

Opportunity Indonesia

2018



KERJA KITA
PRESTASI BANGSA

A Bold Vision: 10 New Balis

**Singapore investor Commits
\$500M for Belitung Development**

Singapore Investment Trends in Indonesia

**Opportune sectors and places
for investment**

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Hot Economic Zones

**East Indonesia Joins the
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PUBLISHER

Sun Media Pte Ltd

EDITOR-IN-CHIEF

Nomita Dhar

EDITORIAL

Ranee Sahaney
Arjun Dhar
Syed Jaafar Alkaff

ADVERTISING & MARKETING

Swati Singh

PHOTO CONTRIBUTIONS

Embassy of the Republic of Indonesia in Singapore, Visit Indonesia Tourism Office, Coordinating Ministry for Economic Affairs, Valerius Reza Boenawan and Michael Ozaki

EMBASSY EDITORIAL BOARD

Dwi K.I. Miftach
Melati Sosrowidjojo

PRINTING

Stamford Press Pte Ltd

EDITORIAL OFFICE

Sun Media Pte Ltd
20 Kramat Lane
#01-02 United House,
Singapore 228773

Contact

Tel: (65) 6735 2972 / 6735 1907
and 6735 2986
Fax: (65) 6735 3114
Email: admin@sunmediaonline.com

Website

www.sunmediaonline.com
www.indoconnectsingapore.com

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For further inquiries, contact: The Embassy of the Republic of Indonesia, 7 Chatsworth Road, Singapore 249761

Website: www.kbrsingapura.sg www.indonesianembassy.sg



INDONESIA: BLAZING NEW TRAILS OF GLORY

The gracious Indonesia Foreign Minister, HE Retno Marsudi, (middle) holding a copy of our sister publication IndoConnect and HE Ngurah Swajaya Indonesia Ambassador in Singapore. They were both supporting Indonesian fashion talents in RISING Fashion event with the Publisher of Opportunity Indonesia, Mrs Nomita Dhar



In the year 2017 Indonesia and Singapore—‘neighbours by geography, but partners by choice’ celebrated half a century of bilateral ties and looked back on these 50 years with firm resolve to continue to cement their business and cultural ties in the years to come, while drawing upon each other’s many strengths for mutual gain.

As the two nations - ‘trusted partners, RISING together’ - gear up to celebrate their respective National Days, this promise is a living reality that touches the lives of their land and their many peoples, with fresh vigour and joyful engagement. The Indonesia-Singapore connect is an imperative to the growing importance of the ASEAN region as a global market. President Widodo on the 50th celebration of these ties last year, set the agenda for the next 50 years very succinctly when he said: “... it is essential to always ensure that our next 50 years of cooperation is one that is based on mutual trust and mutual confidence, and brings equal and mutual benefit to our peoples.”

Capitalizing on its status as “the most promising host country” for foreign direct investment (FDI) in Southeast Asia for the period 2017-2019, in the UNCTAD World Investment Report rankings last year, Indonesia is blazing ahead to capture a sizeable market for itself in FDI realizations. Its strongest partner has been Singapore, which leads in FDI realizations worth USD 2.6 B (or 32.6% of total FDI realization) in the first quarter of 2018. This was followed up by Japan (US\$1.4 B), South Korea (US\$0.9 B), People Republic of China/PRC (US\$0.7 B), and Hong Kong (US\$0.5 B). In fact DDI and FDI investment realizations throughout Q1 of 2018 which reached Rp185.3 trillion, are underpinning Indonesia’s growing muscle in the region as an economic powerhouse.

While growth areas in its flourishing economy continue to be the sectors of power, communication, transport and tourism, President Widodo wants to spread the net even further by tapping the potential of the hitherto virgin areas of the creative arts including cinema, cuisine and fashion. As the RISING Fashion recently showcased at Singapore’s upmarket Paragon shopping mall indicated, the fashion industry is important for relationships between Indonesia and Singapore, as it is proving to be an excellent platform for cultural and Business-to-Business and Business-to-Consumer ties between the two nations.

While gaming is becoming another area for business potential Indonesia is readying to capitalise on hosting the massive sporting extravaganza of Asian Games 2018, set to unfold in various stadiums across capital Jakarta and Palembang the provincial capital of South Sumatra, promising a real treat for sports buffs from around the world.

Nomita Dhar
Publisher & Editor-in-Chief

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Foreign Minister HE Retno Marsudi:

Stresses importance of interaction at all levels



Foreign Minister launches a month-long celebration in Singapore commemorating Independence of Indonesia and Singapore at RISING Fashion and Merdeka

“In 3-and-a-half days I have more than 40 meetings. This is my first meeting, as I mentioned to my Ambassador that is very important for me to be here, for many reasons. Rising Fashion is not only important for Indonesia but also Singapore. Firstly it showcases our friendship, which is very important in our life. Friendship is not only G to G (Government to Government) but through Rising Fashion it showcases friendship from designer to designer, business to business. As the friendship involves talented designers showcasing the rich culture of Indonesia and creativity of our young generation — this kind of activity also generates hope, of having better business between Singapore and Indonesia. In short— from friendship to creativity of young talented designers, to officials to business.”

We thank Paragon for giving us the space and hope other Malls in Singapore will give more space to showcase Indonesian products.

To have good quality design you do not have to go far from Singapore, you just go to Indonesia—we have it all. Everything you need in Singapore, you have a neighbour who can provide anything you need,” said Foreign Minister HE Retno Marsudi.



Launch of RISING Merdeka, that followed RISING Fashion, at the month-long event at Paragon commemorating Independence Day received tremendous response and support

Indonesia & ASEAN

Indonesia registers appreciation for ASEAN Chair



Indonesia extended its appreciation to Singapore as the Chair and Host of the 32nd ASEAN Summit held in Singapore 27 - 28 April 2018. Indonesia welcomed the positive outcomes that would not only solidify ASEAN unity, but also its centrality.

President Joko Widodo and Madame Iriana Joko Widodo were very pleased with the arrangement. Indonesia, in particular, thanked the Leaders for their support to the Indonesia's proposal of the Indo-Pacific concept. President Jokowi elaborated further on the concept of Indo-Pacific at the Leaders' retreat and underlined the need for ASEAN to remain proactive and to engage all partners to maintain regional peace and stability and enhance the prosperity of the people.

Indonesia also welcomed the outcomes of the Inter-Korean Summit and hoped it would pave the foundation for long lasting peace in the Korean Peninsula.

Indonesia also spoke of the need to address the humanitarian issue of refugees from the Rakhine State in Myanmar, expedite their repatriation and finding a long-lasting solution for peace and stability in Myanmar.

In the matter related to the matter of the South China Sea, Indonesia strengthened its commitment to the early completion of the negotiation on the drafting of the Code of Conduct (CoC) in the South China Sea.

Indonesia also supported the completion of Regional Comprehensive Economic Partnership (RCEP) and to make ASEAN an open economy and competitive production base within the ASEAN Economic Community pillar.

ASEAN appreciated Indonesia's role in facilitating the RCEP's negotiation since the beginning of the process and expected the completion of the negotiation by the end of 2018.

Indonesia welcomed the initiatives to develop network of smart cities in ASEAN and promote ASEAN's collaboration to tap the full potential of digital economy.



Singapore Foreign Minister Dr Vivian Balakrishnan on Bilateral Ties

During his official visit to Indonesia in February this year Singapore's Foreign Minister Dr Vivian Balakrishnan said, "I came here primarily to review the state of our bilateral relations and I'm very glad to say that they are in an excellent state,"

In his talks with his Indonesian counterpart HE Retno Marsudi they discussed the status of joint projects that were announced at the last two Leaders' retreats. Among these was discussions for a Singapore polytechnic to train workers in Semarang, Central Java in cooperation with the Kendal Industrial Park (KIP).

At the meeting it was also announced that more tenants have signed up to operate in KIP. The park is jointly developed by Indonesia's PT Jababeka Tbk and Singapore's Sembcorp Ltd.

Indonesia - Singapore Bilateral Ties **RISING** to New Heights

The bilateral relations between Indonesia and Singapore has been rising to new heights and the relationship is thriving in areas from government-to-government down to people-to-people ties. **Opportunity Indonesia** spoke to Ambassador HE Ngurah Swajaya on the eve of Indonesia's 73rd National Day for more insights



YOUR Excellency, **RISING Fashion and RISING Merdeka 2018** is one of the highlights this year in commemoration of 51 years of bilateral ties on the momentous occasion of the National Days of both Indonesia and Singapore. Please brief our readers about it.

This year we have a very unique way of endorsing and showcasing the very special relationship that Indonesia and Singapore enjoy. We celebrate our respective 'National Days' with a very joyful, creative event that can touch the hearts of our people. Through **RISING Fashion** we aim to continue the creative alliances that strengthen bilateral ties between our two countries.

Both Singapore and Indonesia are in step with each other, looking out for each other and sharing many common goals that have been pivotal in cementing our people-to-people ties. All this is being beautifully symbolized by the month-long **RISING Fashion 2018** extravaganza, launched by HE Retno Marsudi our Foreign Minister, in a glittering ceremony at Singapore's iconic Paragon Mall.

RISING Fashion is a collaborative showcase between Indonesia and Singapore, which has brought together the finest talent in the creative arts, in the world of fashion, bringing colour and light, joy and energy with a message that the world is ours to share and make good for all mankind.

At another level **RISING Fashion** is one of the most important events, it was first created last year with the active participation of the fashion companies of both nations and was held in Jakarta. We are renewing this spirit by showcasing the works of 14 young talented Indonesian designers this time in Singapore.

A collaborative effort involving the Embassy of the Republic of Indonesia, Textile and Fashion Federation Singapore (Taff), DFW Creative and Galeries Lafayette, Jakarta "**RISING Fashion 2018**" is rich in symbolism at so many levels. **RISING**, an acronym which combines RI (Republic of Indonesia) and Singapore (SING), is a commitment of our two leaders to keep the collaboration between the two countries strong and resilient.

The month long **RISING Fashion** this year presenting an extravaganza at Paragon Mall, organized by the Embassy of Indonesia, Indonesia's Creative Economy Agency and other stakeholders, including AIMCO and Metro TV as media partners. This month event includes "**RISING Merdeka**" a familiar word for both Indonesia and Singapore presenting various opportunities in Indonesia featuring best beverages, destinations and investment opportunities, to electronics and digital economy potentials. At the end of the month, the events will be culminated with the **RISING Investment Day** on 31st August 2018 at Marina Bay Sands.

These projects are also aimed at creating a bridge for businesses to test the market in both countries to enhance business ties.

Please tell us about the status of the Indonesian economy presently.

We are happy to note the economy is growing 5.27 in the first semester of 2018, an increase if compared to the same period last year and the prediction which was only 5.1 percent. This has been achieved despite the challenges of the slow recovery of the world's economy and the growing uncertainties. This includes the Federal Reserve policy to increase the rates, which has affected the currencies depreciation around the world, including in Indonesia. Yet despite this we have also recorded a good increase of investment, particularly the domestic investment, while the foreign direct investment went down slightly compared to the same period last year.

In addition to continued ease of doing business, and attractive market, infrastructure development has resulted in attracting more investments into Indonesia. The Ease of Doing Business, in terms of all the reform packages, have continuously been issued by the government, has also made a significant impacts. One of the major reform packages, the latest being the Online Single Submission, where documents pertaining to investments can be submitted and electronically integrated business licensing service that is applicable in all ministries / agencies and regional governments throughout Indonesia. On line application for foreign workers are also being prepared to be launched in the near future.

As a diplomat you have observed Indonesia's development over the years. What is your take on the current pace of growth? What kind of impact can be expected from the upcoming elections?

In the past, when we entered into the election period, there was a trend of wait and see attitude in term of investment, particularly the new one. However, confidence seems to be strong enough that despite the process of 171 simultaneous local elections last June and the upcoming general election, investment continues to

grow, for expansion and the new one. The external impacts due to global economic uncertainty is perhaps more worrying rather than the domestic political situation. Nevertheless, through coordinated approach and collaborative efforts at the global level, we hope the trend remains positive toward the end of the year. An orchestrated efforts that involves infrastructure development, human resources capacity development, political stability, security... All these different things - should lead us into the right direction. Challenges remain there to be addressed, likewise, opportunities are still there to be tapped. This, it is not about the election process, that I believe still become the issue the investors are paying attention to, but also the momentum that requires expedited responses.

Thus, political stability is crucial and more importantly, confidence to the election process is also essential.

In the first quarter we saw an increase of about 15 per cent of foreign investment from Singapore alone, compared to the same period last year. In the second quarter, we also noted a good trend that the first semester Singapore remains the largest investors and the realisation amounted to US\$ 5 billion. An economic survey published in Indonesia has surmised that in Asia Indonesia is considered one of the most attractive investment destinations. I think it is important to send out this message that we are ready for business, and when I say ready, I really mean ready. I would also like to send this message to investors that Indonesia is a rewarding and safe investment destination.

People are looking at ASEAN as a very dynamic grouping. Your views on this.

When we look at the ASEAN economic community, of course, we are looking at a large potential market with fast growing middle income population. It also has diverse demographics, and can be a great production base. Investors can leverage on improvements in the grouping's human resource capacity. ASEAN alone, out of all global groupings, has recorded significant growth.

What sectors are Singaporean investors interested in?

The biggest sectors of interest for Singaporeans have been in the areas of housing and property. Construction is no.1, manufacturing no.2 and agriculture no.3.

Regarding Batam, Bintan and Karimun, you have been really pushing to get things in order. What's the state of investments there between Singapore and Indonesia?



The SMART Embassy - Pioneered at the Indonesian Embassy here Ambassador Swajaya shows leading industrialists visiting the Indonesian Products Showcase extensive use of infocomm technology in keeping track of products, logistics and statistics

We have seen an increase in investment in Bintan and the economy growing in Batam. Tourism contributes meaningfully to the growth and we are hoping digital economy could also contribute in addition to manufacturing base for other traditional sectors where BBK have added value. Optimal economic cooperation for our two countries is the way to go as I think it will certainly benefit both sides. Recently a report in *The Straits Times* had highlighted how Kendal Industrial Park (KIP) was progressing. KIP, inaugurated by President Jokowi and PM Lee two years ago is doing very well. Now Central Java is also one of the regions which is receiving foreign investment.

What is happening on the maritime activities front?

Advancing maritime connectivity is one of our important priorities. We want all growth areas to be serviced and connected through maritime connectivity; this will have to be increased further and also supported by allied industries like shipyards, shipping etc in Batam. We have to look at making them more competitive so they can also support the ongoing progress.



Kendal Industrial Park a joint-venture between SembCorp Development Ltd and PT Jababeka Tbk is the first integrated industrial township in Central Java (Photo: www.sembcorp.com)



Indonesian government is strengthening maritime connectivity (above) Tanjung Priok, Indonesia's busiest port in North Jakarta (Photo: Invest Indonesia www.bkpm.go.id / Ari Sanjaya Lim)

“Building A Ship While Sailing” a Must Read for All Investors

The founder of Jababeka shares his story of building up one of the largest and most successful land development companies in Indonesia. In this interview with Nomita Dhar, Editor of Opportunity Indonesia, he hopes the book will also be able to impart some of the values and beliefs that will safely steer Indonesia into the future. The writer provides a businessmen’s perspective that will be of great value to investors seeking to be part of the Indonesian growth story.

HIS journey as one of Indonesia’s leading industrialists has been shaped by the trajectory of his rise from his childhood as a refugee on the cusp of Indonesia’s fight for independence from colonial rule, to the many opportunities he capitalized on under the regime of seven presidents in independent Indonesia.

PT Kawasan Industri Jababeka Tbk’s Founder and President Commissioner, Setyono Djuandi Darmono, launches his new book titled *Building a Ship while Sailing*, in Singapore. This straight-from-the-heart, recounting of his wide experience as a businessman and as a respected business leader in Indonesia, opens up the casements to the realities of this fast developing country for foreign investors and the home crowd.

Running parallel to his personal journey is the intriguing story of Indonesia, the world’s largest archipelago and home to over 260 million people and its rise from the moment it shrugged off the shackles of colonial rule and has charted the course of its own fortunes, growth and development over the past six decades. *Building a Ship while Sailing* is a valuable read for anyone wanting looking to do business in Indonesia. His observations and his suggestions in his book touch on many important aspects of the beloved country of this fiercely nationalistic business leader who even as he talks about its miraculous rise on the world stage as one of the fastest developing economies does not shy away from discussing its inadequacies and failures.

His reflections turn to when Indonesia’s independence fighters had no clear-cut blueprint in the 1940s. It was the setting up



Author Darmono with HE Ngurah Swajaya. The Ambassador will launch the book in Singapore

of its ideology of Unity in Diversity, Pancasila (the nation’s five pillars), and their courage and drive to achieve independence which gave the Founding Fathers the impetus to build a ‘ship’ to set sail for the horizon of a brighter future. The book traces some seven decades of the country’s growth, highlighting along the way the many challenges the country continues to face, especially in the light of the need for forging unbreakable bonds between its multitude of diverse people and cultures to move forward as one people, one culture ever since Indonesia fought for and gained independence from colonial rule, and in 1945 actually became launched the sailing of the Indonesian ship with President Sukarno at the helm.

“This is a book which tries to help people who want to invest in Indonesia, it’s about the landscape of this country in terms of political conditions, the opportunities and how you can invest safely in it because, not many people understand it. Indonesia is a country with the

largest Muslim population in the world, it has just launched democracy as a mode of governance, it’s almost the size of the US and is home to 260 million people, which a lot more than that of the US. This is something people from overseas still don’t understand...and I hope my book can give them some invaluable insights into this land of ours. At the same time the book also aims to try and help us Indonesians as well... On how we need to be more united, to be more patient... it’s a big ship and even as we are sailing we are constantly building it. In this endeavor it is important that we support our own government, the chosen President and the ongoing reformations. My book was aimed at both the overseas investor as well as our own people in understanding this

nation of ours,” shares the businessmen passionately.

He worries about this lack of understanding of the country’s achievements...not just by foreigners, but even the younger generation of Indonesians: “We are impatient and we want to move too fast and faster. They don’t understand that in 72 years we of course have progressed so much so it’s imperative we tell them and make them appreciate what we have achieved and how we can continue to consolidate those achievements. They need to know the history... how we started with practically nothing—and today we are a member of the prestigious G20. This is a remarkable achievement in the light of how we started out on this journey. It’s in fact nothing less than a miracle,” says Darmono.

It’s been a long haul for the business leader who in 1989 became the first publicly listed real estate developer, whose core business was the development industry based real estate.

This emanates from a childhood passion, fired by the poverty and misery of his life as a refugee, to build a secure future for a world gone wrong. "If you grow up under pressure I think you fight to survive, some of course don't. I think my childhood gave me many reasons for what I am today and what I am doing now, because I was born in a country which was facing great difficulties, because my parents had many troubles to face and handle. I understand misery and poverty, and now when I see my country is developing so well I can be so grateful that I can contribute in some small way and pay back to society, so others don't have to go through those difficulties in their childhood. Our country can also contribute to the world because our founding fathers have set this in stone in our constitution. They wanted to lead by contributing to the world and helping to bring peace and harmony. We are against suppression, against colonization, this is why the influence of Sukarno in my childhood was very strong and it became an obsession of how I could influence others, especially the younger generation to love this country and build this country to greatness through education and work to provide peace and harmony in the world."

Belief in Education

Education, he passionately believes is the way to raise one's level of understanding and chart out a course for one's personal growth and development as that of the country. It's also, in his opinion a means to raise the quality of life for the 28-odd million people in Indonesia are still below the poverty line. He cites Singapore as the ideal example of how one can become a first class, world class economy, by its sheer determination of focusing on educating its people...to raise them to a level of employability. "We try to learn from Singapore how in 25 years it has become a leading world class economy. This is something Indonesia must learn from Singapore which can teach us a lot. Singapore is our laboratory and the centre of excellence," he shares. Darmono points out that Indonesia may have over 4000 universities in Indonesia, but it also has massive unemployment, this he says is because the country doesn't have enough places for the graduates to practice what they have learned. "We must provide a lot of places for them to practice to hone their skills. And a similar pattern needs to be followed in industry. So that's why in my business, which is to build and develop industrial real estate, these are the swimming pools for those swimmers/ graduates to practice, as he refers to a favourite analogy, that, when we encourage our children to swim, but don't provide them the pools to practice in, so how can they learn to swim well. It's no good churning out graduates who are only good in theory, but are skilled in application, as he sees it. Education and corruption in his mind are also directly related. "Corruption is something that has a lot to do with education. The more people are educated the more they have an understanding to make a living and earning through proper means and also increase

their sense of shame in themselves for stealing money from the country, from the company and from people," he says with vigour.

Critical to his thing of a clean and contained charting of the future for his nation is the desperate need for a strong society code. He points out that: "It has to come from within, from our own people. We take Singapore as an example where their legal consciousness is very strong. They have very strict rules that govern their daily lives. In contrast Indonesia lacks this legal consciousness. This is because Indonesia is based on 700 ethnicities that could also mean 700 local laws, cultural laws that dictate people. We also have the state law which copies international law, but what has been modified to local conditions. But then we also have the local culture, which has a very strong cultural law behind it. So to uphold the law people need to understand there is a state law which is required to be followed...but a lot of compromises are made when it's got to do with cultural law. So this still needs to be resolved and for that it cannot be done in a short time...this will take time. That's why we need to take a consensus. We have to have good communication and we must have education all over the archipelago and then perhaps the 4th industrial revolution will help us jump start to greater progress."

Religiosity and Business

Religiosity a key challenge of today's multilayered societies and with the demographic diversity of its populace Indonesia has its fair share of issues when it comes to the development of business and a harmonious environment to conduct it. "The basic fundamentals of business are character. If we have to display good character to our people then of course the development of this country will be much faster and religion helps a lot in getting these fundamentals right. But we also have to understand that sometimes religion gets used for political maneuvers, so you need to be very careful where that leads



SD Darmono hopes the book will inspire Indonesians and he believes strongly that Indonesia can still learn much from Singapore and that both can leverage on each other's strengths

you to. The fundamentals of religion are always good... it educates people and it shapes their character," says he.

Apart from his many corporate responsibilities Darmono plays a leading role in tourism and conservation programmes also involving UNESCO world heritage sites, areas which are very compelling ones for generations of Indonesians to enjoy. He points out to the enormous commercial potential of its 17000 islands, the world's longest beach, year round sunshine and the incredibly vibrant heritage and cultural diversity resultant of its many ethnic communities. The country may not be strong in manufacturing, but tourism offers incredible opportunities for business on many fronts, as he sees it.

The digital world too is something that needs to be tapped more fully. With everyone equipped with cell phones and Wi-Fi people can go online and educate themselves if whichever field they please. His advice to young entrepreneurs: "Think big. Start small. Move fast".

Executive Profile

Setyono Djuandi Darmono

Chairman & Founder of Jababeka

Mr. Setyono Djuandi Darmono is the Founder and President Commissioner of PT Jababeka Tbk., The company is Indonesia's

leading township developer and infrastructure powerhouse. He was the 2004 award recipient for Ernst and Young Best Entrepreneur in Manufacturing Industry, 2005 CNBC CEO Choice of the Year in Indonesia and Indonesia's Choice CEO of the Year in 2005 by the Indonesia Business Leader Award. He also currently serves as advisor to the board of the Indonesia Australia Business Council (IABC), Chairman of PATA (Pacific Asia Travel Association) Indonesia Chapter, Chairman and founder of PT Pembangunan Kota Tua Jakarta (Jakarta Old Town Revitalization Corporation/JOTRC).



Hot Economic Zones

Batam as a Digital Bridge

NONGSA Digital Park (NDP) is one of the first of its kind - this new breed of business parks - the Digital Park - has been designated as one of the main "digital bridge" for Indonesia and is supported by Singapore. It has started auspiciously with the official endorsements of the Foreign Ministers of Indonesia and Singapore, HE Retno Marsudi and HE Dr Vivian Balakrishnan (pictured right) respectively who were the guests of honour for the launch of the NDP on 20th March 2018.

In her welcome address, the Indonesian Foreign Minister spoke on the objectives of this pioneering project: "I am very excited as I hope that this Nongsa Digital Park will follow the steps to become the next Silicon Valley in our region." She said, "President Joko Widodo recognizes the importance of digital development for Indonesia's economy. Therefore, President has instructed all government officials to support innovation and technology development."

The Indonesian government has launched a \$20 billion, five-year National Broadband Plan in 2014 and implemented the Palapa Ring Project – a submarine broadband network connecting 540 cities and districts and 5000 BTS (Base Transceiver Station) program with a view to expanding cellular service in rural areas for wider mobile coverage.

She also revealed last year, the Government of Indonesia has nearly doubled its public spending on incubating tech-based businesses from Rp 190 billion (US\$14.1 million) to Rp 370 billion (US\$27.6 million) and the number will continue to increase every year.

The PT Citramas Business Group whose Chairman is Mr Kris Wiluan is the developer of the NDP. According to a media release about US\$700 million is being invested with much of the investment coming from companies based or have branches in Singapore. HE Retno Marsudi also said, "At the moment, we are looking at converting a part of the government's credit facilities for

small and medium enterprises (SMEs), micro credit program (KUR), into venture capital funds to be used in startups. I am pleased to know that Pak Kris Wiluan and his business groups have played a leading role in this regard and wish more Indonesian businesses will follow."

However, she admitted that although the Government of Indonesia has provided more access to capital and that, in fact there are homegrown Indonesian venture capital investors who provided similar funding and support to local startups but Indonesian capital will not be sufficient to meet the growing needs for this vibrant digital sector. For that reason, Indonesia welcomes foreign capital investment in the Indonesian tech sector, as it represents a vote of confidence in Indonesia's digital future, said the Foreign Minister.

As of the opening in March NDP has constructed three IT blocks out of a planned total of 10. Among the companies that have expressed their commitment to invest in NDP include Liquid Pay, and IT HR development company Glints. Others that are in discussions include companies such as Grab, Go Jek, Brenntag and the Coca Cola Corporation.

For its Data Centre (DC) development, Phase 1 will deploy 2 DC units (approx. 1,000 racks each). Phase 2 will have two more. Interest has also been shown by financial companies and institutions to use its DC facilities.



"I am very excited as I hope that this Nongsa Digital Park will follow the steps to become the next Silicon Valley in our region. President Joko Widodo recognizes the importance of digital development for Indonesia's economy. Therefore, President has instructed all government officials to support innovation and technology development."

Hot Economic Zones

Bintan BOMC

New exciting developments abound as the Batam-Bintan-Karimun Triangle beckons. East Indonesia was also in the spotlight earlier this year when Enterprise Singapore organised a seminar for potential investors who might be interested in that region

Many industries here in Singapore see the Batam-Bintan and Karimun free trade zone as a natural industrial hinterland for the island republic. Following are some highlights that have the position of the Indonesian islands.

The new Bintan Offshore Marine Centre (BOMC) being built in Bintan can help Singapore companies remain competitive and relevant in today's challenging business environment. That was the message from Mr Edwin Chow, Executive Director of Enterprise Singapore, at a reception on 9th May 2018 in Singapore organised by BOMC to introduce the development to potential customers and the media here.

The cutting edge, world-class greenfield development is on a 100-hectare site within Bintan Industrial Estate (BIE). BOMC is investing more than S\$18 million (US\$13.4 million) into Phase I which was launched at a ground breaking ceremony earlier this week. The port and facility development will be geared to meet offshore project requirements wherever in the globe those projects may be. It is a joint venture between Australian logistics and infrastructure giant, Qube (70%), who has partnered with Singapore-based marine engineering firm, Singatrac Engineering Pte Ltd (30%).

Mr Chow also highlighted how the Oil & Gas industry is undergoing "seismic changes" and a top priority today is finding ways to increase efficiency and reduce costs. "BOMC will allow Singapore companies the flexibility and access to land and labour resources that are needed to respond to this challenge. In a sense, it is like a home away from home, being just an hour away by ferry, companies can take advantage of the



reception and introduced Qube which is a top 100 Australian public listed company worth A\$3.8 billion with 4,000 employees in Australia and New Zealand. He also shared that, "The BOMC joint venture is our first major investment in this region and we are really excited by the opportunities.



(Top): BOMC - an S\$18 million investment in Bintan; (above): Mr Edwin Chow, Executive Director of Enterprise Singapore

lower costs in Bintan as well as Singapore's global connectivity. I would encourage all companies to take full advantage of this opportunity."

Mr Maurice James, the Managing Director of Qube Holdings Ltd welcomed more than 200 guests from Singapore's marine industry at the

It came about essentially when our Australian customers in the Oil & Gas market suggested that since we have world-class operating, safety and business management systems they would like us to consider opportunities offshore." The search ultimately led to the formation of BOMC. He said, "Our vision is to develop a truly unique, efficient and cost effective hub for marine services in Bintan."

Qube will be the operators of the facility under a management agreement on a long term contract.

Members of the BOMC Management Team also gave presentations about what are in store, the plans and features that will make it a facility this region can be proud of. Mr Michael Sousa, the Chairman of BOMC Pte Ltd, said many studies done in the North Sea oil industry showed some of the biggest challenges faced by operators were the cost of logistics. We found the better we can provide a seamless supply chain through our facilities, the value and savings delivered can be very substantive. Our facility will deliver six berths with a quay line of 700 metres and draft of 10 metres but the really unique feature is that we have access to 100ha of backup land. This means this facility will really able to meet all the logistic requirements of the customer and land is available for multi-uses."

“BOMC will allow Singapore companies the flexibility and access to land and labour resources that are needed to respond to this challenge. In a sense, it is like a home away from home, being just an hour away by ferry, companies can take advantage of the lower costs in Bintan as well as Singapore’s global connectivity. I would encourage all companies to take full advantage of this opportunity.”

Mr Mort Daly, the General Manager of BOMC, said Phase 1 is scheduled to be completed by October 2018. He said that with a draft of 10m LAT, “This is a deep water port and BOMC will also be a licensed international port to cater for vessels’ direct import and export of overseas cargo.” There is currently passenger ferry services that leave directly from BIE to Singapore daily. Current connectivity to Singapore, one of the world’s largest transshipment hub, is enhanced by daily LCT and barge services to Singapore’s Jurong Port. “We will have world-class safety, quality and management systems in place and we will make sure this is a one stop shop,” said the GM. He said land availability and special purpose facilities can be tailor made to suit the customer’s requirements. Construction for Phase 2 for a 480m wharf with 4 berths is targeted to start at the end of this year and be ready by the second quarter of 2020.

Comprehensive business support will also be part of the BOMC ecosystem. The BOMC-BIE Business Centre will be a “critical success factor” said Mr Mort. Guest speaker at the reception, Mr Edmund Lai, the Head of Riau Investment Marketing Gallant Ventures Ltd gave details of how the Business Centre will provide tenants and users help to comply with all local and federal laws covering immigration, labour, customs and port regulations. He also gave a rundown on new developments planned that included housing for management level staff and their families, pioneer food and halal processing zones and a new international airport dedicated to the islands’ resorts.

Going East Beyond Jakarta

There is more to Indonesia as a market than just Jakarta and the Enterprise Singapore (ESG) iAdvisory Seminar held on 19 April 2018 sought to answer that question with a panel of speakers who are more than familiar with the current and future potential of the region

Mr Gareth Tan, the Regional Director of ESG based in Surabaya said that it is a growing resource-based economy that is also a cost-efficient place for production and exports.

A group of speakers, followed him and expounded on the favourable fundamentals that support the potential for economic growth in East Indonesia. They included **Mr Stanley Ang**, the President Director and CEO of Kendal Industrial Park (KIP); **Mr Daeng M. N Riza**, DBS Indonesia’s Snr VP Institutional Banking; **Mr Ricky Baheramsjah**, the Head of Investment & Marketing for Indonesia Tourism Development Corp (ITDC) and **Mr Sarath Menon**, Managing Director of Orissa International.

An economic snapshot was presented that highlighted East Indonesia has much natural resources with large reserves of oil and gas; top exporter of nickel, world’s largest reserve of gold, world’s third largest in terms of wild catch and fourth in aquaculture; world’s largest producer of palm and fourth largest in coal. Other commodities include coffee, rice, corn, rubber, copper, bauxite, tin etc

First Mover Advantage

It is ESG’s position that a growing resource-based economy also presents opportunities to capture consumer markets. This is largely because of rising household incomes arising recovery of commodity prices, and Indonesia’s strong economic growth has resulted in higher employment. Consumer business companies have the opportunity enjoy a first mover advantage in East Indonesian cities and build up their brand name and market share, taking advantage also of Singapore’s strong branding in areas such as F&B outlets, education, healthcare and architecture.

Production Base for Local & Export Markets

Cost of labour in this region can be up to 50% less compared to Jakarta which is a significant factor for labour intensive industries such as food manufacturing, textile, furniture and electronics. Land is also cheaper compared to Greater Jakarta region and manufacturers can be closer to sources of raw materials. Leading MNCs have also moved to East Indonesia to enjoy lower setup and overhead costs.

Utilities, Logistics & Tourism Potential

The central government has focused on infrastructure developments to support economic growth with ambitious programmes such as establishing a 35,000MW grid to provide electricity to all households by 2019; a Sea Toll Road developing ports to boost connectivity the country’s islands and developing the ‘10 New Balis’ priority destination to attract 20 million tourists by 2019. Beyond these long range projects, ESG says there is scope for supporting infrastructure and services in areas such as:

- Distributed water and waste solutions
- Off-grid power, renewable energy
- Cold chain/cold storage logistics
- Digital solutions for the tourism industry





Look East Indonesia panel (from l to r): Mr Stanley Ang, Mr Daeng MN Riza, Mr Ricky Baberamsjah, Mr Sarath Menon and Mr Gareth Tan

Kendal Industrial Park

Mr Stanley Ang in his presentation also highlighted the role of developments such as KIP which is 51 per cent owned by Jababeka and 49 per cent SembCorp and is the first fully integrated industrial township in Central Java that offers high quality services and security. He said industrial parks greatly help in the development of manufacturing industries. The 2,700 ha Park, also known as Park by the Bay, is in Semarang and presents an impressive masterplan of facilities that will aid manufacturers and their workers. Priority has been given to its macro infrastructure including complete access within Indonesia and the world through the container port of Kendal, a new toll road ready this year and a railway to be completed by next year. Another key transportation link the Semarang Ahmad Yani Airport is also expanding and will have a new terminal building that can handle up to seven million passengers that will be completed this year.

The comprehensive masterplan also features industrial zones or sectors for:

- Ready built factories
- Logistics Hub
- Mixed and Gas Industries
- Fashion City
- Food City
- Furniture Hub

Mr Ang also touched on the profile of manufacturing in Central Java where the majority of businesses are low-tech and labour intensive such as textile, garment and furniture production. As someone looking towards setting up a manufacturing facility or business in this region there are definitely opportunities here as wage and land costs are more competitive compared to West Java.

President Joko Widodo and Prime Minister Lee Hsien Loong at the Opening of Kendal Industrial Park in 2016
(Photo Singapore Ministry of Communications & Information)



"Singapore firms are keen to invest in Indonesia and we encourage them to do more. ...Singapore companies are traditionally investing in Jakarta and also in the Batam-Bintan-Karimun areas. Recently, they have gone beyond these areas to look at non-traditional areas like Central Java. Kendal Industrial Park, is a demonstration of Singaporean companies' confidence in Indonesia's all-round growth. It is a joint venture project between two well-known companies in Singapore and Indonesia, Sembcorp and PT Jababeka. It is an excellent example of how Indonesia and Singapore can work together for mutual benefit.

- Singapore Prime Minister
Lee Hsien Loong

Singapore Investment Trends in Indonesia

In 2016, bilateral trade between Singapore and Indonesia reached US\$56.1 billion. Singapore is also Indonesia's top foreign investor with investments amounting to more than US\$13 billion. Singapore remained the largest source of investment into Indonesia in 2017.

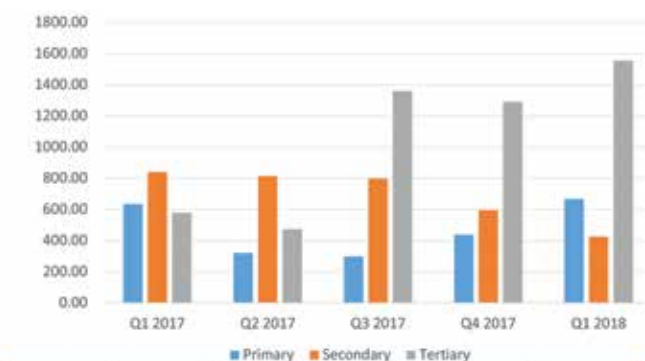
Major sectors in Indonesia include manufacturing (tobacco, food and beverages, transport equipment and machinery), mining, construction, transport and communication, finance and real estate. Government infrastructure spending continues to underpin economic activity.

Following are several investment trends that show where Singapore funds are invested in Indonesia and the sectors that are popular with the island republic's investors.

Singapore continued to lead in Indonesia's FDI realization in Q1 2018 worth US\$2.6 B (or 32.6% of total FDI realization). The other top investors are: Japan (US\$1.4 B), South Korea (US\$0.9 B), People Republic of China/PRC (USD 0.7 B), and Hong Kong (USD 0.5 B).

Singapore FDI Trends Sector* (US\$ Billion) 2017 - March 2018

*Based on Primary, Secondary and Tertiary Sectors



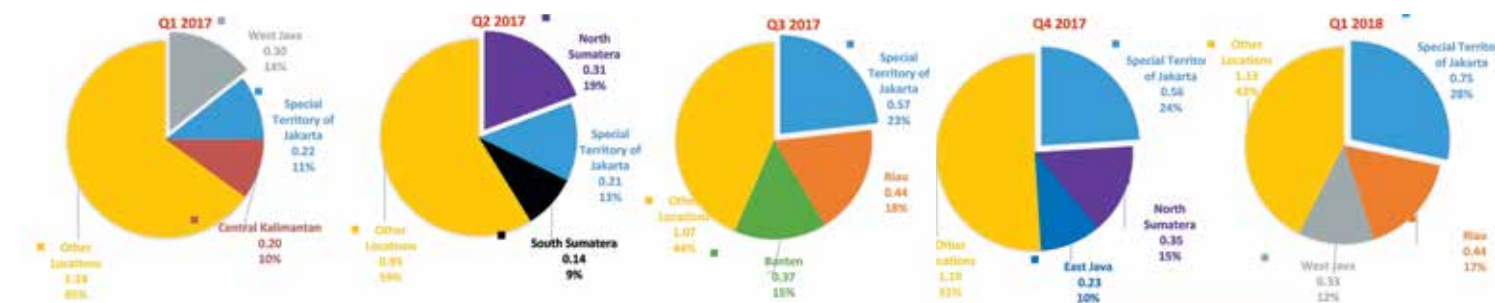
FDI	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Primary	635.03	320.32	297.63	437.60	667.94
Secondary	839.96	813.30	800.01	594.49	426.04
Tertiary	579.37	473.47	1,359.99	1,290.40	1,554.24
Total	2,054.35	1,607.09	2,457.63	2,322.49	2,648.22

PRIMARY SECTOR ■ Mining ■ Food Crops & Plantation ■ Livestock ■ Forestry ■ Fishery **SECONDARY SECTOR** ■ Chemical & Pharmaceutical ■ Rubber, Rubber & Plastic-based Goods ■ Paper, Paper-based Goods & Printing ■ Food ■ Wood ■ Vehicle & Other Transport ■ Other kinds of industries ■ Non-metallic Mineral ■ Textile ■ Metal, Machinery & Electronics **TERTIARY SECTOR** ■ Transportation, Warehouse & Telecommunication ■ Trade & Reparation ■ Other Services ■ Hotel & Restaurant ■ Electricity, Gas & Water Supply ■ Housing Industrial Estate & Office Building ■ Construction

Singapore FDI Trends Sector (US\$ Billion) 2017 - March 2018



Singapore FDI Trends Location (US\$ Billion) 2017 - March 2018



Source for the above table and charts:
The Investment Coordinating Board of the Republic of Indonesia

Tax Holidays

The Indonesian government is regulating the Tax Holiday Facility as an incentive to investors. There are 17 Pioneer Industries that will benefit from this Tax Holiday Facility. Earlier only eight Pioneer Industries were able to take advantage of this tax relief; now the number of industries to avail of this incentive has gone up considerably.

Ease of Doing Business 2018

Indonesia's position improved from 91 to 72. Indonesia also recognised as one of the Top Improvers. Currently Indonesia's position is above India, Brazil and Philippines

GROWTH SECTORS

■ Transport

The first LRT to be operated in Indonesia will be the LRT Sumsel (Light Rail Transit Sumatera Selatan/South Sumatra). Operating out of Palembang City it already services 13 stations along the line— connecting Sultan Mahmud Badaruddin II International Airport and Jakabaring Sport Complex. LRT Sumsel has been an excellent development not only for the Asian Games 2018 to be hosted in Palembang, along with Jakarta, it will also serve as an alternative choice of transportation to the community.

Ease of Doing Business

Online Single Submission (OSS) System is an electronically integrated business licensing service that is applicable in all Ministries/Agencies and Regional Government throughout Indonesia. With this move for transition of national investment licensing people will now be able to access the OSS system anytime, anywhere. OSS system was launched to help simplify business licensing and to create a fast, cheap and reassuring licensing service model. Business licensing will be obtained by the businessmen in less than an hour.

To speed up documentation work the government has launched National Single Window for Investment (NSWi) that allows investors and related institutions gaining easy access for information. Henceforth potential investors will be able to acquire information on investment permit processing, existing services and online application directly. They will also be able to track business progress via the NSWi website <https://nswi.bkpm.go.id>.

■ Power

The Sidenreng Rappang (Sidrap) I Wind Farm was inaugurated by President Widodo on 2 July 2018. This is the first commercial-scale wind farm in Indonesia and the largest of its kind in Southeast Asia. It has been set up with private sector collaboration, in PPP mode. The Sidrap I project is one of the government's concrete commitments to achieve the 23% renewable energy ratio in year 2025. The availability of power in the East Region is expected to raise the level of development and investment equity in Indonesia.

■ Communications

BKPM along with the Ministry of Communication and Informatics, held a PPP Project Market Sounding II of Government's Multifunctional Satellite through BAKTI (Communication and Informatics Accessibility Agency). Held at the BKPM Office in Jakarta, it was attended by 200 investors from various sectors along with VSAT firms, satellite operators, telecommunication operators, financial institutions, and Indonesia's trading partner countries.

■ Tourism

The surge in tourism development has been engineered by a well-heeled middle-class with greater disposable incomes that see vacationing or traveling as part of their lifestyle. As a result FDI realizations in the tourism industry that have climbed to US\$1.3 million in 2017 from the US\$0.6 million in 2013. There was a sizeable spurt in FDI tourism projects from the 1,225 projects in 2013 to 3,786 projects in 2017.

The government has also formulated an agenda to developing and marketing four priority destinations: Labuan Bajo, the gateway

to the Komodo Islands; Borobudur, a UNESCO World Heritage site in Central Java, Mandalika, an enormous resort development currently under construction in Central Lombok and Lake Toba, the world's largest volcanic caldera lake in North Sumatra, in an attempt to broaden the canvas of Indonesia's profile as a marquee tourist destination beyond Bali.

■ Spas and Sport Centres

A considerable rise in the use of spas and sport centres, resulting from greater awareness of a healthier lifestyle in this segment, has been an added bonus for the tourism industry as well. The Mintel Research report in 2017 reveals that three of four local consumers said they are interested in living a healthier lifestyle while 58% of Indonesians living in urban areas admitted they would like to do more exercises in 2017. Thus it's not surprising that could have resulted in FDI realization spiraling from US\$1.6 million in 2013 to US\$25.3 million in 2017 for the spa and sports center business.

■ Gaming Industry

For the first time e-Sport (electronic Sport) competition is to be showcased in a large public forum. In a first it will be held in Asian Games 2018 as an exhibition match. This exercise is a soft launch for introducing e-Sport as an official medal sport in Asian Games 2022 in China. The Gaming Industry, which is at the heart of e-Sport, has witnessed quick growth and an encouraging investment potential in Indonesia. Gameloft Indonesia in 2016 recorded their highest revenue in Indonesia compared to other countries in the SE Asian region.

■ Cinema

There are over 50 filmmaking companies and 30 animation companies in Indonesia. What is driving potential investors partners is the prediction of 135 million film industry consumers worth US\$105 billion by 2030. Indonesia in 2017 rose to 16th in rankings of the world's largest box office market with a revenue of US\$300 million.

■ Culinary Economics

According to The Indonesian Creative Economy Agency or BEKRAF, the contributions of the cuisine business revealed to the creative industry in 2016 was a whopping 41.4 per cent. The fashion industry and crafts ranked second and third respectively. It is estimated that there will be an increased demand for Western, Japanese and Korean restaurants in line with the rise in the middle-class populace which is expected to reach 76.1% by 2020, compared to the 68.4% in 2015.

Global Competitiveness Index 2017-2018

Indonesia position improve from 91 to 36. Getting better scores in 9 of 12 pillars of measurement such as: Institution, Infrastructure, macroeconomic, health and primary education, technological readiness, business sophistication

Investment Grade by Standard and Poor's

Indonesia gains investment grade by all reputable international ratings agency: S&P, Moody's, Fitch, JCRA, & R&I

BBB

#1

Galup World Poll

Indonesia & Switzerland are considered as the countries with highest level of trust in the Government

5 positions

19 positions

CONGRATULATIONS

to the people and The Republic of Indonesia on their

73rd INDEPENDENCE DAY

From SingHealth Group

- Singapore's largest healthcare group
- Over 40 clinical specialties and 1,000 internationally - qualified medical specialists
- Integrated care in a multidisciplinary setting



SINGHEALTH HOSPITALS



Singapore General Hospital



Changi General Hospital



Sengkang General Hospital



KK Women's and Children's Hospital



NATIONAL SPECIALTY CENTRES



National Cancer Centre Singapore



National Dental Centre Singapore



National Heart Centre Singapore



National Neuroscience Institute



Singapore National Eye Centre



Naza Holdings: Partnering with Indonesia Towards Prosperity & Growth



Naza Holding's CEO Mr Nazarisham (5th from left) at RISING Merdeka event launched by Ambassador HE Ngurah Swajaya where the Naza exhibition booth showcased the company's extensive development plans for Belitung

Singapore-registered Naza Holdings in collaboration with Indonesian partners have committed to invest US\$500 million (Rp5 trillion) in tourism and related sectors in collaboration with the local government. First stop was at one of President Joko Widodo's "10 New Bali's" the beautiful Bangka-Belitung Province

INDONESIA and Singapore can make great partners as Singapore has the technical know-how and Indonesia is abundant in natural and human resources. Clubbed with our proximity, for investors, it is certainly a winning formula. Taking a cue from President Joko Widodo's vision to make tourism as a key driver towards economic prosperity, the CEO of Naza Holdings, Mr Nazarisham Mohd Isa, has taken the tourism route to capitalize on Indonesia's high growth potential with its new subsidiary **MTN Getaways Pte Ltd**.

Mr Nazarisham spoke of his plans for Bangka-Belitung. He said that he found the virgin beauty of the island mesmerizing and was keen to do something for it along the lines of developments in the Maldives. Mr Nazarisham and partners have committed to invest US\$500 million (Rp 5 trillion). Besides the resort, on the cards are direct flights from Singapore, a hangar and private jet lounge at Depati Amir Airport in Central Bangka.

Indonesia is one of the fastest growing economies in the region, the unexplored beauty of Bangka-Belitung can be a great draw for international travelers, with improved infrastructure and tourism facilities and connectivity, it certainly has the potential to rival the lure of Bali. He added: "We aim to contribute positively to the growth of the Indonesian economy and through our investments we will generate employment, bringing prosperity and opportunities to the people of Indonesia."

According to Pak Erzaldi Rosman Djohan, the Governor of Indonesia's Bangka-Belitung Province, "As the island has opened up to foreign investors this is a great time for Singapore investors to be part of our growth and we will extend all assistance possible." There is already one popular holiday resort the **Green Tropical Village** at the

Bangka Belitung Island that is close enough for Singaporeans to check out the island's attractions.

For any international venture, the local partner is key to smooth functioning and success, Naza Holdings found their Indonesian partner in Pak Edi Kodri, Chief of Staff, Belitung Investments. "We are very happy to join hands with Pak Kodri, who besides being a shareholder in **PT MTN Bersatu Sukses** and **MTN Getaways Pte Ltd** has knowledge in local business and is facilitating our growth plans", said Mr Nazarisham.

Naza Holdings is looking at investing in other areas such as agriculture as well as plans for developing infrastructure, including a marina bay, a quarantine center, a cattle breeding unit and 10MW solar energy plant. PT MTN Bersatu Sukses of Naza Holdings has also signed an MOU with the Bangka-Belitung Pepper Producers Co-operative, in line with its interests in the import/export business. Its other investment interests include:

- Construction and management of economic zone for Tanjung Kelayang in sub-district Sijuk of Belitung regency
- Development of the pepper and fruits plantation sector through reliable commodity management to fill export quotas abroad including Singapore, Thailand, and Australia
- Construction of the marina port area in Tanjung Pendam, sub-district Tanjungpandan
- Cooperation in management and constructing of international airport H.A.S. Hanandjoeddin Tanjungpandan Belitung
- Construction of a sports racetrack in Buluh Tumbang village, to support tourism sector activities by promoting sports tourism



(Above): Certificate of Appreciation from Regency of Belitung acknowledging the contributions of PT MTN Bersatu Sukses; the Green Tropical Village Hotel & Resort, Bangka Belitung Island

Special Incentives

The Indonesian government's decision to declare Tanjung Kelayang as one of the country's 10 national priority tourism destinations beyond Bali has been a trigger for the provinces to look at the tourism potential that still remains untapped. An added allurements has been the government's decision to declare **the area as a special economic zone**, thus allowing companies investing in tourism-related developments to enjoy tax discounts, more relaxed customs and immigration requirements, and faster processing of permits.

Man Behind Naza Holdings

In just a decade Nazarisham Mohd. Isa, Founder, and CEO of Naza Holdings transformed his life from being an assistant security guard earning a couple of hundred dollars a month, to CEO of a multi-faceted firm which is engaged in a wide spectrum of businesses which range from securities to gold mining, from building management to tourism. Instrumental to this fantastic journey has been his willingness to work hard, his determination and persistence — and belief in himself for bettering his life and those who work for him.

A **BOLD** VISION

10 New Balis

President Joko Widodo is sharply focusing on 10 destinations to be developed that can be as big as Bali in terms tourism draws and facilities. What is the lure of the '10 New Balis'? In an exclusive preview *Opportunity Indonesia* presents the work of several talented photographers who will be featured in a special book project undertaken to highlight the beautiful and natural settings that the New Balis have to offer. The images are more eloquent in giving a glimpse of the potential for tourism investment in Indonesia than any investment prospectus can provide.

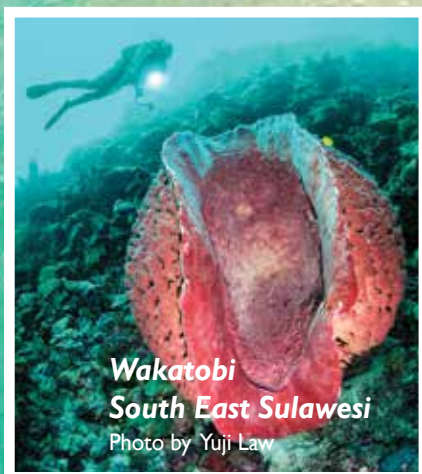


WHAT if Indonesia has more than one Bali? The economic effect on the economy and development of the country would be tremendous and that is the plan President Joko Widodo has in an ambitious growth strategy to boost tourism. A short list of places dubbed the 10 New Balis have been specially earmarked for development to help Indonesia realize its target of 20 million foreign tourists visiting the country by 2019. The Indonesian government's blueprint envisages the development of these places for their enormous tourism potential: ● Borobudur, Prambanan Central Java & Jogjakarta ● Lake Toba, North Sumatra ● Tanjung Kelayang Belitung, Bangka Belitung ● Tanjung Lesung, Ujung Kulon Krakatau Banten & Lampung ● Kepulauan Seribu & Kota Tua Jakarta ● Bromo-Tengger-Semeru, East Java ● Mandalika, Lombok West Nusa Tenggara ● Labuan Bajo, Komodo National Park East Nusa Tenggara ● Wakatobi, South East Sulawesi ● Morotai, North Maluku.

This initiative will also include the development of related industries such as hotels, transportation, recreation et al. The development of these tourism projects is opening up huge business opportunities in tourism and infrastructure for investors from Singapore..It's not that Bali is ever likely to lose its inimitable allure, but 'more' is 'never less' when it comes to new tourist destinations. Ten more Bali-style destinations, for travelers to embark on journeys of endless delights and discoveries unlimited, can only be a win-win situation for all.

Morotai
North Maluku

Photo by Martin Lukas



Wakatobi
South East Sulawesi

Photo by Yuji Law



Labuan Bajo
Komodo National Park
East Nusa Tenggara

Photo by Martin Lukas



Mandalika
Lombok West Nusa Tenggara

Photo by Martin Lukas



Bromo-Tenger-Semeru
East Java

Photo by Suparno

TOURISM

Borobudur, Prambanan Central Java & Jogjakarta

Photo by Stephen Cheong Kah Hoe



Kepulauan Seribu & Kota Tua Jakarta

Photo by Martin Lukas



Tanjung Lesung

Photo by Martin Lukas

Special Thanks

The work of the following members of the Indonesia Photo Gallery Team will also be featured in a photobook on the 10 New Balis to be launched in the third quarter of 2018. For more information and pre-orders please contact martinlukas@indonesiaphotogallery.com



Contributors

- Martin Lukas • Suparno • Sophia Novita • Monique Patricia • Stephen Cheong Kah Hoe • Yuji Law • Janto Tjandra • KY Foong • Iris Seehusen • Chrisanty Carlane • Derek Ng • Meinard Valenzona • JJ Kam • Andrew Hadi • Benny Vincenzo

More About the 10 New Bali Destinations...

Photo: Suparno

The Indonesian archipelago of 17,508 islands, have literally hundreds of unexplored gems. A land like no other, abundant in nature, brimming with cultural diversity, rich in art and culinary delights... the Indonesian Government has taken the first steps to short list 10 destinations that have the potential to match the lure of tourist havens such as Bali. Following are some thumbnail sketches of these destinations and what to expect if you travel there



Photos: Martin Lukas



LABUAN BAJO ▲

On the westernmost tip of the Island of Flores, the town of Labuan Bajo, or also spelled Labuhan Bajo, sits peacefully a small fishing site with surprisingly comprehensive tourist facilities thanks to the extraordinary interest of travelers in the Komodo dragon, (locally called ora) and its superb national park that encompasses some 80 islands.

For more info on **Getting There** visit online: garudaindonesia.com.sg/10newbali/

LAKE TOBA

Lake Toba is one of the awesome natural wonders of the world. This enormous crater lake has an island almost the size of Singapore in its centre. At over 1,145 square km, and a depth of 450 meters, Lake Toba is actually more like an ocean. This is the largest lake in Southeast Asia and one of the deepest lakes in the world. The lake sits 900 meters above sea level where there is a cooler climate here making a refreshing break from the heat, humidity and pollution of the city.



Photo: Martin Lukas

TANJUNG LESUNG ▲

Located on Java's most western coast in the district of Pandeglang in the province of Banten, the Tanjung Lesung resembles the lesung, which in the local Sundanese language means the receptacle for rice pounding. Tanjung Lesung is a developing integrated beach resort for recreation and hotels overlooking Mt Anak Krakatau, all that is left of the once mighty Krakatau volcano. This huge 1,500 hectares area of Tanjung Lesung has been developed by the Banten West Java Tourism Development Corporation (BWJ) since 1996, patterned after the famed Nusa Dua Resort in Bali. The 15 km shoreline is the perfect place for various beach activities. The magnificent scenery of Tanjung Lesung also lies beneath the surface with beautiful coral reefs, decorated with colorful fish and seafloor.



BELITUNG ▲

Belitung is blessed with some of the best beaches with soft sand that is as white as palm sugar. Belitung is surrounded by more than 100 small islands. Almost all are decorated with white sand and granite rocks, and only a few are inhabited. One island in particular, the Lengkuas Island is the site of a 19th century antique light house. It was built during the Dutch colonial times and offers a beautiful overview of the area. Burung (Birds) Island, Babi (Pig) Island, Pengadaran Island, Lutung Island, Kera (Apes) Island and Jenang Island, are among some of the smaller islands that offer great experiences. Singapore investor Naza Holdings (see page 17) is investing in Belitung to release the untapped potential of this beautiful place.



Photo: Martin Lukas

MOUNT BROMO ▲

Located some four hours drive from Surabaya, the capital of East Java, Mount Bromo is a part of the Bromo Tengger Semeru National Park that covers a massive area of 800 square km. While it may be small when measured against other volcanoes in Indonesia, the magnificent Mt Bromo will not disappoint with its spectacular views and dramatic landscapes. At 2,392 meters tall, Mt Bromo is not among the tallest of Indonesia's mountains but its stunning beauty lies in its incredible setting. From a vantage point on Mount Penanjakan (2,770 meters above sea level), 2.5 hours from Malang, visitors from around the world come to see the sunrise there. From this spot the vista is magnificent with Mt Bromo in the foreground with Mt Semeru smoking in the distance. The eerie landscape has spawned countless legends and myths. The people here appease the Gods once a year during the annual Kasada festival where offerings of vegetables, chickens and money are thrown into the crater of the volcano.



Photo: Martin Lukas



Photo: Suparno

BOROBUDUR TEMPLE ▲

Located on the island of Java, the magnificent Borobudur temple is the world's biggest Buddhist monument, an ancient site widely considered to be one of the world's seven wonders. The temple sits majestically on a hilltop overlooking lush green fields and distant hills. Built in the 9th century during the reign of the Syailendra dynasty, the temple's design in Gupta architecture reflects India's influence on the region, yet there are enough indigenous scenes and elements incorporated to make Borobudur uniquely Indonesian. It covers an enormous area, measuring 123 x 123 meters. The monument is a marvel of design, decorated with 2,672 relief panels and 504 Buddha statues. The architecture and stonework of this temple has no equal.



Photo: Martin Lukas

MANDALIKA ▲

Along the south coast of the beautiful Lombok island lies a long and wide stretch of beautiful white sand beach facing the glistening Indian Ocean. On the background are lush green hills and mesmerizing landscapes. This is Mandalika, once a surfers' best kept secret. The special tourism economic zone boasts vibrant bars and nightclubs, thrilling racing circuits, exciting water parks, luxurious hotels and resorts, fascinating golf courses, rejuvenating spas, and plenty more; there's everything for everyone at this 1,250 hectare paradise. Mandalika is also a melting pot of tourists from all parts of the globe. Mandalika is also conveniently located near some of Lombok's most outstanding beaches.

▲ SERIBU ARCHIPELAGO

Great for a short escape from busy Jakarta, Kepulauan Seribu or the Thousand Islands is a group of 108 islands located in the northern coast of Jakarta. Eleven are inhabited and 36 may be used for recreation. You can go island hopping and visit some of the most famous spots in Kepulauan Seribu, or go swimming, snorkeling, diving, or just laying around all day long in these laid back islands. Kepulauan Seribu's Marine National Park is the heart of this archipelago. There are around 19 diving spots with amazing underwater life in this area!



Photo: Yoji Law

WAKATOBİ ▲

Now a National Marine Park covering the entire Wakatobi District, it comprises a total of 1.4 million hectares, of which 900,000 hectares are decorated with different, colourful species of tropical coral reefs. For Wakatobi is widely recognized as having the highest number of reef and fish species in the world. The islands are also famous as the largest barrier reef in Indonesia, second only to the Great Barrier Reef. Here can be found fringing, atolls and barrier reefs and offer more than 50 spectacular dive sites easily accessible from the major islands. This is the habitat of large and small fish species, the playground of dolphins, turtles and even whales. Wakatobi alone is said to have 942 fish species and 750 coral reef species from a total of 850 of world's collection,



Photo: Martin Lukas

MOROTAI ISLAND ▲

A former staging point for military aircraft and strategic base of the Allied Forces during WWII, now the government plans to make Morotai into an economic hub and gateway into Indonesia from the Pacific Ocean. Morotai will be developed as a fishery, tourist, trade and services center. Located north of the larger island of Halmahera in the province of North Maluku, the island of Morotai has a number of great beaches and interesting diving spots. The largest town here is Daruba in the south. To Morotai's north are the Philippines, to its east the Pacific Ocean. Not much remains to be seen from those hectic World War II days, except for a number of interesting wrecks to be explored underwater.



Asian Games 2018: A Sporting Chance For All

Indonesia is in the thick of getting things readied for the much awaited sporting extravaganza —the 18th Asian Games 2018, to be kicked off on August 18. Sports buffs across the nation are gearing up to charge up the home team as events are set to unfold in various stadiums across capital Jakarta and Palembang the provincial capital of South Sumatra.

WITH Hanoi, Vietnam bowing out of hosting the popular sports feat Indonesia stepped in and decided to take charge of making the 18th Asian Games 2018 an event to remember. It's the second time Indonesia will host the games. They did it back in 1962 under President Soekarno. It's also the first time that the sporting events will be shared by two cities —Jakarta and Palembang, which have complied with all OCA's venue requirements as host. The event is expected to draw around 15,000 athletes and distinguished delegations from 45 OCA member nations. The government requested the Olympic Council of Asia (OCA) that the date for the games be pushed forward to 2018 as they would have clashed with the Indonesia's General Elections also slated for 2019. The events are scheduled to run between August 18 and September 02, 2018 between Jakarta and Palembang including several venues in Bandung and West Java. Both opening and closing ceremonies will be hosted by the Gelora Bung Karno Main Stadium in Jakarta.

Upping the Ante

Taking the challenge of such a feisty sporting and entertaining event head-on the government commissioned the building of three key facilities. This included the LRT, the Velodrome and a certified Equestrian Centre. In Palembang too the seating capacity and overall infrastructure of the Jakabaring Sriwijaya stadium has also received a spanking new



18th Asian Games Torch Relay Event (Photos: Shutterstock)

makeover. A total of 76 venues will be pressed into service for both the competitions and training, along with 14 non-venues. The Indonesia Asian Games 2018 Organizing Committee (INASGOC), who reports directly to the Indonesian President has been tasked as an organizing committee to plan, prepare and organize the Asian Games 2018.

Of Mascots and a designer Logo

Visitors will become familiar soon with the three new mascots for the 18th Asian games. They will represent—Strategy, Speed and Strength, the intrinsic characteristic of these competitive games. Bhin Bhin comes in the image of the Cendrawasih or Bird of Paradise (mainly found in Papua), Atung is a Bawean Deer, symbol of speed, and Kaka is a Rhino representing strength. The mascots will be dressed in attire inspired by the traditional textiles from Papua, Jakarta and Palembang, and in a manner also symbolize the Eastern, Central, and Western regions of Indonesia.

Unveiled on 28 July 2016 the official logo of the 18th Asian games, titled Energy of Asia and modelled upon the Gelora Bung Karno Stadium is symbolic of the unity among Asian nations.

Getting into stride

The ceremonials for the run-up to the games was initiated by the torch relay, which was kicked off on July 15, 2018 in New Delhi's Major Dhyan Chand National Stadium (which in 1951 played host to the 1st Asian Games). Three days later the torch, handed over to legendary Indonesian athlete Susi Susanti was brought to Yogyakarta where, in a sacred ceremony held in Brahma field near the 9th century Hindu temple of Prambana, its flame was merged with an eternal flame taken from Mrapen, Central Java. The Mrapen eternal flame was brought by Coordinating Human Development and Culture Minister, Puan Maharani. Presiding

over the ceremonials were Vice President Jusuf Kalla, 45 representatives of countries participating in the Games and many well-known Indonesian athletes and artists.

The Torch Relay Concert marked the beginning of the journey of the torch relay across Indonesia. The 18,000-kilometer journey will take the sacred flame through 18 provinces, 54 towns and 64 points in 35 days. Its journey will terminate on 17th August at the National Monument, Jakarta. The date marks the 73rd anniversary of the Proclamation of Indonesian Independence.

The sacred flame will be carried into the Gelora Bung Karno Stadium on the 18th August, marking the opening ceremony of the 18th Asian Games. The opening ceremony itself is being envisaged as a colorful extravaganza with the participation of thousands of Indonesians from the performing arts community and more. "This is our moment to shine. From the appointment of Wishnutama as the Ceremony Creative Director to Eko Supriyanto, who was once a choreographer for Madonna, in the team," said Herty Purba, Director of Opening and Closing Ceremonies of Asian Games 2018. Erick Thohir, Head of Asian Games 2018 Organizing Committee, commenting on the proceedings in hand said: "This event will be watched by four billion people. Thus, we are committed to have Indonesian artists as the main attraction of the opening ceremony." He anticipates that the opening ceremony of the Asian Games 2018 will be the biggest and the best of any multi-sport event in the world. It will also be an excellent platform for promoting the rich and varied multi-cultural world of the Indonesian people.

The tourism department is chalking out various tour packages for visitors to explore the other attractions of Indonesia as well.

RISING Fashion in Orchard Rd

High profile mall opening gives young Indonesian designers visibility and sales in the heart of Singapore's shopping belt



HE Retno Marsudi and HE Nugurah Swajaya (4th & 2nd from r) take time out to see the creations of the young RISING Fashion designers

Indonesian Foreign Minister, HE Retno Marsudi took time off from a very busy schedule in Singapore for the ASEAN Foreign Ministers Summit to officially open RISING Fashion - a 'pop-up' store at Singapore's upmarket The Paragon shopping mall. During August it will feature the fashion creations of 14 young Indonesian designers.

It will be on for a month and has the support of the Indonesian Creative Economy Agency or BEKRAF who brought the designers into the heart of Singapore's main fashion shopping belt. The Foreign Minister said she had explained to HE Ambassador Nugurah Swajaya that even with a packed schedule of about 40 meetings spread over three and a half days, she felt, "It is very important for me to be here for many reasons. RISING Fashion is not only important for Indonesia but also for Singapore. Firstly it showcases our friendship. Friendship is not only G-to-G (government-to-government) but through RISING Fashion it showcases friendships from designer-to-designer, business-to-business. As the friendship involves talented designers showcasing the rich culture of Indonesia and creativity of our young

generation, this kind of activity generates greater hope of having better business relations between Singapore and Indonesia." She thanked the management of The Paragon shopping centre and expressed the hope that other malls here will consider providing such spaces to showcase Indonesian creativity. She also quipped, "To buy good quality design you do not have to go far from Singapore, you just go to Indonesia. We have it all. Everything you need in Singapore, you have a neighbour who can provide."

RISING Fashion follows an initiative launched last year by the Indonesian Embassy in Singapore when it organised a RISING Fashion showcase in Jakarta of both Indonesian and Singaporean designers together with the Textile and Fashion Federation Singapore (Taff), DFW Creative and Galleries Lafayette, Jakarta.

Ambassador Swajaya in his opening address said, "I am sure you will feel just as awed as I was looking at the beautiful creations of these talented Indonesian designers. RISING, an acronym which combines RI (Republic of Indonesia) and Singapore (SING), is a commitment of our two leaders to keep the

collaboration between the two countries rising." The Ambassador also announced that following this showcase, there will be "RISING Merdeka" that will feature various aspects and potentials of Indonesia and finally conclude with RISING Investment Day on 31 August 2018.

Co-organiser, DFW Creative's Managing Director Charina Widjaja (pictured below) shared how her company had also helped put together the RISING 50 show at Galleries Lafayette store in Jakarta last year. This year DFW helped to create opportunities for the young Indonesian designers to penetrate the Singaporean market through this "pop up" store concept in the up market Paragon mall which is in the heart of Orchard Road. She said, "In





***Congratulations and Best Wishes to
the People and Republic of Indonesia
on their 73rd Independence Day***



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HE Retno Marsudi and HE Nugurah Swajaya (5th & 6th from r), Mrs Mahaswi Swajaya (far left), Boni Pudjianto of BEKRAF Director of International Marketing Development (far right) with several of the young RISING Fashion Indonesian designers

Singapore where our fashion pop-up will feature two waves of designers and their labels each time." (See box).

DESIGNER LABELS

First Wave (1 to 15 August)

- PURANA ○ NataOka
- Hunting Fields ○ Oaksva Jewellery
- Maison Met ○ Pattent Goods.
- SAUL

Second Wave (16 to 31 August)

- Danjyo Hiyoji ○ Alex[a]lexa
- D.Tale ○ Jeffry Tan
- Bermock ○ Diniira

Diversity in Design

The designers cover a large range of fashion clothes and accessories and diverse personalities, images and approaches to the art and business of fashion. For example, Diandra of Oaksva Jewellery thinks of herself more as a fashion entrepreneur. Her jewellery uses real spices and sand taken from all over Indonesia as she wanted, "People to be able to know and understand Indonesia's beauty more through my product. I feel from knowing comes caring, so that people would help preserve it together." She has participated only once overseas in the International Jewellery Fair in Kobe, Japan and said she is honoured to be selected for Singapore representing Indonesia in this specially curated event.

Liza Masitha and Dana Maulana make up the Danjyo Hiyoji fashion label. They started designing for fun when they were in college in 2001 before going into business when they won a prize as an innovative local brand from an Indonesian fashion magazine in 2009. "We seek inspiration from youth spirit, Danjyo Hiyoji explore individuality and modernity, creating chic and flattering collections season after season which booze confidence. Our defined style and unique aesthetic transcends trends," said Liza. She said they were thrilled to be part of RISING Fashion and be able to showcase what Modern Indonesian Fashion is all about."



■ (Column, top): Diandra and (above) an Oaksva ear ring design



■ (Column, top): Liza Masitha and Dana Maulana and (above) a Danjyo Hiyoji creation



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NAZA HOLDINGS PTE LTD

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Singapore 408868**

Tel: +65 6570 9914

Email: naza@nazaholdings.com

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