

Corporate chiefs visit Jakarta to tap investment opportunities

■ **By Chong Pooi Koon**
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A GROUP of prominent Malaysian corporate figures are now in Jakarta to explore investment opportunities, shortly after Indonesia President Susilo Bambang Yudhoyono's visit here early this month.

Starting from today, representatives from key companies like Khazanah Nasional Bhd and Sime Darby Bhd will gather in the Indonesian capital to meet with senior government officials there to discuss issues and opportunities available in various industries.

The visit is jointly organised by the Kuala Lumpur Business Club and the Indonesian Chambers of Commerce and Industry (Kadin), aimed at enhancing bilateral economic and business ties between the two countries.

Total trade between the two countries last year amounted to almost RM30 billion, excluding border and barter trade.

The events scheduled in the two-day visit include a dinner hosted by Kadin with Muhammad Lutfi, chairman of the Investment Coordinat-

ing Board as the guest speaker.

The 50-odd Malaysian delegates will also make a courtesy call on Indonesian vice president Drs H. Muhammad Jusuf Kalla.

A lunch will be hosted by the Jakarta Stock Exchange at its premise, where chief executive officer of the Indonesian bourse Erry Firmansyah will speak on "Stock Exchange and Portfolio Management in Indonesia".

From Malaysia, Securities Commission executive director Datuk Siow Kim Loon and Symphony House Bhd's chief executive Datuk Azman Yahya will be commentators for the session.

Indonesia's Coordinating Minister for the Economy Dr Boediono will address the group at the returning dinner, with Malaysia's Minister in the Prime Minister's Department Datuk Sri Dr Mohd Effendi Norwawi as the special guest.

Malaysia ranked among the top five contributors of foreign direct investment in Indonesia, mainly in sectors like plantation, chemical and pharmaceutical.

Petra Perdana to beef up fleet



The company should perform better this year, says Tengku Ibrahim

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PETRA Perdana Bhd, an oil and gas support services firm, wants to buy one or two new boats next year to beef up its fleet of 23. It is also part of a fleet renewal plan to meet growing demand.

"We are looking at all options, whether supply boat or tug boat, either new or used," executive chairman cum chief executive officer Tengku Ibrahim Petra told reporters in Jakarta.

He was speaking to reporters at the sidelines of a meeting between Malaysian businessmen and their Indonesian counterparts here recently.

Tengku Ibrahim said Petra's current fleets are all fully utilised, but demand for its services in the oil and gas sector was great while charter rates are also lucrative.

Petra provides ships and services to help oil firms look for oil and gas as well as to help maintain existing oil wells.

He expects the boom, which means good time for his company, could last for another five to six years.

"Things are still looking up," he said, adding that the company should perform better this year.

"If we are lucky to get the boats, there are contracts waiting already. My existing customers are all asking but we don't have enough capacity," he said.

Demand is strong from China and Singapore, but boats are hard to come by.

"It is very hard to get boats. If we order this year we can only get it in 2008, or even 2009 for a brand new boat. Unless you want to pay through your nose, which is not worth it," he said.

Petra Perdana has recently announced plans to list its subsidiary Petra Energy Bhd on the main board of Bursa Malaysia, hoping to raise some RM115 million from an initial public offering. Petra Energy is a brown field oil services company.

TM's unit in Indonesia to bid for gateway

■ By Chong Pooi Koon
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TELEKOM Malaysia Bhd's Indonesian unit PT Excelcomindo Pratama (XL) is eyeing an international gateway licence from the Government there, group chief executive officer Datuk Abdul Wahid Omar said.

An international gateway allows voice and data traffic to pass through from one country to another. The Indonesian Government has so far issued two such licences to Telekomunikasi Indonesia (Telkom) and PT Indosat, the two largest phone companies in the country.

"There is one more licence coming up and we are looking at it. We understand that there is a tender process and are still waiting for more details from the Indonesian side," Wahid said in Jakarta.

Wahid as well as TM chairman Tan Sri Muhammad Radzi Mansor are in the Indonesian capital this week on a trip organised by the Kuala Lumpur Business Club to foster better business ties between the two nations.

During a courtesy call on Indonesian Vice President Drs H. Muhammad Jusuf Kalla, Radzi highlighted XL's need to



have its own separate licence as it is now using Telkom and Indosat's gateway.

"We have full confidence in your policy and have ploughed in more investments to expand the coverage and have over eight million customers now," he told the Vice President. XL is the third largest mobile phone operator in Indonesia.

He said the company is connecting XL's network to Malaysia with plans to have a submarine cable between Batam and Johor soon. This will boost the traffic between Malaysia and Indonesia as well as other countries, Radzi said.

TM, through its unit Indocel Holding Sdn Bhd, owns 59.7 per cent of XL and it plans to spend as much as US\$700 million to expand in Indonesia this year, chief executive officer of TM International Sdn Bhd Yusof Annuar Yaacob was reported as saying yesterday.

XL is also expected to start offering high-speed wireless, or 3G, services in the country by the year-end.

Sime eyes Indonesian power sector

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SIME Darby Bhd is mulling investments in a few private power plant projects in Indonesia to gain entry to a fast-growing market, divisional director for energy and utilities Mohd Shukri Baharom said.

It is looking at one or two medium-sized coal-fire plants with a capacity of between 100 megawatts (MW) and 400MW in Sumatra and Java, and will probably work with local partners on the projects, he said in Jakarta recently.

"We are looking at a few private projects that supply to industrial area as a first step to entering the

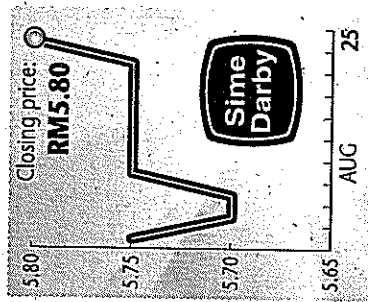
power sector in Indonesia. The power demand is high here with over 10 per cent growth each year," he said.

It is planning to start with private projects as power financing is hard to secure in Indonesia.

He said the Indonesian state utility PT Perusahaan Listrik Negara (PLN) is not bankable at the moment, unlike in Malaysia where an operator with a power purchase agreement with Tenaga Nasional Bhd can easily get financing from banks.

Financing a power project with internal funds may also not be viable because of the huge investment needed to develop a plant, at roughly US\$1 million (RM3.68 million) for 1MW.

"If we have a power purchase agreement with the private sector, we can go to the bank for funding," Mohd Shukri said.



Closing price:

RM5.80

Sime Darby

AUG

5.80

5.75

5.70

5.65

25

This means that Sime will have to scout for businesses that need a lot of electricity for their operations.

The diversified group currently operates a 100MW plant in Port Dickson, Negri Sembilan, and owns the 400MW Laem Chaabang plant in Thailand.

"We have the expertise in power plant operations. In Thailand, we run the plant by ourselves," he said.

Mohd Shukri is part of the Malaysian business group visiting Jakarta this week on a trip organised by the Kuala Lumpur Business Club. Sime group chief executive Datuk Ahmad Zubir Murshid is also there to explore investment opportunities.