

Contract Approval Procedures

- Although Indonesian laws do not require a local agent or partner for private sector aviation sales, for practical purposes, a local agent is crucial for building business in Indonesia

Although Indonesian laws do not require a local agent or partner for private sector aviation sales, for practical purposes, companies have found a local agent crucial for building business in Indonesia. A necessary attribute for an effective Indonesian agent or distributor is an extensive network of senior level contacts and decision makers. An ability to work successfully with middle management- who are usually responsible for the implementation of specific projects and/or transactions- is also required.

Sales are made directly to the purchaser, but BPPT (the Agency for the Assessment and Application of Technology) must first approve the sale of all products to state owned airlines and IPTN.

- Convincing the potential client of the company's long-term commitment to the Indonesian market and price-competitiveness are of primary importance to a successful business strategy
- Personal rapport is all-important in Indonesia

Winning a contract in Indonesia is likely to involve considerable investment in time, energy, and money. Convincing the potential client of the company's *long-term commitment* to the Indonesian market and *price-competitiveness* are of primary importance to a successful business strategy.

To the maximum extent possible, this means launching a steady stream of visits to potential customers and those with an oversight role in the import approval process (BPPT, BAPPENAS, Directorate General of Air Communications). Since personal rapport is all-important in Indonesia, the same personnel should be used throughout the process. A firm may want to consider undertaking small and marginally profitable work initially in order to gain a better understanding of the market and to heighten its profile. Similarly, firms should always be on the lookout for subcontracting opportunities.