

Netherlands, Indonesia to sign CPA this year:

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Who is the busiest ambassador in town? The answer could well be the ambassador of the Netherlands.

Ambassador Nikolaos van Dam is leading the Netherlands' largest embassy in the world with more than 120 staff members.

"Our Foreign Ministry rated the embassy here as the number one Dutch embassy in the world, taking into account its overall importance in the areas of political, economic, consular and cultural affairs, as well as development cooperation," van Dam told *The Jakarta Post* in a recent interview at his office in Jakarta.

The second reason is the current "boom" in the centuries old love-hate relationship between Indonesia and its former colonial ruler, the Netherlands.

It is this boom that has made the ambassador so busy, having to visit the many Dutch-supported projects all over the Indonesian archipelago.

This boom, according to van Dam, began two years ago.

"It all started in August 2005, when our then foreign minister Bernard Bot for the first time attended the commemoration of Indonesia's 60 years of independence, recognizing both politically and morally Aug. 17,

1945 as Indonesia's Independence Day, instead of Dec. 27, 1949," van Dam, who submitted his credentials to President Susilo Bambang Yudhoyono on Sept. 8, 2005, said.

Dec. 27, 1949 was the day the Netherlands formally transferred sovereignty to Indonesia.

"This change was seen as a milestone in the normalization of bilateral relations and led to the beginning of a further intensification of bilateral cooperation in all areas," he said.

For example, last year alone there were more than 15 ministerial and other political visits from both sides, including the visit of Dutch Prime Minister Jan Peter Balkenende to Indonesia in April, said van Dam.

During his visit, Balkenende reiterated his country's full support for Indonesia's unity.

"The Netherlands fully respects the territorial integrity of Indonesia and there could be no doubt on that matter," Balkenende said at that time.

Both Indonesia and the Netherlands are not going stop with the present "boom," and together have bigger ideas to turn their bilateral relationship into a more permanent and extensive one.

"Together we want a more permanent relationship. That's why Indonesia and the Netherlands are planning to sign a Comprehensive Partnership Agreement (CPA) later this year. We have already

JP/Ricky Yudhistira



NIKOLAOS VAN DAM

signed a Letter of Intent (LoI) on this matter," van Dam said.

The LoI was signed by Bot and his Indonesian counterpart Hassan Wirayuda on Dec. 18, 2006, in Yogyakarta.

The CPA, according to van Dam, is a very special strategic partnership agreement as it covers many more areas than is usually the case.

When asked about what priority sectors the Netherlands wants to focus on, van Dam said the Netherlands would like to extend its cooperation with Indonesia.

"It is difficult to identify just one or two priority sectors because almost every field is a priority for both of us," van Dam said, laughing.

It is true that the Dutch government has been focusing on many areas in its coopera-

tion with Indonesia. However, both Balkenende and President Yudhoyono agreed in the joint declaration that both countries should give priority to political cooperation, trade, investment, education, culture and science, stability and security, biodiversity, sustainable development and water management.

On the economic front, the relationship between Indonesia and the Netherlands is running smoothly and bilateral trade and investments have been growing significantly.

"Our bilateral trade value in 2006 jumped to over 2 billion euros (approximately US\$2.6 billion), from 1.84 billion euros in 2005," van Dam said.

The balance of trade has always been in favor of Indonesia (see graphic) because Indonesia's exports to the Netherlands are three times bigger than Dutch exports to Indonesia.

Van Dam said that there are about 2,700 Dutch companies that have trade links with Indonesia. Most of these companies are importers of Indonesian goods. Around 100 Dutch companies are operating in Indonesia.

The Netherlands is the fifth largest investor in Indonesia and invested 838 million euros (approximately US\$1 billion) in several projects in 2005.

While commenting on the problems faced by Dutch com-

panies in Indonesia, van Dam said the investment climate is not yet ideal.

"Dutch companies have been complaining about the investment climate. We in the embassy can't force private companies to invest in Indonesia. But what we can do, and in fact are already doing, is supporting the Indonesian government to create a better investment climate by establishing better and more efficient rules for doing business here," van Dam said.

The Netherlands, he said, provides advice and support through the World Bank and the Indonesian-Netherlands Association to Indonesia to improve the investment climate.

Currently, Indonesia is the largest receiver of Dutch development aid globally.

"The value of our development cooperation in Indonesia reached 115 million euros in 2006, a big jump from 83.5 million euros in 2005. This cooperation will cover good governance, education, water quality, community development, cross cutting themes and humanitarian aid," van Dam said.

The Netherlands has also been actively assisting the victims of natural disasters in Indonesia.

"Both the Dutch government and public have so far donated US\$320 million for the tsunami victims of Aceh

Dutch envoy

and Nias. We have also donated substantial funds to the quake victims of Yogyakarta and Central Java, as well as to flood victims in Jakarta and West Java," van Dam said.

The Netherlands, which provides numerous scholarships to Indonesian students, was the first country to announce a generous donation of approximately US\$2 million just a few hours after the twin earthquakes that hit West Sumatra on Tuesday.

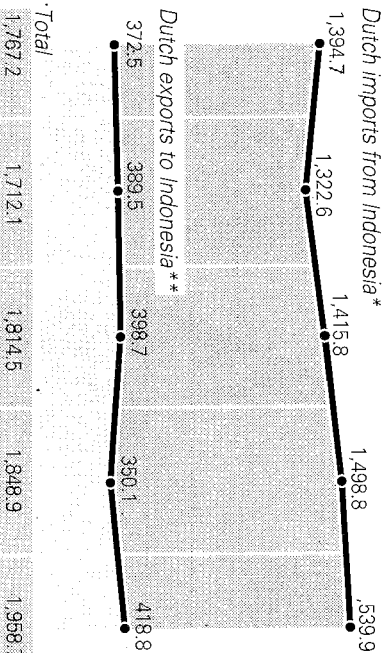
Bot, who was born in Batavia (modern-day Jakarta) and made several trips to

Indonesia during 2005 to 2006 to mend ties with Indonesia, is no longer the foreign minister. The baton was passed on to the new young Dutch Foreign Minister Maxime Verhagen on Feb. 22, 2007.

It is now up to Verhagen to carry the baton to the finishing line. According to van Dam, both Verhagen and the new Minister for Development Cooperation, Bert Koenders, officially communicated to Hassan that they echo the intention of their predecessors to stand by Indonesia as a true partner and friend.

NETHERLANDS-INDONESIA BILATERAL TRADE

in million euro (1 euro = \$1.31)



* main commodities: food & live animals, crude materials, mineral fuels, lubricants, animal & vegetable oils, chemicals, machinery & transportation.

** main commodities: agriculture (food & live animals, prepared food, edible products & preparations), industry (chemicals, manufactured goods, machinery & transportation, industrial machinery, telecommunication equipment).

Source: Dutch Embassy

JPR/Compt. Finance