

CONFERENCE

DEVELOPMENT OF THE INDONESIAN ECONOMY

On 12 December 2010, Institute of International Politics and Economics (IPE) had the honour to host the representatives of the Embassy of The Republic of Indonesia in Belgrade. Duško Dimitrijević, Director of IPE, delivered an opening speech, introducing His Excellency, Mr Samuel Samson, Ambassador of the Republic of Indonesia to Serbia. Apart from him, the participants in this presentation were two prominent Indonesian professors, Dr Roberto Akyuwen, Senior Lecturer at the Finance Education and Training Centre of the Ministry of Finance of the Republic of Indonesia and Mr Eco Himawan, Economic Counsellor of the Indonesian Embassy in Belgrade. The central issues that were discussed during the presentation were development of the Indonesian economy, possibilities for bilateral cooperation with the Republic of Serbia and potential investments in the Republic of Serbia.

At the beginning of the opening session, Mr Duško Dimitrijević pointed to the important role of IPE in establishing and developing foreign political and economic relations, since it has assisted the authorized bodies in creating and formulating the Serbian foreign policy.

Recognizing that the Republic of Serbia and the Republic of Indonesia have established a close relationship, Mr Samuel Samson emphasized the importance of this agenda. He also pointed out the fact that the Republic of Indonesia was the largest producer of palm oil in the world.

The first speaker, Mr Eco Himawan discussed the sustainable palm oil production, benefits to the social and economic development in relation with the 6th Indonesian Palm Oil Conference and Price Outlooking 2011 that was held in Bali from 1–3 December 2010. Relying on the statistical indicators, Professor came up with a fact that Indonesia had become the number one in palm oil production with the total palm oil plantation of 7 million ha (5% of the total plantation area), with the total land area of 188 million ha, the total forest area of 120 million ha and the total plantation area of 7 million ha. As he mentioned, the palm oil cultivation spread across 5 main islands, with Sumatera as the main planting area covering 70% of the production. Further on, palm oil has the highest productivity in comparison to other vegetable oil.

It is superior in terms of land use efficiency and can also absorb a great amount of carbon dioxide over a long period. The issue of sustainability of palm oil took the next important place in the Professor's presentation. Within that context, he stressed the significance of business enabler, risk management, and enhance competitiveness. The main conclusions relating to business enabler are as follows: improving company image and general acceptance, support of talent recruitment and motivating employees bring about improved productivity and secure long-term returns. The last issue that was analyzed was the price outlook 2010, which was mostly based on the results of the conference in Bali. At the end of his presentation, Professor concluded that in case of Indonesia, palm oil considerably contributed to economic growth, employment, poverty alleviation and rise of exchange revenues, but sustainability of palm oil should be developed further.

The next speaker, Professor Roberto Akyuwen, examined the dynamics of Indonesia's CPO export. Within this agenda, two relevant issues were discussed – crude palm oil and CPO export policy. The most extensive conclusions referred to the CPO export volume, factors affecting CPO export performance and the role of CPO export in the national economy.

The last part of this scientific event was marked by the discussion by the present participants on the topics that were opened here.

Blagoje Babić, Research Professor, pointed to the necessity to invest in Serbia and create its market as the best way for increasing demand in palm oil, what should be done by speeding up the investment and creating a habit of its consumption.

Sanja Jelisavac, Research Associate at IPE, discussed the following issues: climate changes affecting agriculture, the World Trade Organization rules on domestic support and production and possibilities for increasing imports from Serbia to Indonesia.

Finally, Svetlana Djurdjević Lukić, Research Associate at IPE, highlighted the similarities in terms of transition in Indonesia and Serbia. She also pointed to the state image as an important factor in international relations that could contribute to the achievement of certain policy goals. Within that context, the so-called new economic look of Serbia should be promoted.

Nevena PROLOVIĆ