





AMBASSADOR'S MESSAGE

It has been an eventful start to the New Year. Encouraged by your response, I am happy to share the 2nd edition of Warta, our business newsletter, as we press ahead with some re-assurance of political continuity in Indonesia post the 14th Feb elections. Indonesia's national elections have been exciting as I got several opportunities to participate in high level political and economic debates and discussions. I was privileged to be invited at a polling station to witness first-hand, one of the largest democratic exercises in the world, being conducted in a peaceful and efficient manner.

Since I last wrote to you it has been an invigorating journey for the Embassy, more personally for me, in getting to know people and the business and government environment more closely. We met many new companies and professionals in our Business Seminar on the 19 Jan where we had an interesting discussion with you on working together for closer economic integration, SANDEEP CHAKRAVORTY including in reas like payment systems, approaches to overcome common challenges a related to



doing business and telling the India Story. You will be happy to know that RBI and BI have signed the MOU for Local Currency Settlement System on 7th March in Mumbai. Indigo has also surprised us this month by announcing their Bangalore-Bali flight starting March 29.

Our Indian companies connection is continuously expanding, proudly touching 250 now. I would like to highlight our four-fold strategy of business outreach to i) Indian HQ businesses; ii) Indian Diaspora businesses; iii) Indian Startups and iv) Indian Professionals. I urge everyone to register with us, so you can participate in Embassy events more often and we can benefit mutually from each others' contributions.

We also had a memorable celebration of our Republic Day, graced by the Sports and Youth Affairs Minister of Indonesia and a resounding Odissi troupe performance across 5 cities co-inciding with the national day. I thank all the sponsors for their support to these events. It symbolizes a new synergy in the way we can do things together for common good.

We have also held consultations with some prominent business persons amongst you for giving a name and sustainable structure to our efforts through an India-Indonesia Business Chamber to rally together on common issues, effectively supporting the roles of CII-IBF, IIBF, KADIN etc. I was relieved to know that there was earlier an active IndCham led by diaspora stalwarts which we have decided to revive, re-energize and re-invent, with a broad-based membership, that can sustain it in future. You will soon hear more about this. We will need leadership and initiative from the business community to make this endeavor successful.

Through more intimate conversations with some of our experts we have concluded that there is promise in payment systems linkages, EVs, fintech and connectivity projects. We are trying to work-out feasible partnerships to concretize these. We also held business matchmaking with stakeholders from the food industry during the visit of a FIEO-led delegation to Indonesia on 16th January. About 100 Indonesian companies showed interest in the products that included processed food, millets, fruits, spices, wines and tea/coffee from India. We had a very successful Health Business Forum on 27th February in partnership with Ministry of Health (KK) and IIBF with over 80 companies from India and Indonesia. Senior officials from KK, BKPM, BPOM, Coordinating Ministry of Investment and CEO of PM Modi's flagship scheme Jan Aushadhi model from India all made very enriching presentations on pharma/health opportunities, regulations, investment process and incentives in the sector etc. I am happy that some business conversations have been taken forward from them.

We also celebrated International Women's Day on 8th March together with led by Ms Poonam Sagar from IIBF. We had Ibu Shinta Kamdani, CEO Sintesa Group and Ibu Prita Kemal Ghani, Founder & CEO LSPR as keynote speakers and also held panel discussions with women achievers in the field of business to learn from their experiences. We presented Lifetime Achievement Award to Ms Gopi Punjabi. As the head of the Indian Women's Association of Indonesia she is well recognized for her exemplary work towards women empowerment and social upliftment of the under privileged. In line with these celebrations, we have chosen Ms Abhilasha Kannan, the only woman-CEO of an Indian company here, for Warta's 'Know Your CEO' corner this time.

Within the Embassy, we are recreating ourselves. The new Embassy complex construction commenced in full swing in February and is going on time. Hopefully my next event with you all will be at a refurbished India House. I am also happy to announce that the Embassy Business Centre with a capacity of around 50 persons is already functioning and we are upgrading its infrastructure to have a modern facility that will be inaugurated soon. You are welcome to use the Business Centre for meetings, brainstorming sessions or networking events by booking it with us on availability basis.

To bring greater co-ordination and cross-fertilize our efforts towards the prioritized areas of co-operation-business, connectivity, tourism, higher education, influence building, diaspora outreach and visa issues- in this 75th year of our diplomatic ties with Indonesia, I held the 1st CG Conference with our two Consul Generals on 19th February. We have two young and dynamic diplomats: Dr Shashsank Vikram in Bali and Shri Shubham Singh in Medan, whom you will find very approachable. They have also made interesting contributions to this edition. I would urge you to work more closely with them as they can be your force multipliers in those jurisdictions, especially in the above mentioned focus areas.

Everyday I discover new people and new strands to weave the India story with. In this vein, my visits to Bali, Kalimantan, Aceh, Batam/Riau Island and Lombok have been fascinating and eye opening. There is a strong realisation that there is more to India-Indonesia than meets the eye- be it the sheer numbers of employment we provide locally through our industrial investments, or the huge potential in connectivity building in North Sumatra, or the cultural and tourism potential of Bali or the Indian innovation and enterprise of our companies like TVS and iMoto in auto sector, Sea6 Energy in blue economy and in fintech, to just name a few! Their grit, passion and insightfulness inspire and push us to keep going on.

As I make more friends, new doors and windows (and peep-holes!) open and many of my earlier apprehensions fade away. I am only more convinced that we are a compelling force, we only need to recognize it and know how to fully capitalize it. So let me start by sharing with you a calendar of the most prominent opportunities of collaborations where I would like 'Team India' to play together and deliver their best strokes!

We plan to host a high level think tank-industry-govt. interaction from 22-24 April with ORF India, with the theme 'Jakarta Future Forum: Blue Horizons, Green Growth' where I will need you all to chip in with your expertise on circular economy, blue economy, creative economy, digital economy, renewable energy/EV and health. There will be monthly business seminars and B2B meetings with sectoral themes: Food Processing on 7-8 May, Tourism in June, Fintech/Start-ups/Digitalization/Microfinance on 17 July, Down-streaming in Critical Minerals/Mining on 18 Sept. and a Defense Expo from 6-9 November etc. all culminating into the high level 'India-ASEAN Business Sustainability Conclave: Partner Country Indonesia' in November-end with various sectoral themes like: Trade & Investment, Digital Economy, Healthcare, Circular Economy and Climate Action (including Energy Transition), Infrastructure & Connectivity, Tourism & Creative Economy. We anticipate that the event will attract around 1000 delegates and participants over two days. The event will provide opportunities for discussions to arrive at key deliverables to fully realize the potential of this relationship. We have planned many cultural performances and sporting events as well- Badminton, Yoga, Freedom Run, Football and Golf- throughout the year, with a 2-day 'India Pasar' at the Plaza Festival Mall from 29 Nov to 1 Dec, to mark the end of the 75th year anniversary celebrations of our bilateral ties with Indonesia. We hope to have your active collaboration and participation in these events.

I hope you will find the curated articles, resources and videos included in this edition useful. There is an excellent <u>presentation</u> by Ibu Shinta Kamdani from KADIN on the macro-economic overview of Indonesia. Please do share your feedback about the newsletter. You are also welcome to contribute to it. I look forward to celebrating my first Holi with you all on 23 March!

EMBASSY HIGHLIGHT: INAUGURATION OF THE WORLD'S LARGEST TROPICAL SEAWEED FARM IN LOMBOK

The Ambassador of India to Indonesia and Timor Leste H.E. Mr. Sandeep Chakravorty participated in the inauguration of the world's first One Square Kilometer Mechanized Tropical Seaweed Farm in Ekas Bay, East Lombok Regency, Province of West Nusa Tenggara on 29 February 2024.

The project was inaugurated by Hon'ble Coordinating Minister of Maritime and Investment Affairs Mr. Luhut Binsar Pandjaitan. Hon'ble Minister of Industry Mr Agus Gumiwang Kartasasmita, Hon'ble Minister of Marine Affairs and Fisheries Mr. Sakti Wahyu Trenggono, Hon'ble Acting Governor of West Nusa Tenggara Mr. Lalu Gita Ariadi and other dignitaries were also present during the event.

Ambassador in his media interaction stated that the large scale seaweed cultivation project in Lombok is a shining example of India-Indonesia cooperation in blue economy. Sea6 Energy is a product of India's biotechnology innovation ecosystem. They are pioneers of seaweed cultivation and processing technologies globally. Greater investment in seaweed cultivation can meet the challenges of producing biodegradable industrial raw materials such as biofuels and bio plastics. The Sea6 investment in Indonesia is creating local green jobs, developing skills, creating opportunities, and building a sustainable local economy. We are delighted that a company like Sea6 Energy is committed to the scaling up of seaweed cultivation and processing in Indonesia.

The Ambassador accompanied by the Consul General of India, Bali Dr. Shashank Vikram also visited Sea6 Energy's booth displaying processing equipments and various seaweed products such as organic fertilizer, bioplastics, biostimulant, biodegradable plastics, etc.

COMPANY PROFILE: SEA6 ENERGY

Sea6 Energy Private Limited was founded in 2010 and is headquartered in Bengaluru, India. Since its inception, Sea6 has pioneered innovative technologies for large scale seaweed farming with mechanization and also developed novel products made using seaweed.

The vision of Sea6 is to create disruptive solutions for a sustainable planet and it does so by sustainably harnessing the potential of the ocean to develop environmentally sustainable products such as plant health products, food and feed ingredients, biodegradable replacements for plastics, and renewable sources of energy and chemicals.





PT Sea Six Energy Indonesia, a wholly owned subsidiary of Sea6 Energy Private Limited, was founded in 2016 and has its office in Bali, Indonesia. PT Sea Six Energy Indonesia has a manufacturing facility located in Bali that manufactures advanced intermediates that are required for various products manufactured by Sea6.

PT Sea Six Energy Indonesia has also set up large scale ocean farms in Lombok, Indonesia and has deployed its proprietary seaweed farming machinery here. This not only helps in reducing costs of producing the seaweed but also allows thee stablishment of large seaweed farms in the open seas.

The technology enables the production of large volumes of biomass at a price that makes seaweed an affordable blue carbon feedstock.

Watch the video on the inauguration of the world's largest seaweed farm in Lombok here

DEVELOPMENT OF OIL PALM INDUSTRY IN SUMATERA

Article by Sriwijeyen

Oil palm (Elaeis guineensis Jacq) originated from Africa. The history of oil palm introduction to Indonesia beginning from four oil palm seeds brought by Dutch to Indonesia and planted in the Bogor Botanical Gardens in 1848. Initially were cultivated for ornamental purposes (Hunger, 1924). In 1853 (five years after being planted), the oil palm trees in Bogor Botanical Gardens produced fruit, then the seeds distributed and brought to Sumatera in 1875 to become ornamental plants on the side of the road towards to bungalows and offices in the Deli tobacco plantations and it turned out that oil palm grew well in Deli, North Sumatera. The industrial revolution that occurred in Europe led to a surge in demand for oil. This prompted the Dutch East Indies government to try planting oil palm on an industrial scale.

COMMERCIALIZATION OF INDONESIAN PALM OIL

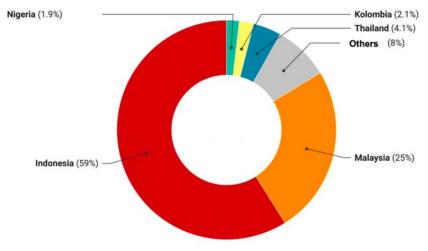
The commercialization of oil palm cultivation began in earnest in the late 19th and early 20th centuries. The first commercial oil palm plantation business began in 1911 by a Belgian company in Pulo Raja (Asahan district) and Sungai Liput (Aceh). Then that year, namely 1911, is considered the earliest history of commercial oil palm plantations in Indonesia.

Apart from Belgian companies, German companies also opened oil palm plantations in Tanah Itam Ulu (Batubara district) in the same year. The steps of Belgian and German investors were then followed by Dutch and British investors. The number of oil palm plantation companies continued to grow from 19 companies in 1916 to 34 companies in 1920. The first Palm Oil Factory in Indonesia was built in Sungai Liput (1918) then in Tanah Itam Ulu (1922).

In the era of the 1980s to the mid-1990s, the palm oil industry developed very rapidly where many big companies as well as small holders involved in. The development of oil palm in Indonesia since the 1980s has been marked by significant expansion. The area of oil palm plantations in Indonesia has experienced a significant increase from around 294.5 thousand hectares in 1980 to 16.38 million hectares in 2023 (based on data from the Ministry of Agriculture).

Currently, Riau is the province with the largest oil palm plantations in Indonesia. The area is 3.49 million ha or around 20.75% of the total area of national oil palm plantations this year. In second place is Central Kalimantan with an oil palm plantation area of 2.03 million ha followed by North Sumatera with an area of 2.01 million ha.

INDONESIA AS THE LARGEST PRODUCER OF PALM OIL IN THE WORLD



World palm oil production is dominated by Indonesia and Malaysia. These two countries together produce around 85-90% of the world's total palm oil production.

Today, Indonesia is the largest producer and exporter of palm oil in the world, with oil palm cultivation spanning millions of hectares across the archipelago. In the latter half of the 20th century, Indonesia emerged as a major player in the global palm oil industry.

According to a report by the Indonesian Palm Oil Entrepreneurs Association (Gapki), throughout 2022 national palm oil production reach 51.2 million tons, consisting of crude palm oil (CPO) 46.7 million tons and crude palm kernel oil (CPKO) 4.5 million tons. where the export volume reached 33.9 million tons (66%) and domestic consumption was 17.3 million tons (34%).

As is known, based on BPS (Central Bureau of Statistics) data processed by the Directorate General of Plantations in 2022, 19% of Indonesia's CPO exports are to India, the remaining 14% to China, 10% to Pakistan, 8.8% to the European Union and 6.8% to the United States, the rest to other countries.

KNOW YOUR CEO

Ms. Abhilasha Kannan has demonstrated exceptional leadership and strategic acumen in her roles within the paint industry, particularly with Asian Paints Ltd. and its subsidiary, Berger Paints Singapore Pte. Ltd. Her career journey began in 2007 with Asian Paints Ltd., where she quickly rose through the ranks, excelling in various roles such as Brand Manager and Area Sales Manager. Ms. Kannan's tenure at Berger Paints Singapore Pte. Ltd. from September 2011 to May 2020 showcased her ability to drive significant change and profitability. As General Manager from June 2019 to May 2020, she successfully turned around a loss-making organization within two quarters, ensuring profitability from October 2019 onwards and reversing twelve consecutive guarters of losses.

Since June 2020, Ms. Kannan has served as the General Manager (Business Head) for Asian Paints Indonesia, where she oversees all business verticals, including sales and marketing, manufacturing, finance, supply chain, R&D, and HR. Under her leadership, the Indonesian operations have seen remarkable growth, including doubling turnover and

achieving the first-

ever break-even period in the business three quarters ahead of plan. Additionally, Ms. Kannan has played a pivotal role in expanding Asian Paints' market presence in Indonesia, Bangladesh, and Nepal, conceptualizing and executing innovative marketing campaigns and launching new business verticals.

Ms. Kannan's educational background includes a Master of Business Administration from the Symbiosis Institute of Business Management, India, and a Bachelor of Engineering. Her expertise in business development, marketing strategy, and operational management has been instrumental in driving growth and profitability for Asian Paints Ltd. and Berger Paints Singapore Pte. Ltd. She is a highly respected leader in the paint industry, known for her strategic vision and ability to deliver results in challenging environments.







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@IndianEmb]kt



IndianEmbJkt





IndiaInIndonesia

Consulate General of India, Medan

Jl. Uskup Agung Sugiopranoto, No. 19A Medan - 20152, North Sumatra, Indonesia

Tel: (62-61) 4531308 / (62-61) 4556452

Fax: (62-61) 4531319

Website: https://www.cgimedan.gov.in/

Consulate General of India, Bali

Jalan Raya Puputan 163, Renon, Denpasar, Bali - 80235, Indonesia

Tel: (+62-361) 259 500, 259 502 Website: https://www.cgibali.gov.in/