



PRESS RELEASE

President Jokowi Promotes Four Key Sectors To *Chaebols*

Jakarta, March 14, 2017 --- President Joko Widodo promotes investment opportunities in Indonesia to conglomerates (*chaebol*) from South Korea at the Indonesia-Korea Business Summit held today (14/3). The *chaebols* representing Korean largest companies include Sohn Kyung-Shik (Chairman of CJ Group), Chung Jin Haeng (President of Hyundai Motor Group), and Lee Soo-Man (Chairman of SM Entertainment Group). At the event, which was attended by more than 500 participants, MoU on investment promotion between Indonesian Investment Coordinating Board (BKPM) and Korea Trade and Investment Agency (Kotra) was also signed.

President Joko Widodo, accompanied by Coordinating Minister for Economic Affairs Darmin Nasution, offered investment opportunities in four main sectors namely industries, tourism, energy and creative economy. President acknowledged South Korea's contribution to manufacturing sector in Indonesia. The sector covered 71% of Korea's total investment realization in the country over the last five years (2012-2016), amounted to USD 7.5 billion.

"South Korea is the third largest investor in Indonesia after Singapore and Japan. Going forward, we expect South Korea to continue increasing their investment," said President Joko Widodo in his presentation in Jakarta, Tuesday (14/3). The President added that South Korea has also become one of Indonesia's largest trading partners with trade volume reached USD 16 billion in 2015. Other potential sectors are creative economy, energy and tourism.

In creative economy sector, the President is specifically hoping for concrete collaborations between the two countries through investment. "They (South Korea) are famous with K-Pop and Indonesia is very rich in cultural diversity. I am optimistic that the bilateral cooperation can benefit both parties," explained President Jokowi.

During his visit to South Korea in May 2016, President Jokowi also explained development progress in Indonesia. At that time, in his presentation at the Asian Leadership Conference, the President also told the audience that he came to Super Junior's concerts in Indonesia twice to accompany her daughter. It is probably what made SM Entertainment Group, the company that manages many Korean renowned artists including boyband Super Junior, decide to include Park Jeong-Su or better known as Lee-Teuk in the list of delegates.

BKPM-Kotra Sign Memorandum of Understanding

At the summit, Indonesia Investment Coordinating Board (BKPM) and Korea Trade Investment Agency (Kotra) also signed a Memorandum of Understanding (MoU). The agreement was signed by Chairman of BKPM Thomas Trikasih Lembong and CEO of Kotra Kim Jae-Hong. The cooperation covers various programs in investment promotion, especially for leading sectors such as construction and infrastructure, manufacturing, lifestyle, tourism, connectivity, information technology, e-commerce, as well as the creative economy.

Thomas Lembong said that the cooperation between BKPM and Kotra is expected to provide more ease for Korean companies to invest in Indonesia. "The implementation of this MoU will facilitate investors, both from Korea and Indonesia, to establish partnerships and develop their businesses," he said.

According to Tom, the scope of cooperation includes investment promotion, exchange of information, documentation, publications and other promotional material, market research, as well as cultural understanding. Indonesian Minister of Industry, Airlangga Hartanto, and Chairman of Creative Economy Board (Bekraf), Triawan Munaf, also shared the stage with other distinguished speakers at the Indonesia-Korea Business Summit.

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