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Jokowi Says Investing in Indonesia is Easier Than Ever

As the global economy is idle due to coronavirus lockdown, the Indonesian government takes the momentum to launch an “extraordinary structural reform” that makes the business climate friendlier to investors than ever before, President Joko “Jokowi” Widodo said on Thursday. Key in the current reform is the adoption of a new job creation law, the so-called omnibus law, which brings together 79 related laws into one, he said. “Indonesia has harnessed this critical momentum to conduct extraordinary structural reform. We have improved the regulations and the bureaucracy so that we can move faster in this difficult time,”

Jokowi said as he addressed business leaders in the Asia-Pacific Economic Cooperation (APEC) summit through videoconference. “Indonesia recently passed the job creation bill or what is often referred to as the omnibus law. For the first time, a massive regulatory simplification has been carried out,” he added. He went further to claim that overlapping regulations and complex procedures have been trimmed and the “red tape of long bureaucratic process” for licensing has been eliminated. “Illegal levies and corruption that have hindered business and investment will also be eradicated, while at the same time we remain committed to protecting the environment,” the president said. “Business and investment licensing process becomes simpler and faster, investment requirements are simpler than before,” he said.

The law has triggered nationwide protests before and during its enactment last month, with labor unions accusing it of heavily favoring employers. Jokowi has earlier dismissed allegations that the new law repeals the provincial minimum wage or denies workers compassionate leave, maternity leave and marriage leave. He said last month public anger towards the law had been triggered by misleading media reports and hoaxes on the social media.

The APEC Business Advisory Council (ABAC), the second pillar of the regional forum comprising mainly businesspeople, has voiced three main focuses to help accelerate economic recovery in the region, namely regional integration, digital innovation and economic inclusion. ABAC Indonesia Chairman Anindya Bakrie said Indonesia will play a key role in regional economic integration. “Indonesia as the largest economy in the ASEAN with high growth potential in the long run will become the leading foundation of global economic growth,” Anindya said in a concurrent conference in Jakarta.

He said that Indonesia's geographical advantage and friendly investment policies could serve “as a bridge” between the United States and China. “Indonesia’s supply chain and manufacturing activities are relatively small, making its economy resilient to trade wars. However, as the world’s largest archipelago, there is a tremendous untapped potential to contribute more to the global supply chain, so that global output stability can be sustained,” he said. In the economic innovation area, he noted that Indonesia is among few countries in the region with the fastest adoption of e-commerce in the midst of a slowing economy.

As the leader in Southeast Asia in terms of digital economy, Indonesia is also the fourth-largest smartphone market worldwide with nearly 142 million mobile users, he said. “The pandemic has been an eye opener and made us realize the importance of

digital connectivity and why it should be a priority for a post-pandemic world,” he said. Indonesian Chamber of Commerce and Industry (Kadin) Chairman Rosan Roeslani said the omnibus law is a major breakthrough that will help not only spurt the economic growth but also improve prosperity of the Indonesian. “The omnibus law is one of the biggest structural reforms ever taken in the country, but it must involve all stakeholders,” Roslan said. “The economic recovery is moving to the right direction and hopefully the Indonesian economic growth will return to the positive territory.”

Source: <https://jakartaglobe.id/business/jokowi-says-investing-in-indonesia-is-easier-than-ever>