



MINISTER FOR PUBLIC WORKS
REPUBLIC OF INDONESIA

**Speech of Minister of Public Works
On Integrated Economic Development Zone (KAPET) PROMOTION
“BUSINESS & INVESTMENT GATHERING KAPET 2005”
HOTEL LE MERIDIEN, JAKARTA DECEMBER 5TH 2005**

- His Excellency Coordinating Minister for Economic Affairs, Republic of Indonesia
- His Excellency Minister of Industry, Republic of Indonesia
- Her Excellency Minister of Trade, Republic of Indonesia
- His Excellency Governors in Indonesia
- Distinguished Industry and Commerce Attachés of Our Friendly Countries
- Distinguished Deputy Heads of Integrated Economic Development Zones (KAPET) Management Boards
- Distinguished Chairman of Industry and Commerce Chamber, Republic of Indonesia (KADIN) and All Chairmen/ Chairwomen of Local Industry and Commerce Chamber (KADINDA) in Indonesia
- Distinguished Businessmen/Businesswomen and Ladies and Gentlemen.

Assamu'alaikum Warohmatullahi Wabarakatuh.
Good morning and all best wishes for us,

It is a great pleasure for me to join with you all in this essential forum **“Business & Investment Gathering (BIG) KAPET 2005”**.

Indonesia as a nation, indeed could not be partially separated from global economic system which interconnect each other and moves dynamically. We are also aware that economic growth is always related with the compatibility of natural resources, human resources, and man-made resources utilization and we have to admit that there are still a lot of things that need to be optimized base on those resources to support Indonesia economic development.

In the context of economic (investment) in the spatial strategic framework as it has been stated in the National Spatial Plan (called RTRWN), we are committed to accelerate the development of strategic corridors such as Eastern Part of Kalimantan and Western Part of Sulawesi corridor integrated with Indonesian Sea Line of Communication, Sub Regional Strategic axes to

other neighboring countries particularly in the border region, and national strategic axes that connect each national growth centers. We also give high concern on the development of the advance regions (so called Kawasan Andalan), particularly in the economic corridor as well as interregional socio-economic relation through development of national transportation system and seaport infrastructure. The above National Spatial Plan (RTRWN) which is in complementarities with Province Spatial Plan, and City/Regency Spatial Plan are established in order to achieve the integration of development spatially inter regions, inter sectors, as well as among governments, private sectors and communities.

Whereas, Integrated Economic Development Zones (KAPET) is actually one of the most priority of Kawasan Andalan in a province, in order to accelerate the economic development, mainly in Eastern Part of Indonesia (KTI). It means that KAPET is a growth pole in each of the Province which is intended to provide a various value added for local products. The Presidential Decree No. 150 year 2000 becomes a legal base in developing KAPET, as well as Government Regulation No. 147/2000 that regulates tax system in the KAPET's region.

So far, there are many investment promotion efforts, that have been conducted and many results have been reached such as memorandum of understandings between private sectors and KAPET's management boards, as well as investment procedure deregulation, but it is realized that the intended result is still not yet significantly achieved. Therefore, we welcome the present activities in revitalizing KAPET development and it should be carried out professionally by considering many inputs from private sectors. It is indeed important to give significant roles to private sectors, since these sectors are the essential prime movers in accelerating regional development. The Government will focus on formulating a proper regulation, providing incentives both fiscal and non-fiscal so that those arrangements can be maximally operated.

Distinguished Ladies and Gentlemen,

This forum is the annual activity that has already been carried out since 2001 either in Jakarta, some regions of KAPET, as well as overseas. This Business and Investment Gathering of KAPET is attended by 13 KAPET's Management Boards from entire Indonesia with the primary objectives of introducing investment potencies and opportunities of KAPET to private sector, state owned enterprises (BUMN), mass media and other business practitioners, as well as searching for broader marketing network to accelerate investment in KAPET, and also to attract investment from private sectors.

Accordingly we kindly appreciate and continually support the management board of KAPET for maximizing its performance through creating many

breakthrough efforts and developing innovation, so that our expectation on KAPET development can be fulfilled. The government is of course will keep supporting the required infrastructure, however, at the same time the Management Board of KAPET should also creating some innovations in order to overcoming the need of huge budget by including infrastructure development as part of private investment. We do expect that the management board would be able to establish strategic partnership with private sectors, banking sectors and other financial institutions in developing KAPET infrastructure.

In the near future, the national development board of KAPET will continually conduct many efforts in improving the management capacity of KAPET management board in accordance with the result of KAPET revitalization blue print. Each management board at the same time would continually build their capacities to become progressively open, professional and enhancing cooperation with many related institutions.

Distinguished Ladies and Gentlemen,

In this special opportunity, with the presence of Coordinating Minister for Economic Affairs, and other government representatives, and also distinguished guests from our friendly countries and private sectors, I greatly hope that the private sectors could carefully examine investment opportunities offered by KAPET and directly visit the thirteen (13) locations of KAPET, conducting communication with the local businessmen, and we hope it can be followed up with direct investment in KAPET.

Finally, as Technical Team chairman of KAPET Development Board, we believe that this business and investment gathering could give significant benefit for economic development in the KAPET region and their surrounding areas in Indonesia.

Wassalamualaikum Warahmatullahi Wabarakatuh

Jakarta, December 5th 2005

Minister of Public Works

Djoko Kirmanto