

ASEAN-CHINA BUSINESS COUNCIL: INDONESIAN BUSINESSPERSONS' PERSPECTIVE

Fiscal Year: 2007
Country: Indonesia
Sitepu, Dewi Sinorita

Keywords: Business Council, ASEAN-China, Indonesia, Businesspeople' Networking

Purpose of the Research

This research tries to deal with a number of issues as follow: *firstly*, to scrutinize the notions of who boost the ASEAN China Business Council scheme, what ambitions to be pursued, how the structure of the council in the framework of regions cooperation, and what the council has been done since it was established. *Secondly*, to analysis the Indonesian businesspersons' perspective regard to the council, mainly how they have been responded, utilized, and boosted its economy interests in the council, that there remains they have had to deal with many local problems which are also an obstacle that dampens the response of businesspersons to any regional arrangement. Besides, as a matter of fact, Indonesia and China have to deal with intricate economic relations after 20 years of suspended diplomatic relations in its historical of political relations. In a theoretical framework, the business council is a semi official body which concerns on trade and investment cooperation. It is a forum that bridging the businesspersons and governments (B to G) relations in figuring out actual problems in the business arena. It is also a forum that is able to harmonize the relations amongst B to B, G to G and B to G relations. In a normative scheme, setting up of the business council is needed for networking and strengthening cooperation between economy player and government. The governments set the policy environment and parameters. In other hand, the businesspersons do the actual business transactions. Therefore, the council is able to establish public-private partnership, eliminate trade and investment barriers, and facilitate better flow of goods and capitals. One of the main agendas of the council is promoting Free Trade Agenda (FTA). This pact will be fully implemented in 2010 for ASEAN-6 and in 2015 for Cambodia, Laos, Myanmar and Vietnam (CLMV). It will be the third largest economy in the world with most populous 1.8 billion consumers. In 2006, total bilateral trade surged at \$160.8 billion and increased of 23.4 percent on a year. Recently, ASEAN is a fourth largest trading partner of China.

Result of Current Field Research

This research depends on primary data by doing in depth interviewing with a number of Indonesian government officials and businesspersons, and also collecting official documents from government's agencies such as National Agency for Export Development (NAFED). In depth interviewing was conducted with (1) Indonesia's Trade Minister, (2) Director of Center for Market Development of Asia, the Ministry of Trade, (3) the president of Indonesian Business Association of Shanghai, (4) the executives of Indonesian Food and Beverages Association, (4) the representative of Indonesian Chamber of Commerce and Industry (KADIN Indonesia), (5) the executives

of Indonesian Chinese Small and Medium Enterprises and Indonesian Guangdong Association, (7) the Artha Graha Group, and (8) the special assistant to the Secretary-General of ASEAN.

Forthcoming Study

Considering the Chinese officials' point of views regarding the council is essential to be measured. China's eagerness to promote a closer tie with neighboring countries such as ASEAN reflects this country's desires to diversify its market-exports. Besides, this country has been kept accumulating investment through Chinese businesspersons' networking in ASEAN countries. According to Chinese Ministry of Commerce, in 2005, the investment from the Chinese mainland in ASEAN totaled \$ 1 billion compare with the \$ 38.5 billion investment in China by ASEAN. In terms of investment, China also seeks a place to relocating its sunset industries such as silk-weaving technology, hybrid-rice production, and a cassava industry to ASEAN countries. Moreover, Chinese businesspersons' lack of economy channel in ASEAN countries has posed this country difficulty in familiarizing its enterprises with ASEAN markets. Therefore, conducting in depth interviewing with the representative of the China Council for the Promotion of Internal Trade (CCPIT) is important to be considered to identify China's agendas on ASEAN-China Business Council and to examine a number of economy platforms that this country boosts assertively with ASEAN countries.



The 6th ASEAN-China Business Council Meeting