

**Remarks from U.S. Ambassador to Indonesia Robert O. Blake to
The Pacific Forum CSIS – Honolulu International Forum
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**“The U.S.- Indonesia Expanded Strategic Partnership:
Post President Jokowi’s U.S. Visit.”**

Elevating the US-Indonesia Strategic Partnership

Many thanks for hosting me today. It is wonderful to be back in beautiful Hawaii and to have a chance to speak about the progress of U.S.-Indonesian relations following President Jokowi’s visit to Washington and meeting with President Obama earlier this week.

To set the strategic backdrop, why is Indonesia important to the United States?

- it is the world’s largest Muslim-majority democracy;
- it is a G-20 economy with a near trillion dollar economy which is a market of growing importance to the United States
- Indonesia is the largest and most important country in ASEAN; and
- It is a country playing an increasingly important role on global issues such as countering violent extremism; combating climate change; tackling migration; and enhancing global peacekeeping capabilities.

President Obama has a deep connection to Indonesia having lived there as a child. He visited Indonesia in 2010 when he and then President Yudhoyono established the Comprehensive Partnership, signaling our intent to widen and deepen our cooperation.

This deepening of our ties was and remains an integral part of President Obama’s re-balance to Asia.

Monday’s meeting with President Obama marked President Jokowi’s first official visit to Washington as President. He has completed his first year as President and is in many ways a transformational leader.

He is the first Indonesian President who was not a military leader or a member of the traditional political elite. Like President Obama, he relied on social media to help get him elected.

And President Obama remarked Monday that both of them had inherited difficult economic circumstances as they took office. Jokowi made increasing growth and reducing poverty his top priorities.

He acted boldly to remove energy subsidies that provided funds to help rebuild Indonesia’s sclerotic infrastructure.

But declining global growth, low commodity prices, and a slow start to the Government’s infrastructure spending all contributed to a fall in GDP growth to 4.7%.

President Jokowi has prioritized opening Indonesia's economy and improving Indonesia's business climate to attract the foreign investment Indonesia needs to help finance its infrastructure development program.

US business leaders this week commended the President for the recent series of reform packages he and his economic team have enacted and urged continued progress. So that is the backdrop to the visit, let me elaborate some of the key results.

Results of President Jokowi's Visit to Washington

Let me talk first about the meeting of the two Presidents and then describe the important business-to-business interactions that took place.

To signal the progress and promise of our relations, the two Presidents decided to elevate our relations to a strategic partnership. President Obama emphasized the strength of the bilateral relationship between two of the world's largest democracies.

He said that partnership is very much in the interests of the United States, given Indonesia's large population, its leadership in the region, its democratic traditions, the fact that it is a large Muslim country with a tradition of tolerance and moderation, and its role in trade and economic development.

The President complimented Jokowi on the reforms that he has initiated, and the two leaders discussed how to continue to strengthen our trade and investment ties. In a significant step forward, President Jokowi told President Obama Indonesia wants to join the Trans Pacific Partnership, one of the pillars of President Obama's re-balance strategy.

Jokowi also emphasized Indonesia's interest in expanding the digital economy in Indonesia, to provide opportunity and alleviate poverty for farmers and others, while empowering emerging sectors such as e-commerce.

The two Presidents also discussed:

- Security cooperation, including in the maritime area, helping Indonesia modernize its military capabilities;
- Importance of working through channels like ASEAN and the East Asia Forum to encourage a continuing strengthening of rules and an international order governing the behavior of nations in the maritime area.
- Cooperation in the counterterrorism area not just security and law enforcement cooperation to combat terrorism, but also countering the messaging from organizations like ISIL. Indonesia is uniquely positioned to be able to help spread a message of peace and cooperation and modernity within the Muslim world, at a time when these values are under threat.
- Range of global issues, because Indonesia, as a member of the G20, is not only a regional leader but also a global leader.
- Joint work we're doing on issues like global health security and making sure that we have public health systems in place to prevent future pandemics.

One of the main topics discussed was the issue of climate change. President Obama welcomed Indonesia's previous announcement that it intends to reduce its greenhouse gas

emissions by 29% by 2030. He also referred to U.S. assistance to help Indonesia combat the serious fires that now rage in a substantial part of Indonesia, exacerbated by El Nino.

President Obama underscored the importance of maintaining strong policies to stop deforestation and ensure sustainable palm oil. President Jokowi reaffirmed his recent decision to stop all licensing of development on peatland, a major step that will help reduce future fires and greenhouse gas emissions.

The President concluded by noting “We want to be a partner with you. And please know that the friendship that the United States feels towards Indonesia is not just an issue of strategic interest but also represents the strong people-to-people ties between Americans and Indonesians.”

Following the very productive White House meeting, President Jokowi witnessed the signing of new contracts and investments whose value exceeded an impressive \$20 billion dollars.

Highlights included:

Cheniere Energy signed a multi-billion dollar LNG long term contract with Indonesia's state-owned oil and gas company Pertamina.

UPC and the State Electricity agency PLN signed an MOU for 500 MW of wind power in 5 projects, Indonesia's largest wind deal ever.

General Electric completed a number of deals to help Indonesia meet its goal of developing 35,000 MW of new power generation in the next five years.

Caterpillar and US battery manufacturer Fluidic signed an MOU for electrification of 500 rural and island grids, that will contribute greatly to providing opportunities for the poor in these previously underserved areas.

Cargill announced a new investment in a sweetener plant, an East Java Feed plant and West Kalimantan and South Sumatra palm mills.

Skychaser and Udayana University (Bali) announced an MOU for water conservation and power efficiency

Bechtel announced a contract with Pertamina's Project and Engineering Services Group (PESG) to form a strategic partnership to assist on project management and capacity building for development of new refineries and optimization of existing ones.

All of these show both the increasing scope of US trade and investment with Indonesia, as well as the confidence of the US business community in Indonesia's bright economic future, and the reform program President Jokowi.

In summary, we are very pleased with our new strategic partnership between the world's second and third largest democracies, the new momentum of our economic ties and the much higher potential now that Indonesia has indicated its intent to join the Trans-Pacific Partnership.

Thank you!