

# Opportunity Indonesia 2019



Also inside:

## **President Joko Widodo**

**Celebrates Singapore's  
54th National Day  
and  
Second Term Targets on  
Track for Growth**

## **Economic Diplomacy Initiatives in Singapore**

**Full Year Programme  
Promoting Indonesia**



Special Report

## **2nd Indonesian Investment Day**

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Singapore Investors**

## **Indonesia Still Investor-Friendly**

**Doing Business Easier Thanks  
to Continuing Reforms**

**Plus** Tourism Focus Labuan Bajo

**4<sup>TH</sup>**  
MENUJU  
INDONESIA  
UNGGUL



SPECIAL PUBLICATION BY THE  
EMBASSY OF INDONESIA, SINGAPORE





# Synergy for Greater Indonesia

*Bank Indonesia Representative Office at Singapore is continuously strengthening synergies with the Embassy of Republic Indonesia at Singapore and Indonesia Incorporated to contribute to Indonesia's economic development, specifically in promoting trade, tourism and investment in Indonesia*

Along with the spirit of the 74th Independence Day of the Republic of Indonesia, Bank Indonesia is committed to continue developing the country. This effort is in line with Bank Indonesia's vision to become a central bank that creates tangible contribution to the Indonesian national economy. Translated into the mission level, Bank Indonesia supports macroeconomic stability and sustainable economic growth through achieving synergy among Bank Indonesia's policy mix, Government's fiscal policies and structural reforms as well as other strategic partners policies.

Over the years Singapore and Indonesia's bilateral trade and investment has built a strong foundation in establishing a good business relationship. Opportunities to further support economic cooperation are supported by a dynamic business climate and the advantage of geographical proximity. Bank Indonesia Representative Office at Singapore is continuously strengthening synergies with the Embassy of Republic Indonesia at Singapore and Indonesia Incorporated

to contribute to Indonesia's economic development, specifically in promoting trade, tourism and investment in Indonesia. Various events have been held in collaboration between two institutions, namely The Indonesia Investment Day, Indonesian Business Missions, and some event bazaar promoting Indonesian product at Singapore. Likewise, the Bank Indonesia Singapore Representative Office always maintains good cooperation and relations with various institutions between the two countries and also countries in the region, bridging economic, business and networking interests, which is not limited to government relations but also business people, investors, and also the other parties.

Going forward, the potential for strengthening and future development is still widely open. Hence, amid heightened uncertainties become current global challenges, solid regional partnership is believed to be essential. In line with Indonesia's focused programs for the next five years, expansion of trade, tourism, and investment are areas that we'd like to accelerate through the active collaboration.

*This message is brought to you by*



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# Opportunity Indonesia

2019

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## Fresh Beginnings



**A**s the newly elected government takes charge under the second term of President Joko Widodo, Indonesia readies itself to reach the heights of excellence in all fields as it journeys towards a landmark goal - 'Golden Indonesia', slated for the year 2045 - which marks 100 years of the country's declaration of Independence. The glue that binds together all the hopes of the Indonesian people, in this new era of growth and prosperity, is their faith in the power of collaboration, cooperation and regional partnerships.

This is the time for Indonesians to remember the high hopes created by the projections of the world's leading international rating agencies and financial institutions which predicted that by 2025 or 2030 Indonesia will be the world's fourth largest economy, after China, India and the US.

Under President Widodo's steerage the government is sharpening its tools to continue the massive development of infrastructure he set in place in his first term and for which he gained huge accolades for his great foresight. Even greater emphasis is now planned on human resources and strengthening of ties on the international platform, so that the country can capitalize on the opportunities that come its way, not just in terms of investment alone but for employment generation as well.

As one of the Big 10 - the 10th largest economy in terms of the PPP (Purchasing Power Parity) Indonesia is well positioned to attract the interest of potential investors in satisfying numbers. This is underpinned by the encouraging response to the second Indonesia Investment Day, an annual event organized by the Indonesian Embassy in Singapore, which provides a platform for government and business to meet with representatives of the central and regional governments, investors, etc. The importance of a burgeoning market, of which Indonesia is an integral part, can never be emphasized enough and there are investors out there who are already working out strategies to capitalize on its great potential in the years to come.

This path of growth will be characterized by a slew of exciting strategies for Industry 4.0 which will enrich the development of Indonesia's industrial and tourism sectors, while factoring in future-ready components such as Artificial Intelligence, automation and disruptive technology, which will continue to change business models in every sector of the economy.

Of course, there will be challenges along the way, and change, but this country has always shown its great ability to beat the odds and come back fighting fit for those winds of change also bring opportunities in their wake and this is what Indonesia has always been quick to capitalize on and will continue to do so in the years to come.

**Nomita Dhar**  
Publisher & Editor-in-Chief



# President **Jokowi** Attends Singapore's **Bicentennial** National Day



(From left): Malaysian Prime Minister Mahathir Mohamad, Sultan of Brunei His Majesty Sultan Haji Hassanal Bolkiah, PM Lee Hsien Loong and Indonesian President Joko Widodo together with their spouses



**P**rime Minister Lee Hsien Loong and Mrs Lee met President Joko Widodo, the Sultan of Brunei His Majesty Sultan Haji Hassanal Bolkiah, and Malaysian Prime Minister Mahathir Mohamad, together with their spouses, at the National Gallery Singapore on 9th August 2019 to attend the Bicentennial edition of the National Day Parade. During the meeting, Prime Minister Lee expressed appreciation for the attendance by the visiting leaders to Singapore's National Day celebrations, and reaffirmed the deep historical ties and friendship that Singapore has with Indonesia, Brunei and Malaysia.



(Photo right): President Joko Widodo and First Lady Iriana with (from r to l) Ambassador Ngurah Swajaya and Mrs Mahaswi Swajaya, Singapore Minister of Foreign Affairs, Dr Vivian Balakrishnan, and Director General for Protocol and Consular Affairs / Chief of State Protocol of the Republic of Indonesia, Andri Hadi

Photos courtesy of HE Ambassador Ngurah Swajaya, Singapore's Ministry of Communications & Information and [www.PresidenRI.go.id](http://www.PresidenRI.go.id)





# Indonesian Embassy Promotional

*Photos by The Republic of Indonesia Embassy in Singapore / Michael Nio*

## **BELITUNG BUSINESS MISSION**

19 JANUARY 2019



Swiss-Belresort Tanjung Binga Belitung  
Belitung Island, Indonesia



## **MOU SIGNING WITH GLEXINDO**

21 JANUARY 2019



Indonesian  
Embassy,  
Singapore

## **NATAS TRAVEL FAIR**

22 FEBRAURY 2019



Singapore  
Expo



# & Investment Events 2019

## CAFE ASIA 2019

22 MARCH 2019



Marina Bay Sands  
Convention &  
Exhibition Centre  
Singapore

## BUKAGLOBAL APPS LAUNCH

20 MAY 2019



Singapore  
Management  
University

Indonesian  
Embassy,  
Singapore

## SPOTLIGHT INDONESIA

24 MAY 2019



Singapore  
Management  
University

## INDONESIA MINISTRY OF TOURISM SALES MISSION TO SINGAPORE

07 JULY 2019

York Hotel  
Singapore



# Better Relations & More Investments Will **Unlock** **Full Potential** **of Ties** Between Indonesia and Singapore

In a conversation with Editor-in-Chief Ms Nomita Dhar, *Opportunity Indonesia* HE Ngurah Swajaya, Indonesian Ambassador to the Republic of Singapore, shares his thoughts on economic challenges and investment opportunities, as he sends out a message to Indonesians and Singaporeans on the eve of their respective National Days

**Good morning Excellency. We meet in the July of 2019, on the eve of the National Days of both Indonesia and Singapore. What would be your message to the peoples of both these nations on these most auspicious days? This is indeed a momentous time as Indonesia has also very successfully conducted its elections for both its Parliament and President this year.**

I would firstly like to talk a bit about the current global situation; we were overshadowed by terms such as 'trade wars', 'geo-political rivalries' and so on and so forth. Economic uncertainty is still lingering and many countries around the world, including Indonesia and Singapore, are under its sway. We have to strategise on how to overcome these challenges before us and see how we can tap the opportunities which have also been emerging in the course of these challenging situations.

Given this background, both Indonesia and Singapore are preparing for their National Days. For Indonesia it's the 74th Anniversary of its Independence. The big thematic issue that is the talking point of this year's celebration is 'Golden Indonesia', which is how we envision Indonesia in the year 2045 — 100 years after the country's declaration of Independence; and moving towards that end, in this context, there are going to be a host of optimistic interactions aimed at bringing Indonesia's growth curve closer to our 2045 goal. These indicators have emerged out of the projections made by many international rating agencies and financial institutions whose findings reveal that by 2025 or 2030 we will be the world's fourth largest economy, after China, India and the US. Many of these indicators have proven that this is the direction we are taking, provided, of course, we are able to take control of some of the challenges that will appear as we move forward on our journey to 2025-2030.

Of course, we have just completed the biggest and most complicated single-day general elections in the world and they were conducted very peacefully, bar a few stray incidents after the announcement of the results — thankfully this dissension did not continue to spread.

That said, this is also something we need to think about, to assess, reflect upon and address — then only will we be able to grow as a mature democracy down the road forward to 'Golden Indonesia 2045'

**Please share some more insights on the recently held elections.**

As I said earlier, it was the biggest one to be held on a single day. You know this combined election which we recently conducted for the Parliament and the President was massive. We have a population of 195 million registered voters and we have 830,000 polling stations all over the world; we also had millions of people working as volunteers as well as officers in the election process. The turnout in the elections was the biggest ever — and here we are talking about 82-83% of registered voters. That said, the organizing undertaken for something like this was not perfect — there have been some challenges, there were some constraints here and there. I think there were some lessons that we learned and certain lessons which would help us improve the next elections. In fact in 2020 we will have another local election, which again will be very big, as some of the regional governors and mayors will be in the election process, because we have in mind that 2027 will simultaneously have elections conducted all over Indonesia.

**Tell us something about the divisive voices when the election results were announced.**

Regarding the minor disturbances at the time — everything is back to normal now; the tensions are only alive in the media, especially in the social media. If you went to all the provinces during the last elections you could see people were going about their daily life as normal as can be. If you go to social media you will see the debate and all that. Sometimes it was very harsh and you saw that people were divided, but in their daily life it was not like that. Hopefully, the momentum towards National Day will bring back people together to become one; the inauguration of the Parliament and President will take place in October and things are going as scheduled.

**Please shed some light on Indonesia's current economic situation.**

As I mentioned earlier, Indonesia was projected to become the world's fourth largest economy from its current 14 or 15th position. But even now, in terms of the PPP (Purchasing Power Parity) — a World Bank



thing, we are already one of the big 10 — the 10th largest economy in terms of the PPP; our infrastructure has already undergone massive development over the past five years and this will also continue, under the second term of the President; in addition to infrastructure we are putting emphasis on human resources development, so that we can better the quality of our human resources. These are the priorities for the government.

Of course in the middle of all this and against the background I spoke of, Indonesia has still been able to grow over 5%. Indonesia is going to be an attractive destination for FDI, given how big the market is — and by market I mean the combined market of Indonesia and the ASEAN region. We are also looking to conclude the RCEP — which means there's going to be a gigantic market, taking into account, the productive age of the Indonesian populace, the increase of the middle income population and our huge natural resources.

And so along with good infrastructure, good human resources, a huge market and huge natural resources we also have many good international companies who are expressing ways to invest here.

Along with this we are also planning (with the Indonesian embassy in Singapore) to hold our flagship event — Indonesian Investment Day (this is the second time we are doing it), taking place on July 26, 2019 here in Singapore. We are expecting about 500 people to attend the event. The focus of this investment day will be on: all the opportunities related to Industry 4.0, tourism, which is basically emphasis on tourism infrastructure and lastly, infrastructure development, for which we have invited the participation of the private sector. My meeting with the Indonesian minister, who deals with infrastructure, has underpinned the importance of infrastructure development in roads, housing (I think the target is 1,000,000 houses per year) and the third is water, which Indonesia needs to urgently prioritise.

In addition to this we are very glad to have the commitment of the Jakarta MRT at the event, as it will also be pitching the economic potential surrounding the development of the MRT. These are all the potentials that we have. On the MRT the President is going to announce that the target for the next 10 years will be another 240km of MRT network in Jakarta. We had anticipated that for the MRT Jakarta's current status of 16km the average daily passenger intake would be about 60,000 people, but it turned out to be 100,000 people! So you can see how huge the demand has been.

So as you see we have a very stable political situation and an elected President, so now is the time for investors to strategise in Indonesia and anticipate things for the benefit of the ASEAN economic community as a single market; ASEAN as production base, as well as the conclusion of the RCEP — and of the Indo-Pacific, which has already been adopted by ASEAN, as an ASEAN outlook on the Indo-Pacific — a region that is bigger than only Asia-Pacific. For Indonesia, it's about the implementation of ASEAN centrality — in which the Indian Ocean and Pacific Ocean are two domains which are interconnected and we happen to be in the centre; so whatever



*“Last year the FDI investments from Singapore to Indonesia increased by almost 10%, so it was almost \$9.2 billion, which is still small compared to the huge potential that can be developed further. Investment is increasing, people-to-people interaction through tourism and other collaborations are on the rise.”*

other potential cooperation is in the digital economy. The establishing of Nongsa Digital Park as a digital bridge will serve as a catalyst to bring more companies and start-ups to utilize the potential of Indonesia's tech hubs, be it in West Java, Bantam, Jakarta, Surabaya, Yogyakarta etc. The government is also in the process of the completion of the communication network, dubbed Sky Toll with High Throughput Satellite Technology or HST, for which they will launch another satellite next year, which will help cover all of Indonesia right down to the villages. Right now only Central and Western Indonesia are covered. So there will be no black spot of digital connectivity and this will certainly help in promoting the potential that we have.

When looking at the sectors of development, food security is becoming increasingly important; for example our fishing sector, where issues related to regular/irregular, legal/illegal practices etc are under debate. The thing is we must not allow people to disturb our resources just for the needs of this year or the next year. This can also be a sustainable consumption cycle for the fish to breed, grow etc. Indonesia is yet to develop a big fit to catch its fish, even though we are the biggest producers and exporters of seafood in the world

**For the first time, President Joko Widodo will be visiting Singapore for the National Day celebrations. What would be your message for Singaporeans and Indonesians on their respective national days?**

Yes! The President was invited by the Government of Singapore, along with other leaders from ASEAN to celebrate Singapore's National Independence Day. With all of those geopolitical situations and global economic strains as a background we need to put our faith in the power of collaboration, the power of cooperation, the power of regional partnerships, of mutually beneficial cooperation. But this can only be developed if we have a better understanding of each other. So for Singaporeans to get to know Indonesians better and vice versa it's going to be very good for our relations. Knowing each other, having better perceptions about each other, will only unlock the potential.

happens, we should know about it and we should play a part in the context of the centrality - as to how to really anticipate potential problems, and also to tap the opportunities that arise from this outlook of Indo-Pacific.

So given this background we need to be optimistic. We know that the predictions are not healthy when it comes to trends. Some of the big economies are having difficulties and they could also worsen, because of the rhetoric about trade wars, but still, I feel, we need to continue to cooperate ... we have to continue forging partnerships, also on the bilateral level.

**Please elaborate on what's happening in terms of business bilateral cooperation in recent months.**

Last year the FDI investments from Singapore to Indonesia increased by almost 10%, so it was almost \$9.2 billion, which is still small compared to the huge potential that can be developed further. Investment is increasing, people-to-people interaction through tourism and other collaborations are on the rise. Trade is of course going down, because of the obvious reasons of the global economic situation, but we are still optimistic. We have our second central industrial park, and we are hoping that there will be a third one in which Singapore is going to invest. The



# CONGRATULATIONS

to the people and The Republic of Indonesia on their

## 74<sup>th</sup> INDEPENDENCE DAY

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### 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







President  
Jokowi  
2.0

President Joko Widodo outlined his vision for a second term, pledging faster infrastructure development and more investment opportunities. Following are some of the results seen so far in his second term in office

*In the era of global competition, President Jokowi's administration has made significant progress in improving the country's competitiveness. Indonesia climbed up 11 places from 43rd to 32nd in the 2019 IMD World Competitiveness ranking. This was attributed to the government's performance, efficient and productive fiscal management, easy licensing and macroeconomic stability*

**P**resident Widodo said infrastructure development would be accelerated to connect ports and airports across the archipelago to agricultural and tourism centers. He also emphasized plans to improve human resources in a country that is lagging behind some of its neighbours in developing a skilled workforce. Despite improvements in Indonesia's ranking on the World Bank's Ease of Doing Business Index, Widodo has conceded there remain too many obstacles to starting a business. Government had cut to 58 from 259 the number of permits required for power plant investment, but President wants the figure cut to five. To that end, the President has promised to bring in more reforms to the country's unwieldy bureaucracy.

In the era of global competition, President Jokowi administration has made significant progress in improving the country's competitiveness. In the IMD World Competitiveness 2019 rankings, Indonesia climbed up 11 notches from 43rd to 32nd. Special staff to President Jokowi highlight four reasons attributed to this success; they are: the government's performance, efficient and productive fiscal management, easy licensing, and macroeconomic stability.

### Sound Fundamentals & Reform Prospects

Indonesia's sound fundamentals and reform prospects lifted up the country's credit rating from BBB- to BBB. This S&P-awarded rating reflected Indonesia's strong economic growth prospects and supportive policy dynamics. Investment grade credit ratings given to Indonesia indicated confidence in the country's efforts to maintain stability against external risks while trying to boost the economic growth momentum. A further upgrade next year by Moody's and Fitch is quite likely with the improvement of current account balance and inflation remains below 3.5%.

Indonesia is offering four blocks for the second year oil and gas licensing round. The blocks that they offered are Kutai and West Ganal off East Kalimantan, Bone off South Sulawesi and West Kampar on the border of Riau and North Sumatra provinces.

The government has estimated a signature bonus upto US\$ 39 million from these four blocks. Based on the Special Oil and Gas Work Unit data, oil and gas industry investment during Q1 2019 has reached US\$ 2.22 billion, up 10 percent year-on-year.

Petroleum Economics and Policy Solution (PEPS) revealed that Indonesia ranks 25th position out of 131 countries globally in oil and gas investment competitiveness. The ranking also puts Indonesia in the top list among ASEAN countries.

According to IHS Markit, Indonesia is capable of boosting oil and gas exploration, as well as exploitation activities amid the sluggishness in oil and gas investment due to fluctuations in the global economy. Currently Indonesia is able to surpass oil exporting countries such as Algeria, Russia, Egypt.



*The Indonesian government would like to provide every convenience to investors with an aim to boost growth in human resources capacity. Under the new regulations to encourage this, Indonesia has gone beyond Thailand, Malaysia and Singapore in delivering tax deductions for companies providing skills training*

### Tax Breaks & Deductions

Indonesia rolled out corporate tax breaks up to the tune of 200-300% for industries that invested in vocational education, research and development.

Tax deductions of up to 200% are given to companies that conduct certain skills training such as on-the-job training, apprenticeships, or learning activities. Meanwhile, the tax deduction up to 300% is applied to research and development company to encourage innovation and the use of new technology.

The Indonesian government would like to provide every convenience to investors with an aim to boost growth in human resources capacity. Under the new regulations to encourage this, Indonesia has gone beyond Thailand, Malaysia and Singapore in delivering tax deductions.

Indonesia is one step ahead due to ‘super deductible tax’; it also provides import duty exemption and value added tax (VAT) for the equipment and machinery that used for training purposes.

### Indonesia and China Economic Corridor

Investment Coordinating Board (BKPM) Chairman Thomas Lembong served as speaker in the thematic forum dubbed as ‘Economic and Trade Cooperation Zone Promotion’ that was also part of agenda in the 2nd Belt & Road Forum for International Cooperation (BRFIC) in Beijing, on April 25th-27th 2019.

Thomas Lembong revealed facets of the development and contribution of ASEAN for the global economy, as well as the partnership between Indonesia and China which focuses on three main regions: North Sumatra, North Kalimantan and North Sulawesi, which is also known as the ‘Economy Corridor’. Along the way, ‘Economy Corridor’ became 3+1 and included Bali.

G20 world leaders wrapped up their meeting two days ago. President @jokowi gathered with his G20 fellow leaders in Osaka, Japan, who jointly reaffirmed their support for the necessary economic reforms.

### Pertamina and Aramco US\$2 Billion JV

During the 2-day event, President Jokowi had a meeting with the Crown Prince of Saudi Arabia, Mohammad bin Salman (MBS). In the course of the meeting, the two leaders talked about the ongoing economic partnership between Indonesia’s Pertamina and Saudi’s Aramco. Pertamina and Aramco have been working on a joint venture contract to develop the upgrade on Cilacap Refinery worth over \$2 billion.

In the past five years, Saudi Arabia has recorded an impressive \$43 million investment in Indonesia. Indonesia and Saudi Arabia have a great long-standing economic relations. In the meeting, President Jokowi stated that Indonesia will strongly support Saudi’s economic revolution towards achieving Saudi’s Vision 2030.

### Elections Finally Behind the President

Recently, the Constitutional Court made a ruling over a challenge on the presidential election result filed by losing pair Prabowo Subianto-Sandiaga Uno. The Constitutional Court has decided that it stood with the General Elections Commission (KPU) result. This means another term for the incumbent President Jokowi. This also means lifting up political uncertainty that has weighed on the economy. In his first term, Jokowi focused on improving infrastructure and cutting red tape to ease doing business. Infrastructure is still in his main agenda for the second term, particularly on urban and digital projects to boost economic growth. Furthermore, President Jokowi is paying intensive attention to education and training to

ready Indonesia for **Industry 4.0**. Focus will also be placed on productivity improvements to increase Indonesia’s competitiveness among other emerging markets.

### Food Industry

Rendang, ‘kampung’ fried rice, steamed fish cake with peanut sauce or ‘siomay’, these are just a few of many Indonesian signature dishes that have been widely known all over the world. With 260 million mouths to feed, Indonesia’s food industry has grown by leaps and bounds. It contributed over 40% to the national GDP in the creative economy sector. Last year, food industries recorded an impressive investment of US\$3.5 billion. With the exponential growth in the country’s middle-class populace and a growing number of food startups, investments in food industries are most likely to double going forward.

### ‘Steel City’ Open for Investments

Last March, BKPM held a Cilegon Business Council in Tangerang with BKPM Chairman and Indonesian Minister of Industry as the key panelists. Cilegon, known as the ‘steel city’ as it is the home of Indonesia’s largest steel company, PT Krakatau Steel, used the event to invite even more investors to establish factories in the city. In this event, Minister of Industry stated that his ministry has signed a corporation agreement with 14 associations in petrochemical industries with aims to establish a vocational school to train workers as well as an R&D in petrochemical industries in Cilegon. Cilegon received a huge FDI last year totaling at 760 M USD. The largest contribution in the investment came from chemical and pharmaceutical industries. Last year, Lotte Chemical kicked off the construction of its new ethylene project in Cilegon with 52.5 T IDR investment and was expected to add 1,500 jobs in the city.



*The President has the country’s media industry backing him up in developing a digital economy. He was awarded the Press Freedom Medal by Indonesia’s Press Council on National Press Day in Feb 2019. (Photo: Antara Foto / Zabur Kariri/bp)*

### Young Talents of Yogyakarta

President Jokowi spent Eid holidays with his family in the Special Region of Yogyakarta. He visited Beringharjo market in the city, famous for selling Yogyakarta’s signature merchandises such as batik, Javanese herbs, etc. Yogyakarta is known for its craft-based industries with a pool of investment potentials in tourism, vocational education, and creative industries particularly in apps and game development. France’s game developer, Gameloft, chose Yogyakarta as one of its bases in Asia as they saw great opportunities in the region with its many young talents and conducive investment climate. Yogyakarta is projected to be the ‘Silicon Valley’ of Indonesia with 17 animation studios, tens of game development studios and over 25 vocational schools. Its rapid growth in creative industries contributed 7.6% to the national GDP.



*The World Bank estimates that 0.27 businesses are registered in Indonesia per year per 1,000 people, ranking Indonesia as the 134th highest in the world in terms of New Business Density. A total number of 43,775 businesses are registered in Indonesia per year, placing Indonesia as the 25th highest in the world in terms of the number of New Businesses registered*

## The New Dream Merchants

*With the Asia-Pacific region's start-up scenario hotting up and reaching new highs in entrepreneurship, its very timely that Indonesia Start-up Insight 2018 has been set up to capitalize on the success of its earlier editions and raise the bar for networking amongst the burgeoning numbers of funders, founders and potential customers*

**T**he dream merchants straddling the start-up eco-system of the Asia-Pacific region are gung-ho about the huge potential just waiting to be tapped in this incredibly potent market that's growing by leaps and bounds, each year.

Both Singapore and Indonesia have forged an invincible bond in promoting the dreams of huge numbers of enterprising young men and women on various platforms where they get to meet like-minded people to share their hopes, their best practices and long-term strategies to capture a slice of the action, not only on the home front but in the region as well. But events such as the Indonesia Start-up Insight 2018, held on 10th November 2018 in Singapore at the PSB Academy City Campus, Marina Square, are excellent for young entrepreneurs who may be just getting a feel of their market where they can bolster their fragile dreams of making it big, with a strong dose of encouragement in an environment that is perfectly conducive for their needs.

Stephanus Titus Widjaja, CEO, KinerjaBisa opened the session of talks, discussions and interviews with a welcome speech and an overview of the industry. KinerjaBisa Holding Pte Ltd is a B2B platform for business owners especially from Indonesia who aspire to expand their business overseas through Singapore by using reliable technology and ecommerce market place solution.

Indonesia Startup Insight is an annual event held from 2015, is the biggest Indonesia Startup Event in Singapore. In a teaser film released showcasing the event and its relevance to a growing market HE Ngurah Swajaya, Ambassador of the Republic of Indonesia in Singapore, shared his belief that the event organized for 2018 is a really good initiative, for not only does it allow the sellers of the two countries, in terms of the digital economy, to share their knowledge and could develop a high level of networking, but at the end of the day also promote greater co-operation between the two countries on this front.

Dr Hari Sungkari, Deputy Chairman Infrastructure, Indonesian Agency for Creative Economy points out that: "You can mix with all kinds of stakeholders or potential founders or potential customers. This is not limited to one country; it could also be connected to neighbouring countries. This is a good way to connect with the network that already has a network in Singapore, whether they are funders, founders or customers. So the aim is to get the connections to the funders and also new entrepreneurial skills and learn new things in Singapore that they cannot get in Indonesia."





① Guest of Honour HE Ngurah Swajaya (left) with Stephanus Titus Widjaja, CEO of KinerjaBisa ② & ③ Two of the hopeful start-ups making their 'pitch' ④ First panel of Making Indonesia 4.0, The Digital (Hub) of Asia (from l to r): Moderator - Adhyanta Rahma (Brain Juice Collective), Hiroyuki Kiga (Wallex), Rica Handayani (Google), Marco Bardelli (Nongsa Digital Park & Infinite Studio) and Rayvan Ho (ACKTEC) ⑤ Second panel of Making Indonesia 4.0, The Digital (Hub) of Asia (from l to r): Moderator - Adhyanta Rahma (Brain Juice Collective), Rika Purnamasari (Fairmarch), Melissa Safar (Koku), Tatiana Gromenko (Singapore Guidebook), Dicky Sukmana (Panenmaya Digital) and Victor Osman (Dreamaxton & MOIR Jewellery) ⑥ A cross-section of the participants at the event - the new generation of 'digital dream merchants' - youthful entrepreneurs who are hopeful of capturing a slice of the regional and home markets

## More Entrepreneurs Wanted

Guest of Honour at the event Prof Dr Ismunandar-Education and Culture Attache at the Indonesian Embassy in Singapore said: "We want more entrepreneurship in Indonesia and tonight is a platform where all the entrepreneurs that have a start-up and also offices in Indonesia can come and share their best practices here." Uray Tiar Falrozy, CEO of MyAgro shared that he was happy to be here because "I can meet people from other start-ups." Rica from Google felt that it was a good way to gain insights into how the start-up ecosystem of Indonesia works.

Indonesia Start-up Insight 2018, which creates great opportunities for investors and venture capital firms in Indonesia, provided an excellent line-up of talks, discussions and interviews to enrich the experience for the assemblage of participants. This is incredibly relevant as the event will help them achieve all the requirements for a start-up—exposure to mentors, funders and the right target group where they can have a healthy exchange of ideas and even create the base of future business ties

The World Bank estimates that 0.27 businesses are registered in Indonesia per year per 1,000 people, ranking Indonesia as the 134th highest in the world in terms of New Business density (new registrations per 1,000 people ages 15 to 64). A total number of 43,775 businesses are registered in Indonesia per year, placing Indonesia as the 25th highest in the world in terms of the number of New Businesses registered.



About Photos Source: [www.startup-nomad.com](http://www.startup-nomad.com)

The Startup Nomad blog is by Kathleen Stanković who is well-known as one of the most active startup founders, angel investors and investment advisors in Singapore





# The 2<sup>nd</sup> Indonesia Investment Day

## Towards Industry 4.0 - An Era of Rapid Change

*The second edition packed in a half-day period all that is necessary for an investor to know about the latest developments, focus industries and regions, as well listen to a seminar of three speaker panels while running in parallel are direct one-on-one business meetings and clinics and an exhibition that focused on selected regional investment opportunities*

**T**he Second Indonesia Investment Day was designed as a platform for government and business to meet and was the biggest event to date of its kind in Singapore, linking up business investors and regional governments with about 500 attendees. The 'signature' event of the Republic of Indonesia Embassy here was held on 27th July 2019 and was jointly organised with the backing of the country's central bank - Bank Indonesia (see below for more about this investment showcase event).



In his Opening Remarks Ambassador Ngurah Swajaya (pictured above) said the objective of the event was to highlight the potential investment opportunities in one of the world's most attractive investment destination – Indonesia. Last year Indonesia received altogether US\$29.3 billion worth of Foreign Direct Investment (FDI) spread across more than 21,000 projects. In the first quarter period of this year alone, the pace is just as impressive with more than US\$7.1 billion in more than 10,000 projects. There remain, said the Ambassador, many potential projects to tackle till the end of the year. In 2018 from Singapore alone there was US\$9.2 billion invested in almost 5,000 projects. This made the island republic the largest source of FDI funds for Indonesia in the past five years and the Ambassador thanked Singapore for its continued commitment and confidence in Indonesia.

### About Indonesia Investment Day

Indonesia Investment Day is an annual event jointly organized by the Indonesian Embassy in Singapore, Indonesia Investment Coordinating Board (BKPM), Bank Indonesia, KADIN Singapore Committee, and Singapore Business Federation (SBF) which provides a platform for government and business to meet with representatives of the central and regional governments, investors, etc.

The 2nd Indonesia Investment Day will highlight Indonesia's strategies for Industry 4.0 in developing Indonesia's industrial and tourism sectors, where new factors like Artificial Intelligence, automation and disruptive technology are changing business models in every sector of the economy.





## SPECIAL REPORT

He noted that in the IQ of 2019, Singapore after investing US\$1.7 billion (2,500 projects) is still the leading source of FDI for that period. The Ambassador also pointed out last year, after Singapore, Japan was the second largest source of FDI, followed by China and Hongkong. This was all the more remarkable as five years ago China was not even in the list of top 10 nations as a source of FDI!

### Potential in a Decade

Global management consultancy, McKinsey, in its now famous assessment of the potential of Indonesia stated that in the coming decade it expects Indonesia to become the seventh largest economy in the world with a home market of 175 million consumers. Eighty-six percent of its GDP will be produced by Indonesians living in its cities where 71 percent of the total population in the archipelago will be living. The ambassador said these are some of the factors decision makers will have to take into account when considering investing in the country. He stressed, however, they should act now to take advantage of the momentum created by various factors.

President Joko Widodo has made it very clear the government will continue to develop a safe environment for investments and accelerate infrastructure programmes as well as actively support the development of human resources. The 'wait-and-see' posture taken by investors previously because of the election should be abandoned. The third largest democratic country in the world has put its election behind it and showed it has taken great strides to improve as shown in the World Bank's Ease of Doing Business rankings. It has jumped 43 places over the past three years to rank 72 now but "President Widodo is even more ambitious and we have to work harder as he wants Indonesia to be ranked at least 40th!" Another achievement - in the World Global Competitiveness Index 4.0 compiled by the World Economic Forum - Indonesia has climbed to the 45th position in 2018 - one of the best economic performances among its peers.

### Priority Investment Sectors

Finally, Indonesia has undertaken a national development privatisation programme has been outlined to boost investments in Indonesia and the country's competitiveness. He said, the government will first tackle human and societal development, encompassing education and housing. He said, "We will need a great level of investment in this area".

Secondly, greater attention will be paid to the development of competitive and lucrative sectors in industries and economic zones, food and energy sovereignty. And also development on tourism and maritime sectors that Indonesia is giving priority to in introducing to potential Singapore investors.

Thirdly, expansion of archipelago connectivity, along with rural and agricultural reforms to bring prosperity to far flung areas to fairly distribute income throughout the country.

Fourth, increase our global oil and gas exports and fifth, scientific reforms and streamlining of regulations.

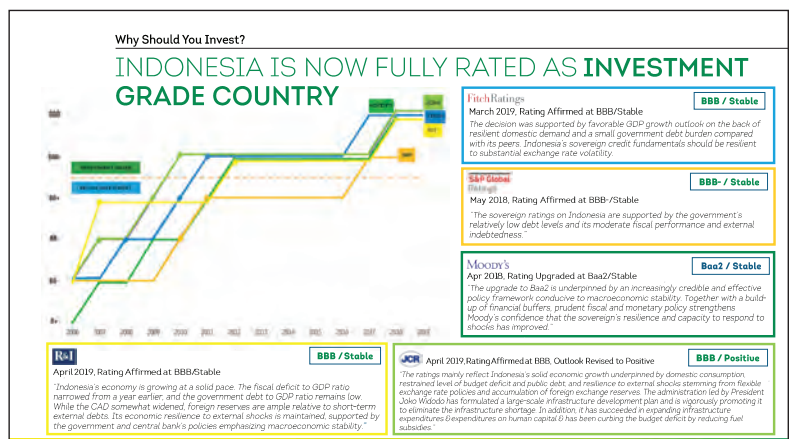
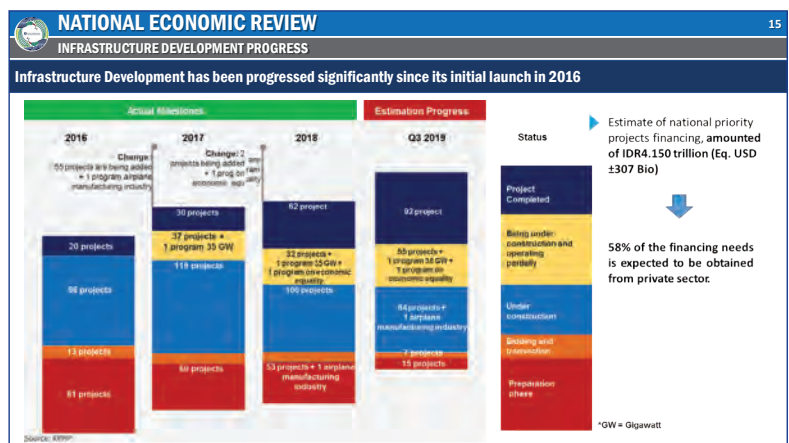
### Optimistic Outlook

"We have taken into account all geo-political and geo-economic factors in the implementation of the (above) priorities and remain optimistic and see the economic signals in Indonesia as well as this region. ASEAN as a whole is registering growth of above 5 percent. Last year, Indonesia recorded an economic growth of about 5.1 percent. This year the government is targeting 5.4 percent, making it the highest since 2013. The feeling of confidence is also shared by all major international rating agencies who agreed that Indonesia is now an investment grade country. Thus, the investor can see how Indonesia has earned its mark to be such an attractive destination for investment," said Ambassador Swajaya.



(from left): Indonesia Ambassador to Singapore, HE Ngurah Swajaya, Indonesia Vice Minister of Foreign Affairs, HE Abdurrahman Mohammad Fachir and SBF Chairman Mr Teo Siong Seng

*...the government will first tackle human and societal development, encompassing education and housing. He said, "We will need a great level of investment in this area".*



## Vice Minister Fachir: Commitment to Investor-Friendly Environment



In a brief keynote address, Special Guest H E Abdurrahman Mohammad Fachir, Vice Minister of Foreign Affairs of the Republic of Indonesia, highlighted how President Jokowi is taking steps to make Indonesia more open to foreign investments by reducing burdensome bureaucracy and streamlining licensing procedures. Indonesian government agencies are taking steps to increase the ease of doing business in Indonesia including improvements in land procurement, basic infrastructure, availability of skilled labour as well as investment incentives.

Clearly our President is doubling on his commitment to enhance Indonesia's competitiveness as an attractive foreign direct investment. In the next five years the nation's resources will focus on development of infrastructure, human resources including vocational education to support the country's goals of economic growth of between 5.6 to 6.5 percent annually. The Vice Minister said, "As you can see, all the focus of President Jokowi's second term in office is contributing to the objective of creating a more investor-friendly environment."

He extended an invitation to all potential investors "Now is the best time to invest in Indonesia and this Second Indonesia Investment Day serves as a good avenue to not only explore investment opportunities but also examine in detail the investment projects; it also provides a great opportunity for us to talk, to really talk. Give us your feedback of your expectations even your complaints about investing in Indonesia. Let us together find ways to solve the challenges we face and realise these opportunities."

He rounded off his speech by saying that the event also provided two important insights; "First, despite the global economic uncertainties, geo-political rivalries and trade war, we are seeing broadly stable growth in our countries. Growth that will not only benefit our two countries but at the same time give an added economic boost to the region."

"Second, Indonesia is a stable democracy with an effective and clean government that can effectively brainstorm economic growth, stability and an investor-friendly environment."

## SBF Chairman: Interest in Infrastructure Development High Among Singapore Companies

Singapore Business Federation Chairman Teo Siong Seng in his Welcome Remarks noted that President Joko Widodo in his second term as leader of Southeast Asia's largest economy has just unveiled his vision for Indonesia in the next five years (2019 to 2024). Among the government's main areas of focus in the next five years will be infrastructure development which he said is of keen interest to Singapore investors. Mr Teo said, "Under the infrastructure development plans the Indonesian government is calling for proposals to spend up to S\$564 billion to build massive projects. They range from constructing 25 airports, transport infrastructure to a new powerplant. These projects represent immense opportunities for Singapore infrastructure companies."

In August last year, he said that SBF had already formed a private sector land infrastructure committee comprising key stake holders from infrastructure related sectors to boost Singapore's participation mainly in ASEAN, South Asia and Indonesia infrastructure projects. Mr Teo said, "We aim to build a well-functioning infrastructure ecosystem that will help Singapore companies seize opportunities. We look forward to actively participate in Indonesia and to share our experience, expertise and investment." According to Mr Tan, in SBF's recent National Business Survey 2018/19, Indonesia continues to be among the top three country of interest for overseas expansion for Singapore companies.

## National Priorities

- **Human and Societal Development**
- **Strong Sectors: Energy, Tourism & Marine**
- **Connectivity for Equitable Prosperity**
- **Sustainable Development**
- **Strategic Institutional Reforms**



(Top photo): President Joko Widodo and Vice-President Ma'ruf Amin

## Spotlight on Infrastructure in December 2019

**Indonesia Infrastructure Week 2019 (IIW)** brings exhibitions, conferences and seminars together from the 6th to 8th December 2019 at the Jakarta International Expo. It is expected to be the biggest and only multi-sector infrastructure technology showcase that is co-located with Konstruksi Indonesia and Intertraffic Indonesia with a Singapore Pavilion organised by the Singapore Business Federation representing the island republic. This is the seventh edition that aims to help the country's US\$460 billion 2015 - 2019 infrastructure development programme. For more information visit [www.indonesiainfrastructureweek.com](http://www.indonesiainfrastructureweek.com)



## INDONESIA INFRASTRUCTURE WEEK

**Airport Solutions Indonesia (ASI) 2019** will be held from 4th to 5th December 2019 at the Jakarta Convention Centre. The country has almost 300 airports (237 existing and 67 new) and according to the organisers of the ASI exhibition cum conference there are currently several major Indonesian airport projects underway that offers opportunities, they include five "giant" ones at West Java International Airport, Kediri Airport, New Yogyakarta International Airport, new airport in North Bali and development of Soekarno-Hatta Airport. For more information: [www.airportsolutions.com/indonesia](http://www.airportsolutions.com/indonesia)

*In the Singapore Business Federation's (SBF) National Business Survey 2018/19, Indonesia continues to be among the top three country of interest for overseas expansion for Singapore companies*





## BKPM Chairman: Fundamental Shifts in Attitudes

In a 'live' video feed from Jakarta, the Chairman of Indonesia's Investment Coordinating Board or BKPM (Badan Koordinasi Penanaman Modal), Mr Thomas Trikasih Lembong took stock of President's Jokowi achievements to date and what potential investors can look forward to in his second term. He said the President who doubled his margin of victory over the last election in 2014 has received a strong mandate to continue implementing his policies in his new term.

The BKPM Chairman highlighted that apart from all the infrastructure projects, reforms and FTAs signed, probably the most significant thing President Jokowi will be remembered in history is the paradigm shift, a mind-set revolution that has taken place since he took office six years ago. "Indonesia used to be a hierarchical and aristocratic culture. Many of us would remember how senior ministers and senior government officials were high and mighty, difficult to access *et al.* Today we are the bottom caste, public servants who regularly get bullied on social media if we are not working for investors and the public. Singaporeans might be used to this but this is a radical change for us – this level of public expectation and accountability that we perform and deliver is a fundamental shift that is not reversible."

He said Indonesia will continue with its structural reforms and infrastructure build up and the second term will also see a focus on "software" or human capital particularly vocational and practical skills as well as digital and financial literacy that "will enable us to provide skilled workers with modern, forward thinking attitudes that our businesses and investors need."

## Top 10 Safest Countries

Indonesia is considered a 'Secure, Stable and Reformist' ranked in the top 10 list of safest countries in the world by international rating agencies.

Rank (Index Score)	Country
1 (97)	Singapore
2 (93)	Norway
3 (93)	Iceland
4 (95)	Finland
5 (91)	Uzbekistan
6 (91)	Hong Kong
7 (90)	Switzerland
8 (90)	Canada
9 (89)	Indonesia
10 (88)	Denmark

## SMF President: Importance of Collaboration and Cooperation



Mr Douglas Foo, the President of the Singapore Manufacturing Federation presented the Closing Remarks for the 2nd Indonesia Investment exhibition by noting how the business communities in Singapore and Indonesia were happy to hear President Jokowi's vision to set the following priority areas in his new term:

- Digitalisation and the strengthening of digital services delivery in Indonesia. The President's push to promote such an eco-system and implement common platforms that can be used such in e-government and e-payments will bring growth to Indonesia as well as bring opportunities for partnership with Singapore and foreign companies to help Indonesia growth its digital economy.
- Increased spending on infrastructure and improvements in its competitiveness will lead to more seamless connectivity across the whole archipelago and provide opportunities with foreign investors.
- Emphasis on human capital development will result in increased education, skills training and upgrading to improve the prosperity of Indonesians and prepare them to meet the global challenges sweeping the world today.

He concluded by saying the SMF is a great proponent for cooperation and collaboration working together with partners globally, "We believe that with collaboration the chances of achieving success will be increased mutually."



## Start-Up Pitching

Indonesia has a massive online audience with 143 million internet and 106 million social media users, making it having the largest in ASEAN. Indonesia has also the most number of unicorns (a privately held startup company valued at over US\$1 billion) within ASEAN, four out of seven in the regional grouping – Go-Jek, Tokopedia, Traveloka and Bukalapak.

It also makes the country an attractive place to start an online business. Many Indonesian startups have managed to secure investors and a 'StartUp Pitching' session was held to preview some potential unicorns of tomorrow that have secured or expected to secure funding: Frogs Indonesia, Pro Sehat, ATM Sehat, Widya Indonesia and Selen Go. The session was moderated by Dr Michael Goutama, Chairman of KADIN Singapore. (above picture, seated)



## Panel Session 1 The Fourth Industrial Revolution



From left: ■ Moderator: Mr Paul Ng, Partner at Rajah & Tann LLP Singapore.

Panelists: ■ Mr Heru Pambudi, Directorate General of Customs & Excise  
■ Mr Edy Putra Irawady, Head of Batam Indonesia Free Zone Authority (BP Batam)  
■ Ms Sianny Indrawati, Marketing & Business Development Director of JIPE (Java Integrated Industrial and Port Estate)

Indonesia has progressed tremendously through the years moderator Mr Paul Ng said and reiterated that visitors to Indonesia cannot miss the buzz in the air in many parts of the country as they move around. "There is growth and there is development and excitement especially among the younger generation – a clear reflection of the optimism they have for the Indonesian economy in general." This was borne out by its global GDP ranking at 27th position in 2000, which in the year 2006 had risen to 16th place, with the country declaring its intention of becoming a Top 10 world economy by the year 2030. Mr Ng said the panel that day will review one of the factors of what this ambition is founded on – Indonesia Industry 4.0.

## For more info on the Investment Project Profiles

A total of eight provincial governments took part in the 2nd Indonesia Investment Day: **West Java, Central Java, East Java, Jakarta, North Sumatra, Riau Islands, East Kalimantan and North Sulawesi**. Altogether there were about 43 investment projects and packages with a potential value of US\$3 billion. According to an Antara News agency report at the end of the event 274 companies have held direct meetings to explore investment opportunities in Indonesia. If you would like to know more about these projects, please visit the seminar website's 'Project Profiles' at [www.investindonesia.sg](http://www.investindonesia.sg)

## MOUs & Agreements Signed at the 2nd Indonesia Investment Day

Following are the companies that took part in the MOU and Agreements signing:

■ **Regency of Belitung** (representative of the Regent of Belitung) and **PT Haebara Indonesia International** (Mr Yearn Ha, Executive Director)



■ **PT Flores Makmur Indonesia** (Mr Alfonso Pardede, President Director of Flores Prosperindo) and **PT Watala Capital** (Ms Mada Ayu Habsari, Chairman)



■ **Joe Green Pte Ltd** (Mr Boediman Widjaja, Managing Director) and **PT Alas Watu Utama** (Mr Hadi Surya, Managing Director)



■ **SMRT International Pte Ltd** (Mr Goh Eng Keat, Managing Director) and **MRT Jakarta** (Dr William Sabandar, President Director)



■ **PT Wekode Technopreneur Hub** (Ms Fionna Chaw, CEO Aimco Group Pte Ltd) and **RHT Holding** (Mr Jayaprakash Jagateesan, CEO)



■ **Glexindo** (Mr Putu Apri Swajaya, COO) and **RHT Holding** (Mr Jayaprakash Jagateesan, CEO)



■ **Six Rider TNC** (Mr James Lee, Managing Director) and **RHT Holding** (Mr Jayaprakash Jagateesan, CEO)





## SPECIAL REPORT

### Panel Session 2

#### Developing Indonesia's Tourism Destination



- From left: ■ Moderator: Ms Rina Lee, Partner & Head of the Indonesia Desk at GLS Law Firm
- Panelists: ■ Mr Setiawan Mardjuki, Director of Jababeka (Tanjung Lesung)  
 ■ Mr Dannis Muhammad, Chief Marketing Officer of Traveloka  
 ■ Mr Hiramsyah S. Thaib, Expert Staff to Minister of Tourism  
 ■ Mr Alfonso Pardede, President Director of Flores Prosperindo (Labuan Bajo)

Ms Rina Lee posed questions to the high-powered panel of speakers that touched on: More information was requested from Mr Hiramsyah on the 10 New Bali projects and what are the actions taken to attract more tourists to the destinations. For those potential investors who might be interested in one of the priority destinations of the 10 New Bali - Labuan Bajo - Mr Alfonso Pardede was asked to share developments there. Labuan Bajo is famous for its islands which are the habitat for the Komodo Dragons. Mr Setiawan Mardjuki talked about investment in another 10 New Bali destination, Tanjung Lesung, which has been designated a special economic zone for tourism. Mr Dannis Muhammad from mega travel portal, Traveloka, shared his thoughts on what are the factors that make Indonesia strong and competitive in the area of tourism.

### Panel Session 3

#### Infrastructure



- From left: ■ Moderator: Mr Hedy Satria Putera, Director of Infrastructure Planning at BKPM
- Panelists: ■ Mr Haryo Bakti Martoyoedo, Director of Public Housing Financing at Ministry of Public Works and Housing  
 ■ Prof. Danang Parikesit, Head of Indonesia Toll Road Authority (BPJT)  
 ■ Mr William Sabandar, Director of MRT Jakarta  
 ■ Dr H. Emil Dardak, Vice Governor of Provincial Government of East Java

In the last panel session Mr Hedy quizzed the panel on what President Jokowi's continuing push for infrastructure in the next few years will mean to them. Mr Haryo spoke on the main public projects, how their scale requires investments and the various ways to finance them. Dr H Emil Dardak presented the range of infrastructure opportunities to invest in the Province of East Java which has the second largest economy in Indonesia and a population base of 40 million. Mr William Sabandar revealed how after the initial 16km line Jakarta MRT was opened, the government is embarking on an ambitious plan for expansion by adding up to 10 MRT lines or another 230 km by 2030. Prof Danang gave details of how in the next five years under President Jokowi, the Toll Authority is targeting 2,500 kms of toll roads, totalling US\$60 billion of investments.

## Public Private Partnership (PPP) Preferred

The Government of Indonesia has set an ambitious target in the next five years for infrastructure development and the PPP scheme is vitally needed to fulfil the funding gap. Therefore, the Ministry of Public Works and Housing encourage the implementation of several PPP schemes in infrastructure development especially in public works and housing projects. The objective is to create an investor-friendly climate while adhering to international PPP best practice principles.

To support this policy it has certain facilities for PPP projects including the **Project Development Fund (PDF)**, **Viability Gap Fund (VGF)** and **Guarantee Facilities**. Other main issues related to infrastructure development policies that have been addressed include:

- Broadening the PPP infrastructure sector to the social infrastructure sector
- Provide availability payment scheme to ensure the availability of infrastructure services.

In the Indonesian Ministry of Public Works and Housing the sectors applicable for the PPP Scheme are Road and Bridges, Water Resources, Human Settlements and Housing.

### Government Facilities for PPP

GOVERNMENT	PT SARANA MULTI INFRASTRUKTUR	PT PENJAMINAN INFRASTRUKTUR INDONESIA Indonesia Infrastructure Guarantee Fund or IIGF	LEMBAGA MANAJEMEN ASET NEGARA (LMAN) State Asset Management Agency
<ul style="list-style-type: none"> <li>● Viability Gap Fund</li> <li>● In-Kind Support</li> <li>● Project Development Facility</li> <li>● Source for Availability Payment</li> <li>● State/Regional asset as underlying asset for PPP</li> </ul>	<ul style="list-style-type: none"> <li>● Transaction advisor</li> <li>● Partnership with private or multilateral financial institutions in PPP Project</li> <li>● Develop flexible financing product</li> </ul>	<ul style="list-style-type: none"> <li>● As a 'single window' in providing government guarantee for infrastructure projects</li> <li>● Also valued for its state budget's ring fencing function</li> </ul>	<ul style="list-style-type: none"> <li>● As approved by Ministry of Finance, LMAN shall pay the entire principal amount of the Land Bridging Fund including the cost of fund</li> </ul>



***Congratulations and Best Wishes  
to Republic of Indonesia  
on their 74th Independence Day***



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# Labuan Bajo: Eco-Tourism Destination

This is one of the beautiful regions targetted as one of the '10 New Bali.'

Famous for its Komodo Dragons, plans have been drawn up to develop **Flores** as one of the islands as the base or jump-off point to explore the attractions of the island and its remarkable surrounds



*Komodo Dragons brawl*



*Komodo National Park*

**L**abuan Bajo is the capital of the regency Manggarai Barat, the western most region of Flores which is still relatively untouched by the large hordes of tourists and travellers who visit Bali and Lombok. Attractions on offer here are its fresh seafood, beautiful marine life, and great potential for tourist development. Once a dusty little fishing town, Labuan Bajo, however, has become the launching point for the most thrilling adventures to the Komodo National Park and stunning islands such as those featured in the above photos panel. The island of Flores itself has hidden gems to discover such as the Rangko Cave shown (below left) - a rocky ocean cavern with crystal clear waters.

## Flores Project

At the 2nd Indonesia Investment Seminar Indonesian real estate company, Flores Prosperindo (FP) is focused on creating an ecotourism destination for living as well as adventures on the island of Flores. According to the company, the vision is to develop new sustainable world class tourism destinations, integrated with strategic planning to "synergise with hospitality, creativity, technology, health and education." FP has partnered with the Indonesia Tourism Development Corporation to move forward with its development of TanaNaga and TanaMori.

This lovely destination is located on the south-west coast of Flores across an undeveloped 10km beachfront site for a resort community with future plans to develop an airport and cruise terminal to serve Flores and the Komodo National Park.







*Kelor Island*



*Gili Laba*

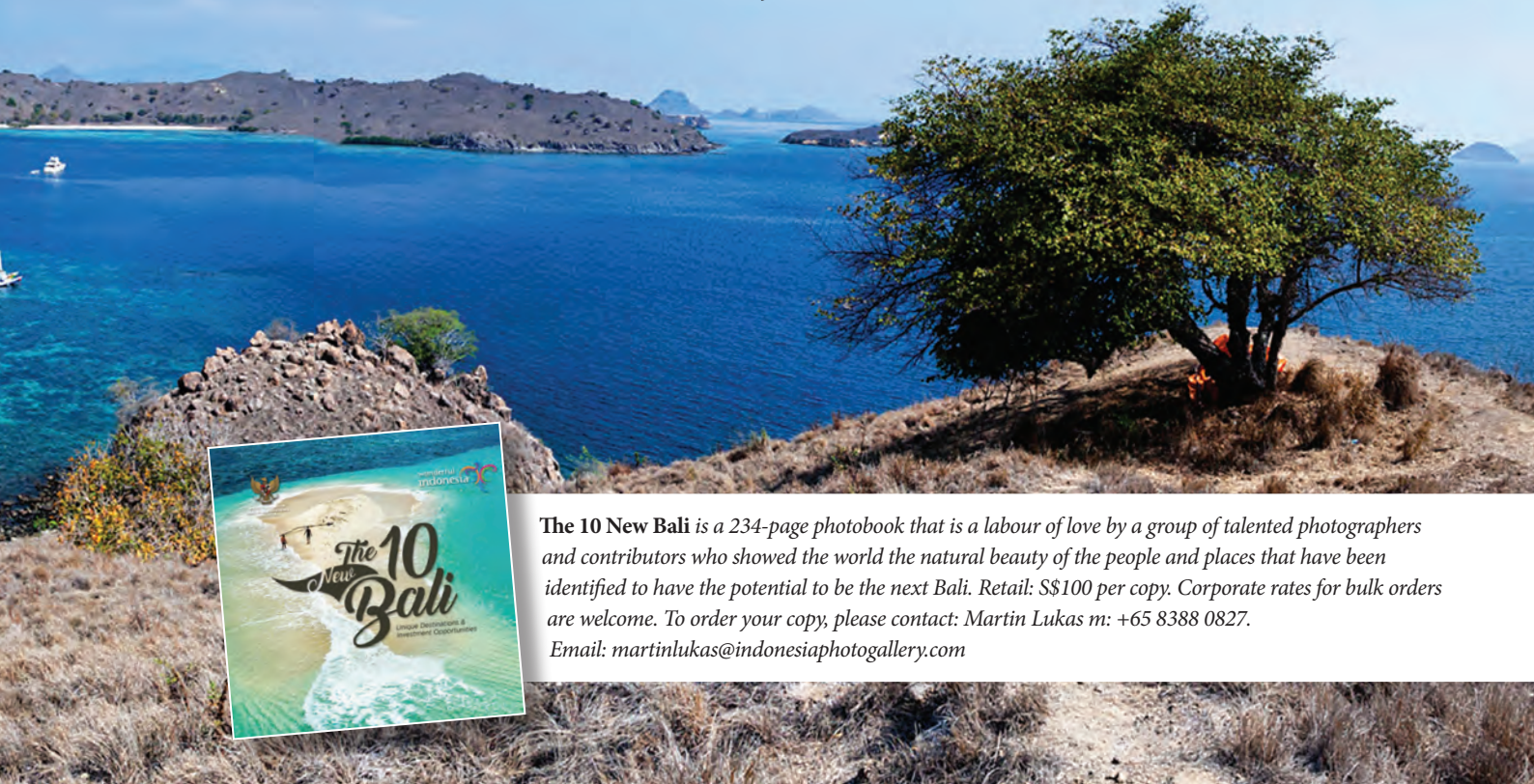


*Padar Island*



*(Above): Rinco Cave, Flores. (Below) Pink Beach, Labuan Bajo*

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**The 10 New Bali** is a 234-page photobook that is a labour of love by a group of talented photographers and contributors who showed the world the natural beauty of the people and places that have been identified to have the potential to be the next Bali. Retail: S\$100 per copy. Corporate rates for bulk orders are welcome. To order your copy, please contact: Martin Lukas m: +65 8388 0827.  
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