

EMBASSY OF THE REPUBLIC OF INDONESIA - BERLIN

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PRESS RELEASE

FIRST BILATERAL CONSULTATION BETWEEN THE GOVERNMENTS OF THE REPUBLIC OF INDONESIA AND THE FEDERAL REPUBLIC OF GERMANY JAKARTA, 17 MAY 2010

The first German-Indonesian bilateral consultation was conducted at Hotel Borobudur in Jakarta on 17 May 2010. The Indonesian Delegation headed by Ambassador Retno L.P. Marsudi, Director General of Europe-America, Ministry of Foreign Affairs of Indonesia, included among others the Ambassador of the Republic of Indonesia in Berlin, H.E Eddy Pratomo and other senior officials of the Ministry of Foreign Affairs, as well as officials from related ministries. The German Delegation comprising of the Ambassador of Germany to Indonesia and other high-ranking officials of the German Embassy and of the Ministry of Foreign Affairs, was headed by Cyrill Jean Nunn, Head of the Asia and Pacific Department of the Ministry of Foreign Affairs in Berlin. On the agenda were strategic steps for the promotion of bilateral relations following the visit of the Indonesian President in Germany in December 2009. The talks also included among others regional as well as global issues of common interest.

The enhancing of democratic institutions in Indonesia is one of the main issues of bilateral cooperation. In this respect, the two sides agreed that the coordination of cooperation to support the decentralization process in Indonesia, in particular the improvement of public services by regional authorities within the frameworks of the national development plan, must be reinforced. The two delegations also identified the protection and promotion of the rights of women and the cooperation for the elimination of corruption as further points in bilateral cooperation.

In view of the good cooperation of both countries in the defense and security areas, the two delegations were of the view that a legal framework in form of an agreement on the cooperation in the defense sector must be created, over which the two sides are currently in negotiations.

Both delegations were of the view that Germany is Indonesia's main partner in trade and investment. Trade between the two countries suffered a setback of 15% (declining from US\$ 5,53 billion in 2008) on account of the global financial crisis, but registered an increase in the period 2006-2008. A decline was registered also in investments in Indonesia in 2009. In this year, only 18 projects worth US\$ 103,9 million was registered compared to 22 projects worth US\$ 198,3 million the previous year. Investment volume of 2008 however constitutes a surge against the previous year with 17 projects worth US\$ 18,5 million. It was also noted that 250 German enterprises are currently operating in Indonesia.

Moreover, both sides were of the view that the optimization of trade and investment potentials, especially of the efforts to bring the volume of trade and investment to the pre-financial crisis level and even higher, must be quickly pushed forward. Both sides also agreed of the necessity to push forward promotional measures for more investment. For this purpose, the coordination of bilateral cooperation for enhancing Indonesia's position in the international market as well as the promotion of export and investment in Indonesia must be strengthened. The German-Indonesia Forum must be reactivated as a forum to support economic cooperation between both countries. Relevant authorities on both sides should exert efforts in this vein.

The talks extended also to the environment sector. In this vein, the coordination of environment policy partnership which is slated to be commenced by the measures for the utilization of geothermal energy as part of the MoU on Clean Development Mechanism (CDM) which was signed by the respective ministers for environment during the visit of the Indonesian President in Berlin in December 2009 will be further pursued.

The two delegations noted once again the importance of the promotion of cooperation in the education sector for the general development of Indonesia, especially for the enhancement of competitiveness. For this purpose, consultations within the frameworks of the expansion of scholarships for Indonesian students, cooperation in the expert training, expansion of student/teacher exchange, also long-term lectureship in Indonesia, must be strengthened.

The two delegations underlined that the outcome of the bilateral talks for development cooperation between both governments have lead to the establishment of a number of cooperation projects conducive for the follow-up of the discussions between the President of Indonesia with the President and the Chancellor of Germany in December 2009 in Berlin. The two Governments have set up a 3-point program for development cooperation including enhancement of democracy, climate change, and strengthening the competitiveness of Indonesia in international markets.

Both delegations also noted that the debt swap deal agreed in 2005 not only contributes to settling the debt service issues between both governments, but promote the education program for elementary and middle schools, health program for mothers and children, and environment program. In this respect, the preparations for the following debt swap program to support the forestry sector to address climate change will be accelerated and all debts covered by the debt swap deal be settled.

Both sides appraised the results of their work also in conjunction with the preparations for the German Interfaith Dialogue and Promoting Academic Cooperation on "Improving Understanding and Tolerance through Intercultural and Interfaith Dialogue" to be held from 19 – 24 June 2010 at the Universitas Islam Nasional Sunan Kalijaga in Yogyakarta. This program not only promotes mutual understanding for their respective cultures, but it is also useful for the de-radicalization programs of both countries.

The next bilateral consultation will be conducted in Germany in 2012.

The first bilateral consultation was the result of the discussions between the foreign ministers of both countries, Marty Natalegawa and Guido Westerwelle, in Berlin on 15 December 2009. The discussions of the two ministers followed talks of the Indonesian

President with Federal President Horst Köhler and Federal Chancellor Angela Merkel a few hours before on the same day.

The bilateral consultation was called into being following the view of both foreign ministers that regular bilateral consultations are indispensable for optimizing the cooperation of both countries in spite of the already good bilateral relations. For this reason, the first consultation focused its attention on the identification of follow-up measures after the meeting between both heads of state in December 2009.

Jakarta, May 2010.