



PRESIDENT JOKO WIDODO'S VISIT TO THE UNITED STATES: ASG'S ESSENTIAL 3 QUESTIONS

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For a tentative schedule of next week's Indonesia visit and a deeper look at the top issues surrounding the visit – including Strategic and Maritime Cooperation; Democracy and Religious Tolerance; Deepening Economic Ties; and Energy and Climate Change - read the full [ASG brief](#) or contact jmason@albrightstonebridge.com

CONTEXT

On Monday, October 26, President Joko Widodo “Jokowi” will make his first visit to the U.S. since assuming the presidency to meet with President Barack Obama, Congressional leaders, and members of the U.S. business community.

President Jokowi's visit, rescheduled from June of this year, is viewed by many supporters of stronger U.S.-Indonesia relations as long overdue. Indonesia is the largest country in the Association of Southeast Asian Nations (ASEAN), a region the Obama administration has identified as important for its efforts to “re-balance” resources and diplomacy to Asia, given the region's economic and strategic weight.

With a population of more than 250 million, Indonesia is the world's third-largest democracy, and plays an important role in shaping global issues of concern for the United States, including the growth of democracy, open trading systems, regional stability, climate change, and curbing Islamic terrorism. Securing Indonesia's cooperation will elevate U.S.-Indonesia relations and provide the U.S. with a stronger presence and influence in the Asia-Pacific.

On the political front, Jokowi has struggled to consolidate his power base, including through an August 12 cabinet reshuffle. In September, he recruited a new party to his coalition, giving him a parliamentary majority for the first time and triggering rumors of a second cabinet reshuffle in the near future.

President Obama enjoys personal connections to Indonesia through his time there as a child and his half-sister whose father is Indonesian, meaning Jokowi can expect a warm reception at the White House.

ABOUT ASG

Albright Stonebridge Group (ASG) is a leading global strategic advisory firm that helps our clients succeed by assessing and managing risks, identifying and seizing opportunities, and solving commercial, political, and regulatory challenges in international markets.

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ASG'S 3 ESSENTIAL QUESTIONS SURROUNDING PRESIDENT WIDODO'S VISIT:

1. WHAT DOES JOKOWI HOPE TO COME OUT OF THIS VISIT?

In many ways, to the administration of President Widodo, a photograph of Jokowi and President Obama together at the White House would be one of the best things to come out of the visit. The reason is simple: Indonesia wants to spread the news that they are a world-class democracy, ready for foreign investment and a place of prominence on the global stage.

Jokowi's visit comes during a time of economic downturn in Indonesia and commercial concerns are foremost on his agenda. He will seek to promote Indonesia as a country that is open for business and hopes to secure greater U.S. foreign direct investment. Following his meetings in Washington D.C., Jokowi will travel to San Francisco to meet with technology leaders to enlist support for Indonesia's "creative economy" and discuss regulatory challenges that have hampered U.S. investment in Indonesia's technology sector.

Jokowi's visit is an important opportunity to showcase his leadership and to publicize investment opportunities in Indonesia to meet his infrastructure goals and boost the economy. For these reasons, Jokowi has made engagement with the U.S. business community a focal point of the visit and is working to reverse negative impressions of Indonesia's investment climate.

2. WHAT DOES THE WHITE HOUSE EXPECT TO COME FROM THIS VISIT?

Jokowi's requests for U.S. assistance to upgrade Indonesia's naval assets aligns with the regional objectives of the United States, which has become increasingly concerned with China's activities in the South China Sea in territorially disputed waters. The U.S. would welcome a stronger and more proactive Indonesia in the maritime domain.

The White House will seek to highlight Indonesia, the world's largest Muslim majority country, as a vibrant, pluralistic model democracy and an important partner in Asia. Indonesia's historical role in supporting peaceful resolution of territorial disputes in the South China Sea is increasingly critical for U.S. policymakers as tensions rise between the U.S. and China over Beijing's recent island-building activities.

3. WHAT ASPECTS OF THIS VISIT WILL BUSINESSES FOCUS ON?

For U.S. companies, the Jokowi's visit provides an opportunity to engage the Indonesian government on economic and regulatory issues that have hindered new investment in Indonesia. Recently, the Indonesian government has announced several new measures aimed to remove regulatory and bureaucratic hurdles to foreign investment.

In the early days of the Jokowi administration economic policies such as local content requirements, foreign ownership restrictions, stricter immigration laws, and a bevy of new import taxes triggered investor concerns that the country was becoming more protectionist and less friendly to foreign multi-nationals.

These policy measures, coupled with negative external dynamics, including slowing growth in China, low commodity prices, and the prospects of a U.S. rate increase, have hit the Indonesian economy hard. Indonesia's growth slowed to its lowest in six years at 4.67 percent in the second quarter of 2015 and the rupiah is at a 17 year low.

Please contact us for more information or an interview at media@albrightstonebridge.com