

BUSINESS MISSION TO RIAU ISLANDS

BACKGROUND:

In August last year, the Netherlands Embassy in Jakarta sent two representatives to Batam on a fact finding mission to see what Batam can offer for Netherlands companies. As a follow up of the visit, an article on Batam was published on the December 2008 issue of INA magazine. The article is attached to this document.

PURPOSE:

This year, the Embassy would like to expand the visit to cover the whole Riau Islands province. The visit would also include Netherlands businesses. Being located only 45 minutes by ferry from Singapore, it is only logical that Netherlands companies in Singapore join the mission.

The aims of the trip are as follows:

- to seek opportunities available in Riau Islands;
- to hear possibilities in the implementation of the FTZ/FPZ and SEZ;
- to identify Batam as an outsourcing destination; and
- to present NL companies to the Riau Islands authorities and businesses.

PROGRAMME:

The mission will be held on 11 – 12 November 2009 in Batam and Bintan islands. It is a full two days hectic mission designed to provide information for the delegation and exposure to the Riau Islands public officials and businesses. Hence, the agenda covers meetings with Provincial VVIPs and Batam based multinational companies.

In addition to meetings, the delegation will also visit the province's main infrastructure projects and manufacturing bases. A visit to Batam's One Stop Service facility is expected to provide the delegation with better understanding on setting-up and licensing issues in the province.

The (*tentative*) programme is as follows:

Day 1 – 11 November 2009:

06.10 – 07.40	Flight to Batam
07.40 – 08.00	Arrive at VVIP Terminal
08.00 – 08.30	Proceed to Turi Beach Resorts at Nongsa
08.30 – 09.00	Check in and freshen up
09.00 – 09.30	Refreshment – coffee & tea
09.30 – 09.40	Welcome Speech by Chairman BIDA
09.40 – 10.00	Opening Speech by HE Dutch Ambassador for Indonesia, Nikolaos van Dam
	Opening Speech by HE Dutch Ambassador for Singapore, Johannes W Gunivortus
10.00 – 11.00	Keynote Speech by Governor of Riau Islands - Proposed (Infrastructures) Projects in Riau Islands - Free Trade Zone of Batam, Bintan & Karimun - Investment Opportunities in Riau Islands
11.00 – 12.00	Presentation of 3 or 4 Dutch companies
12.00 – 12.30	Q & A

Day 1 (cont'd):

12.30 – 14.00	Lunch (Government + Batam Businesses)
14.30 – 15.30	Visit to Batamindo Industrial Park
16.00 – 17.30	Visit to PT. Phillips Indonesia
17.30 – 18.00	Proceed to Turi Beach Resort Hotel

Day 2 - 12 November 2009:

07.30 – 08.30	Breakfast at Hotel
08.30 – 09.30	Proceed to Bintan from Nongsa
09.30 – 12.00	Visit to Infrastructure Project Sites in Bintan (to be determined)
12.00 – 13.00	Lunch
13.30 – 16.00	Visit to Infrastructure Project Sites in Bintan (to be determined)
16.00 – 17.00	Proceed to Nongsapura Port in Batam
17.00 – 17.45	Travel to Airport at VVIP Terminal
17.45 – 18.55	Refreshment at VVIP
18.55 – 20.30	Flight to Jakarta

PARTICIPANTS:

The Netherlands delegation will include Embassy officials and representatives of Dutch businesses active in Indonesia and Singapore in such sectors as:

- water and sanitation;
- construction and infrastructure;
- insurance and banking;
- knowledge and technology suppliers; and
- manufacturers.

ABOUT RIAU ISLANDS:

Riau Islands is the 32nd province in Indonesia, established under Law No. 25/2002. The total area of the province is 252,601 km², 95% of which are waters, bordering with Vietnam and Cambodia, Singapore, Brunei, and Malaysia. Strategically located facing open international waters, the Riau Islands province is aiming to become a powerhouse for the country's economic growth.

Between the year of 2004 – 2007 Riau Islands' average GRDP is 6.71%, well above the average of all 33 provinces for the same period of 5.11%. During the same period, the province recorded the highest growth amongst the ten provinces in Sumatera.

In the year 2007, the three main islands in Riau Islands province, Batam, Bintan, and Karimun have been designated as free trade and free port zones. This area is known as Batam Bintan Karimun Special Economic Zones (KEK BBK), although in practice it is actually a Free Trade and Free Port Zones.

Earlier in the year, President Susilo Bambang Yudhoyono officially launched the much delayed free trade and free port zones. However, the free trade and free port zones did not commence until 1 April 2009, as specified under three Minister of Finance regulations, which serve as implementing regulations. Companies operating in the islands will pay no import duties, value added and luxury taxes. The national and provincial Governments are hoping that investments will pour into the area to tap the low production costs.

Promoted as strategic manufacturing base with significant cost advantage, investment in Riau Islands stand at more that USD 11 billion from more than 1,150 foreign companies. Batam, Bintan, and Karimun have attracted foreign investors in electronics, manufacturing, shipbuilding, and garment industries.