



World Eye Reports

Indonesia

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A message from the Japanese Ambassador to Indonesia, Yasuaki Tanizaki:

Japan to continue working together with Indonesia for a bright future

Japan and Indonesia have built a close relationship over many years on the foundations of our enduring friendship. This is particularly true of our economic relations. There are over 1,800 Japanese corporations in Indonesia at present and the number of Japanese residents in Indonesia has risen to 18,000. Last year, the number of direct investments made by Japan to Indonesia was at a record high for the second consecutive year. It numbered in excess of 2,000 investments that amounted to approximately \$2.9 billion. Japan is also a crucial trading partner for Indonesia as the second-largest export destination and third-largest source of imports in 2014.

Indonesia will no doubt continue to be an important partner for Japan due to its



Yasuaki Tanizaki, Japanese Ambassador to Indonesia

significance in the region, highly promising economic growth, political stability and rich supply of human resources. I believe that the development of infrastructure and training of industrial manpower will be critical to boosting Indonesia's economic power in the future.

Japan's investments in Indonesia focus on the manufacturing industry, which is characterized by a long-term view of capital investment, youth employment and human resources development. Our bilateral relationship is highly beneficial to both countries as Japan's investments contribute to Indonesia's economic development and competitiveness through the business activities of Japanese corporations. It is a win-win relationship.

Indonesia's underdeveloped infrastruc-

ture may be a bottleneck for the country to embark on a new phase of exporting "Made in Indonesia" products, competing with goods produced in other countries. Japan is prepared to collaborate with Indonesia in developing its infrastructure. Japan is also ready to cooperate in infrastructure development in regions outside of Java in line with President Joko Widodo's policies that place great emphasis on developing rural areas. We are keen to utilize our superior technology and know-how to contribute to well-balanced development in Indonesia.

Japan is committed to being an important partner to Indonesia well into the future. We will continue to support Indonesia's development. ◆

For a more secure Indonesia: ASEAN's biggest economy needs a great reinsurer

With government support and strong international collaborations, Indonesia is strengthening its reinsurance industry and creating more security for the country and its future.

Reasuransi Indonesia Utama (Indonesia Re) was incorporated by the Indonesian government in 1985. In addition to delivering reinsurance solutions, the company is playing an active role in developing and strengthening the country's reinsurance sector.

"Our business is founded on trust," said Frans Sahusilawane, president and director of Indonesia Re. "With a market share of around 35 percent, we are the leader in Indonesia's reinsurance industry. Our success is founded on the confidence our partners and customers place in us."

A U.K. graduate in insurance study and an MBA, Sahusilawane set out to construct Indonesia Re's vision for the future.

"Indonesia has the largest economy in Southeast Asia and represents huge potential for our industry. Accordingly we need a big reinsurer to lead, acting as a powerhouse for our industry in knowledge, capability and provision of reinsurance capacity," he said. "As a company, we are fully supported by the government."

As a former chairman and president of MAIPARK, an internationally recognized leader

Indonesia has the largest economy in Southeast Asia and represents huge potential for our industry."

—FRANS SAHUSILAWANE
President and Director of Indonesia Re



Insights: Strengthening the Indonesia-Japan relationship



Sony B. Harsono, member of the Republic of Indonesia's National Committee for the Economy and Industry (KEIN)

"The long-term relationship between Japan and Indonesia has benefited these two great countries and their people. The challenge is to enhance this relationship, bearing in mind the dynamics of their respective political and economic landscapes. Whereas Japan's political picture has been dominated by the Liberal Democratic Party, Indonesia has gone through significant changes. During Indonesia's pre-reform era, the LDP was very close to Golkar, the single ruling party. Now, the challenge for the LDP is to synchronize and harmonize its relationship with the "new" Indonesia of multiple parties, with no single ruling party. Indonesia's current government is a reflection of this mul-

tiparty coalition. The administration, now and going forward, will be filled by young and dynamic politicians and professionals. Japan and Indonesia are complementary: Japan is strong in financing, know-how and is a global influence in world trade, while Indonesia is the largest economy in ASEAN and is strategically located from a geopolitical perspective. Thus, both countries can benefit by working together. Japan remains a proven and trusted economic partner to Indonesia, as demonstrated by major projects recently awarded to the Japanese, including the MRT and the new Priok Port in Jakarta and major power plants in Java, the center of Indonesia's economy." ◆



Norio Yamazaki, Expert of Japan International Cooperation Agency

"There is a positive sentiment across the Japanese and Indonesian business communities that both can and do work well together in strong partnership. Indonesia is a country filled with potential: through its growing middle class with increased purchasing power, the younger generation's desire to achieve greater personal life goals and of course the country's wealth of natural resources create an attractive environment for investors. We fully expect Japan and Indonesia to continue strengthening what has become a key strategic and economic relationship." ◆

Seizing opportunity in the face of adversity

Komatsu is a global leader in the manufacture and sales of construction and mining equipment, forest machines and industrial machinery. Since entering the Indonesian market in the early '70s, the company has worked closely with United Tractors, a member of the Astra Group and Komatsu's distributor across the Indonesian archipelago.

Junya Ankyu, president and director of Komatsu Marketing & Support Indonesia, understands the challenges and

opportunities of doing business in the country.

"Komatsu's policy states that if there is demand in a market, we have to be there," said Ankyu. "Indonesia is an important market for Komatsu and our connection with United Tractors has helped us grow. Indonesia ranks number one in terms of demand for Komatsu products and services in Southeast Asia."

Komatsu in Indonesia now has seven group companies focusing on manufacturing, sales, maintenance, customer

service and training. With the current drop in commodity prices and its corresponding effect on the global mining industry, the company is seizing growth opportunities in Indonesia's booming construction, agriculture and forestry sectors.

"Komatsu products are used in housing, building developments and social infrastructure projects and our business results are often considered to be a first indicator of potential economic conditions," said Ankyu. "Today, we are focusing our efforts on Indonesia's construction sector, with half of our business coming from the construction industry and the other half from mining, forestry and agriculture."

With major infrastructure projects being delivered across the country, Komatsu is playing an active role in public and private sector nation-building initiatives.

"There is increased global interest in the Indonesian economy, with the country expected to post 4.9 percent



Junya Ankyu, President and Director of Komatsu Marketing & Support Indonesia

economic growth this year," explained Ankyu. "Construction projects bringing in foreign investment will enable us to build on our successes and position ourselves as an unrivaled partner for our customers."

As a welcoming and open nation, a thriving Japanese community has flourished in Indonesia. Today, Komatsu Group alone employs a workforce of 3,000 in Indonesia.

"In addition to our shared desire to succeed in business, Indonesian and Japanese people share a passion for history, culture, food and music," said Ankyu. "Diversity is a key strength of the Indonesian people and we can all learn a lot from them. Our Indonesian employees are diligent and have the capability and positive attitude to seek facts and find the best solutions. By providing international business training programs and other initiatives, we are continuously focusing on the development of our human capital."

As we strengthen our commitment to the country through our world-class equipment, quality driven customer-service and investments in our people, we will continue to develop our business, while actively contributing to Indonesian society, now and in the future." ◆



www.komatsu.com



Hard at work: Komatsu's HD785 dump truck (left) and PC3000 crawler excavator

Success in a buoyant market

"We are proud of Ebara's commitment to the country and our achievements here in Indonesia," said Ebara Indonesia's President and Director Nobuki Abe. "We continue to invest in our facilities and — most importantly — in our people and our future."

As the first domestic manufacturer of water pumps in the country, Ebara Indonesia was incorporated in 1980 in Jakarta as a joint venture between Donomulio Industry of Indonesia and Ebara of Japan. The next year, the company established an Indonesian manufacturing facility. Today, it sells products through distributors across the archipelago and employs 600 people.

Nationally, Ebara Indonesia has established a reputation for delivering quality, cost-effective and innovation-driven products. The company sells 35,000 water pump units and components annually, leading the pump systems market in Indonesia.

"Our commitment to the country through our long-term investments has enabled us to grow our business in Indonesia," said Abe. "With a population of more than 250 million, Indonesia's agriculture industry plays a vital role in feeding its people. As the government continues to take necessary steps to strengthen this sector, successful government-spon-



Nobuki Abe, President and Director of Ebara Indonesia

sored programs to irrigate farmland have required the implementation of effective irrigation systems. Ebara participates in this endeavor by supplying pumping solutions across the country."

As a Japanese company with a strong international presence, Ebara has a huge network across the globe. Ebara Indonesia currently sells Ebara products manufactured in Japan, Italy and Vietnam to provide customers with a wider range of both large and smaller-sized customized

pump solutions.

"We expect to increase our already impressive market share in Indonesia by providing customers with a greater range of products specifically designed for their needs," said Abe. "With constant new product launches, we will keep meeting the demands of our customers across Indonesia."

Ebara's head office in Japan recently put in place its "E-Plan." The initiative will enable the company to better serve its global customer base and coordinate Ebara's international activities in markets such as Indonesia.

"Our very talented Indonesian employees work extremely closely with our experienced Japanese staff to ensure we continue to achieve our targets here," Abe noted. "We want to contribute to the development of the country and make sure Ebara continues to play a role in supplying key engineering solutions to customers across Indonesia." ◆



www.ebaraindonesia.com

Achieving healthy growth through international collaborations

This year sees Kalbe, the largest publicly listed pharmaceutical company in Southeast Asia, celebrate its 50th anniversary. It's a year that sees the company strengthening its position in Indonesia's health care sector while establishing international partnerships.

"Health has become an increasingly important factor in building the productivity of our nation," said Boenjamin

Setiawan, founder and honorary chairman of Kalbe. "As an integrated consumer health and nutrition company, we are dedicated to delivering the best products and services."

Kalbe is active in prescription pharmaceuticals, consumer health and nutritionals, as well as in distribution and logistics. "To improve product availability and bring healthcare to all people in Indonesia, we are

expanding our distribution network across the archipelago," said Vidjongtius, Kalbe's director. "In addition to having the right, bright people and generating profits, we are focused on sustaining the planet and reducing our environmental impact in line with our corporate growth strategy."

The development of its people is at the heart of Kalbe's success. "Education and research and development are the keys to unlocking Indonesia's potential," said Setiawan. "We want to lead by example by hosting scientific seminars, promoting teachers and encouraging young students to pursue a career in medicine and life sciences."

Vidjongtius added, "We will mark our 50th anniversary by holding celebratory seminars, educational initiatives and roadshow events." In this last half-century, collaborating with Japanese companies has played an important role in Kalbe's success.

"We continue to work closely

with our Japanese partners, and appreciate the confidence our Japanese friends have shown in working with us," remarked Setiawan. "Japan is a model for Indonesia, and we want to see more Japanese management methods implemented alongside local Indonesian business culture."

Kalbe intends to better serve Indonesian, Asian and global customers by establishing more international partnerships in the future. "Industry drivers such as stem cell research and biotechnology require close international collaboration," noted Setiawan.



Kalbe's flagship factory in the town of Cikarang, the capital of Bekasi Regency, West Java. Today the company has ten facilities.

We continue to work closely with our Japanese partners, and appreciate the confidence our Japanese friends have shown in working with us."

—BOENJAMIN SETIAWAN
Founder and Honorary Chairman of Kalbe



