

# BAHASA BUSINESS



The Indonesia Canada Chamber of Commerce  
Monthly Newsletter

NOVEMBER 2016

## Building the Bridge

Interview with  
Michael Nicholas

**EduCanada Fair 2016**

Indonesia Ready to Revise

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# Happy Thanksgiving



The yearly CWA (Canadian Women's Association) Thanksgiving Dinner once again hosted a fabulous Thanksgiving Dinner that welcomed Canadians, Indonesians, and a wide number of other guests representing the international community.

Held at the Fairmont Hotel, and opened by the new Canadian Ambassador to Indonesia Peter MacArthur and also the Canadian Ambassador to ASEAN Marie-Louise Hannan, the dinner went beyond expectations serving succulent turkey with all the trimmings and a side of mashed potatoes that many said was the best they had ever had.



And while the food was definitely a highlight it did not overshadow the generosity of the participants as millions of rupiah were collected for three focus charities from a range of activities including a spinning wheel, a raffle draw, and guessing the number of Hershey kisses placed inside a cookie jar.



There was definitely a lot to be thankful for and our appreciation goes to Danielle Gallagher and the CWA team for their great efforts.



Update:

# Indonesia's Balance of Trade



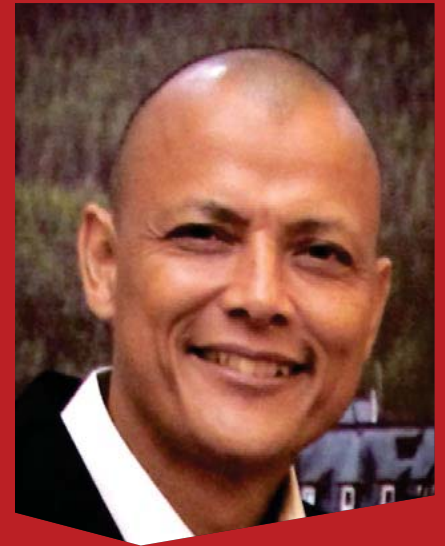
Bahasa Business has received an Indonesia Balance of Trade update from [tradingeconomics.com](http://tradingeconomics.com) which advised that Indonesia posted a trade surplus of 1.21 USD billion in September of 2016, compared to a 1.03 billion surplus a year earlier. This beat market consensus of USD 0.45 billion.

Indonesia's current trade surplus is the largest it has been since July 2015. Year-on-year, sales declined by 0.59 percent to USD 12.51 billion, following a 0.74 percent fall in August. Imports dropped by 2.26 percent to USD 11.30 billion, marking the 24th straight month of fall.

Historically, the Balance of Trade in Indonesia averaged 760.65 USD Million from 1960 until 2016, reaching an all time high of 4641.92 USD Million in December of 2006 and a record low of -2329.13 USD Million in July of 2013.

The Balance of Trade in Indonesia is reported by Statistics Indonesia (<https://www.bps.go.id/>).

If you are interested in more trade analysis please contact Chusnul Ch Manan:  
[chusnul@tradingeconomics.com](mailto:chusnul@tradingeconomics.com).



Welcome to another exciting edition of Bahasa Business. There was so much going on in the Canada-Indonesia community this month that we ran out of room to promote the CANADA YEAR END DINNER which is happening on December 01, 2016 at the Fairmont Hotel. This yearly event hosted by Calindo is the last Canada-Indonesia community event for the 2016 calendar and it is always a good time to meet new friends, connect with the community, and wish everyone the best at the end of the year. To reserve your tickets please contact Ms Weny ([weny\\_wijastuti@hero.co.id](mailto:weny_wijastuti@hero.co.id)).

Bahasa Indonesia this month conducted an exclusive interview with Michael Nicholas, a Canadian with over 30 years experience strengthening the bridge between Canada and Indonesia. It was an incredible interview and the message we walked away with is that we are just really starting the Canada-Indonesia journey and that there are so many opportunities to explore.

In addition to highlighting some recent events (Thanksgiving Dinner and Bowling) the article on the RCMP allowing members to wear a hijab really reflect on why Canada and Canadians are really well positioned to engage the international community.

Enjoy this month's article and as always, we invite you to send your comments and suggestions to [BahasaBusiness@klirkom.com](mailto:BahasaBusiness@klirkom.com)

**Edwin Pieroelie**  
Secretary - General ICCS



# RCMP (Again) Show International Leadership

In sharp contrast to France and its “l’affaire du voile (the veil affair)”, which has entrenched the country in a nearly 30 year struggle on where one can legally use a hijab, the Royal Canadian Mounted Police have adopted a new policy that allows female Muslim officers to wear the hijab.

The new policy is based on the request for an exemption given to female Muslim RCMP officers who wish to use a hijab during the performance of their duties.



*Regimental Sgt. Maj. Rob Patterson of the Calgary Police Service, who oversees officers’ dress code, holds up a specially-designed hijab that can be worn as part of the uniform, although no officers*

RCMP Public Safety spokesperson Scott Bardsley noted the policy change benefits the organization because it serves to increase the diversity of Canada’s national police force. He is quoted as saying,

“The Royal Canadian Mounted Police is a progressive and inclusive police service that values and respects

persons of all cultural and religious backgrounds,” adding, “the change is “intended to better reflect the diversity in our communities and encourage more Muslim women to consider the Royal Canadian Mounted Police as a career option.”

The policy change is also regarded as the next phase in the RCMP’s recruiting efforts, which started in 2015 with the target of increasing the number of visible minorities from a little over 8% to more than 20%.

While this move is on a national scale, the RCMP are not the first police force to allow the use of the hijab in Canada. The Toronto police force were the first police force to allow the use of the Hijab in Canada in 2011 followed by the Edmonton, Alberta police force in 2013. Additionally, this is not the first time the RCMP has taken an international leadership role in terms of diversity. In 1990, after a legal victory, the RCMP approved the turban as part of the uniform for Sikh officers.



*In this photo provided by the RCMP, an RCMP member models a hijab available for use as part of the uniform.*

# Building the Bridge



This month Bahasa Business had the pleasure to talk with Michael Nicholas, who has seen opportunities in Indonesia grow significantly over 30 years.

## What is your connection to Indonesia?

I first visited Indonesia as a teenager in the mid-1980s, came back to live as an undergraduate student, and then worked here over a 10-year span starting in the early 1990s. I also studied Indonesia in depth at UBC and then took it to the next level through an MBA at INSEAD, which has long standing connections to Indonesian business dating back to the 70s.

## I understand over the last several years you have been working to promote trade between B.C., Canada and Asia.

Yes, at Trade and Invest BC, I worked to build interest in Indonesia, and ASEAN in general, as it was a bit under the radar compared to China, Japan or India. I organized the first full BC Premier's mission to the region and I am very happy to say that Southeast Asia is

now a key component of the BC Trade office network.

## I hear a lot of Canadians talking about "Asian opportunities" but how much of that refers to Indonesia?

I have seen Indonesia undergo big changes over time which has increased the number of opportunities. Thirty years ago, there was no middle class compared to the tens of millions today. Canadians understand how a growing working age population fuels economic growth and considering that Indonesia has a growing technology start up scene and a young population, the opportunities are clear. I do believe that while the Canada-Indonesia relationship is strong, the economic bridge is only at the very start of development. We are at an exciting time.

## What would you say to Canadian companies looking to do business in Indonesia?

It takes time to learn how things really work here and companies need to be willing to re-think their strategy and possibly even their business model to excel. It is easier to take calculated risks with an understanding of the local environment. I think Canadians who are interested in expanding to Indonesia need to invest time in addition to money. Spend time on

the ground, getting to know the people, the culture, and then make your move.

Change occurs in Indonesia at its own preferred pace, but if you look over time, the changes are significant. Through my experience, living on Jl Cendana next door to the Suharto family in the 1990s and working with a business partner who helped bring Megawati onto the political stage, I have witnessed the change in political leadership first hand. President Joko Widodo is clearly from a new generation of leaders which would have been unfathomable 5-10 years ago. This new generation, including Jakarta Governor Ahok and Bandung Mayor Ridwan Kamil, are dramatically changing people's expectations of and relationships with their leaders.

## Where are the biggest opportunities right now for Canadian companies?

There are many significant opportunities in financial services, digital technology, clean technologies, and transportation to name a few. I am currently working with a group, Green Tech Asia, to develop opportunities in clean tech. Similar to what I saw managing operations in Mumbai, Jakarta is choking on its own success and lack of infrastructure. So Tier 2 cities, such as Bandung, Pekanbaru and Makassar, with strong fundamentals that can improve their infrastructure will continue to be the fastest growing places in the country.



# Indonesia Ready to Revise Negative Investment List

Some five months after the release of the Government of Indonesia's new Negative Investment List Thomas Lembong, the Head of the Indonesian Investment Coordinating Board (BKPM), has indicated that more pro-business changes are on the way.

In an interview with the Jakarta Post Thomas Lembong stated, "President Joko Widodo has promised a second, third, and fourth revision to the Negative Investment list but sector specific details will have to wait until a ministerial discussion has taken place.

The last revision to the Negative Investment list was formally introduced by the BKPM in mid-May 2016. The revisions were seen as benefiting foreign investors looking to both start new businesses and also those wanting to expand their existing companies.

The below chart highlights some of the key sector by sector revisions:

SECTOR	NEW RULES
AGRICULTURE	No recommendation from Minister of Agriculture required for: <ul style="list-style-type: none"><li>- Growing food crops (including breeding/seeding) in areas over 25 A</li><li>- Processing plantation crops of which 20% are the entity's own crops R&amp;D on GMO</li></ul>
CONSTRUCTION / INSTALLATION OF HIGH VOLTAGE ELECTRICITY	Up to 49% foreign investment allowed.
MARINE AND FISHERIES	<ul style="list-style-type: none"><li>- Fishery and Fishery product processing now open to foreign ownership</li><li>- Sea sand quarrying closed to foreign ownership</li><li>- Utilization of coral requires Minister of Environment and Forestry's authorization</li></ul>
CRUMB RUBBER INDUSTRY	- 100% foreign investment allowed with Ministry of Industry license
ENERGY AND MINERAL RESOURCES	- 100% foreign investment allowed in large Scale Power Plants
PUBLIC WORKS	<ul style="list-style-type: none"><li>- 70% foreign ownership allowed (if foreigner is ASEAN, 67% if not ASEAN) in construction services (contractors) with a high technology high risk portfolio or contracts valued at over IDR 50 billion</li><li>- 95% foreign ownership allowed for Water drinking supply companies</li></ul>
BIOMASS PELLETT AND PRODUCING INDUSTRY	-100% foreign investment allowed
TRADE	<ul style="list-style-type: none"><li>- 100% foreign investment allowed in direct selling and futures brokers</li><li>- Minimum foreign shareholder ownership from 33% to 67% for distributors and warehousing</li></ul>
Transportation	<ul style="list-style-type: none"><li>- 49% foreign investment allowed in Land Terminal Construction for Public and Goods Facilities</li><li>- 49% foreign investment allowed in Vehicle Testing</li><li>- 49% foreign investment allowed in Passenger Transportation Overland</li></ul>

An excellent Legal Alert on the New Negative Investment list developed by SSEK can be downloaded at this [link](#).



# Goodbye BlackBerry Handsets?

# Not in Indonesia!

While devoted BlackBerry users across the world were saddened at the news that BlackBerry would stop making phones and focus on the software business, millions of Indonesian BlackBerry fans celebrated the announcement that a subsidiary of telecommunications giant PT Telkom was ready to forge ahead with a new line of BB handset production.

The ink is not yet dry on an agreement signed by PT Tiphone Mobile and BlackBerry to start PT BB Merah Putih (BB Red & White), a joint venture company focused on producing BB handsets here in Indonesia. The handsets, sold exclusively for the local market, will be manufactured at a factory owned by a subsidiary of Tiphone Mobile.

Tan Lie Pin, Tiphone's chief executive officer was quoted on Bloomberg.com as saying, "More than six million people still use BlackBerry in Indonesia and we believe that BlackBerry can still grow in the Indonesian market" adding, "We are very optimistic and excited."

Said Ralph Pini, Chief Operating Officer and General Manager, Mobility Solutions, at BlackBerry, "Today we make our first significant step toward leading as a software company by announcing that we are transitioning from doing internal handset hardware development to leveraging our third party partner to provide that function. This is what the future looks like for our business, and it is the right move as we progress towards profitability. This will enable our resources to focus all efforts on providing state-of-the-art security software for devices and the enterprise of things, as well as work on other critical areas of the company."

Ralph added that it is fitting that Indonesia is the first market where BlackBerry are licensing their device software, as the country is historically BlackBerry's largest market for devices and, by far, the most substantial for the BBM messaging software we created.

There are both strategic and financial benefits to the new BlackBerry approach. By continuing to bring BlackBerry devices to market, enterprise customers and consumers will still enjoy BlackBerry's unmatched, end-to-end value proposition which includes best-in-class capabilities in security. BlackBerry will also work with their partners to define a competitive hardware portfolio, leverage their distribution scale and access new channels.

At the end of the day, this move enables BlackBerry to become a true software-led mobility solutions unit and to focus all efforts on providing state-of-the-art security software for devices and the enterprise of things.



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# EduCanada Fair 2016

This year the annual EduCanada Fair (formerly known as the Study in Canada Fair), welcomed over 1,200 students over its two day run in Jakarta and Surabaya. The EduCanada Fair, which ran on October 8-9, is the only fair in Indonesia to exclusively focus on Canadian institutions.

A total of 22 institutions from across Canada, including the University of British Columbia, Simon Fraser University, University of Waterloo, York University, Humber Institute of Technology & Advanced Learning, LaSalle College



International, Le Cordon Bleu Ottawa Culinary Arts Institute, and the Vancouver Film School, were among the secondary and post-secondary institutions represented at the fair.

Said Raymond Wijaya, a grade twelve student attending the fair in Jakarta, "This is a great fair and it really was surprising how many different schools I can go to in Canada. I really like the fact student can work during and after their university degree because they have a special Post-Graduation Work Permit program where I can work at any job for three years in Canada and then come back to Indonesia.

Work experience in Canada will really prepare me to get work here at home."

Asked if he will choose Canada, Raymond said, "My parents are letting me decide where I want to go and I am still doing my research. If I go to Canada I want to go to Vancouver Film School."

To expand outreach a number of the Canadian education institutions participated in local school visits, networking luncheons, market briefings, seminars, and an innovative "Rapid-Intro" sessions with local institutions.



Canadian institutions are gaining a positive reputation in Indonesia for their diverse, high caliber, international class, educational programs and also the overall educational experience given Canada offers one of the best qualities of life in the world in addition to a relatively lower cost of living and educational cost.

For more information about Canadian education, please contact CEI at [cei.indonesia@canada-edu.org](mailto:cei.indonesia@canada-edu.org) or call (+62-21) 525 4905 / 525 6676. You can also "like" their Facebook (CanadianEducationInternational) or "follow" their Twitter (@CDN\_EDU\_INTL).



# Indonesian Players Strengthen Canadian Badminton Future



Two of the four professional Indonesian badminton players now helping to develop badminton in Canada include 21 year old Andrei Adistia, who won doubles gold at the 2012 Asian Junior Champions (and who now uses his expertise and know-how as a Guest Badminton Professional in Markham Ontario), and Jeka Wiratama, who was previously an anchor player at PB DJarum, (and just signed a 1 year contract to join the K.C Badminton Club.)

Andrei Adistia is a very impressive Indonesian badminton player who, over the years, has won a number of prestigious titles -- like the 2014 Vietnam Open Grand Prix and the 2014 Chinese Taipei Open Grand Prix Gold. Markham's KC Badminton Club officially welcomed Andrei as its newest

Guest Badminton Professional just in time for the club's Annual Exhibition Game in June 2016. Over the past few months Andrei's fellow Canadian team mates have found him a thrill to watch, and even more fun to learn from. This is definitely a great way for sports to be used to build Canadian-Indonesian international relations.



Jeka Wiratama



## Indonesia declines Canada's soccer friendly challenge

Indonesia's national team, which was just released from FIFA sanctions, has had to decline a friendly soccer match challenge from Canada because of a full schedule.

Canada will be in South Korea in November and sought another opponent while the team was in Asia. However, with Indonesia playing in Myanmar on November 4, and then Vietnam the following week, the conflicting schedules made the challenge impossible.

## Bryan Adams is coming!

Concert promoter Live Nation Indonesia has announced that Bryan Adams will be playing in Jakarta on January 16, 2017.

"The sold out Bon Jovi concert reaffirmed that Indonesians love classic love songs and we are sure the Bryan Adams concert will be a sold-out success," said Kimberley Fraser, Managing Director Live Nation Indonesia. Ticket prices are Rp1.150.000 (CDN 115.00 for silver), Rp1.500.000 (CDN 150.00 for gold), Rp2.000.000 (CDN 200.00 for diamond), and Rp3.000.000 (CDN 300.00 for platinum)



# Canadian Aid Supports Good Health

On a trip which brought them from Java island to Kupang, Canadian Members of Parliament Pam Damoff, Brenda Shanahan and Dr. Doug Eyolfson experienced first hand how Canadian aid is improving access to health for Indonesia's poor.

In Kupang, the trio visited Persahabatan Hospital where Canadian funded programs are implementing a Multi-Drug Resistant (MDR) TB treatment program which includes both physical support of the medicines and psychological support to help patients

deal with the effects of TB (which unfortunately still carries a lot of stigma in Indonesia). The positive impact of the program has changed lives but it has also created demand and today there is a waiting list of nearly 1,000 people seeking to join the program.

In the Purwakarta district, in West Java, the delegation visited both high schools and hospitals, which are part of the Micronutrient Indonesia (MI) program to improve the nutrition and health of women and adolescent girls. At the participating highschools students receive Weekly Iron and Folic Acid Supplementation (WIFAS) to help reduce anemia. This program is augmented in hospitals to also include consultations with midwives, and nutrition counseling for women before and after they give birth.

The Parliamentarians' trip to Indonesia, which aimed to provide them with an opportunity to learn more about equity and barriers to accessing health in Indonesia, was organized by RESULTS Canada, an advocacy group that generates public and political will to end underlying aspects of poverty.

In a statement from Micronutrient Indonesia, the organization lamented that despite Indonesia's



economic progress, the country continues to be faced with the challenge of undernutrition and micronutrient deficiencies, particularly among women and children, many of whom suffer recurrent health issues and are unable to lead productive lives. About 37% of pregnant women are estimated to be anaemic, which severely impacts pregnancies, causing excessive bleeding, low-birth weight babies and even death.

Through the Right Start Initiative in Indonesia — with the support of the Government of Canada — MI will reach 18.8 million women of reproductive age and adolescent girls in Indonesia with better nutrition through WIFAS and wheat flour fortification by 2020. MI also supports the implementation of MITRA, a multi-government program which aims to improve health and nutrition services in 20 high priority districts of Indonesia's East Java and East Nusa Tenggara provinces.



Canadian MPs Doug Pam Damoff, Douglas Eyolfson and Brenda Shanahan visited a school and a health centre participating in MI's programs as part of a visit to Indonesia organized by RESULTS Canada.



# It's a STRIKE!!

This year's annual fun bowling day, hosted by Calindo, was a striking success, which we describe below in pictures.



# Join ICCC

The Indonesia Canada Chamber of Commerce (ICCC) is a membership organization that exists primarily to promote positive business growth for social and economic development both in Indonesia and in Canada. The ICCC vision is to be recognized as the home of ideas and information to best support the connecting of Canadian and Indonesian business interests and our organization works at the grass-roots business level to nurture local business relationship networks for the benefit of all our members. There is truth in the phrase "strength in numbers" and we invite all businesses in the Indonesian-Canadian community to join us.

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Bahasa Business is managed by **ICCC** Secretary General **Edwin Pieroelie** in coordination with local PR agency **klirkom** ([www.klirkom.com](http://www.klirkom.com)) and contributing members from the Indonesian and Canadian community.

In this November 2016 edition, special appreciation goes to:

**Ray Christie** | **Wely Kustono** | **Karina Sherlen** | **Minie**



## Sharing is Caring

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We are interested in news highlighting business related developments in Canada and Indonesia.



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