

SI50: SMF leads business mission to Indonesia to forge stronger business partnerships

16 March 2017, SINGAPORE – On 15 March to 17 March 2017, the Singapore Manufacturing Federation (SMF) with the support of the Embassy of the Republic of Indonesia in Singapore and International Singapore (IE) Singapore, sent a 25-member delegation from diverse industries led by SMF President, Mr Douglas Foo to Bandung and Jakarta of Indonesia for a trade and investment mission trip. This trip was made in conjunction with the celebration of Singapore-Indonesia 50 years of bilateral relations.

As the world's fourth most populous country with 255 million people, including the fastest growing middle class with 3-5 million more Indonesians becoming affluent each year, Indonesia is ASEAN's powerhouse economy. Economic growth was 5% last year; it is the only permanent ASEAN member of the G20 and well positioned to influence global and regional incentives.

“With the establishment of the ASEAN Economic Community which now forms the third largest economy in Asia and the seventh largest in the world collectively, the economic appeal of the huge Indonesian market, coupled with the fact that conditions have become so much more attractive for foreign investors, makes Indonesia an irresistible magnet for business people. Other than competitive manufacturing costs, manufacturing in Indonesia allows direct access to a market of 255 million people,” said Mr Douglas Foo who is also Chairman of Sakae Holdings Limited.

During the trip, SMF signed an MOU with the West Java Chamber of Commerce and Industry (KADIN) in Bandung, West Java of Indonesia. It was signed by Mr Douglas Foo, SMF President and Mr Agung Suryanal Sustino, Head of KADIN West Java. The MOU aims to strengthen business ties and to facilitate collaborations between SMF members and the business community of West Java in Indonesia, where up to 60% of the manufacturing activity lies.

West Java, with a population of 47 million, contributes over 13.4% to Indonesia's GDP and this MOU will bode well with SMF members. SMF members are now better positioned to tap on the establishment of the AEC by leveraging on Indonesia's robust market, large talent pool and pro-business environment. For instance, manufacturing companies can now produce some parts of their products in West Java and before returning to Singapore to value add for the AEC. In turn,

our manufacturing companies will transfer industrial knowledge and technological expertise to its Indonesian partners.

Diplomatic and business ties between Indonesia and Singapore have come a long way since the 1960s. In March 1969, Singapore made its first substantial investment pledge for joint ventures in the production of rubber, flour and electrical appliances, with total package totaling US\$20.7 million. By the end 1990s, Singapore had become Indonesia's fifth largest foreign investor, with cumulative foreign investments since 1967 totaling US\$3.7 billion, with the bulk of investments seen in real estate, manufacturing and mining. And today, Singapore is Indonesia's largest foreign investor.



(L-R) Mr Ricky Kusmayadi, Singapore Director, Indonesia Investment Coordination Centre (IIPC); Mr Sugih Rahmansyah, Trade Attache, Embassy Indonesia in Singapore; Mr Sigit Widiyanto, Minister Counsellor, Embassy Indonesia in Singapore; Mr Eka Hendrawan Sastrawijaya, Head of Development and Promotion Division; Ms Lina Chantika Aulia, Chairman, Committee on Certification, KADIN West Java; Mr Yusuv Suhyar, Chairman Permanent Committee of Foreign Affairs, Trading, Promotion & Investment.

Seated: Mr Douglas Foo; Mr Agung Suryanal Sustino, Head of KADIN West Java

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About Singapore Manufacturing Federation

Established since 1932, SMF represents the interest of the manufacturing community in Singapore, driving its competitiveness and sustainable growth through serving industry-specific needs. Supported by 10 industry groups and its Centres of Excellence, SMF enhances the competitiveness of the industry by encouraging capacity development and capability building, innovation and productivity.

SMF provides opportunities for companies to collaborate, network; and to grow and expand both locally and internationally. Current membership stands at about 3,000 corporate members ranging from SMEs to MNCs.

For more information, please visit www.smfederation.org.sg.