

For Immediate Release

SINGAPORE AND INDONESIA REAFFIRM STRONG BILATERAL ECONOMIC TIES

1. Minister for Trade and Industry (Trade) Lim Hng Kiang was in Jakarta, Indonesia, from 27 to 28 July 2017. Mr. Lim had successful meetings with his counterparts and attended business events such as the official opening of BLOCK71 Jakarta and a business networking session that reinforced the strong economic relations between Singapore and Indonesia.
2. Mr. Lim met with Indonesian Coordinating Minister for Maritime Affairs, Luhut Pandjaitan, Coordinating Minister for Economic Affairs, Darmin Nasution, Minister for Trade, Enggartiaso Lukita, and Chairman of Indonesia's Investment Coordinating Board (BKPM), Thomas Lembong.
3. Mr. Lim and his Indonesian counterparts welcomed the strong and growing trade, investment, and tourism flows between Singapore and Indonesia and discussed ways to further deepen the relationship. They agreed to look at ways that could further enhance trade and investment rules for business-friendly environments, an area Indonesia had already started work on leading to a rise in its World Bank's Ease of Doing Business rankings.
4. The Ministers discussed ongoing bilateral initiatives in specific sectors, such as in energy and tourism, the two priority sectors that Singapore Prime Minister Lee Hsien Loong and Indonesian President Joko Widodo had identified as having cooperation potential at the Singapore-Indonesia Leaders Retreat held in Semarang, Indonesia, in November last year. For energy cooperation, the Ministers reiterated the importance of making progress quickly as agreed by the two Leaders last year. For tourism, the Ministers noted that agreements had recently been signed, which will add to Indonesia's attractiveness as a tourist destination and tourism twinning possibilities. These were an agreement between ONE15, a subsidiary of SUTL Pte. Ltd. and Pelindo Properti Indonesia for ONE15 to provide consultancy and management expertise to develop a new marina in East Java's Boom Banyuwangi; and a Memorandum of Understanding (MOU) between Genting Cruise Lines and Indonesia's Pelindo III to develop the berth in North Bali's Celukan Bawang port to receive cruise ships. Beyond supporting cruise tourism in the region, the Ministers agreed that enhancing air connectivity was also important to improve tourism flows and investment, and facilitate further economic cooperation.
5. The Ministers welcomed the growth and progress of increased tenancy in Kendal Industrial Park (KIP) since the Leaders officially opened the park last year. The digital economy, agri-business sector, cooperation in vocational training, and Singapore-Indonesia business partnerships to expand their business into third countries were also areas for potential collaboration discussed.

6. Mr. Lim and Mr. Nasution co-chaired the 7th Singapore-Indonesia Six Bilateral Economic Working Groups (6WG) Ministerial Meeting. They co-signed a Joint Report outlining key economic projects done since last year's 6WG Ministerial and intended initiatives going forward. The Joint Report will be submitted to Leaders at the upcoming Singapore-Indonesia Leaders Retreat in September 2017 in Singapore. The Ministers also witnessed the signing of an MOU between the Singapore Economic Development Board (EDB) and Indonesia's BKPM, supported by the Singapore Business Federation (SBF) and Indonesia's Chambers of Commerce and Industry (KADIN), to formally establish the Indonesia-Singapore Business Council (ISBC). This will strengthen business-to-business ties. Details of the agreement are in **Annex A**.

7. Mr. Lim also welcomed the good business-to-business links. At a business networking dinner co-organised by SBF, International Enterprise (IE) Singapore, Building and Construction Authority (BCA), and KADIN, Mr. Lim said, "The good turnout of senior business representatives across various sectors shows that Singapore's business interests in Indonesia remain strong and there is potential to grow established partnerships and create new ones." According to the SBF National Business Survey 2016/17, Indonesia is the top market of choice for Singapore companies to venture into and Singapore companies remain keen to expand into Indonesia.

8. Mr. Lim attended the official opening of BLOCK71 Jakarta, a co-working space for tech start-ups, established by Singapore's NUS Enterprise and Indonesia's Salim Group. Mr. Lim noted the vibrancy of the start-up ecosystem in Indonesia. He said, "This collaboration has successfully created a conducive environment for the incubation of ideas that can catalyse even more partnerships among start-ups from both countries in future. Such Launchpad partnerships that deepen Singapore's connections with regional tech hubs are examples of what the Global Innovation Alliance, recommended earlier by the Committee on the Future Economy, was meant to achieve."

9. Singapore and Indonesia enjoy strong economic ties. In 2016, bilateral trade reached S\$56.1 billion. Singapore was Indonesia's top foreign investor in 2016 with investments amounting to more than S\$13 billion. Both countries are the top source of visitor arrivals for each other. This year is also the 50th anniversary of Singapore-Indonesia diplomatic relations. The Leaders of both sides will be meeting in Singapore in September 2017.

ANNEX A: Details of the MOU between EDB and BKPM to establish the Indonesia-Singapore Business Council (ISBC)

**Ministry of Trade and Industry
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ANNEX A

**Details of the MOU between EDB and BKPM to establish
the Indonesia-Singapore Business Council (ISBC)**

**MOU between EDB and BKPM to establish the Indonesia-Singapore
Business Council (ISBC)**

- The Singapore Economic Development Board (EDB) signed a Memorandum of Understanding (MOU) with BKPM to formally establish the ISBC to enhance bilateral trade and investment, and strengthen business to business contact between Indonesia and Singapore. The ISBC will be led by the BKPM and EDB and supported by KADIN and SBF.
- The ISBC will provide an overall framework to identify potential areas of cooperation between the business communities of Indonesia and Singapore. It will also foster closer interaction and strengthen the networks between the private sectors of both countries.