



**REMARKS BY
MR. ROSAN PERKASA ROESLANI
CHAIRMAN OF THE INDONESIAN CHAMBER OF COMMERCE AND INDUSTRY
AT THE SINGAPORE-INDONESIA INVESTMENT SEMINAR
MARINA BAY CRUISE CENTRE SINGAPORE
THURSDAY, 7 SEPTEMBER 2017**

Your Excellency Bapak Joko Widodo, President of the Republic of Indonesia,
Your Excellency Mr. Lee Hsien Long, Prime Minister of the Republic of Singapore,
Your Excellency Bapak Thomas Trikasih Lembong, Chairman of the Indonesian Investment Coordinating Board,
Your Excellency Bapak I Gede Ngurah Swajaya, Indonesian Ambassador to Singapore,
Your Excellency Dr. Beh Swan Gin, Chairman of Singapore Economic Development Board,
My Esteem Colleague Mr. Teo Sion Seng, Chairman of the Singapore Business Federation,
Distinguished Singapore High-level Business Participants,
My Esteem Colleagues of KADIN Indonesia,
Distinguished Ladies and Gentlemen,

At the outset, on behalf of the Indonesian Chamber of Commerce and Industry or KADIN INDONESIA, I would like to extend my sincere thanks for the invitation to attend and to deliver remarks at this Singapore-Indonesia Investment Seminar, as one of the series of activities in the framework of the First Singapore-Indonesia Business Council Meeting. Our appreciation also goes to the Singapore Economic Development Board, Singapore Business Federation and the Indonesian Embassy, who have been working hard to make this Seminar and Business Council Meeting realized. We attach great importance to this Seminar as the Singapore-Indonesia inter-governmental and private sectors forum with the objective of enhancing bilateral cooperation in trade, investment, tourism and services. The presence of our two leaders, H.E. President Joko

Widodo and the Prime Minister Lee Hsien Long is a clear manifestation of their commitments to make our bilateral relations stronger.

After the 50th Anniversary of Indonesia-Singapore diplomatic relations, throughout this 50 years, Indonesia-Singapore bilateral relations have come a long way from their uncertain beginnings in the mid 1960's to their present state in 2017. Notwithstanding the occasional strain in relations, after the confrontation, Indonesia and Singapore have eventually developed robust cooperation initially in defense and security and followed by the positive development of Singapore-Indonesia ties on the business and economic front. In the trade side, Singapore is Indonesia's third world largest trading partner and Singapore fifth world largest trading partner. However, the trade relations between Indonesia and Singapore is not as robust as we might expect, because the total trade between Indonesia and Singapore has been declining over the past five years. I think we can do much better in strengthening further our bilateral trade relations and to make it more balanced and mutually beneficial. Trade and investment is closely correlated and we hope that the good performance in investment will be balanced with the similar performance in trade.

It is heartening to note that we have a promising picture on investment. We recorded that in 2015 Singapore invested in 3012 projects with the value of USD 5.9 million and in 2016 Singapore increased her investment significantly to 5874 projects with the value of USD 9.178 million, thus making Singapore Indonesia's largest investor in the world. It happened because Indonesia and Singapore economies are complementary. Despite those positive trend, we believe that there are still enormous opportunities and huge potential for Singapore to engage in our development efforts by increasing Singapore's investment in Indonesia. We are also convinced that we will be able to effectively cultivate untapped investment potentials in our respective country as the best way to prosper.

Excellencies, Ladies and Gentlemen,

Turning now to the investment opportunities in Indonesia, I am pleased to inform that under the leadership of President Joko Widodo, the Indonesian Government is doing strenuously to accelerate the implementation of its physical infrastructure programs, such as toll roads, railways, sea and airports, bridges, etc. The improvement of infrastructure is a precondition to improve the competitiveness of our economy. The government is trying to optimize its fiscal budget allocation to give higher portion on infrastructure spending. Indonesia needs as much as 5,519 trillion rupiah for infrastructure investment in the first term (2015-2019), which will be financed by both government as well as local and foreign private investors. The improvement in infrastructure and operational efficiency are key factors in accelerating national economic growth. Vast opportunities are also open in the power sector since the

government of Indonesia launched its program of 35,000 MW power development over the next ten years. We are also developing a number of industrial zones in various parts of Indonesia. Those are other opportunities for foreign investors to join our development.

Tourism of course constitutes another area of priority as the key factor and leading sector for export earnings, employment creation, business development and infrastructure. At this juncture, the Indonesian government is actively encouraging the development of ten tourist destinations, including the development of its related industries, such as hotels, transportation, recreation, restaurants, etc. In 2016, the government has issued the new Negative Investment List, that is more open to foreign investments, in which foreign ownership limitations are increased in many sectors, such as logistics, pharmaceutical industry, digital economy, energy, and last but not least tourism. We need to build new collaborative initiatives in this sector while cultivating existing channels of communication to enhance mutual understanding, by discussing and disseminating all information about tourism policy and programs of Indonesia. I believe that Bapak Thomas Lembong, the Chairman of the Indonesian Investment Coordinating Board will elaborate further on the Indonesian investment policy and programs.

To improve the investment climate in Indonesia, the Government has launched a number of economic policy packages directed towards implementing more reforms and improving the competitiveness of our national economy as well as maintaining the level of consumption to support the national economic growth. Recently, the government has issued the 16th Economic Policy Package aimed at improving further the licensing process for investment. To make these policies effectively implemented, we need to establish partnership and working relationships between the government and the private sectors. Those policy packages have brought about some improvement in our economy. Indonesia's competitiveness has improved in 2017 from rank 48 to 42 out of 63 countries. Indonesia recently has been rated investment grade by Standard & Poor's, following the two other international rating agencies Fitch and Moody's, which had earlier issued the same rating for Indonesia. The government has also succeeded in improving the World Bank Ease of Doing Business ranking for Indonesia by 15 ranks, from 106 to 91. We hope that such an improvement will make the Indonesian investment climate more conducive to foreign investors.

Excellencies, Ladies and Gentlemen,

My concluding message for all investors is to focus on the big picture and bet on the long-term growth trajectory of Indonesia. One thing I can say for certain, despite the ups and downs of our economy, Indonesia has always rewarded investors favorably. There is a huge potential for growth. We are on the road to expansion. Therefore, we must grasp all the opportunities before us. Going forward, Singapore and Indonesia

should not discord and tension define their relations, but both countries need to maintain their close cooperation as good neighbors and good partners.

So, let us make use of this Seminar as a platform in pursuing our objective to elevate further the investment aspirations of our two countries for our mutual benefits. I can assure you that the Indonesian Chamber of Commerce and Industry stands ready to play a central role and cooperate with the Singapore Business Federation, in line with the *Strategic Partnership Agreement* signed in 2015 by ICCI and SBF and with the strong support of the Singapore-Indonesia Business Council just established recently.

Thank You.