

of the development agencies are concerned that there may be shortages of electricity and other infrastructure bottlenecks in the near future. Regulatory complexity is an issue that is attracting attention in Indonesia. It is a little like putting speed bumps on an expressway. The regulations that are there tend to slow down the growth of the economy. Education, which is linked to productivity, is an issue. Corruption has been an issue for a long period of time. One might say that in the past, you had organized corruption and now you have disorganized corruption - that may be part of the difference between a 4% growth rate and a 7% growth rate. My apologies to the Indonesian members in the audience if I am giving any secrets away or talking too directly about the problems in Indonesia. But my philosophy is to share the negative so the solutions can be found. Indonesia also has a bit of image problem, but there is a difference between perception and reality. When one sees the unfortunate bombing incidents on TV from afar, there is a tendency to think that everything in the country is stopped. That's far from the case. Indonesia is starting to boom again and I can personally attest to that from the severe traffic jams that I experience on a daily basis. There is a lot of economic activities happening. Indonesia is a fledgling democracy that is to some degree weakened by multi-party politics. And it is still in a transition from a command economy. And from a consultation point of view, there has been a lack of policy consultation between stakeholders due to a number of historical and cultural issues: mistrust, control, and economic disparities between the parties.

But there are opportunities. There is a new president now. A new cabinet will soon be formed which form early indications it seems will be more technocratic in orientation. A new government, a new parliament, and what is perhaps not often mentioned, a new KADIN (the Indonesian Chamber of Commerce), being a stakeholder that can also provide useful input into government policy formation. President-elect SBY in his presentation to the business community spoke about a "troika," a tripartite dialogue between the government, the business community and the community at large. I think that has been warmly welcomed by the business community as a means of facilitating a better understanding of the issues and impacts of new policies. So we have opportunities for more coordination, streamlining of regulations, simplification of regulations, and consultation. First impressions of the new president are that he has the potential to be both a leader and a listener. And this gives Indonesia another fresh chance for positive