



# DEVELOPMENT IN A NEW INDONESIA



by

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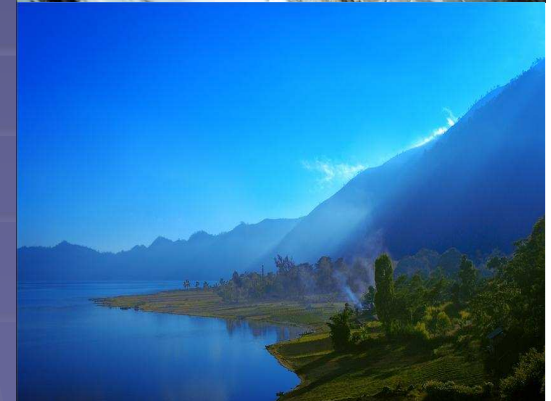
Seoul, 6 December 2007

# THE WORLD'S BIGGEST ARCHIPELAGO



# BASIC FIGURES

- President : Dr. Susilo Bambang Yudhoyono
- Archipelago : 17,508 islands, of which 6,000 are inhabited
- Main islands : Kalimantan (539,460), Sumatera (473,606), (sq km) Papua (421,981), and Java (132,107)
- Total area : 5,193,000 sq km
- Climate : Dry season (April-Oct) & Rainy season (Oct-April)
- Administration : 33 provinces
- Population : 240 million
- People : around 500 different ethnic group & 350 languages
- Language : Indonesian (Bahasa Indonesia) is national language using Roman script. English is fairly spoken.
- Foundation : Pancasila (Five Principles)
- Slogan : Unity in Diversity



## INDONESIA (post crisis)

- The 1997 economic crisis was very deep that it severely de-legitimated the political power of the New Order government, led to the resignation of President Suharto in May 1998.
- The 1999 election was considered as
  - the first open, democratic, multi-party election in Indonesia since 1955, in which 48 political parties participated.
  - a significant change in the power structure
- In 2004, the second general election after the crisis was held. It was a democratic and peaceful election. Indonesia held a direct presidential election for the first time in history.
- Law no.32/2004 on regional government has opened the opportunity for the widespread localization of politics. For the very first time Indonesia holds direct election for heads of region at provincial (governor) and district/municipality level (regent/mayor).

# A NEW INDONESIA A NEW INDONESIA



# Democratic Transition (1)

- The democratic transition in Indonesia is progressing quite well. We have seen robust and dynamic national and local elections, which were carried out through a transparent, secure and peaceful process.
- Institutionally, we have a much-improved relationship between the executive, legislative and judicative branches of government, resulting in a healthy and constructive check and balance system among the political institutions.
- Indonesia is now well known to be the world third biggest democratic country

# Democratic Transition (2)

- A vibrant civil society and unfettered media have emerged.
- Set up a Team for the Eradication of Criminal Act of Corruption (Tipikor) and a Committee for the Eradication of Corruption (KPK) to assist the police and the attorney-general office.
- The military and the police force have been separated
- Local bureaucracy in several regions has indicated real improvement of its performance
- The establishment of the independent Supervisory Commission of Business Competition (KPPU) also indicated the development in the arena of business society as it ensures that business regulations are applicable to all business players.

# Regional Role

Diplomatic efforts for peace



1955 : Asia – Africa Conference in Bandung, Indonesia



1967 : ASEAN (Association of Southeast Asian Nations)

1980s : Cambodia



1990s : Southern Philippines





# The Korea – Indonesia relations

▣ 2005 :

Indonesia facilitated an informal meeting that ended the impasse in the inter-Korean relations

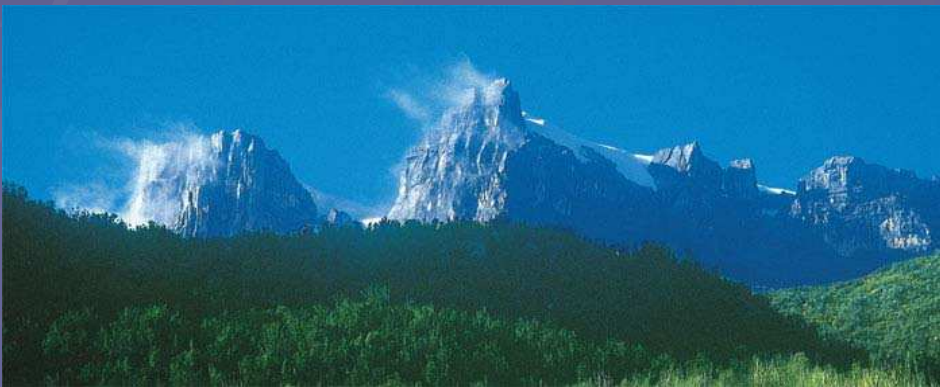
▣ 2007 :

Indonesia played a key role in negotiation for the release of Korean hostages (humanitarian reason)



# CONCLUSION

- Despite the Government has carried out a number of programs in order to achieve a just and democratic Indonesia, such as determination to enhance justice and law enforcement, eradicate corruption and carry out the reform of the bureaucracy, Indonesia are still facing the unresolved matters during transition to a new Indonesia.
- Indonesia's hard-won democratic credentials could help promote and defend democracy and human rights in the region, its non-aligned credentials can amplify the voice of the developing world and, last but by no means least, Indonesia's status as the largest Muslim democracy could have a positive impact on the Islamic world and help bridge the growing divide with the Western world



*THANK YOU*



# ECONOMIC INDICATORS

- Economic indicators are signalling a strong pickup in economic growth at the end of 2006 and into 2007.
  - Economic growth in the year of 2007 reached 6,3%.
- The World Bank report :
  - export exceeded US\$100 billion in 2006, growing 18 % over 2005 in US dollar terms.
  - non-oil and gas exports grew 20 %
  - oil and gas exports increased 10%.
  - the current account surplus rose to US\$ 9.6 billion in 2006, much higher than 2004 (US\$1.6 billion) and 2005 (US\$ 0.3 billion).
  - International reserves rose from US\$ 35 billion in 2005 to US\$ 43 billion in 2006.
- Inflation stabilized at 6.6% in 2006 and 3.6% in 2007 (January-August).
- Bank Indonesia cut the interest rate, which now is at 8.25%, and it is predicted to be around 8% by the end of the year.

