

MINUTES OF MEETING
WORKSHOP OF ECONOMIC FRAMEWORK ON SSC

Place : Indonesia Kempinski Hotel, Jakarta
Date : March 31st, 2011
Time : 09.00 AM – 01.00 PM

Minutes:

Dewo Broto Joko Putranto (Director of Multilateral Foreign Funding, Bappenas):

- Thanking for participation in the workshop and conveyed message from Mr. Lukita that he apologized cannot attend the meeting.
- The workshop is important to formulate Grand Design and Blue Print based on the experiences and international best practices.
- Explained about the current process and summary of the Grand Design and Blueprint.
- Basic policy for Grand Design and Blueprint is Jakarta Commitment, in which its legal basis of has been enacted by Presidential Regulation. How to strengthen SSC is important.
- Based on mandate of Jakarta Commitment, the Team on SSC has conducted study supported by JICA including the development of the Grand Design, Blue Print and also the database or system information, to compile our experiences, practices about SSC. You will know what we have on SSC. Some programs to be developed and strengthened.
- By establishing the Coordination Team, we want to integrate the Indonesia's SSC. The result is tangible. National Coordination Team was established in 2010 by a Decree of Head of Bappenas, consists of the members from Bappenas, MOFA, MOF and State Secretariat and some members from related Ministries/Institutions.
- The Team has conducted series of meeting involving the Coordination Team, other related line ministries and private sectors and academia to discuss the development of policy documents.
- The Indonesia's SSC is prioritized on economic cooperation that leads to the international trade and strengthening international diplomacy.
- Since Indonesia is the member of G-20, it is important to capture the needs.
- Two policy documents are being developed: Grand Design (2011-2025) and Blueprint 2011-2015.
- The principles: mutual opportunity based cooperation within Southern countries as well as Northern partners, including inward and forward looking.
- Approach: through technical cooperation that lead to economic cooperation through the inclusive and horizontal partnership.
- Indonesia need supports from development partners for the SSC funding, through cost-sharing with Northern partners and triangular cooperation with Northern countries or multilateral agencies such as UNDP and World Bank. Besides, private sector is expected will support since they will get the benefit from this cooperation. And Indonesia is willing to establish the Trust Fund on SSC

and the development partners can contribute to the decision making process. Indonesia (Bappenas) has the experience in establishing the Trust Fund.

- Flagship program: to be implemented soon to obtain the yield. The criteria have been established. Further focus that the flagship program should have the economic impact and value that lead to the knowledge sharing mechanism and applicable to the current global conditions.
- Regional focus based on the direction of Steering Committee is the five areas of Africa, South America, Pacific, South and Central Asia and South East Asia and shall be flexible too.
- Time Frame: Period I: 2011-2014: stronger coordination within revitalized institutional framework. Period II: New Emerging Partner in innovative South-South Cooperation. Period III: Strategic partnership within innovative and inclusive South-South cooperation.
- For the first period, the focus shall be strengthening coordination that lead to the establishment of SSC institution such with JICA, KOICA, etc., and focus on technical cooperation that lead to economic cooperation and stronger linkage between government and private sectors.
- The main objective of the Grand Design of Indonesia's SSC is to build basic framework to support and strengthening the integrative and innovative Development Cooperation that match with the current need and global perspective.
- Through the SSC, Indonesia is expected to play and contribute to the better prosperity.

Ms. Dinur Krismasari (JICA):

- Thanking to the participants and apologize that Mr. Kohara can not attend the workshop.
- The importance of SSC in the International Arena: SSC has been internationally recognized as one of prospective and effective tools for development. JICA recognized that it could contribute to global development based on two basic implications. First, SSC as the complement of N-S cooperation to speed up the achievement of development goals. Second, it provides an opportunity for emerging countries to enhance their capacity and gradually transform themselves into the providers of the assistance. And as the addition, international cooperation should be as a compliment to boost the efforts to realize national prosperity and competitiveness.
- Indonesia and Japan has more than 50 years of cooperation. JICA has shared a long and close collaboration in promoting Indonesia's SSC through the training and dispatching of experts. The collaboration to support SSC has started since 1971 and this year of 2011 is 30 years of collaboration between Japan and Indonesia.
- Acknowledge many centers of excellent, like ITS Polytechnic in Surabaya, Agency for Agricultural Human Resource Development (AAHRD, MoA that has supported for Madagascar and Tanzania) and NGO IBEKA in Subang. It is a remarkable progress.
- Position of Indonesia in International Arena: As Indonesia has remarkable economic growth, complimenting the progress towards maturity in process of democracy and stability, Indonesia then recognized as the prospective emerging country. As a reflection: today is a good momentum for Indonesia to transform to share its contribution to the world and become more confidence to

play more active role in international arena, as the member of G-20, Chairman of ASEAN and NAM.

- Third issue: JICA has also supported Indonesia in capacity building since 2009. Together with MOFA and State Secretariat and Bappenas, JICA facilitated the workshop that came up with the idea how to build capacity building for Indonesia for the future cooperation. JICA is just facilitating to the Government for formulation the national policy. At the same time, JICA support to capacity development through training, promoting for more quality improvement of cooperation in operational stage. These efforts also supported by other development partner such UNDP with the supports of meetings and workshop and GIZ (supported for promoting evaluation guideline for SSC modality in Indonesia).
- Hope that this workshop may facilitate in building better inter-ministerial consensus for developing understanding and strong ownership as an important foundation of SSC. This cooperation in the future might be expanding as partnership and spirit to work together on global issues in the future.
- JICA will stand ready to promote and enhance the future Japan-Indonesia partnership on prospective S-S and Triangular Cooperation such as support for Palestine and Timor Leste.
- To commemorate the 30 years of JICA support to Indonesia's SSC activities, JICA deliver publication that highlight JICA's general policy and overview on the concrete action and cooperation experiences in promoting Indonesia's SSC.

Panel Discussion

Moderator: Ms. Yohana Gultom

Introduced the Panelists and Respondents

The workshop is expected to answer the question of:

1. How can economic cooperation contribute to South-South Cooperation?
2. Where is the position of economic cooperation within the technical cooperation aspect of South-South Cooperation?
3. How can economic cooperation and technical cooperation in South-South Cooperation be linked effectively?
4. What is the best way in managing economic cooperation within South-South Cooperation?
5. How can private sectors contribute efficiently in technical cooperation?

Panelist:

1. Dennis Nkala (Chief Asia-Pacific SSC Special Unit UNDP)

The Linkage between Economic Cooperation and Technical Cooperation in SSC:

- SSC is related to the Bandung Conference in 1955, Non-Aligned Movement, G-77, High Level Conference on SSC, etc. Indonesia has the responsibility and acknowledges influencing the development of SSC.
- UNDP Special Unit for SSC (center in Bangkok support for regional offices such UNDP office in Indonesia) has the important views to present best experiences to other countries.
- As the topic of presentation, Technical and Economic Cooperation in SSC should work together, it can't work independently.
- Technical Cooperation among Developing Countries has brought the energy of economic cooperation to move forward in term of economic development, building the capacity to absorb and adopt technology on different capacities among the countries. The establishment of SSC was aiming to building capacity and adopting technology for the developing countries. After the achievement building capacity and technology, they can move to economic cooperation.
- Economic cooperation is a challenge for Indonesia related to the globalization. Indonesia and some Asia countries are moving as the middle income country and some economies in the middle income trap. There is a need to develop the strategies to move to the economic cooperation. This is the time moving toward the issue of N-S and S-S.
- Definition of SSC: Most people agree that 1955 is the foundation of SSC. Marrakech as the new era of SSC to take place.
- Know-how, information and communication are at the heart of human progress of humanity's endeavours and of human well-being and component of TCDC.
- Extracts from Buenos Aires Plan of Action (1978) show that Technical Cooperation among developing countries included some of the following objectives:
 - Exchanges of experiences, the pooling, sharing and utilization of technical resources and development of complimentary capacities;
 - Promotion of the transfer of appropriate technology and skills;
 - Overall technical cooperation through the pooling of capacities;
 - Improvement of communications; and
 - Building capacity to absorb and adapt technology.
- The components of TCDC as perceived in Bandung and BAPA are clear, including expert exchanges, training, study tours, technology transfer, etc.
- The issue of economic cooperation among developing countries (ECDC) was raised in 1990s such as: trade, investment and regional integration. Some forums have assisted local system. Now S-S trade exceeded 20% of the world trade.

- GSTP as a framework for exchange of trade preference among developing countries including Sao Paulo round (2011) aimed at enhancing cooperation in trade.
- TCDC and ECDC is still has a symbiotic relationship that building of education, science and technology led to better quality of productive resources such as Republic Korea and Singapore. At the same time as economic growth was achieved, there was an acceleration of research, innovation and invention.
- Economic growth leads to increase capacity that enables a country to provide assistance to others. It needs central mechanism for providing the assistance.
- Malaysia, Thailand, India have International Cooperation Agency that strengthening them in providing the assistances.
- Various multilateral and intergovernmental organizations are come up with the support and promoting trade and investment within SSC, such as South Center, UNCTAD and regional commisions. UNDP through the Special Unit for SSC continues to support global development efforts through SS-GATE in Shanghai which aimed to develop solution, Regional Expo and South-South Development Academy. All are willing to promote knowledge on development solutions and scaling up the development solution.

2. Ms. Martha Dhini (Director of Bilateral and Multilateral, BKPM):

- Realization of Investment: up to the 3rd Quarter of 2010: Rp149.6 billion (93.5% of Strategic Plan (Renstra) target in 2010 which is Rp160 billion).
- It is estimated that total realised investment in 2010 reached Rp 200 billion, with the proportion of foreign investment realisation outside Java increased to 38.8%, compared to 2009 (13.7%).
- Investment objectives: pro growth, pro job, pro environment, pro poor (Article 3 para (2))
- Development Investment Realization:
 - In 2006-2010 most in industrial sector: food, textile, goods from leather, wood, paper, chemical, rubber and mineral and non-mineral industry, machinery and electronic, etc.
 - Foreign investment distribution: GDP growth: 7-8%.
 - Most of the investment is in Java Island.
 - The top Foreign Investments in Indonesia are from Japan, Singapore, Mauritius, England, USA, South Korea, etc.
- Strategic Planning:
 - Quick win: low hanging fruits: Increasing Human Resources Development through the encouragement of value added. Increasing of the oil refinery production.
 - Acceleration of Infrastructure Development and Energy: Physical and soft infrastructure such as Road: Planned 20,000 km (2010-2014), etc.

- Strengthening the industrial structure to increase the added value: through improvement of steel and cement production.
- Technology and innovation-based economy: Being a major player in the global level and the establishment of infrastructure support as a catalyst (such as Silicon Valley or other center-center of excellence).
- Investment Policy Development:
 - On 25 May 2010 Government has issued Presidential Regulation No. 36 of 2010 concerning List of Business Fields Closed and Open with Conditions to Investment or commonly known as Investment Negative List (DNI)Tax holiday:
 - Investment realization target in 2011: PMA : Rp. 150.4 trillion; PMDN: Rp. 53.3. trillion.

3. Edward (Director of APEC Cooperation and Other International Organization of Ministry of Trade)

- Indonesia Economic Strategy by RPJMN 2010-2014: stressing on trade: economic development can be seen by both demand and supply sides. From demand side: need investment, capital and push the export. The policy is important for local people to maintain the ability to pay. And how to minimize government expenditure and state asset management.
- Strategy on trade: to improve product competitiveness especially on non-oil and gas export and diversification and quality of the product and supported by price stabilization and distribution and logistic system.
- Indonesia as archipelago and separated by sea, need strong infrastructure and transportation system. Good climate investment to secure in doing business.
- Need to improve to the value added product not only raw material.
- Need to improve non-oil and gas export based on international market demand.
- Government support in industry creative and services, and put prioritize on SME.
- Other strategy: support diversification to reduce dependency of this country on traditional export. Indonesia focusing to develop market to Asian and African countries, as a part of SSC.
- How we can utilize the resources to gain its benefit.
- Developing activity in the border area with neighboring countries. How to improve the trade within the border?
- Strengthening the institution especially to funding international trade, focusing on non-oil and gas.
- International foreign trade is to develop diversification and continue to improve the quality and diversification of export product.
- Role of Indonesia in SSC: starting in Asian African Conference in 1955 and Non-Aligned Movement in 1961 and to G-77 (UNCTAD), in 1978: 138 countries established TCDC and 2009 UN Conference on SSC.

- Malaysia South-South Cooperation to synergize the Southern countries on trade and investment in Africa.
- Indonesia has put agenda of SSC in RPJMN 2010-2014.
- MoT has a program by involving and assisting Timor Leste for managing and formulating their trade and having trade office: Indonesia Trade Promotion Center in many countries.
- Trade Cooperation: based on bilateral cooperation and regional based as well as multilateral (WTO member, part of the D-8, OIC, and ratification of GSTP that has been signed in Brazil in December 2010).
- Indonesia's position on export and import: total export and import of Indonesia to Southern Countries is improved from 2009 to 2010.
- Trade Diplomacy and promotion: through bilateral and regional cooperation for Pacific: through joint border meeting, etc.

Moderator:

Highlights to the Panelist:

Dennis Nkala:

- TCDC and ECDC is complementary each other. It is important to integrate technical cooperation into economic cooperation.
- SSC is a broad concept. It is important to develop a framework, to have agreement on concept, set a policy and institution and cooperation type.
- There is a need to set forum to set a policy, to align with the line ministries.
- Middle income track to help other developing countries in the form of capacity building.

Martha Dhini (BKPM):

- There is an opportunity of SSC and many investments are growing to Indonesia.
- Foreign investment shall aim toward the pro-growth, pro-environment, pro-poor, and pro-job.

Edward (MOT):

- Priority on pushing export is very important. GOI is trying to improve diversification to the SS countries.
- Strong willingness of GOI to make the export and import is increasing.

Nakazawa (JICA):

- Highlight on issues on policy formulation. As Mr. Nkala and Mr. Dewo said that it is for the future of the people of Indonesia and the world, then we have to consider how Indonesia economic may grow.
- Linkage between technical and economic cooperation is necessary in term of global cooperation.
- Indonesia should consider benefit of Indonesia and beneficiary countries. It needs to grow together with Indonesian community. Issue needs to discuss among policy level.
- How to provide the linkage between TCDC and ECDC has been the long discussion and as a growing issue and a little bit challenging.
- Indonesia has the policy and under this policy has a close linkage (frame) to be discussed at policy and implementation level.
- Although the concept and come up to good umbrella, but binding with the best practices (pilot project) is the best way. Through the practice, can create better linkage among the actors.

Mr. Indrasari (National Agency for Export Development):

- It is needed to make something that down to earth, applicable and simple.
- Economic Cooperation: economic, trade and investment, should be synergized with the issue of climate change. The linkage between the climate change to the trade and investment.
- Program is very good but should be clear the definite program, focus and clear time frame to implemented them.

Dennis Nkala:

- Agree with Mr. Nakazawa. It is an important to have strength on certain areas. Mutual benefit is very important issue in SSC.
- As one alternative, people come up with the strategy and consider SSC as an important aspect, in order to get benefit from SSC. Indonesia can play a good role due to the history of conducting SSC.

Mr. Dewo (Bappenas):

- Response to BPEM: Try to be focused and Grand Design has to be down to earth, start from what we have now. The cooperation shall start from the existing condition. By strengthening the condition then the target may become more realistic. The problem shall be focus on certain program/sector based on comparative advantages. Then establishment of the criteria for Flagship program: emphasis on comparative advantages.
- Quick win: promote the program that has been well known by developing countries.

- Linkage SSC and climate change: yes as focal point of climate change: committed to reduce 40% of emission. President committed to reduce green house effect to 26%. Now we have 2 agenda: own resources and supported by international institution.
- SSC is not only at national level, but also at G-20 forum and Indonesia collaborates with Australia to promote, replicate and disseminate as well as apply the experience and knowledge on poverty reduction and poverty empowerment. Under G-20, third pillar, apply PNPM to Afghanistan and East Timor with the support of Australia. Knowledge sharing as Indonesia's comparative advantage.

Adik Bando:

- Participate in assist and support in preparing Indonesia's Grand Design for Bappenas and focal point for Asia Pacific under TT- SSC.
- BKPM: information of foreign investment of 16% of top 10 products in Indonesia. In which sector the investment is made? Is there any information on the Investment in foreign countries? If yes, what kind of investment has been made? Can we obtain similar data from foreign countries?
- Is there any support from Government to promote the investment of private sectors in foreign countries? If yes, what constraints are faced by those investors? Is there any regulation that promotes the Indonesia investment in foreign countries?
- Respond to MoT: bilateral investment treaties: with SSC and N-S. What constraints are usually faced by the treaties with SSC? Whether is caused by the process or has been seen before? What supported has been provided by the Government? How far the treaties with developing countries have been done?

Nahmudin Ali (Program Officer of UNIDO, Industrial Development Organization of UNDP):

- Talking about SSC, UNIDO has been actively promoting its scheme from TCDC and ECDC and continue to UNIDO-Industrial SSC center. The center is very active in implementing cooperation in India, and is facilitating for China, Brazil and South Africa, and with Indonesia: MoU has been signed with Mr. Fahmi Idris (Minister of Industry).
- Questioning about Indonesia and about the focal point: Ministry of Trade agreed to promote many pilot project on agro- industry sector such IT and ST including other sectors of energy, low cost housing building. The program should be applicable and worthwhile, if Indonesia is considering to expand to the SSC.

Martha Dhini (BKPM):

- The biggest foreign investment in Indonesia is oil.
- Government is not support explicitly. There is no regulation about facilitation about outbound investment. No institution that facilitating the outbound investment. Perhaps lots of investments

have been made in foreign countries, but usually the private sectors do it individually. BKPM and KADIN sometimes provide information and assist them.

- Investment Law No. 28/2007. It is difficult to get information on Indonesian investors that invest in other country. It is not easy to get the data, needs more coordination, counterpart and supporting institution. Since it is difficult, try to get more socializing counterpart in other countries.
- Some countries are transparent and some are not. For example with Singapore: we have to pay something to ask data for around USD 40 for each data.
- Bilateral information, the data can be obtained in MoU or exchange information.

Edward (MOT):

- In term of Treaty: we can see SSC from both sides: how to develop relationships inside the SS countries who agreed to cooperate. Indonesia has conducted stock taking on what we have. And will move to the next step. With the opportunity on what we can see for the SS countries. Now we try to build cooperation with developing economies.
- In traditional cooperation: technology and fund usually come from develop economies. But for SSC, all countries have to move together to get more benefit, running well through the transparent and accountable partnership.
- Quick win: try to formulate, identify what we can do: how to improve access market to the new potential country, beside the traditional market. And how we can be not depending on traditional market and strengthen our market to Africa and Asia.
- Investment law: duty of government to facilitate but is not easy. In trade aspect Indonesia are facing the problem on tariff and non-tariff barrier, especially for SSC which is the cost is very high. By GSTP, Indonesia and Southern Countries want to reduce it. Movement of good will increase if tariff is low. How to come with the win-win rate, to boost the SS trade.
- Relationship between trade and environment is very important and very close. For example issue on coal issue in WTO which Indonesia has plenty of the raw products of coal and willing to export them. But its mining process has affected to the damage of the environment. Concern to improve it to the value added product.
- How to get the private sector on board in the implementation of economic cooperation for SSC? It needs an intensive discussion, on how to make the down to earth partnership program with private.

Moderator:

How economic cooperation can contribute to the technical cooperation and how the private sector can contribute to the technical cooperation. Encourage to have some inputs and share.

Dennis Nkala:

- Seven of ten of the fastest growing countries are going to Africa last year. It is important to capture the market.
- SSC should be the complementary of the N-S. It shall not be the competition of N-S.
- Country strategy: how to support and collaborate and identify the barrier. Trying to meet the private sectors and explain that it is our country/national strategy.

Mr. Thalib (KADIN):

- To Dennis: we understand that African Development Bank, whether it has the same structure with ADB. How far we can we use it for SSC?
- Whether SS-Gate and SS regionally expo and academic development have new program and planning for Indonesia especially for SME. Whether the SSC center has moved to the new program Indonesia Chamber of Commerce has cooperated with Mozambique in cotton that Indonesia shall sell seed to Mozambique.
- To JICA: congratulation on 30 years, whether JICA has new program. Before through TCDC and Triangular Cooperation.

Mr. Yoshua (Art Gold Indonesia – One Project under UNDP for SSC):

- It is a project that facilitating SCC Gorontalo and South Province of Sri Lanka
- The technical cooperation had been conducted under the cooperation between Gorontalo and Srilanka especially on maize. It is not easy to conduct economic cooperation there since some challenges come up. When Sri Lanka intended to buy corn seed from Gorontalo, but the institution in Gorontalo is not ready in term of Expert and in term of institution.
- Another issue that when Aceh and Nias with other two provinces in Sri Lanka want to make the cooperation, it can't be facilitated, since the MoU cover only the cooperation between Gorontalo and south province of Sri Lanka, and it may not be expanded to other provinces in the two countries. Perhaps Bappenas could facilitate and support to solve this problem.
- In term of decentralization, there is no multi stakeholder similar to the national level stakeholders which may support economic cooperation at provincial level. No institution is available and ready to do those things in Gorontalo, although there is the BUMN but there is no such policy.

Mr. Fajar Hidayat (European Indian):

- Comment to MoT: one of the main strategy of Indonesia in term of trade and investment si to increase bargaining rate of Indonesian product based on the abundant natural resources. Reminded that in February Government launced the start up discussion on economic corridors, shall be launched by President in April. About concept of economic corridor: set up 6 major growth centers on local capacity and resources. GOI so far has approached developed countries, no

developing countries are invited. Indonesia can invite Brazil in Agriculture in Sumatera, or Mauritius and Madagascar in tourism sector in Bali and NTB, etc.

Ronald (MOFA):

- Comment to Mr. Nkala: fully agree that TCDC and ECDC should have close relationship. In the case of Indonesia, we have good implementation of TCDC and still have problem with ECDC, how to synergize this two elements in developing the policy?
- In regard to capacity development that may increase the economic growth. In UNDP experience how to do this? Theoretically it can be understood. But how to make it become best practices.
- According to the presentation material, SS trade has achieved around 20% of world trade is too low, may be 40-50%.
- Role of international organization such as G-15 or G-77 (lobby group). We wants to hear based on experience what is the role of the international organizations in improving ECDC.

Meri Binsar Simorangkir (MOFA):

- From several meetings of the working group in formulating the economic cooperation, it is quite hard. Agree with Mr. Adik, that we haven't got any clear information on what kind of strategy (short, medium and long term) to promote SSC and to MoT, what is the best practices to do the SSC. What priority should be determined first, whether it should be bilateral or multilateral and what is the criteria and then for the action plan.
- To Nkala: Can you elaborate based on your experience like Thailand and Singapore, how those countries can play role in economic cooperation? Japan's contribution in SSC is clear and simple in term of mechanism; make an approach and joint with one country to go to another country. UNDP has 3 in 1 mechanism, how one country come to participate in your mechanism or funding system, or we have to come to UNDP, open an account and go together.

Zainal Arifin (Bappenas):

- Comment on issue on down to earth issue. Some criteria on economic cooperation are required. From the presentation, the coverage area from the presentations is quite broad. If there are some specific criteria that may be put on the Grand Design to be down to earth.

Dennis Nkala:

- African Development Bank is equivalent with ADB. It is possible that Indonesia to use the facilitation for the SSC.
- Linkage with Shanghai: advice, what station and technology to be shared.
- UNDP is a specialized agency on capacity development.

- Singapore didn't have a lot of resources. They have educated people, and have own product and institution.
- It needs the increase capacity for the economic cooperation.
- International support on TCDC: UN-organization is supporting capacity development, economic cooperation and investment.
- Thailand and Singapore: mostly focused on TCDC with JICA in training, assist in tariff preference.

Mr. Edward (MOT):

- The economic cooperation development on 6 corridor based on commodity, prioritized on existing commodity, potential commodity, based on commodity, prioritized on existing commodity, potential commodity, leveraging on investment. In economic corridor, Government can coordinate in which corridor the domestic and foreign investor may collaborate.
- Through the PPP on the infrastructure development, the Government expected that the foreign private investor may participate due to Government lack in funding the development of infrastructure.
- How to connect economic development with SSC: the 6 corridors of economic development strategy is the picture of economic strategy and open for all countries and not only for SSC. The important is to involve the private sectors in economic development. Mostly on the high or medium capital. Quick deals in the ministry of trade is similar with us quick win for SSC.
- In regard to Grand Design: to be focused on what shall be done by Indonesia through SSC. By utilizing existing opportunity as win-win solution. As its commitment to focusing on the economic development, then Government should consider the challenges of each line ministry and institution to contribute so that we can promote the economic cooperation.
- Talking about trade sector, trade cannot do anything without support from industrial sector. In MoT side, just enhancing on how to increase market, especially on non oil and gas products. In regard to investor: how the Indonesia Investor may doing business in foreign countries.
- It is also important to consider other product (end-product) to increase state-income, job-opportunity, and involvement of Local Government and related to decentralization.
- Government has a plan to prepare a deregulation and simplifying the regulation in order the foreign Investor may invest in Indonesia and Indonesia's product may compete in global market. It needs an intensive dialogue to simplify and harmonize the regulation.

Closing By Mr. Dewo:

- After go through to the workshop has fruitful and productive discussion.
- If there is any further comments and suggestions can be sent through email: info@ssc-indonesia.org.

- Grand Design and Blueprint shall be brought to Ministerial level and then to Cabinet meeting and expected that President can approve the Grand desing and Blueprint. It is still a long way to go.
- Finally, at this workshop, the website of Indonesia's SSC information system was launched:
<http://www.ssc-indonesia.org>.

DAFTAR HADIR
WORKSHOP KERJASAMA EKONOMI DALAM KSS
JAKARTA, 31 MARET 2011

Tempat : Hotel Indonesia Kempinski
Jl. M.H. Tamrin No. 1 Jakarta
Pukul : 09.00 - 13.00 WIB

No.	Nama	Instansi & Jabatan	No. HP	Tanda Tangan
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3.	DAVID HATCH	USAID	0011141-721	
4.	Endang Soesilowaty	Dit. APEC & OIL, Kemendag	08129999821	
5.	Zaenac Arifin	Bappenas	31934203	
6.	Aquihel Yanto	Bappenas	31934203	
7.	Theodora P	PUU - BKKBU	08161384208	
8.	Therexia N	Bappenas	3160159	
9.	Wiwion Appellani	Bappenas	3160159	
10.	Rosianna	Bappenas	3160159	
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12.	F KRISTIANTONO	BAPPENAS	0811816817	
13.	ROBBY HANDOKO	KEMENDAG	08161169669	
14.	Hiroshi Takabayashi	JICA		
15.	Yesua K. Pelouza	UNBAP - AGI	00120113833	
16.	Dinur Krismarani	JICA	0811945819	
17.	Li'agga Kartika	JICA	0811928161	
18.	Nakamura Shohei	JICA	0811509221	
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21.	NURDIJAN Y.	BKPM		
22.	SOPAN	BKPM	0816840964	
23.	Ronald Hanik	DEKUN		
24.	Agus Siti Maryam	Kemendag, Dit. Multi Tindak	08193260864	
25.	IWA MELYANI	KEMLU, DIT APEC	08181011107	
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DAFTAR HADIR
WORKSHOP KERJASAMA EKONOMI DALAM KSS
JAKARTA, 31 MARET 2011

Tempat : Hotel Indonesia Kempinski
Jl. M.H. Tamrin No. 1 Jakarta
Pukul : 09.00 - 13.00 WIB

No.	Nama	Instansi & Jabatan	No. HP	Tanda Tangan
30	D. Nikole	UNDP	0898100286	
31	Jon Heikki As	Norway Embassy	081510804488	
32	Arya Tirta S	KTLN - Setneg	0811.998873	
33	Muhammad Fahrudin	KTLN - Sek	08159771837	
34	Nan N	KTLN - Sek	0812910922	
35	Pratiwi Larosa	KTLN Setneg	081384447312	
36	M. Iqbal		081578170117	
37	M. SYAFUDDIN	LPEI	0811150395	
38	Angga Handian Putra	Dit. APECL OIL, Kemendag	085840241999	
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46	Melisa Go	Ang. AID		
47	Anna Djasari	KSAID	0821041244	
50	Dina Martini	Dit. Amsehar Depku	081385251007	
51	Zulazmi	GIZ	08159653826	
52	Haas Jura	GIZ	"	
53	Yohanna' Gibran	FE UI	0811860955	
54	Martah DHEMU	BKPM	08161357731	
55	Purwati	BKPM		
56	Juniati	FAO	341308 ext 707	
57	Daniel Nugraha	USAID	08109702604	
58	KYO MARCH	Embassy of JAPAN		
59	Daricauto H.	Dit. KST, Kemlu	081284528628	
60	Nia Sarinartiti	World Bank	081856876	

DAFTAR HADIR
WORKSHOP KERJASAMA EKONOMI DALAM KSS
JAKARTA, 31 MARET 2011

Tempat : Hotel Indonesia Kempinski
Jl. M.H. Tamrin No. 1 Jakarta
Pukul : 09.00 - 13.00 WIB

No.	Nama	Instansi & Jabatan	No. HP	Tanda Tangan
30	D. Nikole	UNDP	0898100286	
31	Jon Heikki As	Norway Embassy	081510804488	
32	Arya Tirta S	KTLN - Setneg	0811.998873	
33	Muhammad Fahrudin	KTLN - Sek	08159771837	
34	Nan N	KTLN - Sek	0812910922	
35	Pratiwi Larosa	KTLN Setneg	081384447312	
36	M. Iqbal		081578170117	
37	M. SYAFUDDIN	LPEI	0811150395	
38	Angga Handian Putra	Dit. APECL OIL, Kemendag	085840241999	
39	Dewo Broto Joka P	Bappenas		
40	Siti N. Maulana	Kemlu, Post	081394226780	
41	Meri Simayti	Dit. Kes Kemlu	08118-8229-64	
42	Olga Hart	Dit. Polkn, Bappenas		
43	Jeffrey Ong	Fundam of Garuda	0814936173	
44	Agnes Ryanco E.	DB. Kenbag - Bappenas	08328799570	
45	Miranda	ESBAMA - Multi	360159	
46	Melisa Go	Ang. AID		
47	Anna Djasari	KSAID	0821041249	
50	Dina Martini	Dit. Amsebar Depku	081385251007	
51	Zulazmi	GIZ	08159653826	
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WORKSHOP
ECONOMIC COOPERATION WITHIN SOUTH-SOUTH COOPERATION FRAMEWORK

Hotel Indonesia Kempinski
 31 March 2011


OUTLINE

- The Process
- Cooperation Priority
- Policy Documents
- Grand Design
- The Principles
- Scope of Cooperation
- Inclusive and Horizontal Partnership
- Funding
- Flagship Program
- Regional Focus
- Time Frame and Focus
- Closing

Workshop on Economic Cooperation within South-South Cooperation | slide 2

THE PROCESS


- Policy basis : The Jakarta Commitment 2009 and Medium Term Development Plan (RPJMN) 2010-2014. This is elevated SSC to the framework of the Development Cooperation.
- SSC progress : Policy Study and development of database and Information system, National Seminar, and establishment of National Coordination Team in 2010 based on the Ministerial Decree consisting of MOFA, State Secretariat, Bappenas, MOF, and related line ministries, KADIN, Universities involved in SSC.
- This team has held several coordination meetings to discuss the development of policy documents within the Coordination Team and with related line ministries, including developing the background paper for Grand Design and Blue Print.



Workshop on Economic Cooperation within South-South Cooperation | slide 3

COOPERATION PRIORITY

The Indonesia South-south Cooperation is expected to prioritized on:




- ❖ Previously, Indonesia South-south Cooperation focused on the technical cooperation solely implemented by line ministries with their counterparts abroad.
- ❖ There were no comprehensive coordination and mechanism that captured the cost spend and lesson learned as well as impact and benefit of the activities.
- ❖ Following this and considering the strategic position of Indonesia, it is important to capture the essence of the cooperation that bring mutual opportunity for all.
- ❖ The focus of Indonesia South-south Cooperation is economic development that lead to international trade and strengthening international diplomacy.

Workshop on Economic Cooperation within South-South Cooperation | slide 4

SOUTH-SOUTH COOPERATION POLICY DOCUMENTS

Two policy documents that will be developed:

- **GRAND DESIGN:** is a policy direction on the implementation of South-South Cooperation within the time frame from 2011-2025 that refer to Long Term Development Planning 2005-2025 and other related documents.
- **BLUE PRINT:** is the policy framework and action plan on the implementation of South-south Cooperation within the 5 years period. For the first period, the document will refer to Medium Term Development Planning 2011-2014. There will also be blue print for Period II (2015-2019) and Period III (2020-2025).



Workshop on Economic Cooperation within South-South Cooperation | slide 5

GRAND DESIGN




- **Background**
 SSC Indonesia has been developing from spirit of non aligned movement, solidarity, and independency that transforms into horizontal partnership, national ownership, and mutual opportunity. Numerous International Conferences, agreements, and programs focus not only on the technical cooperation, but also economic, culture, and technology cooperation. SSC has been growing as a complementary to the North-South Cooperation. Global economic crisis, graduated as MITC, aid effectiveness within Jakarta Commitment, and member of G20 made several momentum to strengthen the SSC.
- **Purpose**
 The purpose of Indonesia SSC is to strengthen cooperation among southern countries to applied mutual opportunity, collective self reliance, accelerated development, and strengthen solidarity.
- **Vision**
 The vision of Indonesia SSC is 'Better Partnership for Prosperity'

Workshop on Economic Cooperation within South-South Cooperation | slide 6

THE PRINCIPLES

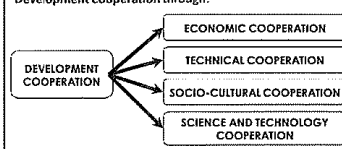
- South-south Cooperation must be seen as a mutual opportunity cooperation within southern countries as well as with northern partners.
- The main principles:**
 - Inward Looking :**
 - Inclusive partnership
 - National ownership
 - Alignment with national priorities
 - Sustainability
 - Flexibility
 - Accountability and transparency
 - Outward looking :**
 - Mutual Respect, non-interference, and non-conditionality
 - Mutual opportunity
 - Comparative advantage and demand driven
 - Knowledge sharing, experience and technological sharing




Workshop on Economic Cooperation within South-South Cooperation | slide 7

SCOPE OF COOPERATION

Indonesia SSC will be further developed within the scope of Development Cooperation through:



- The approach will be through technical cooperation that lead to economic cooperation and vice versa.



Workshop on Economic Cooperation within South-South Cooperation | slide 8

INCLUSIVE AND HORIZONTAL PARTNERSHIP

It is expected that the partnership will inclusively involve:

- Government
- Private Sectors
- Universities
- NGOs

While horizontal partnership will cooperate with :

- Southern countries
- Northern countries or multilateral agencies through triangular and innovative partnership.

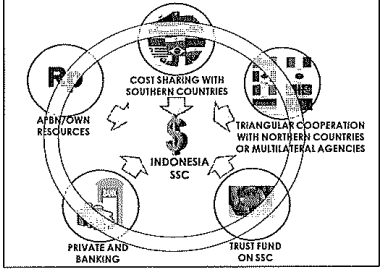
Focusing on the stronger linkage and innovative partnership, means that:

- The Cooperation will be build a stronger linkage between Government and Private Sectors in developing activities that support the development cooperation.
- Innovative partnership will also be created to make more effective the north-south and south-south cooperation into strategic triangular cooperation.



Workshop on Economic Cooperation within South-South Cooperation | slide 9

FUNDING



Workshop on Economic Cooperation within South-South Cooperation | slide 10


FLAGSHIP PROGRAM

The Criteria of flagship Programme

- Program and activities were originally developed and come from Indonesia best practices.
- Program has been successfully implement based on the national priorities and needs.
- Program has been adopted and has a possibility to be adopted by other countries through the knowledge sharing and transfer technology process
- Program will be demand driven and mutual benefit

FURTHER FOCUS

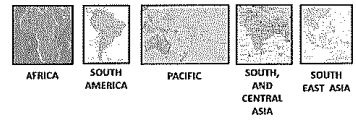
- The flagship programme should have economic impact and value that lead to knowledge sharing mechanism and applicable to the current global conditions.
- The Economic value in the programme shall be build from the cooperation principles that lead to a stronger development cooperation.



Workshop on Economic Cooperation within South-South Cooperation | slide 11

REGIONAL FOCUS

The propose for the regional priorities will be decided in a flexible manner by assessing the possibility in working in multi layer of cooperation




Workshop on Economic Cooperation within South-South Cooperation | slide 12

TIME FRAME AND FOCUS

<p>PERIOD I (2011-2014) Stronger Coordination within revitalized institutional framework</p>	<p>For the first Period, the focus will be on</p> <ul style="list-style-type: none"> ▪ The strengthening the coordination that lead to the establishment of South-south Cooperation Institution. ▪ Area of work will focus on the technical cooperation that lead to economic cooperation. ▪ Stronger linkage between the government and private sectors to support the development cooperation.
<p>PERIOD II (2015-2019) New Emerging Partner in innovative South-south Cooperation</p>	
<p>PERIOD III (2020 -2025) Strategic Partnership within innovative and inclusive South-South Cooperation</p>	


Workshop on Economic Cooperation within South-South Cooperation | slide 13

CLOSING



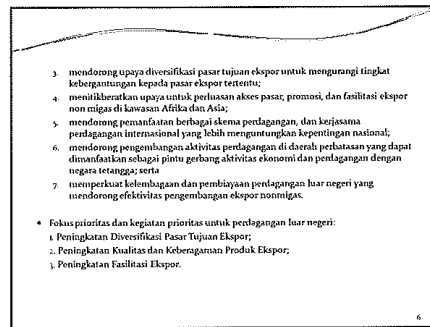
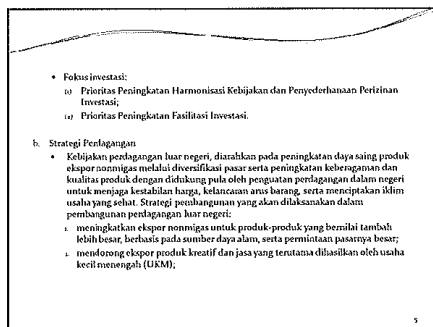
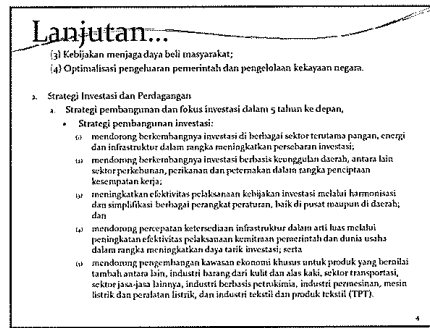
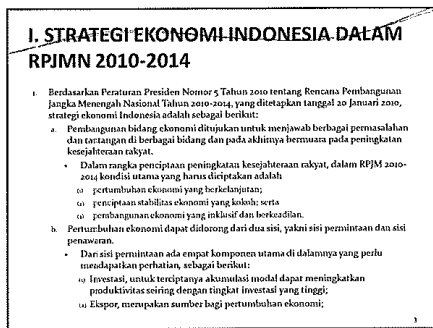
- The main objective of Grand Design of SSC Indonesia is to build basic framework to support and strengthening the integrative and innovative Development Cooperation that match with the current need and global perspective.
- This document is also expected to enhance Indonesia roles and position in the South-south Cooperation based on Indonesia best practices and values.
- The document is a living conditions that will be revised and update accordingly following the current conditions and needs which able to be reviewed to gain lesson learned and map the challenges to provide better inputs for Indonesia South-South Cooperation.

Workshop on Economic Cooperation within South-South Cooperation | slide 14



TERIMA KASIH - THANK YOU

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II PERKEMBANGAN DAN PERAN INDONESIA DALAM KERJA SAMA SELATAN-SELATAN (KSS)

A. Perkembangan Kerja Sama Selatan-Selatan

- 1955, Konferensi Asia-Afrika yang diinisiasi oleh Indonesia, Myanmar (dahulu Burma), Sri Lanka (dahulu Ceylon), India dan Pakistan tersebut menjadi milestone penting dalam kerjasama Selatan-Selatan karena merupakan awal bentuk kesadaran dari Negara-negara berkembang, terutama di Asia dan Afrika untuk melakukan kerjasama internasional. Beberapa kesepakatan penting yang dihasilkan dari Konferensi Asia Afrika dalam hal Kerjasama Teknik antara lain:
 1. Kerjasama dengan basis mutual interest dan respect for national sovereignty. Dalam hal ini, disepakati untuk bekerjasama dalam hal kerjasama teknik, khususnya dalam hal tenaga ahli, pelatihan, transfer teknologi, dan penelitian di tingkat regional;
 2. Pentingnya kerjasama budaya yang diarahkan pada pertukaran pengetahuan, budaya, dan informasi dengan basis saling menguntungkan;
- 1964, terbentuk Gerakan Non-Blok (GNB);
- 1964, dibentuk kelompok 77 (Group-77) dalam sidang UNCTAD melalui penandatanganan deklarasi "Joint Declaration of the Seventy-Seven Countries" di Jenewa untuk meningkatkan kerja sama ekonomi negara-negara berkembang;

7

Lanjutan...

- 1978, bertempat di Buenos Aires, Argentina, delegasi dari 138 negara berkumpul dan sepakat untuk mengadopsi sebuah rencana aksi untuk pelaksanaan dan peningkatan kerjasama teknik diantara Negara-negara berkembang (Technical Cooperation among Developing Countries / TCDC). Selanjutnya, rencana aksi tersebut diberi nama sesuai dengan nama tempat pelaksanaannya, yaitu Buenos Aires Plan of Action (BAPA);
- 1981, Kelompok 77 melakukan rencana aksi "Conoco Program of Action" (CPA);
- Buenos Aires Plan of Action (BAPA) dan Caracas Program of Action (CPA) merupakan deklarasi yang menjadi acuan pokok dalam Kerjasama Selatan-Selatan;
- 1985, dibentuk Kelompok-15 (Group-15);
- 1977, dibentuk Developing-8 (D-8);
- 2000, South Summit pertama di Havana, Kuba dan South Summit kedua tahun 2005 di Doha, Qatar.

8

- 2003, diterimanya Deklarasi Manekesh on South-South Cooperation;
- 2003, Deklarasi Paris menyepakati adanya upaya bersama antara Negara-negara donor dengan Negara-negara mitra (partner countries) dalam peningkatan efektivitas bantuan luar negeri melalui beberapa prinsip, yaitu: kepemilikan (ownership), keselarasan (alignment), harmonisasi (harmonization), pengelolaan berbasis hasil (management by result) dan akuntabilitas (accountability);
- 2008, Mowea lain dalam rangka peningkatan Kerjasama Selatan-Selatan adalah Accra Agenda for Development (Agenda Accra) pada tahun 2008. Agenda Accra merupakan tindak lanjut dari Deklarasi Paris. Dalam Agenda Accra tersebut, secara eksplisit disebutkan mengenai peningkatan Kerjasama Selatan-Selatan, baik diantara Negara berkembang maupun dalam kerangka Kerjasama Tigaarah antara Negara berkembang dan Negara maju.
- 2009, UN Conference on South-South Cooperation di Nairobi, Kenya.
- Mofeyisan South-South Cooperation merupakan salah satu bentuk lembaga yang memfasilitasi antara KSS dalam bidang kerja sama perdagangan dan investasi dan Afrika Selatan.

9

B. Peran Indonesia Dalam KSS

- Indonesia merupakan salah satu inisiator Kerjasama Selatan-Selatan;
- Pembentukan Indonesian Technical Cooperation Program (ITCP) pada tahun 1981;
- Pembentukan Non-Aligned Movement Centre for South-South Technical Cooperation (NAM-CSSTC) di Jakarta bekerjasama dengan Pemerintah Brunei Darussalam;
- Aktif dalam berbagai forum internasional seperti kelompok 77, Gerakan Non-Blok, G-15, D-8, ASEAN, NAASP, dan forum-forum yang berkaitan dengan KSS lainnya;
- Hubungan antara Indonesia dengan Negara-negara berkembang seperti partisipasi Indonesia dalam Global Platform for Disaster Risk Reduction di Jenewa, NAM-CSSTC yang didukung oleh UNISCAP dan Pemerintah Jerman, Jakarta Project On South-South Cooperation for Tsunami and Other Disaster Risk Management yang didukung oleh 15 negara Asia Pasifik;
- Kerjasama Selatan-Selatan juga dituangkan dalam Komitmen Jakarta (Jakarta Commitment) pada tahun 2009 yang merupakan tindak lanjut dari Deklarasi Paris 2005. Komitmen Jakarta diadopsi oleh 29 lembaga donor;
- Kerjasama Selatan-Selatan dituangkan pula dalam Rencana Pembangunan Jangka Menengah Nasional (RPJMN) 2010-2014;
- Pelaksanaan KSS di Indonesia dalam lingkup yang lebih teknis dilakukan oleh berbagai instansi baik dari Kementerian/Lembaga terkait, Universitas, bahkan Yayasan dan Lembaga Swadaya Masyarakat.

10

Lanjutan...

- Kementerian Pertanian telah melakukan beberapa jenis kegiatan kerjasama selatan-selatan berupa pelatihan, workshop dan bantuan alat pertanian. Beberapa pelatihan yang telah dilaksanakan antara lain pelatihan mengenai Agriculture Extension and Training Methodology, Rice Production Technique, Pests Surveillance and Forecasting, ASEAN Training on Post Harvest Technique on Fruits and Vegetable;
- Sekretariat Negara, misalnya the Thait Country Training Program on Capacity Building for Poverty Reduction
- Kementerian Luar Negeri sebagai salah satu focal point kerjasama selatan-selatan telah pula melaksanakan beberapa program, misalkan International Training Program on Fishing Technology and Navigation for Pacific Countries
- Salah satu program unggulan Indonesia yang menjadi acuan bagi negara-negara lain adalah program Keluarga Bercerana yang dilakukan oleh Badan Koordinasi Keluarga Bercerana Nasional (BKKBN).
- Dari sektor perdagangan, beberapa kegiatan dikordinir oleh Kementerian Perdagangan, yaitu Pengiriman Tenaga Ahli ke Timor Leste dan pendirian ITFC (Indonesia Trade Promotion Center) di beberapa Negara.

11

III PERKEMBANGAN PERDAGANGAN DAN INVESTASI INDONESIA DENGAN NEGARA KSS

A. Kerja Sama Investasi dan Perdagangan Bilateral

- Peningkatan kerja sama perdagangan bilateral sejalan dengan upaya diversifikasi pasar ekspor, dimajukan untuk mengurangi atau mengatasi hambatan perdagangan yang masih ada dan sekaligus mengembangkan peluang yang ada pada masing-masing negara.
- Sampai saat ini Pemerintah Indonesia telah menandatangani sekitar 54 perjanjian perdagangan/ekonomi dengan pemerintah berbagai mitra dagang.
- Untuk Perjanjian Investasi Bilateral atau Bilateral Investment Treaty (BIT) dalam rangka promosi dan perlindungan investasi, Pemerintah Indonesia telah menandatangani 50 perjanjian.

B. Kerja Sama Perdagangan Regional

- Kerjasama Selatan-Selatan dapat dikembangkan melalui mekanisme kerja sama regional seperti ASEAN, APEC, South West Pacific Dialogue (Sw-PD), Kerja sama Kemitraan Strategis Bara Asia-Afrika (New Asia-Africa Strategic Partnership/NAASP), Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), MERCOSUR di Amerika Latin, Pacific Islands Forum (PIF).

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4. **KAWASAN AMERIKA LATIN**

- Sidang Komisi Bersama RI-Brazil, 15-16 Oktober 2009 di Brazil
- Forum Konsultasi Bilateral ke-3 RI-Brazil, 7 September 2010 di Jakarta.
- Sidang Komisi Bersama RI-Argentina, 10-11 Mei 2004 di Argentina
- JSG PTA Indonesia - Chile ke-3, 11-12 Nov 2009 di Bali.
- Round table Discussion dengan tema "Doing Business with Colombia", 15 Oktober 2010 di Jakarta.
- Forum Konsultasi Bilateral RI-Peru ke-1, 2 Juli 2009 di Peru.
- Forum Konsultasi Bilateral RI-Ecuador ke-1, 5-6 April 2010 di Ecuador
- Second Meeting of High Level Joint Commission RI-Venezuela, 5 Sept 2005 di Bandung.
- Sidang Komisi Bersama RI-Kuba ke-5, 22-23 Juli 2008 di Havana - Kuba.
- Sidang Komisi Bersama RI-Suriname, 9-10 November 2009 di Solo.

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- Kejatan Pameran dan Misi Dagang yang dilakukan oleh Badan Pengembangan Ekspor Nasional/Direjen PEN pada tahun 2010 adalah sebagai berikut:
 - KAWASAN ASIA**
 - Pameran Dagang Internasional:
 - Medical Fair Australia 2010, 11-13 Mei
 - Seoul Food, 12-15 Mei
 - The Bangkok Gems & Jewelry Fair, 2010, 7-11 Sep 2010
 - The 5th Fukuoka International Gift Show Marine Messe (17-19 Juni 2010)
 - Tokyo International Gift Show 2010 (6 Juli 2010)
 - Ca-Expo Nanning 2010 (20-24 Okt 2010)
 - World Expo Shanghai, China (1 Mei - 31 Okt 2010)
 - Pameran Dagang Internasional (Mandiri):
 - Asia Pacific Food Expo 2010 (26-28 Feb 2010)
 - Jewelry and Watches (29 Apr - 2 Mei 2010)
 - IFFE & BILL 2010 (Textile, Apparel, Leather - 1-4 April 2010)

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2. **Kawasan Afrika dan Timur Tengah:**

- Cairo International Fair 2010 (1-22 Maret 2010 di Mesir)
- Saudi Building & Interior Exhibition & Symposium (4-7 April 2010 di Jeddah, Saudi Arabia)
- Tripoli International Fair (20-30 April 2010 di Libya)
- Gulf Bil Bahrain (4-6 Mei 2010 di Bahrain)
- Food, Hotel and Provac Arabia (16-19 Mei 2010 di Jeddah)
- Beautyworld Middle East (1-3 Juni 2010 di Dubai)
- Foire International D'Alger (2-7 Juni 2010 di Alger)
- Inter Buile Egypt (17-21 Juni 2010 di Mesir)
- Dar es Salam International Trade Fair (DITF), 28 Juni 8 Juli 2010 di Tanzania
- 37th Baghdad International Trade Fair (1-10 Nov 2010 di Baghdad)
- Lagos International Trade Fair (5-16 Nov 2010)
- The 9th International Hotel Restaurant and Food Exhibition for Qatar (9-11 Nov 2010 di Doha)
- 9th International Furniture & Design Exhibition and Awards 2010 (10-13 Nov 2010 di Doha)
- The Big Five Show 2010 (22-25 Nov 2010 di Dubai)

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3. **Kawasan Amerika dan Eropa**

- Misi Dagang Belgia (TPT, Kimia, Coklat, Coklat Olahan), April 2010
- Pusat Malam Indonesia, Belanda (Ummum), 1-15 April 2010
- Harrod Dept. Store, London (Makanan, Minuman, Pakaiannya, Laundry), 1-18 April 2010
- Foire de Paris, Evreux (Korajanan, Meubel, Purbasari, Telesbi, Makanan, Minuman) 29 April-9 Mei 2010
- Alimentaria, Mexico City, Mexico (Makanan, Minuman) 1-3 Juni 2010
- Fancy Food Show, New York, Amerika Serikat (Makanan, Minuman) 17-19 Juni 2010
- International Fruit & Veg, Spanyol (Korajanan, Purbasari) 2-4 Juni 2010
- Misi Dagang Vancouver, Kanada (Ummum) 28-29 Juni 2010
- JA Show, New York, Amerika Serikat (Purbasari) 15-18 Juli 2010
- Home and Gift Fair South America, Sao Paulo, Brazil (Ummum) 14-17 Agustus 2010
- BNV Budapest International Fair, Hungaria (Ummum) 8-11 September 2010
- Vicenza Oro Choice, Italia (Purbasari) 11-15 September 2010
- Flanders International Trade Fair Antwerp, Belgia (Ummum) 1-19 September 2010
- Misi Dagang Rusia, Belarus, Kazakhstan, Uzbekistan (Ummum) 14-17 September 2010
- World Food Moscow, Rusia (Makanan) 14-17 September 2010
- Gift Expo Moscow, Rusia (Gift Product) 21-24 September 2010
- High Point Market, High Point, Amerika Serikat (Furniture) 17-20 Oktober 2010

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IV. DATA ESPOR DAN IMPOR INDONESIA DENGAN NEGARA-NEGARA KSS

TABEL 3. DATA STATISTIK PERDAGANGAN INDONESIA DENGAN NEGARA SELATAN-SELATAN PER KAWASAN

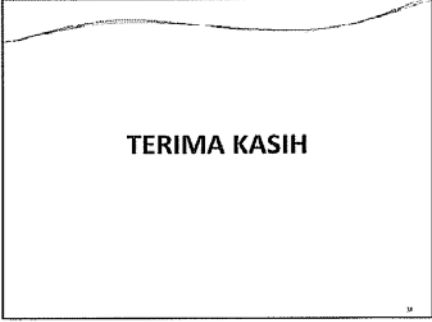
Nilai: Juta USD

No	Negara	Ekspor		Impor		Saldo		Perk (%)	Share
		2008	2009	2008	2009	2008	2009		
1	Australia	3251	4503	2705	4305	546	150	5.0%	11.1
2	Selandia Baru	361	302	150	102	211	200	6.3%	2.3
3	FI	41	111	249	43	168	168	6.0%	0.4
4	Papua Nugini	81	112	22	22	59	90	4.7%	0.1
5	Timor Leste	101	173	71	64	30	109	4.9%	0.1
	Total	3874	4891	3056	4502	818	389	4.9%	14.0


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No	Negara	Ekspor		Impor		Saldo		Perk (%)	Share
		2008	2009	2008	2009	2008	2009		
1	Brasil	434	1252	72	1774	290	550	1.9%	1.1
2	Chili	105	102	15	59	90	44	0.7%	0.1
3	Kolombia	11	114	10	11	1	0	0.0%	0.0
4	Kuba	1	0	0	1	1	1	0.0%	0.0
5	Meksiko	101	101	101	101	0	0	0.0%	0.0
6	Peru	11	11	11	11	0	0	0.0%	0.0
	Total	663	1579	109	1856	454	1296	2.6%	0.3


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Presentation From BKPM



Review of Foreign Direct Investment & Future Investment Policy Strategy

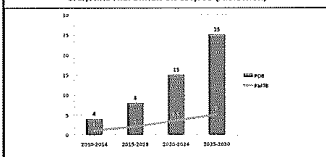


Directorate of Bilateral and Multilateral Cooperation

31 March 2011

EXECUTIVE SUMMARY

GFCF/PMTB PROPORTION ON GDP/POB (PROJECTION)



Year	GFCF	PMTB	GDP	POB
2010	4	2	215.5	215.5
2011	8	4	235	235
2012	13	6.5	255	255
2013	25	12.5	275	275
2014	33	16.5	295	295

INVESTMENT REALISATION IN 2010 :

- Up to the 2nd Quarter of 2010: Rp 145.6 billion (93.5% of Strategic Plan (Bencana) target in 2010 which is Rp 160 billion).
- It is estimated that total realised investment in 2010 reached Rp 200 billion, with the proportion of foreign investment realisation outside Java increased to 38.8%, compared to 2009 (13.7%).

PROJECTION OF 2010-2012:

- Investment needs (GFCF outside the capital expenditure of households) reaches U.S. \$ 11.5 trillion, aiming to support the accumulation of GDP from 2010 to 2012 amounts to U.S. \$ 52 trillion (in 2009 per capita income is targeted to reach U.S. \$ 22,000).

EXECUTIVE SUMMARY (lanjutan)

INVESTMENT ROADMAP

Realisasi all allocation among period multi-tier strategy jangka pendek menengah strategi jangka panjang

Quick Wins (Flow-Through Priority)

- Investment Law, very clear and simple completion mechanism
- Standardized and uniform rules for investment
- Investment activity report and subject to BKPM (Article 15-1)

Industrial Skills Based


- Investment Law, very clear and simple completion mechanism
- Standardized and uniform rules for investment
- Investment activity report and subject to BKPM (Article 15-1)

- Fiscal support to encourage strategic industry which supports national resilience (such as defense industry, steel, fertilizer, cement, oil and gas infrastructure, shipbuilding, aerospace, food)
- STEEL industry is "the mother of industry"
- Large-scale industrialization requires Hard & Soft Infrastructure.
- Indonesia needs 75 thousand 100 thousand jobs until 2012.
- Economic closing and opening based on national interests and reality of the limited ability of national business.

Outline

- A. Investment Realisation Development
- B. Investment Projection 2010-2030
- C. Strategic Planning

A. Investment Realization Development



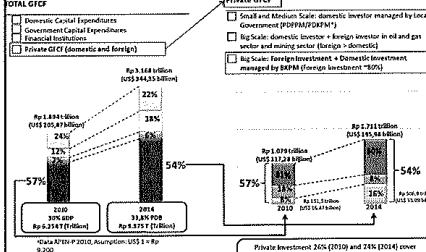
GFCF ELEMENTS (GROSS FIXED CAPITAL FORMATION) ON GDP 2010-2014

TOTAL GFCF

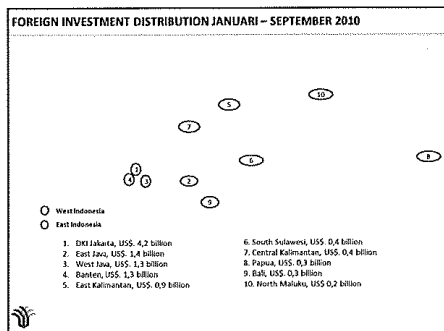
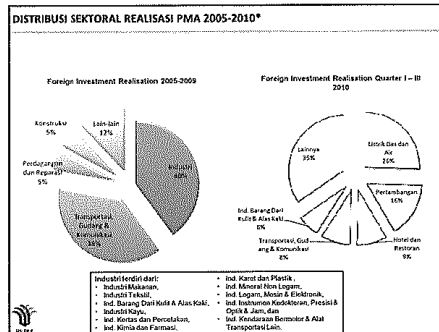
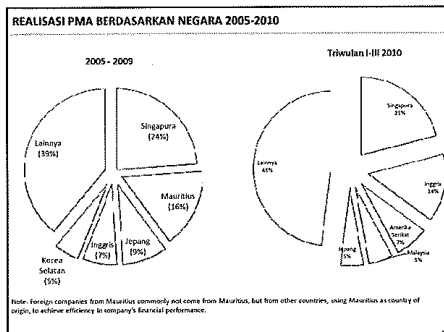
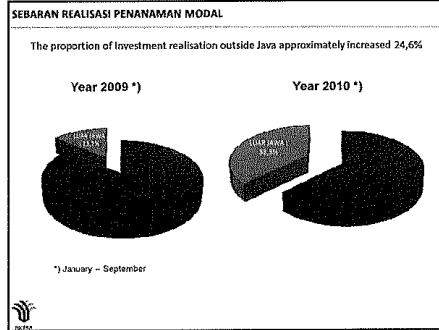
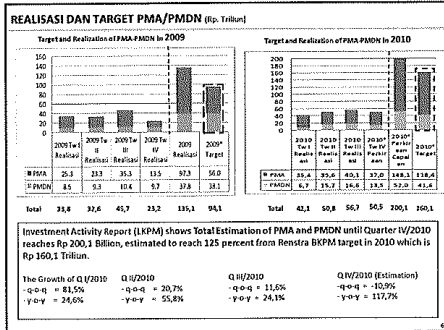
- Domestic Capital Expenditures
- Government Capital Expenditures
- Financial Institutions
- Private GFCF (domestic and foreign)

Private GFCF

- Small and Medium Scale domestic investor managed by local Government (DPR/DPK/DPK/PA)
- Big Scale domestic investor + foreign investor in oil and gas sector and mining sector (foreign domestic)
- Big Scale foreign investment + domestic investment managed by BKPM (foreign investment 80%)



Private Investment 26% (2010) and 26% (2014) over Foreign Investment (PMA) Domestic Investment (PMAD) and Big scale investment (domestic foreign) in oil and gas sector (upstream and mining)




Top 40 Foreign Investment in Indonesia January 1990 – 31 December 2009

No.	Country	Project	Total Investment (US\$ 000)	BIT	DTT
1	Jepang	1.871	29.521.051,1		
2	Singapura	1.803	21.620.856,0	✓	✓
3	Australia	1.224	17.205.540,0	✓	✓
4	Malaysia	97	11.559.028,0	✓	Tenun/tekstil
5	Jepang	555	8.950.300,0	✓	✓
6	Korea Selatan	468	7.527.747,4	✓	✓
7	Korea Selatan	1.305	5.327.427,7	✓	✓
8	Belanda	343	5.184.000,0	✓	✓
9	Taiwan	568	3.325.978,8	✓	✓
10	Perancis	355	3.351.411,4	✓	✓
11	Belanda	355	3.281.922,4	✓	✓
12	Jerman-Rep. Federal	242	1.434.463,0	✓	✓
13	Australia	224	1.419.021,9	✓	✓
14	Perancis	194	1.294.402,0	Remigitation	✓
15	Inggris	15	821.222,0	✓	✓
16	Italia	121	805.844,2	Remigitation	✓
17	Italia	66	600.803,0	✓	✓
18	Inggris	8	510.300,0	Remigitation	✓
19	DKI Jawa	114	241.020,0	✓	✓
20	Perancis	37	314.522,0	✓	✓
21	Belgia	58	310.505,5	Remigitation	✓

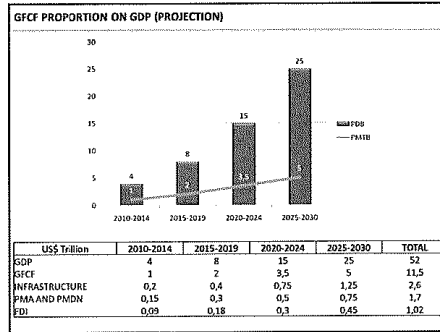

**Top 40 Foreign Investment in Indonesia
1 January 1990 – 31 December 2009**

No.	Country	Total		BIT	DTF
		Project	Investment (USD \$Bn)		
21	Japan	13	323,171.8	-	-
22	India	142	203,463.8	✓	✓
23	France/Perusahaan	3	200,250.0	-	✓
24	Dahabshiil	2	172,444.8	-	-
25	Spain	4	155,953.1	-	-
26	Malaysia	33	153,126.6	✓	✓
27	Taiwan	4	82,143.8	-	-
28	Finland	21	63,333.8	✓	✓
29	Russia	25	61,365.6	✓	✓
30	Canada/Inland	10	41,533.2	-	-
31	Denmark	21	38,381.8	✓	✓
32	Kanada	42	30,023.1	✓	✓
33	Indonesia	11	24,644.4	✓	✓
34	Finlandia	12	22,251.1	-	-
35	Arabia	44	20,587.2	Singapore	✓
36	Emirat Arab	7	16,202.0	-	-
37	Denmark	12	14,402.0	✓	✓
38	Yunan Arab Republik	4	14,202.0	✓	-
39	Indonesia Luar	13	12,270.2	-	✓
40	Spain	2	10,965.0	-	Highland



B. INVESTMENT PROJECTION 2010-2030

- PROJECTION ASSUMPTION GDP, GFCE, AND FOREIGN/DOMESTIC INVESTMENT**
- GDP Growth: 7 – 8%
 - Inflation (yoy): 4 – 6%
 - Kurs 2010: Rp 9.200 per US\$1
 - GFCE Ratio to GDP: 30% (including Household Capital Expenditure) or 20-25% (excluding Household Capital Expenditure)
 - GFCE Ratio (excluding household consumption) to GDP: 20%
 - Foreign and Domestic Investment ratio to GFCE: 15%
 - Infrastructure expenditure ratio to GDP: 5%

C. STRATEGIC PLANNING

INVESTMENT ROADMAP

This Roadmap is implemented in gradual way starting from short period strategy to long period strategy

Quick Wins ("Low hanging fruits")

- Increasing Human Resources Development through the encouragement of value added
- **Oil Refinery**
Production: 200 k barrel/day
Consumption: 3,4 million/day
Plan: 500 thousand 2 million barrel/day (2010-2014)
Investment: USD 2-3 billion
- **Oil Refinery**
Production: 200 k barrel/day
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Investment: USD 2-3 billion
- **Oil Refinery**
Production: 200 k barrel/day
Consumption: 3,4 million/day
Plan: 500 thousand 2 million barrel/day (2010-2014)
Investment: USD 2-3 billion

Akselerasi Pembangunan Infrastruktur dan Energi

- **Port of Belawan**
Production: 100 k barrel/day
Consumption: 3,4 million/day
Plan: 500 thousand 2 million barrel/day (2010-2014)
Investment: USD 2-3 billion
- **Port of Belawan**
Production: 100 k barrel/day
Consumption: 3,4 million/day
Plan: 500 thousand 2 million barrel/day (2010-2014)
Investment: USD 2-3 billion
- **Port of Belawan**
Production: 100 k barrel/day
Consumption: 3,4 million/day
Plan: 500 thousand 2 million barrel/day (2010-2014)
Investment: USD 2-3 billion

Industrialisasi Skala Besar

- Strengthening the industrial structure to increase the added value
- **2000**
Production: 14,58 kg Kapita (2009)
Consumption: 30,13 kg Kapita (2009)
- **2025**
Plan: 100 kg/kapita = additional capacity of 210 million ton
Investment: USD 310 billion
- **2030**
Production: 150,38 kg/kapita
Consumption: 160 kg/kapita
Plan: 210-250 kg/kapita = additional capacity of 45-65 million ton
Investment: USD 11-20 billion

Ekonomi Berbasis Pengetahuan

- Technology and innovation-based economy
- Being a major player in the global level
- The establishment of infrastructure support as a strategic hub as Silicon Valley or other center-center of excellence)

INVESTMENT POLICY DEVELOPMENT IN 2010 ⁽¹⁾

- NEGATIVE LIST OF INVESTMENT (DNI)**
 - On 25 May 2010 Government has issued Presidential Regulation No. 36 of 2010 concerning List of Business Fields Business Fields Closed and Open with Conditions to Invest or commonly known as Investment Negative List (DNI).
 - With the enactment of this new regulation, the regulation number 71/2007, as amended by Presidential Decree 111/2007, was repealed (not applicable anymore).
 - Aspects concerning the list of sectors is using the format of sector to make it easier to understand and there are additional column for business fields open with conditions for investors from ASEAN countries. There are about 40 business sectors which are more open to investments and 10 more restrictive business.
- TAX HOLIDAY**
 - Together with Ministry of Finance and Ministry of Industry, BKPM has conducted study and discussion on Tax Holiday.
 - Ministry of Finance is now doing finalization of Tax Holiday mechanism. It is planned to take the form of Peraturan Pemerintah (Government Regulation).
 - On 15 September 2010, Surat Edaran Bersama (SEB) between the Minister of Home Affairs, Minister of Administrative and Bureaucratic Reform, and Head of BKPM regarding Investment Services Standardization has been signed.
 - SEB becomes guidance for provincial and district/city government for the implementation of PTSP.
 - Through this SEB, Governor, Regent/Bupati fully delegate their authorities to grant investment licensing and/or licensing service to PTSPs or PTSPs in each region.
 - Up to this time, there are 33 provinces and 40 districts/cities having PTSP which already have interconnection PTSP Service System and Licensing Information Investment to Electronic (PTPIS) with BKPM. Six of them have already issued investment licenses issued through PTPIS.
- PTSP DAN SURAT EDARAN BERSAMA**

PERKEMBANGAN KEBIJAKAN PENANAMAN MODAL 2010 ⁽¹⁾

- Currently Government is on the process to finalise Government Regulation (PP) no. 62 of 2008 regarding Amendment to Government Regulation No. 3 of 2007 concerning Income Tax Facilities for Investment in Certain Business Fields and / or in certain areas. It is coordinated by the Office of Coordinating Minister for Economy.
- Weakness identification of PP 62 of 2008 has been done, among others, related to the scope of business that remains unclear thus might result in different perception regarding the definition / details of goods / services, and mechanism for submission from the applicant until the determination of incentive is still deemed too long.

Mintofes	Revision of PP No. 62 of 2008	
	Addition on Annex I (Certain Sector)	Addition on Annex II (Certain Sector and Location)
Industry	42	22
Agriculture	4	14
Marine and Fisheries	-	21
ESDM	-	17

- Suggestion for the finalisation of PP No. 62 of 2008, among others:
 - Clarifying the scope of products in each business field to answer.
 - Simplifying the incentive mechanism and it is expected to support the One Stop Service in the field of investment.
 - Applicants who have obtained licenses from BKPM but have not realized its investment at the time of the effective date when the regulation applies, will still be able to enjoy those fiscal facilities as long as its business sector fulfil the criteria.

PERKEMBANGAN KEBIJAKAN PENANAMAN MODAL 2010 ⁽¹⁾

- TIMNAS PEPI**
 - Presidential Decree No. 28 Year 2010 regarding the Second Amendment to Presidential Decree No. 3 of 2006 on the National Team for Increasing Exports and Investments Increase has been issued.
 - Timnas PEPI chaired by President RI and Chief Executive of the Coordinating Minister for Economic Affairs:
 - expanding the involvement of Ministry / Non Ministries from 19 to 26 of Ministers / Head of Non Ministry.
 - simplifying 4 Working Groups (WGI) to 2 working group; Working Group of Export Division chaired by Minister for Trade, and Investment and Improvement Social Working Group chaired by Head of BKPM. The composition of the membership, status and working procedures of the Working Group established by the Coordinating Minister for Economic Affairs as the Chief Executive.
- POLICY IN HEALTH SECTOR**
 - In the DNI, maximum foreign ownership for the pharmaceutical industry is 75%. There is a discussion of the Ministry of Health that this field will be opened up to 100% for foreign investor. If this happens, the Ministry of Health have to propose a change in DNI 2010 to the Coordinating Minister for Economic Affairs.

PROSPEK INVESTASI ⁽¹⁾

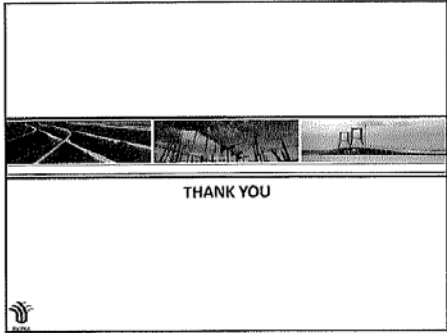
- Based on Renstra BKPM 2010-2014:
 - Investment Realisation Target 2011:
 - PMA: Rp 150,4 trillion
 - PMDN: Rp 53,3 trillion
 - Total Rp 203,7 trillion
 - Noting the current Indonesian economic developments which has positive perception in the eyes of investors (the improvement of investment rating), this momentum can be used to enhance the realisation of the investment target to Rp230 - 250 trillion in 2011
 - Investment approval that has not been realised 2005- 2010:
 - PMDN Rp 756,2 billion
 - PMA US\$48,2 billion

STRATEGIC PLANNING

- INVESTASI PARADIGMA**
 - Law no 25 of 2007 (era growth - pro job - pro environment - pro poor)
 - Balance between:
 - Interest to protect National Security
 - Reality of the national limited ability vs. the investment needs to encourage national development
 - Short and long term development objectives
 - BKPM role as coordinator for investment activity in all sectors as mandated in Law No. 25 of 2007 concerning Investment
- STRATEGIC INDUSTRY**
 - A variety of key industries to ensure national security such as steel, cement, fertilizer, chemical industry base, infrastructure and oil and gas needs to be encouraged through subsidies with:
 - Strengthening the capital structure
 - Fiscal support
 - Improvement of corporate governance
- HUMAN RESOURCES**
 - In order to encourage economic growth sustainable human resource development should be done:
 - EDUCATION: creating an educated workforce and skilful, through tertiary education (75 thousand-100 thousand people a PhD until 2020) and practical skills training.
 - HEALTH: Expanding access to health facilities, as well as clean water and sanitation

PENYIKAPAN STRATEGIS (lanjutan)

- INVESTMENT REALIZATION ACCELERATION**
 - Investment approval in 2005 - 2010 which has not been realised:
 - PMDN Rp 756,2 billion
 - PMA US\$48,2 billion
 - Facilitation of investment licensing and non-investment
- SMART CAPITAL**
 - Noting the needs of investment requiring the openness to foreign SMART CAPITAL from abroad:
 - For the creation of added value
 - Transfer of technology and capacity building of local workers
 - Expansion of international network
- SPATIAL**
 - Spatial which supports the investment needs:
 - For harmonisation between the natural environment and artificial environment
 - The utilisation of natural resources in a sustainable manner for the improvement of community welfare
 - Balance and harmony development between regions and activity between sectors
 - In 2010 "The government has accomplished Spatial Plan Rules (spatial planning) for the 14 Provinces"



Lampiran - 5

DOKUMENTASI

**DOKUMENTASI WORKSHOP KSS, HOTEL MANDARIN
JAKARTA, 4 FEBRUARI 2011**



Sesi Pembukaan, Diketahui Oleh RM. Dewo Djoko Putranto Selaku Direktur Pendanaan Luar Negeri Multilateral, Bappenas



Sesi Diskusi Materi Grand Desain dan Cetak Biru KSS



Sesi Diskusi Sistem Informasi KSS

**DOKUMENTASI RAPAT KSS, HOTEL NIKKO
JAKARTA, 16 FEBRUARI 2011**



Pembukaan Oleh RM. Dewo Djoko Putranto Selaku
Direktur Pendanaan Luar Negeri Multilateral, Bappenas



Presentasi Oleh Bpk. Adik Bantarso Bandoro



Diskusi Sesi I



Penjelasan dan Petanyaan dari Bpk. Fachrurozi
(Setneg)



Penjelasan dan Petanyaan dari Ibu Theodora
(BKKBN)



Penjelasan dari Ibu Dinur Selaku Perwakilan dari
JICA

DOKUMENTASI WORKSHOP KERJASAMA TRIANGULAR: TOWARDS HORIZONTAL PARTNERSHIPS, BUT HOW?

BALI, 28 FEBRUARI 2011 – 1 MARET 2011



Pembukaan dari Andreas Beckermann selaku Kanselir Kedutaan Besar Republik Jerman, Jakarta



Simbolis Pembukaan Oleh Dr. Lukita Dinarsyah Tuwo, Disaksikan Oleh Ibu Sandra Alzate Cifuentes dan Bpk. Andreas Beckermann



Sesi Diskusi



Presentasi *Round Table* II



Presentasi *Round Table* III



Hasil Evaluasi Pelaksanaan Workshop

**DOKUMENTASI OF RAPAT TIM PENGARAH, HOTEL FOUR SEASON
JAKARTA, 8 MARET 2011**



Pembukaan Oleh Bpk. Lukita D. Tuwo



Sambutan Oleh Bpk. Triyono Wibowo



Masukan dari Bpk. Ibnu Purna



Penjelasan Kemajuan Penyusunan Grand Desain dan Cetak Biru Oleh Bpk. Dewo Broto



Tanggapan Dari Bpk. Tubagus Choesni



Tanggapan Dari Bpk. Thalib (KADIN)

**DOKUMENTATION RAPAT KSS, HOTEL ASTON
BOGOR, 12 MARET 2011**



Presentasi Kemajuan Database



Sesi Diskusi



Penjelasan dan Masukan dari Bpk. Dewo Broto



Penjelasan dan Masukan dari Ibu Agustin

**DOKUMENTASI WORKSHOP KSS, HOTEL INDONESIA KEMPINSKI
JAKARTA, 31 MARET 2011**



Registrasi Peserta Workshop



Pembukaan dari Bpk. Dewo Selaku Direktur
Pendanaan Luar Negeri Multilateral



Sesi Diskusi Kerangka Ekonomi KSS



Pembukaan dari JICA disampaikan Oleh Ibu
Dinur



Mr. Nakazawa dari JICA selaku Responden



Pertanyaan dari Bp. Adik Bantarso

**DOKUMENTASI RAPAT INTERNAL, PT. INDOKOEI INT'L
JAKARTA, 3 MARET 2011**



Presentasi Sistem Informasi SSC disampaikan Oleh Bp. Mesnan



Tanggapan dari Bp. Sutanto (A4DES)



Penjelasan dari Bp. Adik Bantarso



Penjelasan dari Bp. Mesnan