**Interview for Mr. Liang-Jen Chang人物專訪**

**Encouraging Investment, Improving Infrastructure and Life**

**Liang-Jen Chang Says," Best Timing for Entering Indonesia"**

**The new government of Indonesia under Joko Widodo (nicknamed as Jokowi), a grass-roots politician who was inaugurated as the country’s 2nd directly-elected president this (2014) October 20th, is expected to adopt more pro-investment policies to keep his promise to improve the country's infrastructure and the lives of ordinary Indonesians. According to Representative Liang-Jen Chang of Taipei Economic and Trade Office in Jakarta, Indonesia (TETO), the office can play a pivotal role by facilitating Taiwanese investment and marketing effort in the booming Indonesian market.**

**Abundant Resources Provide Significant Potential
Indonesia, an open-market economy with about 2,500 million of population and abundant natural resources and commodity products, including coal, palm oil and rubber, has significant potential for Taiwanese companies in a wide-range of sectors where they have expertise, including natural resources (agriculture, forestry, mining), labor-intensive and export-oriented industries (textile, telecommunications, machinery, electronics), and sectors supplying the local demand (automotive vehicles and parts, green energy, food, information and communication, chain store), not to mention the most emphasized maritime industry (shipping, freight, seaport facilities, fishery and fish product processing, tourism), Chang said.**

**But Chang pointed out that while low labor costs, rising domestic demand and investment incentives make Indonesia attractive for foreign investment, the country still struggles with a number of issues. First of all, much of the country suffers from inadequate infrastructure. Years of underinvestment have left Indonesia's ports, roads, railroads, and power/water utilities crumbling.**

**Jokowi assumes the presidency at a time when the economy is slowing, Chang said. Indonesia’s GDP growth has begun to slow from an average rate of over 6% between 2010 and 2012 to 5.8%, a four-year low, in 2013 and 5.2% in 2014 - just as millions of young Indonesians are reaching working age.

Slower growth in China, together with continued European and Japanese sluggishness, has also dampened demand for the raw commodities that still comprise too large a share of Indonesia’s exports.** **Jokowi will have to find away to shift the economy towards domestic consumption and value added manufacturing to meet the surging job demand,” Chang said.**

**Reforming Policies Target Economic Independence
One of Jokowi’s determined attempts to transform both ndonesia’s corrupt, grasping politics and the lives of ordinary people in face of the urgent challenges is the organization of his new technocratic cabinet.
Relatively young at the age of 53 himself, Jokowi called his cabinet as “working cabinet.” The cabinet’s 34 posts are mostly fresh faces under age of 45, picked on such merits as “professionalism, management and leadership. ”Among his various ambitious national infrastructure projects, Chang said, the most noteworthy is his determination, which was announced in his inauguration speech, to build a “maritime empire” with the establishment of the new Coordinating Ministry for Maritime Affairs, and to restructure the economy to boost the demand at home, move manufacturing up the value chain, and win “economic independence”from natural resources and raw commodities which comprise the bulk of Indonesia’s exports.**

**To show his new government’s welcome to foreign investment which can surely play a key role in fulfilling his ambitious plans, Jokowi will also have to strengthen the Investment Coordinating Board (BKPM) to reduce red tape and create a one-stop shop for foreign investors. Despite improvements, Indonesia’s investment climate has long been characterized by legal uncertainty and endemic corruption. Investors also face generally complex and time consuming bureaucracy and unclear regulatory frameworks,**

**such as lengthy licensing procedures. Frequent policy and regulation change remains of concern to investors. “Indonesia needs to bring more clarity and certainty to its law system,” said**

**Chang.**

**Market Research Prepares Establishing Foothold**

**Chang said that Taiwanese companies looking at establishing a presence in Indonesia should research the market and understand the risks, as well as the opportunities. TETO can help Taiwanese companies to navigate the bureaucracy by providing honest information so that they can evaluate prospects before more resources are committed, including advice and insight related to emerging trends, major barriers or regulations, and qualified contacts who have the local expertise to help them refine and implement their investment strategy. For example, he said, Taiwan’s Ministry of Economy established a Taiwan Desk in 2007 in cooperation with BKPM to help Taiwanese businesses solve investment problems and provide market and investment information such as most updated regulations and policies.”**

**In addition, Taiwan is currently negotiating an ECA (Economic Cooperation Agreement) with Indonesia to protect Taiwan’s investment in the country and provide better access to its domestic market. To tap Indonesia’s rising domestic market, TETO has been working for 5 years with Taiwan Trade Center in Jakarta in promoting innovative Taiwan Excellence brands to local consumers through integrated marketing.
With all the closely integrated efforts, Chang believes that the bilateral economic and trade interchange will definitely improve further upon the past continuous success.**

**Representative Liang-Jen Chang of TETO test drove a SYM motorcycle at “Taiwan Excellence Happy Run,” a charity event in Indonesia on June 15th, 2014.**