



National Day of Indonesia

A Sleeping Giant Awakes

An Interview with Ambassador Soemakno Hoping for Warmer Relations

ONE of the very first countries to recognise independent Bangladesh — on February 23, 1972 — Indonesia has steadily built up a close economic and political relations with Dhaka over the past 20 years. As a fellow Asian country, Indonesia's success in the fields of education and family planning as well as economic development stands as a bright example for Bangladesh to study, and if possible, emulate. Currently, interactions between Dhaka and Jakarta cover a wide range of areas and, as Indonesian Ambassador to Bangladesh Soemakno Iswadi explained to Daily Star Assistant Editor Sabir Mustafa, there is every reason for them to grow further.

Daily Star: Is there much interaction between Bangladesh and Indonesia in the fields of trade and commerce? Will Indonesian participation in the East Asian Economic Group mean a downgrading of its trade relations with Bangladesh? What is being done at present, by either party, to promote greater economic cooperation between the two countries?

Soemakno Iswadi: Well, Indonesia and Bangladesh are trying quite hard to develop further the bilateral cooperation in trade and commerce. There is, in fact, no lack of sincerity on the part of the two friendly governments to intensify further the existing cooperation in trade.

If you look at the items the two countries are trading in,

you will see that more and more exportables and importables are being added to the list, while Bangladesh is at the moment exporting raw jute to customers in Indonesia, the Indonesian exporters are exporting cement, coal, rubber products and other minor items. But then:

I am a little bit anxious to find ways to raise the quantum of exportables from Bangladesh so as to strike a balance between exports and imports, and here, the role of the private sector in Bangladesh is quite important.

The exporters here must explore, through our Embassy in Dhaka or directly, avenues for increasing the volume of exports from Bangladesh. The Bangladeshi entrepreneurs should know what items Indonesians are keen to buy and gear up their efforts to that task. You know, trade and commerce are carried as per rules of simple economics, the supply and demand rule the show.

I still believe, the Bangladeshi entrepreneurs can make it in Indonesia provided they launch an intensive drive to know what the Indonesians really want. In fact, Bangladesh can take cue from the Indonesian experiences in the field of exports, the entrepreneurs here should diversify the export base so that the items they produce are in tune with the consumer needs in Indonesia and elsewhere.

Since 1986, the Indonesian economy has undergone unprecedented structural changes as non-petroleum exports have replaced oil and gas as the country's leading source of export revenues. In 1987, for the first time in modern Indonesian history, non-petroleum exports surpassed those of oil and gas and have been experiencing double-digit growth since then. In

1989, the value of Indonesia's total exports equalled 22.1 billion US dollars, an increase of more than 15 per cent over the previous year. This was, I tell you frankly, led by non-oil exports, which grew by more than 16.8 per cent to 13.6 billion US dollars in 1990 surged further to 16.3 billion US dollars.

Bangladesh's most liberal export policy announced recently will, undoubtedly, be directed towards more diversification of your export base. Indonesia is keen to make an import thrust in Bangladesh, but then your export-oriented industries should take stock of our consumers at home.

It is, in fact, a wrong notion that Indonesia's partnership in trade and commerce elsewhere will be at the cost of Jakarta's warm relations with Dhaka. The word 'downgrade' is quite foreign to our foreign policy, as our Foreign Minister H E Ali Alatas has stated clearly, Bangladesh is uppermost in Indonesia's foreign policy priorities. That was exactly why Indonesia became one of the very first countries to have recognised Bangladesh on 23 February 1972. Since then, cooperation between the two countries are growing steadfastly as the years go by. I am looking forward to a booming relationship between Jakarta and Dhaka in the days ahead.

DS: Indonesia has achieved a great deal of success in the fields of education and family planning. Do you think there is much we can learn from your experience?

SI: Indonesia is, in fact, happy over the fact that it could share its experiences in the fields of education and family planning with the brotherly people of Bangladesh.

Your readers will be pleased to know that major advances in our country's educational infrastructure made possible by large annual budgetary allocations raised Indonesia's school enrolment rate from less than 50 per cent in 1970 to above 75 per cent by the late 1980s. Today, every Indonesian child is assured of receiving a primary education at a state school.

The opportunities for overseas students including Bangladesh are indeed great. There are 48 State Universities and over 144 Private Universities in Indonesia. The most well-known of these institutions is the University of Indonesia, located in Jakarta's southern suburb. With a student body of an estimated 27,000, UI has graduated many of Indonesia's leaders in both the public and the private sectors. The Indonesian Institute of Technology, an institution



President Soeharto: Economic and social progress.

dedicated to engineering and scientific learning, is attracting a large number of foreign students.

A large number of Bangladeshi students are coming to our Embassy in Dhaka daily and applying for studies in Indonesia. Quite a number of students from here are already in Indonesia studying different courses in various Universities. The number will rise hopefully in future.

Technology Transfer

I feel, the Technical Co-operation Among Developing Countries (TCDC) Programme has effectively facilitated transfer of productive Indonesian technology and software to Bangladesh. You will be just amazed to know that a total of 665 Bangladeshi, engaged in different important fields of agriculture, family planning, health, human resources development, industry, livestock, public works, services and social sectors received Indonesian expertise and know-how for their use in your country's development. The TCDC Programme has made it possible. I hope, Bangladesh will effectively use the TCDC Programme for its great benefit.

DS: Both Bangladesh and Indonesia are members of the Organisation of the Islamic Conference (OIC). What kind of political co-operation do we have within OIC forum, and at other international gatherings?

SI: Both Indonesia and Bangladesh have almost unanimity of views in the Organisation of Islamic Conference. Although both the countries are Republics, the population is overwhelmingly Muslim. Both Jakarta and Dhaka share similar views on the Palestinian question, issues relating to unity of Islamic Ummah, on Afghanistan and other burning issues. Indonesia had in fact lost no time in joining a Bangladesh-sponsored six-nation Non-Arab call to the Iraqi authorities to withdraw immediately from Kuwait it had invaded and annexed in August last year.

When you refer to joint co-operation of Indonesia and Bangladesh in the OIC, you should also mention about such a co-operation in other international fora. In the United Nations the two governments have a unanimity of views on the need for a New International Economic Order and more South-South co-operation. The two countries have quite stoutly said in the United Nations that the Western economic assistance

to the developing countries like Bangladesh and Indonesia should not suffer in view of recent changes in the world order.

DS: How do you see relations between the two countries developing in the years ahead?

SI: Frankly speaking, I foresee a bright future for Indonesia-Bangladesh co-operation. More so, because, the highest political leaders of our two countries are politically committed to expand the ties both horizontally and vertically. During my meeting with your Foreign Minister H E Mr A S M Mustafizur Rahman I could understand that Bangladesh is very keen to share our joint quest for a take-off in co-operation and collaboration. After all, we are all Asians — Indonesia in the South East Asian Region while Bangladesh is in South Asia. Our amity and friendship transcend the natural borders, and in our hearts we're one.

Mutual Understanding

Our relations are not really based on the basis of mutual interest, as coined in hardcore diplomacy. I believe, the bilateral relations must be based on mutual understanding. When you talk about terms of mutual interest, the question of selfish ends arises. When two brothers meet, such interests just frizzle out. I firmly say, Jakarta-Dhaka warmth is of mutual understanding. That is exactly why millions of Indonesians were horrified to see the vast trail of devastations and damages wrought by the cyclone of this year.

Our newspapers carried full details of the havoc because we consider Bangladesh as our own brother. We tried to help the people in distress although in small quantity of relief materials. But quantity becomes insignificant when compared to boundless warmth. The Indonesian football team Pelita Jaya suffered defeat in the 10th Asian Football Tournament in Dhaka, but our team left for home contented because thousands of Bangladeshi at the Dhaka Stadium cheered them as if Pelita Jaya were a local team.

If you discern the growth of bilateral relations over the years, you will see a spurt in it. The trend will continue to persist. I hope, the relations will be more warmer than it is today. We need your co-operation.

DS: Thank you Ambassador Soemakno, for your time.

The largest country in South East Asia, Indonesia has some of the region's greatest advantages. It is Asia's largest oil producer and its only OPEC member, ranks among the world's richest nations in natural resources, and is a sleeping giant in strategic importance, straddling crucial international sea lanes. A population of over 180 million people makes it the world's fifth largest nation, and its 13,677 islands stretch for more than 4,000 miles from the Indian Ocean to the western edge of the Pacific.

A founding leader of the Non-Aligned Movement, anti-communist Indonesia has co-hosted the peace talks for Kampuchea (Cambodia) and led other initiatives by the Association of South East Asian Nations (ASEAN).

To capitalize on its existing and potential strengths, Indonesia has been instituting a number of reforms in its industrial and financial sectors. One of its most pressing challenges is winning the race to create 2.5 million jobs a year, mainly by expanding manufactured exports, at a time when the world economy is slowing down.

The world has heard relatively little about Indonesia in the two and one half decades since the passing from power of its flamboyant first President, Soekarno, who was a leader in Indonesia's revolutionary struggle against its colonizers. He drew the far-flung string of islands together into one nation, gave it one language, Bahasa Indonesia and a state ideology that imbues Indonesians with an uncommon tolerance of other religions and outlooks. His successor, President Soeharto, has concentrated the nation's

energies inward on developing the nation's people and natural resources.

The country first began massively to address its chronic poverty and underdevelopment in the 1970s, when receipts from the state-owned oil company funded an impressive series of infrastructure improvements, ranging from the construction of telecommunications satellites to the founding of the state aerospace industry. In agriculture, which remains the largest source of employment for Indonesians, the country achieved self-sufficiency in rice, its principal staple. Growth of Gross Domestic Product (GDP) averaged around 8 per cent for the decade.

Free Market Policy

Since the oil price collapse of the mid-1980s, Indonesia has embraced a more market-oriented policy for its domestic economy. A programme of reforms, designed by a band of well-trained economists who have had wide latitude to dismantle protectionist and overly bureaucratic practices, has improved efficiency and increased exports, as well as permitted private enterprise to operate in areas previously controlled by the state. And a host of new, export-oriented industries, launched with the help of government incentives, has gone far in reducing the economy's dependency on petroleum. Non-oil exports are expected to increase by 9.9 per cent to US\$ 15.94 billion for the fiscal year ending in April 1991. Further growth of 17.8 per cent in the non-oil sector is projected for the fiscal year 1992.

This year, the country is

throwing open its doors through its 'Visit Indonesia Year 1991' promotion in the hope that millions will come to see for themselves what years of quiet determination and growing self-confidence have achieved. It is also welcoming foreign investors, attracted by the country's low-cost labour market economy and freedom from currency restrictions.

The Japanese who currently account for one-fourth of all new investment in Indonesia, have led the way. Toyota and Daihatsu, for example, have formed joint ventures to make automobiles for Indonesia's fast-growing domestic market and to manufacture parts for exports.

The great demand for managers, accountants and other skilled individuals is one measure of Indonesia's dramatic growth which registered 7.4 per cent for the year ending April 1990. GDP is expected to grow by 5 per cent in 1991-92. The expansion stems from a series of deregulations designed to woo foreign investors and re-orient Indonesia away from dependence on petroleum exports and towards a greater role as an exporter of a wide range of products.

Job creation is a prime motivation, as is the goal of keeping inflation below 10 per cent, considered paramount in maintaining the social stability that Indonesia has enjoyed for the past 25 years. The fact, according to the Governor of Bank Indonesia — the country's Central Bank — the Government is prepared to sacrifice a few points of growth to limit inflation and thus achieve steady growth over the longer term.



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