



PRIME MINISTER GRO HARLEM BRUNDTLAND

ADDRESS AT THE INAUGURATION OF THE NORWAY-INDONESIA BUSINESS COUNCIL, JAKARTA, 18 SEPTEMBER 1995.

It is a great pleasure for me to be present here at the inauguration of the Norway-Indonesia Business Council and to speak to such a distinguished gathering of Indonesian Government representatives, senior officials and business leaders.

It is a particular pleasure to do so in the presence of Foreign Minister Ali Alatas, an astute statesman I have known for many years, and State Minister Habibie who has made such remarkable efforts in promoting industrial and technological modernisation in Indonesia. I take his presence here today as a recognition of what Norwegian industry may have to contribute to this process in the years ahead.

Today, we have reached a milestone in the development of bilateral relations between Norway and Indonesia. We are gathered to formalize the growing interest for trade and economic relations between our two countries. We hope that combining the resources and efforts of the Norwegian Trade Council and Kadin will boost our economic relations.

There is indeed a great potential for expansion.

The first Norwegian whose interest for Asia is mentioned in our history books was a young sailor who arrived in Jakarta as long ago as 1669. Ever since, the sea has continued to be Norway's path to Asia. Today, a Norwegian ship calls on an Indonesian port every three days, representing the best in maritime transportation, safety and management.

A hundred years ago, Norway was still a poor country, we were not yet a fully independent country, and we had little or no industry. The 20th century has been a time of industrialization and democratization, two processes which have gone hand in hand. Democracy and the rule of law have been built from below, by extending political, economic and social rights to everyone.

As our industry has matured, Europe has remained Norway's main marketplace, and still receives more than 80% of our exports. Norway is fully integrated into the European internal market. The agreement on the European Economic Area provides the same rights and obligations for all economic operators in an area covering 18 Western European countries.

Norway's economy is in sound shape. Unlike most member states of the European Union, we fulfill by a wide margin the economic stability criteria set out by the Treaty on the European Union.

Norway will balance its budget and expects to run a surplus for a number of years. Our assets abroad now exceed our debts, and we are likely to remain an international creditor. We can look to the future and say that Norway will continue to be a reliable economic, industrial and technological partner.

Norway is currently increasing its presence in Indonesia and indeed in Asia as a whole. The Government wholeheartedly supports and encourages this trend.

A few years ago, Government and business representatives sat down together to devise a joint strategy for expanding our relations with the countries of Asia. An increase in trade and greater involvement by Norwegian companies will help to give our political dialogue greater substance and meaning.

The business sectors included in our Asia strategy are oil and gas, environmental technology, ship's gear, hydropower and information technology. These sectors have been given priority because the companies concerned have a strong industrial base in Norway and because they have a successful track record on the international market.

It is impressive to witness the remarkable economic and industrial development that Indonesia has been through over the last decades. As Indonesia looks towards the many challenges ahead, it can rely on an increasingly strong technological base and a workforce that is considerably better educated than only two decades ago.

Indonesia's message has been to invite foreign companies to join in the further modernisation process. I am convinced that Norwegian industry has a lot to contribute. The Norwegian companies present here today represent the best that Norwegian industry can offer. Companies like Dyno and Kværner have already established firm footholds with Indonesian partners. They are not here merely to make a quick profit. On the contrary, they are long-term partners, ready to invest in the people who work with them and to provide training and opportunities that will in turn benefit the Indonesian society.

Some of them are prepared to sign important contracts and agreements with Indonesian partners. I would like to mention a few examples:

Blom Mapping Group is to embark on a long-term programme to develop a digital sea-mapping system in Indonesia. The entry into force of the 1982 UN Convention on the Law of the Sea last year entailed obligations as well as rights for states parties. The Convention is particularly important to archipelagic states, safeguarding their interests but also requiring them to chart vast expanses of sea and seabed. I am very pleased that a skilled Norwegian company like Blom, which has been working in Indonesia for many years, can help to meet the requirements of the Convention and at the same time improve safety at sea and add to Indonesia's knowledge about its maritime surroundings.

The Norwegian Government has made development funds available for the introduction of a sea water monitoring programme known as Seawatch Indonesia. This contract, which involves the Oceanor Group, will also contribute to strengthen the management of Indonesia's maritime environment.

During my visit, representatives of our Governments have signed an important memorandum of understanding on energy cooperation. All three Norwegian oil and gas companies, Statoil, Norsk Hydro and Saga Petroleum are part of my delegation. So are Statkraft, Statnett and Kværner, which together with Norsk Hydro have worldwide experience in the field of hydroelectric power production and transmission.

When Norway found oil in the North Sea in 1969, there was no domestic industry to rise to the challenge, nor did we have national access to the technology or the human resources needed for extraction and production. However, we succeeded in building and sustaining three Norwegian companies which now all compete at the top international level. We did this by inviting participation by foreign companies that were ready to offer long-term cooperation, including technological transfer and human resources development.

Today, Norwegian companies are in a strong position and can offer similar arrangements to Indonesia. Saga Petroleum is already engaged on Java - and at sea. Companies like Kværner and Aker can be valuable contributors in the provision of platforms and equipment in the development of the Natuna field. Most of the world's biggest offshore platforms have been built by Norwegian companies. Now they are at the forefront in developing smaller, more flexible and less costly equipment for petroleum exploration and production.

They can offer Indonesia expertise in all oil and gas related activities, production, engineering, contracting, seismic testing, drilling, supply services, environmental services and shipping services.

As we meet to encourage trade relations between Norway and Indonesia, we are witnessing a process towards a more open world trade environment. Both Norway and Indonesia rapidly ratified the WTO agreement. Indonesia is pursuing a policy of deregulation which is the right signal to long-term foreign investors. We have appreciated that Indonesia so clearly has emphasised the need for openness in the implementation of the Bogor declaration on cooperation in the Pacific region.

The Bogor declaration of last November bears witness of an area of intensified regional and inter-regional cooperation. In that perspective we can include the process towards a more structured dialogue between Europe and Asia. The focal points of the dialogue will be ASEAN and the European Union. Although not a member of the EU, Norway supports this initiative and wishes to take an active part in the dialogue.

Whether we come here representing the Government or our business community, we all represent our country in one way or another. We are all shaped in a culture, and we see other countries against that background. We Norwegians come here with great respect for the Indonesian people. I expect our business representatives to give that respect tangible expression in their dealings with workers, companies and government representatives.

As markets open up, all societies also become more exposed politically. As markets expand and information travels, we will see ever growing numbers of human contacts. The increased interest for Indonesia in my country will entail reporting on all aspects of life in Indonesia. Preceding this visit we saw in Norway extensive covering on the great successes of Indonesia and the remarkable emergence of the Western Pacific as engines of growth and change. But it also covered the situation in East Timor, human rights, the situation of the trade unions and the press.

A true partnership is built on a broad dialogue on all issues. Based on mutual respect, we can exchange views and experiences in the many, many fields of common interests - but also in the fields where our views may differ.

Indonesians may find that Norwegians are very direct and open. But make no mistake: We speak out of heart for a great people with a prosperous future. We share the same aim - to allow our societies to prosper by every yardstick that human progress is measured, to protect the environment and to harness natural resources in a sustainable manner.

It is a pleasure for me to wish all those engaged in our broadened cooperation the best of luck, knowing that we stand on the threshold of a long-standing cooperation.