



**Business
in Cockburn**
CONNECT INVEST TRADE

Cockburn

Global



Blue Economy Development Indonesia



CONSULATE GENERAL OF VIETNAM
IN PERTH – AUSTRALIA



Overview

Lake Coogee Room Indonesia	
11.30-11.45am	Trading with Indonesia Michael Carter
11.45am - 12pm	Blue Economy Development Wahyu Wijayanto
12-12.15pm	Question and Answer



Michael Carter

Head of International Trade and Investment Centre

Chamber of Commerce and Industry WA

Discussing trading with Indonesia

Cockburn Global 2023

INDONESIA



GOING
GLOBAL



INDONESIA
ECONOMIC
SNAPSHOT



BUSINESS IN
INDONESIA



TRADE
WA-INDONESIA



FREE TRADE
AGREEMENTS



CONSUMER
TRENDS

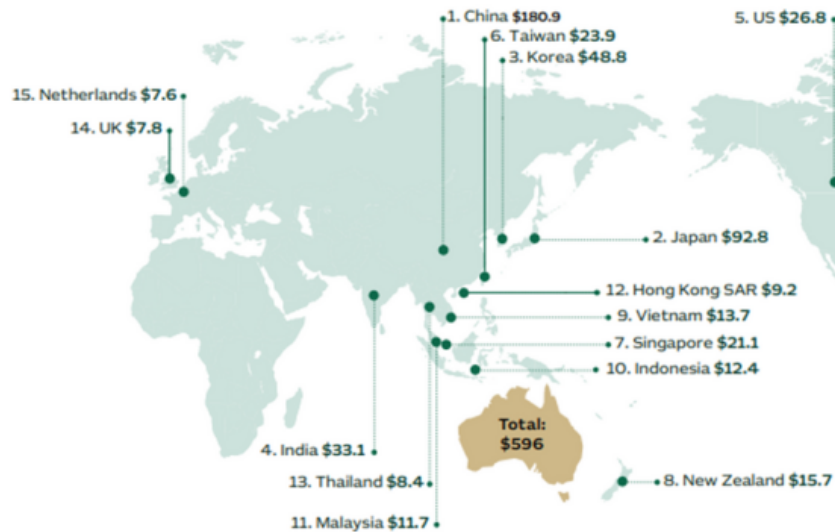


Content

Australia's top export markets

Australia's top 15 export markets, 2021–22

A\$ billion



Indonesia economic

Snapshot



US\$ 1.1

Largest economy in
Southeast Asia

16th

Economy in the world

largest



268

4th most populous
country in the world

million



Indonesia economic snapshot

1 Services

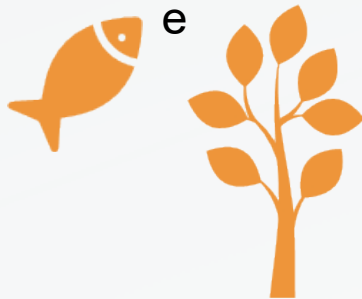


2

Industry and
construction



3 Agriculture



1

Services sector - biggest contributor to GDP. Including wholesale and retail; finance and banking.

2

Industry and construction sector - second biggest sector in Indonesia, which includes manufacturing.

3

Agriculture is the third largest contributor to the GDP.



Doing business in Indonesia

- Understand the local culture and build relationships.
- Legal and regulatory requirements.
- Consider partnerships with local businesses.
- Conduct thorough market research and adapt to local preferences.
- Network actively to expand your connections.
- Be patient and flexible due to potential delays and bureaucracy.
- Maintain ethical business practices and transparency.
- Plan for logistical challenges in a country of islands.
- Manage risk through insurance and contingency planning.
- Understand local payment methods and currency.
- Explore government incentives for foreign investment.
- Invest in training and developing local talent.

Why do business with Indonesia?

1

Rapidly growing middle class and the domestic consumption is strong.

2

The WA-East Java sister-state relationship boosts WA businesses in East Java with 40 million people.

3

99% of Australian exports enter duty free.

4

Labor-intensive manufacturing hub.

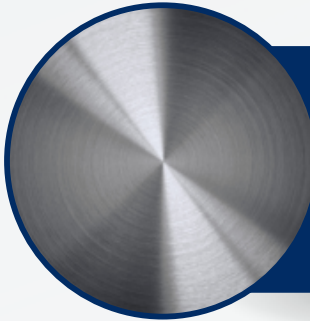


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and Industry WA



Key opportunities for
WA

WA top exports to Indonesia - AUD \$3.8 billion



Iron ore

In 2021, Western Australia's exports to Indonesia of iron ore rose 57% to \$918 million.



Petroleum

Indonesia is Western Australia's 6th largest export market for petroleum, and petroleum is the biggest export category from WA to Indonesia by value.



Wheat

In 2021, wheat exports jumped from \$206 million to \$646 million which makes Indonesia Western Australia's largest export market for wheat.



Live cattle

Indonesia was Western Australia's largest export market for live cattle in 2021. Beef is an important food in Indonesian culture and traditional cuisine.



WA top imports from Indonesia - AUD \$0.7 billion



Manufactured goods

Manufactured goods is the largest category of imports to WA from Indonesia.



Non-monetary gold

This category account for 9 % of total imports from Indonesia.



Machinery and transport equipment

Machinery and transport equipment account for 17% of Western Australia's import from Indonesia.



Free Trade Agreements

- The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA).
- Almost all Australian goods (by value) enter Indonesia duty-free.
- Australia and Indonesia are also members of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).
- Regional Comprehensive Economic Partnership Agreement (RCEP).



Consumer

trends

1

Modern trade channels are the consumer preference.

2

E-commerce continue to increase,

3

Shift towards greater health-consciousness.

4

Recycled, sustainable or eco-friendly materials.

Issues causing greatest impact on shopping experience



Long delivery times.

52%

Large queues in-store.

48%



Chamber of Commerce
and Industry WA

How CCIWA help you



Trade and Investment Consulting

Utilise our suite of trade consulting services:

- Market selection and channel entry strategies
- Business matching
- Export and import planning
- eCommerce support
- Understanding free trade agreements
- Seeking investment to grow your business on wainvestments.com.au



Trade Documentation Services

Rely on CCIWA to be your major authorised issuing body for export documents:

- ATA Carnets
- Certificates of Origin
- Certification of products to carry the Australian Made, Australian Grown logo trademark
- Certificates of Origin CoO and including stamping for CoO's to 22 Arab countries.
- Corporate Declaration Stamping (Non- certificate of Origin)



Registered TradeStart Partner

Tap into Austrade's worldwide resources through TradeStart:

- Support through Austrade's international network in 47 countries.
- Facilitation of business connections
- Export Grants
- Serving all industries in Western Australia



Investors

Discover Western Australian projects
currently seeking investment.



Seeking investments

Promote your investment-ready project
to national and global investors.



Why invest in WA

Western Australia - your natural choice
for investment and growth.



Thank you



Mike Carter
Head of International Trade and Investment



www.cciwa.com



michael.carter@cciwa.com



(08) 9365 7629





Wahyu Wijayanto

Director for Industry, Tourism and Creative Economy from the Ministry of National Development Planning of the Republic of Indonesia

Discussing green and sustainable investment in Indonesia



Ministry of National
Development Planning/Bappenas
Republic of Indonesia



ASEAN
INDONESIA
2023

BLUE ECONOMY DEVELOPMENT IN INDONESIA

Wahyu Wijayanto

**Director of Industry, Tourism, and Creative Economy
Ministry of National Development Planning/
National Development Planning Agency (Bappenas), Indonesia**

9 October 2023



Modalities for Blue Economy Development in Indonesia

17.508
Islands

290.000 km²
ocean (65% of
total area),
108.000 km
coastline

3 mio km²
Exclusive
Economic Zone

28,91 mio ha
Marine protected
areas

22,6% global
mangrove area

18% global coral
reef area

No. 2
Global aquaculture
production

40% global trade
by sea passes
through Indonesian
Archipelagic Sea
Lines

10,7%
Share of global
shipping lines

95% people live
less than 100 km
from the coast

5,18 mio
fishers

3,76 mio
households depend
on capture fisheries
and aquaculture

Blue Economy in Indonesia:

Economic

- **Indonesia's ocean economy** has an annual worth of more than **USD 280 billion** (marine building and manufacturing as two major sectors).
- **Reef tourism** is worth **USD 3 billion** in the country, known for its coral richness.
- **Marine fishing** production had a **USD 4.12 billion** trade surplus in 2018, indicating at substantial demand from the international market.
- Fast growing– during 2012-2020, the blue economy **grew 10.5%** per annum, outpacing the national growth rate of around 5%.

Environment

- **28,91 million hectare** of Indonesian waters are designated as **MPAs** in 2022, exceeding the commitment of 20 million hectares and the target of National Medium Term Development Plan (26.4 Million hectares)
- Global hotspot for **marine wildlife**, with 22.6% of the world's mangroves (the largest in the world) and 18% of the world's total coral reefs.

Social

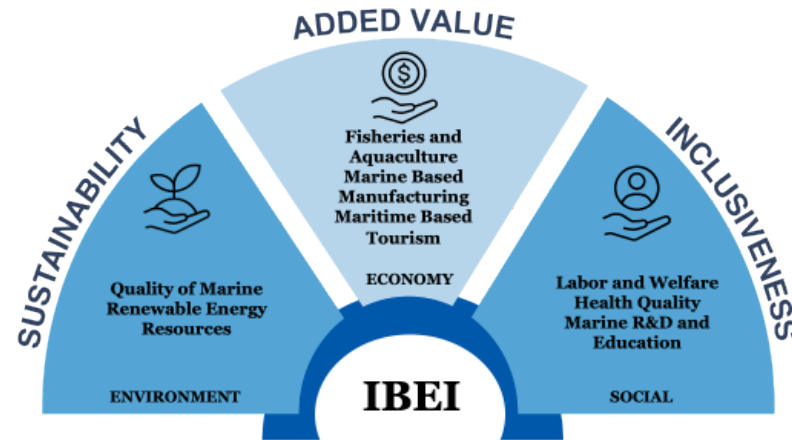
- **Employing approximately 7 million people.** Around 95% of Indonesia's population lives within 100 km of the coastline, and 40 million rural Indonesians depend on biodiversity for subsistence.

Indonesia's Resilient & Inclusive Blue Economy

Policy Planning



Blue Economy Measurement



Indonesia Blue Economy Index



An instrument to monitor the performance of the blue economy sector



Built on a dashboard of selected macroeconomic indicators



Will force the coordination among related government agencies



Law No. 32 Year 2014 on Ocean

Article 14, Para 1:

The Government and Regional Governments, in accordance with their authority, carry out Marine Management for the greatest prosperity of the people through the utilization and exploitation of marine resources by applying the principles of the blue economy.

Explanation to Article 14, Para 1:

The blue economy is an approach to improving sustainable marine management and conservation of marine and coastal resources and their ecosystems to generate economic growth by involving communities, resource efficiency, minimizing waste and multiple revenues.

Promoting Inclusion of Vulnerable Groups for Economic Transformation

Recognizing the role of women in the marine capture fisheries and aquaculture, especially in the post-harvest sectors

- Indonesia Blue Economy Roadmap (IBER) advocates equal roles and opportunities for women in decision making in the sector, access to natural, social and material resources, as well as rights to manage assets for fishing (e.g., land, ponds, capital, skills, technologies and extension services).
- IBER provides Employment Mapping for Disabled People in Blue Economy

Strategic actions 3 of the IBER: Increasing equality and welfare the blue economy stakeholders to achieve just transition.

The action plans include the development of an inclusive supply chain of fisheries and aquaculture products, upstream to downstream products, through fair and feasible partnerships between small-scale fishers and medium-large industries

Employment is a key target to illustrate the role of the maritime sector in creating and improving social well-being.

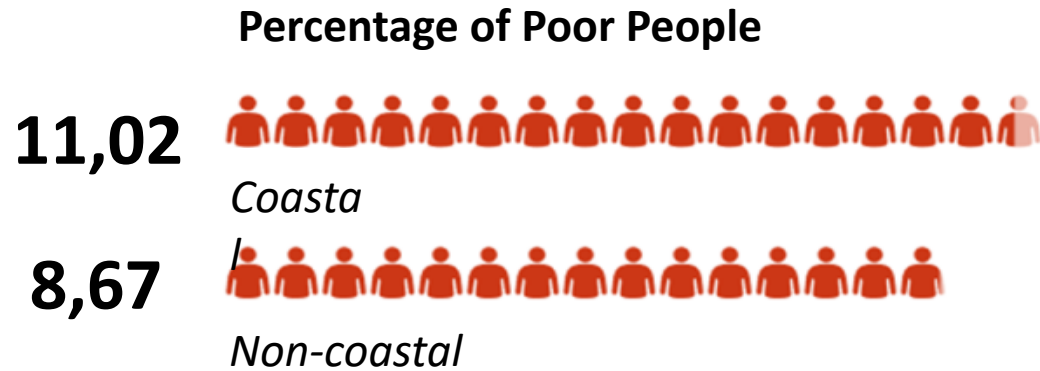
It is expected that the maritime employment can contribute to 12 percent of total employment in Indonesia by 2045

The Indonesia Blue Economy Index's social pillar focuses on inclusiveness. It measures how the ocean sectors can support the creation of welfare for Indonesian people.

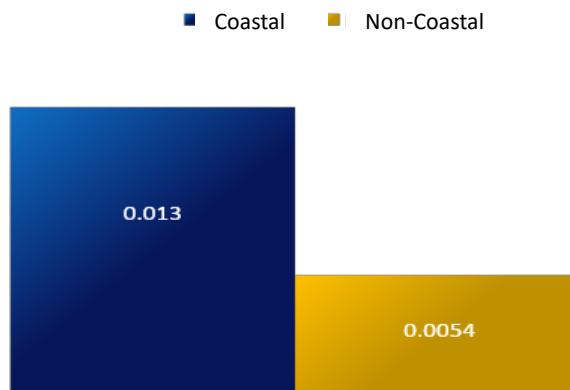
Welfare encompasses both income as well as the quality of life (healthcare). This pillar supports SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 10 (Reduced Inequalities).

Challenges in the Use of the Sea as the Source of Economic Growth

The poverty level in coastal area is significantly higher than the non-coastal's



Depth of Poverty



Source: SUSENAS March 2021, calculated *2021 provincial poverty line according to BPS

The existence of plastic waste is also a challenge in the use of the sea



Potential Plastic Waste in Indonesia (2022)

12.87 Mio Tonne/year

(unseparated) KLHK (2023)



Tourists in Bali produce

3,5X waste

compared to local community



72% Uncollected plastic waste

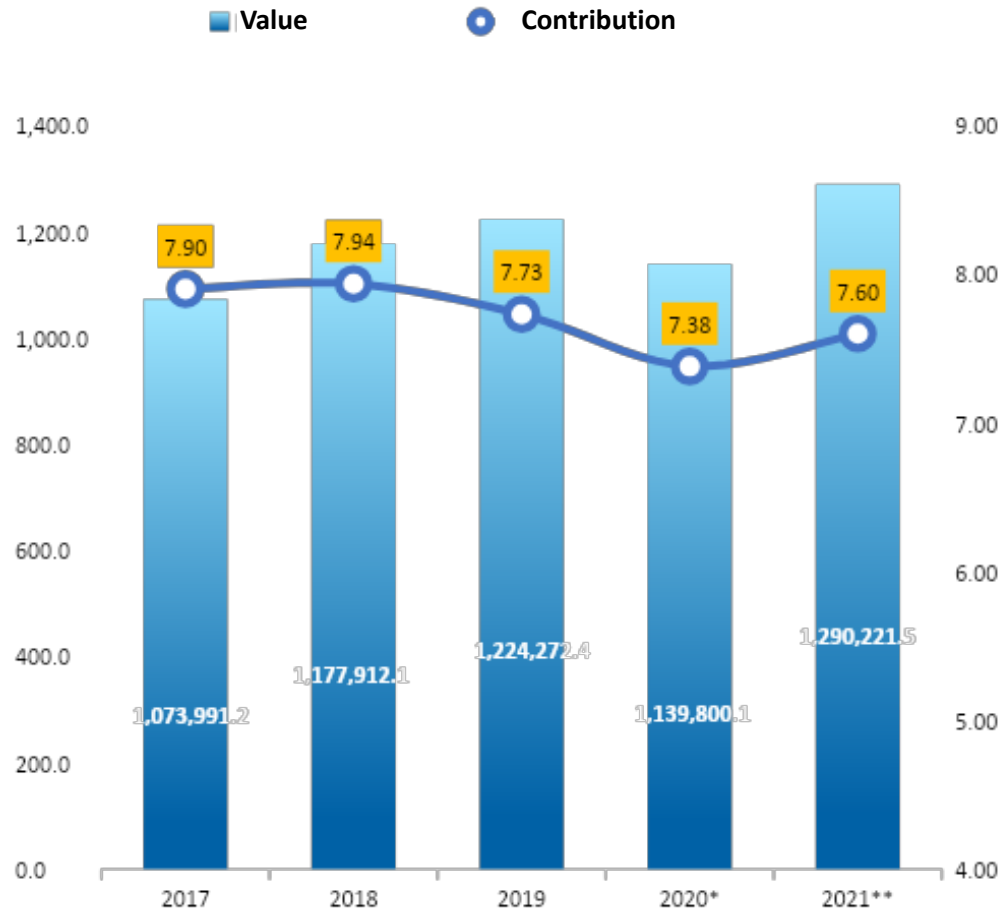
As an impact of the lack of waste collection service and infrastructure

KLHK (2020)

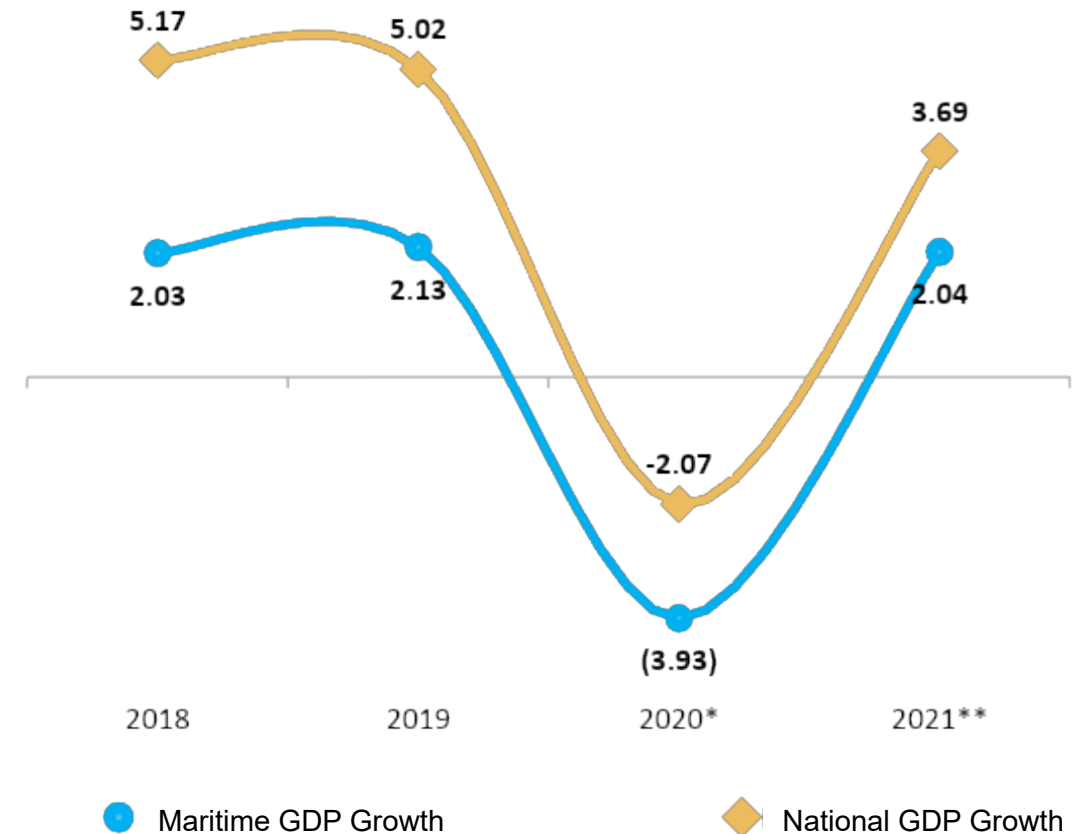
Source: Ministry of Environment and Forestry of Republic of Indonesia

Contribution of the Maritime GDP in Indonesia is Relatively Limited

Maritime GDP contribution is still limited



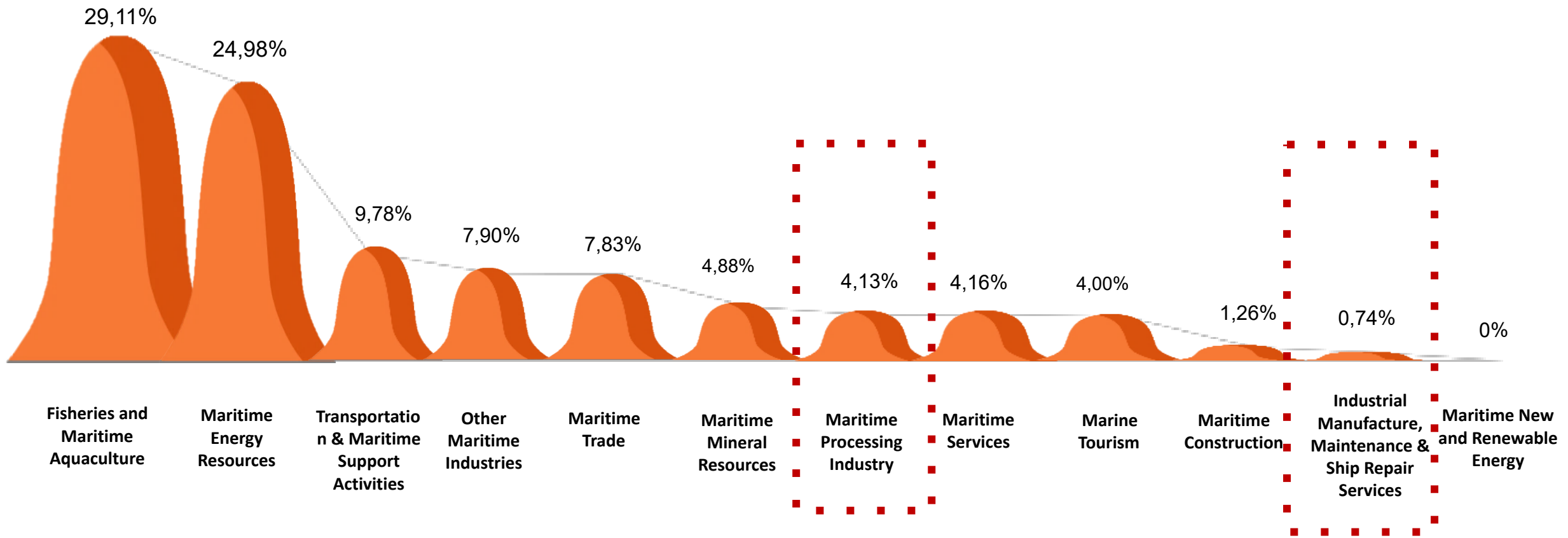
With GDP growth lower than National GDP growth



Source: BPS Estimate, Coordinating Ministry of Marves (Very Provisional Figures)

Maritime Industry Development – Downstream of Maritime Resources Should Be Encouraged

“The contribution of the Maritime Industry is still very low”



Source: BPS Estimate, Coordinating Ministry of Marves (Very Provisional Figures)

Potential Benefit of Global Collaboration



Data Sharing and Analysis:

Development partners may have access to valuable data, research, and expertise related to marine resources, fisheries, and aquaculture. Global collaboration will be beneficial for Indonesia in obtaining a more comprehensive and data-driven assessment of the potential of future research, includes the blue sector manpower



Technical Expertise:

Development partners possess specialized technical expertise in Blue Economy. Their knowledge can enhance the accuracy and depth of the blue food assessment.



Funding, Investment and Resources:

Conducting thorough Strategic Actions in IBER may require financial and logistical resources. Development partners can provide funding or in-kind support, such as research vessels, equipment, and technology to facilitate data collection and analysis.

Capacity Building:



Collaborating with development partners can offer opportunities for capacity building and knowledge transfer. Relevant stakeholders can benefit from training programs, workshops, and exchanges to build expertise in blue economy assessment methodologies and sustainable practices.

Potential Areas of Collaboration

Ocean renewable energy developme nt	High-tech based investments: Biotechnology, Marine Bioeconomy	Blue Food	Marine tourism	Sustainabl e Fisheries Managem ent Projects
Marine- based Research and Developmen t Projects Blue Career Developmen t	Marine-based businesses and start-ups development	Blue Carbon Projects	Waste Managem ent	Conservatio n and Marine Protected Areas
	Marine-based Education (formal, non- formal)	Marine-based filmmaking location permit partnerships	Maritime Transport	Blue Investm ent Banking

Potential Blue Finance Instruments



Debt based

E.g. SDG Bonds, Green Bonds, SOE, Banking Sectors, Fin-tech, NGO/Donor-supported



Other bonds

E.g. Impact/ Outcome-based Bonds



Sharia Financing

E.g. Zakat Bonds, Green Sukuk



Trust Funds

E.g. Government, NGO



Capital Markets

E.g. Private sectors debt and equity



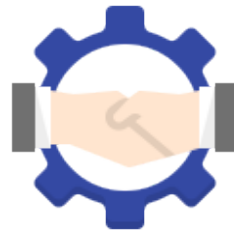
Impact Investments

E.g. Both equity and debt



Philanthropy

E.g. CSR, Direct Grants



Development Partners

E.g. ADB, UNDP



Blended Finance

E.g. Combination of potential instruments



Debt for Nature Swaps

E.g. Terrestrial examples



Insurance

E.g. Coral Reef Insurance, Parametric Insurance



Ecological Fiscal Transfers



Ministry of National
Development Planning/Bappenas
Republic of Indonesia



THANK YOU

What's next?

12.15-12.45pm - Lunch