

SPEECH BY
H.E. BUDI BOWOLEKSONO
AMBASSADOR DESIGNATE OF THE REPUBLIC OF INDONESIA
TO THE UNITED STATES OF AMERICA
AT THE US-ASEAN BUSINESS COUNCIL WELCOMING LUNCHEON
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Bismillahirrahmanirrahim,

Assalamualaikum Warahmatullahi Wabarakatuh,

Peace be upon us,

Mr. Alex Feldman, US ASEAN Business Council President

Business leaders, Friends of Indonesia,

Excellencies; Ladies and gentlemen,

Thank you Maria (Mrs. Maria Pica Karp) for your very kind words of introduction. [*It makes me nervous and even worried to hear an introduction that sounds potentially better than my speech*].

I am very pleased to be here in the United States, and to be among friends of Indonesia in Washington DC, particularly the business circle.

[*I heard that the Washington region experienced an extreme winter this year. So I came precisely twelve days ago to bring sunshine and spring from Indonesia, and I hope that we can enjoy the Cherry Blossoms together soon.*]

I am personally very optimistic to see your enthusiastic faces today. I thank the US ASEAN Business Council for organizing this welcoming luncheon, and for, thoughtfully, serving

delicious food to our guests before it was my turn to speak. [*Being a career diplomat, I am quite familiar with the danger of addressing a hungry crowd*].

I am very aware, and appreciative, that the US ASEAN Business Council has always promoted a better and more productive relationship between Indonesia and the United States, especially among the business sectors.

I am also very pleased to note that the US ASEAN Business Council members' investments in Indonesia are increasing each year.

During my tenure, I want to see this trend continue, and at the same time, I wish to see a further increase of Indonesian investments in the United States. With the cooperation of the US ASEAN Business Council, I am sure that this goal can be achieved.

Distinguished guests, ladies and gentlemen,

As you are undoubtedly all aware, two days from now, Indonesia will demonstrate another sign of our democracy's maturity, in the form of our legislative elections. In fact, here, in the United States, we already held that legislative election for Indonesians living in the US two days ago.

2014 is an election year for Indonesia.

Indeed, it is a political year for us.

For some business people, this period may be perceived as not a good time to talk about businesses. Some may have called it a "wait and see" period. Who will be in the next government? What will be their policy?

I can fully understand if most of you have the same question in your mind as well. I believe this may be amongst the things that you want to find out by attending this event. Not to hear my speech, perhaps, but to get the answer: who will be the next President for Indonesia? [*Unfortunately, I have the same question *].

Yet, for me, those are valid questions. Businesses need certainty. Need assurance. Need confidence. Trying to avoid as much uncertainty as possible. Avoid as much insecurity and improbability as possible. That, in my view, is very normal.

What I can assure all of you is that, despite political dynamism and “noisy democracy” as any elections around the democratic world, Indonesia will once again demonstrate its strength and resilience to move forward with our democratic path.

The transformation and democratization in Indonesia has reached a point of no return. It is now irreversible. And it is now celebrated by all Indonesians.

As far as policy is concerned, in my view, we will witness the sense of continuity and progress.

Indeed, change may happen.

But I believe that it is in the best interest for every possible successive Government in Indonesia to ensure that our Long Term Development Planning continues.

To ensure that the progress and accomplishments that we have made, be they in the political, economic, or socio-cultural fields, continue to bring benefits for the prosperity of the people.

Thus, there will be Continuity and Change. My favourite term is “Double C.

Continuity to make sure our long-term development objectives are being realized. And Change in the sense of continued progress for the better.

Distinguished guests, ladies and gentlemen,

I am confident that you are all familiar with the portrait of the Indonesian economy over the last few years. We have been able to maintain strong macro economic fundamentals; constant economic growth and we have joined the one-trillion-economy club.

Indonesia has also made a grand design for its economy. We have the Master Plan for Acceleration and Expansion of Indonesia Economic Development 2011-2025, or MP3EI. [*I Know - it sound like your car’s license plate*].

But it is a Master Plan that identifies comparative advantages that each region in Indonesia has, and aims to synergize those advantages towards an inclusive and sustainable growth in the country.

And it is a Master Plan that has identified hundreds of promising investment opportunities.

We very much look forward to its successful implementation, and I believe we can count on the valuable support of the US-ASEAN Business Council towards that direction.

I believe all of you are also fully aware the various positive trajectories of the Indonesian economy in the years to come from many credible institutions like McKinsey; the Financial Times and citi's top economist, Mr. Zubaid Ahmad.

In short, the Indonesian economy is full of potential. The biggest economy in Southeast Asia. Home for a 240 million market. And a 51 million-strong middle class.

At the same time, we have been witnessing the recovery and positive growth of the US economy. Indeed, the US economy has shown its resilience and toughness. Its strength as the biggest economy in the world.

Our task now is how to ensure the two giant economies can continue to be mutually beneficial to each other; to continue to make mutual progress for the prosperity for Indonesians and Americans alike. This is going to be my mission as the new Indonesian Ambassador for the United States of America.

Distinguished guests, ladies and gentlemen,

For that purpose, I have three points to make [* 3 is magic number for me; I assure you it is not number of political party contested in the Indonesian election*].

First, the partnership of our two economies must be driven by shared interests and objectives. The collaboration between our two nations must be founded upon opportunities, not challenges. The cooperation between our business people must be built upon mutual benefits, not by narrow self-interests. We have to act as two partners, not as two competitors.

Our two countries, respectively, have very valid national interests to be achieved. I have every confidence that those national interests can be obtained not at the expense of the others. A win-win approach is the only way to make our partnership sustainable. That is a paradigm that we need to nurture and cultivate together. Not only between the Governments, but also between business peoples, and in fact, our two societies at large.

Indonesia, like any other emerging economy, is not without challenges. We are fully aware that significant obstacles still exist, and we still have much homework to do. Much more needs to be done. We still need to have better infrastructure; to ensure better governance in the process of decentralization; to continue eradicating corruption in all sectors; and to reform the bureaucracy.

Yet, we are committed to overcome these challenges. And in fact, we have taken many important steps forward in all of those fields. And therefore, we are still optimistic about Indonesia's future prospects.

Let us thus focus on how to increase our business relationship further. We have to always see the big picture of our future cooperation potentials. Indonesia and the US in 2025. All of us will be needed to work toward such paradigm. **PARADIGM OF WIN-WIN. NOT ZERO SUM.**

The second point I wish to make is that all the potential of our economies should be fully optimized. Commitments have been made by our two Leaders during the launching of our Comprehensive Partnership in 2010. President Obama made a very strong commitment to make the US number one in terms of economic presence in Indonesia. Both for trade and investment. Targets have also been made, as well as the mechanism to monitor progress.

The reality, however, is not always parallel with the promise. Our current trade value does not reflect the optimum level of cooperation between the biggest economy in Southeast Asia and the biggest economy in the world. The US investment in Indonesia also does not mirror such potential.

For a country that has abundant natural resources like Indonesia, commodity-based products such as palm oil, rubber and forestry products are critical to our economy. Their share to our

trade balance is over 25%. It is perhaps as important as Boeing, General Electric and General Motor for the US. The forestry and agriculture industry are crucial part of our economy. And ensuring value added in their utilization is also crucial. For our continued growth.

However, we also learn that boosting growth alone is not enough. Excessive use of natural resources has often led to environmental destruction. Therefore, while our priority is economic growth, we have also given particular emphasis on the protection of the environment. We aim to balance the pro-growth strategy with the pro-environment strategy. These pro-growth and pro-environment strategies are also an essential part of our “4 Track Strategy,” which also includes pro-poor and pro-job in addition to pro-growth and pro-environment.

And for us to be able to ensure that all our economic potentials are fully optimized, **we also need to work to ensure our energy security**. This sector is vital for our future economic resilience and sustainability. We need both clean, new and renewable energy. Our two countries must work together to generate innovation in the energy sector. We must collaborate to optimize our energy mix.

By reducing the share of fossil energy in our economy and substituting it with renewable energy sources like bio-fuels, geothermal, solar, and wind, as well as cleaner energy sources, such as clean coal and natural gas.

Another economic sector which, I believe, provides abundant potentials **for new cooperation between the two countries is in the field of our creative economies**. For this purpose, innovation and creativity are central. Both based on research and cultural heritage.

And to ensure progress in all the areas that I have mentioned, business as usual is not an option. Not only do we need to think outside the box, we even need to act outside the box. The business people need to take risk. Of course, risk with calculation. Not speculation. My task is to ensure there is an MRV mechanism.

[* It may sound like a type of car: MRV, but it is actually a term used in climate change discourse to ensure action to reduce emission. I would like to use this term for our discussions today*].

MRV means the progress of our bilateral economic cooperation must be **Measureable**. The improvement must be **Reportable** and the enhancement must be **Verifiable**.

Distinguished guests, ladies and gentlemen,

The last point I would like to make is that the significance of Indonesia-US economic partnership goes beyond the bilateral level. All of us, Governments and particularly business communities, have to seize the opportunity of the year 2015, when the ASEAN Community will come into being. Furthermore, we need to work together to make the most of the ASEAN vision post 2015.

I am confident that the attainment of the ASEAN Community will provide enormous potentials for the business community.

An integrated production and market base of more than 600 million people in Southeast Asia, with a Master plan of ASEAN connectivity that will bring prosperity to the Southeast Asia region.

For this post 2015 period, Indonesia initiated the Regional Comprehensive Economic Partnership (RCEP) during our chairmanship of ASEAN in 2011. Consisting of 10 ASEAN member nations as well as China, South Korea, Japan, India, Australia and New Zealand, this RCEP will integrate all of ASEAN's existing free-trade agreements into one scheme, accounting for a third of the world's gross domestic product (GDP).

The RCEP is estimated to give income gains of approximately \$644 billion by 2025, equal to 0.6 percent of the world's GDP, due to the faster flows of goods, services, investment and labour across participating economies, according to a study by the Asian Development Bank (ADB).

It is for that reason, I personally believe that the Indonesia-US economic cooperation must take into consideration all the potentials that lie beyond the bilateral spectrum.

It is my commitment, in this regard, to work very hard together with other ASEAN Ambassadors so that we can elevate the US-ASEAN strategic partnership even further, within the framework of a second-generation partnership post-2015.

Towards this direction, we have to focus our cooperation, among others, in the field of trade and investment, energy security, disaster management and maritime cooperation.

We also need to ensure that our economies collaborate with each other to achieve prosperity for our peoples in the year 2025.

That is what the US-ABC's future role is all about.

Distinguished guests, ladies and gentlemen,

To conclude, I would like to thank the US-ASEAN Business Council for the warm welcome and all of you for joining us today. Let me assure all of you here; that the Embassy team and I are always open and stand ready to work closely with all members of the US ASEAN Business council in the upcoming years.

We are here to serve YOU.

Thank you