

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Kelly, Anne: Files
Folder Title: Invest Indonesia
Box: OA 11947

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

INDONESIA DEVELOPMENT NEWS

Volume 7/Number 11
July 1984

National Development Information Office—
Republic of Indonesia

All amounts shown throughout IDN are in U.S. dollars unless otherwise indicated (U.S. \$100 = Rp. 1,000)

➔ Indonesia Seeks New Technological Partnerships

As part of an ongoing effort to identify advanced technology to facilitate Indonesia's development, Prof. Dr. B.J. Habibie, state minister for research and technology, met with leading business executives and government officials during a four-week mission to the United States and Japan.

Among the highlights of his mission were:

- The signing of technical agreements with Japan and the United States;
- Visits to top corporations in the fields of aviation, telecommunications, energy development and others;
- A major address to a leading U.S. business forum;
- Official calls on Japan's prime minister and the vice president of the United States;
- His delivery of a CN-212 plane built by P.T. Nurtanio to Air Guam (see story on page 2).

During his trip to Japan, Dr. Habibie signed a memorandum for the establishment of an Indonesia-Japan Forum for Science and Technology that will engage in joint-research projects and result in an increased exchange of scientific information between the two countries. Mr. Keiichi Oshima, vice-chairman of Japan's Industrial Research Institute, signed the memorandum for Japan.

Dr. Habibie said that the new Indonesian-Japanese forum will organize yearly meetings to facilitate further cooperation



Minister Habibie (left) looks on as Indonesia's ambassador to the United States, A. Hasnan Habib, signs the renewed science and technology agreement between the United States and Indonesia. Under Secretary of State Michael Armacost (seated right) signed for the United States.

between the two countries in science and technology. The forum will also hold various programs comprising skill training, seminars and on-the-spot visits to projects that are connected with industrial, governmental and scientific research and development. Through this forum, Indonesia is expected to share Japanese experiences in managing and applying technological innovations to industry.

In meetings with Prime Minister Nakasone and other ministers and officials of the Japanese government, Dr. Habibie reviewed Japan's technological and scientific achievements.

In the United States, Dr. Habibie visited

a number of high-technology companies in California, Ohio, New York, New Jersey, Washington and Missouri and held discussions at the White House with Vice President Bush about business and technological cooperation between Indonesia and the United States. Vice President Bush, who visited Indonesia in May 1983, expressed his interest in achieving closer cooperation between the two countries.

While in Washington, Dr. Habibie was also present at the signing ceremony for

CONTINUED ON PAGE 2

Larger 1983/84 Trade Surplus Achieved

Indonesia achieved a trade surplus of \$7.62 billion in fiscal year 1983/84—an increase of more than 100 percent over the surplus achieved last year—according to a Department of Trade report.

The trade figures, which exclude services, showed that total exports were valued at \$22.04 billion while total imports were valued at \$14.42 billion. In fiscal year 1982/83 the value of exports was \$21.36 billion and the value of imports was \$18.07 billion, representing a surplus of \$3.29 billion.

The substantial drop in imports was due, in part, to the rephasing of major projects that were relatively import-intensive.

Income from non-oil and non-gas

exports was \$5.41 billion as compared with \$3.95 billion the previous year, an improvement of nearly 37 percent. These results significantly exceeded expectations. The Government had forecast a 20 percent improvement at the beginning of the year and adjusted this to 25 percent about mid-year.

Income from oil exports was down 5.1 percent (\$13.83 billion in 1983/84, against \$14.57 billion in 1982/83) and income from gas exports was down 1.3 percent (\$2.79 billion in 1983/84, against \$2.83 billion in 1982/83).

The past three years have been transitional in terms of adjusting to new global economic conditions and 1984/85 trade

CONTINUED ON PAGE 5

In This Issue

Energy And Electrification Development Plans: Repelita IV

This month IDN continues its series on the objectives of Repelita IV, Indonesia's Fourth Five-Year Development Plan, with a feature on energy development and electrification objectives... See pages 4-5.

Japan's Development Assistance

As reported last month in Indonesia Development News, the nations and multilateral agencies comprising the Inter-Governmental Group on Indonesia (IGGI) pledged loans and aid of more than \$2.45 billion during their annual meeting at The Hague, the Netherlands, in early June. Of this total, bilateral assistance amounted to some \$695 million, with Japan heading the list of donors. In this issue, IDN reports on the development cooperation between Indonesia and Japan. ... See page 6.

Technology

CONTINUED FROM PAGE 1

the renewal of a Scientific Research and Technological Development agreement between the United States and Indonesia. The agreement was signed for Indonesia by Ambassador to the United States A. Hasnan Habib and, for the U.S., by Under Secretary for Political Affairs Michael Armacost.

The signing of the agreement, with amendments, extended for a further five years an accord between the two countries that was signed in Washington on December 11, 1978, and entered into force on October 5, 1979. The renewed agreement is expected to come into force on October 5.

In a speech to a gathering of corporate executives and public officials at a program sponsored by the Town Hall of California earlier during his visit, Dr. Habibie said that Indonesia is moving rapidly to transform itself from an economy based predominantly on agriculture to an industrialized society. He noted that this means a growing market for American technological skills.

American workers and industry—especially in the electronics, energy and engineering fields—have a major economic stake in the continued technological development of Indonesia, he said at the meeting in Los Angeles.

"Our building of aircraft translates into a demand for Kaiser and ALCOA alumi-

num, for Bendix and Rockwell-Collins avionics, for General Electric and Garrett engines, for Boeing production know-how and for IBM computing equipment," Minister Habibie noted in a paper prepared for the Town Hall meeting.

Further, he suggested, this development presents an expanding range of opportunities for direct investments by American firms in joint-venture projects in such fields as agriculture, machine tools, electronics, pulp and paper and petrochemicals.

"Indonesia will continue to open its economy to companies prepared to participate in the country's economic and social development," the minister noted. "American goods and services have been a welcome fact of our economic life for at least the past 15 years."

Similarities with U.S.

Minister Habibie, who is also chairman of the Agency for the Assessment and Application of Technology, compared Indonesia's position today with that of the United States 100 years ago. Indonesia is at the beginning of a great spurt in industrial activity based on the belief that the "pursuit of economic well-being is best based on the free-market principle."

And like the United States, he indicated, Indonesia cannot afford not to stress technological development: "Without modern technology, any effort at nation-building will be ineffective. Without modern technology, no people can develop

their economic, social and cultural potential. Without modern technology, no people can bring fulfillment to their existence as a nation capable of standing on its own economically, with the ability to maintain cultural identity and the power to preserve political independence."

Resource-Rich

The minister noted the rich resource base Indonesia possesses. The country grows rice, cassava and other food crops and is a major producer of natural rubber, palm oil, tea, coffee, tobacco, spices and copra. "Our forests are one of the last large reserves of tropical hardwood in the world—meranti, ramin, kruing, teak and other species. We have ... the world's largest spawning ground for tuna," Dr. Habibie reported.

Enumerating some of Indonesia's other attributes and the potential for foreign participation in the nation's economy, he cited the country's nearly 23 billion tons of estimated coal reserves and said that its hydroelectric and geothermal energy resources will be increasingly tapped both for domestic needs and for export.

He observed that Indonesia is a world producer of tin, while the production and export of nickel and copper are on the increase. Another key Indonesian resource, Dr. Habibie informed his audience, is its abundant, low-cost, trainable and disciplined work force.

The minister counseled that Indonesia remains an attractive partner for U.S. business firms. The country's 13,677 islands, with a total land area of 741,101 square miles, spread over a total sea area of 1.2 million square miles of territorial and archipelagic waters and an additional 1 million square nautical miles of Exclusive Economic Zone waters, he noted, requires the Government to develop and improve satellite, telephone and telex communications and transportation systems. "Today all of the capital cities of our 27 provinces can be reached by return air-flight at least once a day."

Citing the widespread expectation that the Pacific region will be at the center of world development in the 21st century, Dr. Habibie noted that since 1977 the Pacific Basin has overtaken Europe as the biggest trading partner of the United States, and the gap continues to widen. He recalled that of the \$138.8 billion in U.S. trade with 21 Pacific countries, the fastest-growing component is with the East Asian countries.

The United States is currently the second largest foreign investor in Indonesia, after Japan, and continues to be the largest foreign investor in the large oil and gas sector. □

Nurtanio Plane Delivered To Air Guam

An Indonesian-built passenger airplane has made its debut in the American market, going into service for Air Guam, a regional carrier based on the U.S. island.

The aircraft is the CN-212, built by P.T. Nurtanio, the Indonesian state-owned aircraft manufacturer located at Bandung, West Java.

The CN-212, also known as the Aviocar, is built under license from Construcciones Aeronauticas S.A. (CASA) of Spain. The twin-engine aircraft can accommodate 21 passengers.

Air Guam has ordered three CN-212s from Nurtanio. The remaining aircraft will be delivered in September and December.

Delivery of the first airplane took place in June at a ceremony on Guam. It was presented to Air Guam officials by State Minister for Research and Technology B.J. Habibie, who is also president-director of Nurtanio, at the

start of a visit to the United States.

Governor Ricardo J. Bordallo of Guam said his island is "proud to be the first place for P.T. Nurtanio to make its debut in penetrating the United States market."

A Nurtanio official said the CN-212 delivered to Air Guam was the sixth such model to be exported. Five CN-212s had previously been delivered to Thailand.

Developing Bigger Plane

P.T. Nurtanio also builds a number of helicopter models under license and has jointly developed with CASA a 34- to 38-passenger aircraft, the CN-235, that was rolled out last September.

The CN-235 is currently undergoing flight tests that will lead to eventual certification by the Federal Aviation Authority of the United States, a requirement for export sales. □

INVEST INDONESIA

An American Private Sector Initiative

John J. Rhodes
Chairman
Douglas L. Olson
Executive Director

1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

Phone: (202) 466-3604
Telex: 710-822-9509
Officecom

INVEST INDONESIA is an American non-profit, private sector initiative endorsed by the Governments of the United States and Indonesia to identify, qualify and foster viable Indonesian investment opportunities for American businesses.

The goal of INVEST INDONESIA is to recruit United States companies that are not presently operating in Indonesia, and through these companies, establish new, profitable, United States investments in Indonesia.

INVEST INDONESIA offers American companies that already have a presence in Indonesia the opportunity to sponsor a United States private sector initiative that responds to a direct request by the Indonesian Government. Through this sponsorship, these companies can directly effect, enhance and, in turn, benefit from a vibrant, expanding Indonesian economy. The American companies that assist in sponsoring INVEST INDONESIA reaffirm with Indonesia that their company is an active, supportive member of the Indonesian economy and business community.

The Governments of the United States and Indonesia recognize the importance of strong ties between the Indonesian and United States private sectors. INVEST INDONESIA will focus on developing a continuing, cooperative and supportive business liaison between Indonesia and the United States. While the focus of the effort will be to promote and enhance American investments in Indonesia, INVEST INDONESIA will also provide a forum for greater understanding between the two countries.

As its major activity, INVEST INDONESIA will conduct a year long program highlighted by the implementation of a carefully designed United States private sector investment mission to Indonesia in February 1985. The mission will be financed by the United States private sector. Fifteen United States businesses with the capability to provide the most appropriate and desirous investments suitable to Indonesia will be recruited.

Representatives from these companies will travel on the mission to Indonesia, meet senior Indonesian and United States government officials and potential Indonesian joint-venture partners. Through this process, the American mission participants will have the opportunity to identify and begin implementation of joint-venture investments.

INVEST INDONESIA will implement activities designed to enhance and strengthen United States business within the Indonesian economy. They are as follows:

- Identify and recruit appropriate United States companies that are not presently operating in Indonesia.
- Actively work with the Indonesian Government and private sector to identify specific economic priority sectors, develop project profiles and target appropriate bona fide Indonesian companies and investment projects.
- Design and implement an investment mission which translates Indonesian business and economic needs into opportunities for the American mission participants.
- Conduct post-mission analysis and follow-up to assist in the realization of specific investment opportunities targeted during the investment mission.

While INVEST INDONESIA is a private sector initiative, it is authorized to cooperate and work closely with the Governments of the United States and Indonesia. This close working relationship will assure compliance with respective government guidelines and policies established to facilitate mutually beneficial investment opportunities.

KEDUTAAN BESAR REPUBLIK INDONESIA
EMBASSY OF THE REPUBLIC OF INDONESIA
WASHINGTON, D. C. 20036



CHANCERY
2020 MASSACHUSETTS AVENUE, N. W.
TELEPHONE 203-1745

THE AMBASSADOR

April 18, 1984

Mr. Douglas Olson
Executive Director
Invest Indonesia
Suite 720, Executive Building
1030 15th Street, N.W.
Washington, D.C. 20005

Dear Mr. Olson:

As you know from your discussions with Mr. Kasri, Director of our Investment Promotion Office, my Government is very interested in promoting additional American investment in Indonesia. At the meeting on March 5 with you and Mr. Luman, I indicated my own belief that an investment mission sponsored by the American private sector could be mutually advantageous. I have reflected on the points that you and Mr. Luman brought up regarding the commitments by the Indonesian Government that you felt were necessary to maximize the chances of private sector support. After consulting with officials of my Government in Jakarta, I wanted to relay the following points to you:

First, the Government of Indonesia strongly supports the effort that Invest Indonesia plans to undertake to secure financing and conduct an investment mission to Indonesia in late 1984. My Government will cooperate fully with this effort.

Second, we recognize that many U.S. companies interested in investing in Indonesia are concerned about the potential difficulties that may arise because our Government operates differently from your own and because parts of the cultural environment are likewise

/ strange to

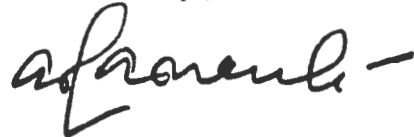
strange to them. The Indonesian Government is prepared to take actions to increase the success of the mission and subsequent investment activities, including to seriously consider the establishment of a special liason office charged with facilitating communications with investors and assisting them in resolving problems that may arise.

Third, we understand the importance of insuring that the venture itself is kept apprised of developments in Indonesia and is able to get answers to questions that may arise. To meet this need, we will provide channels of communications to the Indonesian Government for expediting such matters.

Fourth, it is understood that this mission will be constituted only by those U.S. companies who are really interested to invest in Indonesia.

We are excited by the potential of this venture, but we also appreciate the challenges that it faces. Please be assured that I and my staff at the Embassy want to see the venture succeed and offer our assistance in any way that may help.

Sincerely,



A. Hasnan Habib
Ambassador

No.18/DB/84

**Biography of
former
CONGRESSMAN
JOHN J. RHODES**

JOHN J. RHODES served 30 years in the U.S. House of Representatives from Arizona's First Congressional District. During that time, he served in a variety of leadership positions, including seven years as the House Republican Leader.

In 1952, John Rhodes became the first Republican ever elected to the House of Representatives from Arizona. He served 15 consecutive terms—the longest House of Representatives tenure in Arizona's history.

In December, 1973, he was elected House Minority Leader when his predecessor, Gerald R. Ford, became Vice President. He was re-elected Minority Leader three times—each time by acclamation. He retired voluntarily from that position in 1981.



Prior to his election to the top Republican Leadership post, Rhodes served for nine years as chairman of the House Republican Policy Committee. He is a former member of the Committees on Appropriations, Rules, Education and Labor, and Interior and Insular Affairs. He was also a member of the Joint Study Committee on Budget Control, the panel that created the Congressional budgetary process.

He has served as Permanent Chairman of the Republican National Conventions in both 1976 and 1980. He also served as chairman of the 1972 convention's Platform Committee.

John Rhodes is the author of *THE FUTILE SYSTEM* (EPM Publications) a book about how the legislative process suffered during nearly 40 years of one-party control. James Reston of *The New York Times* described the book as "The most critical book on the Congress that has appeared in a very long time." Columnist Jack Anderson said it was "ferocious but fascinating." *The Washington Post* called it "Prerequisite reading for all who would understand the workings of the House." Mr. Rhodes has also authored an article "The Far Side of the Hill" which was published in the *Foreign Affairs* magazine of December 1982. In the article he develops the idea that we should plan an agenda to take us where we want to be 50 years from now.

During World War II, Rhodes served in the U.S. Air Force at Williams Air Force Base, near Chandler, Arizona. After the war, he was released from active duty with the rank of Lt. Colonel and began practicing law in nearby Mesa, Arizona. He became an officer and principal stockholder of the Farm & Home Life Insurance Co., a position he held for over 25 years.

On May 24, 1942, he married Mary Elizabeth (Betty) Harvey. They have four children and nine grandchildren.

Born on September 18, 1916, in Council Grove, Kansas, Rhodes attended Kansas State University and received a Bachelor of Science degree in 1938. He graduated from Harvard Law School and is a member of the bar in Arizona, Kansas, and Washington, D.C. He has been honored with honorary doctorates by the University of Arizona, Arizona State University, Kansas State University and Baker University. Arizona State University has established the John J. Rhodes Chair in the College of Public Programs.

Mr. Rhodes is a partner in the law firm of Cummings & Lockwood, practicing in the firm's Washington, D.C. office. He is also a member of the Board of Directors of the Arizona Public Service Company, and a consultant to the Central Arizona Water Conservation District.

INVEST INDONESIA
An American Private Sector Initiative

John J. Rhodes
Chairman
Douglas L. Olson
Executive Director

1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

Phone: (202) 466-3604
Telex: 710-822-9509
Officecom

Dear

I am writing as Chairman of INVEST INDONESIA, a non-profit, private sector funded investment assistance program endorsed by the United States and Indonesian Governments. During my 30 years in Congress and tenure as Minority Leader of the United States House of Representatives, I supported private sector initiatives and policies which fostered U.S. investment abroad. INVEST INDONESIA offers an exciting opportunity to help both countries directly and I urge your careful consideration.

INVEST INDONESIA was established in response to a direct request by the Indonesian Government to assist them in increasing United States business investments in their country. Our purpose is to attract United States businesses that are not yet established in Indonesia in industries of primary importance to that country. In February 1985, I will lead a government sanctioned private sector investment mission to Indonesia. The Government of Indonesia will grant our mission special status and coordinate our meetings with government officials and Indonesian businesses. Investment projects arising from the mission will be given special handling by the Indonesian Government.

Because of your company's strong presence in Indonesia, I urge you to support our effort. We invite you to become a sponsor through a fully tax deductible grant of \$5,000. Your assistance will enable INVEST INDONESIA to continue its very exciting program and to show the Government of Indonesia that your company is an active, supportive member of their private sector. We know your support and cooperation will be appreciated and noted.

Page 2

Douglas L. Olson, the Executive Director of INVEST INDONESIA, will be contacting your office within the next ten days to discuss with you in detail INVEST INDONESIA'S program. For your information and review prior to speaking with Doug, I have enclosed a short summary of INVEST INDONESIA. I hope you will consider this proposal and join us in this unique opportunity.

Yours sincerely,

John J. Rhodes

JJR/go

Enclosure



CONTRACTORS
ENGINEERS
DEVELOPERS

MORRISON-KNUDSEN COMPANY, INC.

EXECUTIVE OFFICE
MORRISON-KNUDSEN PLAZA
P.O. BOX 7808 / BOISE, IDAHO 83729 / U.S.A.
PHONE: (208) 345-5000 / TELEX: 368439

R. K. WOODHEAD
SENIOR CORPORATE VICE PRESIDENT

August 10, 1984

Mr. John J. Rhodes
Chairman
Invest Indonesia
1629 K Street, N.W., Suite 500
Washington, D.C. 20006

Dear Mr. Rhodes:

In response to your recent letter to our chairman, Mr. W. H. McMurren, inviting us to become a sponsor of Invest Indonesia, we are pleased to enclose a check for the requested \$5,000.

We are indeed involved in Indonesia, and are happy to be able to become a part of this worthwhile effort.

Thank you for thinking of M-K, and best wishes for every success with Invest Indonesia.

Very truly yours,

RKW:mp

Enc.



Office of Secretary of State

I, GLENN C. KENTON, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF INVEST INDONESIA, INC. FILED IN THIS OFFICE ON THE SIXTH DAY OF AUGUST, A.D. 1984, AT 10 O'CLOCK A.M.

|||||



Glenn C. Kenton, Secretary of State

842160225

AUTHENTICATION: 10301463

DATE: 08/06/1984

FILED

AUG 6 1984

Wm. C. Keenan
SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

OF

INVEST INDONESIA, INC.

(Nonstock Corporation)

FIRST: The name of the corporation (the "Corporation") is INVEST INDONESIA, INC.

SECOND: The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of the State of Delaware or by any other law of Delaware or by this certificate of incorporation, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the Corporation.

FOURTH: The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends. The conditions of membership shall be as follows:

The Corporation shall have one class of members who shall not be entitled to vote. The management and control of the corporation shall be vested in a self-perpetuating Board of Directors in accordance with the provisions of Section 141 of the Delaware Corporation Law, including any amendment to or substitutions for such Section 141 which may be made from time to time.

FIFTH: The name and mailing address of the incorporator is Dennis J. Taylor, 1090 Vermont Avenue, N.W., Suite 650, Washington, D.C. 20005.

SIXTH: The Board of Directors is expressly authorized to exercise all powers granted to the directors by law except insofar as such powers are limited or denied herein or in the By-laws of the Corporation. In furtherance of such powers, the Board of Directors shall have the right to make, alter or repeal the By-laws of the Corporation.

SEVENTH: Meetings of members may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation. Election of directors need not

be by written ballot unless the By-laws of the Corporation shall so provide.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon members herein are granted subject to this reservation.

THE UNDERSIGNED, being the sole incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, makes this certificate, hereby declaring and certifying that this is his act and deed and the facts herein stated are true, and accordingly, has hereunto set his hand this 26th day of July, 1984.


Sole Incorporator

THE WHITE HOUSE
WASHINGTON

August 30, 1984

MEMORANDUM FOR ANNE HIGGINS

FROM: ANNE KELLY
PRIVATE SECTOR INITIATIVES

SUBJECT: PRESIDENTIAL LETTER

I would like to respectfully request that a Presidential letter be prepared for Invest Indonesia, an international private sector initiative. Background material as well as draft language is attached.

Please feel free to call me directly on x6204 should you have any questions.

I appreciate your consideration of this request.

**INVEST INDONESIA, INC.
AN AMERICAN PRIVATE SECTOR INITIATIVE**

1629 K STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20006

PHONE: (202) 466-3604

TELEX: 710-8229509

OFFICECOM

JOHN J. RHODES
CHAIRMAN

DOUGLAS L. OLSON
EXECUTIVE DIRECTOR

August 24, 1984

Anne Marian Kelly
Private Sector Initiatives
The White House
Room 134
Washington, D.C.

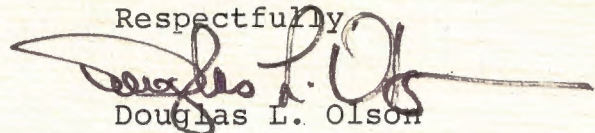
Dear Anne:

As we discussed, INVEST INDONESIA has been asked by the Department of Commerce to contribute an article to its October issue of Business America. The article will be approximately five pages in length with photos and highlight the goals and objectives of INVEST INDONESIA and the uniqueness of this private sector initiative.

I would be very interested in having the White House, and preferably the president quoted in the article. Commerce does not usually give this much space to a new program, but the concept has generated a great deal of interest. During my absence, Ms. Mary Pittelli will be contacting you. She is a free-lance writer and will be responsible for researching and writing the article for INVEST INDONESIA. Any assistance and background information you could supply would be greatly appreciated.

Also, I have attached a general draft of a letter that I feel would be appropriate from President Reagan to John Rhodes. Please make editorial changes as you wish.

Respectfully,



Douglas L. Olson

DLO/apm

Attachment

DRAFT

John J. Rhodes
Chairman
INVEST INDONESIA, Inc.
1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

Dear John:

I heartily commend the efforts of INVEST INDONESIA and applaud the American business community for their support of this fine program.

As you know, I have continuously stressed my deep commitment and belief in private sector initiatives and INVEST INDONESIA is a shining example of how the United States private sector can work together effectively at home and abroad.

I am pleased that the American private sector has created a vehicle that will actively assist United States business in expanding its markets and investment opportunities while at the same time, providing Indonesia with business partners so vital to their continued economic expansion.

I look forward to hearing more about INVEST INDONESIA as actual projects are implemented through your efforts.

I wish you the best of success with this very innovative and unique private sector initiative.

Best Wishes,

President Reagan

INVEST INDONESIA
An American Private Sector Initiative

1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

John J. Rhodes
Chairman
Douglas L. Olson
Executive Director

Phone: (202) 466-3604
Telex: 710-822-9509
Officecom

*Anne
See Me on this*

July 26, 1984

*mc -
your
Thursday
appt
AK*

Anne Kelly
Private Sector Initiatives
The White House
Room 134
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Anne:

As per our conversation last week, the specific goals of INVEST INDONESIA are as follows:

- (a) To strengthen and expand the U.S. private sector within the Indonesian economy;
- (b) To provide a high level, productive, results oriented forum to transfer U.S. technology, services and goods to Indonesia;
- (c) To assist in developing the private sector of a strategically important country, economically and politically, to the U.S.; and,
- (d) To fund and implement these programs through the U.S. private sector with the active cooperation and support of the U.S. and Indonesian governments.

As was evidenced by the December, 1983 OPIC investment mission to Indonesia, a pro-active forum that highlights U.S. business has in the past and can continue to achieve excellent results. In excess of \$100,000,000 will be invested in Indonesia by U.S. firms as a direct result of the OPIC mission.

The Indonesian government and major U.S. firms have already begun to pledge financial support to INVEST INDONESIA's efforts. John J. Rhodes, former Minority Leader in the United States House of Representatives, will lead an investment mission of U.S. businesses to Indonesia in February, 1985. This will be the major activity, of several, that are being planned by INVEST INDONESIA over the next twelve months.

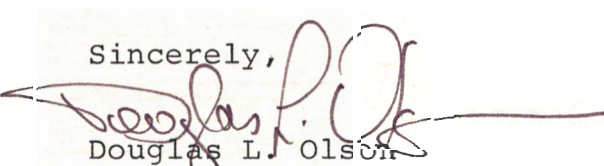
For your review, attached please find the following:

- (a) Two page description of INVEST INDONESIA's program;
- (b) April 18, 1984 letter to INVEST INDONESIA from Indonesia's Ambassador, A. Hasnan Habib;
- (c) February, 1985 investment mission summary;
- (d) Cover letter and final report regarding the December, 1983 OPIC investment mission to Indonesia; and,
- (e) Two letters and two Department of Commerce cables supporting INVEST INDONESIA's initiative.

I feel that this private sector initiative is very innovative and unique in its concept and approach. I would be very interested in any comments or suggestions you may have and would like to meet with you to discuss these issues in greater detail.

Thank you for your consideration in this matter and I look forward to talking to you in the near future.

Sincerely,



Douglas L. Olson

DLO/apm

Attachments

cc: John J. Rhodes
Dennis J. Taylor

INVEST INDONESIA

An American Private Sector Initiative

John J. Rhodes
Chairman
Douglas L. Olson
Executive Director

1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

Phone: (202) 466-3604
Telex: 710-822-9509
Officecom

INVEST INDONESIA is an American non-profit, private sector initiative endorsed by the Governments of the United States and Indonesia to identify, qualify and foster viable Indonesian investment opportunities for American businesses.

The goal of INVEST INDONESIA is to recruit United States companies that are not presently operating in Indonesia, and through these companies, establish new, profitable, United States investments in Indonesia.

INVEST INDONESIA offers American companies that already have a presence in Indonesia the opportunity to sponsor a United States private sector initiative that responds to a direct request by the Indonesian Government. Through this sponsorship, these companies can directly effect, enhance and, in turn, benefit from a vibrant, expanding Indonesian economy. The American companies that assist in sponsoring INVEST INDONESIA reaffirm with Indonesia that their company is an active, supportive member of the Indonesian economy and business community.

The Governments of the United States and Indonesia recognize the importance of strong ties between the Indonesian and United States private sectors. INVEST INDONESIA will focus on developing a continuing, cooperative and supportive business liaison between Indonesia and the United States. While the focus of the effort will be to promote and enhance American investments in Indonesia, INVEST INDONESIA will also provide a forum for greater understanding between the two countries.

As its major activity, INVEST INDONESIA will conduct a year long program highlighted by the implementation of a carefully designed United States private sector investment mission to Indonesia in February 1985. The mission will be financed by the United States private sector. Fifteen United States businesses with the capability to provide the most appropriate and desirous investments suitable to Indonesia will be recruited.

Representatives from these companies will travel on the mission to Indonesia, meet senior Indonesian and United States government officials and potential Indonesian joint-venture partners. Through this process, the American mission participants will have the opportunity to identify and begin implementation of joint-venture investments.

INVEST INDONESIA will implement activities designed to enhance and strengthen United States business within the Indonesian economy. They are as follows:

- Identify and recruit appropriate United States companies that are not presently operating in Indonesia.
- Actively work with the Indonesian Government and private sector to identify specific economic priority sectors, develop project profiles and target appropriate bona fide Indonesian companies and investment projects.
- Design and implement an investment mission which translates Indonesian business and economic needs into opportunities for the American mission participants.
- Conduct post-mission analysis and follow-up to assist in the realization of specific investment opportunities targeted during the investment mission.

While INVEST INDONESIA is a private sector initiative, it is authorized to cooperate and work closely with the Governments of the United States and Indonesia. This close working relationship will assure compliance with respective government guidelines and policies established to facilitate mutually beneficial investment opportunities.

KEDUTAAN BESAR REPUBLIK INDONESIA
EMBASSY OF THE REPUBLIC OF INDONESIA
WASHINGTON, D. C. 20030



CHANCERY
2020 MASSACHUSETTS AVENUE, N. W.
TELEPHONE 203-1745

-THE AMBASSADOR

April 18, 1984

Mr. Douglas Olson
Executive Director
Invest Indonesia
Suite 720, Executive Building
1030 15th Street, N.W.
Washington, D.C. 20005

Dear Mr. Olson:

As you know from your discussions with Mr. Kasri, Director of our Investment Promotion Office, my Government is very interested in promoting additional American investment in Indonesia. At the meeting on March 5 with you and Mr. Luman, I indicated my own belief that an investment mission sponsored by the American private sector could be mutually advantageous. I have reflected on the points that you and Mr. Luman brought up regarding the commitments by the Indonesian Government that you felt were necessary to maximize the chances of private sector support. After consulting with officials of my Government in Jakarta, I wanted to relay the following points to you:

First, the Government of Indonesia strongly supports the effort that Invest Indonesia plans to undertake to secure financing and conduct an investment mission to Indonesia in late 1984. My Government will cooperate fully with this effort.

Second, we recognize that many U.S. companies interested in investing in Indonesia are concerned about the potential difficulties that may arise because our Government operates differently from your own and because parts of the cultural environment are likewise

/ strange to

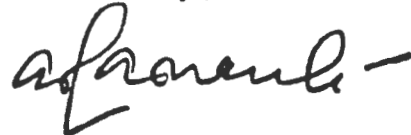
strange to them. The Indonesian Government is prepared to take actions to increase the success of the mission and subsequent investment activities, including to seriously consider the establishment of a special liason office charged with facilitating communications with investors and assisting them in resolving problems that may arise.

Third, we understand the importance of insuring that the venture itself is kept apprised of developments in Indonesia and is able to get answers to questions that may arise. To meet this need, we will provide channels of communications to the Indonesian Government for expediting such matters.

Fourth, it is understood that this mission will be constituted only by those U.S. companies who are really interested to invest in Indonesia.

We are excited by the potential of this venture, but we also appreciate the challenges that it faces. Please be assured that I and my staff at the Embassy want to see the venture succeed and offer our assistance in any way that may help.

Sincerely,



A. Hasnan Habib
Ambassador

No.18/DB/84

INVEST INDONESIA

An American Private Sector Initiative

John J. Rhodes
Chairman
Douglas L. Olson
Executive Director

1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

Phone: (202) 466-3604
Telex: 710-822-9509
Officecom

INDONESIAN INVESTMENT MISSION

FEBRUARY, 1985

INVEST INDONESIA is an American non-profit, private sector initiative endorsed by the Governments of the United States and Indonesia to identify, qualify and foster viable Indonesian investment opportunities for American businesses. INVEST INDONESIA was established in response to a direct request by the Indonesian Government to assist them in increasing United States business investments in their country.

The goal of INVEST INDONESIA is to recruit fifteen United States companies that are not presently operating in Indonesia, and through these companies, establish new, profitable, United States investments in Indonesia. The mission will be lead by John Rhodes, former Minority Leader in the United States House of Representatives.

Mission participants will benefit from the following:

- The Government of Indonesia will grant our mission special status and actively assist in coordinating meetings with government officials and Indonesian businesses,
- Private business meetings will be scheduled, tailored to your company's specific interests and requirements, with selected Indonesian businesses that are actively seeking United States business partners,
- Receive detailed briefings and literature on Indonesian investment climate, political environment and what is required for an American firm to operate successfully in Indonesia,
- Gain insights into conducting business in Indonesia through meetings and discussions with local business leaders and United States business executives based in Indonesia,

- Investment projects arising from the mission will be given special attention and handling by the Indonesian Government,
- Obtain comprehensive details on United States and Indonesian investment services available to the private sector,
- Opportunity to gain exposure and access to high-level Indonesian and United States Government officials through professional and social events,
- Share insights and information with other investment mission participants and professional contemporaries, and
- Most effective use of participant time and money, as preparation and mission activities are attended to in advance by INVEST INDONESIA staff.

For more detailed information, please contact Doug Olson at the above address, or call (202) 466-3604.

INVEST INDONESIA
An American Private Sector Initiative

John J. Rhodes
Chairman
Douglas L. Olson
Executive Director

1629 K Street, N.W.
Suite 500
Washington, D.C. 20006

Phone: (202) 466-3604
Telex: 710-822-9509
Officecom

*INVESTMENT MISSION COMPANY INFORMATION

Company Name: _____

Company Address: _____

Telephone No. _____

Name and title of person attending mission: _____

Company is: privately publicly owned

Country in which company is incorporated: _____

Company is majority: U.S. foreign owned

Markets served by company:

<input type="checkbox"/> Local	<input type="checkbox"/> State/Regional	<input type="checkbox"/> National
<input type="checkbox"/> Africa	<input type="checkbox"/> S. America	<input type="checkbox"/> Europe
<input type="checkbox"/> Australia	<input type="checkbox"/> Middle East	<input type="checkbox"/> Asia

Principal products of company: _____

Company's gross revenues: _____

Company's net worth: _____

Describe the project area your company would be considering in the mission: _____

What is the maximum amount of money your company could invest in the project: _____

Would your company be seeking:

- Joint venture (majority minority equity position)
- Licensing agreement
- Other/Please explain: _____

What would you hope to achieve by attending the mission: _____

Other comments: _____

* Submission of this information form is not to be construed as an application by the above referenced respondent company, or acceptance by INVEST INDONESIA to participate in the mission. This information will be treated confidentially.

UNCLASSIFIED
DEPARTMENT OF COMMERCE

OUTGOING
TELEGRAM

PAGE 01

011896 DC1571

011896 DC1571

23/2210Z

-----24/0624Z

ORIGIN OFFICE 4110:02
INFO CEN-01 0P-01 4400-07 3000-01 3100-01 304-02 6212-01
3130-01 354-01 364-01 370-01 6420-01 HAW-01 6700-01
6210-01 6220-03 6410-01 6230-02 6211-01 DESB-01 6233-01
6320-01 6330-01 6314-01 6440-01 /032 A3 R084

NR RUEHC RUEHJ
OF RUEHDC #5363 083220Z
ZNR UUUUU
R 232204Z MAR 84
FM USDOC WASHDC
TO RUEHJ/AHEM/DASSY JAKARTA
INFO RUEHC/SECSTATE WASHDC
BT
UNCLAS USDOC 05363

USDOC

EO 12356 N/A

TAGG: GCXP, 10

SUBJ: 1984 INVESTMENT MISSION TO INDONESIA

1. USDOC HAS BEEN APPROACHED BY INDONESIAN INVESTMENT PROMOTION OFFICE IN NEW YORK TO FACILITATE AN INVESTMENT MISSION TO INDONESIA LATE IN 1984. MISSION WOULD BE FULLY BACKED BY GOI, WOULD FOCUS ON TWO OR THREE INDUSTRY SECTORS OF PRIME INTEREST TO INDONESIA, AND IF SUCCESSFUL MIGHT BE AN ANNUAL EVENT. THE GOI INVESTMENT OFFICE FEELS THAT IN-BOUND MISSIONS ARE THE MOST EFFECTIVE METHOD TO PROMOTE INVESTMENT IN INDONESIA, SINCE THEY PERMIT IN-COUNTRY ASSESSMENT BY PROSPECTIVE INVESTORS.

2. THE OLSON COMPANY'S DOUG OLSON HAS AGREED TO ACT AS EVENT ORGANIZER ON A CONSULTANT BASIS, SIMILAR TO THE ROLE HE FILLED IN THE OPIC MISSION. WE UNDERSTAND THAT HIS MARCH 3 MEMORANDUM ON THIS SUBJECT HAS BEEN PRESENTED TO VARIOUS ADDRESSEES AT OUR JAKARTA EMBASSY ON MARCH 8. THIS MEMORANDUM GIVES A GOOD PRESENTATION OF THE PLAN. INDONESIAN AMBASSADOR HASIAN HAGIB REPORTEDLY SUPPORTS THE CONCEPT, AND OLSON UNDERSTANDS THAT HE WAS TO DISCUSS THE PROPOSAL WITH MINISTER SUHARLIN AND BAPM CHAIRMAN SUHARTOYO DURING THE WEEK OF MARCH 12.

3. THIS INDONESIAN INITIATIVE WAS DISCUSSED WITH OPIC. WHILE THEIR ACTIVE PROGRAM WOULD PREVENT THEM FROM GETTING INVOLVED IN THE MISSION ITSELF, THEY MIGHT CONSIDER SOME FORM OF INVOLVEMENT WITH THEIR INVESTMENT INSURANCE AND LENDING PROGRAMS.

4. THE INVESTMENT MISSION CONCEPT WAS DISCUSSED WITH USAID INDONESIA DESK AND USAID/ASIA/PO. THE PRIVATE SECTOR DEVELOPMENT PROJECT HAS SIMILAR AIMS TO ATTRACT U.S. INVESTMENT TO INDONESIA. THREE CONSULTANTS WILL DO APPROXIMATELY THIRTY INVESTMENT PROJECT STUDIES AND MARKET THEM IN THE UNITED STATES, ATTRACTING U.S. INVESTORS TO COMMIT TO INVESTMENTS IN INDONESIA. IT IS CONCEIVABLE THAT ONE OR MORE OF THESE CONSULTANTS MIGHT UTILIZE THE INVESTMENT MISSION TO SELL U.S. COMPANIES ON INVESTING IN INDONESIA. CONVERSATIONS TO EXPLORE THESE POSSIBILITIES ARE NOW IN PROCESS WITH THE CONSULTANTS AND USAID.

5. THE AMERICAN INDONESIAN CHAMBER OF COMMERCE IN NEW YORK OR SOME OTHER INDUSTRY ASSOCIATION, SUCH AS THE NATIONAL MACHINE TOOL BUILDERS ASSOCIATION OR THE FOOD PROCESSING AND PACKAGING ASSOCIATION, MIGHT BE OFFICIAL SPONSOR OF THE MISSION. THE WORK OF RECRUITING AND TRAVEL TO INDONESIA WOULD BE UNDER THE UMBRELLA OF THIS SPONSOR.

6. USDOC IS WILLING TO CONSIDER DESIGNATING THIS MISSION UNDER THE INDUSTRY-ORGANIZED GOVERNMENT-APPROVED PROGRAM, WHICH WOULD AUTHORIZE JAKARTA FCS TO DO THE REQUIRED SUPPORT WORK FOR THE MISSION IN INDONESIA. ALL DIRECT EXPENSES

WOULD BE CHARGEABLE TO THE SPONSORING ORGANIZATION.

7. OLSON HAS ALSO BEEN SOLICITING PRIVATE SECTOR FINANCIAL SUPPORT FOR THIS PROGRAM, AND HE FEELS CONFIDENT THAT MOST OF THE OVERHEAD TO PRODUCE THE EVENT WILL BE NET FROM THESE SOURCES. PRESENT THINKING ON THE TIMETABLE HAS PLANNING MARCH/MAY, SOLICITATION MAY/SEPTEMBER, OCTOBER WRAPUP, AND MISSION TRAVEL EITHER IN NOVEMBER OR DECEMBER. EVERY EFFORT WOULD BE MADE TO AVOID PROBLEM AREAS, I.E., FINAL WRAPUP SIX WEEKS BEFORE MISSION ARRIVES, LIMITED PROTOCOL EVENTS, SMALL TEAM ACCOMPANYING MISSION, ETC.

8. APPROVAL OF THIS CONCEPT SHOULD ENHANCE THE USG RELATIONSHIP WITH GOI, SINCE IDEA ORIGINATED WITH INDONESIAN GOVERNMENT. IT FOLLOWS THAT MISSION WOULD BE BETTER RECEIVED THAN THOSE THAT DO NOT HAVE THIS SPECIAL STANDING. IT ALSO STANDS TO REASON THAT WE INCREASE THE TOTAL NUMBER OF U.S. COMPANY INVESTMENTS IN INDONESIA, NOT MUST BY A SINGLE INVESTMENT MISSION BUT BY A CONTINUING STREAM OF SUCH MISSIONS, JOINTLY SUPPORTED BY THE INDONESIAN AND U.S. SIDES. IT IS IMPORTANT THAT THE MISSIONS BE WELL TARGETED, CONSISTING OF GOOD COMPANIES AND THAT THERE BE CLOSE FOLLOW UP OF ACTUAL INVESTMENT IMPLEMENTATION FOR ONE OR TWO YEARS FOLLOWING EACH MISSION.

9. EMBASSY COMMENTS REQUESTED.

(ORIGIN: 4430/ITA/EAP/OPU/O.A. RYAN)

BT
#5363

UNCLASSIFIED

--

THE WHITE HOUSE

WASHINGTON

August 8, 1984

Dear Doug,

Enclosed is a copy of a letter to Jack Albertine. We are also following through with the request for a Presidential letter to John Rhodes.

Anne Kelly is looking forward to working with you on the possibility of setting up a White House briefing in 1985, as I will be leaving my position at the White House to return to school. I will still be involved in public/private partnerships however, while studying for a master degree in public administration at the John F. Kennedy School of Government at Harvard.

Anne will be in touch as things progress.
All the best.

Sincerely,

MICHAEL P. CASTINE
Private Sector Initiatives

Mr. Doug Olsen
Executive Director
Invest Indonesia
1629 K Street, NW
Suite 500
Washington, D.C. 20006

Invest Indonesia

Dear Jack -

Enclosed is a copy of the Invest Indonesia material as we discussed. It may be a good organization to include in your International Business Conference efforts as well as the International PSI activities that Sheldon Waring is working on.

Let me know what you think. If you are interested & would be happy to arrange a meeting between you and Doug Olsen (of the Executive Director

Sincerely,
MPC

Mr. Jack Albertine

BCC: Doug Olsen

Dear Doug -> Enclosed is a copy of a letter to Jack & we are following through with req. for a letter to John Rhodes & some Kelley is looking for investors travelling to Indonesia

- Jan/Feb 85 Host a Meeting - 450 -
- Set up speakers - Commerce, NSC, State AID - (T) up.
- RR letter = John Rhodes - former Min. leader - for ensuring investment abroad - with you on the possibility of setting up a B.I. only briefs in 1985. - MC leaving

Non profit

--

THE WHITE HOUSE

WASHINGTON

August 8, 1984

Dear Jack,

Enclosed is a copy of the Invest Indonesia material as we discussed. It may be a good organization to include in your International Business Conference efforts as well as the International PSI activities that Sheldon Weinig is working on.

Let me know what you think. If you are interested, I would be happy to arrange a meeting between you and Doug Olsen, the executive director.

Sincerely,

MICHAEL P. CASTINE
Private Sector Initiatives

Dr. Jack Albertine
President
American Business Conference
1730 K Street, NW
Suite 703
Washington, D.C. 20006

THE OLSON COMPANY
P.O. BOX 1666
ALEXANDRIA, VIRGINIA 22313
(703) 379-0909

April 18, 1984

Christian R. Holmes
Director,
United States Trade and
Development Program
International Development
Cooperation Agency
Washington, D.C. 20523

COPY

Michael A. McKone
Missions Director,
OPIC Missions Program
Overseas Private Investment Corporation
1120 Twentieth Street, N.W.
Washington, D.C. 20527

Gentlemen:

Attached please find for your review a final comprehensive report for the December, 1983 Overseas Private Investment Corporation Investment Mission to Indonesia. This report is the culmination of the goals and objectives outlined in OPIC obligation no. 84-7420-2590-0034, order no. 84-0141.

This initiative was a joint effort between TDP and OPIC. TDP contributed to this effort by: (1) Providing a \$ 15,000 grant to OPIC Missions Program for consulting and post-mission follow-up services; and (2) Supplying previously conducted TDP economic sector analyses of Indonesia to assist in the recruitment of appropriate United States companies.

The OPIC Mission objectives were:

- (1) To identify potential joint-venture partners and projects;
- (2) To assist mission participants in evaluating specific investment opportunities through individual private business appointments;
- (3) To enable mission participants to gain greater insights into the investment, economic and political outlook for Indonesia; and,

- (4) To introduce mission participants to Indonesian business leaders and successful United States executives based in Indonesia.

Major benefits perceived by the mission participants as per the follow-up survey were:

- (1) Most cost effective manner to meet and interview appropriate Indonesian businesses;
- (2) Excellent exposure to high level Indonesian and United States government officials;
- (3) Showcasing of United States business through a highly centralized and productive forum; and,
- (4) United States participants now have a greater understanding and appreciation of Indonesian business practices and cultural norms.

The mission received a 93% approval rating by the participants, and 86% would attend another OPIC Investment Mission.

Sixteen United States companies (71%) have identified investment opportunities, with ten of these companies (43%) having specific project proposals pending in Indonesia at this time. If these proposals proceed, an anticipated \$ 103,250,000 - \$ 144,750,000 (range of investments) will be invested by the United States private sector in Indonesia.

Recognizing that Indonesia is a very complex country to conduct business in, it is generally felt that the OPIC Mission served as a constructive tool to facilitate United States investment in Indonesia. Many of these investments will not be implemented in less than two years, so continuous monitoring, follow-up and assistance through government and private sector channels are considered critical activities by the mission participants.

I hope this report is informative and can serve your agencies in a productive manner. If I can supply additional information or clarify any issues, please contact me at your convenience.

Sincerely,



Douglas L. Olson
President

DLO/apm

Attachment

OVERSEAS PRIVATE INVESTMENT CORPORATION

(OPIC)

INVESTMENT MISSION-INDONESIA

DECEMBER 1 - 10, 1983

COORDINATOR:

MICHAEL MCKONE
OPIC MISSIONS DIRECTOR
OPIC MISSIONS PROGRAM

SURVEY CONDUCTED AND WRITTEN BY:

DOUGLAS L. OLSON
THE OLSON COMPANY
P.O. BOX 1666
ALEXANDRIA, VIRGINIA
22313

April 16, 1984

TABLE OF CONTENTS

I. INTRODUCTION.....1
II. PLANNING.....1
III. RECRUITMENT.....2
IV. MISSION ACTIVITIES.....2
V. UNITED STATES PARTICIPANTS.....4
VI. PARTICIPANT EVALUATION.....8
VII. ORGANIZATIONAL EVALUATION.....12
VIII. SUMMARY.....13
IX. OPIC PROJECT CHART.....15

OPIC INVESTMENT MISSION

INDONESIA

1983

I. INTRODUCTION

Twenty-three United States companies participated in the Overseas Private Investment Corporation (OPIC) Investment Mission to Jakarta, Indonesia, December 1 - 10, 1983. The mission was headed by OPIC President Craig Nalen. Indonesia's Capital Investment Coordinating Board (BKPM), Indonesian Chamber of Commerce (KADIN), Indonesian Investment Promotion Office in New York, Embassy of Indonesia in Washington, D.C., United States Embassy in Jakarta, Foreign Commercial Service (FCS) and the American Chamber of Commerce in Indonesia (AMCHAM) actively assisted in the planning and coordination of the mission.

The mission was a direct result of discussions held between President Reagan and President Suharto in Washington, D.C. last year. These discussions dealt with the mutual desire to emphasize United States investment in Indonesia in the near future.

II. PLANNING

OPIC Missions Program conducted two reconnaissance trips prior to the mission to Indonesia to meet with Government of Indonesia (GOI) representatives, United States Embassy representatives and appropriate companies and individuals from the private sector. It was decided at this early stage that because of the difficulty of identifying specific projects in Indonesia, United States companies would be recruited by industry sectors. The four sectors of the Indonesian economy that were to be focused on were; (1) Plant Machinery and Equipment; (2) Light Manufacturing; (3) Agribusiness; and (4) Automotive Parts and Components. The sectors had previously been identified through comprehensive project sector analyses conducted by the United States Trade and Development Program (TDP) in conjunction with the GOI. The Commercial Interest Working Group (CIWG) was utilized to further facilitate coordinative efforts between the various United States government agencies involved (OPIC, State, Commerce, AID, Etc.). The CIWG met at regular intervals to discuss the progress of the planning and recruitment for the mission and to serve as a resource for general mission assistance and support. In October, 1983, TDP contributed \$ 15,000 to OPIC to hire additional mission staff to assist in the recruitment of United States companies for the mission, to assist during

the mission and to supply follow-up services after the mission on an interim basis. The funds were used to hire a consultant under the direction of the OPIC Missions Director. In addition to the above services, the consultant went to Indonesia two weeks prior to the mission to serve as an advance/liaison person.

III. RECRUITMENT

The OPIC Missions Program developed a two track recruitment program. The first was a mass mailing and telephone/telex follow up. The mass mailing was developed from lists of former OPIC Mission participants, OPIC's Opportunity Bank, referrals from other US government agencies and private companies, along with ASEAN Seminar participants. The second phase was focused on major US companies in the designated sectors of the mission. Major US companies were targeted and then contacted via brochure, telephone or telex. The recruitment program was conducted by the Missions Director, OPIC staff and OPIC interns.

IV. MISSION ACTIVITIES

The Mission departed the US Thursday, December 1, and arrived in Hong Kong the following evening. They spent the night at the Hyatt Regency in Hong Kong. Saturday morning, representatives of OPIC, Investment Promotion Office of New York and Hill & Knowlton made brief remarks to the group during brunch. At 3:30 pm Saturday, the Mission departed Hong Kong and arrived in Jakarta at 6:30 pm. Craig Nalen and the Mission were greeted at the airport by US Ambassador John Holdridge, representatives of the US Embassy, BKPM, KADIN, AMCHAM and members of the private sector. The group was transported to the Mandarin Hotel via a police escort where an informal reception was held.

At 9:00 am Sunday, Ambassador Holdridge hosted the Mission at his residence for a briefing by his staff (political, economic, commercial, AID and agricultural attaches). Representatives of AMCHAM then briefed the group on conducting business in Indonesia with regard to taxes, partnerships, government requirements and other relevant issues. Following the briefings, brunch was served and informal discussions were held.

Monday, 9:00 - 12:30 am, opening ceremonies were held at BKPM's auditorium. Craig Nalen made the opening statement and Minister of State for National Development and Planning, Prof. Dr.

Johannes B. Sumarlin gave the keynote address. Other speakers were Ambassador Holdridge, AMCHAM President Harvey Goldstein, and KADIN General Chairman Sukamdani Sahid Gitsoardjono. After a short coffee break, BKPM Chairman Ir. Suhartoyo and his staff briefed the Mission on procedures for investment approval, investment incentives and the various services of his agency. After a luncheon at BKPM, which was hosted by OPIC and FCS, the group broke up into the four major business sectors to discuss investment opportunities and problems with BKPM and senior GOI officials.

Monday evening at 7:00, Ambassador and Mrs. Holdridge hosted a Diplomatic Reception at their residence for the Mission.

Tuesday morning from 8 - 9:30, OPIC held a briefing during breakfast at the Mandarin Hotel. Craig Nalen, Ebersole Gaines, Mike McKone, Julie Martin and Kenneth Angell each addressed the group to explain the various services that OPIC offers qualified US businesses contemplating overseas investment.

Private business meetings were scheduled from 9:30 - 6:00 pm for the mission participants with Indonesian companies. During the day, from 10:00 - 1:00, US Embassy staff that had briefed the Mission Sunday morning were made available to the mission participants to meet on an individual basis.

The US Alumnas (Indonesian government and business officials who have been educated in the US) hosted a dinner Tuesday evening at 7:00 at the Hilton Executive Club. Craig Nalen discussed the high level of interest that the US and OPIC have in Indonesia and their desire to increase US investment within the country. A discussion was then opened up to the entire group, and a two hour dialogue ensued.

Private business meetings were scheduled all day Wednesday. At 4:00 pm, the entire Mission, along with US Embassy representatives, were hosted by Prof. Dr. Ali Wardhana, Coordinating Minister, Economic, Finance and Industry. The group met informally with the Minister and Chairman Suhartoyo for about one hour.

BKPM/KADIN hosted a dinner for the Mission at the Sahid Jaya Hotel Wednesday evening. Remarks were made by Craig Nalen, Ambassador Holdridge and Chris Walean of KADIN.

Dr. Hartojo, an advisor to the Bank of Indonesia, met with the mission participants informally at 7:30 am at the Mandarin and

discussed aspects of investment in Indonesia. At 8:30, Masao Yamashika of the Private Investment Corporation of Asia (PICA) discussed the services PICA has to offer businesses in Indonesia and types of investment projects that are of particular interest to them.

Private business meetings were scheduled the rest of the morning and all afternoon. At 12:00, AMCHAM hosted a luncheon at the Mandarin Hotel for the Mission with US and GOI officials along with private sector representatives in attendance. The guest speaker was Minister for Research and Technology, Prof. Dr. B.J. Habibie. Minister Habibie spoke of the need Indonesia has for western technology and capital. He emphasized that these inputs must be shared with Indonesian businesses for maximum effectiveness.

Friday morning, from 9:00 - 11:30, Craig Nalen and his staff sat in on meetings between individual mission participants and a Board of BKPM Directors. Individual problems and projects were discussed one on one in an effort to speed up the project approval procedure. Private business meetings were scheduled between 11:30 - 2:30. A press conference was held at 3:00 to announce the progress of the Mission.

Craig Nalen hosted a farewell dinner for the OPIC Mission on Friday evening at 7:00. US and GOI officials and private sector representatives also were in attendance. The Mission officially ended at this time.

V. UNITED STATES PARTICIPANTS

Luis Arguedas 3489784 AGROMAR PG
President
Agromarina de Panama
(Ralston Purina)
Apartado 64-600 Esta Sata El Dorado
Via Brazil Oeste D-28
Edificio Don Ruben Apto. #4
Panama City,
Republic of Panama

Hugh A. Benton (216) 860-6218
Manager of Special Projects/Ventures
Babcock & Wilcox, Inc.
20 South Van Buren Avenue
Barberton, Ohio 44203

Lloyd Dillon Deputy Manager, SE Asia Blount (Malaysia) SDN. BHD. Angkasa Raya Building Jalan Ampang Kuala Lumpur, Malaysia	33120 BLOUNT MA
Kees Nieuvenhuyzen President & General Manager P.T. Cargill Indonesia P.O. Box 129-KBY-B Jakarta, Selatan Indonesia	46655 USAHA JKT
Thomas McGannon Director of Marketing Chemtex Fibers, Inc. 850 Third Avenue New York, New York 10022	(212) 752-5220
James Hunt Citibank Jalan M.H. Thamrin 55 P.O. Box 2463 Jakarta, Indonesia	44368 CITIBNKJKT
Herbert K. Schmitz Vice-President, Government Affairs Combustion Engineering, Inc. 1101 15th Street, NW, Suite 500 Washington, D.C. 20005	(202) 429-9180
Harold R. Brock Regional Director, SE Asia Combustion Engineering, Inc. Shaw Centre 1 Scotts Road, #26-03 Singapore	RS33775 CESING
Lawrence R. Yegge President Conmar Corporation 164 Martinvale Lane San Jose, California 95119	(408) 281-1331
Barent Springsted Continental Illinois National Bank Wisma Kosgoro 14th Floor Jalan M.H. Thamrin 53 P.O. Box 2094/JKT Jakarta, Indonesia	44177

Steve Baughman (801) 533-9208
President
Cytozyme Laboratories, Inc.
134 South 700 West
Salt Lake City, Utah 84104

James R. Ketchmark 45774 SPICER IA
President
P.T. Spicer (Dana)
Jalan Ancol Barat 1/8
Jakarta Utara
Indonesia 11001

Gordon Elliott 441560 JKT
DuPont Far East, Inc.
Hotel Borobudur Intercontinental
Room 23, 3rd Floor
P.O. Box 2553/JKT
Jalan Lapangan Banteng Selatan
Jakarta, Indonesia

William J. Greenville AA 33053 ETONIZE
Regional Manager, SE Asia
Eaton Pty. Ltd.
33-35 Garden Street
Kilsyth, Victoria 3137
Australia

Robert L. Tanzola RS23045 GMRPDC
Vice-President
General Motors Overseas Corporation
15 Benoi Sector
Jurong Town
Singapore 2262

Joseph G. Malone (213) 960-4081
President
Industrial Insulations, Inc.
P.O. Box 2660
1330 East Nelson Avenue
City of Industry, California 91746

Jeff Oakley RS26597
International-Hough Division
Dresser Singapore Pty. Ltd.
Jurong Town, Box 415
Singapore 4161

John E. Greathouse Director of Marketing & Sales Oil Dynamics, Inc. 7655 East 46th Street Tulsa, Oklahoma 74147	(918) 627-9021
Richard J. Johannessen Vice-President, Regional Director Asia/Pacific Rockwell International Overseas Corporation 11th Floor, Tai Sang Commercial Building 24-34 Hennessy Road Hong Kong	74071 HX
Thomas K. Beard President Stockton Terminal Company 800 North Shaw Road Stockton, California 95205	(209) 948-4803
Billy J. Hagen President Stratagraph, Inc. 125 Raggio Road P.O. Box 53848 Lafayette, Louisiana 70506	(318) 232-5510
Martin L. Washburn President Washburn Development Corporation 410 Ware Boulevard, Suite 305 Tampa, Florida 33619	(813) 621-7727
Robert Hendrix Regional Manager, Far East Weatherford Oil Tool (PTE) Ltd. 11 Dhoby Ghaut #09-04 Singapore 0922	RS23814
Gordon McCormick Manager, Business Development South and South-East Asia Westinghouse Electric, S.A. Singapore 111 Northbridge Road #21-04 Peninsula Plaza Singapore 0617	RS21062 WELSA

VI. PARTICIPANT EVALUATION

The following questionnaire was sent out to all twenty-four participants (Combustion Engineering had two representatives) with fourteen responding to date (58%).

1. What were the primary reasons for your attending the OPIC Investment Mission to Indonesia?

43% of the respondents said that they were looking for new investment opportunities in Indonesia.

57% were following up on existing projects or already had an interest in Indonesia, but were looking for additional investment opportunities.

2. Please evaluate the following aspects of the mission with regard to producing a rewarding and successful investment mission for your company.

- A. Mission Planning and Advance Team Coordination.

86% felt that it was excellent.*

14% felt that it was good.

- B. Pre-Mission Briefings.

79% Excellent

21% Good

- C. Briefing Books.

Briefing books were considered too voluminous, but were of value. It should be edited.

64% Good

36% Fair

- D. Scheduling/Content of Business Meetings.

86% Excellent

14% Good

* Percentage given represents evaluation of overall activity by participant.

8. Estimated U.S. dollar amount of investment?
See OPIC Project Chart.
9. Will you need OPIC assistance in the following areas:
 - A. Feasibility Study
See OPIC Project Chart.
 - B. Direct Loan.
See OPIC Project Chart.
 - C. Loan Guaranty.
See OPIC Project Chart.
 - D. Political Risk Insurance.
See OPIC Project Chart.
10. What do you feel the overall strengths of the mission were?
 - ° Excellent exposure to high level Indonesian and US government officials.
 - ° Best utilization of time for interviewing Indonesian companies.
 - ° Contacts made during the mission were unique and saved time and expense. All the various resources were centralized and the focus of the mission created a productive atmosphere.
 - ° The opportunity for businessmen from smaller companies on the mission to exchange ideas and experiences with representatives from the larger international companies.
 - ° The opportunity to become familiar with resources and assistance available to the private sector through the US and Indonesian governments.
 - ° By being a part of a mission, it took some of the pressure off individual companies. Rather than being on its own, there was a sense of group dynamics that made the participants more at ease with new experiences and concepts.

- A greater understanding of Indonesian business practices and cultural norms.
11. What do you feel the overall weaknesses of the mission were?
- Time allocated for the mission was too short.
 - Because of the universal lack of pertinent financial data on Indonesian companies, US participants had difficulty recognizing established companies.
 - The briefing books should be edited. They were too voluminous.
 - The lack of opportunities to explore Indonesia outside Jakarta and to meet Indonesian businessmen in their local environment.
 - Too many OPIC staff members attended the mission. Their roles and responsibilities were not understood by the participants.
 - The apparent lack of communication between OPIC and the United States Embassy in Jakarta. Participants felt that OPIC, State and FCS were not a coordinated group.
12. Would you attend an OPIC investment mission to another country?
- 86% said that they would attend another mission.
- 14% said that they would not attend another mission.
13. Would you attend a follow-up OPIC investment mission to Indonesia if it were conducted in six to nine months?
- 36% said they would attend another mission to Indonesia if the timing benefited their needs.
- 64% felt that it would not be necessary.
14. Can OPIC or any other United States government agency assist you in moving your investment forward in Indonesia? Please be specific.
- 57% felt that OPIC or another United States government agency could help them. See OPIC Project Chart.

15. General comments you would like to make.

93% said that they were very pleased with the overall content of the mission and benefits derived by their companies.

VII. ORGANIZATIONAL EVALUATION

These comments are the result of conversations and observations prior to, during and after the investment mission with various United States and Indonesian government officials along with individuals from the private sector.

PROBLEM AREAS

- ° No clear line of authority between the various government agencies was developed with regard to who the specific contact people were and what responsibility they may have had. An example of this is various representatives of the Indonesian government never knew who they were supposed to filter information through (OPIC, State, FCS), so information was passed on to people they had a working relationship with, but not necessarily people who were working on the mission.
- ° Actual recruitment of US companies did not start until October, 1983. This allowed less than sixty days to recruit appropriate companies for a very complex country. The OPIC Missions Program was understaffed to adequately design and implement such an undertaking. Due to the late recruitment within the US, the United States Embassy in Jakarta, and primarily FCS, felt it did not have the proper information to begin recruiting Indonesian companies. The Embassy had not recruited any Indonesian companies until two weeks prior to the mission's arrival in Jakarta.
- ° Outside organizations such as KADIN and AMCHAM were not given specific goals and objectives in an effort to utilize their resources within the private sector.
- ° Some of the US companies attended the mission with very general objectives, which made recruiting Indonesian firms with mutual interests very difficult.

POSITIVE AREAS

- ° The high level of exposure received by the US companies was exceptional for Indonesia. High level officials from both the Indonesian and United States government, along

with well established Indonesian businesses created a very efficient use of the participant's time.

- ° Created an opportunity to present a focused US private sector forum to Indonesia.
- ° A unique opportunity for each US businessman to present his project proposal or problem to BKPM in an effort to cut through time consuming bureaucratic requirements, saving time and money, and in some cases, gaining concessions from BKPM.
- ° An opportunity to get to know personally various Indonesian government representatives and to set up informal channels for later discussions.
- ° Created a positive environment for US businessmen to share ideas and experiences among one another.

VIII. SUMMARY

With regard to the original goals and objectives of the OPIC Mission, which were:

- (1) To identify potential joint-venture partners and projects;
- (2) To assist mission participants in evaluating specific investment opportunities through individual private business appointments;
- (3) To enable mission participants to gain insights into the investment, economic and political outlook for Indonesia;
- (4) To introduce mission participants to Indonesian business leaders and successful US executives based in Indonesia.

the overwhelming majority (93%) of the mission participants felt that the goals were accomplished in an excellent manner. This takes into account that even a positive forum such as this may not produce tangible results for up to two years. The mission participants had a strong sense of awareness of the complexity of investing in Indonesia. Recognizing the slow and methodical process required to invest in Indonesia, participants perceived the OPIC Mission as a beneficial tool to gain their objectives.

The government of Indonesia took an active role and had numerous senior level government officials available during the entire mission. BKPM's New York office has initiated talks with the

US private sector about the feasibility of conducting an investment mission in December, 1984. This reflects well upon the OPIC Mission, as the government of Indonesia has had the opportunity to experience the benefits of an investment mission. They now want to design a model that takes into account the past mission's positive and negative aspects.

The US government agencies must improve upon their inter-agency working relationships, as to goals and objectives, responsibilities, channels of communication, and resource/personnel allocation for such activities.

Taking all the prior information into account, the major question that has to be asked is, "Was the United States investment climate enhanced in Indonesia by the OPIC Mission?". The response to date by the US private sector and the government of Indonesia has been a qualified yes. The OPIC Mission was viewed by both these parties as a successful, initial activity that will require continuous monitoring, follow-up and assistance through government and private sector channels.

IX. OPIC PROJECT CHART

See attached page.

SUMMARY OF RESULTS

INVESTMENT MISSION TO INDONESIA

REPORT DATE: April 16, 1984

PAGE 1 OF 4

o # of Companies Participating in Mission: 23
 o # of Companies Anticipating Investment: 10
 o % of Companies Anticipating Investment: 43%

o Total # of Projects Anticipated: 10
 o Estimated Total Investment: \$103.25-\$144.75 million
 o Estimated # of Jobs Created: Undetermined at this time

<u>COMPANY</u>	<u>PAST OPIC USER</u>	<u>INVESTMENT ANTICIPATED</u>	<u>PROJECT</u>	<u>ESTIMATED TOTAL INVESTMENT *</u>	<u>ESTIMATED # OF JOBS</u>	<u>OPIC SERVICES</u>	<u>STATUS</u>
Babcox & Wilcox, Inc. (@)	Yes		Suralaya Power Project 3 & 4	\$8-\$10 million* (\$60 million)*	1200	None Anticipated	Approved 1/4/84, more approvals may be required.
Blount International, Ltd.			No specific information available at this time. Information previously supplied to OPIC: Interests; construction and engineering services for commercial, power, petrochemical and forest products/ agri-industrial services for the design and installation of complete materials handling, storage and processing equipment, machinery and systems. OPIC services; Political risk insurance.				
Cargill, Inc.			No specific information available at this time. Information previously supplied to OPIC: Interests; hybrid seed production and processing, feed production and processing, hybrid poultry production and processing. OPIC services; Direct investment loan, Political risk insurance.				
Chemtex Fibers, Inc.	Yes		Pulp & Rayon Plant (man-made fiber project)	\$45-\$75 million (\$300-\$500 million)		Political Risk	Developing project proposal
Citibank	N/A						
Combustion Engineering, Inc. (@)	Yes		Suralaya Power Project 3 & 4	\$13-\$14 million (\$200 million)		Feasibility, Direct Investment Loan, Political Risk Insurance	Project proposal submitted, awaiting government of Indonesia approval

<u>COMPANY</u>	<u>PAST OPIC USER</u>	<u>INVESTMENT ANTICIPATED</u>	<u>PROJECT</u>	<u>ESTIMATED TOTAL INVESTMENT*</u>	<u>ESTIMATED # OF JOBS</u>	<u>OPIC SERVICES</u>	<u>STATUS</u>
Conmar Corporation		Too early to verify	Licensing of post-tensioning construction technology	\$1 million (\$1 million+)		Loan Guaranty, Political Risk Insurance	Interviewing potential Indonesian licensing partners.
Continental Illinois Bank		N/A					
Cytozyme Laboratories, Inc.		Too early to verify	Fertilizer additive manufacturing plant	Undetermined at this time		Undetermined at this time	Has designated Indonesian partner and is now attempting to negotiate agreements with Indonesian government.
P.T. Spicer (Dana)	Yes	Yes	Manufacturing and assembly of axles and drive shafts	\$1-\$1.5 million (\$12-\$15 million)		Loan Guaranty, Political Risk Insurance	Negotiating partnership arrangements
E. I. DuPont de Nemours & Co., Inc.		Yes	Lannate Project (methomyl insecticide)	\$1,250,000 (\$6,540,000)		Undetermined at this time	Project development pending further negotiations
Eaton Corporation		Yes	Vehicle component manufacturing plant	\$25-\$30 million (\$55-\$60 million)		None	Continuing negotiations with government of Indonesia
General Motors Corporation		No specific information available at this time. Information previously supplied to OPIC: Interests; vehicle component manufacturing plant					
Industrial Insulations, Inc.		Due to information gathered during investment mission, Industrial Insulations has decided that investing in Indonesia is not feasible at this time.					

<u>COMPANY</u>	<u>PAST OPIC USER</u>	<u>INVESTMENT ANTICIPATED</u>	<u>PROJECT</u>	<u>ESTIMATED TOTAL INVESTMENT*</u>	<u>ESTIMATED # OF JOBS</u>	<u>OPIC SERVICES</u>	<u>STATUS</u>
International-Hough							No specific information available at this time. Information previously supplied to OPIC: Interests; Heavy equipment manufacturing facility.
Oil Dynamics, Inc.	Yes		Manufacturing and sales of electric submersible pumps and motors to produce oil wells	\$3 million (\$3 million+)		Direct Investment Loan, Loan Guaranty, Political Risk Insurance	Final stages of selecting Indonesian partner
Ralston Purina							No specific information available at this time. Information previously supplied to OPIC: Interests; animal feed processing, penaeid shrimp culture, other related areas. OPIC services: Direct Investment Loan, Loan Guaranty, Political Risk Insurance.
Rockwell International							No specific information available at this time. Information previously supplied to OPIC: Interests; oil recovery techniques, coal gasification processes, slurry pipelines, pipeline and process control valves, defense electronics manufacturing for communications systems and automotive parts.
Stockton Terminal	Yes		Cold storage and freezing facilities	\$1.5 million (\$3-\$4 million)		Feasibility Study, Direct Investment Loan, Loan Guaranty, Political Risk Insurance	Selection of joint-venture partner
Stratagraph, Inc.	Yes		Licensing of oil field service technology	\$500,000 (\$500,000+)		Direct Investment Loan, Political Risk Insurance	Venture finalized
Washburn Development Corporation							No specific information available at this time. Information previously supplied to OPIC: Interests; licensing for manufacture; patented tree clearing machine.

COMPANY	PAST OPIC USER	INVESTMENT ANTICIPATED	PROJECT	ESTIMATED TOTAL INVESTMENT*	ESTIMATED # OF JOBS	OPIC SERVICES	STATUS
Weatherford International, Inc.		No specific information available at this time.				Information previously supplied to OPIC: Interests; Direct Investment Loan, Political Risk Insurance	
		Undetermined at this time	Manufacturing and sales of oil cementation recovery systems	\$2 million (\$3 million)			
Westinghouse Electric, S.A. Singapore		Yes	Manufacturing/licensing of electrical, industrial, electronic components and services	\$2-\$5 million (\$4-\$10 million)		Undetermined at this time	Selection of joint-venture partner.

* Estimated Total Investment category identifies two areas of project investment: (1) The number not in parentheses, the top number, reflects the actual amount that the United States company anticipates contributing to the project; (2) The number in parentheses represents the anticipated overall project cost.

(e) Babcock & Wilcox and Combustion Engineering are competing for the Suralaya Power Project, 3 & 4. It is not known at this time if one of the companies will be declared a clear winner, or if there will be modifications in each company's proposal. Babcock & Wilcox was notified by the government of Indonesia that their proposal was approved on January 4, 1984. It has not been clarified if this was a final approval or if additional approvals will be needed.



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

MAI. 22 195-


Mr. Douglas L. Olson
The Olson Company
P.O. Box 1666
Alexandria, VA 22313

Dear Mr. Olson:

Thank you for your informative letter of April 30th, forwarding to me a copy of your report on the OPIC investment mission to Indonesia. In view of our interests in Indonesia, enhancing U.S. investment flows to that country is a priority activity for us. I am pleased to see that the OPIC mission has produced results despite some recruiting and scheduling problems.

I am most interested to learn of the private sector initiative, INVEST INDONESIA, which will result in another investment mission to Indonesia in December of this year. This mission will be able to draw support from the Commerce Department, the U.S. Embassy in Jakarta and the Indonesian Government. I wish you success in this undertaking, and urge you to keep in contact with Don Ryan regarding the Department's assistance with this mission.

Sincerely,


Eugene K. Lawson
Deputy Assistant Secretary for
East Asia and Pacific





AMERICAN INDONESIAN CHAMBER of COMMERCE

"for business and understanding"

OFFICERS

President
George E. Barnes
Mobil Oil Corporation

Vice Presidents
L. Selwyn Coates
Freeport McMoran, Inc.

Samuel Goldberg
INCO United States, Inc.

Norman H. Gouldin
Uniroyal, Inc.

Peter Howell
Citibank, N.A.

Robert H. Rogers
Chemical Bank

Treasurer
David L. Pflug, Jr.
Manufacturers Hanover
Trust Company

Assistant Treasurer
Jean P. Wynn
The Bank of New York

4/4/84

I.R. Suhartoyo, Chairman
Investment Coordinating Board (BKPM)
Jalan Gatot Subroto, No.6, PO Box 3186
Jakarta, Indonesia

Dear Chairman Suhartoyo,

I am writing to you in regard to recent discussions I have had with Mr. Risaldi Kasri, Director of BKPM's New York office. Mr. Kasri has formulated a proposal for an investment mission to Indonesia from the U.S. to take place in December 1984. In contrast to last year's Mission organized by the Overseas Private Investment Corporation, the new one would have greater Indonesian input and would endeavor to attract U.S. firms that are not yet investors in Indonesia.

Since it is my understanding that you and your staff are currently evaluating the merits of Mr. Kasri's preliminary proposal, I would like to offer my organization's endorsement. The American Indonesian Chamber of Commerce would be willing to participate in the planning of this investment mission to the extent that our resources allow. Management of the mission would be a cooperative arrangement between Mr. Kasri's office and an outside firm. Should Mr. Kasri's plan gain approval we would look forward to advising him and other representatives of the Government of Indonesia in any way we can to help make their plans successful.

Sincerely,

George E. Barnes
President

cc: R. Kasri ✓ *Re April 6, '84.*

BOARD OF DIRECTORS

George A. Adams
American Express Int'l Banking Corp.

George E. Barnes
Mobil Oil Corporation

Robert W. Brose, Jr.
Morgan Guaranty
Trust Company

L. Selwyn Coates
Freeport McMoran, Inc.

Joseph S. Cornell
Sons Derby Commodities

Eugene Yale David
Sprague and Rhodes
Commodities Corp.

John Ferretti
Continental Grain Company

Christopher Foord-Kelcey
Ore and Chemical Corporation

The Hon. Francis J. Galbraith
U.S. Ambassador to Indonesia
(1969-1979)

Samuel Goldberg
INCO United States, Inc.

Norman H. Gouldin
Uniroyal, Inc.

Robert N. Hornick
Coudert Brothers

Peter Howell
Citibank, N.A.

Andries H.J. Jansma
Continental Bank Int'l

David L. Pflug, Jr.
Manufacturers Hanover
Trust Company

William M. Prindible
Arco Int'l Oil and Gas Co.

John C. Richards
The M.W. Kellogg Company

Robert H. Rogers, Jr.
Chemical Bank

William B. Rothschild
M. Rothschild and Co., Inc.

Verna E. Smith
Westinghouse Electric Corporation

Paul A. Wan
J. Henry Schroder Bank & Trust Co.

Philip K. Young
The Bank of New York

DIRECTORS EMERITI

Robert Delson
Delson and Gordon
Richard Hopper

HONORARY MEMBERS

H.E. A. Hasan Habib
The Hon. Rudy Lengkon

STAFF

Boyd Compton
Senior Advisor
Anne Stebinger
Program Coordinator

UNCLASSIFIED
DEPARTMENT OF COMMERCE

INCOMING
TELEGRAM

PAGE 01

B24189 DC0042
25/1049Z
25/1256Z

B24189 DC0042

ACTION OFFICE 4430-02
INFO CCEN-01 OPS-01 4400-02 3000-01 3100-01 104-02 2140-01
3140-01 3300-01 4122-01 3130-01 6434-01 6201-01 6420-01
6435-01 6020-01 6200-01 6210-01 6430-03 6220-03 6410-01
6230-02 BE58-01 6221-03 6330-01 6440-01 /037 A2 6110

PP RUEHDC
DE RUEHJA #6997/01 1161034
ZNR UUUUU ZZH
P 251020Z APR 84
FM AMEMBASSY JAKARTA
TO RUEHDC/USDOC WASHDC PRIORITY
RUEHC/SECSTATE WASHDC 2035
RUMJHE/AMCONSUL SURABAYA 9001
RUMJUN/AMCONSUL MEDAN 0720
BT
UNCLAS SECTION 01 OF 02 JAKARTA 06057

USDOC FOR 4430/IEP/CPE
STATE PASS OPIC

E. O. 12356: N/A
TAGS: BEYP, EIRV, ID
SUBJECT: PROPOSED 1984 INVESTMENT MISSION TO INDONESIA

REF: USDOC 5363

1. (SUMMARY) THE COMMERCIAL INTERESTS WORKING GROUP-CIWG (JAKARTA), INCLUDING REPRESENTATIVES OF ECOR, FAS, USIS, AID, IESC AND THE U.S. TECHNOLOGY ADVISOR ALONG WITH FCS MET UNDER THE CHAIRMANSHIP OF THE DCI ON APRIL 13 TO DISCUSS THE PROPOSED MISSION TO BE ORGANIZED LATE THIS YEAR. THE CIWG BELIEVES THAT THE PROPOSAL FOR A U.S. INVESTMENT MISSION IN 1984 MERITS THE EMBASSY'S FULL SUPPORT. AT THE SAME TIME, THE CIWG EMPHASIZED THE IMPORTANCE OF AVOIDING SOME OF THE PROBLEMS WHICH ACCOMPANIED THE DECEMBER 1983 OPIC MISSION. (END SUMMARY)

2. THE EMBASSY ENDORSES THE MISSION CONCEPT WHICH, AS EMBASSY UNDERSTANDS IT, IS AS FOLLOWS. THE PROPOSED MISSION STEMS FROM AN INITIATIVE BY THE INDONESIAN INVESTMENT PROMOTION OFFICE IN NEW YORK. THE MISSION WOULD BE LOCALLY SPONSORED BY THE GOI AND U.S. GOVERNMENT, BUT RECRUITMENT AND PREPARATIONS WOULD BE HANDLED BY PRIVATE SECTOR ORGANIZATIONS. DOUGLAS OLSON, THE CONSULTANT WHO WAS OPIC'S ADVANCE MAN IN JAKARTA, WOULD BE RETAINED TO HANDLE THE RECRUITMENT AND MISSION PREPARATIONS. THE MISSION WOULD BE TARGETED AT SPECIFIC INDUSTRY SECTORS, AND THE INVOLVEMENT OF APPROPRIATE INDUSTRY ASSOCIATIONS IN THE U.S. WOULD ALSO BE SOLICITED. USG ENDORSEMENT WOULD BE GIVEN THROUGH THE DEPARTMENT OF COMMERCE'S INDUSTRY-ORGANIZED GOVERNMENT-APPROVED IOGA MISSION PROGRAM. WHILE OPIC'S OTHER PROGRAM COMMITMENTS WILL NOT PERMIT THEM TO ORGANIZE ANOTHER MISSION TO INDONESIA SO SOON AFTER LAST DECEMBER'S, OPIC WILL SUPPORT THE MISSION AND PROBABLY ASSIGN INSURANCE AND FINANCE OFFICERS TO PARTICIPATE. THE PROPOSED TIMING FOR THE MISSION IS LATE NOVEMBER OR DECEMBER.

3. THE CIWG NOTED SEVERAL PROBLEMS WHICH HAD BEEN ENCOUNTERED WITH THE OPIC MISSION AND WHICH SHOULD BE AVOIDED IN IMPLEMENTING THE 1984 MISSION, THESE INCLUDING THE FOLLOWING:

A. TIMING: A FIRM DATE FOR THE MISSION SHOULD BE

ESTABLISHED AT THE EARLIEST STAGE AND ADHERED TO. A RECRUITMENT AND PROMOTION SCHEDULE BASED ON THIS DATE SHOULD BE DEVELOPED AND CLOSELY FOLLOWED. WE ENCOUNTERED SUBSTANTIAL DIFFICULTIES LAST YEAR AS A RESULT OF SEVERAL CHANGES OF DATE REQUESTED BY OPIC.

B. LEADERSHIP: THE CIWG RECOMMENDS THAT A PROMINENT U. S. BUSINESS LEADER BE NAMED TO LEAD THE MISSION EARLY ON IN THE PREPARATION STAGE. THIS IS CONSISTENT WITH THE RECOMMENDATIONS OF THE CIWG FOR LAST YEAR'S OPIC MISSION. WE BELIEVE THAT THE MISSION LEADER SHOULD BE SOMEONE OF SUFFICIENT PROCEDE STATUS TO RECEIVE APPROPRIATE RECOGNITION AND ACCESS FROM THE GOI.

C. TARGETING: THE CIWG CONCURS THAT TARGETING RECRUITMENT ON SPECIFIC INDUSTRY SECTORS OF PRIORITY INTEREST TO THE GOI IS IMPORTANT. WHILE EVERY EFFORT SHOULD BE MADE TO DEVELOP SPECIFIC INDONESIAN PROJECT PROPOSALS, THE EMPHASICS IN RECRUITMENT SHOULD BE ON THE INVESTMENT OPPORTUNITIES STEMMING FROM DEVELOPMENT AND MARKET PROSPECTS IN THE SELECTED SECTORS AS A WHOLE. WE NOTED THE "CHICKEN AND EGG" PROBLEM LAST YEAR, WITH OPIC WISHING TO HAVE AN EXTENSIVE LIST OF SPECIFIC PROJECTS WITH WHICH TO RECRUIT FIRMS CONFLICTING WITH INDONESIAN RELUCTANCE TO DISCUSS SPECIFIC UNTIL THEY HAD SIZED-UP THE AMERICAN FIRMS IN QUESTION. CIWG RECOMMENDS THAT RECRUITMENT PLANNING FOR PROPOSED MISSION TAKE IN ACCOUNT FROM THE OUTSET THAT THERE WILL BE WIDE INTEREST AMONG INDONESIAN BUSINESS ABOUT INDONESIAN INVESTMENT MISSION MEMBERS IN TARGETED SECTORS BUT THAT SPECIFIC PROPOSALS ARE UNLIKELY TO BE FORTHCOMING PRIOR TO THE MISSION.

D. RECRUITMENT DEADLINE: TO PERMIT ADEQUATE PROMOTION, IDENTIFICATION OF APPROPRIATE PROSPECTIVE INDONESIAN PARTNERS, AND TIMELY APPOINTMENT ARRANGEMENTS, THE CIWG RECOMMENDS THAT A DEADLINE OF NO LATER THAN SIX WEEKS IN ADVANCE OF THE MISSION, THE
BT
#6997

(OVER)

UNCLASSIFIED

UNCLASSIFIED
DEPARTMENT OF COMMERCE

INCOMING
TELEGRAM

PAGE 01

024190 DCOM43
25/1052Z
25/1258Z

INFO CCEN-37 OPS-01 /038 A2 B116

PP RUEHDC
DE RUEHJA #6997/02 116104Z
ZNR UUUUU ZZH
P 251028Z APR 84
FM AMEMBASSY JAKARTA
TO RUEHDC/USDOC WASHDC PRIORITY
RUEHC/SECSTATE WASHDC 2636
RUMJHE/AMCONSUL SURABAYA 9602
RUMJDN/AMCONSUL MEDAN 8721
BT
UNCLAS SECTION 02 OF 02 JAKARTA 06997

USDOC FOR 4430/IEP/OPB
STATE PASS OPIC

E. O. 12356: N/A
TAGS: BEXP, EINV, ID
SUBJECT: PROPOSED 1984 INVESTMENT MISSION TO INDONESIA

BACKGROUNDS AND INVESTMENT OBJECTIVES OF MISSION MEMBERS BE IN THE HANDS OF THE EMBASSY. THIS IS CONSISTENT WITH THE NORMAL PRACTICE FOR COMMERCE DEPARTMENT MISSIONS. WE HAD SUBSTANTIAL PROBLEMS IN MAKING PROPER ARRANGEMENTS FOR THE MISSION STEMMING FROM THE LAST-MINUTE RECEIPT OF INFORMATION ON MISSION PARTICIPANTS.

4. ON APRIL 18, THE SENIOR COMMERCIAL OFFICER HAD THE OPPORTUNITY TO DISCUSS THE PROPOSED MISSION WITH BKPM CHAIRMAN IR. SUHARTOYO WHO ADVISED HIM THAT THE MISSION PROPOSAL HAS THE FULL CONCURRENCE AND SUPPORT OF THE GOI. SUHARTOYO SAID THAT INDONESIAN AMBASSADOR TO THE U. S. HABIB HAD DISCUSSED THE MISSION WITH HIM. SCO OUTLINED FOR HIM THE RECOMMENDATIONS OF THE CIWG AND HE ENDORSED THEM FULLY. HE PARTICULARLY NOTED THE PROBLEMS FOR THE GOI CAUSED BY THE SEVERAL CHANGES OF DATES REQUESTED BY OPIC LAST YEAR. SUHARTOYO ALSO SAID THAT HE BELIEVED CAREFUL TARGETING WAS IMPORTANT, NOTING THAT SOME SECTORS PROMOTED IN PREVIOUS GOI MISSIONS TO THE U. S., NOTABLY OIL FIELD EQUIPMENT, HAD BECOME SATURATED AND SHOULD NOT AGAIN BE GIVEN PRIORITY.

5. ACTION REQUESTED: PLEASE ADVISE WHEN FIRM AGREEMENT HAS BEEN REACHED ON MISSION BETWEEN CIWG, GOI REPRESENTATIVES IN THE U. S. AND OLSON, AND WE WILL PROCEED TO WORK WITH INDONESIANS TO FIRM UP DATE AND TARGET SECTORS. (FCS/FJKLINE)

HOLDRIDGE
BT
#6997

UNCLASSIFIED

**INVEST INDONESIA, INC.
AN AMERICAN PRIVATE SECTOR INITIATIVE**

1629 K STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20006

JOHN J. RHODES
CHAIRMAN

DOUGLAS L. OLSON
EXECUTIVE DIRECTOR

PHONE: (202) 466-3604

TELEX: 710-8229509
OFFICECOM

August 24, 1984

Anne Marian Kelly
Private Sector Initiatives
The White House
Room 134
Washington, D.C.

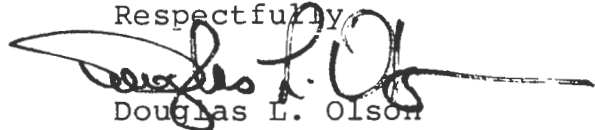
Dear Anne:

As we discussed, INVEST INDONESIA has been asked by the Department of Commerce to contribute an article to its October issue of Business America. The article will be approximately five pages in length with photos and highlight the goals and objectives of INVEST INDONESIA and the uniqueness of this private sector initiative.

I would be very interested in having the White House, and preferably the president quoted in the article. Commerce does not usually give this much space to a new program, but the concept has generated a great deal of interest. During my absence, Ms. Mary Pittelli will be contacting you. She is a free-lance writer and will be responsible for researching and writing the article for INVEST INDONESIA. Any assistance and background information you could supply would be greatly appreciated.

Also, I have attached a general draft of a letter that I feel would be appropriate from President Reagan to John Rhodes. Please make editorial changes as you wish.

Respectfully,



Douglas L. Olson

DLO/apm

Attachment