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TRADE

Jokowi fumes over RI's low export figures

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THE JAKARTA POST/JAKARTA

In a rare show of displeasure before officials, President Joko "Jokowi" Widodo on Wednesday criticized the Trade Ministry for the country's poor export performance as well as decreased efforts to promote trade overseas.

The disappointing work of Trade Ministry officials had caused the country's export value to fall behind that of smaller countries in the region, he said.

"We are losing to Thailand, Malaysia and Vietnam. If we continue like this, we will be defeated by Cambodia and Laos," Jokowi said during the opening of the ministry's working meeting at the State Palace in Jakarta.

Data from the Central Statistics Agency (BPS) show Indonesia booked exports of US\$168.73 billion in 2017, a 16.22 percent increase on \$144.43 billion in 2016.

That figure, however, pales in comparison to the export value

of neighboring countries. Thailand's Ministry of Commerce said the country's exports had reached \$236.69 billion in 2017. Meanwhile, the General Statistics Office of Vietnam stated the country's 2017 export figure stood at \$213.77 billion.

Malaysia has yet to announce its full-year export figure. But Malaysia's Ministry of International Trade and Industry recorded exports between January and November 2017 of \$219.45 billion.

Jokowi was particularly displeased with the Trade Ministry's lack of aggressiveness in identifying new markets, as well as its lack of persistence in promoting trade overseas. He said the ministry's Indonesian trade promotion centers (ITPC) had performed below expectations.

"We have had ITPCs for years, what have they done? If I see no results, I will disband them. The country has poured a lot of money into them, only to see us falling behind our neighboring coun-

tries," he said.

The Trade Ministry currently runs 19 ITPCs. Five are in Europe, four in North America, two in South America, three in Asia, two in the Middle East, two in Africa and one in Australia.

Regarding the ministry's lack of aggressiveness in trade expos overseas, Jokowi, who is a former furniture businessman, complained about Indonesia's absence during the Asian International Trade Expo in December in Dhaka, Bangladesh, one of Indonesia's target markets.

Even when Indonesia did attend trade expos overseas, Jokowi said, the country's booth was placed in a non-strategic spot, such as near the toilet.

"Do not reserve the booth too late. We are often too late and get a place near the toilet. If we want to take part in an expo, we should have a booth near the gate, make a reservation at least two to three years in advance," he said.

Meanwhile, BPS head Suharyanto said currently 34.77 per-

cent of Indonesia's exports went to Japan, the United States and Europe. These exports were mostly in the form of raw materials, he said.

Wang Liping, the economic and commercial counselor at the Chinese Embassy in Jakarta, said Indonesia's export products had good qualities, but lacked promotion and processing compared to neighboring countries.

The Trade Ministry, meanwhile, blamed the situation on the slow progress in trade agreements.

"We've been slow in sealing international trade deals in the past seven years compared to them [neighboring countries]," said Trade Minister Enggartiasto Lukita after meeting Jokowi.

The Comprehensive Economic Partnership Agreement (CEPA) signed with Chile last year was the first deal concluded since 2013. Indonesia only has nine multi- and bilateral free trade agreements (FTA) to date, fewer than Malaysia, Singapore, Viet-

nam and Thailand, each of which have more than 10 deals.

Besides putting hopes on FTAs, the ministry claims to have reformed the role of ITPC employees to act more as salespeople rather than just bureaucrats.

It has relocated three ITPCs deemed ineffective to new, more promising trading cities, such as Istanbul in Turkey, Hanoi in Vietnam and Shanghai in China.

Coordinating Economic Minister Darmin Nasution added in order to boost exports and minimize imports, Indonesia had no choice but to fix its manufacturing sector, reduce logistics costs and use more national shipping and insurance.

The manufacturing sector was developing, so it would take time for it to be fully established and in a position to support the export-oriented sector with raw materials, he said, referring mainly to industries producing raw materials and basic chemicals for pharmaceuticals, such as the oil, petrochemical and steel industries.

RI sees decline in quality of democracy

The Jakarta Post
JAKARTA

Indonesian democracy is in decline, according to the latest annual Democracy Index from the Economist Intelligence Unit (EIU) released on Tuesday.

With a score of 6.39, Indonesia fell 20 places in the index from 48th to 68th, making it the worst performer among the 165 independent countries and two territories surveyed in 2017.

The index, which rates countries on a scale from zero to 10, is based on five indicators: electoral process and pluralism, functioning of government, political participation, political culture and civil liberties.

Indonesia scored just 5.59 on civil liberties, significantly worse than its previous low of 6.76.

And although Indonesia retains its status as a "flawed democracy," it is sliding closer toward the "authoritarian" end of the scale.

The latest index shows a dramatic deterioration for Indonesia, which just two years ago achieved its highest ever score of 7.03, in the wake of President Joko "Jokowi" Widodo's election, which the EIU said "broke the grip on power of a small elite."

Indonesia's decline is part of a larger global trend, with Asia in particular suffering the biggest downturn of all regions. Asia's average score in the index fell from a peak of 5.74 to 5.63. India, the region's largest democracy, fell 10 spots from 32nd to 42nd.

EIU's report on the index cited the electoral defeat and blasphemy conviction of former Jakarta governor Basuki "Ahok" Tjahaja Purnama as one of the major indicators of Indonesia's downtrend, saying it highlighted "uncomfortable truths about minority rights" in Indonesia.

"The Jakarta election revealed the low level of tolerance for minority rights and freedom of expression among Indonesia's moderate Muslim majority," the report said. "They are prepared to uphold these democratic rights in theory, but in practice tolerance is limited."

Pro-democracy activists were not surprised at the index, saying it affirmed their own observations of 2017, with Ahok's case being just the tip of the iceberg.

Ismail Hasani of rights group Setara Institute said data collected by his organization last year showed "a decreasing space for citizens to express their opinions."

"Freedom of expression is the key to democracy, so its suppression will obviously affect the

Indonesia worst-performing country in 2017 according to EIU

Government policies threaten freedom of expression, say activists

quality of a democracy," he told *The Jakarta Post* on Wednesday. "Ministers, and even the President himself, have said that 'democracy has gone too far' but the truth is the space is actually shrinking."

He cited the increasing number of defamation cases and authority clampdowns on "hate speech" as examples of the increasing restrictions on freedom of expression and freedom of speech.

"Law enforcement officers too often side with people who are offended by criticism, especially when they are public officials," he said.

This, too, is a global trend, with the EIU's report saying that freedom of expression is under threat "from those who claim the right not to be offended."

Yati Andriyani of the Commission for Missing Persons and Victims of Violence (Kontras) said the index was in line with her own experience.

Kontras, she said, contributed data to Indonesia's own democracy index, which is maintained by the Central Statistics Agency (BPS). The latest Indonesian Democracy Index, released last September, also showed that civil liberties in the country were at their lowest point since the index started in 2009.

"Government policies have threatened freedom of expression," she said. "The recent mass organizations law, for example, allows the government to take away the freedom of assembly from certain groups without going through a judicial process."

She added that Jokowi's approach of populist politics at the expense of human rights considerations was one of the main reasons for the erosion of civil liberties.

"The government focuses too much on development and too little on human rights," she said. "Jokowi also likes to take popular stances on issues like the war on drugs and the death penalty without addressing flaws in the judicial system."

Yati urged the Jokowi administration to take "political risks" to remedy the situation, but said that early indications did not look good this year.

"With things like the Criminal Code bill, things will only get worse," she said. (kmt)

New deals to revive upstream sector

Viriya P. Singgih

THE JAKARTA POST/JAKARTA

The government has awarded contracts for five oil and gas working areas to auction winners to operate under the new gross-split scheme in a bid to revive the gloomy domestic upstream sector amid rebounding global crude prices.

The Energy and Mineral Resources Ministry earlier offered 15 areas through a tender process, of which bid submission took place from May to December 2017.

Two of the five winners announced on Wednesday are global investors, namely United Arab Emirates-based Mubadala Petroleum and a consortium comprising United Kingdom-based Premier Oil Far East, Mubadala Petroleum and Singapore-based Kris Energy.

The remainder are local firms, namely PT Tansri Madjid Energi and subsidiaries of state-owned gas distributor PT Perusahaan Gas Negara, PT Saka Energi Sepinggan and PT Saka Energi Indonesia.

In total, the winners have committed to invest US\$23.57 million within the next three years and undertake exploration as well as pay signature bonuses worth \$3.25 million to the government.

Deputy Energy and Mineral Resources Minister Arcandra Tahar said on the day that the ministry picked the auction's winners based due diligence that assessed legal, technical and financial aspects of all bidders.

"We will soon sign the production sharing contract [PSC] with them [the five winners] so that they can immediately conduct exploration in the working areas," he said.

Fresh funds to be spent by the

Companies to invest \$23.57m in five working areas

Govt boasts success of gross-split scheme

investors will contribute to \$12.6 billion in investment that the Upstream Oil and Gas Regulatory Special Task Force (SKKMigas) hopes to see flowing into the sector this year. Of the figure, \$810 million is expected to derive from exploration and the remainder from exploitation.

Mubadala plans to spend \$2.15 million to conduct a geological and geophysical (G&G) study as well as a 3D seismic survey covering 500-square-kilometers in the Andaman I working area in offshore Aceh.

Meanwhile, the consortium will seek to invest \$7.55 million to carry out a G&G study and a 3D seismic survey covering 1,850-square-meters in Andaman II working area, also in offshore Aceh.

The biggest investment, however, will come from Saka Energi Sepinggan, which is set to disburse \$10.45 million for three G&G studies and the drilling of one exploration well in Pekawai working area in East Kalimantan.

Furthermore, Saka Energi Indonesia and Tansri Madjid Energi will invest \$2.1 million and \$1.32 million respectively on exploration in the West Yamdena area and Maluku, and Merak-Lampung area across Lampung and Banten.

The Energy and Mineral Resources Ministry's secretary-general Ego Syahrial claimed the auction's outcome reflected the success of the new gross-split

scheme in attracting investors to the upstream oil and gas sector.

Launched in early 2017, the gross-split scheme requires investors to pay exploration and production costs on their own instead of relying on the government's reimbursement, as seen under the previous cost recovery scheme.

"The gross-split scheme will pave the way for us to manage the country's natural resources more efficiently in a way that will benefit all parties involved," Ego said.

Based on this scheme, the ministry plans to hold another auction in mid-February, offering 25 to 40 oil and gas working areas. These will include 22 areas that failed to lure investors to the 2015-2016 auctions.

Indonesian Petroleum Association executive director Marjolijn Wajong, however, said the attractiveness of the gross-split scheme could only be seen after the five winners applied it in operating their respective working areas.

"We still have to prove the attractiveness [of the gross-split scheme], as it has only been implemented in the Offshore North West Java block so far," she said.

Meanwhile, Saka Energi Indonesia vice president for exploration Rovicky Putrohari said his side took part in the tender to win the Pekawai and West Yamdena working areas because of their huge potential.

Pekawai's resources amount to 742 billion-cubic-feet (bcf) of gas, while West Yamdena contains 355.15 million barrels of oil or 2,359.29 bcf of gas, official data shows.

"We don't care which scheme we will have to use as long as the potential is there," Rovicky said.

BONTANG REFINERY

Pertamina picks Omani, Japanese firms

State-owned energy giant Pertamina has appointed a consortium of Omani and Japanese companies as its partner to develop the new US\$10 billion Bontang refinery in East Kalimantan.

The deal will see Pertamina make no capital contribution for the refinery, which is expected to have an input capacity of 300,000 barrels of oil per day (bopd) once it is operational in 2025.

Pertamina began looking for partners in January 2017. After selecting eight companies as prospective partners out of around 100 applicants, the state company eventually chose a consortium consisting of Omani energy firm Overseas Oil and Gas (OOG) and Singapore-based Cosmo Oil International, a trading arm of Japan's Cosmo Energy Holdings.

"We picked this consortium based on several considerations. First, OOG will be backed by the Omani government, whether in terms of financing or crude supply. Then, Cosmo Oil will provide technical support and marketing assistance for this project," Pertamina petrochemical and processing megaproject director Ardhy N. Mokobombang said on Tuesday.

Ardhy added that the refinery would rely mostly on crude supply from Oman, especially considering the country's relatively high oil production of around 1 million to 1.2 million bopd compared to Indonesia's 801,400 bopd as of last year.

However, he said Pertamina would still have the right to sup-

ply up to 20 percent of the Bontang facility's crude needs.

"So, if needed, we can utilize Pertamina's crude stock coming from [our oil fields in] East Kalimantan."

Pertamina plans to sign a framework agreement with the consortium soon, before immediately conducting feasibility and engineering studies for the project. Then, it expects to reach the final investment decision (FID) and begin the refinery's construction process by mid-2020.

Pertamina investment planning and risk management director Gigih Prakoso said the consortium would control a 90 percent stake in the project as it would fully fund Bontang refinery's development, while Pertamina would own 10 percent without having to inject any capital into the project.

"During the initial preparation phase, Pertamina will only hold a 10 percent stake. But later after the FID has been reached, we will review our status once again, to see whether we have to increase our shares or not in this project," Gigih said, while adding that this move was needed to reduce Pertamina's risk exposure.

Pertamina and the consortium will also conduct joint marketing efforts for Bontang refinery's products through the establishment of a joint venture (JV) company.

The JV will then enter a sales and purchase agreement (SPA) with Pertamina for marketing the

refinery's products domestically, while also looking for and securing export markets if there is excess output from the facility.

Ardhy said the JV would prioritize the domestic market, as the type of fuel produced from the Bontang facility would also be designed in line with domestic needs.

"Pertamina is currently upgrading its four refineries and developing two new ones. After the completion of all of those projects, we estimate that our gasoline production will just be on par with domestic consumption levels, while there will be a slight excess in terms of diesel supply," he added.

Hence, Pertamina will optimize the production of gasoline and jet fuel from the Bontang facility, while minimizing its diesel output.

Pertamina estimated that it would need around \$120 billion to support its business plans within the next decade, one-third of which would be used to finance its various refinery projects.

This year alone, Pertamina has allocated \$5.59 billion in capital expenditure, up 55 percent annually. About 59 percent of the allocated figure will be used to support its upstream business activities, including the development of the newly acquired Mahakam block in East Kalimantan and the Jambaran-Tiung Biru field in East Java.

— JP/VIRIYA P. SINGGIH

TRANSPORTATION

Govt confident about slashing costs of Japan-backed railway

Farida Susanty

THE JAKARTA POST/JAKARTA

The government believes it will be able to reduce the cost of the revitalization of a railway connecting Jakarta and Surabaya, East Java.

The Agency for the Assessment and Application of Technology (BPPT) is working with the Japan International Cooperation Agency (JICA) on a feasibility study to decide the design of the Japan-backed project.

However, the study so far has been marred by concerns about the project's costs.

Transportation Minister Budi Karya Sumadi said the government only had Rp 60 trillion (US\$4.2 billion) in "the country's pocket" despite its Japanese counterpart intending the investment to be reach a staggering Rp 100 trillion.

"We're dizzy at the Japanese intention to build an elevated track between Jakarta and Surabaya. An elevated [track] will cost the Japanese [too much] money," he said on his speech on Tuesday.

Budi said it was not necessary for the whole track to be elevated, especially in rice-growing areas such as in Cirebon, West Java and Blora, Central Java.

He said the government, as agreed by Vice President Jusuf Kalla, would opt for building over- and underpasses for the project instead, which would cut the total cost by some 30 percent, around

Rp 20 trillion or Rp 30 trillion.

"This way we won't be too dependant [on Japanese funding] like the MRT project, 70 percent of which uses [Japanese] content," he said, referring to the ongoing Jakarta MRT project with Japan.

Budi declined to comment on the consequences if by March the BPPT and JICA had not managed to find a railway design that would cost Rp 60 trillion at the most, saying it would depend on President Joko "Jokowi" Widodo's decision.

The Jakarta-Surabaya railway project has triggered government concerns about the cost of revitalization as the deadline for the railway design looms in March, after the process has been running since November 2017.

Several design options have been put on the table to revitalize the railway, namely a fully conventional track with hundreds of level crossings, a partially elevated track to avoid level crossings and a high-speed fully elevated track. The high-speed design was included as an option given the long distance between the two cities of more than 700 kilometers.

The government has stated the revitalization of existing track will have a lot of consequences, including the eradication of almost 1,000 level-grade railway crossings. Moreover, the trains will not be able to reach maximum speed as a result of the more than 100 turns in the existing tracks.

It has so far opted for a narrow gauge railway, which is cheaper,

as the design will be used to partially build rail tracks connecting Jakarta to Semarang, Central Java, before building an extension to Surabaya.

The railway is initially expected to support a speed of around 145 km per hour on average to cut the journey time between Jakarta and Surabaya to five-and-a-half hours from the current nine hours.

The BPPT has forecast that 12.43 percent of air passengers between the two cities, amounting to around 8.04 million last year, will shift to rail with the new line.

BPPT head Unggul Priyanto said the realistic cost for the revitalization might still hit between Rp 80 trillion and Rp 100 trillion, pointing out that Jokowi had requested two designs, for a semi-high speed and high-speed railway.

"If the difference is not too stark, it is still possible to just opt for the high-speed," he said.

However, Unggul said there might still be a chance of slashing costs as the agency was considering other suggestions, like that from the Public Works and Public Housing Ministry, which offered lower cost overpass technology, and pushing for more local content in the project.

Coordinating Maritime Affairs Minister Luhut Pandjaitan has said the government is looking for another financing scheme with an independent body, which is not a state enterprise, but which can issue bonds to raise funds.

Indonesia to use high-tech monitoring center

Ramadani Saputra

THE JAKARTA POST/JAKARTA

The 18th Asian Games in Indonesia will implement a high-tech monitoring facility, as the organizers are set to keep an eye on all things related to the multisport event in a main operation control (MOC) in Jakarta.

The room is located in the headquarters of the Indonesian Asian Games Organizing Committee (Inasgoc) at the Wisma Serbaguna building in Senayan, Jakarta, near the main venue, the Gelora Bung Karno sports complex.

It has a large main monitor, several smaller monitors as well as personal computers for each personnel deployed only for the test event.

Vice President Jusuf Kalla launched the facility on Wednesday, and it is scheduled to be tested in the Asian Games Invitational Tournament, the Games' test event featuring eight sports, from Feb. 8 to 15.

Kalla, who was appointed by President Joko "Jokowi" Widodo to supervise the Games, praised the room, which is armed with information technology-related equipment that will help run the Games from Aug. 18 to Sept. 2.

"The facility is quite exceptional as it can monitor things such as traffic conditions. It is also connected to all CCTV cameras in the venues and at the athlete villages," Kalla told a press briefing, shortly after touring the room.

The quadrennial showdown is cohosted by Jakarta and Palembang in South Sumatra. In addition to the two cities, some events will also be held in various cities in West Java, such as Bandung

and Bogor.

Inasgoc's IT and telecommunication director, Edhy Prabowo, said the room would be connected to all Games' venues as well as its supporting areas, such as the accreditation center and airports.

"If there is a problem with the catering service, for example, someone from the related department will immediately help the MOC personnel to handle the problem.

"The MOC will only deal with important matters, not with technical problems [that can be solved directly in the venues]," he said.

The room will also be able to provide participating delegates with information on transportation systems connecting venues and athlete villages or hotels. In order to do this, said Eddy, the organizers would cooperate with the National Traffic Management Center of the National Police.

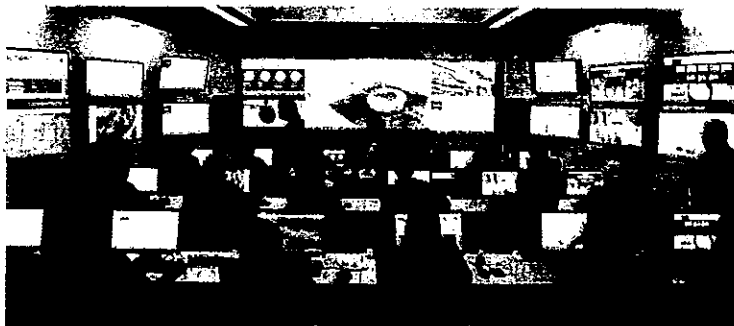
"With help from the National Police, we'll be able to provide the best routes for the delegates in order to avoid athletes being stuck in traffic jams," said Eddy, adding that each vehicle used by participating delegates would be equipped with a tracking system.

Eddy said the tracking system would also come in handy if delegates faced an emergency during trips.

In general, the police are set to help the organizers in securing the Games, as they are currently building a dedicated command center.

In terms of IT systems, the organizers have set a specific security arrangement that has met the OCA's standards.

As many as 1,000 athletes and officials from 18 countries are expected to come to the test event.



JP/Ben Latuhamallo

Under control: Vice President Jusuf Kalla visits the main operation control at the headquarters of the Indonesian Asian Games Organizing Committee on Jl. New Delhi, Gelora, in Central Jakarta on Wednesday.

Palm oil group eyes double-digit growth

The Jakarta Post
JAKARTA

The Indonesian Palm Oil Producers Association (Gapki) expects production and exports of the commodity to achieve double-digit growth this year, despite surging challenges in international as well as domestic markets.

The domestic palm oil industry may face bigger pressure as the European Union, its major foreign market, has issued draft measures to reduce the use of biodiesel in its renewable energy program.

Domestically, it is also grappling with uncertainties stemming from a regulation on plantation cultivation rights.

The group expected palm oil production to climb by 10 percent year-on-year (yoy) this year, from the 42 million tons they yielded last year.

Last year, the output surged 18 percent from the 35.6 million tons seen in 2016.

Gapki secretary-general Togar Sitanggang said on Tuesday the production goal would be supported by favorable weather throughout this year.

"Our production will grow normally this year on the back of wet weather, proven to have boosted our productivity last year," he said, referring to La Niña.

Meanwhile, the group also projected that exports of palm oil and its derivatives would climb by 10

Production, export to grow 10% in 2018

Wet weather to support production

WTO ruling on biodiesel to help boost exports

percent yoy this year, from 31 million tons in the past year.

In 2017, outbound shipments of palm oil and its derivatives, excluding biodiesel and oleochemicals, rose by 23 percent yoy to a record high from 2016. The value stood at US\$22.9 million.

Gapki attributed the strong export performance to palm oil sales in key markets — India, Africa and the EU.

Overseas shipments to India and Africa, for instance, climbed significantly by 32 percent and 50 percent yoy, respectively.

"We even saw a 15-percent increase in exports to [the EU] from 4.37 million tons in 2016 to 5.03 million tons in 2017," Togar said.

He added that Indonesia's palm oil exports might get a boost with the ruling of the WTO over a biodiesel trade dispute with the EU, which could result in the reduction of the bloc's punitive duties.

"However, we must recalculate the prices to stay competitive with the biodiesel price in the EU," Togar said.

Since 2013, the EU has imposed antidumping duties rang-

ing between 8.8 percent and 23.3 percent, equal to €76.94 to €178.85 (\$223) per ton, on Indonesia's biodiesel products. These duties have pushed Indonesia's biodiesel fuel down by 42.84 percent on average annually to only \$150 million in 2016, according to data from the Trade Ministry.

Togar emphasized the need for producers to look to other prospective markets in the Middle East and Africa to set up oil palm plantations with a tougher regulatory environment in Indonesia.

"With the plans of a palm plantation moratorium in Indonesia, our members think it's better to look to other countries such as those on the African continent," he said.

He also pointed out the government planned to extend Presidential Instruction (Inpres) No. 8/2015 on a moratorium of new permits for primary forests and peatland areas, which expired in mid-2017.

Gapki's chairman, Joko Supriyono, called for producers to begin diversifying palm oil markets because production would climb in years to come. However, he also said it was not wise to cut ties with the EU in terms of exports.

"It's not easy to build up a market. We have to nurture it for a long time," Joko said, expecting that Indonesian producers could solve all challenges in Europe because the bloc remained a vast market for the industry. (srs)

How studying 1945-1949 wars can benefit Indonesia

One point in history Indonesia and the Netherlands cannot agree on is the date when Indonesia became independent. Indonesia declared its independence on Aug. 17, 1945, but the Dutch believe the transfer of sovereignty did not take place until Dec. 27, 1949. This is the reason why Indonesia considers the Dutch military attacks in a number of regions across Java in 1947 and 1948 military aggressions, while the Dutch call them police actions.

It is impossible to get the Netherlands to acknowledge the fact that Indonesia gained its freedom on Aug. 17, 1945, as that would mean considering activities of their forces in Indonesia between 1945 and 1949 war crimes. Let the two nations write this period of history differently and even contradictorily; the longstanding relationship between the two will not be at risk.

Meanwhile violence at the hands of Dutch troops in Rawagede in Bekasi, east of Jakarta, and in South Sulawesi (by captain Raymond Westering) became the subject of court hearings in the Netherlands in 2011 and 2012 and prompted the Dutch government to issue an apology and pay damages to the families of those who suffered in the two incidents.

We should not forget, however, that the victims were considered Dutch subjects, since the violence erupted before Dec. 27, 1949. Attempts by the Committee of Dutch Debts of Honor or KUKB, chaired by Jeffry Pondaag, who stood up for survivors of the bloody incidents, must be appreciated, and keeping the work going would be a good thing.

Controversy surrounding the

Asvi Warman Adam
JAKARTA



history resurfaced last November, when more than 100 Dutch and Indonesian nationals staged a protest, questioning a study into the period of 1947-1950.

Funded by the Dutch government, the research involves Indonesian historians. Some were anxious whether it would change the history of Indonesia; for instance, would the Dutch military aggression be referred to as only as police action?

The study titled "Decolonization, Violence and Wars in Indonesia, 1945-1950", will be completed in 2021 and seeks to probe the conditions and extent of violence in conflicts occurring during Dutch military operations in Indonesia. Costing €4.1 million (US\$5.11 million), it was commissioned to three research agencies in the Netherlands in collaboration with Gadjah Mada University (UGM) in Yogyakarta.

What inspired the Dutch government to fund this study? The 1969 report "Excessennota" discusses violent acts by soldiers over the 1945-1950 period and recorded 110 cases of excessive violence.

However, in a dissertation published in 2016, historian Remy Limpach revealed that the violence was not just an excess but was structural in nature.

These acts are quite a sensitive issue in the Netherlands. It had deployed a total of 220,000 soldiers from 1945 to 1949, to the former colony. Around 160,000 of these servicemen were Dutch,

while 60,000 were local Dutch army or KNIL members recruited from Maluku, North Sulawesi, Java and other regions. Among the 160,000 Dutch soldiers, 100,000 were drafted and 50,000 volunteered, while only 10,000 were professional soldiers.

Most of the drafted personnel and volunteers served at the age of around 20, and many had not undergone military training and knew little about Indonesia and its people.

The Dutch government did not rush to deny the dissertation's findings. Instead, it announced its intention to carry out a comprehensive study into the underlying causes and background of these violent acts as well as the international situation at the time.

Engaging Indonesian historians was seen as an approach to widen the research perspective. The program encompasses nine projects, two of which involve historians from Indonesia, coordinated by Bambang Purwanto and Abdul Wahid from Gadjah Mada University (UGM.)

This research will not change the history of Indonesia, but the Dutch government needs it as part of its accountability to its people.

For sure, the Netherlands will continue to regard Dec. 27, 1949 the date on which they transferred sovereignty to Indonesia, while Indonesians will only accept Aug. 17, 1945 as its day of independence.

The situation surrounding the current project was quite different with major research conducted in 2000 by PJ Drooglever at the request of the Dutch parliament on the Act of Free Choice (Pepera) in Papua in 1969. There were concerns among Indonesians that the research would lead

to objections to Pepera and consequently be used as a historical argument by separatists.

When the report was published in 2005 and its Indonesian translation came out in 2010, the anxiety turned out to be baseless. The study did conclude that there were issues in Papua, but it affirmed that Pepera was legally acknowledged by the United Nations.

The question now is how the latest research will benefit Indonesia. Apart from the fact that the study into Indonesia during the 1945-1950 period is fully funded by the Dutch government, the Indonesian historians participating in the project will be able to conduct regional studies and come up with findings that Indonesians need to understand, including acts of violence that forced the newly born nation to move its capital from Jakarta to Yogyakarta in January 1946.

Social revolutions in the Central Java regions of Brebes, Tegal and Pemalang as well as in eastern Sumatra should also be fully unveiled. Violent events and looting affecting ethnic Chinese that forced them to set up their own security unit, Po An Tui, are certainly a subject worth probing, and so is the 1948 Madiun incident that resulted in a large number of casualties.

Similarly important is the study of the Dutch-Indonesian Round Table Conference (KMB), which resolved that Indonesia was required to pay off the debts the Dutch East Indies government made with third parties from 1942 to 1949.

The writer is a historian at the Indonesian Institute of Sciences (LIPI).