



**WELCOME ADDRESS BY SMF PRESIDENT, MR DOUGLAS FOO,  
AT “INDONESIA-SINGAPORE BUSINESS PARTNERSHIPS – 50 YEARS AND BEYOND”  
SEMINAR, AT THE IMPERIAL BALLROOM OF MANDARIN ORCHARD HOTEL,  
ON 17 JANUARY 2017 (TUESDAY), AT 2:00 PM**

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Guest of Honour, Mr Lim Hng Kiang, Minister for Trade and Industry (Trade);

Guest of Honour, Mr A. M. Fachir, Vice Minister of Foreign Affairs for Indonesia;

His Excellency Ngurah Swajaya, Ambassador Extraordinary & Plenipotentiary of Indonesia to Singapore, Republic of Indonesia;

Members of Parliament Mr Lee Yi Shyan and Ms Sun Xue Ling;

Dr Haris Munandar, Secretary General of the Ministry of Industry, Indonesia;

Mr Azhar Lubis, Deputy Chairman of Indonesia Investment Coordinating Board (BKPM);

Distinguished officials and business people from Indonesia and Singapore;

Senior officials from the Indonesian Embassy;

Distinguished speakers;

Fellow Singapore business people;

Ladies and gentlemen,

Good afternoon.

1. On behalf of the Singapore Manufacturing Federation (or SMF in short), welcome to today's "Indonesia- Singapore Business Partnerships 50 years and Beyond", an event to kick start the celebrations of Indonesia and Singapore's 50 years of diplomatic ties.
2. Today's seminar would not be possible without the generous support from our sponsors - Diamond Sponsors: OUE Limited and Salim Group Co., and other sponsors: Angeline Suparto Law Corporation, Pico Art Limited and UOB Group.

### **Strengthening 50 years of strong partnership**

3. This afternoon's seminar is organised for two reasons. The first reason is that the SMF is delighted to celebrate and further strengthen ties between Singapore and Indonesia as we mark 50 years of diplomatic relations between the two nations this year.
4. 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 totalling US\$20.7 million. By the end 1990s, Singapore had become Indonesia's fifth largest foreign investor, with cumulative foreign investments since 1967 totalling US\$3.7 billion, with the bulk of investments seen in real estate, manufacturing and mining.

5. Today, bilateral trade between both nations has continued to flourish over the years. Singapore is now one of the top three foreign investors in Indonesia, while Indonesia is the second largest trading partner for Singapore amongst ASEAN member countries. Singapore and Indonesia were also each other's top sources of tourist arrivals in 2015. Both countries also collaborate across a wide range of sectors, including health, defence and the environment.
  
6. Moving ahead, we can expect this partnership to reach new heights as we continue to cooperate and work together to seize new opportunities, especially with the establishment of the ASEAN Economic Community in mind, which has now formed the third largest economy in Asia and the seventh largest in the world collectively.

### **Growing Indonesia-Singapore beyond 50 years**

7. This leads to the second reason that we're organising today's seminar. There is a saying that one should strike the iron while it is hot. Indeed, 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 250 million people.
  
8. Since the late 70's SMF has proactively led and organised business mission trips for our members to explore opportunities in expanding their business

in Indonesia. We had started with Batam and had sent an average of 10 such business mission trips and industrial visits per year. But of course now, the opportunities of Indonesia have grown far beyond Batam due to the rapid development and the decentralisation policies that provide access across the Indonesian archipelago of 34 provinces and an estimated 18,000 islands. And over the years, we have brought many MNCs and SMEs to Indonesia where they have gone on to invest and expand their business.

## Venturing into Indonesia

9. One of SMF members, Cyclect, a home-grown engineering firm that provides electrical, mechanical and automation solutions for several areas such as building, infrastructure, and marine and offshore segments ventured into Indonesia in the 1980s. Mr Melvin Tan, Managing Director of Cyclect shared with me how identifying a right Indonesian partner in distributing its instrumentation products with a collaborative approach has been his key challenge. Through many trials and errors, today Cyclect has finally found a suitable partner in an Indonesian genset manufacturer with which they have formed a Joint Venture to distribute their gensets globally. After 20 years in Indonesia, Cyclect remains confident in the future of Indonesia. I was told they have now invested into the power systems for the telecommunications towers in Indonesia.
10. Cyclect is just one out of the many examples of how our Singapore

enterprises are partnering with Indonesia enterprises to seize opportunities to enhance their global competitiveness and growth. And I believe there will many more others that will follow suit as Indonesia constantly ranks among the top regional countries which our local businesses venture into. This is further verified from our recent members' survey where Indonesia emerged the no.1 choice among our members as the overseas market they would want to explore.

11. Therefore this year, SMF will be lining up 8-9 business mission trips to Indonesia for our members to visit industrial parks and to connect them to potential partners and clients. Our aim is to lead the way in building inroads for our companies to enter the Indonesia market. And our next upcoming business mission trip is to Jakarta and Bandung from 15 to 17 March 2017. If you're interested to participate in this trip or wish to find out more of our later trips, please feel free to approach our secretariat or visit our website for more information.

## Conclusion

12. Given the foundational framework already established by both governments from Singapore and Indonesia in forging strong diplomatic ties, SMF is all geared up to further build on this robust structure to further deepen economic partnerships, SMF is well-positioned to drive industry-level transformation and lead the development of industry wide solutions for the common challenges faced by our businesses with the support from

our strategic partners such as IE Singapore, BKPM and KADIN Indonesia.

13. I would like to thank Minister Lim Hng Kiang and Vice Minister Fachir for their presence in joining us to celebrate this 50-year anniversary with Indonesia as our Guests-of-Honour, and Dr Haris Munandar, Secretary General of the Ministry of Industry, Indonesia and Mr Azhar Lubis, Deputy Chairman of Indonesia Investment Coordinating Board (BKPM) for flying into Singapore specially for this occasion.
14. My sincere appreciation also to the panel of speakers who are presenting shortly after this, for their time to share with us their knowledge and expertise. Their sharing presents a unique opportunity for businesses and other stakeholders to better understand the challenges and opportunities in Indonesia.
15. On this note, I would like to thank our co-organiser, the Embassy of the Republic of Indonesia for their partnership in making today happened. And once again my sincere thanks to our generous sponsors – OUE Limited, Salim Group Co., Angeline Suparto Law Corporation, Pico Art Limited and UOB Group.
16. Lastly, I take this opportunity to send my advanced greetings to for a blessed year of the Rooster. I wish everyone a fruitful time. Thank you!

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