

Trade & Investment Bulletin

TRADE EXPO INDONESIA 2016



The 31st Trade Expo Indonesia 2016 is set to open on 12 - 16 October 2016. Following its previous shows, Trade Expo Indonesia 2016 will showcase best Indonesian export products ranging from industrial, mining, agricultural to Craft sectors.

Last year, Tradexpo Indonesia successfully attracted more than 10.000 visitors from over 100 countries and generated in total trade transactions valued at over US\$ 900 million. The fact that thousands of buyers from many countries come to visit Resources (Tradexpo) Indonesia every year demonstrates a high commitment of our trading partners around the world; and also a solid prove that Indonesia is one of the potential and reliable suppliers of qualified and competitive consumer products.

Therefore, you and your associates are cordially invited to pay a visit to The 31st Trade Expo Indonesia 2016, from 12 - 16 October 2016 at Jakarta Fairground, Kemayoran, Indonesia.

For more information, please kindly check www.tradexpoindonesia.com

EDITOR'S NOTE

Dear Readers,

The Bulletin provides current business opportunities in Indonesia for business circles in Midwest region.

Indonesia is one of the most promising business destinations. The government has streamlined the business and investment procedure, among others by establishing One-Stop Integrated Service to process investment license, tax incentives for investment in special economic zones, and opening room for the full 100 percent to foreign ownership in 35 industries, such as the cold storage business, crumb rubber industry, sport-centers, restaurants, bar, cafe, hazardous waste disposal, raw materials for medicines, and toll roads.

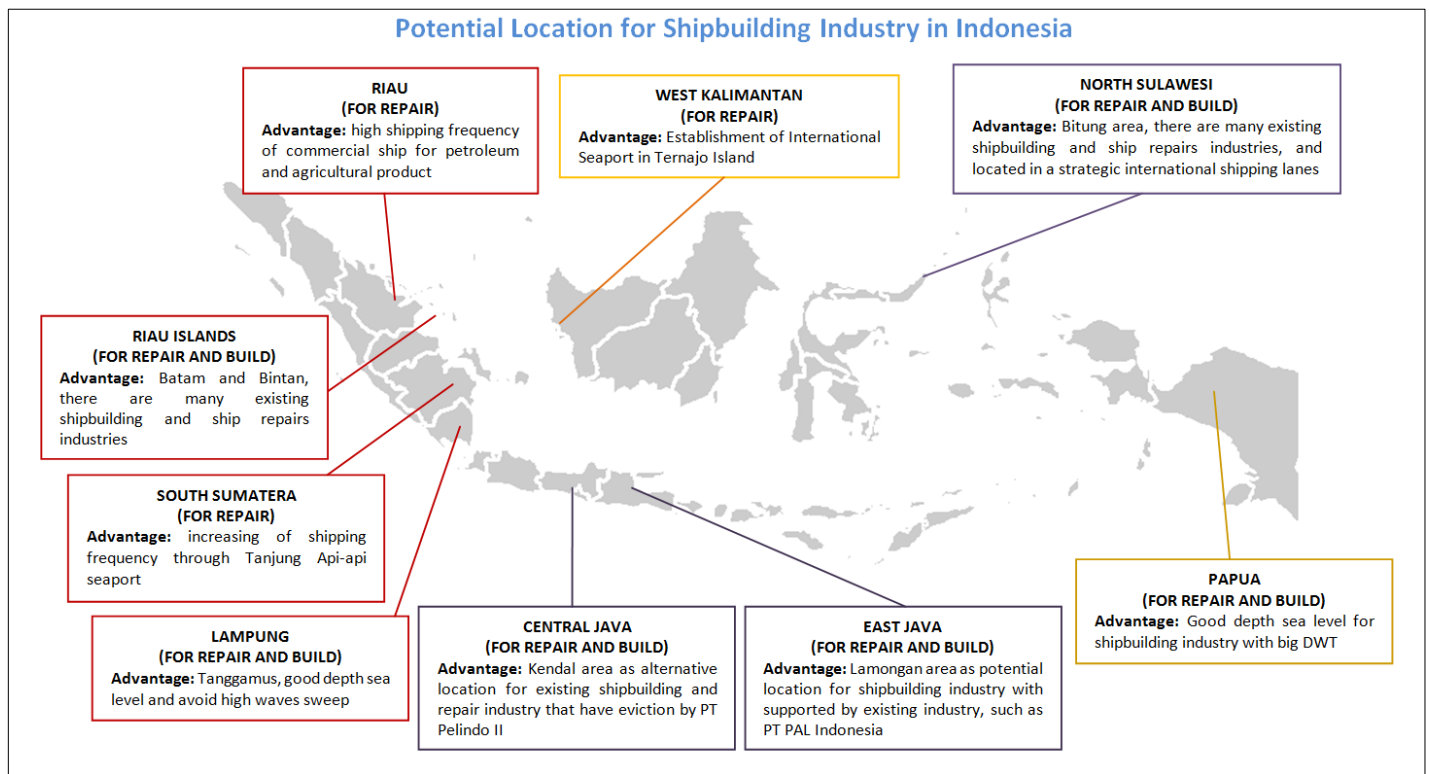
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INDONESIA PLANS TO DEVELOP 24 PORTS BY 2019



24 Seaports Capacity Development, 2014-2019

The current plan includes the upgrades and improvement of the capacity of shipping containers and more feeder vessels, which move containers from the ports to terminals and then to the larger vessels for transit.

As many as 11 major and feeder ports are currently being modernized to ease passenger traffic from the western to eastern parts of Indonesia and vice versa. Besides passenger terminals, 13 ports will be specially designed to facilitate cargo handling. The ports are in two of the working regions of state-run port management firm PT Pelabuhan Indonesia (Pelindo).

The 11 seaports, which will be designed to facilitate passenger traffic in eastern Indonesia, are Tanjung Perak (Surabaya), Bena (Bali), Makassar, Bitung, Manado, Tarakan, Pare-Pare, Sorong, Ambon, Biak, and Ternate.

The 13 ports designed to expedite freighting in eastern Indonesia are Tanjung Perak (Surabaya), Tenau (Kupang), Batulicin (Kotabaru) in South Kalimantan, Bagendang (Sampit) and Bumiharjo (Kumai) in Central Kalimantan and Lembar (Mataram).

In addition to the seven ports of Bitung, Sorong, Makassar, Pare-Pare, Kendari, Pantoloan and Dede Tolitoli, all within the Pelindo IV Makassar jurisdiction. Besides port development, Eastern Indonesia is currently set to prepare for the acceleration of the "sea toll road" maritime program.

Cargo Flow in Indonesia:

8.8 million TEU in 2009 → 30 million TEU in 2020 (est.) → 48 million TEU in 2030 (est.)

TEU: Twenty feet Equivalent Unit, an inexact unit of cargo capacity often used to describe the capacity of container ships and container terminals.

14 ports that are designated ports for ASEAN Connectivity:

Belawan, Dumai, Pangkal Pinang, Panjang, Tanjung Priok, Tanjung Emas, Tanjung Perak, Pontianak, Banjarmasin, Balikpapan, Bitung, Makassar, Sorong, Jayapura.

Source: BKPM (Indonesian Investment Coordinating Board)

INDONESIA NEEDS 12 MILLION TONS OF STEEL/YEAR, THE MINISTRY OF INDUSTRY: NEED ADDITIONAL INVESTMENT



Indonesia requires a stock of 12 million tons of steel per year. The Ministry of Industry announces that the country needs investment in the steel industry with a capacity of up to 4 tons per year in order to reach at least 70% of the requirement.

Currently, the demand is 12 million tons per year while the supply is only 6 million tons per year. The Ministry has targeted to have more investment in the steel industry with a capacity of 2-4 million tons per year so that in five years Indonesia able to meet about 70% of its demand.

In the future, the ministry plans to fulfill 70% of country's demand through local production, while the remaining 30% of imports.

The deficit trade is caused by a number of imported steel products using dumping prices so that the price of local products becomes less competitive.

The portion of net imports to reduce the trade deficit and to increase the value added in the country which in turn will increase the share of industry in national GDP.

Source: Detik Finance, September 2016

INDONESIA – USA ECONOMIC RELATIONS EXCEED USD 90 TRILLION

The total value of bilateral economic cooperation between Indonesia and the United States (US) surpassed \$ 90 trillion per year. This data derives from the study published by AmCham Indonesia and the US Chamber of Commerce, September 15th, 2016.



The study entitled "Vital and Growing: Adding up the US-Indonesia Economic Relationship", attempts to quantify the total US-Indonesia economic relations, which include FDI, trade, domestic sales, finance and government revenue. These five components capture the enormous importance of the economic engagement between these two countries. The report found that the total value of Indonesia-US bilateral economic relations exceeds \$90 billion per year. The study projects that, in a best-case scenario, the number could grow to \$131.7 billion by 2019—an increase of 46.2 percent over 5 years. The US-Indonesia Investment Initiative is now in its fourth year and is a collaborative effort between AmCham Indonesia and the U.S. Chamber of Commerce.

Coordinating Minister for Economic Affairs, Darmin Nasution, attended the launch of the study at the US-Indonesia Investment Initiative 2016. "Through this event, I am sure we can exchange ideas to improve the economic environment in Indonesia in a constructive way and mutually beneficial," Nasution said.

The net trade represents 10.1 percent of Indonesia's GDP in 2014. The study concludes The Big Number; The compound annual growth rate (CAGR) for the total economic relationship grew at 8.0 percent over 5 years (2010- 15), while Indonesia's GDP growth over the same period was 5.5 percent, indicating the relationship is a strong driver of overall growth. Domestic sales make up the largest component of the Big Number at \$34.1 billion, followed by bilateral trade at \$27.6 billion, FDI at \$14.7 billion, finance at \$11.8 billion and government revenue at \$1.8 billion. Using the best case scenario, the number could grow to \$131.7 billion by 2019—an increase of 46.2 percent over 5 years.

Source: US Chamber, Coordinating Ministry for Economic Affairs, September 2016

Exhibition Agenda 2016

Thursday 4 – 7 Oct 2016

Coffee Workshop & Exhibition
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia

Thursday 13 Oct 2016

Cosmobeaute
JCC – Jakarta Convention Center
Jakarta, Indonesia

Monday 24 – 26 Oct 2016

Crafina
JCC – Jakarta Convention Center
Jakarta, Indonesia

Tuesday 11 – 14 Oct 2016

Jack craft VIII – Multi-product
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia

Tuesday 18 – 21 Oct 2016

Industrial Product – Multi-product
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia

Tuesday 25 – 28 Oct 2016

Cahaya Timur Indonesia IV – Multi-product
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia

Thursday 20 – 23 Oct 2016

Indonesian Product Exhibition (PPI) –
Agriculture Machinery,
Laboratorium Instrument
Grand City Surabaya,
Convention & Exhibition Hall
Surabaya, Indonesia

Friday 1 – 4 Nov 2016

Gelar Produk Tenaga Penyuluh
Lapangan-IKM
JIEXPO Kemayoran
Jakarta, Indonesia

Tuesday 9 – 12 Nov 2016

Wood Product, Furniture & Rotan
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia

Wednesday 30 Nov – 4 Des 2016

Katumbiri – Exhibition & Fashion Show
JCC – Jakarta Convention Center
Jakarta, Indonesia

Wednesday 9 – 12 Nov 2016

SIAL-Interfood Expo 2016
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia

Tuesday 22 – 25 Nov 2016

SNI certified Kid's Toys product
Exhibition Plaza - Ministry of Industry
Jakarta, Indonesia