

IN BRIEF: POLITICAL

What the papers said...

As one of the year's most talked about events, the November 20 visit of US President George W. Bush to these shores prompted an enormous amount of coverage in the Indonesian media. The range of opinions presented was so diverse that his short stay can serve as a lens through which Indonesian perceptions of the relationship between Indonesia and the US can be viewed.

On the most superficial level, media focus fell on the immediately discernable effects of the visit. With the president's stay allegedly costing Indonesia Rp 6 billion, the reports on the inconvenience of the security arrangements for ordinary citizens drew upon a certain resentment from some pundits that the level of security reflected the arrogance and overblown fear of the world's only remaining superpower.

The protests held in the days preceding the US President's arrival saw demonstrators hitting the streets and the most radical leaders calling for Bush's assassination, rattling Indonesian President SBY to the extent that he publicly called for a "less emotional" response from the protesters. Clearly, the protests reflected a seam of outrage against US policy in the Middle East and treatises on the rights and wrongs of US foreign policy appeared in many newspapers.

The degree to which these protests were reflective of wider public opinion also made the news. One survey undertaken by *Media Indonesia* indicated that a surprisingly high 55 percent of respondents accepted Bush's visit while 32 percent rejected it. When respondents were divided according to religion, most Muslims surveyed still accepted the visit (48 percent) with 39 percent disagreeing with it.

The public announcement that the agenda of the two presidents' talks would focus on health, education, investment, technology and an early warning system for natural disasters did not convince many of the most vocal commentators. Speculation regarding the real intention of Bush's visit was rife, revealing underlying assumptions about what the Indonesian-US relationship is built upon.

Some, including senior members of the DPR, speculated that Bush was in Indonesia to protect US big business interests, especially in the energy sector. The disputed contract between US energy giant ExxonMobil and the Indonesian government over the Natuna gas fields, which reportedly gives Exxon 100 percent of the profits, came under particular scrutiny. One DPR member suggested that Bush was in town to secure the continuance of these favourable terms for Exxon in Natuna, pointing to the resolution of Exxon's role in the Cepu oil fields shortly after US Secretary of State Condoleezza Rice's visit to Indonesia in March.

The business papers took a different stance, however, on the possibility that Bush was in town to talk about future US investment. *Bisnis Indonesia* carried a report citing the head of the Indonesian Chamber of Commerce bemoaning the low levels of US investment in Indonesia in the last five years at just US\$1 billion and calling for an end to the US government's travel warning

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for Indonesia. In the same edition, a stock analyst noted the strengthening of the Indonesian stock exchange at the time of Bush's visit, suggesting that it was in response to the hope that President Yudhoyono could secure favourable terms for Indonesian exports to the US similar to those given to China.

Speculation regarding the domestic political benefits of the visit for both leaders also featured heavily. For President Bush, his acceptance by the leader of the world's most populous Muslim country played to the idea that his "war on terror" is not one against Muslims. In the wake of the gains made by the Democrat party in the midterm elections at home, there was also conjecture that Bush wanted to prove that the election defeat had not affected his foreign policy.

For President Yudhoyono, the benefits of further establishing himself as an international statesman outweighed the costs of provoking the ire of the most vocal Muslim organisations. The Palestine-Israel conflict, the nuclear threat from North Korea and the future schedule for US withdrawal from Iraq are all international issues that Yudhoyono has been keen to identify himself with in the past and very likely made up a large part of the talks.

Judging from Yudhoyono's announcement just four days prior to Bush's arrival that Indonesia was planning to make a US\$1 billion arms purchase from Russia, a deal on weapons from the US is also likely to have resulted.

Immediately following the departure of President Bush, the papers had little to go on because nothing but the vaguest outlines of agreements have been made public. Aid for health, anti-corruption, bird flu prevention and support for Indonesian peacekeeping troops in Lebanon were formally promised, but critics have pointed out that these agreements were in place before the president's visit. Otherwise Yudhoyono's public statement that the withdrawal of US troops from Iraq is an international, not just American, problem is what made the headlines both here and in the US, provoking accusations from some Indonesian politicians that this depicted Indonesia as a "US puppet."

The costs and benefits to both nations of strengthening bilateral ties can be endlessly debated. But in the end, what can be said for certain about President Bush's six-hour visit to Indonesia is that it shows not only the growing importance of the relationship for both countries but also its multi-faceted and highly controversial nature.

More effort needed to attract investors

In a bid to boost the level of foreign investment in Indonesia, the government held its second infrastructure summit in early November to much fanfare. But with only 10 projects offered worth US\$4.5 billion (See Table One), the government's ambitions were seriously scaled down from last year's offering of 91 projects worth a total of US\$22 billion, indicating a continued lack of interest from potential investors.

Suyono Dikun, deputy for infrastructure to the coordinating minister for the economy, told the *Report* that the government was only offering "attractive"