

INDONESIAN ECONOMY: AN APPRAISAL OF MAJOR SECTORS

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Indonesia is the largest archipelago in the world. It is consisted of five main islands (Sumatra Java-Kalimantan Borneo Sulawesi), thirty smaller archipelagos and 17508 (one third of this i.e 6000 are inhabited only) islands and islets. Actually, the name Indonesia is derived from the combination of two greek words, i-e Indos meaning India and Nesos meaning islands. It is situated on the cross road of two oceans viz Indian & Pacific, therefore bridges between Asia and Australia. Due to strategic location, Indonesia s cultural, social, political and economic patterns are married with diversifying attitudes. Here only main economic and specific perspectives and salient features are emphasized upon.

Indonesia s total areas is about 9.8 million sq. K.m spreading between 1.9 million sq k.m and sea 7.9 million sq. k.m, territory. Such division also includes Exclusive Economic zone EEZ.

The economic features of Indonesia are consisted of the following major sectors of the economy.

1. Population

Population of Indonesia is composed of four main ethnic groups viz, Melanesians, Proto-Austronesians, Polynesians and Micronesians, these groupings are based on linguistic identities. Because of further ethnic denominations, the whole archipelago is just like a mushroom of more than 150 languages and dialects. However its central official language is Bahasa Indonesia.

According to the census reports¹ of the year 2003, its population rose to 215, 276, 000 (201.52 million), as compared to 205,843,000 (200.50 million) heads in the year 2000, ranking Indonesia the fourth largest populated country in the world, after China, India and USA and the first largest among the Muslim world. However, its rate of population growth is declining to 1.49% per annum during 1990-2000 period as compared to 1.97% during 1980 1990 period. Its density of population is 111 heads per sq. mile. Such decrease has also brought down the number of average heads per household from 4.5 heads in 1990 to 3.5 heads in the year 2000. In the year 2002, from the total working population of 91,600,000 (91.6 million), 44.34% were busy in agriculture, 19.2% in trade, 13.21% in manufacturing industry, and 11.30% in services sectors. Islam is the main religion of Indonesia, as 88.22% of the population follows Islam in the year 2000, as compared to 87.51% in the year 1971, reflecting an increase of 1.86%. Against this 8.9% goes to the share of Christians, 1.60% to Hindus, 1.51% to Buddhists and others, in the year 2000. therefore Indonesia may be termed as the largest Muslim populated country of the world.

2. Agriculture,² Forestry and Fisheries

As mentioned above that 44.34% of the working population is busy in agriculture, therefore it may be understood that 60% of the population is depending on agriculture. Indonesian agriculture grew from 3.39 % in 1967 1976 period to 5.72% in 1976 1986 period, making Indonesia self sufficient in food requirements, during this decade. However, the food autarky ratio could not be maintained continuously and it showed downward trends to

¹ See reference No.1, PP 12-16 and others

² See reference No-1, P.112 and others.

1.57% in 1997 due to natural calamities, i-e droughts, cyclones*, soil erosion, global unsuitable and un-economic policies. Such devastating cyclones had rigorously affected agriculture and played havoc with its subsidies like forestry and fisheries.

Indonesia's main food crops are rice, maize, corn, soybeans, peanuts, cassava etc. In the field of horticulture, it includes, vegetables, viz, onions, shallots, potatoes, cabbage, mustard green, carrots etc, while its main fruits are composed of avocado, mango, lanzon, durian, orange, salaks, pine apple, rambutan, banana, sapodilla and guava etc.

In addition to this, plantation of estates produce rubber, coconut, palm oil, coffee, cacao, tea, kopak, quinine, jute bamboo trees, sugar cane, tobacco, cashew nut etc.

Related to agriculture, livestock production includes dairy products. Animals are consisted of cow, buffalo, horse, goats, sheeps, pigs, poultry, ducks, etc.

As regards forestry, it may be mentioned that conservation and preservation of forests has to be maintained for the improvement of public welfare, securement of the forests for its existence, optimization of forestry benefit and reinforcement of forestry institutions. Steps are taken to look into the affairs of illegal logging and eradication, protecting forests from fires, reconstruction and fresh seedlings of forests alongwith decentralization of forestry sector, to check and prevent the smuggling and illegal trade of logs, international co-operation has been maintained with the governments of China, Japan, South

* Recent Tsunami cyclone, followed by less intensity rearing typhoons, is the worst example of the same, has harshly ravaged Indonesian natural resources, economy and its population.

Korea, U.K and others.

Schemes of socio-economic and ecological benefits are to be attained by encouraging establishment of viable wood industries and efficient wood industrial structures. This may help to produce the products of high quality to gain edging superiority in the global market. It paves the way for manifestation of sustainable forestry development. It may cope with wood and trade requirement of paper and pulp industry as well as of timber market demand. This may boost up employment opportunities. By such conservation and optimum use of forestry, functions, benefits and status of forestry can be channelized through sound parameters, based on viable, ecological, economical and social grounds. Simultaneously, it may protect and preserve the animal population, types of plant, genetic germs and ecosystems.

So far 300,000/- hectares in 27 river basins are maintained and three million hectares of damaged forests have been reconstructed. The government of Indonesia has provided RP. 134 billion to 182 district administrations till the year 2004. Forestry in Indonesia has been decentralized. Regulation to govern forest management and planning, utilization and use of forest areas, urban forest and reforestation fund etc, have been enacted³.

Indonesia has a total forest area of 120.25 million hectares (i-e 63% of country's total area). It may be divided into 20.5 million hectares as parks and reservation forests, 33.52 million hectares protection forests, 23.0 million hectares as limited production forest, 35.2 million hectares as production forest and about 8.07 million hectares as convertible production forests.

Conservation of forests is divided into national parks (41 areas),

³ opt. cit. pp 119-123.

nature recreation parks (89 areas), major forest parks (13 areas), hunting ground (15 areas), nature conservation (179 areas) and wild life sanctuaries (51 areas).

Efforts are on the way to strictly check the menace of frequent landslide, flood, pollution, drought, micro-seasonal changes, excessive and indiscriminate timber cuttings. This may save the degradation, depletion and damage to the forests in Indonesia.

As regards socio-economic benefits, it may be mentioned that socially and economically, forests in Indonesia are not only providing timber and wood but by-products like rattan, honey, resin, aloe wood, sandal wood, paper etc are also fetched from forests in Indonesia. It also prevents floods and provide employment.

Total number of people directly or indirectly earning their livelihood from forestry increased to 31 million in 2004 against 18 million in 1997. The number of saw mills and wood working, plywood mills, pulp mills totalled to 1881 with installed capacity of 44.77 million cubic-meters of raw material was supplied in 2003, as compared to 18.60 million cubic-meters in the year 2000. So far the government earned RP. 13.5 billion through taxes, levies and forest concession holders. Finding tourism attractive, more than 0.8 million persons visited nature parks and 3.5 million⁴ visited conservation areas. So far agriculture is contributing 17.44% to the GDP.

As regards fisheries, it may be mentioned that Indonesian archipelago has a total area of 5.8 sq. k.m and coast line of 81000 k.m, therefore it is rich in maritime natural, fresh water and

⁴ Ibid, p.104

cultural fish resources. Indonesia is proudly famous for quality, quantity and variety of fish. Its production of sea fish is more than 6.4 million tons per annum with the total economic potential of earning of \$82.6 trillion. Its variety is consisted of demersal and pelagic fish catch, sea-cultured fishery, brackish cultivated fish, marine bio-technological fish and others. Presently it is contributing 15.65% to the GDP per annum. Fish products increased from 5.07 million tons in 2000 to 5.94 million tons in 2003, reflecting a rise of 5.21% per annum. It also earns more than US\$ 2 billion through exports, after meeting domestic consumption of 5.3 million tons⁵.

No. of fishing vessels rose from 450000 in 2000 to 474000 in 2003 showing a surging rise of 1.83%. It employs about 4 million fishermen and 2.2 million cultural fish farmers.

Efforts on the way to improve productivity through intensification schemes and rural fish farming to produce cultural fish, shrimps, kerapu, seaweed, mollusk, patin, nila fish etc. Synergic efforts by communities, government and business circles are yielding hopeful results to address all the problems of marine pollution and environment betterment. It may attract international co-operative development schemes. Exclusive Economic zone (EEZ) of 200 miles is also being maintained to check the theft and illegal fish catching.

This may improve the living conditions of fisherman and fish farms. It may help to create an atmosphere of sustainability. The establishment of South East Asia Centre for ocean Research and monitoring at Perancak, Bali Islands, helps to provide interaction on fishery, cultured fishery, satellite monitoring on weather and seasons, transport, marine tourism, sea pollution, marine

⁵ Ibid, p.134 and others.

technological innovations etc. It also transmits information on marine resources management, maintenance of coastal and marine environments, mining at the deep seas and coastal areas and environment friendly energy. Relevant concerns of USA, Australia, Japan, Canada, Germany, Korea and other countries have joined this organization and are actively collaborating with Indonesia on universal patterns.

3. Industry and Trade

Modern Industry of Indonesia is composed of micro, small, medium, cottage and co-operative undertakings. It is being developed on the basis of market mechanism, fair competition, non-monopolistic practices, establishment of global oriented socio-economic infra-structures, empowerment of small and medium-scale enterprises (SMES), improved application of science and technology and promotion of bilateral and multilateral economic co-operation for augmenting exports and international trade.

To gain these and other objectives, efforts are being made to revitalize the whole industrial structure. Consequently, economic growth has been surging upward with enhanced and improved productivity, including saving and investment of foreign exchange, boosting up of regional economic developments, improving quality of life and alleviating poverty.

During the period from 2000-2004, the figures of industrial development reflect that more than 65.3% of the utilization capacity produced manufacturers was geared in production increase, as compared to 61.7% in 2000. Chemical, agro and forestry based industrial groups recorded 75.5% growth, with an annual average growth of 1.9% during 2000-2004, whereas metallic machinery, electronics and multi ferrous industrial group totally

utilized 55.2% of the utilization capacity, during the same period of four years.

As regards manufactures⁶ it may be mentioned that Indonesian manufacturing industry contributes major share to the GDP. In the year it contributed 25.01% against 24.9% in 2000 and 24.7% in 2003, of the total GDP, as compared to agriculture (17.47%) and others (57.9%) in 2000 and (58.8%) in 2003.

Indonesian manufacturing industry may be classified into four major groups, viz large, medium, small, cottage and household industries. These industries manufacture publications, printing and recording group (56 establishments), rubber and plastic production group (50 establishments, motorized vehicles; auto-assembling group (54 establishments).

These groups alongwith their sub-sectors such as food and beverage group, machinery and accessories, leather and leather goods industry, metal goods etc manufactures employed 4364 869 workers in 2002, indicating a decrease of 0.5% as compared to 2001.

Small and medium-scale industries (SMIS) include the production of food stuffs, clothes, chemicals, metal, electronics, and handicrafts. Small-medium enterprises and co-operatives (SMES) contributed 56.7% of the total GDP in 2003. These industries are busy in primary and tertiary sectors. SMES exploit the initialization of natural resources, agricultural crop, plantation estates, livestock, household consumptions, fishery, trade, hotels, and restaurants, exports, etc. Large scale industry reflects the advanced processing of electricity, urban gas, drinking water, services, communications and minting etc.

⁶ Ibid, pp.109-110 and others.

Medium scale industries include business of hotels, finance leasing, services, forestry, transport, trade, national demand of goods and services. The large scale industries are just like pump-priming push for economic growth, whereas small-scales play the role of balancing element for income equity and absorption of labour intensive methodology.

The following table reflects the comparative position of large, medium and small scales industries in Indonesia.

**Average investment of various⁷
Establishments during 2002-2003**

| Scale | Investment (Billion RP) | No. of Establishments | Investment per Establishment |
|--------------|------------------------------------|----------------------------------|---|
| Small | 58,884 | 40,138,823 | 1.51 |
| Medium | 73,191 | 56709 | 1.240 |
| Large | 185,043 | 2024 | 1.51424 |
| Total | 317118 | 40,197,556 | 7.9 |

The above table reflects that small scale group recorded investment of growth by 2% against medium scale by 0.01% and large scale by 2% respectively. These all are meant for utilization of national resources, which produce goods and services of both national and international demand.

As regards co-operatives, it may be mentioned, that it is the backbone of peoples economic activity, alongwith SMES production targets. Co-operative establishments increased form 110658 units in 2001 to 117806 units in 2002, showing an increase of 6.46%. These co-operatives basically produce materials of

⁷ Ibid, P.110

cottage industries, and are spread all over the country (i-e more than 391 districts and municipalities of Indonesia). More than 202949 workers were working in these industries in the year 2001, which rose 209058 during 2002, reflecting growth by 3.01%, whereas its membership increased from 23.6 million to 24.4 million in the corresponding period. In addition to this, saving-credit scheme co-operatives provide finance to these co-operatives to produce goods and services on local levels. BDS (Business Development Services) also work as a Provider, for the financial requirements of national and international agencies like JICA (Japan International co-operation Agency) and others.

As regards trade and commerce, it may be noticed that, this sector greatly performs the functions of the distributing goods and services at internal and external frontiers. It also meets the requirements of staple food and appropriates the stability of prices. It is based on the products of agriculture, industry, manufactures, mining, finance, transport and communications. It plays a pivotal role to cater to the trends of improvement and distribution of income, retail and wholesale dealings, price stability, creating employment opportunities and facilities, import and export of technological advancements, as well as, it caters to the needs of changing life styles, tastes, habits and diversifying living standards. In the year 2002, there were 100 convenience stores, 802 super markets including mini-markets and 37 hyper markets.

External trade of Indonesia takes the care of marketing both oil and non-oil, as well as, gas and gas commodities.⁸ Exports of non-oil & gas generate 5.67% to GDP amounting to US \$ 47.76 billion in 2003 against 45.1 billion US \$ dollars in 2001. Exports of oil and gas grew by annual growth rate of 1.2%. Gross revenues from selling of crude oil fetched \$ 1150 billion in 2003, whereas from

⁸ Ibid, P.133

gas it amounted to US\$ 8.615 billions in the same year. It may be summed up that from the total amount of mineral wealth earnings, oil and gas contributed 78507.4 billion RP. and other minerals contributed RP. 1072 billion, during the year, 2003. All necessary steps are on the way to further explore the mineral wealth. Presently Indonesia have 20 oil refineries, one LNG and one LPG refinery. The crude oil production has touched 1150 millions barrels in 2003. Oil refining capacity was 987 billion MBCD or 360 thousand MBBL, in 2004. The gas production went up to 685 billion cubic feet (BCF) in 2004 against 628 (BCF) in 2003. Indonesia exports gas to Singapore, South Korea, China and other neighbouring countries through piped transmission. In the year 2003, government revenues from energy and mineral resources amounted to RP 79579.4 billion or 110 times more than the targeted quantum of production in the year 2002.

Domestic oil consumption of Indonesia totaling to 57.40 million kilo liters is divided in 26.71 million kilo liters for transportation of 7.58 million kilo liters for industry and 11.65 million kilo liters for households. Besides, Indonesia is also very rich in other minerals, like tin, copper, nickle, silver gold etc.

4. Transport and Communication

Like all other countries, of the world, Indonesia has also developed means of transport and communications. Its basic aim is to orient these services as more efficient, reliable, qualified and affordable by the common masses of Indonesia. Indonesian transport is consisted of river, lake, ferry, sea, air, road and railways etc, to gain its benefits even at the remote areas of the country. This has benefited both the rural and urban population, as well as, inter-regional and intra-regional facilities. More than 92 bus pioneering routes were established in 2004, as compared to 50 in 2001, to cater to the transportation needs of the lower middle

class society. Public and private transportation⁹ enterprises are playing their vehicles on different routes, throughout the country, on healthy and competitive grounds. In the year 2002, about 23 million vehicles were running on the roads of Indonesia for both the passenger and freight traffic. From this 73.97% were passenger cars, 8.12% trucks, 3.10% buses and 2000 vehicles as inter-city passenger bus service. The total length of road net-work is more than 4 lacs kilo-meters and 2000 meters of bridges along the roads, heading to Java, Sumatra, Kalimantan and Sulawesi routes. Country s road network is also connected with the neighbouring countries, like Malaysia, Papua New Guinea, Timor etc.

As regards railways, it may be mentioned that railway services are limited in Indonesia, due to its geographical location and archipelago. It is available only in Java, Sumatra islands and Jakarta. The state run Indonesian Railways company (PT Kereta Api) more than 190.7 million persons travelled through rail services and 18 million tons of freight were handled in 2003.

Inland water ways and ferry crossings play pivotal role in Sumatra, Kalimantan, Java and Papua, for both the passenger and freight carrying services. In the year 2003, more than 36 million passengers and 15 million tons of freight were transported through ferry services.

The sea-transport operates on 174 Sea Shipping lines. In the year 2002, more than 164 million tons of freight was loaded through sea shipping routes.

The Indonesian air travel services maintains the fleet of 545 aircraft to provide air services on 317 internal and external routes. Both public and private airline companies provide air traffic

⁹ Ibid, P-125.

services in the country and abroad. In the year 2003, more than 14 million passengers travelled by air and 0.2 million tones of cargo was handled by air services.

Meteorological services are also provided by the government as guidelines for transport, strategic equipment, such as, agriculture, irrigation, forestry, water resources and other public facilities.

As regards postal services, it may be mentioned that Indonesia has 7147 post offices to meet the requirements of the people.

As regards telecommunications, it may be added, that the whole system has been renovated and rehabilitated. The infrastructures have been weded with latest radio, television, telephone, etc frequencies of 10.15 million telephone lines, covers the requirement of public services. In the year 2003, mobile or cellular subscribers crossed the figure of 12 million and one million for internet uses. It is being further modernized, improved and diversified with the dynamics of changing world.

5. Labour

Accordingly to international set-up Indonesia also aims at the continuous provision of jobs, enabling masses to earn their livelihood. This may save them from the menace of unemployment and disguised unemployment. The government strives for the comprehensive and integral development of man power to improve its competence, better wages, welfare schemes for betterment of labour, right to trade unionism, efforts to envisage the improvement of quality, efficiency, skill, training and quantity of manpower, export of labour to foreign countries, legislation to promote the schemes of social security, social insurance and check the exploitation of manpower etc, at the hands of employer.

Total working population of Indonesia in 2003 was 152.6 million and 60.37% of this was busy in Java Island only. Majority of the Indonesian labour force i-e 76.78% is educated at primary and partially secondary level whereas 23.22% is literate at college and University level.

Indonesian employees numbered 23.8 million (26.25% of the total working population), who were mostly busy in services, manufacturing industries, trade and agricultural sectors, whereas from the remaining proportion 40.23% comprised of self employed, 35.23% were temporarily employed against 6.54% of the employers, and 32.99% were unpaid workers.

Comparatively, the unemployed manpower numbered to eight million in 2002, which rose to 9.5 million in 2003, comprising 59.68% of low level educated and 40.32% of higher level educated unemployed. It is because of unbalanced growth of economy, shattering natural disasters, cyclones, calamities, seasonal drought unsuitable weather conditions and population growth.

In order to create more job opportunities, the government of Indonesia has been increasing working hours to start double shift production to encourage export of labour force and augment foreign exchange resources, to create more skilled and technologically well versed labour force, to enhance training schemes with curriculum moderations, to provide information about job market conditions. The government has also started a programme of national campaign for handling unemployment in the year 2004. This has partially eased the problem of professional independent young manpower, volunteer manpower, educated independent manpower. Expanded labour-intensive schemes also help to seek jobs under the scheme of Inter-regional manpower and special manpower placement etc. More than 171 service companies are working in Indonesia to send workers in Middle

Eastern countries to perform formal and non-formal economic activities. Against this 233 service companies are working to fetch overseas employment in the 22 countries of Asia-Pacific region. Presently more than one million workers are working abroad.

In order to maintain harmony, peace and tranquility among employers and employees, steps have been taken to promote constructive and healthy trade unionism, to improve vocational safety and health provisions to enhance schemes of social security, labour welfare and collective bargainism and implement various ILO decisions.

Under social security scheme a new programme Jamsostek has been started. It provides the workers credit and financial loans to mortgage houses, to build worship houses, to participate in sports and celebration of religious eve.

Scheme of social insurance is funded by individuals and companies to provide the relief to the worker at the time of unemployment, work accident, sickness and sudden death etc. Indonesian workers have won praise worthy laurels and international reputation in the performance of assignments in different fields, such as, accountancy, oil drilling, construction, seamanship, nursing and midwifery etc.

Besides, these salient features Indonesian economy is reflected in many other reactors, such as tourism, overseas co-operation, culture, music, carvings, traditional weaving and so many other sectors of the economy.

Conclusion

While concluding it may be observed that Indonesian economy is also moving towards the path of growth and development and

mounting towards economic recovery, after facing the disputing factors like rising oil prices on international marketing, hike in American interest rates, the tsunami disasters in Aceh earthquake in Nias, and others. The formidable depressing and challenging obstructions are being removed, to put the economy on the rails of progress.

Macro-economy of Indonesia has been wedded with stability. Capital Market has been strengthened. Foreign exchange reserves have been streamlined despite cyclical fluctuations, since 1997 economic and financial crisis.

In the year 2004, Indonesian economy grew by 5.13%. Foreign indebtedness has been lowered to 53% of the GDP in the same year. Inflationary trends are being decreased. Non-oil and gas sector grew by an average of 7.5%. This have paved the way for getting rid of the Asian Economic crisis, started in 1997.

Infra-structures are being renovated and newly constructed to cope with the problems of unemployment, hyper inflation, mismanagement and poor administrative performance. Investments grew by 18.3% and exports increased by 13.7%. Foreign capital and investment inflow has been encouragingly attracted with domestic participation. This has promoted establishment of new industries in large scale and heavy industrial sectors, such as services industries, food processing industries, plantations, utilities , trade, hotel and restaurant, chemical and pharmaceutical industries, mining industries, transport and communication industries etc.

In the overall assessment industrial sector has so far scored the rise by 7.2% against agriculture by 1.9%, oil and gas sector went up by 8%. The following table reflects the latest position of economic growth in Indonesia.

Quarterly GDP by Industrial Origin (%)

| Industrial Origin | Q 3 from Q 2 /2004 | Q 4 from Q 3 2003 | Q 4/2004 Q from Q 4/2003 |
|---|-------------------------------|------------------------------|---|
| 1. Agriculture, Livestock forestry & fisheries | 5.56 | -20.00 | 1.86 |
| 2. Mining and quarrying | 3.86 | 0.34 | 3.28 |
| 3. Manufacturing Industries | 1.98 | 2.02 | 7.17 |
| 4. Electricity, Gas and Water supply | 1.26 | 2.53 | 7.87 |
| 5. Construction | 4.71 | 2.08 | 8.31 |
| 6. Trade, hotel and restaurant | 4.30 | 2.16 | 9.41 |
| 7. Transportation and Communication | 5.10 | 3.45 | 11.47 |
| 8. Financial Owner ship and business | 2.50 | 3.15 | 8.45 |
| 9. Services | 0.72 | 1.33 | 5.04 |
| GDP | 3.336 | -1.55 | 6.65 |
| GDP (excluding oil & gas) | 3.43 | -1.48 | 8.03 |

Source: Indonesian Economic Performance, various publications, issued by the co-coordinating Minister of Economic Affairs, May 2005.

It may be understood that increase in power consumption, sale of motor cars increasing to 520000 units in 2005, sale of motor cycles rose by 35% etc reflect the improvement in standard of living. Budgeting system of Indonesia is being inter knitted with transparency and accountability in the use of public funds.

As regard financial management, it may be mentioned that, Indonesian s stock market is one of the best performers in Asia, also experiencing with partial ups and downs. Maintaining the

stability of interest rate economy is enhanced by creating conducive position. Credit extending position of the banks and DFI's etc has been extended and widened. This has been contributing for accelerating the rate of economic growth. However sky-rocketed oil prices have adversely affected the balancing position of the economy. The dollar-rupee exchange rate has gone up from RP 9200 in September 2004 to 9500 in March 2005 and 9800 in May 2005. It has weakened the currency position of Indonesian rupee. Various economic measures are being taken to check the inflationary trends, arising out of rising oil prices and shattered dollar-rupee parity, global economic show down and rising interest rates of the developed countries and global imbalances. However, Indonesian economy is moving steadily to the Millennium Development goals. The infrastructure Summit (held on 17-18 January 2005), has set the following targets to be achieved by natural unity cabinet in five year period.

1. To reduce the rate of unemployment from 9.5% in 2003 to 5.1% in 2009.
2. To reduce the rate of poverty from 16.6% in 2004 to 8.2% in 2009.
3. To accelerate economic growth from 5% in 2004 to 7.9% in 2009, in order to attain the annual growth rate of 6.6% in 2009. This may be achieved to GDP ratio from the present rate of 20.5% to 28.4% in 2009.

It may be summed up that well coordinated efforts are required to achieve the set targets of economic development, aiming at the prosperity of the common man the road map of infrastructure build up sketched for 2004-2009, may emphasise upon regulatory framework reform, investments communications and capacity building. It may enhance the per-capita GDP of Indonesia from US \$ 660 in 2001 to 1000 dollars in 2009.

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