



COORDINATING MINISTER FOR  
POLITICAL AND SECURITY AFFAIRS  
OF THE REPUBLIC OF INDONESIA

REMARKS BY

HIS EXCELLENCY SUSILO BAMBANG YUDHOYONO

COORDINATING MINISTER FOR POLITICS AND  
SECURITY  
REPUBLIC OF INDONESIA

AT A DINNER TENDERED BY  
ASIA SOCIETY AND ACIL TASMAN  
MELBOURNE, OCTOBER 10, 2003

Thank you, Ambassador Woolcott, for your kind words. I also wish to let everyone know how much we appreciate your longstanding friendship with Indonesia.

Dear friends,

First, let me thank Asia Society and ACIL Tasman for a very nice dinner. You make me feel very much at home. I say that, because at home, whenever my wife makes me a great meal, usually I end up having to do a big favor for her. And I am glad the big favor I have to do for you tonight is a speech, which I happily oblige, and--come to think of it--something which my wife never asked me to do after a great meal.

I am actually quiet impressed that you are here even though there is a world cup rugby match between Australia and Argentina tonight. I wish to state that Indonesia is a neutral country, so we do not take sides in the match between Australia and Argentina, but strictly in my personal capacity I would like to say one thing "Go Wallabies !!"

I have been asked by the host to say a few words about Indonesia.

Let me try to make brief points about democracy, elections, security conditions, economic opportunities and Indonesia - Australia relations.

Democracy and change:

With regard to our democratic transition, I am pleased to tell you that we are in much better shape now than we were 5 years ago in 1998 when the Government of President Suharto fell from power, or in July 2001 when we faced a constitutional crisis which led to the downfall of President Wahid.

We successfully conducted free and fair elections in 1999; reformed electoral laws; instituted a vibrant Parliament; freed political prisoners; fought corruption, collusion and nepotism, opened up political pluralism; scrapped repressive laws; conducted a referendum in East Timor; guaranteed freedom of speech and association; pursued military reform and constitutional reforms; and instituted an ambitious decentralization program.

We did them all in a short time frame of 5 years. We faced a great deal of pain and problems along the way, but we kept our determination to remain true to the spirit of "reformasi".

The net result is that Indonesia is a different country now. We are now the world's third largest democracy, after India and the United States of America. And in a nation with the world's largest Muslim population, we are a democracy, which comfortably embraces Islam. Indonesia now has a different dynamics and spirit: it is vibrant, open and full of promise.

And I am pleased to say that the more things change in Indonesia, the more we remain the same.

We remain a moderate, tolerant country.

We remain true to the ideals of our founding fathers as encapsulated in our Constitution of 1945.

We continue to embrace independent and active foreign policy.

We continue to prize consensus building, family values, and religiosity.

And we continue to promote our unique brand of multiculturalism.

I think one of the most telling recent developments was last years decision by our Parliament not to proceed with the motion to promote the Islamic Syariah Laws in Indonesia. That event reaffirmed our passionate belief in pluralism and tolerance.

Economic opportunities:

"Reformasi" has brought us many things. And the proof is in the pudding.

Take our economic performance: This year, despite SARS and the terrorist attacks in Bali and the Jakarta Marriott, we expect to grow this year at a respectable 4 %. The Rupiah is very stable and is said to be one of Asia's best performing currencies. Foreign reserve is at an all time high of US\$ 38 billion. Indonesia's shares reached a 3-year high level, and inflation has been kept low and expected to be around 9 %. Our budget deficit is minimal. Indeed, our economic progress is such that Indonesia is scheduled to graduate from the economic program with IMF at the end of this year.

Security:

Within my portfolio, I also take a measure of relief that the communal conflicts which a few years ago ravaged my country has largely dissipated. Between 1999 and 2002, we saw a serious rise of high intensity communal conflicts, in Poso, Maluku, North Maluku, Central Kalimantan, West Timor. These conflicts claimed thousands of lives and created 1 million internally displaced people. It also produced festering wounds that will possibly last for generations. Today, through a combination of law enforcement, Government intervention, reconciliation and reconstruction, most of these conflict zones are under control and in a condition of relative normalcy. And, Thank God, we have not seen the

emergence of new conflict zones. My priority as Coordinating Minister for Security and Politics is to maintain this momentum of healing, stability and normalization of conflict areas until the end of my term in office.

The only serious military threat that we are currently facing is found in Aceh. As you know, for a long time we faced an armed separatism from a group known as the Gerakan Aceh Merdeka or GAM. What we are doing in Aceh is something that I am sure any Government in the world would do if they were faced with a similar situation threats from armed rebels who are actively conducting widespread extortions, collecting illegal taxes and causing harm to those who do not pay them, declaring themselves as the Government, burning hundreds of schools, conducting military raids against our military and police, terrorist bombings, assassinating politicians and legislators, smuggling weapons, campaigning for independence, and conducting all sorts of material breaches of a hard-won peace agreement. The Government's current combined operations in Aceh is temporary and come November we will review the results of the combined operations and in due time we will proceed with a mode of operations that will emphasize socio-economic and political measures.

Elections:

Which brings me to the subject of elections 2004. This is our second election in the era of Reformasi. And there are those who say that the true test of democratic transition lie in the second, not the first, elections.

Like the elections of 1999, it will be a huge political and logistical challenge for the Government to organize elections for over 100 million voters in the world's largest archipelagic state.

But next year's elections will be significant because for the first time the voters will directly elect the President and Vice President. This is significant because our democratic transition has been marked by the lack of clarity in the political division of labor between the executive and the legislative, a fact that the President and Vice President will be elected by the members of the People's Consultative Assembly.

Through the direct elections, the President and Vice President will derive their mandate to govern directly from the people, and this will institute a greater degree of stability and certainty to Indonesian political dynamics.

As for me, my primary responsibility is to do all we can to ensure that the 2004 elections proceed in a safe, secure environment for the voters. The political temperature will certainly rise in the run up to the elections but we are prepared for any eventualities. We are planning to deploy two-thirds of the police force, around 180,000 police, to secure the elections. Additionally, some 60,000 military personnel will also be deployed to help the police manage security during elections.

Indonesia - Australia relations:

Finally, I wish to take this opportunity to state how important Australia is to Indonesia. Australia actively supported Indonesia's efforts to secure international recognition for our independence. Australia now ranks in the top ten investors in Indonesia, although this is only a tiny fraction of Australia's total investments worldwide, and we can certainly use more investments from your country. Total trade between our countries amount to US\$ 4,02 billion in 2002, with a slight surplus on our part. Nearly 250,000 Australians visited Indonesia last year; 400 Australian companies operate in Indonesia, and Australia allocated Aus\$ 151,7 million of official development assistance to Indonesia for the year 2003-2004. So the numbers are good, although there is always room for improvement.

Our two countries have very special relations. I think within the western world, Australia is one country that attaches special priority on its relations with Indonesia. Where else in the world where they teach the Indonesian language in the curriculum of schools? I have been struck by the fact that since I arrived so many Australian officials greeted me in my language, bahasa Indonesia. I know, and I can see and feel, that there is a reservoir of goodwill in Australia towards Indonesia, and I know that we are among friends. My meetings with Prime Minister John Howard, Foreign Minister Alexander Downer and Minister for Defense Robert Hill were marked by a great spirit of friendship.

We have achieved many great things when we join efforts. Indonesia and Australia worked together successfully to establish a lasting peace agreement in Cambodia in the early 1990's. Indonesia and Australia also worked together to co-host an important regional conference on people's trafficking. Our police forces worked closely and effectively to uncover the mysteries behind the Bali bombs. And in February next year, our two Governments will together host a regional conference on counter-terrorism.

So we are blessed to have a strong, deep and enduring relationship. And the best part of that friendship is the thriving bonds between our civil societies, the business community, academics, NGOs, artists, religious figures, and individual citizens. Ultimately, they are the ones who give substance to this relationship.

And that is why my true task for tonight is to honor and thanks all of you here tonight for being a friend of Indonesia, and for being the true agents for change and progress for our countries.

I thank you.

Melbourne, October 10, 2003

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[Embassy of the Republic of Indonesia, Canberra - Australia](#)