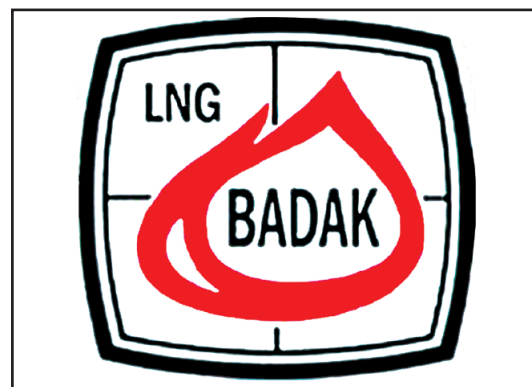




World Eye Reports

Indonesia



www.worldeyereports.com

Now, more than ever

Southeast Asia is the newest and most fast-paced frontier for global business. The region is known for its rich natural resources, large population and extensive manufacturing capabilities.

At the start of the 21st century, when the BRIC (the developing countries formed by Brazil, Russia, India and China) group was identified, it soon became apparent that Southeast Asia was inexplicably missing.

Shortly afterward, the Organization for Economic Cooperation and Development (OECD) added South Africa and Indonesia, redubbing the nations as the BRIICS. This new name aptly captures the sentiment and role of these nations as the emerging foundations of the global economy.

A growing nation

Indonesia's national motto, "Unity in Diversity," neatly encapsulates the archipelago nation's biodiversity, cultural history and economic potential. Indonesia is comprised of around 13,000 islands, and boasts a formidable population of more than 240 million people. It is this strong do-



Ambassador of Japan to Indonesia
Yoshinori Katori

mestic consumption base that has allowed Indonesia to prevail as one of the world's strongest economies despite various economic crises abroad.

With a gross domestic product (GDP) of \$707 billion in 2010, Indonesia is the largest economy in Southeast Asia. The country's strong consumer base has been the driving force in the country's yearly GDP growth for the past several years: growing by 4.5 percent in 2009, 6.1 percent in 2010, and 6.4 percent in 2011.

Nominal per capita GDP is also increasing. From about \$3,005 in 2010, this figure is expected to triple to at least \$9,000 in 2020. The number of credit cards issued has also increased, according to Bank Indonesia, to 14.2 million in August 2011, a 9 percent increase from the year before.

Indonesia's growing middle class, with its newfound income, is enjoying its new spending power and thus consuming more. It's a fact that the Indonesian people themselves are the driving force behind Indonesia's economic success and future potential.

"Indonesia already has very good conditions for attracting investment," says Yoshinori Katori, the Japanese ambassador to the country. "As the government continues to work on transportation infrastructure, telecommunication networks, electricity, water supply and waste management, I'm quite sure the climate will only strengthen further."

"Our country is at a turning point," says Agus Tjahjana, director general for industrial corporation of the Ministry of Industry. "The people and the nation are continually evolving, and our cur-

rent economic success is a testament to the strength of Indonesia."

The government is taking careful steps toward the development of its country. Initiatives such as the Master Plan for the Acceleration and Expansion of Indonesian Economic Development (MP3EI) display how focused the government is toward ensuring Indonesia's economic sustainability. With the MP3EI program and its ilk focused on developing industries and sectors according to region and locality, the rival cities of Jakarta and Surabaya are vying for the top position in Indonesia's burgeoning economy.

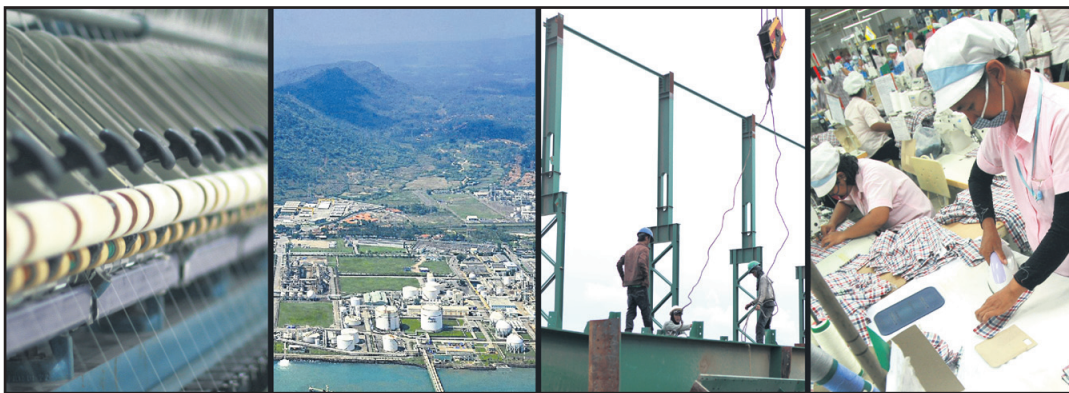
A tale of two cities

"Jakarta will always be the center of economic activity in Indonesia," says Eddy Kuntadi, president of the Jakarta Chamber of Commerce and Industry. "As such we need to lead by example in showing proper planning and development for all Indonesian cities."

The nation's capital is the focal point for several industries, and with new developments in infrastructure taking place throughout the city, Jakarta is poised to become a world-class Mecca for business.

In West Java the growing metropolis of Surabaya is giving the capital strong competition. Surabaya experienced 7.2 percent growth in 2010, which was more than Indonesia's as a whole.

Known as the "Hero City" by Indonesians because of the history of participation of its citizens in the Indonesian nationalist movement that freed the country from its Dutch colonial rulers, Surabaya constantly challenges Jakarta for supremacy in business and com-



Jakarta is poised to become a world-class Mecca for business.

merce within Indonesia.

"Though we hope to overtake Jakarta in production and business," says Chalis Yudo Soebagio, vice president director at the East Java Chamber of Commerce and Industry, "I believe the two cities will grow together and jointly contribute significantly to the economic fortune of all of Indonesia."

A golden relationship with Japan

Of course, Indonesia also possesses its rich inheritance of natural resources. Energy and mineral resources are at the top of the country's exports, and Japan is now Indonesia's largest export trading partner.

"Japan and Indonesia have a long history together," says Muhammad Lutfi, the ambassador of the Republic of Indonesia in Tokyo. "Japan needs Indonesia and Indonesia needs Japan. The potential both countries possess is huge, and their partnership is vital to the success of both nations."

The two countries have maintained healthy and mutual bilateral relations for decades. Recently, more direct agreements between the two countries have solidified the relationship. In 2007, Japan and Indonesia entered into a free

trade agreement (FTA) and in 2008, an economic partnership agreement (EPA) was signed by leaders from both nations.

Both agreements seek to strengthen the ties between the two nations, liberalize trade, promote direct foreign investment and foster mutual cultural and economic growth for Indonesia and Japan.

"Japan and Indonesia are traditional partners," says Kuntadi. "By collaborating together, based on Japan's technological advantages and Indonesia's abundance of natural resources, there is a more promising future for both countries to grow and prosper together. Indonesia is the ideal manufacturing base for Japanese companies."

Today, there are over 1,000 Japanese companies in Indonesia, which employ around 300,000 people. With companies like Toyota leading the way, Japanese companies are now looking to expand their production facilities elsewhere in the country.

"Indonesia has great potential for all kinds of business," says Masahiro Nonami, president director of Toyota Motor Manufacturing Indonesia. "Japanese and Indonesians work very well together, and the synergy between

the two nations is evident in their shared economic success."

"We have received an increase in the number of inquiries from small to medium-size Japanese companies this year, particularly from car parts companies," says Kenichi Tomiyoshi of JETRO.

The automotive industry, along with textiles and manufacturing, is just one of several key industries that display the strong ties between Indonesia and Japan.

Friends in deed

"We received a lot of support from Indonesia in light of what happened last March 2011," says Katori. "We would like to take this opportunity to thank them for their prayers and support. When I arrived in Indonesia, I noticed an outpouring of sympathy and I felt very honored."

"We have very strong ties and our feelings are very close," he continues. "Indonesia is a country rich with natural resources, while Japan practically doesn't have them, so Indonesia is very important to Japan."

After more than 50 years of diplomatic ties between Indonesia and Japan, the two nations have continued their long and fruitful history together into the 21st century and beyond. ♦

Taking an early chance proves the right decision

Abundant in natural resources, Indonesia has become a favored location for foreign companies looking to invest and grow not only in the country's promising domestic market but also throughout Southeast Asia and the global engines that are China and India.

Smelting, a joint venture company formed in early 1996 by Mitsubishi Materials, Freeport Indonesia, Mitsubishi Corp. and JX Nikko, foresaw the potential of this mineral-rich country at a very early stage by establishing Indonesia's first and only copper-smelting plant in 1998.

"Our plant converts and refines copper concentrates and manufactures copper cathode, which is a pure copper metal used for electric wire, copper tubing, plates and alloys. We also have byproducts such as sulfuric acid (for fertilizers) and copper slag (for cement companies)," says President Director Makoto Miki.

Since its founding, Smelting has grown to become a key supplier of copper cathode locally and internationally.

The company's copper smelting plant is now ranked as one of the most highly competitive copper smelters in the world, with a production capacity of 300,000 tons of copper annually. Over the past several years, the company, with marginal investment, has increased annual capacity by 50 percent from the originally designed 200,000 tons a year.

"What sets us apart from other smelters is that we also employ innovative new technology, which results in environmentally safe

and cost-effective products. That unique technology is called the 'Mitsubishi Continuous Process.' When we built the Gresik copper smelter, all our expert knowledge



PT Smelting President Director
Makoto Miki

in operations and technology accumulated by Mitsubishi's worldwide smelter operations were put in the design, and even now still continue to be put in for further improvement," says Miki.

This strong attention to detail, coupled with concern for the environment, has strengthened the company's reputation to current clients and potential new customers.

"The demand for copper in ASEAN (Association of Southeast Asian Nations) countries is increasing. The demand from the domestic market is also picking up. This is a good time to be in Indonesia, and we look forward to growing further with the country," he says. ♦

www.smelting.co.id

Japan's LNG partner

In December 1973, two years after a large natural gas reserve was discovered in Bontang in the province of East Kalimantan, Indonesia signed a contract with five Japanese gas and electrical production com-



Badak NGL President Director
and CEO Hanung Budya

panies: Chubu Electric, Kansai Electric Power, Kyushu Electric Power, Nippon Steel and Osaka Gas. This agreement guaranteed the export of liquefied natural gas (LNG) to Japan for a period of 20 years.

As a result, and without having any previous experience in LNG, the oil industry leaders Pertamina, Mobil Oil, and Huffco got together to develop a processing plant that would refine natural gas for bulk export. In just 36 months, the LNG plant was fully constructed.

Finally, in association with these three companies, the Indonesian government formed Badak NGL, a nonprofit LNG producer.

On Aug. 9, 1977, the company made its first shipment of LNG to the Senboku terminal in Japan.

"At that time there were only four LNG plants in the world. This was a great accomplishment and the start of LNG in Indonesia," says Badak NGL President Director and CEO Hanung Budya.

Since 1977, several long-term contracts with Japan have been signed, and the capacity of the plant expanded. It can now produce up to 22.5 million tons of LNG per year. With its aggressive progression, the plant is now the largest in Indonesia. Until 2004, it was also the largest in the world.

Over three decades of experience in LNG has convinced the company's management that its expertise should be shared. Last December marked the launch of the Badak LNG Academy, where experts will train engineers from



Badak NGL's plant has the capacity to produce up to 22.5 million tons of LNG each year.

around the world to become professional LNG operators.

"We are very excited to share the LNG industry with the world," says Budya. "LNG reserves are useless unless plants can be run safely and efficiently."

Budya hopes that the continued success of his company will also bring a change in its form as a nonprofit company.

"I wish that in the future, for the sake of the people of Indonesia, Badak will become a profit-

oriented company," he says. "It is OK for the people of Indonesia to benefit more from their natural resources."

While in Japan, the company has recently achieved another milestone with its 7,000th shipment of LNG to Senboku.

"We will always respect our buyers in Japan, they are like brothers to us," Budya explains. "We will continue to work together for sustained cooperation and the same benefit."

Built on a bedrock of dedication and professionalism, Badak NGL is one of the safest, and one of the most reliable and largest LNG exporters in the world. The company has established a strong relationship and mutual trust with its buyers in Japan that it seeks to build on as it moves forward. ♦

www.badaklng.co.id

A peek at the future of sustainable chemical products

Starting from a young age, Herman Moeliana knew that his future would be in chemicals.

"When I was young, my father owned a shop that sold food additives and business was tough at times. When I was about 10 years old, my father started selling basic chemicals, such as sodium bicarbonate and citric acid to be used for making drinks, as well as food colors," he recalls.

That simple chemical shop grew and the business expanded into chemicals for cosmetics and hair care products.

"Experiencing this tremendous development, I realized that the chemical business had limitless possibilities. In a short time, plastics were introduced, and by the age of 12 I was operating a bottle-making machine manually to produce bottles to be used for medicine tablets for sale in drugstores," he said.

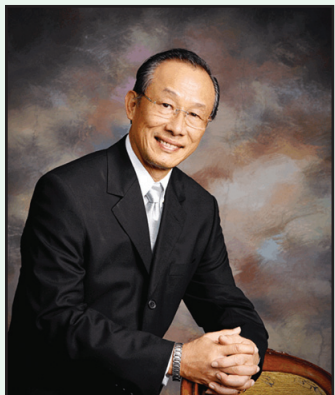
Moeliana is a perfect example of how hard work and dedica-

tion, combined with vision and ingenuity, built a successful business. Now a director of United Chemicals and Inter Aneka Lestari Kimia, he is among the few entrepreneurs who can predict future trends in chemicals to anticipate consumer needs and demands.

In 1983, Moeliana started producing a waterproof coating called Aquaproof to remedy leaking roofs. Being the pioneer for water-based waterproofing systems, Aquaproof has become almost a generic term for similar coatings to prevent leaking roofs and water seepage.

He believes the next frontier will be in environmentally friendly and sustainable plastic polymers.

His latest product, Enviplast, is a fully biodegradable plastic that has almost the same properties, behaves like conventional polyethylene plastic film, but does not harm the environment. It can be used for making fully biode-



Inter Aneka Lestari Kimia Director
Herman Moeliana

gradable bags, which leaves only harmless ashes when burned, without any molten plastic residue or harmful fumes. The plastic is also soluble in hot water.

Moeliana plans not only to export the Enviplast-based product to environmentally conscious regions like the United States and the European Union, but also share the technology with third parties around the world through licensing. ♦

www.enviplast.co.id

envi PLAST FULLY BIODEGRADABLE Complete Life-Cycle Sustainability For a Greener Future

RESIN BAGS COMPOST

TAPIOCA CASSAVA BACK TO NATURE

- Made of Tapioca starch
- Completely degrade by micro and macro organism
- Breakdown into CO₂ and H₂O
- Dissolves rapidly in hot water
- Can be consumed by small animals (eg. insects, snails, fishes)
- Improve soil's ability to retain water

hotel bags eaten by snails

garbage bags

www.enviplast.co.id product of PT INTER ANEKA LESTARI KIMIA

PT DANLIRIS

Spinning · Weaving · Finishing · Printing · Garment

HEAD OFFICE & FACTORY
KALURAHAN BANARAN, KECAMATAN GROGOL, SUKOHARJO - INDONESIA
PO BOX 166 SOLO 57100
TEL. (62-271) 740888, 744400 (HUNTING)
FAX. (62-271) 735222, 740777

BRANCH OFFICE
EQUITY TOWER 15TH FLOOR SUITE C
SUDIRMAN CENTRAL BUSINESS DISTRICT (SCBD) LOT. 9
JL. JEND. SUDIRMAN KAV 52-53
JAKARTA 12190
TEL. (62-21) 2903-5388, 2903-5389 (HUNTING)
FAX. (62-21) 2903-5398

Online: www.danliris.com/Email: info@danliris.com

SGS UKAS

Production taken to heart at family-owned export leader

At the 50-hectare Danliris factory in Surakarta (more commonly known as Solo) in central Java, more than 7,000 highly skilled workers use sophisticated machinery to produce garments and textiles, 95 percent of which are exported under such well-known brands as Marks & Spencer and the House of Fraser. Danliris sells 11 percent of its garment production and 17 percent of its textile output to Japan.

"We've been dealing with Japanese companies since 1994. We love our Japanese clients," says Danliris President Michelle Tjokrosaputro, a third-generation family member to run the company.

The Japanese may be more de-

manding when it comes to quality standards, but they fit in perfectly with Danliris' own quality control. Among their long-running Japanese partners are Tokai, Marubeni and Mitsui.

"We have extensive quality and needle inspection policies in our facilities. The quality, service and price we provide is excellent," says Marketing Director Ninuk Setyawati.

Tjokrosaputro took over the helm of the company in 2006 after heading its garment division. Since then, its future has rested on her shoulders and she has guided Danliris through a challenging world economic situation by employing the latest technology and hands-on leadership.

"Last year was complicated with both Europe and the U.S. in crisis. But instead of sinking us, this pushed us out of our comfort zone and into expansion to new markets such as Malaysia and Bangladesh. We're also seeing more orders from Japan," she comments.

Her family-oriented background means she laces her business-minded strategy with a personal touch for everyone from employees to clients. In a company in which 90 percent of workers have stayed for more than 10 years, the loyalty of skilled professionals has been a major factor in its success.

"We care about each other in the company. The culture here in



Danliris President Michelle
Tjokrosaputro

Solo also promotes that. And as for our customers, once you are a client we treat you like our family. After all, production is in our heart," says Tjokrosaputro. ♦

www.danliris.com

Indonesia

Good chemistry between the two countries

The strong links between Japan and Indonesia are often best exemplified by the Japanese subsidiaries now based in the Southeast Asian archipelago and their visionary leaders who help the local community and run strong businesses.

"We are a Japanese joint venture company in Indonesia, and we contribute to society through our products. By doing so, we are creating a wealthier Indonesian society," says Asahimas Chemical President Director Jun Miyazaki.

Asahimas Chemical, a joint venture of Asahi Glass Co., Rodamas, Ableman Finance and Mitsubishi Corp., was founded in Jakarta in 1986. Three years later, it began operations in its 91-hectare state-of-the-art production complex in nearby Cilegon Banten.

With one of the largest and most integrated alkali-vinyl plants in Southeast Asia, ASC produces basic chemicals such as caustic soda (NaOH), ethylene dichloride (EDC), vinyl chloride monomer (VCM), polyvinyl chloride (PVC), hydrochloric acid (HCl) and sodium hypochlorite (NaClO), all for downstream industries in Indonesia and neighboring countries.

"We currently have about 1,050 employees. Our last plant expansion was in 2002. After 10 years, thanks to Indonesia's progressive economic growth and an increase in domestic demand, we have decided to expand and invest again," says Miyazaki, who also revealed plans to increase production capacity by 30 percent by 2013.

"Our chemicals have a great number of applications. We produce about 370,000 tons of caustic soda annually and this is used in, among others, the production of soap, monosodium glutamate (MSG), rayon and textiles. We market our products mainly in the domestic market but also export PVC to neighboring countries. Because of rising demand in Asia, we are focusing on the domestic market and nearby countries," Miyazaki explains.

The company's service to the local community is a huge part of its reason for being in Indonesia.

"We are dedicated to improving people's quality of life through our products. We place a lot of importance on safety, security, health and environmental factors, which is why we organize numerous charitable activities and promote education and health in the local communities. Our environmental initiatives and training are the strengths of ASC," he says. ♦

www.asc.co.id



Asahimas Chemical President Director Jun Miyazaki

Oils, scents and flavors: from Indonesia's hills to the world

Taking over the reins of an entire family business can be daunting, but Febriani Narpati, the director of Djasula Wangi, makes it look easy. The company was founded by her father, Djohan Narpati, in 1962, and it has grown to become a leading Indonesian exporter of essential oils and natural vanilla products, with over 10 branches around the country.

"I joined the company in 1988. This was a completely new direction for me. It wasn't easy for a woman, especially as Indonesia was also a more male-dominated society then. However, I worked hard, and because of that we have stayed an important and trusted player in the market," says Narpati.

Djasula Wangi is the oldest and the only Indonesian company still actively engaged in the essential oil and vanilla bean business. Narpati's dedication to building strong relationships with clients may be its key strategic point.

"The United States is a very



Djasula Wangi Director Febriani Narpati

important market for us. China and India are also growing markets. I try to visit clients every year to keep relations personalized, through direct communication with the customers in order to catch the opportunity to become a key participant in their development program and to understand their needs and requirements. Communication is key. This has helped our business to grow and our name to become a globally recognized brand," she says.

"We have had clients who have tried other oil and vanilla suppliers

Palm products in 'harmony' with consumers

In 2006, Indonesia surpassed Malaysia as the largest producer of CPO (crude palm oil) in the world. Today many local and global companies see ever-growing potential in CPO and are vying for a piece of this valuable market. But new entrants must compete with companies such as PT Megasurya Mas, who have already been dominating the sector for years.

Established in 1993 in East Java, PT Megasurya Mas is recognized as one of the major players in the worldwide palm oil supply chain. It is a pro-active and solution-oriented organization producing various CPO-based products, such as cooking oil, bar soap, palm wax, candles, margarine, specialty fats and glycerin.

In fact, the company has been awarded with the prestigious Primariyarta Award by the National Agency for Export Development six times, and markets its products internationally to over 100 countries. Its bar soap is also being distributed and sold in the Japanese market as well.

With its strong reputation, PT Megasurya Mas has also been recognized for its commitment to the community. Its corporate social responsibility (CSR) program has awarded over 300 annual scholarships to local elementary schools and provides cleaning and health services to local villages. Aside from that, it is also dedicated to the development of its employees to help them become future leaders in the industry.

In the future, PT Megasurya Mas aims to innovate in fast-moving consumer products to exceed consumer expectations.

"We will continue to add value to the byproducts of CPO and strengthen our position in the palm oil industry," says Finance and Operations Director Alok K. Jain. ♦

www.megasurya-mas.com



Megasurya Mas is a six-time winner of the Export Award Primariyarta, given by the government of Indonesia.

A robust history links East Java with Japan

Despite being an established coffee exporter from the world's fourth largest coffee-producing country, Asal Jaya, located just outside the city of Malang on the fertile hillsides of East Java, has kept a low profile. It has one important focus: providing the best standard in coffee beans, both in quality and consistency, to the world.

In 1967, Asal Jaya was founded as a local coffee trader in East Java catering to the domestic market. It then started supplying raw coffee materials to coffee exporters.

From 1993, the company began exporting robusta and arabica coffee directly, as the Indonesian government opened up the sector for new coffee exporters. This was Asal Jaya's first taste in exporting as it began selling its coffee to other Asian countries, such

as Singapore and Hong Kong.

"Soon after, a great opportunity presented itself," recalls the company's president, Hariyanto.

The following year, a deep frost ruined most of Brazil's coffee crop. Buyers were forced to find producers from other coffee-producing countries to fulfill their demand. Some buyers turned to Indonesia and found Asal Jaya, and the business relationships have continued strongly to this day.

"We offer consistently high-quality coffee and a full commitment to delivering our product on time as per our contracts. This is why we have long-standing and strong relationships with buyers," says Hariyanto. "After proving over the years that we can supply many companies at a competitive and reasonable price with an international standard of coffee,

buyers trust us even more."

Asal Jaya quickly became a stable supplier of coffee beans to Japan, while further extending its exports to many other countries. In Japan, home to the world's most fanatically perfectionist coffee connoisseurs, the company's reputation spread. Asal Jaya quickly became one of the largest suppliers of coffee beans to Japan, while further extending its exports to many other countries around the world.

In 2003 the company again expanded, this time into the cacao bean business. Exports increased to more than 40 countries around the globe. Today, its coffee export volume has doubled since 2006 and cacao shipments have increased since 2008. And now, Asal Jaya has become one of Indonesia's five largest coffee exporters.

CONTINUED ON PAGE 12



Located just outside the city of Malang, Asal Jaya is working closely with local farmers on the fertile hillsides of East Java.



Asal Jaya has been operating with an extensive local workforce.

Indonesia as an industrial development and design hub

Ebara is the only company in the water pump industry to develop and design products in Indonesia, showing that the country is no longer just a manufacturing base but also an ideal hub for research and development in Asia.

"It's important for us to focus on quality and design, which is why our Japanese headquarters gave us the technical agreement required to produce pumps domestically," says Ebara Indonesia President Director Takehiro Machida.

Founded in 1980, Ebara Indonesia produced the first domestic water pumps in the country. Starting as a parts manufacturer, the com-

pany has grown to become a total solutions provider in the field of industrial pumps. It has also acquired a UL (Underwriters Laboratories) international certification for firefighting pumps, which further strengthens its reputation for quality and excellence.

"We are the only factory in Ebara Group with this certification. Being able to design our own products has helped us to grow our business," says Machida.

Ebara Indonesia recently launched five new locally designed and developed products.

"We released a new firefighting pump with UL certification last April and have been receiving



a number of orders domestically. We also began exporting this new pump last June," says Machida.

Acting as a manufacturing facility and sales representative in Indonesia, the company initially sold only locally designed Ebara products. In order to cater to the growing needs of the market, Ebara Indonesia has begun promoting the entire line of Ebara Group's products.

"Within three years, my goal is to increase our sales domestically and internationally. I am expecting half of our sales to come from locally designed products and the other half from international Ebara products," says Machida.

"We have very good products and strong after-sales support, which is why many of our clients



Ebara Indonesia President Director Takehiro Machida

trust Ebara. And with Indonesia having the fourth largest population in the world, it means that the potential market volume for pumps should also be fourth in the world. We are ready and able to serve all our clients and provide them with the full line of our Ebara products," he concludes. ♦

www.ebaraindonesia.com

Heading for tomorrow



PT. SOMAGEDE INDONESIA

Managers and staff use electronic finger scanners to open doors and elevators for visitors in a striking art-filled building in the center of the city. No, it's not Apple headquarters; it's Somagede and this is Jakarta. The high-tech details highlight the Indonesian industrial tool and adhesive maker's determined, positive stance on the future.

"If you don't change, you will be changed. There is turbulence in life and in business, but we must endure and adapt," says

Chief Operating Officer Ng Kim Soon.

With over two decades of experience in working with the world's most demanding technological leaders, Somagede has well-maintained and fruitful partnerships with companies such as Sumitomo, Big Daishowa Seiki and ALMT.

Since 1989, the rapidly growing company aims to become Indonesia's largest supplier of industrial tools.

"Twenty-two years is not a short time. By keeping to our

principles and always looking to the future, we have become strong, especially with the support of partners such as Sumitomo," says Ng.

Somagede has more than 100,000 different products, and warehouses and branches across Java, all located strategically to reach customers in all corners of Indonesia.

"I can say that our company sells only the highest-quality products. We do not deal in low-quality products because we target high-quality customers,"



Somagede Indonesia President Director Darmawan B. Soetrisno (left) and COO Ng Kim Soon

CONTINUED ON PAGE 12

Caring is the common thread for a textile innovator

Currently experiencing huge growth and the emergence of a growing and more stable middle class, Indonesia would be unrecognizable today to any visitor who last went there even just a decade or two ago. Yet, below the surface, basic values haven't changed. One such principle is the close connection between the private sector and local communities.

During the 1996 droughts when the people of Bandung desperately needed water, Sinatra Arto Hardy learned that water deposits were present beneath the property of his company, Polyfin Canggih. Without hesitation, he ordered the digging of two artesian wells that still provide fresh water to the population today.

Founded by Hardy's grandfather, Polyfin started out as a simple weaving and knitting company back in the 1960s.

"Both my grandfather and my father after him always upheld the policy

that whatever we take from the environment we must give back. Whatever we take from society, we must give back as well," he recalls.

Polyfin is a fully integrated polyester manufacturer based in Bandung with a 17-year-old partnership with Mitsubishi Chemical. It has grown to become one of the largest and most successful producers of drawn textured yarn (DTY) polyester in Indonesia. Located 140 km southeast of Jakarta, Bandung is the third largest city in Indonesia and the capital of its renewed and growing textile industry.

Hardy continues Polyfin's significant contributions to the local community. The company has funded children's education in Bandung through scholarships, and employed many upon graduation.

"We are proud and happy to help push people from lives of limited prospects straight through to university. Many have come and worked for the company, and then put their own children through college. This is a



Polyfin Canggih's factory located in Bandung

proud achievement for me and Polyfin," he says.

An unbroken line stretches from Polyfin's humble beginnings to its current success. Caring for the people it touches is the common thread that each succeeding generation of its leaders has ensured is woven into the very fabric of the company. ♦

www.polyfincanggih.com



PT. MEGASURYA MAS

www.megasurya-mas.com

Your One Stop Solution for Soaps, Candles, and Trans-fat Free Frying Fats & Cooking Oil Made of Palm Oil.



Jl. Tambak Sawah 32,
Watu 61256
Sidoarjo - Indonesia
☎ +62 31 8662390
☎ +62 31 8673602
✉ exim@megasurya-mas.com

Pioneer in soil re-mineralization

Indonesia's burgeoning mining industry has attracted increased interest among foreign investors and is playing a key role in driving economic growth. With the abundance of mining fields and exploration in several areas of the country, many are asking how the industry can promote environmental sustainability.

PT Karunia Semesta Raya (KSR) started as a trader of coal and andesite stone mining in 2003. Following a change in mining regulations, the company shifted its business from copper smelting to mineralized fertilizer in 2009.

"People ask me why I changed my business from coal and copper to fertilizer. Apart from it having good business value, it also contributes to a greener environment. Our products consist of 100 percent naturally mined, mineral-rich volcanic ash and are sold without any chemical alterations," says President Director Heri Susanto.

The company provides farmers with a natural, sustainable and profitable means to improve the growth, health and nutrient value of their crops and livestock. Currently distributed in Indonesia, KSR's products are slated for export to Malaysia, Taiwan and Singapore in the near future.

"We call our fertilizer a soil re-mineralizer. Agricultural activity results in the depletion of nutrients from soil and it is important to regenerate them. Our copper-based fertilizer products are also excellent as animal feed additive, as it increases lean gain in animals and improves their health. In aquaculture, it serves as feed for mineral supplementation and as pond water treatment to stimulate plankton growth, while eliminating toxic blue algae plankton and viruses that plague the aquaculture industry. This is a brand-new initiative in Indonesia," says Susanto.

"Our soil re-mineralizer can also directly impact the mining industry in improving environmental sustainability, by helping to create and restore the top soil of mining areas after mining activity has ceased, making the land suitable for agricultural development. The Japanese can use this kind of fertilizer to



PT Karunia Semesta Raya President Director Heri Susanto (left) and Company Adviser Shih Mei Chan

absorb radioactive elements in soil. We really want to grow and partner with public and private institutions to enhance the quality and reliability of distribution for the further development of our products," he adds.

Ahead of its 10th anniversary in 2014, the company has set higher goals.

"We want to grow our fertilizer and animal feed business. Our medium-term targets are to produce skin-care products and develop health supplements and products for cancer medications," he says.

KSR's commitment to society has received praise from the Ministry of Agriculture, which has classified the company's products as an "organic soil re-mineralizer. The company also recently received the Best Company of the Year by the Winner Indonesia Award 2012.

"Moving forward, mining can help address the food requirements of the world by enhancing the health and growth of crops and livestock. It is not only about producing steel, copper and gold bars. It can create a healthier world and support different industries," says Susanto. ♦

www.ptksr.co.id

Progressive leadership drives a strong player in a niche market

Indonesia's competitive edge in manufacturing is not solely due to the lower wages when compared to developed countries such as Japan.

"More importantly, there is the quality of loyalty in the Indonesian character that gives its people a distinct edge. Indonesia is one of the best destinations for foreign companies, and the employee loyalty here is the greatest asset of this country," says Meiho President Masahiko Kawashima.

Established in 1993, Meiho Manufacturing Indonesia produces clips, rings and industrial tools for use in several different industries. Its products are mainly used in the production of spring mattresses and automotive car seats.

"We are a small company, in a very niche industry," says the hands-on Kawashima, whose company has maintained strong relations with its Japanese and Indonesian clients throughout the archipelago.

The prevailing global economic slump has led Kawashima to change business plans for this year.

"In October 2008, it began to affect the Asian markets, and from

then on, we learned a lot on how to deal with economy fluctuations. Following the European financial crisis in 2010, I postponed my plan to expand our factories and adopted a 'wait and see' attitude until other markets recovered. I shifted focus away from exports and concentrated my efforts on the Indonesian market," he says.

"The U.S. and European markets are already quite mature. In this sense, we are very fortunate to be based in Indonesia where the market has much more room for growth," he added.

From exporting over 40 percent of its products, Meiho now sells only 10 percent outside Indonesia, mostly to neighboring countries such as Thailand, Singapore and Malaysia.

"I pay close attention to technology and teach my staff the Japanese style of business," says Kawashima, who emphasizes the importance of knowing all the company's products and working with customers to optimize their use.

He is also increasing the ratio of women in its workforce from the current 30 percent to 50 percent, which Kawashima believes has



Meiho President Masahiko Kawashima

been contributing to Meiho's recent successes.

"The 21st century will be the century of women. They never look for reasons they cannot accomplish a task. This positive attitude has been the driving force of our recent growth. At Meiho, we say that we are ahead of our time. As long as we honestly and earnestly put effort in our business, we will accomplish our goals," he says. ♦

www.meiho-indonesia.com

A dream becomes reality: sustainable, delicious shrimp on every table

In the seafood industry, product quality and freshness are unambiguous parameters. Through years of research and development, Tokio Sugano successfully developed a cultivation system for shrimp that does not harm the environment and produces some of the healthiest and best-tasting shrimp for the global market.

When Sugano, founder and president of SK Foods Indonesia, first traveled to the U.S. in the late 1960s, cooked frozen food products were on the rise. It was immediately evident that these were gaining popularity because they were convenient.

It made him think back to his mother in Japan. At that time, Japanese housewives spent most of the day cooking and cleaning, and frozen food was widely unknown in the country.

"Housewives were too busy with food preparation. With the convenience of frozen pre-cooked food, my mother would have had a lot more time for other things," Sugano recalls.

In 1973, Sugano started SK Foods in Japan as the first and only supplier of frozen shrimp in the form of fried shrimp, shrimp cutlets and later



SK Foods President and founder Tokio Sugano

tempura shrimp.

Japan was opening up to frozen food, and large food processing companies recognized its potential. At the same time, supermarket chains and family restaurants began to expand. So, Sugano decided to specialize in shrimp — the favorite food of many Japanese.

At that time, the technology for shrimp cultivation focused on productivity rather than sustainability, which often required extensive mangrove deforestation, as well as the use of artificial feed and antibiotic drugs. Sugano looked to other countries for different methods. On a visit to Indonesia, he discovered that, for over 200 years, fish farmers used brackish water (river water

mixed with sea water), which was rich in plankton. Sugano also found out that black tiger shrimp were very adaptable to this method because their natural food source was plankton. He developed a method to produce healthy, great-tasting and top-quality shrimp in that manner. At this point, he established SK Foods Indonesia in East Java.

In 2005, SK Foods Indonesia expanded with a hatchery, from where shrimp are harvested and cleaned, cooked, frozen and exported to Japan.

"With this perfect, vertically integrated cultivation system, we do not have to take shrimp from the sea, or burden nature in any way. Humans cannot live without consumption from nature, but we can find food without burdening nature. This dream is possible and can be realized," says Sugano.

Sugano now produces "Eco-Organic" shrimp that can be said to be one of the healthiest and best-tasting precooked shrimp in the world.

With demand for top-quality seafood worldwide increasing rapidly, his company has gone from a dream to reality in supplying natural food that is nutritious and delicious without contributing to the destruction of our environment. ♦

www.skfoods.co.jp

Adding Indonesian knowhow to nature's bounty

The growing world demand for seamless steel pipes for the oil and gas sector has prompted Indonesia Seamless Tube (IST) to build the country's first seamless steel pipe manufacturing plant, a \$500 million facility in Krakatau Steel's Cilegon Banten Industrial Park that is expected to be fully operational by June.

"There are two companies engaged only in the finishing process of seamless steel pipe locally. But they still import the raw materials from other countries at a higher price. In order to contribute to Indonesia's oil and gas sector, it was decided to manufacture and develop the raw materials locally and directly supply the industry. This is a must for our nation's steel industry," says IST's Commercial Director Rully Hendrick Luntungan.

Seamless steel pipes are also widely used in other sectors such as the petrochemical and palm oil industries.

"The country will benefit from having a local supplier. IST will be the pioneer in Indonesia with a total capacity of 200,000 tons per year. It's a very strategic industry and we've received strong support



Indonesia Seamless Tube Commercial Director Rully Hendrick Luntungan

from the government," Luntungan says.

The plant will focus on casing and tubing production for oil and gas drilling, and will be the first seamless steel pipe producer in Southeast Asia, New Zealand and Australia. In addition to supplying

within the country, the company is looking to export to these regions as well as the U.S.

"Indonesia has some of the greatest natural resources in the world. Gold, nickel, copper — we have everything. The reason we are still a developing nation is we export our raw materials without adding value to them. If we can develop and export the final product to other countries, our revenues can even triple," Luntungan explains.

"Indonesia has so much to gain by producing and developing products locally. We have to change our way of thinking so we can help the country grow," he adds.

A little help from Indonesian laws will help. By 2014, government regulations that limit the entry of imported steel pipes will take effect. IST will then be in prime position to meet all the needs of the domestic market.

"We need to add value to our domestic resources and strengthen the independence of this industry sector by not relying too much on imported goods," Luntungan says. ♦

www.indostube.com

Oiling the gears of a world-class economy



PT Idemitsu Lube Techno Indonesia President Director Naoto Iwatake

As Japanese carmakers went abroad to set up manufacturing hubs closer to its Asian markets, Indonesia attracted special attention because of the giant archipelago's growing economy and massive consumer market.

Over the past two decades, the country has consistently raised its profile as an important manufacturing center, especially because huge companies have chosen to spread their supply chain across the world to speed up the delivery of goods. So, for a number of years now, Indonesia has become a leader in Southeast Asian automotive manufacturing.

The migration of tier one automotive producers to Indonesia brought with it a flock of complementary businesses, such as Idemitsu Lube.

Established in 2004, the subsidiary of Idemitsu Kosan Global produces automotive lubricants under the company Idemitsu Lube Techno Indonesia, and sells and markets those products under Idemitsu Lube Indonesia.

Meeting the high standards of the Japanese carmakers, Idemitsu Lube boasts strong connections to the world's biggest automotive companies. Because of that, growth has proceeded faster than expected.

"Demand is more than we had originally anticipated. The growing population and strong Indonesian market have allowed us to exceed our goal earlier," explains President Director Naoto Iwatake.

"Now is a turning point for Indonesia. Soon the country will skyrocket. And with Indonesia's strong relations with Japan, business between the two nations will be even more successful," he adds. ♦

www.idemitsu.com

Rebuilding Japan from overseas

One year after the March 11 earthquake, Japan's outlook and strategy in the global market has changed drastically. Japanese companies have been encouraged to expand in neighboring markets in Southeast Asia, particularly Indonesia.

"Mining and the automotive sector are two very important industries, especially because Indonesia has a population of 200 million, a growing middle class and a high demand for energy. This will be a strong engine of economic growth," says Masayuki Hyodo, chairman of the Jakarta Japan Club and president director of Sumitomo Indonesia.

The head of Japan's largest carmaker in Indonesia agrees.

"Japanese car manufacturers control 93 percent of the market in Japan. In Indonesia, Japanese automotive companies have 95 percent of the market. There are so many opportunities for us to grow, which is why many carmakers are increasing production capacity," says Toyota Motor Manufacturing Indonesia President Director Masahiro Nonami.

The car manufacturing giant is spending about \$534 million to build a second plant in Indonesia amid growing demand in Southeast Asia's largest economy. The plant is expected to be operational next year with initial production set at 70,000 vehicles a year. Production will eventually increase to 120,000 units.

In addition to automotive and mining, the finance, oil and gas sectors have become important.

As investments pour in, the government foresees Indonesia will be one of the 10 largest economies in the world by 2025.

"Everyone agrees that Indonesia has this kind of potential,



Jakarta Japan Club Chairman and Sumitomo Indonesia President Director Masayuki Hyodo

especially if it improves its infrastructure. Based on bilateral agreements for infrastructure expansion, the Indonesian and Japanese governments are working together to enhance the infrastructure in several sectors, especially in the Jakarta region," says Hyodo.

"These projects will be implemented in the next several years to systematically increase the capacity to accept more investment for the next 10 years. This project will include the expansion of the airport in relation to the seaport expansion," he says.

Itochu Indonesia President Director Takuji Motooka adds: "There is a bottleneck in Indonesia's infrastructure. This is why we are focusing heavily on helping Indonesia to develop. It is one of our three main business divisions, aside from retail and natural resources. Infrastructure can attract more foreign investment into Indonesia and we want to contribute in promoting this." ♦

In Indonesia as in Japan, always by your side

An affiliate of Japan's largest security company, PT Secom Indoprata has kept Indonesian homes and offices secure since 1994 through its security services and equipment that keep away various threats and catch intruders should they attempt to enter guarded premises.

"Internal crime is the core problem for many Indonesians firms. Even in residential areas, your things are not completely safe," says Secom Indoprata President Director Naoto Honda.

"Our mission is to make Secom the No. 1 security provider in Asia. We provide 24-hour, round-the-clock security service. Our control center can respond to any disturbance. Secom is well-

known in the Japanese community and the company is slowly gaining recognition in Indonesia. Before, people would ask 'What is Secom?' Now, they ask 'Where is Secom?'" says Vice President Director Jim Kurnia.

The company has expanded its line of services by offering security consultations. Today, it has more than 60 sales and security consultants who help identify a client's specific problems and address different situations.

"If a customer has a problem, we go there to analyze the situation. We are equipped with a wide range of CCTV cameras, access control systems, alarm systems and sensors. Secom is the only security service provider to offer a 24/7 emergency response team

as a standard service. We are prepared to help our customers in various ways," says Honda.

"To maintain 24/7 online monitoring and efficient emergency response, it's very important to have a strong relationship with the police. This led us to establish PT Secom Bhayangkara in 2001," says Kurnia.

Secom Bhayangkara, which provides security guard training and supply, has the largest training center in the country.

"We provide the best training curriculum. We teach our security guards all safety and environmental regulations, and even Japanese business culture, before they are dispatched," says Kurnia.

"Security adds value to properties, which is why many private

companies acknowledge this as an immediate requirement. We invest a lot in training to ensure the quality and performance of our staff. Today, we've dispatched a total of 2,200 security guards around the country," says Honda.

With Indonesia's fast-growing market, Secom has a firm grasp of Indonesia's security environment and looks forward to expanding with the country.

"We want the local market to be more aware of the Secom name and assure them that we will 'Always be by your side.' We will relentlessly provide the best service and most advanced security technology to take care of our clients," says Honda. ♦

www.secom.co.id



Secom Indoprata President Director Naoto Honda (left) and Vice President Director Jim Kurnia

A robust history links East Java with Japan

CONTINUED FROM PAGE 11

porters. With soaring demand from emerging economies and sustained high coffee and cacao consumption in its traditional markets, Asal Jaya will continue to increase production and export volume to fulfill both sectors.

Meanwhile, the local market is itself growing significantly as well, with coffee consumption in Indonesia increasing by 5 percent per year.

In Malang, the company continues to work closely with the company's extensive local workforce, strengthening Asal Jaya's reputation as a credible and reliable worldwide exporter of agricultural commodities while ensuring the prosperity of the communities surrounding the land in East Java.

"We are also working hand in hand with local farmers with one aim," says Hariyanto, "to grow the best coffee consistently, now and in the future." ♦

Heading for tomorrow

CONTINUED FROM PAGE 11

With its future-oriented management, Somagede also keeps its eyes on global influences and trends. Its teams regularly attend exhibitions and seminars in North America and Europe.

"We need to learn from different points of view. We are always looking to improve our company, so that we may become the best total solutions company for all machining works," explains Ng.

As more Japanese trading com-

panies enter Indonesia, the COO hopes that they choose Somagede as their machine tools supplier.

"We can provide complete solutions for machining works. Not only do we have the largest product line, our technical support is of the highest quality," Ng says.

As technology continues to simplify life, Somagede, together with its partners, is "heading for tomorrow." ♦

www.somagede.com

Oils, scents and flavors: from Indonesia's hills to the world

CONTINUED FROM PAGE 11

ers, but they have not been satisfied with what they get elsewhere. They always come back to us. Our service and consistency are the qualities that set us apart," she adds.

Meanwhile, Djasula Wangi has steadily diversified its product range to include other essential oils and derivatives such as clove oil derivatives. "With a population as big as Indonesia's, with its vast land resources, we should continue to focus on developing natural products," Narpati says.

The company's commitment to quality has earned the trust of many Japanese consumers. In fact, Djasula Wangi has enjoyed a 20-year history with its Japanese clients.

"They are very happy with us. I remember one specific client who requested that we grow a special type of ginger. Since our plantation is located at a high altitude, we can produce the ginger they want with the best aroma," she recalls.

Narpati is open to pursuing more partnerships with Japanese companies to grow further.

"The Japanese have been in Indonesia for a while and our company has a strong history with them. We know we cannot grow alone, and we need to learn more technology, such as producing natural vanillin from clove oil derivatives through bio-conversion. That's what we look to Japan for," she says. ♦

www.djasulawang.com

PT KARUNIA SEMESTA RAYA



**PUPUK
KARUNIA**

ORGANIC SOIL REMINERALIZER

**"MINING FOR SECURITY OF
WORLD'S FOOD SUPPLY"**

Further Info : e-mail

info@ptksr.co.id

fax

+6221-8479522

ph.

+6221-8479523