



**Foreword by
Rupert Goodman DL
Chairman and Founder
FIRST**

It gives me great pleasure to introduce this Official Report on Indonesia to mark the Official Visit of President Joko Widodo to the United Kingdom. Lord Hurd and I are especially grateful to His Excellency Dr Rizal Sukma, the Indonesian Ambassador, and his Embassy staff for all their help and guidance in the preparation of this report. We are also very grateful to President Joko Widodo, Rt Hon David Cameron, Prime Minister, and Rt Hon Hugo Swire MP, Minister of State at the Foreign Office, for contributing to this Official Report.

The strength of the United Kingdom’s strategic partnership and bilateral relationship with Indonesia has been underlined by successful visits by the Prime Minister, in 2012 and 2015. Both the Foreign Secretary, Rt Hon Philip Hammond MP, and Boris Johnson, Mayor of London, have also made important recent visits to Indonesia.

This Official Visit of the President to the United Kingdom is particularly timely and will help focus the attention of business leaders and policy makers on the many opportunities that exist in Indonesia.

President Joko Widodo is a welcome guest to the United Kingdom having assumed office on the 20th October, 2014. Previously he had been Governor of Jakarta and Mayor of Surakarta. He has developed a three-pronged foreign policy involving the maintenance of Indonesia’s sovereignty, protecting Indonesian citizens and intensifying economic diplomacy – this Official Visit will emphasise these themes with a focus on trade and investment.

Indonesia is currently the 16th largest economy in the world and the largest economy in South East Asia. It is the world’s largest producer and exporter of crude palm oil, the second largest exporter of cocoa and tin and the world’s eighth largest exporter of natural gas. Despite global economic turbulence, Indonesia’s GDP growth

rate is predicted to be around 4.7 per cent and current exports amount to US\$152 billion. Expanding international trade and investment links with Indonesia is an important aspect of the UK government’s economic and trade strategy – with a target of doubling bilateral trade with Indonesia between 2015 and 2018.

The UK is now the fifth largest investor in Indonesia – major British investors include BP, Jardine Matheson, HSBC, BAT and GlaxoSmithKline. UK retailers also constitute a growing presence, with Marks and Spencer, BHS, Debenhams and Mothercare. It is expected that 60 per cent of global growth is to come from Asia by 2025 and Indonesia is therefore of strategic importance from a trade and investment perspective.

Indonesia’s development and growth provides important opportunities for further strengthening the bilateral business relationship. Some US\$180 billion is to be invested in Indonesia’s infrastructure and UK companies are well placed to participate in public-private partnerships. Indonesia, with the world’s largest Muslim population, also provides opportunities for the provision of Islamic Financial Services. Other opportunities exist in oil and gas, power generation, education, healthcare, advanced engineering, textiles, ICT and foodstuffs. UK companies are well placed to access these markets.

The Official Visit of President Widodo to the United Kingdom, while providing an opportunity for private discussions, will give us all an opportunity to study the important developments in Indonesia and to weigh carefully the opportunities for both countries to work together even more closely.

We at FIRST are delighted to have been asked to produce this official publication to mark the President’s Official Visit and hope that it contributes, in a small way, to its success and the further development of the bilateral relationship especially in the area of trade and investment. **E**