

Joint Statement on Japan-Indonesia Summit Meeting

The President of the Republic of Indonesia, H.E. Megawati Soekarnoputri made a state visit to Japan on June 22-25, 2003. During the visit, the Prime Minister of Japan H.E. Junichiro Koizumi held a Summit Meeting with President Megawati Soekarnoputri at the Prime Minister's Office.

General Statement

1. The two leaders reiterated the importance of strengthening cooperation between Japan and Indonesia, under the framework for cooperation, namely, "acting together and advancing together" as "sincere and open partners." They also reiterated their intention to further strengthen cooperation aimed at achieving stability and development of the region through bilateral, regional, and international frameworks such as the United Nations, the Association of Southeast Asian Nations (ASEAN) +3, the ASEAN Regional Forum (ARF), the Asia-Europe Meeting (ASEM) and Asia-Pacific Economic Cooperation (APEC). Indonesia's assumption of the chair of ASEAN in July 2003 and the Japan-ASEAN Commemorative Summit in Japan in December 2003 will further enhance the Japan-ASEAN cooperative relationship.

2. Both leaders shared the view that bilateral cooperation should be strengthened between the two countries based on three basic themes; (1) the promotion of the reform process including the democratization in Indonesia and the attainment of prosperity; (2) the realization of a stable Asian Region; and (3) cooperation for future development. They also reiterated their hope that this relationship would lead to a constructive partnership based on mutual benefit.

Promotion of the Reform Process and the Attainment of Prosperity

3. President Megawati conveyed her appreciation for the assistance and support of Japan for the acceleration of Indonesia's reform process and democratization, and stated that Indonesia would continue to carry out wide-ranging reforms. In the economic field, President Megawati said that Indonesia is considering a strategy that would allow it to graduate from the IMF program, particularly by maintaining Indonesia's macroeconomic stability. Prime Minister Koizumi stated his hope that Indonesia would carry out its exit strategy from the IMF program smoothly and noted the importance of continued economic reform. In addition, Prime Minister Koizumi reaffirmed that Japan would continue to provide its support to Indonesia's reform efforts in order to enable Indonesia to manage its fiscal policy and economy in a sound manner in 2004 and thereafter.

4. President Megawati explained that she launched 2003 Indonesian Investment Year, and stated that the Indonesian Government was determined to improve Indonesia's investment climate so as to boost economic growth. In response, Prime Minister Koizumi expressed his view that the private sector played a key role in enhancing economic relations between the two countries, and welcomed Indonesia's intention to continue to improve the investment climate. Both leaders shared the view that these efforts would sustain or even expand existing Japanese direct investments as well as attract new investments. Prime Minister Koizumi stressed his expectation that an investment promotion team comprised of core cabinet members under the leadership of President Megawati, would be promptly established and a comprehensive mid-term road-map to improve Indonesia's investment climate would be formulated.

5. Prime Minister Koizumi and President Megawati noted that Japan's Economic Policy Supporting Team, which was established following the decision between the two leaders in September 2001, would play a significant role in economic reform efforts made by the Government of Indonesia.

6. To promote trade and investment between the two countries as well as bilateral cooperation in other areas, the two leaders have decided to task the officials from the two governments to preliminarily explore the possibility of a bilateral economic partnership agreement (EPA) between Japan and Indonesia. In this regard, they also expressed their intention to resume the talks on an investment agreement.

7. President Megawati informed Prime Minister Koizumi of the successful conclusion of the projects in the field of electricity, petrochemical, oil and gas, and fertilizer plant and so on that were put on hold following the monetary crisis in 1997-98. President Megawati positively considered the important role of various Japanese companies and agencies in the renegotiation and restructuring process of these projects.

8. Both leaders affirmed that the two countries' cooperation in the police reform as one of the processes of achieving better governance has shown positive results and that the two governments would continue their cooperation in this field. Prime Minister Koizumi stated that Japan would continue and strengthen its support to legal reforms in Indonesia. Prime Minister Koizumi also stated Japan's intention to assist Indonesia in the upcoming 2004 elections for further progress in democratization in Indonesia.

Cooperation on the Realization of a Stable Asian Region

9. Both leaders reaffirmed that the issue of terrorism is one of the main obstacles in maintaining international peace and security, and stated their intention to continue to cooperate in overcoming the threat according to the basic framework described in the Joint Announcement on Fighting against International Terrorism. Prime Minister Koizumi

expressed his appreciation for Indonesia's efforts and cooperation with the international community in combating terrorism. Referring to the security situation in Indonesia, President Megawati expressed her appreciation for the decision of the Japanese Government to lower the level of Travel Advice & Warning for Indonesia since it would give a positive effect on tourism.

10. Both leaders attached importance to overcoming the increasing problem of piracy occurring in South East Asian waters. Both leaders recognized that the increasing number of piracy poses a serious threat to the safety of maritime transportation of neighboring countries, including Japan, and has adverse effects on the region's social and economic developments. In this regard, both leaders shared the view that there was an urgent need for both countries to strengthen their cooperation on prevention and suppression of piracy, including the early adoption of the Regional Cooperation Agreement on Anti-Piracy in Asia.

11 . The two leaders noted the importance of addressing the issue of illegal logging and associated illegal trade. In this regard, they expressed their intention to take comprehensive steps for cooperation between the two countries as stated in the Joint Announcement and the Action Plan on the Cooperation in Combating Illegal Logging and the Trade in Illegally Logged Timber and Wood Products signed on June 24, 2003 in Tokyo, and in line with the Asia Forest Partnership initiated by Japan and Indonesia during the World Summit on Sustainable Development (WSSD) in Johannesburg.

12. The two leaders voiced their concern over the situation in the Korean Peninsula, in particular the North Korean nuclear issue as an utmost concern not only to the peace and stability of the Korean Peninsula, but also to the Asian region and to the international nuclear non-proliferation regime, and stressed that any action which would exacerbate the situation should not be taken and that responsible steps towards the resolution of issues including the nuclear issue should be taken. Both leaders commended efforts made by various parties in seeking ways to help solve the nuclear issue, including the trilateral talks held in Beijing in April as a good start, and expressed their hope that intensified dialogue could bring about comprehensive resolution of the North Korean issues. Both leaders expressed their intentions to further strengthen cooperation between the two countries and with other countries concerned in seeking a peaceful and diplomatic settlement to the nuclear issue. President Megawati shared the concern that led Japan towards its position in solving issues such as the nuclear issue, the missile issue and the abduction issue, based on the Japan-North Korea Pyongyang Declaration, and normalizing the relations with North Korea in a manner that would contribute to the peace and stability of Northeast Asia.

13 . On the situation on Aceh, Prime Minister Koizumi reaffirmed Japan's full support to the sovereignty and territorial integrity of the Republic of Indonesia. While commending the effort of the Government of Indonesia for having sought a peaceful solution to the Aceh issue through dialogue, and reiterating that a peaceful solution through dialogue is the best way to resolve the conflict, he expressed his hope that the resumption of dialogue between the parties can reach a political settlement based on special autonomy as the final solution,

as stipulated in the Chairman's Statement of the ARF issued on June 19, 2003. In this regard, Prime Minister Koizumi stated that Japan was prepared to cooperate with Indonesia in, where the situation allows, holding a meeting for such dialogue, including holding it in Tokyo. He also expressed his hope that human sufferings and the excess of combined operations in Aceh would be minimized.

President Megawati expressed her deep appreciation for the continued support of the Government of Japan to the sovereignty and territorial integrity of the Republic of Indonesia. She apprised the Prime Minister in detail of the most recent development in the Province of Nanggroe Aceh Darussalam and stated that the Indonesian Government was constrained to take all necessary measures to carry out its responsibility to maintain the sovereignty and territorial integrity of the country by initiating intensive combined operations to bring vitally needed humanitarian assistance to the people of Aceh, to enforce the law, to restore peace and security and to ensure to the full functioning of all local governments. President Megawati also stated that the door to the dialogue remains open and they hoped that a peaceful solution can be found based on special autonomy as the final solution for Aceh. She also expressed her appreciation to the offer of support to the dialogue by the Government of Japan.

Cooperation for Future Development

14. The two leaders underlined the importance of making ASEAN-Japan Exchange Year 2003 a success, increasing cooperation in a wide range of fields and promoting economic and social activities as well as cultural and intellectual exchanges both at governmental and community levels.

15. Highly appreciating the role of tourism towards the development of social, economic and cross-cultural relations of the two countries, both leaders have confirmed that they would proceed with their cooperation based on the "Joint Announcement on Tourism Cooperation between Japan and the Republic of Indonesia."

16. Both leaders are aware of the importance of promoting economic development in the African region through international cooperation. They are of the same view that the upcoming the Asian-African Sub Regional Conference (AASROC), jointly initiated by Indonesia and South Africa, and the Third Tokyo International Conference on African Development (TICAD), co-organized by Japan, the United Nations, Global Coalition for Africa and the World Bank could be complementary. Furthermore, they hoped that Japan-Indonesia cooperation in supporting these two forums could encourage better inter-regional cooperation between Asia and Africa on global challenges. In accordance with this, both leaders also shared the view that the two governments would set up a Partnership Program to enable Japan to play a more important role in supporting the South-South cooperation programs being carried out by Indonesia.

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