

# Indonesia independence day

## Seizing the day for a better future

Muhammad Lutfi  
AMBASSADOR OF INDONESIA

Early in this year, The Economist deemed Indonesia's economy as healthy and growing, while heavily linked Indonesia to the words such as "fastest-growing" and "stability." Soon after, the economy of Indonesia was projected to elevate to the fourth largest in the world, only after China, the U.S., and India. With its democratic experience and abundant natural resources, Indonesia's sumptuous market of 230 million people, whose income per capita is now growing at 20 percent every half a year, will surely make the highlight of the region.



Nonetheless, the resolution is not complete without hard work. The path to success must be built, and what an arduous path we have experienced in our 67 years of independence. The road ahead, the homework we have, must be steadiest and smoothed, and I believe that In-

onesia has what it takes to live up to the expectations.

Consisting of more than 17,000 islands, the length of archipelagic Indonesia from east to west spans 6,345 km. From hundreds of ethnicities, the people speak more than 300 languages. Indonesian history goes way back to fifth century, to the time of the ancient Hindu-Buddhist kingdom of Tarumanegara in West Java. In the 13th century, the Islamic sultanate of Samudera Pasai in Aceh grew to be a trade center in the region. Afterward, the great kingdom of Majapahit ruled a vast area of Southeast Asia with its power and prowess.

And yet, from the diversity of culture and history came a united nation. I am very proud to tell you that the awakening moment for Indonesia was initiated by the Indonesian youths, back in 1928.

Moved by hundreds of years under Dutch colonialism and then Japanese occupation, Indonesian youths promoted the idea of a united Indonesia.

In the Congress of Youth II on Oct. 28, 1928, the birth of Indonesia was thoroughly discussed

and committed to by the youngsters from Sulawesi, Kalimantan, Java, Sumatra, whether Muslim or Christian, who speak Javanese, Sundanese, Manadonese, or Dutch. Driven by the spirit of brotherhood, togetherness, and freedom, they pledged for "one motherland, one nation, one uniting language," which echoed through and fought for in a national revolution. We fought for years for our freedom, through tears and blood. On Aug. 17, 1945, when the Indonesian independence was proclaimed by President Sukarno and Vice President Muhammad Hatta, it was truly a dream come true, a harvest of enduring battles. "Carpe diem."

What lies ahead is our new dream. The independence has forged new pillars for Indonesia: protection of Indonesian people, improvement of social welfare, intellectual achievement and contribution to world order. These are the roots of Indonesia's policies.

In a landmass of 1.9 million sq. km, around five times that of Japan, Indonesia grows all the beautiful plants and delicious

fruits on its surface, and contains all the precious minerals beneath. You do not see Indonesian mangoes, mangosteens, bananas, or durians abroad because the domestic market consumes all 16,000 tons of the fruit commodity. Ranked No. 3 in the world at 39 million tons of rice production, Indonesia also consumes the staple grain domestically, with additional imports needed. The same condition applies to coffee, cereals, tea and cocoa. The large number of species in our forests is said to exceed those in Africa, with 400 birds and 200 mammals that live nowhere else in the world but Indonesia.

The minerals are well-known in the global market. Japan of course is familiar with Indonesian commodities such as gas, nickel and coal, as 20 percent of Japan's gas supply is sourced from Indonesia. We have built mutual long-term trust and partnership in this field of commodity trading, and I believe that there is always room for improvement to accommodate new dynamics, but foremost to enhance this bilateral tie.

The authority over these rich extensive resources does come with challenges for the Indonesian government.

In 1997 we were hit, badly, by the crisis. At that time, I was the leader of the Jakarta branch of the Indonesia Young Entrepreneurs Association, or HIPMI Jaya. Having started my own business and joined the group for networking, I witnessed the collapse of many kinds of businesses throughout Indonesia. Many of those were small and medium-size business. These entrepreneurs, the small industrialists who generate the economy, lost their will and spirit.

The Indonesian economy contracted 14 percent in 1997-1998. The exchange value from U.S. dollars to Indonesian rupiah free-fell sixfold. The intensity of this phenomenon was a great challenge for the government, and the huge pressure to carry out the principle of protection and welfare during the crisis was so appalling that it led to the resignation of President Suharto, after 30 years in power.

This new dynamic opened the door for reform for Indonesia.



Majestic: Constructed in the ninth century in Central Java, the Prambanan Temple compound is listed as a UNESCO World Heritage site. MINISTRY OF TOURISM AND CREATIVE ECONOMY

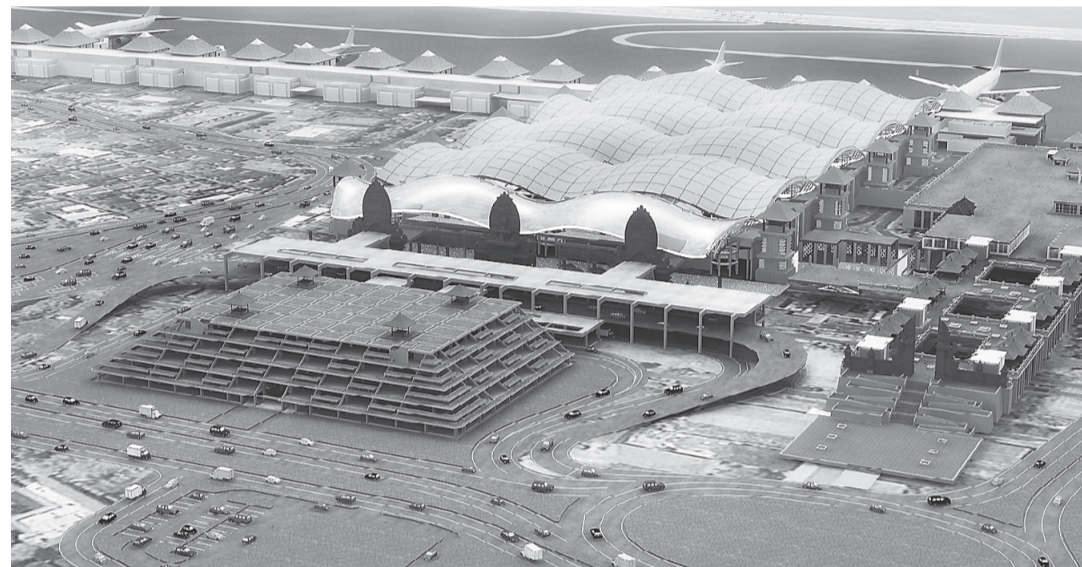
Again, just as in 1928, Indonesian youth was upfront in 1998 to voice the need for change, for a just and prosperous country. We were all reminded of the pillars of protection, social welfare, education, and global involvement. Allocation for education is now 20 percent of the national budget, mandated by the constitution. Welfare programs are being

implemented and perfected to fit Indonesian society.

Under the one-man-one-vote electoral system, prosperity has become the key for political gains as well. It is a fact that as much as 80 percent of incumbent leaders, whether governors or mayors, are not voted back to office. Why? The reason is because of the failure to bring

welfare to the people. With 20 percent of the allocated budget for education, more people have more access to media and books, hence more knowledgeable in analyzing a policy. Indonesia scored at 0.6 in the Human Development Index (HDI) in 2010, climbing from 0.3 in 1980.

In another sense, this capacity **CONTINUED ON PAGE 7**



Plan: A model shows the new facilities under construction at Ngurah Rai International Airport in Denpasar, Bali, the main tourism gateway in Indonesia. MINISTRY OF TOURISM AND CREATIVE ECONOMY

## Smooth economic growth helps Indonesians prosper

Yasuo Fukuda  
PRESIDENT, JAPAN INDONESIA ASSOCIATION

This year marks the 67th anniversary since the independence of the Republic of Indonesia was declared in the name of the Indonesian nationals on Aug. 17, 1945. On behalf of the Japan Indonesia Association, I would like to extend my heartfelt congratulations to the government and people of Indonesia on the



occasion of this commemorative day.

Under the stable political leadership of President Susilo Bambang Yudhoyono, the Indonesian economy grows steadily, buoyed by robust personal consumption and corporate investment amid the sluggish economy in Europe and around the world. Indonesia's economic growth rate was 6.1 percent in 2010, 6.5 percent in 2011 and has reached 6.3 percent in the first half of this year. Also, gross domestic product per capita stood at \$1,100 in 2004, when President Yudhoyono was sworn in as the new leader, and

topped \$3,500 in 2011, with the middle-income group reaching 130 million people, about half of the population. In addition, the poverty rate has been steadily decreasing from 16.6 percent (37.17 million people) in 2007 to 12.5 percent (30.02 million people) in 2011.

With the increase in domestic purchasing power because of such smooth economic growth, many foreign companies — not only Japanese automobile manufacturers, but also companies from the U.S., Europe, South Korea and China — are expanding their business in Indonesia. This investment boom has already

filled the existing industrial parks and is leading to additional development of such estates.

Indonesia aims to take its place among the 10 biggest economic powers in the world in 2025. To accomplish this goal, there is a pressing need to improve infrastructure. Japanese public and private sectors are cooperating with Indonesia in the infrastructure projects, such as improvement of airports, ports and mass transportation networks, within the framework of the Metropolitan Priority Areas for Investment and Industry (MPA).

What draws the attention of

the world is not only Indonesia's economy. In recent years, Indonesia is increasing its presence, deploying positive diplomacy beyond the ASEAN (Association of Southeast Asian Nations) region as a major country in the international community, such as within the Group of Twenty.

On the occasion of the 67th anniversary of independence, I sincerely hope that Japan-Indonesia friendship shall further deepen, and pray that the Republic of Indonesia will further ensure the strides toward progress and development, and that the people of Indonesia will enjoy further prosperity.

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**Preserving an art: Saman, a traditional dance from Aceh Province performed in a line while kneeling, is listed by UNESCO as an Intangible Cultural Heritage in Need of Urgent Safeguarding.** MINISTRY OF TOURISM AND CREATIVE ECONOMY

## Collaboration aids both nations

CONTINUED FROM PAGE 6

also means resourceful people to contribute to the development. From a population of 230 million, 65 percent are in the 15-60 years of age range, the workforce age. With current population growth of 1.3 percent, the Institute of Developing Economies of the Japan External Trade Organization (IDE-JETRO) has projected that Indonesia will maintain this demographic advantage until the year 2040. Unlike other emerging economies where the aging population is somewhat of concern, the human capital of Indonesia will last for 30 years from now.

What is more interesting is that this human resource creates a chunk of 90 million middle-class people, an increase of eight times in the last 20 years. This means more consumption of goods, more roads, more airplanes and more electricity, not only to live, but to make a living as well.

The rapid growth of the middle class in Indonesia is also a part of the 55 percent growth of the whole Asia-Pacific. From the outlook, the Asia-Pacific is indeed the center for the world's growth, and Indonesia strategically lies in the center of it. Also one of the founding fathers of Association of Southeast Asian Nations (ASEAN), Indonesia is very much involved in the dynamics of the region. This is a part of our commitment to the pillar of world order. This effort in the region has been further elevated with the framework of ASEAN Plus Three, recognizing the importance of the cooperation with

China, South Korea and Japan.

From my almost two years as ambassador of Indonesia to Japan, I have witnessed the excellence of Japanese technology and creative innovations. Often aiming at simplifying everyday lives, Japanese tech in electronics, robotics and machineries are function-wise and people-friendly (although sometimes not language-friendly).

This advancement in technology and innovation is what Indonesia needs for the future. Already Indonesia's biggest trading partner, it is only sensible to collaborate with Japan in this field, especially for infrastructure. This is also in line with the Metropolitan Priority Area (MPA) and Indonesian Economic Development Corridor (IEDC) program, initiated by the Japanese government.

The objectives of this idea are real: to create jobs and enhance economic growth, which will lead to more direct investment and generate even more industrialization. In 2010, the total of Japanese foreign direct investment (FDI) to Indonesia was \$712 million. This number has doubled in 2011, and we are expecting growth in 2012 as well.

It is indeed a special time to celebrate the birthday of our country. Furthermore, let us celebrate the friendship built in the 67 years, pairing it with the linkage of business-to-business and government-to-government cooperation, and moving forward with people-to-people exposure. To this end, Indonesia and Japan have shared not only a link, but bonded as a relationship of brothers.

## Teenage ambassadors as a bridge for ties

In March, Indonesian President Susilo Bambang Yudhoyono and first lady Ani Bambang Yudhoyono hosted a reception for 20 Japanese teenage ambassadors from Nishi High School in Tokyo. State Secretary H.E. Sudi Silalahi, Cabinet Secretary Dipo Alam as well as Minister for Education and Culture H.E. Muhammad Nuh also attended this event. The party was held at the Presidential Palace in Bogor, West Java.

"It was a very great honor for us and our students to attend the party hosted by President Yudhoyono despite his very busy schedule," said the Japanese Ambassador to Indonesia H.E. Yoshinori Katori, who also accompanied the Japanese delegation. Furthermore, Ambassador Katori said that these teenage ambassadors might be the successors to Japanese leaders in the future.

Tsuya Yokoyama, one of the teenage ambassadors, also expressed his sincere gratitude and appreciation to President Yudhoyono and the first lady for hosting the reception.

"We feel a very deep sense of friendship from our Indonesian friends. We will not forget both morale and material supports we received from Indonesia in the time of darkness during the 2011 disaster. Therefore, we would like to express our sincere gratitude for those supports, especially for President Yudhoyono and first lady Ani Yudhoyono, who already visited the disaster-affected area in June last year," he said. Yokoyama also wished that



**Exchange: Indonesian President Susilo Bambang Yudhoyono (front row, second from left) and his wife, Ani (front row, third from left), host 20 students from Tokyo at a reception upon the teenage ambassadors' visit to Indonesia, at Bogor Palace on March 13.** AEON 1% CLUB

President Yudhoyono would visit Japan again, especially to the Tohoku area in spring to enjoy the cherry blossoms.

President Yudhoyono explained that the bilateral relationship between Japan and Indonesia has been established for a very long time and has its ups and downs. However, recently, the relationship between the two nations is increasingly developing toward better conditions. President Yudhoyono expressed his fervent hope that the visiting teenage ambassadors will further bring the relationship between Indonesia and Japan closer.

"You are already establishing

a relationship with the Indonesian generation at your age. I will tell you our proverb, "If you don't know, you can't like," and therefore, when you visit Indonesia, please make an acquaintance with your Indonesian friend, for one day in the future you will cooperate together for the interests of both Indonesia and Japan, and for the good of the world that you live in," President Yudhoyono said.

President Yudhoyono also explained that the support and aid for Japan is the realization of the close and deep relationship between the two nations, just as the Japanese support and aid to Indonesia during the 2004 earthquake and tsunami in Aceh.

This teenage ambassadors program is part of a youth exchange program between Indonesia and Japan that is sponsored by the Aeon 1 Percent Club, which aims to bring together the Japanese youth generation with other nations' youth, including that of Indonesia. The visit of the Japanese teenage ambassadors was a return visit for 20 Indonesian teenage ambassadors from Al-Izhar High School of Jakarta, who were invited to Japan last January. During their visit in Japan, the Indonesian teenage ambassadors engaged in several activities, including paying a courtesy call to the Prime Minister H.E. Yoshihiko Noda.

Nagahisa Oyama, vice president and CEO of ASEAN Business at Aeon Co., who managed the Aeon 1 Percent Club, explained that this youth and student exchange program is a realization of Aeon Group's corporate social responsibility to create an international community, wherein people live in peace and harmony by enhancing international cultural promotion, environment and natural preservation as well as cooperation in education. In educational cooperation, Aeon cooperates with two Indonesian universities to provide scholarships for students, and in the environmental sense, Aeon collects and plants 40,000 mangrove seeds from over 3,400 volunteers in northern Jakarta.

Oyama also recalled the assistance provided by the Indonesian government in the aftermath of the Great East Japan Earthquake in 2011.

"On behalf of AEON Group, I would like to express our appreciation for the support and assistance extended by President Yudhoyono as well as by the people of Indonesia to Japanese people who were affected by the Great East Japan Earthquake and tsunami last year," he said.

Information provided by the Indonesian Embassy.



**Cooperation: Two thousand people, including 1,300 volunteers from Japan, plant 25,000 mangrove nursery trees in northern Jakarta on July 15 as part of Aeon Group's corporate social responsibility program.** AEON 1% CLUB

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