AGRINEX EXPO 2013
5 – 7 April 2013
Jakarta Convention Center (JCC),
Jakarta, Indonesia
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The 7th AGRINEX EXPO 2013 will be held in Jakarta Convention Center (JCC), Jakarta, on 5-7 April 2013. Since 2006, the expo has been a media for Indonesian agribusiness stakeholders to improve food and bioenergy security through increasing the production and availability of local agribusiness products throughout Indonesia. The expo integrates the visions of all agribusiness stakeholders – Government, private actors, R&D institutions, universities, mass media and the community – to fight for food and bioenergy security. The expo will feature exhibition of products as well as business gathering, seminar, talk show, and presentation by participants, in which business participants would understand more about food and bioenergy security in Indonesia. Thus, while participants will further increase their awareness, support, and love for the agriculture products in support of food self-sufficiency and well-being of farmers, they could also meet and exchange ideas with stakeholders from Indonesian agribusiness sector. Take this opportunity to attend the expo and explore further opportunities of cooperation! For more information, kindly check also the website at agrinex.com or please contact the organizer through the following link http://agrinex.com

XXIst International Seaweed Symposium
“Seaweed Science for Sustainable Prosperity”
Bali Nusa Dua Convention Center, Bali, Indonesia
21-26 April 2013
Visit : http://xxisseaweedsymposium.org

The 21st International Seaweed Symposium is to be held from 21 to 26 April 2013 at Bali Nusa Dua Convention Center, Bali, Indonesia. The symposium is hosted by an Indonesian National Organizing Committee that is comprised of leading scientists and business people from private, academic and public sector organizations that are engaged in Indonesian seaweed science and utilization. You are most cordially invited to the 21st International Seaweed Symposium which will be held in Bali, Indonesia, from April 21 until April 26, 2013. The International Seaweed Symposium (ISS) is held every three years under the auspices of the International Seaweed Association (ISA). For more than six decades the ISS has been the foremost international symposium for individuals and organizations involved with seaweed research and utilization. The 21st ISS has the theme “Seaweed Science for Sustainable Prosperity”. This theme recognizes the fact that scientific research plays a fundamental role in the development of seaweed harvesting, cultivation, processing and utilization. The ISS provides a forum for scientists, technologists, business people and resource managers to present their latest research results, exchange ideas and develop synergies. The 21st ISS in Bali is being held in the heart of the Coral Triangle where seaweed farming employs tens of thousands of coastal people. There is a clear and present need for expanded scientific research and development to enable economically and environmentally sustainable seaweed industry development not only in the Coral Triangle but also in other coastal regions throughout the world. It is a goal of the 21st International Seaweed Symposium to catalyze support for such scientific activities. All people interested in seaweeds can profit from visiting Indonesia in general and Bali in particular. We hope that you will accept our invitation so we can meet you next April 21-26.

Indonesia Newsletter (February 2013)

RI’S TRADE BALANCE IMPROVED IN JANUARY 2013: Indonesia’s trade showed a slight improvement in January although it still suffered a deficit as imports continued to increase during the month, according to the latest trade data. Exports contracted by 1.2 percent to US$15.38 billion in January from a year earlier, according to the latest data reported by the Central Statistics Agency (BPS). The year-on-year drop in the country’s total exports in January was lower than the 10 percent fall recorded in December thanks to an increase in exports of palm oil, coal and rubber. The increase in exports of commodities led to 2.7 percent growth in non-oil gas exports to US$12.76 billion in January, showing an improvement from the previous month during which non-oil exports fell by 8.5 percent year-on-year. The better performance of exports was particularly helped by an increase in prices of commodities, such as palm oil, coal and rubber, that have begun to pick up. BPS deputy chief Sasmito Hadi Wibowo stated. The country’s total imports, on the other hand, climbed by 6.8 percent to US$15.55 billion in January on an annual basis. Imports continued to pick up in January, particularly on the back of inflows of inter-mediary goods, including iron and steel, chemicals and plastics, which support investment. Total imports fell 5.4 percent year-on-year in December.

BPS reported that with the slight improvement in exports, the deficit in the trade balance dropped to US$170 million in January from US$189 million in December. Separately, Trade Minister Gita Wirjawan stated the government anticipated the surge in non-oil and gas exports to persist throughout the year, although the value might not be able to cover the deficit caused by the high increase in oil imports. Imports of oil and gas rose by 33.82 percent to US$4.04 billion in January from a year earlier. Gita estimated there would be a moderate deficit of roughly US$500 million in the trade balance in the first quarter of the year and about US$2 billion during 2013 as total exports were slated to remain stagnant at US$190.04 billion during the year. Last year, non-oil and gas trade recorded a surplus of nearly US$4 billion, but in January the surplus had already reached US$1 billion, Gita said, indicating that he was quite confident that the growth in non-oil and gas exports would be higher this year as compared to those booked in 2012. Non-oil and gas exports settled at US$153.05 billion last year, while non-oil and gas imports stood at US$149.13 billion, generating a surplus of US$3.49 billion last year. For a comparison, non-oil and gas exports were US$12.76 billion in January, whereas imports reached US$11.51 billion. Indonesia is heavily reliant on domestic consumption, a factor which helped it maintain a robust expansion of more than 6 percent last year despite the fall in the country’s exports.

BKPM FACILITATED ACCELERATION OF 15 INFRASTRUCTURE PROJECTS: The National Investment Coordinating Board (BKPM) facilitated the acceleration of the development of 15 infrastructure projects worth Rp100.66 trillion last year. Of the 15 infrastructure projects, five projects used a government-private scheme, Fritz Silalahi, the BKPM’s investment infrastructure planning director, stated. The five projects are PLTU 2 x 1,000 MW in Central Java, Cruise Tanah Ampo terminal project, Soetta-Manggarai railway project, Medan-Kualanamu toll project, and Umbulan clean water project, with total investment worth Rp54.52 trillion. The Indonesian investment body has offered various infrastructure projects to attract capital from abroad, he said. The Indonesian government has been focusing on its priority infrastructure development program called the Indonesian Economic Development Acceleration and Expansion Master Plan (MP3EI) 2011-2025.

INDONESIA TO REVISE NEGATIVE INVESTMENT LIST: The Investment Coordinating Board (BKPM) is planning to revise the list of business sectors that are wholly or partially closed to foreign investment, as the negative investment list (DNI), in an attempt to lure more investors into the country. The DNI was last revised in 2010, and they see the need for a reevaluation of several sectors from which foreign investors are restricted. The spirit [behind the revision] is clear: We must continue to improve our investment climate and promote the image of Indonesia as an investor-friendly nation,” BKPM chairman M. Chatib Basri stated. The revised version of the DNI should be completed by the third quarter of this year. The DNI is the list of sectors that are either wholly or partially closed to foreign investment for various reasons, such as the protection of local industries or due to Indonesian culture. Among the sectors that are classified in the DNI as wholly closed to investment are industries such as narcotics, alcohol production and certain chemicals, as well as the establishment of specific transportation facilities and casinos. Those categorized as partially open to investment are industries such as sugar, rattan, printed batik and mining. Indonesia will still be able to relax requirements for sectors such as pharmaceuticals, so that Indonesia will be able to produce our own medicines locally, BKPM deputy chairman Azhar Lubis stated. Amid the stalled global economic recovery, Indonesia has set an economic growth target of 6.8 percent this year, with Finance Minister Agus Martowardojo touting investment as the main growth driver in 2013, replacing domestic consumer spending. Indonesia attracted a historically high level of investment in 2012, with the country realizing Rp313.2 trillion (US$32.4 billion) of investments, thanks to Indonesia’s stable economic growth, as well as reform programs performed by the government to improve its investment climate. The BKPM has upped its investment target to Rp390 trillion in 2013, almost 40 percent higher than last year’s target of Rp283.5 trillion. BKPM’s Chatib acknowledged that this year’s target was “quite high” and the revision of the DNI was part of his institution’s efforts to lure more investments and achieve the target. The BKPM chairman said that the revision was also necessary to allow Indonesia-based industries to expand their businesses in line with growing domestic demand and the rising purchasing power of the country’s middle class. Economists have welcomed the government’s plan to revise the DNI, especially as Indonesia is likely to face tougher competition among emerging nations in attracting investment this year, given the brighter economic outlook for its neighbors, notably China, India, Vietnam, the Philippines and others.

RI OFFERS NINE PROJECTS WORTH US $9 BILLION: The government has given the green light to nine infrastructure projects worth US$9 billion as it seeks to expand partnerships with the private sector to ease development bottlenecks. Investment Coordinating Board (BKPM) director of planning Fritz Horas Silalahi stated that the nine projects would be available to investors this year along with six other projects failed to win suitors last year. The nine projects include waste management projects in Batam and Bandung, a water supply project in Semarang, airport construction in Kertajati district in West Java, the Cileunyi-Sumedang-Dawuan toll road, and power plant projects in Jambi Province and West Suluwesi Province. Last year the BKPM introduced 12 projects estimated to worth Rp 92.73 trillion to investors home and abroad.

NON-OIL, GAS TRADE SURPLUS TO TOP US $5 BILLION: The government stated it is optimistic that the nation will book an almost US$5 billion surplus in non-oil and gas trade in 2013. The figure, which would be up 27.23 percent from last year, would be realized due to market diversification, among other factors. Shipment of non-oil and gas exports to Africa and the Middle East, for example, have been increasing. Deputy Trade Minister Bayu Krisnamurti stated. Africa is one of the markets with the best prospects, while the Middle East also offers huge prospects and so does ASEAN. These three markets
BANTEN PROVINCIAL GOVERNMENT OFFERED INVESTMENT AND COOPERATION IN THE FISHERY SECTOR: The Banten provincial government has offered investment and cooperation in the fishery sector to European businesses. Businessmen in European countries are interested in our fisheries industry. Head of Investment Coordinating Board and Integrated Services (BKPMPT) of Banten Eneng Nurcahyati stated. Banten Governor Ratu Atut Choisyah and the Ukraine and the Georgian ambassadors have discussed fisheries investment and cooperation opportunities in the province. The European countries interested in the fisheries sector, especially in some species that do not exist in their countries, such as grouper in the Pandeglang waters, Banten. Moreover, the Banten provincial government has asked the regional Marine and Fisheries Agency to prepare data on the fisheries potential for the investment plan. The Banten regional government will follow it up with meetings with European entrepreneurs, including those from Ukraine and Georgia.

CONSTRUCTION OF FLOATING STORAGE AND REGASIFICATION AT LAMPUNG: Construction of Lampung’s floating storage and regasification unit (FSRU) by Hyundai Heavy Industries Co Ltd is expected to be completed in mid 2014. The facility is being built by Hyundai in the complex of the Korean shipbuilding giant in Ulsan, Deputy Minister for Energy and Mineral Resources SusiloSiswoptomoto stated. The Lampung FSRU, which will have a storage capacity of 170,000 cubic meters of gas with a supplying capacity of 240 million cubic feet per day is owned by Norway’s Hoegh LNG Ltd and Indonesia’s PT Rekayasaindustri. State gas distributor Perusahaan Gas Negara (PGN) will lease the facility from Hoegh LNG Ltd and Rekayasaindustri for 20 years at US$140,000 per day. PGN will also need to invest around US$400 million including US$104 million to build mooring system, US$150 million for off-take station and pipeline and the rest for preparation. Susilo said the government will guarantee supply of gas in liquefied natural gas (LNG) to the facility either from Bontang LNG plant in East Kalimantan or Tangguh LNG plants in Papua. The government will certainly give priority in LNG supply for Lampung FSRU as its construction is already in progress. PGN will have supply from Tangguh of LNG formerly for export to US company Sempara. It is around 16 to 20 cargoes per year to start in 2014, Widjanarko said. A cargo of LNG is around 55,000 tons. PGN could also consider the option of LNG imports if the prices of imports are cheaper to feed the FSRU, he said. PGN, therefore, has to secure gas sales agreement (GSA) with the operator of Tangguh BP Berau Ltd. A PGN Director Jobi Triananda Hasjim said PGN already signed the FSRU leasing contract with Hoegh LNG Ltd, and it has started construction of supporting facilities including mooring system, off take station, onshore receiving facilities and pipeline. The gas from the FSRU would be for use by consumers including industries in Lampung and western part of Java supplied through a transmission pipeline, the South Sumatra-West Java (SSJW) Transmission Pipeline. PGN will build a 21 kilometer pipeline to link the FSRU and LabuhanMaringgai in Lampung. Before the FSRU is in operation, PGN will also build distribution pipelines totaling 86 kilometers in Lampung and other infrastructure. In 2012, PGN already had 89,000 consumers using 806 MMSCFD all over the country, up from 795 MMSCFD in 2011. Industries account for 90 percent of its gas consumption.

SME ENTERPRISES CENTER IN CIKARANG AREA: PT LippoCikarang has officially opened Japanese Small Medium Enterprises (SMEs) Center in Cikarang area, Bekasi, West Java, to serve small and medium investors from Japan. The improvement of investors interest to invest in Cikarang industrial areas has had a positive impact on regional economic growth, PT LippoCikarang President Director Meow Chong Loh stated. The presence of Japanese SMEs Center in the area is a chance for sustainable business and investment in the region. Meow Chong Loh explained that LippoCikarang and Tokyo-based Forval Corporation will accommodate the investors from Japan who would like to invest in Indonesia. Meanwhile, Forval Corporation chairman Hideo Okubo said at least seven companies have joined the Japanese SMEs Center. Hideo said among the seven companies which have joined the Japanese SMEs Center are PT Summit Electrical Steel Processing Indonesia, PT Katsuyamaeseiki KKB Indonesia, PT Kobayu Trading Indonesia, PT Tsujikawa Indonesia, and PT Nihon Haken.

INDONESIA SUPPORTS GREEN SMES: Indonesia supports the development of green SMEs and women entrepreneurs in informal sectors to improve country’s competitiveness in Asia Pacific region, Deputy Minister of Cooperatives and Small and Medium Enterprises, Wayan Djipta stated. Wayan who was interviewed on the sideline of the Asia Pacific Economic Cooperation’s (APEC) Senior Official Meeting said that the concept of green SMEs such as organic farming, Batik production using natural coloring process is in line with growing global demand to have more environmentally friendly products. Currently the ministry and National Bank are on talk to give incentive for companies using green materials during production process. Wayan stated officials at the ministry are currently on talk on issuing policies to boost the numbers of women entrepreneurs listing their companies to the government to get legal status. He added the issues will also be raised by Indonesia as host of Asia Pacific Economic Cooperation (APEC) this year to be discussed by related officials and ministers of the 21 APEC economies. In the APEC region, small and medium enterprises (SMEs) account for around 90 percent of all businesses and employ as much as 60 percent of the work force. At present, however, they generate only around 30 percent of exports. APEC economies since 1994 has been encouraging the development of SMEs in the region towards the organization’s goal of full trade and investment liberalization and facilitation by 2020. A meeting of ministers responsible for SMEs has been held annually since 1994. In August 2012, the ministers, at their 19th Meeting in Saint Petersburg, Russia endorsed a Strategic Plan for 2013-2016 which...
will provide a roadmap to address critical issues and concerns pertaining to the growth of SMEs and micro enterprises (MEs) in the APEC region. Among priority areas for action are building management capability, entrepreneurship and innovation, financing and business Environment, market access and internationalization. This year’s APEC Leaders Meeting will be held next October 7 in Bali.

RI AND GERMANY TO COOPERATE TO DEVELOP RATTAN INDUSTRY: The National Rattan Innovation Center of the ministry of Industry and Germany’s Innovations zentrumLichtenfels have agreed to cooperate to develop rattan industry in the country. This is part of efforts to create new rattan product designs to make rattan industry to boom again, deputy industry minister Alex Retraubun stated. The cooperation was also expected to be able to boost development of downstream industries and transfer of knowledge in the field of innovation to make local products more competitive in the global market. The director general of industrial zones’ development, Dedi Muliyadi, meanwhile said the agreement would be used as the basis for wider cooperation in the development of the two countries’ industries especially in rattan product innovation development. Dedi said various kinds of cooperation to be carried out included technology development, design and marketing development, education and training, research cooperation, workshops, international seminars, business mediation, research and development and institutional cooperation. The government’s policy to stop raw rattan exports since early in 2012 to boost downstream rattan industrial development has given a positive impact to rattan industry development in Indonesia. The downstream industries could later create jobs in the regions or villages and therefore their development had been prioritized by the government. According to data from the Surveyor Report exports of rattan products in January 1 to September 30, 2012 reached more than US$157 million. Rattan furniture contributed US$118.53 million to the value while rattan weaving products US$39.25 million. In 2011 total exports of rattan products were recorded at only US$100 million.

BATAM TO ATTRACT FOREIGN INVESTORS IN 2013: The Batam Free Trade Zone (FTZ) authority has set itself the target of attracting 90 foreign investors in 2013 with total investment of US$350 million, spokesperson Ilham Eka Hartawan stated. They are optimistic that the target can be achieved, considering foreign investment in Batam last year reached US$300 million, well above the target of US$200 million. Ilham explained foreign investment in Batam is mainly dominated by investors from Asian countries such as Singapore, Malaysia, South Korea, China and Japan. However, he added that the Batam authority wants to promote its investment potentials to investors in the United States, Europe and Africa. Among the sectors in Batam that have so far attracted foreign investors are electronic industry, manufacturing industry, shipping industry and supporting industry for oil and gas production. Last year, the Batam authority approved investment proposals from 48 foreign companies and expansion proposals from 13 foreign companies. In total, 89 new companies planned to invest US$208,566,500 in Batam last year, up from US$103,081,403 a year earlier. Batam is an island with a population of about 1.153,860 people living in a land area of 715 square kilometers. Batam is considered as a strategic area for international trade as it is located about 20 kilometers off Singapore’s south coast.

RI EXPECTS INVESTMENT IN ENERGY AND MINERAL RESOURCES TO INCREASE: Indonesia expects investment in the energy and mineral resources to rise further to US$38.94 billion this year. Energy and mineral resources minister Jerry Wackik said that in 2012 investment in the sectors rose to US$33.7 billion and this year it is expected to rise further to US$38.9 billion. He said last year’s hike from the previous year was proof that Indonesia was really attractive for investment. It is proof how attractive is Indonesia in the eyes of both national and foreign investors. The minister admitted that there were still cases hindering investment but in general the investment situation was good as reflected by the inflow of foreign investment that reached US$33.7 billion in 2012. Investment in the energy sectors include oil, natural gas, minerals, coal and renewable energy sources. Last year, BP from Britain decided to increase its investment in Indonesia to US$12 billion to develop its field in Tangguh, Papau. Chevron from the US meanwhile had also expressed its commitment to increasing its investment by US$10 billion to develop its natural gas fields. Eramac from France also would start its new investment project worth US$5 billion.

NEW REGULATION ON FOOD AND BEVERAGE FRANCHISE BUSINESS: The government has issued a new regulation on franchise system in foods and beverage sector. Under the regulation, the franchisor and franchisee are required to involve a third investor with capital participation of 30-40 percent in a new outlet. The regulation is effective on new outlets to be opened by franchisor and franchisee already having 250 outlets. In a new outlet worth less that Rp10 billion, the third party is to have at least a 40 percent stake and in a new one worth more than Rp10 billion the participation capital of the new investor is at least 30 percent. Trade Minister Gita Wirjawan said the new ministerial regulation No. 07/M-DAG/PER/2/2013 is expected to boost small and medium enterprises in foods and beverage sector. Indonesia want to create a more conducive climate for franchise system in this sector and to encourage new and creative investors to be able to compete globally. Gita stated. The regulation has been prompted by relatively fast growth of business in franchise system in the country, while many other people having no access to the business, he said. Through business under franchise system the government hopes to promote more local products by requiring them to sell good with higher local content. Business under franchise system needs to be regulated as many franchise outlets sell goods not in line with their license.

WEST JAVA TO HOST CENTER FOR FURNITURE BUSINESS: Furniture enterprises are preparing a special lot to set up a shared workshop-cum-store in Sukabumi, West Java, aimed at integrating small businesses and improving efficiency in the industry. The Rattan and Furniture Association (AMKRI) chairman, Soenoto, said that the first-ever furniture industry center would be established on a 1,000-hectare lot in Sukabumi. He further added that construction had kicked off last year and was expected to be completed by 2015. They will construct the area gradually. They are currently acquiring and building on the first 850 hectares with spending around Rp 200 billion [US$220 million] on it. The idea of forming an industry cluster came after the country saw a significant surge in furniture exports due to raw rattan export restrictions stipulated in a ministerial regulation issued in 2011. Indonesia is the world’s biggest rattan producer and supplies 80 percent of the world’s raw rattan needs, but most of its raw rattan has been exported mainly to China and Taiwan. Indonesia sold $300 million worth of finished rattan products in 2008, which plunged to $167 million in 2009 and to $138 million by the end of 2010. In 2012, according to Trade Ministry data, exports of rattan furniture and handicrafts soared to 26.9 percent and 213.8 percent to $215.7 million and $4.4 million, respectively, compared to those in 2011. The cluster, which is designed to be the country’s biggest furniture outlet, is expected to help with maintaining the numbers and improving Indonesia’s domestic and international furniture sales. China, which is the world’s biggest furniture exporter, has a furniture cluster to
produce and promote their products, which is how we learned about the importance of establishing a cluster, Soenoto explained. He also added that the cluster was projected to help the association in achieving its $5 billion export target and creating 5 million new jobs within the next five years. The association data shows that the local car and motorcycle industry have grown by more than fourfold and threefold, respectively.

AUTOMOTIVE WHEEL RIM MANUFACTURER TO PARTNER WITH JAPAN’S TOPY INDUSTRIES: Automotive wheel rim manufacturer PT PAKOAKUINA, part of the Triputra Group, has partnered with Japan’s Topy Industries Ltd. for the establishment of a joint venture in the wheel rim business to tap both domestic and Southeast Asia’s growing truck and bus markets. Pakoakuina holds a 30 percent stake in the new company, named PT Topy Palingda Manufacturing Indonesia, while Topy Industries control the remaining 70 percent. The total investment in the joint venture stands at Rp 600 billion (US$61.96 million), 60 percent of which will be funded by its shareholders, while the rest will be generated from bank loans, according to Topy Palingda director Hanung S. Talogo. Next month, Topy Palingda will start building a wheel rim factory on a 55,000-square-meter site at Suryacipta Industrial Park in Karawang, West Java. The factory will have an annual production capacity of two million rims for both standard and tubeless tires, and is expected to serve the truck and bus markets in early 2014. Topy Palingda targets to produce a total of 100,000 rims per month next year. By 2016, it will increase its monthly production volume to 150,000 rims. Topy Palingda president director Norio Akiyama said that rising demands for trucks and buses in the Southeast Asia region, including Indonesia, had provided wider business opportunities for automotive industry players. Data from the Indonesian Automotive Industry Association (Gaikindo) shows that bus production volume grew 27.9 percent to 5,299 units last year, while that of pickups and trucks climbed 16.5 percent to 316,757 units. Compared to 2006, the production volumes for buses and trucks have grown by more than fourfold and threefold, respectively. According to Pakoakuina president commissioner HadiKasim, Topy Palingda will also export its rims to Malaysia, Thailand and other Southeast Asian countries. However, exports will only consist of wheel rims for tubeless tires as there is no domestic demand for such a product. Topy plans to export around 20,000 rims per month when production starts. So far, Pakoakuina’s productions of truck and bus wheel rims have been managed by one of its business units, PT PalingdaNasional. As an original equipment manufacturer, Palingda produces rims for a number of clients including brands Hino, Isuzu, Mitsubishi and Toyota. It currently controlled 60 percent of the domestic truck and bus rim market share, Hadi said. Palingda would cease productions following the commercial operations of the joint venture, he added. In the meantime, PT Inkoasu, Pakoakuina’s other business unit, is in charge of manufacturing steel wheel rims for the country’s passenger car market. Pakoakuina itself produces alloy aluminum rims for passenger cars and motorcycles. Some of the alloy aluminum rims are exported to Europe, Japan, Malaysia and Thailand. In 2012, Pakoakuina reported that its combined sales volume had reached 5.9 million rims. This year, according to Hadi, it expects to produce 4.2 million steel and alloy aluminum wheel rims for passenger cars, and 1.1 million sets of motorcycle wheel rims. Meanwhile, Tokyo-based Topy Industries Ltd. also produces both steel and aluminum wheel rims for passenger cars, buses and trucks. Its involvement in the joint venture adds to the amount of Japan’s investments in the country. The Investment Coordinating Board (BKPM) estimates that Indonesia will be able to meet its yearly investment target of Rp 390 trillion in 2013, supported by higher foreign direct investment (FDI), which is expected to account to more than 60 percent of the figure.

RI TO BOOST ITS GOLD PRODUCTION BY 33 PERCENT: The Indonesian government is hoping to boost its gold production by 33 percent this year, after four years of consecutive production declines. They are planning to boost the national gold production this year to 88 tons, Energy and Mineral Resources Minister Jero Wacik stated in Jakarta. The figure is 33 percent higher than the 66 tons recorded in 2012, which was the lowest gold haul in the last four years after 129 tons in 2009, 105 tons in 2010 and 78 tons in 2011. The director for mineral resources at the Energy and Mineral Resources Ministry, Dede Indra Suhendra, said the ministry expected this year’s production to be mainly supported by the operations of major miners such as the local subsidiary of US-based giant Freeport McMoRan. Freeport Indonesia, the country’s largest gold producer, has said it aims to increase production at its Grasberg gold mine in Papua to 1.3 million ounces, or 40.6 tons, this year. The target is higher than the realized production figure of 900,000 ounces in 2012. He added that 2013 production was also expected to be supported by the production of Newmont Nusa Tenggara, the Indonesian unit of US firm Newmont Mining, and state-owned Aneka Tambang (Antam). Antam has targeted a 16.4 percent increase in gold production, up to 3.3 tons this year. Gold prices, however, have been declining over the past month, from $1,693 per ounce on Jan. 22 to $1,604.

PELINDO III ALLOCATES US $634 MILLION FOR PORT DEVELOPMENTS: State-owned port operator Pelindo III stated that it will spend Rp 6.1 trillion (US$634.4 million) this year, almost half of which will be used to develop regional ports and buy container cranes to ease port congestion. The total amount is a fourfold increase from the Rp 1.5 trillion the firm spent last year. Some of the money will be used to acquire 2,500 hectares of land in East Java for the construction of a new industrial port. Pelindo III spokesman Edi Priyanto said that almost 50 percent of the total investment would be used to finance the expansion of container terminals at Tanjung Emas Port in Semarang, Central Java; Trisakti Port in South Kalimantan; and the Teluk Lamong multipurpose terminal project near East Java’s hub, Tanjung Perak Port. For Tanjung Emas Port in Semarang, for instance, the firm will add 5.3 hectares to the port’s container yard and extend the dockyard from 495 meters to 600 meters in order to accommodate more ships and containers. The firm had been working on the project since January 2012 and it is expected to be completed by the end of 2013. A similar project is also being conducted at Trisakti Port in Banjarmasin in response to the 15 percent increase in its container traffic to 419,335 twenty-foot equivalent units (TEUs) last year. For the much-anticipated Teluk Lamong project, he said that Pelindo III was working on the causeway, container yard, dockyard and connecting bridge, all of which cover a 300-hectare area. The connecting bridge is almost 70 percent complete, while the remaining elements are in the early stage of construction. They recently began construction on Teluk Lamong’s domestic dockyard, container yard and causeway and expect to finish the entire project by early 2014, which will help Tanjung Perak Port as it has been running at overcapacity, adding that Teluk Lamong was projected to commence operations in April 2014. First built by the Dutch, Tanjung Perak Port is designed to accommodate up to 3.5 million tons of general cargo annually. However, traffic stood at almost 7 million tons throughout 2012. Edi said the project was not only aimed at supporting Tanjung Perak but also at reducing logistics costs, as the average waiting time at Perak had reached three days. In addition, he said the firm would set aside one-third of this year’s investment for new luffing container cranes and rubber-tyred gantry to help ease congestion at the three ports. Trisakti Port in Banjarmasin will receive more cranes than the other two ports because container traffic has increased more than 15 percent. Furthermore, he said Pelindo III planned to acquire a 2,500-hectare plot of land near
Teluk Lamong and Tanjung Perak to build a new port. Pelindo III aimed to create an integrated port in East Java to strengthen the province’s position as the main gateway for trade to eastern regions in Indonesia, he said.

**NETHERLANDS TO COOPERATE IN INFRASTRUCTURE, AGRICULTURE TECHNOLOGY WITH INDONESIA** : The Netherlands is interested to take part in infrastructure construction and development of agriculture industry in Indonesia, visiting Foreign Affairs Minister Frans Timmermans stated recently. Indonesia plans to build more infrastructures such as roads, railways, airports, harbors and develop agriculture industry. In all this field the Netherlands is leading worldwide, and can share their expertise, said the minister. Netherlands and Indonesia have experienced good relations during the past years but steps need to be taken to level it up. Since the Netherlands is well known for its innovation in infrastructure and technology for agriculture, the minister offers share of expertise in the fields to Indonesia. Indonesia has huge potential in the agriculture field, however such a potential is not yet explored to its extent. The minister who just took office last November 2012 expressed optimism that technology owned by the Netherlands can help promote and improve Indonesia’s agriculture sector. Earlier South Korea also showed its interest on infrastructure projects in Indonesia. The country has agreed to develop eight infrastructure projects, worth a total of US$50 billion in Indonesia. The agreement was made at a Jeju Initiative meeting held between representatives from the two countries last 2012. The agreement is expected to boost economic cooperation between Indonesia and South Korea. The implementation of the projects will be supervised by the two countries’ representatives working at the Joint Secretariat, which was established in early 2012, said Hatta Rajasa, the Coordinating Minister for Economic Affairs, who led the Indonesian delegation to the Jeju Initiative meeting. The eight projects agreed upon during the meeting involve: the construction of Batam island (Riau Island province)-Bintan bridge; the restoration of Cilawu river (Jakarta province); the construction of railways for coal transportation from Bengkulu province to Muara Enim (South Sumatra). It also involves the construction of the Sunda Strait bridge connecting Sumatra and Java islands; the development of compressed natural gas (CNG); the construction of coal power plant in South Sumatra province; the opening of a new branch of Daewoo Shipbuilding and Marine Engineering (DSME); and the development of an agriculture-based multi-industry area, he added. Meanwhile, South Korea’s Minister of Knowledge Economy, Sukwoo Hong, expressed hope that the new projects would boost relations between Indonesia and South Korea.

**RI TO BUILD MORE NATURAL GAS INFRASTRUCTURE** : Indonesia continues building more natural gas infrastructure in a number of regions to increase domestic supply. Indonesia has been committed and will remain committed to increasing domestic natural gas supply, the oil and gas director general of the ministry of energy and mineral resources, Edy Hermanto, stated. He said increasing domestic gas supply would boost national economic growth and reduce dependence on fuel oils. He said minimally eight large-scale infrastructure projects are currently being carried out or will be carried out for completion by 2014. The eight projects include revitalization of the natural gas refinery in Arun, Aceh, by Pertamina scheduled to be completed in the fourth quarter of 2014. Others are the 370 kilometer Arun-Belawan pipeline project by Pertamina scheduled to be finished in the second quarter of 2014, the floating storage and regasification unit (FSRU) project in Lampong waters in Sumatra by PT PGN Tbk. which is set to be finished in 2014 and the 220-km Cirebon-Semarang pipeline project by PT Pertagas to be completed in the fourth quarter of 2014. The 230-km Cirebon-Semarang pipeline project by PT Rekayasa Industri and supported by Pertamina is expected to be completed in the third quarter of 2014 and the 230-km Semarang-Gresik pipeline project by PT Pertagas is scheduled to be completed in the third quarter of 2014. The state-owned oil and gas company, PT Pertamina, also carries out an FSRU project in the sea north of Semarang in Central Java which is scheduled to be finished in the fourth quarter of 2014 and the Kepodang-Tambak Lorok pipeline project stretching 200 kilometers long which is expected to be completed in 2014. Gas supply for the projects would come from home and abroad, Edy said. The government has issued a decision to guarantee the meeting of the needs of a number of LNG terminal projects from domestic fields. Based on a ministerial letter number 0889/15/MEM.M.2014 signed by energy and mineral resources minister Jero Wacik on February 2013 supply for domestic consumers would come the former-Semprafa refinery in Tangguh, Papua. Supply for the gas terminals meanwhile would come from the excess cargoes from Mahakam Block. Edy said other sources include Jangkrik and North East Jangkrik fields totaling 14 cargoes in 2016, 18 cargoes from 2017-2022, seven cargoes in 2023 and four cargoes in 2024-2025 a year. The last source is the IDD project totaling 50 cargoes for 2017-2019, 30 cargoes for 2020-2023, 16 cargoes in 2022 and 10 cargoes in 2023. In 2024 to 2025. The allocation for the Central Java FSRU is eight cargoes in 2015, 16 cargoes a year from 2016-2018, 22 cargoes a year from 2019 to 2022, 16 cargoes in 2023 and eight cargoes a year from 2024 to 2025. In 2012 out of 8,150 million cubic feet (MMSCFD) gas production 3,687 MMSCFD or 45.2 percent would be supplied to domestic consumers while the rest totaling 3,765 MMSCFD (45.2 percent) for exports and 698 MMSCFD or 8.6 percent for the losses, he said. Domestic gas supplies will go to power company PT PLN totaling 791 MMSCFD (9.7 percent), gas company PT PGN Tbk. 695 MMSCFD (8.5 percent), fertilizer companies 634 MMSCFD and other industries 634 MMSCFD. A total of 517 MMSCFD meanwhile would be self-used (6.3 percent), 97 MMSCFD (1.2 percent) for refineries, 101 MMSCFD (1.2 percent) for domestic LNG supply, 91 MMSCFD (1.1 percent) for LPG supply, 37 MMSCFD (0.5 percent) for PT Krakatau Steel, 0.27 MMSCFD (0.003 percent) for city gas distribution. Export supply would come from LNG refineries totaling 2,786 MMSCFD (34.2 percent) and pipeline networks totaling 979 MMSCFD (12 percent).

**RI TO DEVELOP SOLAR CELLS** : The government has allocated up to Rp400 billion in funds to develop solar cells in the country this year, Energy and Mineral Resources Minister Jero Wacik stated. The government is serious about developing solar cells as cheap renewable energy to give a direct impact to rural economic growth, he said when inaugurating a solar cell unit in Karangasem district, Bali province. Solar cells had a concrete impact on rural economic growth, the minister said when inaugurating a solar cell unit in Karangasem district, Bali province. Solar cells had a concrete impact on rural economic growth. The government is serious about developing solar cells as cheap renewable energy to give a direct impact to rural economic growth, he said when inaugurating a solar cell unit in Karangasem district, Bali province. Solar cells had a concrete impact on rural economic growth, the minister said when inaugurating a solar cell unit in Karangasem district, Bali province. Solar cells had a concrete impact on rural economic growth. The government is serious about developing solar cells as cheap renewable energy to give a direct impact to rural economic growth. The government is serious about developing solar cells as cheap renewable energy to give a direct impact to rural economic growth, he said when inaugura...
DUBAI'S DRYDOCK WORLD AND MARITIME WORLD TO INVEST US $2.5 BILLION IN BATAM: Dubai-based Drydocks World and Maritime World (DWMW) has committed itself to a US$2.5 billion joint venture project in Batam. The company has signed a memorandum of understanding at the Maritime Business Center, Dubai Maritime City, in Dubai on a joint venture with PT Bina Bangun Bahari (BBB) of Indonesia’s Sentra Bangun Harmoni Group. Indonesian Deputy Consul General in Dubai Heru Sudradjat who was present at the ceremony also signed the MOU which included agreement on exclusive cooperation between the two sides in the management of a 178 hectare property of DWMW in Batam bonded area, an island just south of Singapore. The Indonesian Consulate General of Dubai has from the beginning active in facilitating study of the investment cooperation scheme, Heru said. Earlier the BBB Group held a meeting and presented to DWMW the proposal for cooperation and discussed technical matters of the investment project in Batam. The land property of DWMW in Batam is proposed to be used as the site for development of infrastructure, industry and energy project. The location is strategic as a “pendulum of the archipelago” as declared by the Communications Ministry. Heru said The Pendulum of the Archipelago is aimed at increasing the capacity and connectivity between Indonesian ports all over the country from Sumatra in the west and to Papua in the east. Therefore, in line with the MOU, port with big capacity would be built in Batam, he said. The goals of the program include facilitation of inter-island distribution of goods to support and boost domestic trade, he said. The BBB Group offered to jointly establish a holding company to manage the 178 hectare property, development of infrastructure, and power plant to support industrial development. Khamis Juma Buamim, the DWMW chairman, expressed appreciation of the proposal describing it as “very” visible and feasible. Khamis said the investment cooperation project will benefit not only DWMW and BBB, but also business partners taking part in the management of the property and the country’s economic development. Khamis said the project will contribute to boosting development of Indonesian economy, one of the fastest growing economies in the world. The project will contribute to urbanization and growth, improving the purchasing power of the people and brisker international trade in the island, he said. Khamis shares the opinions of other investors and observers that Indonesia needs the support of stronger upstream industries and adequate infrastructure. DWMW, therefore, through the joint venture, wants to take part in the country’s economic development in the infrastructure sector to improve the productivity of the government and private sectors, he said. Heru Sudradjat said he hoped the joint venture will lead to wider bilateral cooperation between the two countries in including infrastructure, energy and industrial sector. Currently DWMW has four shipyards for ship repair and maintenance and shipbuilding located in Dubai, Singapore and Batam. In Indonesia, DWMW has built three shipyards including Drydocks World Nanindah, shipbuilding facility and steel processing. First Drydocks World, to serve ship repair and spare part manufacturing and Drydocks World Graha, a modern shipyard and the first in Indonesia especially for offshore construction and rig. Drydocks in Dubai are the largest in Middle East.

RI TO FOCUS ON MARINE POTENTIALS IN 2013: The government in 2013 is still focusing on the development of marine potentials, better known as Blue Economy program, Minister of Marine and Fisheries Sheriff Cipic Sutardjo said here on Wednesday. “We will focus on industrialization of marine and fisheries products while also added value to it. Synergy among people at downstream and upstream level in the industry is expected to be improved,” said the minister. He added the government also plans to evaluate and continue its program to improve fishermen’s living standard and supporting facilities for fishery activities in three economic corridors (Sulawesi, Nusatenggara and Bali, Papua and West Papua). To conservation issue, he said the government invites local young men to help improve ecosystem quality at coastal areas in smallest islands in the country. Blue economy is a new growing paradigm on economic development which is believed to be the appropriate model to achieve economic growth from marine and fisheries sector. It is also expected to create employment as well as improve public welfare, while simultaneously sustaining coastal and sea environment support and quality. Earlier Chairman of the Indonesia Seafood Businessmen (ARLI) Safari Azis said seaweed is a potential commodity suitable for the implementation of the blue economy concept. “Seaweed has many benefits; it provides jobs for people living in coastal regions, and it is present in many cuisines. Seaweed is also used in medicines, cosmetics and liquid fertilizers. Therefore, seaweed is a commodity that can develop the blue economy concept in Indonesia,” he said.

RI'S AUTO SALE IN STRONG START TO YEAR WITH 27 PERCENT RISE: Indonesia auto sales climbed 26.5 percent in January, a strong start to the year after a record 2012 underpinned by sharp climbs in wages and low interest rates. A key indicator of domestic consumer spending, auto sales have been emblematic of rapid growth for Southeast Asia's biggest economy. January sales rose to 96,656 vehicles. The rise was faster than the 11.4 percent year-on-year climb marked in December. Sales rose 8 percent from a month earlier. According to the Indonesia Automotive Industry Association (Gaikindo), sales were led by Toyota Motor Corp, Mitsubishi Motors Corp and Suzuki Motor Corp. Some analysts have forecast double-digit growth in 2013 after a jump of 25 percent to 1.1 million vehicles last year despite new down payment requirements for auto purchases which were aimed at pushing down loan growth. Nissan Motor Co logged its best ever January sales of 5,409 vehicles in Indonesia, up 3.9 percent from a year earlier, helped by sales of its multi-purpose vehicle (MPV) models Grand Livina and Evalia. Nissan has said it considers Indonesia key to its bid to resurrecting Datsun as its emerging market brand.

ASTRA AGRO CPO PRODUCTION INCREASE: Plantation company PT Astra Agro Lestari (AALI), a subsidiary of the conglomerate PT Astra International (ASII), reported on Thursday that its crude palm oil (CPO) production in the first month of 2013 reached 135,681 tons, 38.4 percent higher than the same period last year. The higher production was backed by an increase in the volume of its processed fresh palm fruit bunches (FFB), which rose 38 percent to 599,213 tons, in January 2013, the company wrote in a statement. More than half of the processed FFB volume came from Astra Agro’s own estates and the rest from external plantations. Meanwhile, plantations in Sumatra made up most of the FFB harvest with 42.8 percent or 198,578 tons, followed by those in Kalimantan with 39.9 percent and in Sulawesi with 17.3 percent. The publicly listed company also saw its kernel production grow 32.7 percent to 28,320 tons last month.
CONSULATE GENERAL OF THE REPUBLIC OF INDONESIA, MUMBAI IN COOPERATION WITH THE INSTITUTE OF COMPANY SECRETARIES OF INDIA JOINTLY ORGANIZED BUSINESS SEMINAR “DOING BUSINESS IN INDONESIA” ON FEBRUARY 8, 2013 AT CBD BELAPUR, NAVI MUMBAI.

INDONESIAN CONSULATE GENERAL, MUMBAI EVENTS IN FEBRUARY 2013

FOOD & HOTEL INDONESIA 2013
The 12th International Hotel, Catering Equipment, Food and Drink Exhibition
April 10-13, 2013
Jakarta International Expo Kemayoran, Jakarta, Indonesia
www.foodhotelindonesia.com
Incorporating : Retail Indonesia 2013
The 11th International Retail Technology, Equipment, Display and Storage Exhibition
Organized by : PT. Pamerindo Indonesia
Deutsche Bank Building, 13th Floor, Jl Imam Bonjol 80, Jakarta 10310, Indonesia
Tel : (62-21)3162001 Fax : (62-21)3161983/4
E-mail : wiwiek@pamerindo.com Web : www.pamerindo.com

INACRAFT 2013
April 24 – 28, 2013
at Balai Sidang Jakarta Convention Center, Indonesia
Web :www.inacraft.co.id
Focused Product : Gifts & Housewares
Number of Exhibitors : Approximately to 1600 exhibitors domestic craftsmen & producers
Product Display : Gift Items, Housewares, Home & Garden Decorative, Toys & Games
Jewelry, Batik, Fashion Garment & Embroidery, Accessories and Miscellaneous Craft
Activities : Business Meeting, Product Demo, Business Consultation, INACRAFT Award and Fashion Show