino said the relationship had lacked balance in the past, focusing mainly on Indonesia’s record on democracy, human rights and East Timor.

“We want this to be a more comprehensive relationship, covering areas such as energy, the environment, health, science and technology, trade, investment, people-to-people contacts and many others,” he said.

“Trade volume in 2008 was \$20 billion. In 2009, it declined due to the economic crisis. Investment has yet to reach its full potential, so there are many aspects of trade that could still be developed.”

As the largest country in Southeast Asia, the unofficial leader of the Association of Southeast Asian Nations and one of the Group of 20 nations, Indonesia can play a role in solving world problems, including climate change and extremism, he said.

The precise date of Obama’s visit is still unknown for security reasons. The White House said on Monday that he would visit Indonesia and Australia in the second half of March, but Dino said he expected Obama here in the second week of March.

Obama, who lived in Jakarta for almost four years as a child, will be accompanied by first lady Michelle Obama and their daughters Malia and Sasha.

“When first lady Ani Yudhoyono met with Michelle Obama in London, Michelle said she had been longing to visit Indonesia, but they wanted to take along their daughters so their father could show them where he lived,” Dino said.(The Jakarta Globe)

Indonesia and Lebanon to Organize Interfaith Dialog

Jakarta - The governments of Indonesia and Lebanon will organize an interfaith dialog that will present religious leaders from both countries in Yogyakarta in the middle of 2010, an envoy said.

"This will be the second dialog of its kind organized by both nations," Indonesian Ambassador to Lebanon Bagas Hapsoro said here on Sunday (7/2/2010).

The interfaith dialog will be attended by religious leaders and academicians of both countries. "This is interesting because in Lebanon alone there are 12 different religious groups," he said.

He said that the dialog would be held as a means of bridging the interactions and communications of religious leaders who had nowadays played an important role in building harmonious relations among religious communities.

In the dialog religious leaders are also expected to share their common experience in building and nurturing religious harmony and in establishing and increasing

a new dimension in the relations between the two countries, the ambassador said.

Indonesia and Lebanon have previously organized an interfaith dialog in Beirut in late 2008 under a theme: "Promoting Interfaith Dialogue in a Plural Society."

The dialog was organized in cooperation with the Indonesian Foreign Ministry, the Indonesian Embassy in Beirut and the Dar El Fatwa of Lebanon.(ANTARA)

Obama to Visit Indonesia in March

US President Barack Obama will make what will be an emotional journey with his family to his childhood home of Indonesia in March, and will also visit Australia, the White House announced on Monday (1/2/2010).

Obama, who was known as "Little Barry" when he lived in Jakarta with his late mother Ann Dunham in the 1960s, said last year in Singapore that he was looking forward to visiting his old haunts in Indonesia.

He was invited to make the trip by Indonesian President Susilo Bambang Yudhoyono, and both sides have said they plan to use Obama's childhood ties to the country to further tighten a crucial pan-Pacific relationship.

"This trip is an important part of the president's continuing effort to broaden and strengthen the partnerships that are necessary to advance our security and prosperity," White House spokesman Robert Gibbs said.

Gibbs said that Obama would inaugurate the US-Indonesia Comprehensive Partnership during the visit, which is intended to further deepen ties between the two countries.

Away from his official schedule, it is

possible he will introduce his wife Michelle and their daughters Malia and Sasha to neighborhoods he knew as a boy and also to some old school friends.

Obama's visit will be greeted with massive expectations in Indonesia, and a comprehensive security operation in the world's most populous Muslim nation.

Washington took steps last year to dampen speculation and reports in Indonesia that Obama would visit the country during his first year in office, but made a promise he would make the trip this year.

Indonesia was also often mentioned as a possible venue for Obama's promised talk to the Muslim world, but he ended up giving the address in Cairo instead.

Obama spent part of his childhood in Indonesia after his divorced mother married an Indonesian and he attended a primary school in Jakarta between 1967 and 1971.

The president has often spoken movingly of his mother, who died of cancer in 1995. He sometimes relates to US children how she roused him early in the morning in Indonesia so he could do extra homework before school.

The childhood connection and his knowledge of a few words of the Indonesian language have made him hugely popular in the country of 234 million people, 90 percent of who are Muslim.

The announcement of Obama's visit coincides with an unusual row about Obama's links to Indonesia.

In recent weeks in Jakarta, authorities have been considering a petition to tear down a statue of Obama as a boy, only a month after the bronze was unveiled in Jakarta.

The statue of "Little Barry" stands in

central Jakarta's Menteng Park, a short walk from the US president's former elementary school.

Critics said the site should have been used to honor an Indonesian.

In Australia, Gibbs said that Obama looked forward to discussing issues including green energy, climate change, economic recovery and non-proliferation with Prime Minister Kevin Rudd.

"This year also marks the 70th anniversary of US-Australia relations. The President looks forward to commemorating that milestone and consulting with Prime Minister Rudd on ways that we can build on the strong relationship between our two countries," Gibbs said.

En route to Asia, Obama will meet US troops stationed in Guam, Gibbs said.

Rudd and Obama have met a number of times since Obama became president last year, including in the United States, and have forged a close, and mutually admiring diplomatic relationship, especially on climate change.

Obama's visit to Asia will be the second of his presidency.

As part of a frenzied first year of foreign travel last year, Obama visited Japan, Singapore, China and South Korea.

He has also said he plans to visit India this year, but no detailed schedule or dates have yet been announced. (The Jakarta Globe)

Economic Issues

Indonesia Becomes Toshiba Production Hub for Asia

Japanese electronics giant Toshiba has chosen Indonesia as the company's

regional production hub for liquid crystal display (LCD) television sets and has relocated its Vietnamese factory to Indonesia.

"Indonesia will be the only production base for Toshiba LCD TV in Asia and Oceania," the president director PT Toshiba Consumer Product Indonesia (TCPI), Yuzo Tsuchiya, told reporters following a ceremony to mark the company's 15th anniversary in Indonesia.

Yuzu said the company's factory in Vietnam had been relocated to Indonesia to strengthen the LCD TV operation here. It is expected to increase monthly production by about 50 percent this year to 100,000 units. He said they would not only be sold in Indonesia's growing LCD TV market but would also help meet demand from other Asian countries.

To support this expansion the firm also plans to increase the workforce from 750 to 1,200, he said.

Toshiba has invested US\$ 156.6 million in Indonesia since it set up shop in 1995. Industry Minister Mohamad S. Hidayat said earlier that Toshiba would expand its television factory in Cikarang with \$35 million in additional investment. The expansion would be part of its decision to make Indonesia into its production hub for Southeast Asia.

Speaking to reporters after attending the anniversary celebration, Hidayat said that the Indonesian electronics industry was projected to grow faster at 10 percent this year as compared to 7.6 percent last year despite worries over the influx of cheaper electronic products from China following the full implementation of the ASEAN-China free trade agreement in January.

"With 10 percent growth, the sector can create about another 150,000 jobs," he said.

Meanwhile, the director of electronic industry at the Industry Ministry Syarif Hidayat told The Jakarta Post that electronic sales in Indonesia would probably grow by 20 percent this year to Rp 25 trillion in 2010 from Rp 20 trillion in 2009.

However, according to Syarif, many changes had to be taken in order to be sure to meet these target.

“Power blackouts, and the lack of gas supply should be overcome, if we want to see this industry grow,” he added. (The Jakarta Post)

32 Investors to Put Rp 24.3t into Sugar Plantations

As many as 32 investors plan to develop new sugar plantations and mills in several provinces, representing a total investment of Rp 24.3 trillion (US\$2.6 billion), a minister has said.

“Most of them are domestic investors,” Industry Minister M.S. Hidayat told reporters Thursday.

Hidayat said the planned mills would be located in several provinces including in Riau, Jambi, Lampung, West Java, Central Java, East Java, East Nusa Tenggara, West Nusa Tenggara, West Kalimantan, South Sulawesi, South East Sulawesi, and Papua.

“The mills will require about [an additional] 500,000 hectares,” Hidayat said.

He added that the proposed mills would have a combined processing capacity of 163,000 tons of sugar cane per day. “There will be between 10 and 25 new mills depending on processing capacity,” Hidayat said.

The investors are now asking the government to provide incentives,

including tax concessions on land and infrastructure, subsidies on bank interest rates, and income tax reductions. “We are still discussing these matters,” Hidayat said.

Indonesia is the largest sugar buyer in Southeast Asia with total domestic demand (household and industrial) reaching about 4.8 million tons a year.

“So far domestic production can only meet the needs for household sugar consumption, but industrial consumption is still supplied by imports,” Agriculture Minister Suswono said.

Hidayat said demand for raw sugar for industrial use reached 2.15 million tons in 2009, while domestic production was only 1.9 million tons.

He added that demand for raw sugar for industrial use would reach 2.74 million tons by 2014.

Suswono said the domestic price of sugar was still high, because the world supply of sugar has fallen with Brazil now using much of its sugar cane to produce bio-fuel.

Deputy Trade Minister Mahendra Siregar said Indonesia would extend the importation of sugar. “We will continue with importing sugar until the price can be stabilized once again,” he said. (The Jakarta Post)

Two Foreign Investors to Develop Goldmines in North Halmahera

Ternate - Investors from China and Australia were interested in developing the gold mine in North Halmahera regency, North Maluku.

Head of the North Halmahera mining and energy agency Aser Tidore said here Monday (8/2/2010) that the Chinese investor was interested in developing the goldmine in Galela Barat, while the

Australian investor wished to develop the goldmine in Kao.

The Chinese investor planned to start the mining activities in Galela Barat in mid-2010, and his Australian counterpart has yet to set the date when to start.

The two investors must not follow the example of PT Nusa Halmahera Minerals (NHM), a gold mining company which had been operating in North Halmahera since the end of the 1990s, which appeared to be rather reluctant to contribute maximally to the people of the area.(ANTARA)

Indonesia's Low Rates May Lure Investors Away from India and China

Early tightening by some Asian central banks has injected uncertainty into investing in the region's emerging markets, but Indonesian bonds will remain attractive as policymakers there will likely hold fire on interest rates until later in the year.

China and India have raised bank reserve requirements quicker than analysts had expected, increasing speculation that their central banks will raise rates to cool down their economies sooner than initially thought.

Those concerns in part caused emerging market debt funds to swing sharply to underperformance in the last few weeks, according to Standard Chartered. They have also rattled stock markets, with China-focused equity funds posting net outflows for 18 of the last 19 weeks.

In Indonesia, new loan growth has not been as robust as in China over the past year, and food prices are not rising at a double-digit pace as seen in India.

Even with consumer inflation in Indonesia rebounding to the highest rate since May 2009, risks are low that interest rates in Southeast Asia's largest economy will rise

sooner than those in China or India, and so far expectations of future price pressures remain under wraps.

That will likely continue to be reflected in Indonesia's long-maturity government bonds, which have been outperforming similarly rated debt from the Philippines.

Indonesia's central bank kept its rates steady at a record low at a meeting on Thursday, downplaying a January spike in inflation and maintaining its dovish stance in contrast to some of its Asian peers.

A small majority of analysts do, however, believe it may start raising rates in the second quarter from the present 6.5 percent to rein in price pressures.

China, India, South Korea and Indonesia were big draws for foreign investors last year, which is why a change in fiscal or monetary stance turns heads.

Indonesia will be the third-fastest growing economy in emerging Asia this year behind China and India, according to a Reuters poll.(The Jakarta Globe)

Indonesia's Textile Trade Reaches Surplus

Semarang - Indonesia's textile and garment trade balance in 2009 had been a surplus of 5.1 billion US dollars, a 1.10 pct increase compared to the equally surplus of 5 billion US dollars in 2008.

"Indonesia's textile and garments are still leading national non oil export commodities although competition on the international market is very tight," Trade Minister Mari Elka Pangestu said here, Wednesday (10/2/2010).

Mari had been making an inspection of a number of companies in Semarang like PT Sido Muncul jamu maker, and textile and garment producer PT APAC Inti Corpora.

She said Indonesia's textile and garment exports had its ups and downs in the past

few years due to a decline in demand for the products on the world market.

In the meantime, a number of other ASEAN member countries like Vietnam, Cambodia and Laos are currently also rapidly growing as potential competitors to Indonesia's textile and garments on the international market.

The main destinations of Indonesia's textile and garment exports in 2008 were the US with 3.8 billion dollars, or a share of 37.42 pct, then came the European Union with 2.0 billion dollars or 19.96 pct of Indonesia's total textile and garment exports.

The other destinations are Japan with 5.39 pct, South Korea 2.82 pct, United Arab Emirates 3.59 pct, Turkey 3.22 pct, Saudi Arabia 1.68 pct, China 1.73 pct, and Canada 1.41 pct. (ANTARA)

‘Jamu’ Export Reaches \$10m Annually

Indonesia currently exports US\$10 million worth of jamu traditional herbal medicine annually, while the domestic market value of jamu stands at \$500 million.

The export figure was revealed by Trade Minister Mari Elka Pangestu before she laid the cornerstone for the construction of a factory producing jamu raw materials in Semarang, Central Java, on Wednesday (10/2/2010).

“[The figures] are starkly different, but we are able to export jamu to a number of countries,” Mari said.

“It means our jamu is able to compete on the overseas market and it indicates our jamu has met the fixed standards of being safe, effective, beneficial and of high quality.”

She said in the free trade competition, the price of a product must be affordable and able to compete, forcing the producers to be innovative, such as by creating the right packaging and branding, reducing production costs, as well ensuring sustainable and efficient production.

“Producers must know where the raw materials come from and through what stages. They must think about retailers and end users,” she said.

“In the jamu sector, consumers must be aware of herbal and non-herbal medicines and their benefits. Retailers must be honest and everyone must abide by the law.”

In response to the influx of Chinese medicines to Indonesia, Mari said the volume was still very small.

“I see it just from the aspects of unfair competition. Some illegal overseas products are also entering the country.”

Based on observations, overseas medicine can easily enter Indonesia due to cheap trade registration fees of only Rp 2.5 million per item for a five-year term.

PT Sido Muncul jamu producer general manager Irwan Hidayat has expressed complaints concerning the costly overseas trade requirements.

He said it costs US\$2,500 just to sell a product item for a five-year term in Russia, while it costs \$5,000 in China.

“We have sold our products to Hong Kong, Suriname, Singapore, Malaysia, Nigeria and in a number of Middle Eastern countries,” he said. “I wish the government could help promote local products and stop changing the regulations.”

In response to the ASEAN-China Free Trade Agreement, Irwan said he was aware that it was just a matter of time and people should be ready to face it.

“Doctors must also help by prescribing herbal medicines in an effort to promote herbal drugs.”

Food and Drug Control Agency head Kustantinah said her office would immediately review regulations on requirements to market overseas medicines in Indonesia.

“IDI definitely supports the use of herbal medicines given their benefits and effectiveness,” Indonesian Doctors Association (IDI) chairman Priyo Sidi Pratomo said.

"Its safety has also been proven. I even believe that one day Indonesia will be independent in terms of medicine," he said.

"The country is abundant with biological resources for raw materials for medicine." (The Jakarta Post)

Finance Ministry: 2010 Exports to Reach Above 8.5 Percent

Jakarta - Indonesia's exports will recover and can even grow above 8.5 percent, a senior Finance Ministry official said here on Wednesday (10/2/2010).

"I think it will be higher than that depending on how we maintain and use the momentum," the ministry's head of fiscal policy, Anggito Abimanyu, said after a ministry leadership meeting.

He said the ministry's export projection was realistic but it could even be higher.

He said various world economic outlooks were revised both on economy or trade. The world's export growth in 2010 has been revised up from 2.5 percent to 5.2 percent.

"Our exports are still big. Exports especially from mining and agriculture will still be big," he said.

Regarding the 4.5 percent economic growth in 2009, Anggito said it was not far different from the ministry's forecast.

"This is a good signal for 2010 namely we are back on the normal track," he said.

He admitted that household spending had been the main contributor to the growth in 2009.

"Indeed in a post-crisis situation it is consumption that recovers quickly as prices are lowered with a subsidy. This is a capital for increasing the buying power," he said.

Anggito hoped other sectors such as exports, industry and investment could grow better so that the economy could grow above 5.5 percent this year.

He said the investment is already moving as shown by the rise in added value tax on capital goods for investment.

"There will be a lag of time between one and two quarters to reach a higher investment due to the presence of capital goods," he said.(ANTARA)

Mining Law To Be Revised

Pangkalpinang - Law No. 4 of 2009 on mineral and coal mining will be revised after a working visit of the Bangka Belitung (Babel) Provincial legislative assembly (DPRD) to the Ministry of Law and Human Rights.

"From our visit to the Ministry of Law and Human Rights on February 10, we found out that the Mineral and Coal Mining Act will be revised," said Babel DPRD chief Ismiryadi in Pangkalpinang, Sunday.

He said the Babel Council working visit to the Ministry of Law and Human Rights was aimed at conveying the aspirations of Babel tin miners who felt the law was against their interest.

"The mineral and coal mining law carried only general rules, such as mining areas and mining auctions, which does not accommodate the interest of tin miners," he said.

The Babel council had discussed with the ministry the miners' complaints about the tin mines in their region, because some articles do not match the real situation in the area, Ismiryadi said.

"There are several articles in the mineral and coal mining law that are not implemented equally in the regions, namely Articles 22, 51, 52 and 54," he said.

He added, the ministry recommended that the result of the visit be submitted to the House of Representatives (Commission VII) and the Regional Council for immediate revision of the law.

"The mining law is only recommended to be revised, not revoked, since Babel and several other regions in Indonesia do not resort to a judicial review, as it will most likely revoke the law," he said.

He explained that there are articles in the law that are against public mining areas.(ANTARA)

Indonesia's Economy on Track, Says World Bank

Indonesia's economy has returned back on track following a period of lower growth last year due to the global economic crisis.

World Bank economist Timothy Bulman said in Jakarta on Thursday that the country's economy is almost ready to return to the boom conditions prior to the 1998 financial crisis, when GDP growth often reached between 7 percent and 8 percent.

"The real economy has returned back to solid growth," he told a seminar of the Institute for Development of Economics and Finance (INDEF).

The World Bank estimates the growth rate would increase to 5.6 percent this year, and to 6 percent in 2011 up from 4.5 percent in 2009. The bank is also upbeat that the country's anticipated export volume is expected to return to pre-crisis levels during 2010, as the world economy gradually recovers and commodity prices rise.

Timothy suggests Indonesia creates a more conducive investment climate to attract both foreign and local investors, so that investment activities could contribute more significantly to the country's economic growth.

"Indonesia has to be more aggressive in facilitating domestic and foreign investment," Timothy said.

According Timothy, besides investments, Indonesia is ready for and needs breakthroughs like easing transport and logistic bottlenecks and connecting Indonesia's domestic market and the regions.

Speaking at the same event, Ikhsan Modjo, the executive director of INDEF, agreed that the Indonesian economy had almost fully recovered from the crisis.

But, he warned much work still had to be done by the government to maintain upward trends, because inappropriate policies would undermine progress.

Ikhsan mentioned that wrong handling of negative impacts from the much criticized ASEAN China Free Trade Agreement (ACFTA) could drag down GDP growth.

"The government had to lower its entry barriers and operating costs. It has also to improve trade facilitation as well as to control the proliferation of non tariff barriers," he said.

The government expects the GDP growth to increase to 5.5 percent this year.

However in order to achieve the target of bringing economic growth up to above 6 percent per year within the next five years, the government had to take more positive steps.

The government has finished drafting the second National Middle Term Development Plan (RPJMN) for 2010-2014. The blue print will be officially launched on Wednesday (3/2/2010).(The Jakarta Post)

Recovery Seen As Indonesian Exports Hit A Record High

Indonesian exports hit an all-time monthly high of \$13.3 billion in December as commodity prices rose in line with the global economic recovery, the Central Statistics Agency said on Monday (1/2/2010).

"We've never achieved a monthly figure of more than \$13 billion," said Rusman

Heriawan, the chairman of the agency, known as the BPS. “The highest figure before this was \$12.9 billion in May 2008.”

Exports in December jumped 23.9 percent from November and a dramatic 49.8 percent from December 2008, when they plunged 20 percent after the outbreak of the global financial crisis.

Full-year 2009 exports still fell 15 percent to \$116.49 billion.

Rusman said exports of key commodities boosted December’s figure. Shipments of crude palm oil increased by \$1.1 billion month-on-month, copper rose \$284 million and coal exports went up by \$268 million. “This is a sign of the global economic recovery,” he said. “Our exports staged a turnaround in the fourth quarter of the year.”

Japan was the biggest buyer of non-oil and gas exports in December, taking \$1.25 billion. China ranked second with \$1.19 billion and the United States third with \$1.04 billion.

December imports totaled \$10.33 billion, a 17.2 percent increase from November.

Indonesia’s 2009 trade surplus totaled \$19.63 billion, more than double the \$7.82 billion in 2008.

Purbaya Yudhi Sadewa, chief economist at the state-run Danareksa Research Institute, said developed economies had recovered significantly in the fourth quarter of 2009. “The strong exports in the fourth quarter and in December showed that the recovery is not just in sentiment but is real,” Purbaya said.

The country’s non-service sector should take advantage of the strong demand created by the global recovery by increasing production, he said.

“Currently, I see that the banks’ intermediation function has not fully recovered. The country’s real [non-service] sector might not take advantage of the global situation if they can’t expand their businesses due to high interest rates applied by lenders,” he warned.

Helmi Arman, an economist at PT Bank Danamon, said the longer-term trend showed that export earnings would continue to rise, driven by demand for commodities such as coal, crude oil and palm oil.

“Such changes in the structure of exports could lessen any deterioration of the trade surplus going forward,” he said. “This is because the need for raw material imports bound for re-export will be lower, compared to if exports were mostly comprised of higher-value added goods, which have higher import content.” (The Jakarta Globe)

Indonesia to Focus on Economic Benefits in Foreign Relations

Foreign Minister Marty Natalegawa closed a week-long meeting of ambassadors on Tuesday (9/2/2010), saying that Jakarta should boost its role in ASEAN for national economic benefits ahead of its chairmanship of the group in 2013.

“Our role in and contribution to ASEAN should not only be maintained but enhanced for the economic interest of Indonesia... We have to ensure Indonesian people can reap the benefits of ASEAN to increase their welfare,” he said.

The 10-member group is the cornerstone of Jakarta’s foreign policy and the 42-year old bloc combines a population of around half a billion. Indonesia, the largest nation by population and GDP in the Southeast Asian region, will take over as rolling chairman in 2013 from Cambodia.

The ambassadors' meeting gathered around 200 Indonesian diplomats from 119 embassies and consulate generals around the world. The meeting is held at the start and at the end of every Cabinet term with an aim to familiarize envoys on Jakarta's new mission under new administrations.

President Susilo Bambang Yudhoyono instructed envoys to attract investors to support the target of economic growth of 7 percent by 2014 and to also find new markets for its products after a downturn in exports due to the global crisis first felt by the US, one of Jakarta's main export destinations.

Observers have said that Yudhoyono needed to kickstart his plummeting popularity by fulfilling campaign promises, including economic growth of 7 percent and decreasing the unemployment rate that stands at 10 million.

Marty said Jakarta had to translate political closeness with friendly partners into economic cooperation that would benefit people on both sides.

"The economic and global financial crisis teaches us a valuable lesson of not depending only on traditional markets," he said.

Indonesia exports most of its products to the US, Japan and Singapore but Jakarta has also looked into possibilities of expanding into the Middle East and Africa.

Marty said Jakarta would also secure its political interests in the East Asia and Pacific regions through the new regional architecture initiatives floated by Japan and Australia.

Japan and Australia have sought Indonesian support for their plans to set up an East Asian Community and Asia Pacific Community respectively.

"Indonesia will not stay passive during the formation of new regional architectures in East Asia and the Pacific, but will play an active role to ensure that the new order agrees with our national interest," he said.

Marty also instructed envoys to increase the protection of migrant workers and Indonesian nationals abroad, which has become a key point of his 100-day program under the new Cabinet.

Jakarta brought home around 2,000 of its illegal migrant workers last year.

"Indonesian nationals have to feel at home when they are at our representative offices," he said. (The Jakarta Post)

Socio-Cultural Issues

Study: Pop Culture Helps Indonesia Fight Terrorism

Using social media and pop culture has helped Indonesia's government counter terrorism and encourage moderate views on Islam, a leading terrorism expert said.

The world's most populous Muslim-majority nation, Indonesia has prevented widespread development of extremism and marginalized the al-Qaida-linked network Jemaah Islamiyah, said Magnus Ranstorp, research director of the Center for Asymmetric Threat Studies at the Swedish National Defense College.

To learn how, Ranstorp's center interviewed a cross-section of groups fighting extremism, religious organizations, defense officials and past and present members of Jemaah Islamiyah, the Southeast Asian network blamed for attacks including the 2002 bombing on Bali that killed 202 people.

The results of the study, conducted for the Swedish International Development Agency and released this week, show that Indonesia has relied on a mix of measures, including information campaigns that encourage debate on extremist issues using the Internet and TV. Another is the use of highly respected religious figures to promote moderate interpretations of Islam.

The study cites the success of Indonesian pop star Ahmad Dhani, whose

anti-extremist song "Laskar Cinta," or "Army of Love," sold millions of copies.

"Using pop culture is extremely important," Ranstorp said Tuesday (9/2/2010). "It's really about sort of maximum reach with a message" of tolerance.

The study noted that interest in interfaith dialogue was increasing in Indonesia. On the island of Java, for example, Christians have visited and lived with Muslims at Islamic boarding schools, and in rural areas, Christian and Muslim youth have worked together on welfare projects.

Julian Pasha, spokesman to President Susilo Bambang Yudhoyono, credits government efforts to forge relationships with potential extremists throughout Indonesia, which Pasha believes has helped foster better understanding between groups and kept violent radicalism at bay.

But terrorism analyst Sidney Jones, senior adviser for Crisis Group International, said popular culture and interfaith dialogue have nothing to do with Indonesia's success. Far more important, she says, is Indonesia's track record of getting extremists off the streets through strong police work, and bringing members of violent networks to trial.

And there's another key factor, she said: "The places where you've got the strongest terrorist movements are places that are either under occupation in the middle of a war, beset by a repressive government, or possessed of an alienated Muslim minority. And Indonesia doesn't fit any of those categories."

Ranstorp said more studies are needed to determine which measures have had the most impact, and how they can be applied elsewhere. Still, he thinks there are many important lessons to be learned from the review.

"It's a good showcase ... of how the battle within Islam can be won," he said. (The Jakarta Post)

Indonesian Educator As UNESCO Administrative Group Member

Indonesian educator, Professor Dr. Arief Rachman, was elected as a member of the Administrative Group on International Education Council of the UN Agency for Education and Cultural Affairs (IBE-UNESCO) for a term of two years. The election took place at the 59th Session of the IBE-UNESCO, held in Geneva, Switzerland, 27-29 January 2010.

According to the Office of the Permanent Representative of the Republic of Indonesia (PTRI) in Geneva, the tasks performed by the members of the administrative group IBE-UNESCO is to select and determine a number of priorities that will be IBE UNESCO's work program for a period of one year. They also have to make the discussion of work program, budget and preparation of agendas for IBE-UNESCO Council Session.

"The election Arief Rahman has shown confidence in the international community of the role and contribution of Indonesia in the discussion of education issues, the interests and attention of the international community," said Habib Achsanul, First Secretary Mission.

This 59th session of the UNESCO IBE have discussed this time a number of education issues, among others, concerning the establishment of working groups in completing IBE-UNESCO strategy on matters dealing with curriculum. It also discussed the activities of IBE-UNESCO during the period of 2009 and planning activities of IBE-UNESCO in 2010.

The session also had a discussion about inclusive education with a focus on curriculum development.

The Indonesian delegation at the 59th Session of the IBE-UNESCO was led by Professor Dr. Arief Rachman, and members Ambassador/Representative of

Indonesia to UNESCO, Dr. Tresna D. Kunaefi, and PTRI Geneva members. The session has also decided that the meeting IBE to 60 will be held in Geneva on 26-28 January 2011.

Source: *VIVANEWS*, GNFI (Good News From Indonesia)

Indonesia's #1 World Cube Champion

We've got some good news. On Jan 30-31, 2010, Indonesia held **Rubik's Jakarta Open for 2010**. In that event, 3 Indonesians were crowned as among the 15 best world cube champions. They are M. Iril Khaerul Anam (solved cube in 24 minutes 10 seconds), Aldo Feandri (solved cube at 37 minutes 57 seconds) and Wicaksono Adi (solved cube at 42 minutes 41 seconds). They played the cube with the eyes covered or at the game for 5x5 blindfolded category. They are listed among the 15 best world cube champions for 5x5 blindfolded.

Source: GNFI (Good News From Indonesia)

Ambon Set to Host International Yacht Rallies

Once a site of a year-long sectarian conflict, the city of Ambon in Maluku province is set to show its secure condition by hosting an international marine event this year.

The Sail Banda 2010 will kick off July 24 with a yacht rally.

Around 200 boats will set sail from Darwin, Australia. The first leg will finish on Banda Islands, the second leg will commence from Banda to Ambon and the third will be to Wakatobi in Southeast Sulawesi.

The event will also include international and national conferences, an international symposium and other activities.

The Coordinating Minister for People's Welfare will also hold a civic mission by providing, among others, free

healthcare services, cataract operations and vaccines for toddlers.

The funding for the event mostly comes from the state budget, with around Rp 20 billion (US\$2 million) coming from the Coordinating Public Welfare Ministry and Rp 9.5 billion from the Maritime Affairs and Fisheries Ministry.

"The Maluku provincial government has also provided Rp 12 billion for the event," Aji Sularso, director general for resource supervision and control at the Maritime Affairs and Fisheries Ministry, said during the Sail Banda 2010 launch in Jakarta on Wednesday (3/2/2010).

The funding from the province is being used to prepare the needed facilities in Maluku, while the money disbursed by the Maritime Affairs and Fisheries Ministry is for activities. The coordinating ministry office is preparing the funding for ship fuel and the civic mission.

He said that the event aimed to make Maluku a tourism gateway to eastern Indonesia by promoting its historical and maritime beauty.

Maritime Affairs and Fisheries Minister Fadel Muhammad said he sought to develop Maluku's potential in fishery and other marine products through the event.

He said he targeted the province to be a fish production center.

"Maluku holds large potential in this area," he said.

Maluku governor Karel Albert Ralahalu said his province produced 32 percent of the national fish production, or around 10 million tons in 2009.

Maluku, he said, could still boost its production to contribute 50 percent of domestic production.

"With the Sail Banda we hope to improve our tourism sector.

"An event of this scale is sure to bring investors to our province, in fact, chain hotel group Aman is set to turn historical houses [in Banda Islands] into an international class resort, which will

probably be the most expensive in the world,” he added.

Garuda Indonesia is also set to open a route from Denpasar, Bali, to Ambon.

“The needed infrastructure in Maluku and Ambon is almost ready. We have completed building the facilities including a hotel, an international airport and seaport. Hopefully it will all be ready in July,” he said. (The Jakarta Post)

USAID Helps Develop Active Learning in Eastern Indonesia

USAID, through its Decentralized Basic Education (DBE) 2 program, will cooperate with 18 state universities in eastern Indonesia in the implementation of an active learning program for higher education.

A cooperation agreement was signed by representatives of the two sides in Makassar, South Sulawesi, on Sunday evening.

Under the agreement USAID will train 90 lecturers, or five from each university, to become trainers for the program, which will held from February to June this year.

The trainers are expected to help support their colleagues at their respective universities so that all the lecturers are able to understand and apply active learning methods in their teaching.

The 18 state universities include the Universities of Hasanuddin, Halu Uleo, Khairun, Lambung Mangkurat, Mataram, Mulawarman, Nusa Cendana, Palangkaraya, Pattimura, Sam Ratulangi, Udayana, Musamus and Papua.

Chief of the DBE 2 at USAID Michael Calvano said that program was initially applied at elementary school level, but later universities had requested the implementation of the program for their teaching and learning methods.

“Initially, the program was implemented over seven provinces at 15 state universities that cooperated with USAID. Now it has expanded to 18 universities in the eastern part of Indonesia,” he said. (The Jakarta Post)

Indonesia and Japan Enhancing Ties Through Rare Animal Exchanges

Jakarta - Indonesia and Japan have been further enhancing their 51-years-old diplomatic ties by exchanging rare animals, Indonesia’s chief representative in Japan said.

“The Indonesian government has lent some rare animals to Japan as part of our diplomacy,” Indonesian Ambassador to Japan Jusuf Anwar said here Saturday (6/2/2010) on the sidelines of a Foreign Ministry Working Conference.

He said in recent years the two countries had strengthened their diplomacy to support the biodiversity conservation of endangered species between the Indonesian Nature Conservation Institute (LKA-zoos, Safari parks and breeding centers) and Japanese counterparts.

The Indonesian embassy in Tokyo during 2006-2009 period had brought nine endangered species from Indonesia to Japan, namely three orangutans, one Sumatran tiger, two komodos and five proboscis monkeys under the status of conservation loan for a specified period to be introduced to Japanese society, the envoy said.

Under the conservation and breeding loan status, both countries and Japanese Nature Conservation Institute in cooperation with the Yokohama Breeding Center had successfully bred 180 Bali Starling endangered species, about 70 of them have been restored to their natural habitat in the West Bali National Park.

On the other hand, the LKA Indonesia got conservation grants of 21 endangered species from Japan, namely five Macacas, 12 penguins and four sea lions that can be bred by the Indonesia LKA. In 2008 Indonesian-Japan ties entered the age of 50 years, the envoy said.

The signing of the Strategic Partnership for Peaceful and Prosperous Future in 2006 and the Indonesia-Japan Economic Partnership Agreement (IJEPA) in 2007 have strengthened the bilateral good relations.(ANTARA)

Indonesia by province: Central Kalimantan



Central Kalimantan is the biggest province on the island, where tropical forest covers mostly the total area of the province 153,800 square kilometers. While the northern area covers by high mountains, the southern area has many rivers and marshy. The weather climate is fairly hot and humid.

Ngaju, Ot Danum, and Ma'anyan Ot Siang are the tree Dayak sub-tribes who inhabit in this province. The Ngaju are nomadic, adhering to old Kaharingan religion, which is a form of ancestor worship mixed with elements of animism. With approximately 6,000 people, the Ot Danum is the largest among the tree sub-tribes. The Ot Danum live in longhouses which sometimes have as many as 50 rooms. The women are known for their skill in plaiting rattan, palm leaves, and bamboo. Like other Dayaks tribes, the men are good hunters, using simple tools.

The art of Central Kalimantan clearly bears the marks of Kaharingan religion, which is the traditional belief of the Dayaks in the hinterland of Central Kalimantan. Along with old tradition, building styles, statues and carvings in the province have influenced by the Chinese, and Hindu-Javanese. Aside from their aesthetic properties, many objects are appreciated for their magic value.

Tourist Office:

Jl. Tjilik Riwut Km.5, Palangkaraya 73112
Phone: +62 536 3231110 Fax: +62 536 3231007

Getting there:

By Garuda Indonesia Airlines' domestic flights direct to Palangkaraya three times every day.

Tourism Events:

Festival Isen Mulang Culture in Palangkaraya. This Festival features a tourism exhibition and cultural presentations from provinces all over the country.

Places of Interest:

Palangkaraya

In the local Dayak language, Palangkaraya means 'holy container'. Palangkaraya can easily be reached from Jakarta, Banjarmasin, Samarinda, Balikpapan and other points on the island by air. The town has become the center of government, trade and education of the province. The Regional Museum of Palangkaraya contains a collection of historical and cultural interest from all over Central Kalimantan.

Kuala Kapuas

It is located at Kapuas River, 40 km far from Banjarmasin, capital city of South Kalimantan province. A well-known tourist attraction is Telo Island, a pleasant fishing village and port. For an adventurer, white-water rafter and nature lovers, there

is Gohong Rawai, known for its beautiful and challenging rapids. The gold mines of Teweh and Batu Api, Rungan district, are also interesting sites for visiting. In this region, gold mining is a major source of livelihood for the people, who pan for the valuable metal using the old traditional method.

Pangkalanbun

Make sure to visit the old Palace of Pangkalanbun, constructed completely out of ulin (iron wood). It is the only Banjar royal legacy found in Central Kalimantan.

Sampit

Sampit is the biggest timber port in Kalimantan. The Orchid Park of Pembuangan Hulu is home to a number of rare and beautiful orchid varieties. Hunters can engage in their favorite hobby to hunt in the park of West Kotawaringin.

Tanjung Puting National Park

The Tanjung Puting National Park is a well-known nature and wildlife reserve in lowland and swamp forests, inhabited by animal like orang utans, owa-owa, bekantan and other primates. One can visit the Orang Utan Rehabilitation Centre which is supported by the World Wildlife Fund (WWF).

(source:www.my-indonesia.info)

ENVIRONMENT ISSUES

WWF Launches Campaign to Save Sumatran Tiger

Jakarta - The World Wildlife Fund (WWF) Indonesia is to launch a public campaign in support of efforts to conserve the Sumatran tiger, a spokesperson said.

The campaign as part of WWF's "Year of the Tiger" program would be held in Jakarta February 12-13 and involve many elements of society, including environmental activists, governmental agencies handling environmental matters

and the business community, Desnarita Murni, a WWF Indonesia coordinator, said here Thursday (11/2/2010).

The purpose of the campaign was to persuade the general public to develop concern for the fate of the Sumatran tiger which was the only surviving tiger species in Indonesia, she said.

"The number of Sumatran tigers living in the wild in Indonesia has now declined to about 400, So we must all do our best to preserve them, if we don't want the species to die out," Murni said.

The Sumatran tiger had become endangered because of the high frequency of tiger-hunting activity.

"Trade in tiger body parts is continuing. More and more tiger habitats are being destroyed by human activities. So, if we don't take joint actions, their extinction will only be a matter of time," she said.

WWF had also invited the government, the business world and other parties to take part in the campaign, "Preservation of our bio-diversity requires the cooperation of all. WWF cannot work without the support of other parties," Murni said.(ANTARA)

REGIONAL/INTERNATIONAL ISSUES

Indonesia Pushes for Settlement of Doha Round

Indonesia and other member countries of the World Trade Organization (WTO) will continue pushing to solve the Doha Round at the WTO to the benefit of all in view of the importance of improving the world business climate.

Speaking in Geneva on Wednesday (3/2/2010), Ambassador/Deputy Indonesian Permanent Representative to WTO Erwidodo said this is the essence of the bilateral meeting between Trade Minister Mari Elka Pangestu and several partners on the sidelines of the World Economic Forum in Davos, Switzerland.

Mari Pangestu met, among others, Swiss President Doris Leuthard, Australian home minister Simon Crean, Indian transportation minister Kamal Nath, WTO director general Pascal Lamy, US Undersecretary Robert Hormats and CEOs of a number of multinational companies.

On the occasion, Mari expressed commitment to continue leading G-33 for progress in negotiations on the agricultural sector.

To deny charges that G-33 is posing a main obstacle to the settlement of the Doha Round, Indonesia will continue pushing intensified talks at technical matter between G-33 and exporting countries like Cairns Group and G-20.

Indonesia is holding an important position as it is a member of the three fora of conflicting interests, the ambassador said.

To answer the concern of the special safeguard mechanism (SSM), for which G-33 had been fighting for, may pose an obstacle to the world trade, Indonesia in the name of G-33 has presented a paper to the WTO secretariat containing thoughts on SSM architecture acceptable to all sides. (ANTARA)

Jakarta's Role in ASEAN Could Make It the Regional Hub

Kebayoran Baru, a residential area in South Jakarta for members of the capital's upper class may get a lot busier and see more expatriates moving in soon.

Blok M, with its popular amusement center and shopping malls, could be an attraction for many foreigners, not only Japanese or Koreans, who have become traditional customers of the nightclubs and bars dotting the area.

Officials are saying this might be the beginning of a busy period as more countries will appoint their representatives

to ASEAN, whose secretariat office is located at the heart of the area.

Currently, 33 countries, including major economies, such as the US, UK, Germany, China and India, have sent their own ambassadors to ASEAN in addition to the ambassadors posted to the diplomatic missions.

ASEAN deputy secretary-general Bagas Hapsoro said Sunday that although several countries still attached their ASEAN representatives to embassies in Indonesia, most of them will have their own office as relations become more complex, with the expectation that they will open their office close to the Kebayoran Baru premises where the ASEAN Secretariat is located.

He went on to say that as interest in ASEAN grows, so too will the number of permanent missions, with Kebayoran Baru expected to be a prime location.

Also, he added, more jobs will be available as, for example, if one representative brings five foreign assistants and employs several other local workers, and then hundreds or even thousands of jobs could be created.

“Many representatives are looking for offices and residences in the areas surrounding the secretariat,” Bagas, the outgoing Indonesian ambassador to Lebanon, said.

“These developments can only benefit ASEAN's centrality and Indonesia's primary role as a member and host of ASEAN,” he said.

ASEAN has established free trade agreements (FTAs) with many countries, including China, Australia, New Zealand and India, with many more to be implemented soon.

“The FTAs will make ASEAN and its secretariat much busier. And the world will

look to Jakarta as an important city,” Bagas said.

Interest is rising among more distant countries in Africa, Latin America and the Middle East, he said.

Foreign Ministry spokesman Teuku Faizasyah agreed that the Dec. 15, 2008, ASEAN Charter, soon to come into force, has strengthened the position and relevance of the grouping as a rules-based organization, both in regional and international arenas, while giving Jakarta huge leverage as the host of the grouping’s secretariat.

“It will bring huge financial benefits to the Indonesian economy. It will also shape Indonesia’s changing role within the region and the entire world,” he said.

Faizasyah underlined, however, that to reap these benefits Indonesians should enhance their awareness of the new environment that requires Indonesians to be more open and to have a cosmopolitan outlook.

“We have been trying to raise awareness of people across the country through seminars, talk shows and other activities so that more Indonesians know about ASEAN and its impact on them,” he said.

As far as the government is concerned, Faizasyah said a national secretariat under the command of a director general has been established to coordinate other ministries’ activities within ASEAN.

“Indonesia has also sent its permanent representative to ASEAN to channel diplomatic efforts to lobby for our national interests,” he said.

The Government of Indonesia, Bagas said, has agreed to donate more land to enlarge the current ASEAN Secretariat office to

prepare for more activity within the grouping.

The ASEAN Secretariat, which the ASEAN leaders have entrusted with the task of implementing the ASEAN Charter, has more than 270 employees, of whom only 70 are professionals, serving 10 countries with a combined population of 585 million people, Bagas said.

“By comparison, the EU employs 14,000 people serving 27 members with a smaller combined population,” he said, adding that Brussels, the headquarters of the EU, has evolved from being a sleepy Belgian town into the robust capital of a new Europe.

“It is time for us to think of Jakarta as an international city by defining it as the new ‘Brussels of the East’, and this includes more support to enhance the role of the ASEAN Secretariat. We should take a fresh look at how we can accommodate both ASEAN and non-ASEAN citizens who work to sustain the centrality of ASEAN,” Bagas said. (The Jakarta Post)

Indonesia and South Korea Sign Agreement to Protect Citizens

Indonesia and South Korea signed a memorandum of understanding (MoU) on Monday (1/2/2010) that will allow both Indonesians living in Korea and Koreans living in Indonesia to file complaints regarding local public service to their host country’s Ombudsman office.

The MoU was signed in Jakarta by chairman of Indonesia’s Ombudsman, Antonius Sujata, and his South Korean counterpart, Lee Jae-oh, of the Anti-Corruption and Civil Rights Commission (ACRC).

The agreement will facilitate Seoul’s ACRC ability to receive complaints from Indonesian citizens while South Koreans in Indonesia can directly file complaints to the Ombudsman office.

“Indonesian citizens in Korea can file their complaints in Indonesian. They don’t have to worry about language barriers,” said Lee after signing the MOU.

South Korea hosts around 30,000 Indonesian migrant workers while around 32,000 South Koreans live and work in Indonesia, making it the largest foreign community in Indonesia, according to Korean Embassy data.

Antonius said the Ombudsman office here would yet provide a window for Korean citizens to file complaints using Korean language. They have to file their complaints in either Indonesian or English.

“This MoU would encourage Korean citizens in Indonesia to file complaints about local public service to us. We have received a couple of complaints about public service from the Korean community but the number is small.”

Lee said the MoU aimed at improving the working and investment conditions between both countries that would, at the end, “boost bilateral investment and trade”.

“We protect foreign nationals living in our country.

“If necessary, we will visit local companies and related agencies to address complaints,” said Lee.

South Korean is the sixth largest investor in Indonesia with some 1,300 Korean companies operating their business.

Bilateral trade value stood at US\$20 billion in 2008, which doubled from \$10 billion in 2004 after the signing of a strategic partnership in 2006.

Lee said South Korea also worked on establishing the same MoU with all ASEAN countries. Besides Indonesia, South Korea will sign a similar MoU with

Vietnam and already has a similar agreement with Thailand, Bhutan and Bangladesh.(The Jakarta Post)

Japan Intends to Develop Strategic Partnership with Indonesia

Jakarta - Japan wishes to develop a relationship of strategic significance and equality with Indonesia in the future, Japan’s Vice Ambassador to Indonesia, Takio Yamada, said here on Tuesday (9/2/2010).

"Japan has been assisting Indonesia in its development. However, Indonesia has grown so much during the past years. It is time to apply a new approach toward the bilateral cooperation," Takio said during a press briefing on an All-Japan Meeting held in Jakarta on Feb 8-9.

Indonesia was a country of vital importance to Japan, and its ability to enjoy positive economic growth despite the global financial crisis, its growing democracy were among the reasons Japan wanted to strengthen its cooperation with Indonesia through a strategic partnership, he said.

"Seeing Indonesia’s more stable conditions today makes us believe that more Japanese investors will come and Japan will be one of the major investors in Indonesia," Takio said.

The All-Japan Meeting was a gathering participated in by representatives of Japanese institutions in Indonesia, Japanese consulates in Indonesian cities and the Japanese business community in the country.

The meeting was also attended by representatives of the Association of Indonesian Alumni from Japan (PERSADA). (ANTARA)

Indonesia and Malaysia Close to Deal on Worker Protection

Malaysia and Indonesia are close to signing a comprehensive agreement on migrant workers that will better protect Indonesian migrant workers in Malaysia from abuse by employers.

Both governments have settled all differences except for the issue of minimum salary for the more than 2 million Indonesian migrant workers in Malaysia, Indonesian Ambassador to Malaysia Da'i Bachtiar said.

He said the Malaysian government had agreed to give Indonesian migrant workers one day off in a week, allow them to hold their passports for the duration of their contract and cover the workers' transportation costs as well as periodic salary increases.

"We have reached a deal in all those measures, except for the minimum salary. We expect negotiations will be concluded at the end of February, and that the ban on sending workers will be revoked before March," he said on Saturday (6/2/2010).

Indonesia has imposed a ban on sending migrant workers to Malaysia since last June after a string of abuse cases that sparked public protests. The Indonesian government said it would not lift the ban unless Kuala Lumpur agreed to a number of measures it proposed to protect migrant workers.

Under the current deal, Malaysian employers have the right to hold employees' passports while the workers are given identity cards issued by Malaysian authorities.

A number of Malaysian employers and the police have allegedly abused the system. Many reports have shown that without a passport, migrant workers cannot run away

from employers if they were abused, while police officers forced them to pay bribes if they knew the workers didn't have passports.

The story of Indonesian worker Siti Hajar illustrates the plight of Indonesian migrant workers.

With red blisters and scabs on her face and upper body, Siti Hajar fled her employer's house in June.

Hajar told the media her female employer hit her and poured boiling water over her and repeatedly beat her with a cane over a 34-month period.

Last year, in a high-profile case that began in 2004, a Malaysian court sentenced a housewife to 18 years in prison for three attacks on her Indonesian domestic worker, Nirmala Bonat, using an iron and boiling water.

Most Indonesian migrant workers in Malaysia work as domestic helpers and plantation laborers. They sent home US\$8.2 billion in 2008 according to the government, making remittances one of the country's top foreign-exchange earners.

The Malaysian government said it expected Indonesia to lift the ban because it had a significant impact on labor-intensive industries.

Addressing the minimum salary, Da'i said the average salary of Indonesian migrants in Malaysia was RM 500 (\$130) while Jakarta proposed it be increased by 300 ringgit.

Migrant worker issues continue to strain bilateral relations between Indonesia and Malaysia, in addition to border disputes and heritage claims.

Manpower and Transmigration Minister Muhaimin Iskandar also called on regional

administrations, the police and the immigration office to coordinate to prevent job seekers from going overseas illegally.

Foreign Ministry spokesman Teuku Faizasyah said the ministry would continue to send home illegal migrants, not only from Malaysia but also worldwide. (The Jakarta Post)

Indonesia Pushes for Fair Virus Sharing Scheme Despite Obama Visit

Indonesia will maintain its demand for the fair virus sharing scheme with developed nations ahead of the World Health Assembly meeting, despite its new partnership with the US, officials say.

Tjandra Yoga Aditama, the Health Ministry's director general of disease control and environmental health, said Indonesia would push ahead with demands that developing countries have access to affordable vaccines derived from their samples.

"Our position remains the same," he told The Jakarta Post on Tuesday (9/2/2010).

Jakarta has said that it would not share samples of the bird flu virus, which has killed hundreds across the archipelago, unless richer nations and drug producers guaranteed to sell them the vaccines at reasonable prices.

Indonesia will participate in the World Health Assembly this May in Geneva — a forum that includes developed and developing nations and members of the World Health Organization — to negotiate the virus-sharing scheme.

However, the scheme has been moving slowly since it was launched in 2007 because vaccine producers have failed to guarantee accessibility.

Tjandra said the new comprehensive partnership with the US, which covered health cooperation and would be signed in March during the visit of US President Barack Obama, would not weaken Jakarta's demands.

"Indonesia is leading developing countries in the demand... the current health minister was sitting as deputy chairman during the executive board meeting in Geneva this January and we have garnered full support from developing nations on the demand," he said.

President Susilo Bambang Yudhoyono and Obama will launch a US-Indonesia strategic partnership during the latter's visit in March. Observers have said the virus sharing issue would be one of the topics discussed during their meeting.

Tjandra said the comprehensive partnership would facilitate cooperation on medical and health research with the US, details of which are still under discussion between Jakarta and Washington.

He said cooperation in health research was not a continuation of the Namru joint research — a naval lab project launched to study virus strains between the US and Indonesia that has sparked controversy over the request for diplomatic immunity for US staff.

"The Namru project has been officially terminated... it's [the new deal] not the continuation," he said.

Sidarto Danusubroto, a lawmaker from the Indonesian Democratic Party of Struggle [PDI-P], said the new comprehensive partnership should make cooperation between Jakarta and the US stronger.

"Jakarta should not succumb to pressure from the West. I agree with the position of our former health minister who has been firmly defending our national interest," he said, referring to former health minister Siti Fadilah Supari.

"The new [health] minister should also act the same... Don't let the United States dictate our interests," said the lawmaker and member of Commission I, overseeing defense and foreign affairs.

Fears have arisen the new Health Minister Endang Rahayu Sedyaningsih might yield to pressure from the West over the virus sharing scheme.

Some lawmakers have cried foul over accusations that she had given a sample of a virus to foreign researchers before her appointment as health minister.

Dian Triansyah Djani, Indonesia's permanent representative to the UN in Geneva, said Indonesia was looking for a fair mechanism in the WHO that would allow developing countries to obtain the benefits of virus sharing.

"Lots of developing countries need affordable medicines and at one point we will also look into opportunities of producing various vaccines," he said.

He said that developing nations, led by Indonesia, had one voice when it came to the virus sharing scheme.

"Indonesia is a promoter for developing nations and [the group] has been quite cohesive ... we are working toward a decision that will benefit us," he said. (The Jakarta Post)