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**Box Number:** 89

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*Last Updated: 11/15/2023*

aj

MEMORANDUM

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1150  
00070  
FOOR  
50

NATIONAL SECURITY COUNCIL

February 22, 1934 FG006-12

ACTION

MEMORANDUM FOR ROBERT M. KIMMITT

FROM: GASTON J. SIGUR *G. Sigur*

SUBJECT: Keyworth Letter to Ambassador Holdridge, Indonesia  
dated 840221

LD

At Tab I is a memorandum from you to Charles Hill, forwarding a letter to Ambassador John Holdridge in Jakarta, Indonesia, from Jay Keyworth. We have asked State to transmit the letter to Holdridge.

RECOMMENDATION:

That you forward Tab I to State.

Approve   K   Disapprove \_\_\_\_\_

Attachments:

- Tab I Kimmitt memo to Hill
- Tab A Keyworth ltr to Holdridge

NSC # 8401474

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506VIA LDX

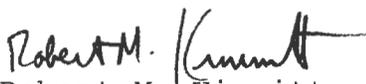
February 22, 1984

MEMORANDUM FOR CHARLES HILL  
Executive Secretary  
Department of State

SUBJECT: Keyworth Letter to Ambassador Holdridge, Indonesia

Jay Keyworth has written a letter to Ambassador John Holdridge in Jakarta, bringing him up-to-date on the planning and discussions that have taken place since Keyworth's meetings with Indonesian Minister Habibie. He also asks John to provide him with his thoughts on specific Indonesian needs in the S&T area.

We believe this letter to be appropriate and ask that you transmit it on to Holdridge.



Robert M. Kimmitt  
Executive Secretary

Attachment:  
Tab A Keyworth ltr to Holdridge

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
WASHINGTON, D.C. 20500

February 21, 1984

WHITE HOUSE SIT ROOM

PLEASE CABLE THE ATTACHED LETTER TO JAKARTA,  
INDONESIA. DOCUMENT IS UNCLASSIFIED.

JEAN D. ROBINSON  
ROOM 360 OEOB  
EXT. 7116

ATTACHMENT

THE WHITE HOUSE

WASHINGTON

February 21, 1984

*Jahn,*  
Dear Mr. ~~Ambassador~~:

I have recently become aware of contract negotiations now underway between the Indonesian government and U.S. industry for certain facilities at Puspitek. As several months have passed since my visit to Indonesia, I thought this might be an appropriate time to bring you up to date on the planning and discussions that have taken place as a result of my meetings with Minister Habibie.

You will recall that during my visit, our discussions with the Indonesians on potential areas of cooperation and assistance centered on renegotiating the existing S&T umbrella agreement and some specific activities under that agreement, such as assistance in facilities development at Puspitek and applied science and technology training for Indonesians. To explore opportunities within the Federal government for meeting Indonesian needs, we asked the Indonesians, through their Embassy here in Washington, to provide more specific information on their interests. Their response, while helpful, was not sufficiently detailed to satisfy our planning requirements. More recently, we discussed potential projects with both the regional and S&T bureaus at AID, and asked them to give us a report by mid-March which would summarize ongoing S&T programs between the U.S. and Indonesia and make recommendations on new programs in light of the information provided by the Indonesians. While we await completion of the report, negotiations are drawing to a close on a new umbrella S&T agreement to accommodate the kinds of projects we envision.

Although we are not yet prepared to make commitments, we will certainly be taking a close look at the desirability of a low cost loan arrangement and technical assistance to one of the new centers at Puspitek similar to that provided to the energy center. In the training area, we will be evaluating the usefulness of expanding the technical management training programs about to get underway and planned for next year by AID.

We also note that additional training opportunities look promising at many of our national laboratories and government facilities such as the National Bureau of Standards. I understand Argonne National Laboratory is now exploring Indonesian interest in a sister laboratory arrangement. Similar arrangements could be pursued through other laboratories. The primary obstacle to Indonesians being able to take advantage of potential training opportunities within the laboratories is primarily the absence of a "matching" service to bring the interested parties together.

I hope this information will be useful to you in understanding some of the thinking taking place here in Washington. We would be interested in factoring in any thoughts you might have on specific Indonesian needs in the S&T arena or how we might be able to use our S&T agreement to help U.S. industry to compete more effectively with foreign competitors for Indonesian contracts.

Sincerely,

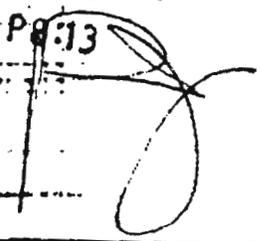


G. A. Keyworth  
Science Advisor to the President

The Honorable John H. Holdridge  
American Ambassador  
Jakarta, Indonesia

EB 22 P 7: 52

**WASHFAX RECEIPT**  
 DEPARTMENT OF STATE  
 THE WHITE HOUSE  
**C**

84 FEB 22 PM 13  


MESSAGE NO. 265 CLASSIFICATION UNCLAS PAGES 3  
 FROM Robert Kimmitt  
 (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION Keyworth LTR TO Amb Holdridge

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
<u>B</u>	<u>Charles Hill</u>		

REMARKS:

NSC # 1974

**WHSR  
ROUTE SLIP**

Time Stamp

STAFF	C/O
McFarlane	
Poindexter	
Kimmitt	<input checked="" type="radio"/>
Shull	
Martin	
Merchant	LDX
NSC S/S	Approval: _____

38

C : Copy

O : Original



RECEIVED

84 FEB 22 P 7: 22

**National Security Council  
The White House**

84 FEB 21 P 4: 48

System # \_\_\_\_\_

Package # \_\_\_\_\_

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bill Martin	_____	_____	_____
Bob Kimmitt	1	K	_____
John Poindexter	_____	_____	_____
Wilma Hall	_____	_____	_____
Bud McFarlane	_____	_____	_____
Bob Kimmitt	_____	_____	_____
NSC Secretariat	_____	_____	_____
Situation Room	_____	_____	_____
<i>Sigur</i>	2	_____	A

I = Information    A = Action    R = Retain    D = Dispatch    N = No further Action

cc: VP    Meese    Baker    Deaver    Other \_\_\_\_\_

COMMENTS                      Should be seen by: \_\_\_\_\_  
(Date/Time)

*Gaston: If the attached letter from Keyworth looks OK to you, prepare Kimmitt -> Hill asking that they transmit it to Jakarta.*

RECEIVED 22 FEB 84 19

TO KIMMITT

FROM SIGUR

DOCDATE 22 FEB 84

KEYWORTH, G

21 FEB 84

KEYWORDS: INDONESIA

HOLDRIDGE, JOHN

SUBJECT. KEYWORTH LTR TO AMB HOLDRIDGE

ACTION: FOR SIGNATURE

DUE: 28 FEB 84 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

COMMENTS

REF# LOG NSCIFID ( MR )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>8 date</i>	<i>C 2/23</i>	<i>for dispatch</i>		<i>8w</i>
	<i>- 2/23</i>			

DISPATCH *2/23 CIX BTan*

W/ATTCH FILE *Wth* (C)

254151

CO 070

TR



SEKRETARIAT NEGARA  
SEKRETARIAT KABINET RI

TANDA TERIMA

Telah menerima surat dari Y.M. Presiden  
Amerika Serikat untuk Bapak Presiden  
Republik Indonesia.

Jakarta, 1 Agustus 1984.

Yang menerima

Wakil Sekretaris Kabinet,



W. Hamid S.A., S.H.

Ltr. in Foreign language from the  
Country of Indonesia

Dg/K

255695

ID #

0070

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 84 1 09 11

SMC - done CF



Name of Correspondent: Douglas Olson

MI Mail Report User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Arne Kerly of PSI requests a Presidential letter for John Rhodes, Chairman of Invest ~~Development~~ Indonesia congratulating him on private sector initiative he has put together

ROUTE TO: ACTION DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>SM FRICK</u>	<u>CS</u>	<u>84 1 09 11</u>		<u>1 1</u>
<u>✓ CH FIEL</u>	<u>C</u>	<u>84 1 09 11</u>	<u>PSI</u>	<u>9/15</u>
<u>✓ WAT17</u>	<u>R</u>	<u>84 1 09 14</u>		<u>84 1 09 21</u> <u>AB</u>
<u>PS Arne Kerly</u>	<u>A</u>	<u>84 1 09 21</u> <u>AB</u>		<u>1 1</u>
				<u>1 1</u>

- ACTION CODES:**
- A - Appropriate Action
  - C - Comment/Recommendation
  - D - Draft Response
  - F - Furnish Fact Sheet to be used as Enclosure
  - I - Info Copy Only/No Action Necessary
  - R - Direct Reply w/Copy
  - S - For Signature
  - X - Interim Reply
- DISPOSITION CODES:**
- A - Answered
  - B - Non-Special Referral
  - C - Completed
  - S - Suspended

**FOR OUTGOING CORRESPONDENCE:**  
 Type of Response = Initials of Signer  
 Code = "A"  
 Completion Date = Date of Outgoing

Comments: Similar letter sent to Brooks re: Grenada PSI is also attached -

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

# RECORDS MANAGEMENT ONLY

## CLASSIFICATION SECTION

1984 SEP 12 PM 6:09

No. of Additional Correspondents: \_\_\_\_\_ Media: L Individual Codes: 4200 \_\_\_\_\_

Prime Subject Code: CO 070 Secondary Subject Codes: FO 003-02  
FO 005 \_\_\_\_\_

## PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P-
DSP	_____	Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie
  
- CLn - First Lady's Correspondence**
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan
  
- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

**MEDIA CODES:**

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THE WHITE HOUSE  
WASHINGTON

Date: 9/21  
To: Anne

The attached is for your:

- Information
- Appropriate Action
- Review and Return:
- With Comments

Apparently there is  
a differentiation  
between Grenada  
& "aid" + Indonesia  
investment. If they  
are identical programs  
let me know + I'll double  
check -

LINDA FRICK  
Correspondence, Staff Assistant  
Room 96, x7610

RR/CAFL

255695

DRAFT

John J. Rhodes  
Chairman  
INVEST INDONESIA, Inc.  
1629 K Street, N.W.  
Suite 500  
Washington, D.C. 20006

Dear John:

I heartily commend the efforts of INVEST INDONESIA and applaud the American business community for their support of ~~this~~ fine program.

*your*

As you know, I have continuously stressed my deep commitment and belief in private sector initiatives and INVEST INDONESIA is a shining example of how the United States private sector can work together effectively at home and abroad.

I am pleased that the American private sector has created a vehicle that will actively assist United States' business ~~in~~ expanding its markets and investment opportunities *and* ~~while~~ at the same time, providing Indonesia with business partners ~~so~~ vital to their continued economic expansion.

I look forward to hearing more about INVEST INDONESIA as actual projects are implemented through your efforts.

*Please accept my best wishes for*  
I wish you the ~~best~~ *best* of success ~~with~~ *in* this very innovative and unique private sector initiative.

Best Wishes,

President Reagan

THE WHITE HOUSE

WASHINGTON

August 30, 1984

MEMORANDUM FOR ANNE HIGGINS

FROM: ANNE KELLY  
PRIVATE SECTOR INITIATIVES

*Anne Kelly*

SUBJECT: PRESIDENTIAL LETTER

I would like to respectfully request that a Presidential letter be prepared for Invest Indonesia, an international private sector initiative. Background material as well as draft language is attached.

Please feel free to call me directly on x6204 should you have any questions.

I appreciate your consideration of this request.

*Fred Brooks - Haiti  
Spin off of OPEC  
Grenada*

**INVEST INDONESIA**  
An American Private Sector Initiative  
1629 K Street, N.W.  
Suite 500  
Washington, D.C. 20006

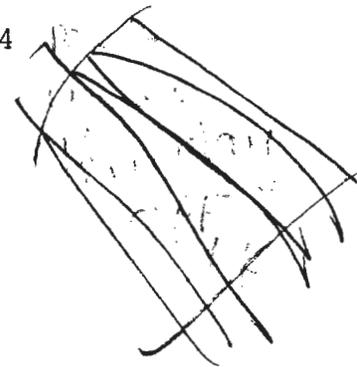
John J. Rhodes  
Chairman  
Douglas L. Olson  
Executive Director

Phone: (202) 466-3604  
Telex: 710-822-9509  
Officecom

*Anne  
See Memo this*

July 26, 1984

Anne Kelly  
Private Sector Initiatives  
The White House  
Room 134  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500



Dear Anne:

As per our conversation last week, the specific goals of INVEST INDONESIA are as follows:

- (a) To strengthen and expand the U.S. private sector within the Indonesian economy;
- (b) To provide a high level, productive, results oriented forum to transfer U.S. technology, services and goods to Indonesia;
- (c) To assist in developing the private sector of a strategically important country, economically and politically, to the U.S.; and,
- (d) To fund and implement these programs through the U.S. private sector with the active cooperation and support of the U.S. and Indonesian governments.

As was evidenced by the December, 1983 OPIC investment mission to Indonesia, a pro-active forum that highlights U.S. business has in the past and can continue to achieve excellent results. In excess of \$100,000,000 will be invested in Indonesia by U.S. firms as a direct result of the OPIC mission.

The Indonesian government and major U.S. firms have already begun to pledge financial support to INVEST INDONESIA's efforts. John J. Rhodes, former Minority Leader in the United States House of Representatives, will lead an investment mission of U.S. businesses to Indonesia in February, 1985. This will be the major activity, of several, that are being planned by INVEST INDONESIA over the next twelve months.

For your review, attached please find the following:

- (a) Two page description of INVEST INDONESIA's program;
- (b) April 18, 1984 letter to INVEST INDONESIA from Indonesia's Ambassador, A. Hasnan Habib;
- (c) February, 1985 investment mission summary;
- (d) Cover letter and final report regarding the December, 1983 OPIC investment mission to Indonesia; and,
- (e) Two letters and two Department of Commerce cables supporting INVEST INDONESIA's initiative.

I feel that this private sector initiative is very innovative and unique in its concept and approach. I would be very interested in any comments or suggestions you may have and would like to meet with you to discuss these issues in greater detail.

Thank you for your consideration in this matter and I look forward to talking to you in the near future.

Sincerely,



Douglas L. Olson

DLO/apm

Attachments

cc: John J. Rhodes  
Dennis J. Taylor

THE WHITE HOUSE  
WASHINGTON

8/30

9/4  
9/11  
9/18

Linda,

If approved - I'd  
love to get this letter  
to him by September  
15th - Thanks,

Anne

9/6 getting filed on 8/30

# INVEST INDONESIA

## An American Private Sector Initiative

John J. Rhodes  
Chairman  
Douglas L. Olson  
Executive Director

1629 K Street, N.W.  
Suite 500  
Washington, D.C. 20006

Phone: (202) 466-3604  
Telex: 710-822-9509  
Officecom

INVEST INDONESIA is an American non-profit, private sector initiative endorsed by the Governments of the United States and Indonesia to identify, qualify and foster viable Indonesian investment opportunities for American businesses.

The goal of INVEST INDONESIA is to recruit United States companies that are not presently operating in Indonesia, and through these companies, establish new, profitable, United States investments in Indonesia.

INVEST INDONESIA offers American companies that already have a presence in Indonesia the opportunity to sponsor a United States private sector initiative that responds to a direct request by the Indonesian Government. Through this sponsorship, these companies can directly effect, enhance and, in turn, benefit from a vibrant, expanding Indonesian economy. The American companies that assist in sponsoring INVEST INDONESIA reaffirm with Indonesia that their company is an active, supportive member of the Indonesian economy and business community.

The Governments of the United States and Indonesia recognize the importance of strong ties between the Indonesian and United States private sectors. INVEST INDONESIA will focus on developing a continuing, cooperative and supportive business liaison between Indonesia and the United States. While the focus of the effort will be to promote and enhance American investments in Indonesia, INVEST INDONESIA will also provide a forum for greater understanding between the two countries.

As its major activity, INVEST INDONESIA will conduct a year long program highlighted by the implementation of a carefully designed United States private sector investment mission to Indonesia in February 1985. The mission will be financed by the United States private sector. Fifteen United States businesses with the capability to provide the most appropriate and desirous investments suitable to Indonesia will be recruited.

Representatives from these companies will travel on the mission to Indonesia, meet senior Indonesian and United States government officials and potential Indonesian joint-venture partners. Through this process, the American mission participants will have the opportunity to identify and begin implementation of joint-venture investments.

INVEST INDONESIA will implement activities designed to enhance and strengthen United States business within the Indonesian economy. They are as follows:

- Identify and recruit appropriate United States companies that are not presently operating in Indonesia.
- Actively work with the Indonesian Government and private sector to identify specific economic priority sectors, develop project profiles and target appropriate bona fide Indonesian companies and investment projects.
- Design and implement an investment mission which translates Indonesian business and economic needs into opportunities for the American mission participants.
- Conduct post-mission analysis and follow-up to assist in the realization of specific investment opportunities targeted during the investment mission.

While INVEST INDONESIA is a private sector initiative, it is authorized to cooperate and work closely with the Governments of the United States and Indonesia. This close working relationship will assure compliance with respective government guidelines and policies established to facilitate mutually beneficial investment opportunities.

KEDUTAAN BESAR REPUBLIK INDONESIA  
EMBASSY OF THE REPUBLIC OF INDONESIA  
WASHINGTON, D. C. 20030



CHANCERY  
2020 MASSACHUSETTS AVENUE, N. W.  
TELEPHONE 203-1745

-THE AMBASSADOR

April 18, 1984

Mr. Douglas Olson  
Executive Director  
Invest Indonesia  
Suite 720, Executive Building  
1030 15th Street, N.W.  
Washington, D.C. 20005

Dear Mr. Olson:

As you know from your discussions with Mr. Kasri, Director of our Investment Promotion Office, my Government is very interested in promoting additional American investment in Indonesia. At the meeting on March 5 with you and Mr. Luman, I indicated my own belief that an investment mission sponsored by the American private sector could be mutually advantageous. I have reflected on the points that you and Mr. Luman brought up regarding the commitments by the Indonesian Government that you felt were necessary to maximize the chances of private sector support. After consulting with officials of my Government in Jakarta, I wanted to relay the following points to you:

First, the Government of Indonesia strongly supports the effort that Invest Indonesia plans to undertake to secure financing and conduct an investment mission to Indonesia in late 1984. My Government will cooperate fully with this effort.

Second, we recognize that many U.S. companies interested in investing in Indonesia are concerned about the potential difficulties that may arise because our Government operates differently from your own and because parts of the cultural environment are likewise

/ strange to

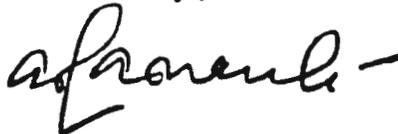
strange to them. The Indonesian Government is prepared to take actions to increase the success of the mission and subsequent investment activities, including to seriously consider the establishment of a special liason office charged with facilitating communications with investors and assisting them in resolving problems that may arise.

Third, we understand the importance of insuring that the venture itself is kept apprised of developments in Indonesia and is able to get answers to questions that may arise. To meet this need, we will provide channels of communications to the Indonesian Government for expediting such matters.

Fourth, it is understood that this mission will be constituted only by those U.S. companies who are really interested to invest in Indonesia.

We are excited by the potential of this venture, but we also appreciate the challenges that it faces. Please be assured that I and my staff at the Embassy want to see the venture succeed and offer our assistance in any way that may help.

Sincerely,



A. Hasnan Habib  
Ambassador

No.18/DB/84

# INVEST INDONESIA

## An American Private Sector Initiative

John J. Rhodes  
Chairman  
Douglas L. Olson  
Executive Director

1629 K Street, N.W.  
Suite 500  
Washington, D.C. 20006

Phone: (202) 466-3604  
Telex: 710-822-9509  
Officecom

### INDONESIAN INVESTMENT MISSION

FEBRUARY, 1985

INVEST INDONESIA is an American non-profit, private sector initiative endorsed by the Governments of the United States and Indonesia to identify, qualify and foster viable Indonesian investment opportunities for American businesses. INVEST INDONESIA was established in response to a direct request by the Indonesian Government to assist them in increasing United States business investments in their country.

The goal of INVEST INDONESIA is to recruit fifteen United States companies that are not presently operating in Indonesia, and through these companies, establish new, profitable, United States investments in Indonesia. The mission will be lead by John Rhodes, former Minority Leader in the United States House of Representatives.

Mission participants will benefit from the following:

- The Government of Indonesia will grant our mission special status and actively assist in coordinating meetings with government officials and Indonesian businesses,
- Private business meetings will be scheduled, tailored to your company's specific interests and requirements, with selected Indonesian businesses that are actively seeking United States business partners,
- Receive detailed briefings and literature on Indonesian investment climate, political environment and what is required for an American firm to operate successfully in Indonesia,
- Gain insights into conducting business in Indonesia through meetings and discussions with local business leaders and United States business executives based in Indonesia,

- Investment projects arising from the mission will be given special attention and handling by the Indonesian Government,
- Obtain comprehensive details on United States and Indonesian investment services available to the private sector,
- Opportunity to gain exposure and access to high-level Indonesian and United States Government officials through professional and social events,
- Share insights and information with other investment mission participants and professional contemporaries, and
- Most effective use of participant time and money, as preparation and mission activities are attended to in advance by INVEST INDONESIA staff.

For more detailed information, please contact Doug Olson at the above address, or call (202) 466-3604.

**INVEST INDONESIA**  
**An American Private Sector Initiative**

John J. Rhodes  
Chairman  
Douglas L. Olson  
Executive Director

1629 K Street, N.W.  
Suite 500  
Washington, D.C. 20006

Phone: (202) 466-3604  
Telex: 710-822-9509  
Officecom

\*INVESTMENT MISSION COMPANY INFORMATION

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

Telephone No. \_\_\_\_\_

Name and title of person attending mission: \_\_\_\_\_

Company is:  privately  publicly owned

Country in which company is incorporated: \_\_\_\_\_

Company is majority:  U.S.  foreign owned

Markets served by company:

<input type="checkbox"/> Local	<input type="checkbox"/> State/Regional	<input type="checkbox"/> National
<input type="checkbox"/> Africa	<input type="checkbox"/> S. America	<input type="checkbox"/> Europe
<input type="checkbox"/> Australia	<input type="checkbox"/> Middle East	<input type="checkbox"/> Asia

Principal products of company: \_\_\_\_\_

Company's gross revenues: \_\_\_\_\_

Company's net worth: \_\_\_\_\_

Describe the project area your company would be considering in the mission: \_\_\_\_\_

What is the maximum amount of money your company could invest in the project: \_\_\_\_\_

Would your company be seeking:

Joint venture ( majority  minority equity position)

Licensing agreement

Other/Please explain: \_\_\_\_\_

What would you hope to achieve by attending the mission: \_\_\_\_\_

Other comments: \_\_\_\_\_

\* Submission of this information form is not to be construed as an application by the above referenced respondent company, or acceptance by INVEST INDONESIA to participate in the mission. This information will be treated confidentially.

UNCLASSIFIED  
DEPARTMENT OF COMMERCE

OUTGOING  
TELEGRAM

PAGE 01

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011896 DC1571

23/2210Z

24/0624Z

ORIGIN OFFICE 4110-02  
INFO CCEN-01 OPS-01 4400-07 3000-01 3100-01 104-07 6217-01  
3130-01 354-01 364-01 370-01 6420-01 NAM-01 6700-01  
6210-01 6220-03 6410-01 6230-02 6211-01 DESR-01 6233-01  
6320-01 6330-01 6314-01 6440-01 /032 A3 R084

NR RUENC RUENJU  
OF RUHCDC 45363 083220G  
ZNR UUUUU  
R 232204Z MAR 84  
FM USDOC WASHDC  
TO RUENJU/AMEMBASSY JAKARTA  
INFO RUENC/SECSTATE WASHDC  
BT  
UNCLAS USDOC 05363

USDOC

EO 12356 W/A

TAGS: GEAP, IO

SUBJ: 1984 INVESTMENT MISSION TO INDONESIA

1. USDOC HAS BEEN APPROACHED BY INDOONESIAN INVESTMENT PROMOTION OFFICE IN NEW YORK TO FACILITATE AN INVESTMENT MISSION TO INDOONESIA LATE IN 1984. MISSION WOULD BE FULLY BACKED BY GOI, WOULD FOCUS ON TWO OR THREE INDUSTRY SECTORS OF PRIME INTEREST TO INDOONESIA, AND IF SUCCESSFUL MIGHT BE AN ANNUAL EVENT. THE GOI INVESTMENT OFFICE FEELS THAT IN-BOUND MISSIONS ARE THE MOST EFFECTIVE METHOD TO PROMOTE INVESTMENT IN INDOONESIA, SINCE THEY PERMIT IN-COUNTRY ASSESSMENT BY PROSPECTIVE INVESTORS.

2. THE OLSON COMPANY'S DOUG OLSON HAS AGREED TO ACT AS EVENT ORGANIZER ON A CONSULTANT BASIS, SIMILAR TO THE ROLE HE FILLED IN THE OPIC MISSION. WE UNDERSTAND THAT HIS MARCH 3 MEMORANDUM ON THIS SUBJECT HAS BEEN PRESENTED TO VARIOUS ADDRESSEES AT OUR JAKARTA EMBASSY ON MARCH 8. THIS MEMORANDUM GIVES A GOOD PRESENTATION OF THE PLAN. INDOONESIAN AMBASSADOR HASNIAN HAQIB REPORTEDLY SUPPORTS THE CONCEPT, AND OLSON UNDERSTANDS THAT HE WAS TO DISCUSS THE PROPOSAL WITH MINISTER SUMARIN AND BKPM CHAIRMAN SUHARTOYO DURING THE WEEK OF MARCH 12.

3. THIS INDOONESIAN INITIATIVE WAS DISCUSSED WITH OPIC. WHILE THEIR ACTIVE PROGRAM WOULD PREVENT THEM FROM GETTING INVOLVED IN THE MISSION ITSELF, THEY MIGHT CONSIDER SOME FORM OF INVOLVEMENT WITH THEIR INVESTMENT INSURANCE AND LENDING PROGRAMS.

4. THE INVESTMENT MISSION CONCEPT WAS DISCUSSED WITH USAID INDOONESIA DESK AND USAID/ASIA/PD. THE PRIVATE SECTOR DEVELOPMENT PROJECT HAS SIMILAR AIMS TO ATTRACT U.S. INVESTMENT TO INDOONESIA. THREE CONSULTANTS WILL DO APPROXIMATELY THIRTY INVESTMENT PROJECT STUDIES AND MARKET THEM IN THE UNITED STATES, ATTRACTING U.S. INVESTORS TO COMMIT TO INVESTMENTS IN INDOONESIA. IT IS CONCEIVABLE THAT ONE OR MORE OF THESE CONSULTANTS MIGHT UTILIZE THE INVESTMENT MISSION TO SELL U.S. COMPANIES ON INVESTING IN INDOONESIA. CONVERSATIONS TO EXPLORE THESE POSSIBILITIES ARE NOW IN PROCESS WITH THE CONSULTANTS AND USAID.

5. THE AMERICAN INDOONESIAN CHAMBER OF COMMERCE IN NEW YORK OR SOME OTHER INDUSTRY ASSOCIATION, SUCH AS THE NATIONAL MACHINE TOOL BUILDERS ASSOCIATION OR THE FOOD PROCESSING AND PACKAGING ASSOCIATION, MIGHT BE OFFICIAL SPONSOR OF THE MISSION. THE WORK OF RECRUITING AND TRAVEL TO INDOONESIA WOULD BE UNDER THE UMBRELLA OF THIS SPONSOR.

6. USDOC IS WILLING TO CONSIDER DESIGNATING THIS MISSION UNDER THE INDUSTRY-ORGANIZED GOVERNMENT-APPROVED PROGRAM, WHICH WOULD AUTHORIZE JAKARTA FCS TO DO THE REQUIRED SUPPORT WORK FOR THE MISSION IN INDOONESIA. ALL DIRECT EXPENSES

WOULD BE CHARGEABLE TO THE SPONSORING ORGANIZATION.

7. OLSON HAS ALSO BEEN SOLICITING PRIVATE SECTOR FINANCIAL SUPPORT FOR THIS PROGRAM, AND HE FEELS CONFIDENT THAT MOST OF THE OVERHEAD TO PROCURE THE EVENT WILL BE MET FROM THESE SOURCES. PRESENT THINKING ON THE TIMETABLE HAS PLANNING MARCH/MAY, SOLICITATION MAY/SEPTEMBER, OCTOBER WRAPUP, AND MISSION TRAVEL EITHER IN NOVEMBER OR DECEMBER. EVERY EFFORT WOULD BE MADE TO AVOID PROBLEM AREAS, I.E., FINAL WRAPUP SIX WEEKS BEFORE MISSION ARRIVES, LIMITED PROTOCOL EVENTS, SMALL TEAM ACCOMPANYING MISSION, ETC.

8. APPROVAL OF THIS CONCEPT SHOULD ENHANCE THE USG RELATIONSHIP WITH GOI, SINCE IDEA ORIGINATED WITH INDOONESIAN GOVERNMENT. IT FOLLOWS THAT MISSION WOULD BE BETTER RECEIVED THAN THOSE THAT DO NOT HAVE THIS SPECIAL STANDING. IT ALSO STANDS TO REASON THAT WE INCREASE THE TOTAL NUMBER OF U.S. COMPANY INVESTMENTS IN INDOONESIA, NOT MUST BY A SINGLE INVESTMENT MISSION BUT BY A CONTINUING STREAK OF SUCH MISSIONS, JOINTLY SUPPORTED BY THE INDOONESIAN AND U.S. SIDES. IT IS IMPORTANT THAT THE MISSIONS BE WELL TARGETED, CONSISTING OF GOOD COMPANIES AND THAT THERE BE CLOSE FOLLOW UP OF ACTUAL INVESTMENT IMPLEMENTATION FOR ONE OR TWO YEARS FOLLOWING EACH MISSION.

9. EMBASSY COMMENTS REQUESTED.

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