Regional Governments Conference on Sustainable and Inclusive Infrastructure Development (RGC’13) &
Indonesia International Infrastructure Conference and Exhibition 2013 (IIICE’13)

"Building the Industries & Forging the Partnerships that Can Deliver on the MP3EI Infrastructure Demands"

November 13-15, 2013
Visit : www.indonesiainfrastructure.org

IIICE is the largest B2B and B2G infrastructure event in Indonesia. It showcases the vast potential for sustainable infrastructure development in each of the 33 provinces of the Indonesian Archipelago. Held annually since 2009, IIICE successfully matches buyers, suppliers, and government officials on an unprecedented level. With ever increasing national and global investment going into Indonesia’s infrastructure, the upcoming IIICE 2013 will once again provide the most comprehensive and valuable platform for governments, businesses, and leading experts to meet, discuss, and find solutions for infrastructure needs throughout Indonesia.

“IIICE is the biggest exhibition in Indonesia that promotes the Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) agenda”.

Exhibition: A full display demonstrating MP3EI's economic agenda in all provinces of Indonesia showcasing priority infrastructure projects slated for development will be in the center of everyone's attention at the IIICE’13. Private sector companies and national pavilions from Indonesia’s major trading partners are invited to exhibit and demonstrate their capabilities & strengths in supporting the fast track infrastructure development to widest audience of infrastructure leaders, government decision makers, asset owners and operators, as well as selected and prequalified infrastructure investors assembled under one roof.
RI TO INTRODUCE LOW COST GREEN CARS:
The Indonesian government said it is ready to implement the environmentally friendly vehicles system or introduce the low cost green car (LCGC) by inviting foreign automotive investors. Indonesia is ready to implement the LCGC (low cost green car) system, and is expected to invite foreign investors to come and get involved in the green car scheme, Budi Darmadi, the Director General of Industry Leading Technology-Based at the Ministry of Industry stated. The 1st APEC-AD (Automotive Dialogue) Workshop for the 8th Indonesia International Automotive Conference was held recently and the government had invited a number of stakeholders to discuss the environmentally friendly cars program. The event was attended by a number of automobile related institutions and vehicle associations from various countries, namely Japan, South Korea, China, Thailand, India and the United States. The Chairman of the Association for Indonesian Automotive Manufacturers Association (Gaikindo) Jongkie Sugiarto said that the Indonesian market was open to the idea of an environmentally friendly cars program, because domestic car sales’ growth could surpass a million units per year. Sales reaching more than one million per year could stimulate the Indonesian market. The 1st APEC-AD Workshop event themed, “Green Car Development Facilitation” is an Indonesian International Automotive Conference support activity, which is also a part of the 2013 Indonesia International Motor Show (IIIMS) series, and will run from September 19 to 29 at the JIExpo, Kemayoran, Central Jakarta. (Source: www.antaranews.com September 17, 2013)

BAPPENAS APPROVES 590 INFRASTRUCTURE PROJECTS: The National Development Planning Board (Bappenas) has approved 590 of 1,100 infrastructure projects proposed to be included in the Master Plan for Acceleration and Expansion of Indonesian Economic Development (MP3EI). Deputy chief of Bappenas Lukita Dinarsyah Tuwo said the 590 projects are additional connectivity projects proposed until July 2013. Lukita said the 590 projects, valued at Rp1,700 trillion, were proposed by various agencies such as the ministry of state enterprises, in various economic corridors. There are many proposals. They are encouraged by the MP3EI, but they have to select which of the projects give greater contribution to the country’s economic development. The projects will no longer need to go through analysis of environmental impact as they are included in Special Economic Zone (KEK) or strategic area of companies. Meanwhile chief economics minister Hatta Rajasa said there are 885 projects in MP3EI valued at Rp2,304 trillion already validated including 583 projects valued at Rp2,177 trillion in the real sector. Hatta also said that realization of investment projects included in MP3EI reached Rp647.46 trillion in value since from 2011 to July 2013. (Source: www.antaranews.com September 3, 2013)

PEARL EXPORT US $29 MILLION: Indonesia is a producer South Sea Pearl or south sea pearl largest in the world by supplying 43% needs of the world. While the Indonesian trade sequence occupies the 9th world with export value of U.S. $ 29.431.625 or 2,07% of the total export value of the pearls in the world to reach U.S. $ 1.418.881.897. This position put Indonesia under the Hong Kong, China, Japan, Australia, Tahiti, USA, Switzerland and the UK. Indonesian pearl export destination countries are Japan, Hong Kong, Australia, South Korea, Thailand, Swiss, India, New Zealand and France, said Director General of Processing and Marketing of Fisheries Products (P2HP) Marine and Fisheries Ministry in Jakarta Saut P Hutagalung. Pearl export value still can be improved by expanding and strengthening the marketing program. To the government in this case the Ministry of Maritime Affairs and Fisheries (CTF) together with stakeholders will continue to do groundbreaking efforts through intensive promotional activities as implemented in Indonesian Pearl Festival 2013 in an effort to enhance the competitiveness of Indonesian pearls and pearl increase the export performance of Indonesia. Yet many of freshwater pearls, imitation pearl, pearl imitation / artificial and beads that come in and traded
in the territory of the Republic of Indonesia is very detrimental to the image of Indonesian SSP. Pearls are one of the leading commodity CTF with high economic value and have the prospect of future business development in the coming. It can be seen from the increasing demand of pearl jewelry and the price continues to increase from year to year. Indonesia is a pearl South Sea Pearl (SSP) derived from shellfish Pinctada maxima both natural and cultured. Development centers Pinctada maxima in Indonesia spread in several areas, namely Lampung, Bali, Lombok, Flores, North Sulawesi, Southeast Sulawesi, Central Sulawesi, Gorontalo, Moluccas, North Maluku and West Papua. SSP Indonesia has a unique, form color and charming and timeless kilaunya all time, so it is very popular in the international market, and are usually traded in the form of loose and jewelry, sharpness. CTF optimistic increase the value of exports Pearls Indonesia because Indonesia has a master and supporting factors, such as cultivation area, labor, support equipment and technology. To realize the target, the CTF has done 6 endorsement. Among, development Broodstock Center kekerangan in Karang Asem, Bali. Non-consumptive form the Product Development Directorate under Directorate P2HP. CTF also established the Sub-Commission on the Indonesian Pearl Fisheries Commission under the coordination of DG P2HP. Further, CTF will encourage the publication of the Indonesian National Standard (SNI) pearl which has now been published (SNI 4989:2011). SNI publication of the Indonesian National Standard (SNI) pearl has now been published (SNI 4989:2011). SNIPearSNI 4989:2011 should be used as a basis in preparing Standard Operating Procedure Grading pearls and will be followed up by making Indonesia Quality Pearson Label (IQPL). Further, OSH promote Indonesia through to sell PT Prima Layanan Nasional Enjiniring, while PT Barata Indonesia will maintain the construction of the sago factory. Both sago factory and power plant targeted to start under the operation in a year or 2014. Meanwhile, the electrical power also will be reserved for the surrounding community. Pamudji revealed that PLN will be the constructor for the Sorong biomass power plant because no one interested during the project bidding process. PLN plan to buy another biomass power plants in several islands, such as Nias, Lombok, Sumbawa and Sumba as the pilot project.

FOREIGN INVESTORS TO BUILD SUGAR FACTORY IN CENTRAL ACEH. A foreign investor is building a sugar cane processing mill which will have an annual production capacity of 4,000 tons of refined sugar per day. PT Kamadhenu Ventures Indonesia will build the factory in the regency of Central Aceh, Mustafa Kamal, the spokesman of the Central Aceh district administration stated. The district administration welcomes the construction of a sugar mill in the regency of Central Aceh, Mustafa said in Takengon. Kamadhenu Ventures official Davarakonda Venkataratnam, a Vietnamese of Indian origin, said first the company would build fence around the 75 hectare plot of land where the factory will be built in the sub-district of Ketol. The process of building the project will take around 14 months by phases that would include office buildings, dormitory, supporting facilities and the factory. Venkataratnam said the company would need 12 hectares of farmland for sugarcane plantation and the land has been available in Central Aceh. The Central Aceh regency wants to make sugar its second main commodity after arabica coffee. Central Aceh has 40,000 hectares of arabica coffee plantations. Currently Central Asia has 7,940 hectares of sugar plantations producing 48,890 tons of sugarcane per year. The presence of PT Kamadhenu is expected to encourage the local farmers to grow sugarcane. (Source: www.antaranews.com September 6, 2013)

PT. PLN TO BUILD A BIOMASS PLANT: State-Owned Electricity Company PT PLN will build a biomass plant from sago tree bark with 2x1.5 MW of capacity in South Sorong, West Papua, with investments worth Rp120 billion. The power plant is expected to fulfill the electricity needs of sago factory, with capacity of about 100 tonnes per day, constructed by state forest company (Perhutani), said PLN President Director Nur Pamudji. The investment value is quite big, about US$4 million per MW or seven times of diesel power plant which only US$0.6 million per MW. However the operational cost is cheaper. The power plan for construction is by PLN’s subsidiary, PT Prima Layanan Nasional Enjiniring, while PT Barata Indonesia will maintain the construction of the sago factory. Both sago factory and power plant targeted to start under the operation in a year or 2014. Meanwhile, the electrical power also will be reserved for the surrounding community. Pamudji revealed that PLN will be the constructor for the Sorong biomass power plant because no one interested during the project bidding process. PLN plan to buy another biomass power plants in several islands, such as Nias, Lombok, Sumbawa and Sumba as the pilot project. (Source: www.antaranews.com September 30, 2013)

RI PREPARES STIMULUS TO BOOST EXPORTS: In a bid to significantly boost export volume amid the bleak outlook...
due to a steady decline in overseas demand, the government is preparing another economic stimulus package, says Finance Minister Chatib Basri. Chatib said during a press conference after an export forum at the Industry Ministry that the government might issue a set of new regulations that would include tax incentives, to help local industry players be more competitive and increase the value of their exports. Chatib said the set of incentives would likely be in the form of ministerial regulations, or other rules under the authority of the president.

Meanwhile, Indonesian Textile Association (API) chairman Association has proposed for its the elimination. The government is discussing measures, including tax breaks and relaxation of investment licenses, that was announced at the end of last month to spur economic growth amid investment deceleration and to stabilize the weakening rupiah. Another measure that would help exporters would be easing the flow of goods in seaports by being less scrutinizing, Industry Minister MS Hidayat said. At present, producers in bonded zones aimed to boost exports and is approved by the Finance Ministry, he said. At present, producers in bonded zones who outsource some of their jobs to subcontractors outside the special zones are required to pay a 10 percent value-added tax to the government, and later can restitute the taxes within one year. However, as restitution procedures are long and complicated, the Indonesian Employers Association has proposed for its the elimination. Meanwhile, Indonesian Textile Association (API) chairman Ade Sudrajat said that the elimination of the tax restitution would considerably help the cash flow of exporting firms as they could use the paid taxes for other business costs. They can increase exports by around $2 billion within two years when the system is removed. (Source : www.thejakartapost.com September 12, 2013)

TATA MOTORS INDONESIA ENTERING INDONESIAN AUTOMOTIVE MARKET: India-based carmaker PT Tata Motors Indonesia is entering the Indonesian automotive market, which is dominated by Japanese cars, with its three models. The three models are Tata Vista for the hatchback segment, multi-purpose vehicle (MPV) Tata Aria, and sport utility vehicle (SUV) Tata Safari Storme. Since they made the announcement to enter this market a year back, they have tested various products across Indonesian terrains and are convinced that they are bringing the right product mix.

Tata Motors Ltd. managing director Karl Slym said in a press statement, when the products were launched. The launch was only a day after PT Astra Daihatsu Motor and PT Toyota Astra Motor introduced their "low-cost green cars" (LCGC), Ayla and Agya, respectively. Both run on a 1,000-cubic centimeter (cc) engine. Daihatsu and Toyota, both subsidiaries of Indonesia's largest automotive distributor PT Astra International, together control around half of the domestic automotive market through their Japanese car brands. In the hatchback segment, the 1,400-cc Tata Vista might see the two LCGCs, which come at lower prices, as well as the 1,500-cc Honda Jazz and the 1,500-cc Toyota Yaris, as other players.

The Tata Vista is priced at Rp 129.9 million (US$11,655), while Daihatsu Ayla and Toyota Agya are sold for Rp 76 million and Rp 99 million, respectively. In the meantime, the Toyota Yaris and Honda Jazz variants are sold for around Rp 200 million. Tata Motors will also compete with a number of Japanese brands in the MPV and SUV segments with its 2,200-cc Tata Aria, which is sold for Rp 249.9 million, and 2,200-cc Tata Safari Storme, which is priced at Rp 279.9 million. In an attempt to grab a slice of the cake, the company offers a program customized for Indonesia by ensuring consumers will get spare parts within 24 hours when needed, or they will get them for free. Tata Motors would also offer a five-year warranty, or 100,000 kilometers in distance, instead of three years as many auto dealers commonly apply, Sengupta said. Without exposing its sales target, Tata Motors planned to strengthen its infrastructure by adding more dealerships, said PT Tata Motors Distribution Indonesia distribution and marketing director Pankaj Jain. About five new dealerships would be opened later in Cikarang and Bekasi, West Java, in Tangerang, Banten, in Malang, East Java, and in Denpasar, Bali, said Jain. At present Tata Motors already owns two dealerships in Jakarta, one in Surabaya, East Java, and the other in Surakarta, Central Java. It has targeted to have 15 dealerships operating by March 2014 in Java and Bali, according to Jain. The company would expand to Sumatra and Kalimantan next year as well, but it needed time to prepare the 24 hour spare parts service on the two islands, Sengupta told reporters after the launch. In the near future, Tata Motors will launch more products including its commercial vehicles, busses, trucks and the world's cheapest car Tata Nano, said Sengupta. The parent company of PT Tata Motors Indonesia, Tata Motors Ltd., acquired Korean truck producer Daewoo in 2004 and British luxury car maker Jaguar and Land Rover in 2008. The Indian firm was listed on the New York Stock Exchange in 2004. (Source : www.thejakartapost.com September 11, 2013)

TATA MOTORS INDONESIA ENTERING INDONESIAN AUTOMOTIVE MARKET: India-based carmaker PT Tata Motors Indonesia is entering the Indonesian automotive market, which is dominated by Japanese cars, with its three models. The three models are Tata Vista for the hatchback segment, multi-purpose vehicle (MPV) Tata Aria, and sport utility vehicle (SUV) Tata Safari Storme. Since they made the announcement to enter this market a year back, they have tested various products across Indonesian terrains and are convinced that they are bringing the right product mix.

Tata Motors Ltd. managing director Karl Slym said in a press statement, when the products were launched. The launch was only a day after PT Astra Daihatsu Motor and PT Toyota Astra Motor introduced their "low-cost green cars" (LCGC), Ayla and Agya, respectively. Both run on a 1,000-cubic centimeter (cc) engine. Daihatsu and Toyota, both subsidiaries of Indonesia's largest automotive distributor PT Astra International, together control around half of the domestic automotive market through their Japanese car brands. In the hatchback segment, the 1,400-cc Tata Vista might see the two LCGCs, which come at lower prices, as well as the 1,500-cc Honda Jazz and the 1,500-cc Toyota Yaris, as other players. The Tata Vista is priced at Rp 129.9 million (US$11,655), while Daihatsu Ayla and Toyota Agya are sold for Rp 76 million and Rp 99 million, respectively. In the meantime, the Toyota Yaris and Honda Jazz variants are sold for around Rp 200 million. Tata Motors will also compete with a number of Japanese brands in the MPV and SUV segments with its 2,200-cc Tata Aria, which is sold for Rp 249.9 million, and 2,200-cc Tata Safari Storme, which is priced at Rp 279.9 million. In an attempt to grab a slice of the cake, the company offers a program customized for Indonesia by ensuring consumers will get spare parts within 24 hours when needed, or they will get them for free. Tata Motors would also offer a five-year warranty, or 100,000 kilometers in distance, instead of three years as many auto dealers commonly apply, Sengupta said. Without exposing its sales target, Tata Motors planned to strengthen its infrastructure by adding more dealerships, said PT Tata Motors Distribution Indonesia distribution and marketing director Pankaj Jain. About five new dealerships would be opened later in Cikarang and Bekasi, West Java, in Tangerang, Banten, in Malang, East Java, and in Denpasar, Bali, said Jain. At present Tata Motors already owns two dealerships in Jakarta, one in Surabaya, East Java, and the other in Surakarta, Central Java. It has targeted to have 15 dealerships operating by March 2014 in Java and Bali, according to Jain. The company would expand to Sumatra and Kalimantan next year as well, but it needed time to prepare the 24 hour spare parts service on the two islands, Sengupta told reporters after the launch. In the near future, Tata Motors will launch more products including its commercial vehicles, busses, trucks and the world’s cheapest car Tata Nano, said Sengupta. The parent company of PT Tata Motors Indonesia, Tata Motors Ltd., acquired Korean truck producer Daewoo in 2004 and British luxury car maker Jaguar and Land Rover in 2008. The Indian firm was listed on the New York Stock Exchange in 2004. (Source : www.thejakartapost.com September 11, 2013)
efficient, effective, transparent, accountable and participatory, in accordance with good corporate governance values, said Zulkifli. Previously, applicants had to process different requirements at different offices in the ministry, shuffling between directorates, with no certainty of processing time and cost. Under the new policy, applicants who live far from Jakarta and even those near the forests will get assistance from local forestry offices, said Zulkifli. The ministry has also opened a dedicated booth in the office’s lobby for applicants who want to drop off documents. The permits that can be processed through the portal include permits for the utilization of timber products (IUPHHK) in natural forests (IUPHHK-HA), in timber estates (IUPHHK-HTI) and eco-system restoration (IUPHHK-RE). Forest area utilization permits (IPPKH) for mining and non-mining production and surveys or exploration can also be processed, as well as permits for conversion to production forest (HPK). According to the portal, lpp.dephut.go.id, an IUPHHK application takes a maximum of 125 days to process, while a HPK can take a maximum of 187 days. As for costs, it says there are no fees charged for applications, although a fee is charged for the actual permit. To obtain the permit requirements, however, applicants still need various documents from provincial and local administrations. The website also offers daily updates on the number of permits being processed. As of Wednesday, there were 307 applications submitted with 181 applications being processed, 123 rejected and three approved. Despite an overall improvement, Indonesia dropped a number of spots in the “starting business” and “dealing with construction permits” criteria, ranking 166th and 75th, respectively. (Source: www.thejakartapost.com September 12, 2013)

SOFTWARE BUSINESS IN RI : Dutch technology and services company Bosch says it has expanded its market in Indonesia to include enterprise-level software services. The company has found that the country is where its new business registered one of the highest growths in the region. Bosch Software Innovations, a unit under Bosch, provides software solutions, such as business rules management and business process management, to enterprises. The unit is distinct when compared to Bosch’s more traditional business in hardware, such as car parts and accessories as well as security systems. Bosch Software Innovations Asia Pacific managing director Thomas Jakob said that Indonesia was one of the top three growth countries, besides Thailand and the Philippines, for the company’s software solutions business. Indonesia is one of the largest potential markets, and it has been growing strongly, he further said. He added that business in the Asia-Pacific region had grown by a compound annual growth rate (CAGR) of 36 percent this year, and by an average 30–40 percent annually. However, Indonesia has grown by much more because it is starting from a very small base. A study by the International Data Corporation earlier this year estimates that information technology (IT) spending in Indonesia would hit US$15.8 billion by the end of this year, with overall information and communication technology (ICT) spending to reach $32.8 billion, thus charting a 10.6 percent growth. However, Jakob pointed out that mature markets in the region still led sales when based on value. Based on absolute value, Singapore is much larger in value than other countries in Southeast Asia. According to Jakob, roughly 50 percent of the company’s clients were financial service institutions (FSI) encompassing banks and insurance companies, such as Bank Internasional Indonesia (BII). A lot of the operations in these institutions can be automated, and this will help these institutions save money. For example, 30 percent of insurance claims can be processed automatically. FSIs have been the primary market for information technology solutions providers, given the high amount of data these companies have to process and laws that require them to store data in the country. Jakob added that as economic growth fueled the expansion of the FSI industry, so too would the need to analyze the high volume of data these companies have compiled. The growth of the FSI industry has been high. Hence, companies cannot just perform operations manually anymore. They must improve business automation to meet new needs. (Source: www.thejakartapost.com September 14, 2013)

SEmen Indonesia TO HAVE NEW PACKING PLANT : Cement producer Semen Indonesia (SMGR) is looking to operate a new packaging plant in Banjarmasrin, South Kalimantan, in the fourth quarter of this year. The Rp 120 billion (US$10.48 billion) plant is expected to help the company to meet growing cement demands in the province and its surrounding areas. So far, the construction of the plant has reached 90 percent, according to the company. When completed, it will have a silo, with an annual capacity of 600,000 tons; two lines of rotary packers, with a capacity of 2,200 bags per hour; one bulk line, with a capacity of 120 tons per hour; and a dock, which will be able to facilitate ships of up to 5,000 dead weight tons. The plant aims at serving our markets in South Kalimantan and its surroundings. They are also working on the construction of other packaging plants to reduce logistics costs, Semen Indonesia president director Dwi Soetjipto stated. Earlier this year, the company announced it would build at least three packaging plants in East Kalimantan, South Kalimantan and West Kalimantan, and several other facilities in the eastern part of the country. Meanwhile, based on data from the Indonesian Cement Association (ASI), Kalimantan has shown positive growth during the year. Cement sales volume between January and August reached 2.76 million tons, up 7 percent from the same period a year before. The growth in Kalimantan was higher compared to those in other regions. ASI reported Sumatra booked a 1.8 percent rise, Sulawesi posted a 4.7 percent increase, while Maluku and Papua recorded 0.1 percent growth. (Source: www.thejakartapost.com September 18, 2013)

GLOBAL PALM OIL MEETING IN MEDAN : The Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder organization that promotes sustainable practices in the palm oil industry, will convene its 11th annual meeting at
the Santika Premiere Dyandra Hotel and Convention in Medan, North Sumatra, on Nov.12-14 to discuss the revised RSPO principles and criteria for the development of the commodity. RSPO secretary-general Darrel Webber announced that the meeting would accommodate delegates from around the world representing various stakeholders and interest groups to explore issues and challenges faced by the industry. “We do still have a long way ahead of us in achieving our goal in making sustainable palm oil the norm in the market, and the upcoming conference will be an effective forum for all stakeholders — palm oil producers, processors, traders, consumers, bankers and investors and NGOs – to harmonize their vision,” Webber said in a statement. The RSPO tenth annual meeting in Singapore last year was attended by 800 delegates from 37 countries. (Source: www.thejakartapost.com September 18, 2013)

“Cocoa Life” program aimed at boosting cacao production and encouraging farmers to perform good agricultural practices. For that program, the US-based confectionery conglomerate will disburse US$400 million to six producing countries, including Indonesia, the amount of which will be divided proportionally among the participating countries, said Andi Sitti Asmayanti, the cocoa development manager for Mondelez Southeast Asia. This is their unique responsibility as the world’s biggest cacao consumer in the world. Indonesia is the world’s third biggest cacao supplier. How much capital we will disburse will go along with that, as well as how many partners are willing to cooperate and how many programs will be carried out. Mondelez International, which comprises snacks and food brands of the former Kraft Foods, plans to conduct training for 50,000 local cacao farmers in Papua, Sumatra and Sulawesi to practice sustainable agriculture, to enhance harvest quality and to increase yields amid stagnating land expansion for cacao cultivation. A similar program has been carried out for 20,000 farmers in Ghana, 10,000 farmers in Dominica and 60,000 farmers in India. Other participating countries are Brazil and Ivory Coast. Mondelez, which produces globally renowned brands such as Oreo, Cadbury, Jacobs and Nabisco, purchased 20,000 tons of Fairtrade certified cacao and 15,000 tons of Rainforest Alliance certified cacao in 2011. Agriculture Ministry plantation director general Gamal Nasir said the government applauded the initiative. Consuming countries demand sustainable and good quality cacao. The program is in line with the government’s Gernas Kakao [Cacao National Movement] which aims to rehabilitate cacao plants and intensify existing land. Indonesia produced 936,266 tons of cacao last year, or a 31.46 percent increase compared to 2011, according to data from the Agriculture Ministry. Production, however, slumped by 15 percent in 2011 from a previous level of 837,918 tons in 2010. In 2008-2010, production only saw around a 2 percent annual increase. In 2012, the government issued a regulation encouraging exports of fermented cacao and, at the same time, limiting the export of raw cacao. Following the issuance of this regulation, the country started to see increasing local processing capacity and investment. (Source: www.thejakartapost.com September 20, 2013)

RI CONSIDERS TO REDUCE CACAO IMPORT DUTY: The government is deliberating on reducing the import duty for cacao — of which Indonesia is the world’s biggest producer — to bring in more imports and meet rising demands for the emerging processing industry amid a stagnating harvest. Deputy Trade Minister Bayu Krisnamurti said that the government was mulling bringing in more cacao to supply the country’s upstream cacao industry, which has seen promising growth these last few years, after the government introduced a regulation to restrict the export of raw cacao to encourage exports of fermented cacao and investment in the processing industry. Bayu said the government needed to evaluate the import policy, which imposed a 5 percent import duty on cacao to avoid raw material shortages, as with growing demands and stagnating production, the country was predicted to be a net cacao importer by 2015 — despite being the world’s top cacao supplier with a production of 800,000 tons per annum. Agriculture Minister Suswono said that such a regulation was important to the country’s move to orient its cacao industry toward the upstream sector. The industry has its own installed capacity that needs to be met and domestic production has its maximum yield. As long as domestic supply is not adequate for supporting the processing industry and the policy doesn’t burden local farmers, it’s okay to reduce import duty and bring in more cacao beans. Such a policy will only be in effect temporarily, until Indonesia can boost production to supply domestic industry. The Ministry is optimistic that Indonesia can increase production with the Gernas Kakao [National Cacao Movement] to avoid a shortage. The government launched the Gernas Kakao program in 2009, which was slated to end by 2012 before being extended to 2014, to rehabilitate and intensify 1.6 million hectares of cacao fields in the country and boost production. The government has targeted Indonesia to be the world’s top cacao producer by 2020, which could see it book 2 million tons of annual production. In 2010, the government also introduced a regulation that imposed 15 percent export fees for raw cacao to increase supply for domestic industry and encourage imports of fermented cacao and the growth of the processing industry. A number of foreign investors have expressed their interest in building facilities in Indonesia, including Switzerland-based Barry Callebaut and Malaysian-based JBCocoa, which will start operating this year. The latest interested investor is Cargill, which is slated to open its facility (with the capacity to process 70,000 tons of cocoa beans) in mid-2014 in Gresik, East Java. The growing investment, however, is not in line with the country’s production progress. Indonesia produced 936,266 tons of cacao last year, a 31.46 percent increase compared to 2011, according to data from the Agriculture Ministry. Production, however, slumped by 15 percent in 2011 from 837,918 tons in 2010. In 2008-2010, production only saw around a 2 percent annual increase. (Source: www.thejakartapost.com September 21, 2013)

ASMINDO AIMS FOR 8 PERCENT INCREASE IN FURNITURE AND HANDICRAFTS EXPORTS: The Indonesian Furniture Entrepreneurs Association (Asmindo) says it is aiming for an 8 percent increase in furniture and handicraft exports

Indonesia Newsletter (September 2013)
PT Berau Coal Energy (BRAU) plans to invest between US$100 million and $300 million to increase production beyond Rp 12,000 per US dollar because otherwise the country will have difficulties. Asmindo members exported goods worth a total of US$2.65 billion last year, comprising $1.85 billion of furniture and $800 million of handicrafts, said Ambar. They expect their exports to reach $3 billion in 2015. (Source: www.thejakartapost.com September 21, 2013)

BERAU TO INVEST US$300 MILLION TO BOOST PRODUCTION

PT Berau Coal Energy (BRAU) plans to invest between US$100 million and $300 million to increase production capacity and build a power plant. The money will be used to build a conveyor belt and power plant, said the company’s president director, Eko Santoso Budianto. The conveyor belt would be at its mining site, Binunung coal mine. Meanwhile, the power plant would have two generator units each with a capacity of 20 megawatts. Berau Coal expects to produce 34 million tons of coal by 2017. Despite a decline in coal prices from $78 per ton to $60 per ton, the company would still execute the projects, Eko said. The company expects this year’s production to reach 23.5 tons. Eko believed that conditions would improve in the next two to three years. Berau Coal operates three mining sites – Lati, Binungan and Sambarata – all in East Kalimantan. The company’s concession is around 118,400 hectares. (Source: www.thejakartapost.com September 23, 2013)

INTERNATIONAL FURNITURE & CRAFT FAIR 2014 (IFFINA)

MARCH 14-17, 2013

SENAYAN, JAKARTA, INDONESIA

Visit: http://iffinaindonesia.com

IFFINA is the biggest international furniture and handicraft exhibition in Indonesia. In 2014 the 7th edition will take place. This year will be at a new location in Senayan Jakarta, from 14 till 17 March 2014. IFFINA will display all the qualities of Indonesian craft and workmanship. An estimated 450 exhibitors and 5000+ visitors will attend. The 7th IFFINA at March 2014 will present a new look. This time IFFINA will cling together with nature and environment. The event will be conducted at East Green Eco Park at Senayan, Jakarta, Indonesia. Indonesian nature is the inspiration and will be the main supply of IFFINA’s resources. All furniture elements will display the best design and products. Hosted for the seventh time ASMINDO supports the local furniture industry to fullest capacity, providing an already very established event to the world. The new design will adopt ‘Go Green’ theme and the products have Indonesian LTVS certification. New design will represent the uniqueness of Indonesian furniture and handicraft. Ethnic, minimalist and modern style will be dominant at this event. All used materials such as solid wood, bamboo, rattan and MDF will be presented. Contemporary design by Indonesia furniture designers will be shown and can be seen by the visitor in every area of the show. Every year IFFINA is visited by multiple thousands of international buyers. * Hospitality services will complement with IFFINA, * Such as free transport from airport to hotel and the venue (v.v.) * And special discounts on internationally class hotels will be available for all international buyers. IFFINA is part of ASEAN furniture show cycle, with IFFS Singapore from 13 till 16 March, IFFINA Indonesia from 14 till 17 March and CIFF Guangzu from 18 till 22 March. This makes up for a perfect combination of world renowned furniture exhibitions. IFFINA is the only furniture fair from Indonesia at the ASEAN Circuit. Also IFFINA is the only Indonesian furniture event that has a contribution with similar international furniture events.

Come to IFFINA – Be inspired – Go Green and find your needs in one ‘must visit’ exhibition.

WHY YOU SHOULD VISIT IFFINA

1.IFFINA is the largest furniture exhibition in Indonesia with more than 450 exhibitors. 2.IFFINA is barometer for furniture exhibition in ASEAN circuit furniture show, presenting the increase quality of product in line with increasing the quality of exhibitor, buyer and trader. 3.IFFINA is the easiest way as well as the most efficient access to global market in searching for new producers that can be relied on. 4.Effective as a market place and efficient to meet the qualified sellers and buyers. 5.Meet your qualified suppliers and get the right products with competitive price.

For further details contact: The Indonesian Furniture Industry and Handicraft Association, Jl. Pegambiran 5A, Rawamangun, Jakarta 13220, Indonesia Phone +62 21 4786 4028 Fax +62 21 4786 4031 Email asmindo@indo.net.id
INDONESIAN TRADE EXHIBITION CALENDAR 2013
Organized by: PT. Pamerindo Buana Abadi, Indonesia
Visit: www.pamerindo.com/events

OIL & GAS INDONESIA 2013
13-15 November 2013
The 9th International Oil and Gas Exploration, Production and Refining Exhibition

MARINE INDONESIA 2013
13-15 November 2013
The 16th International Marine, Shipping, Port Equipment and Cargo Handling Exhibition

PLASTICS & RUBBER INDONESIA 2013
20-23 November 2013
The 26th International Plastics & Rubber Machinery, Processing & Materials exhibition

MOULD & DIE INDONESIA 2013
20 - 23 November 2013
The International Mould & Die Machinery, Processing & Materials Exhibition

PROPAK INDONESIA 2013
20-23 November 2013
The 20th International Show of Equipment for Bio Processing, Packaging & Food Line Printing Industries

MANUFACTURING INDONESIA 2013 SERIES
The 24th International Manufacturing Machinery, Equipment Materials & Services Exhibition
4-7 December 2013

MACHINE TOOL INDONESIA
The 27th International Machine Tool, Metalworking & Allied Industries Exhibition
4-7 December 2013