

# GlobeAsia

INDONESIA'S NO 1 BUSINESS MAGAZINE

VOLUME 12 NUMBER 7 / JULY 2018



## Diamond Tsar

**Stefanus Lo** has successfully grown his family business over the years to become the country's leading jewelry company



**Regional  
Election  
Highlights**

**Erick  
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Lifting  
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COVER STORY

STEFANUS LO  
**Diamond**  
**Tsar**

Stefanus Lo has successfully grown his family business to become the country's leading jewelry company.



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Carré H  
Time, square like a Hermès scarf.

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# Editorial

## Working for Big Smiles

**The recently passed Ramadan** was a resounding success. The government's management of both basic needs prices – meat, rice, eggs and the like – and traffic during the Idul Fitri exodus, or “*mudik*,” is laudable. Prices and supplies remained stable, aided by the likes of Trade Minister Enggartiasto Lukita, among other government officials, touring the country to inspect and ensure that people had access to consistent and affordable necessities. Across the archipelago, people have also expressed their contentment with “*mudik*” travel times, which were notably shorter, and saw a 30 percent decrease in accidents.

Such feedback could be hailed as the beginning of long-awaited benefits of the government's relentless and unceasing drive to improve national infrastructure. Indeed, only a week after Idul Fitri, President Joko “Jokowi” Widodo officially opened the 20-kilometer Gempol–Pasuruan Toll Road in East Java. With the completion of this piece of the puzzle, the sprawling Trans-Java Toll Road now connects Merak in Banten with Pasuruan in East Java – a 920-kilometer boon for the country. Of those 920 kilometers, 607 kilometers are already in use, with the rest comfortably expected to be operational by the end of 2018.

A notable figure that has been key to this process is Public Works and Housing Minister Basuki Hadimuljono, the man dubbed “New Daendels” by Jokowi and tasked with realizing the president's dream of connecting cities across the country.

Herman Willem Daendels, the Dutch East Indies governor general from 1808 to 1811, once envisioned a road connecting Anyer, on the western side of Java Island, with Panarukan in Situbondo district, on the eastern side. Where Indonesia's old colonial rulers failed, Jokowi has succeeded, as by next year,



the Trans-Java Toll Road will stretch from Anyer, all the way to Banyuwangi, East Java.

Thankfully, the Trans-Java Toll Road is only a part of Jokowi's grand infrastructure vision. The Trans-Sumatra Toll Road, port systems nationwide, and new airports are being opened at a stunning rate. The impact? Big smiles on the faces of people traveling during last month's “*mudik*.” For a population that has long dreaded the insufferable traffic woes often associated with the annual mass migration, the infrastructure milestones claimed by the government are a welcome relief.

### NEW TRANSPORTATION CULTURE

However, national transportation projects are only the tip of the iceberg. Big cities, such as Jakarta, Surabaya, Bandung and Palembang, are also finally pushing through reliable mass transportation, spurring a new culture of travel, whether for business or leisure. Long-awaited mass rapid transit (MRT) and light rail transit (LRT) systems will soon be completed in these cities, elevating Indonesia's metropolitans to the next level of modern living.

Public transportation should spur more efficient time management and perhaps even instill greater social order with habits as fundamental as queuing at bus and train stations. Moreover, such developments will also be quickly followed by new trends in urban planning and real estate development. Commercial and housing projects near MRT and LRT stations for example, will greatly benefit from the transportation hubs and likely see plans to accommodate the increased foot traffic. Such social and urban developments will have a profound effect on the lifestyle and culture in cities.

*GlobeAsia* is extremely hopeful that these feats in connectivity and infrastructure will launch Indonesia's long-awaited economic boom. But much still needs to be done. Current administrations at a national and local level have finally been spurred to action – a welcome shift from the never-ending rounds of planning and politicking that have tabled these necessary projects for decades.

As Indonesia's regional elections have just concluded, newly elected or incumbent regional leaders must build on this trend and continue driving Indonesia's desperate need for infrastructure. Next year's legislative and presidential elections will also be decisive in whether or not Indonesia can maintain this long-term drive with long-term benefits, or sputter back to short-sighted politicking and stagnation. To the current and future leaders of Indonesia: remember those big smiles. 🌐



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# Maintaining International Peace and Security



Theo L. Sambuaga  
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**Despite its international significance,** the United Nations General Assembly's election of Indonesia, along with Belgium, Germany, the Dominican Republic and South Africa as non-permanent members of the UN Security Council on June 8 was overshadowed by the long-awaited summit between United States President Donald Trump and North Korean leader Kim Jong-un in Singapore three days later.

As the only body with the authority to issue binding resolutions on the 193 UN member states in pursuit of its purpose to maintain international peace and security; develop friendly relations among nations; cooperate in solving international problems and promote respect for human rights, the Security Council has the power to deploy peacekeeping forces, impose economic sanctions and arms embargoes, sever diplomatic relations and take military action.

As a member of the Security Council for 2019-2020, Indonesia and the nine other non-permanent members, along with the five permanent members – China, France, Russia, Britain and the United States – will be required to cooperate to prioritize and address the hot issues of international peace and security.

With representation from Asia and Africa, the Security Council should push for a peaceful resolution of the South China Sea dispute by convincing the parties involved – the People's Republic of China on one side and Brunei Darussalam, Malaysia, the Philippines, Taiwan and Vietnam on the other – to engage in continuous dialogue to find a comprehensive solution.

As a combination of humanitarian and security issues, the Rohingya problem should also be comprehensively addressed before it becomes uncontrollable and erupts into a bloody conflict.

Significant developments towards denuclearization and finding a peaceful solution on the Korean Peninsula over the past three months, including the inter-Korean summit and Trump-Kim summit, cannot be taken for granted. Instead, it should be further promoted through multilateral negotiations at the United Nations.

On a global level, but still in the Asia region, peaceful efforts should be encouraged to find a just and comprehensive solution to conflict in the Middle East, particularly by bringing an end to ongoing foreign intervention in the Syrian civil war.

On top of that, Indonesia should put forward a Middle East peace process based on genuine independence for Palestine and an end to Israel's illegal occupation of Arab land. Furthermore, as a country with extensive experience in dealing with terrorism, Indonesia should garner international cooperation to combat this global scourge. The same

commitment should be shown in the promotion of human rights – essential for peace and security.

It is clear that the Security Council faces serious challenges, some of which have existed for many decades without any meaningful solutions. But making it worse is the fact that some of the world's big powers have recently started to adopt a bilateral or even unilateral approach in dealing with matters of regional and global security, often shunning regional and global interstate organizations, such as the United Nations.

In the Middle East peace process, the United States tends to follow a bilateral approach and uses its veto power to defend Israel whenever the Security Council votes on the matter. With regard to the Syrian civil war, both the United States and Russia have chosen unilateralism; the former supporting the opposition, while the latter defends the government.

When it comes to the South China Sea and the Korean Peninsula, China prefers bilateralism rather than multilateralism as can be seen in its support for the approach taken by the United States and North Korea. The United States' withdrawal last year from the Paris agreement on climate change and quitting the UN Human Rights Council two weeks ago, are further proof of the world's only superpower's preference for unilateralism and its disrespect for the United Nations, the world's largest multilateral organization. Any attempt to bring these issues to the Security Council before the big powers' interests are accommodated risk being vetoed by the permanent members.

Certainly, a bilateral approach is useful when it comes to solving regional or international issues, but at the right time it has to be brought to the multilateral organization to bring about a comprehensive, final and binding solution. Indeed, the United Nations, particularly the Security Council, should be reformed to enable it to face these challenges.

Now, in its fourth term as a non-permanent member of the Security Council, Indonesia should convince other members, including those with permanent seats, to continuously work towards making this important structure more democratic, representative and effective, so it will reflect the current global realities and represent all regions equitably, either by increasing the number of permanent seats or by removing veto rights.

The current situation, with Europe being represented by three permanent members and the Americas by one on the Security Council, does not reflect global economic and demographic realities. It is fair to consider adding more seats for permanent members, for instance India or Japan from Asia, South Africa or Nigeria from Africa, Brazil or Mexico from the Americas, and Australia from Oceania, plus five more non-permanent seats. Certainly, such a proposal should be brought before the General Assembly where each member state has an equal vote and where no members wield any veto powers. Can Indonesia work towards this, or at least get the ball rolling? 🌐

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## NATIONAL 2018 Asian Games Optimism



With Indonesia hosting the 2018 Asian Games in August, hopes are running high that it will be among the top 10 countries in the medal count. Indonesia's best performance in the Games was in 1962, when the sporting event was held in Jakarta under the patronage of Sukarno, the country's first president. Back then, Indonesia won 11 gold medals to finish in second place after Japan, which took home 73 gold medals. Sports Minister Imam Nahrawi has said that Indonesia has a good chance of winning gold in 14 sports, such as badminton, weightlifting, bridge, rock climbing, jet skiing, archery, athletics, bowling, cycling, paragliding, taekwondo, wushu, canoeing and rowing.



### INDONESIA PLANS TO BUY 5 NEW C-130J HERCULES MILITARY TRANSPORTERS

The government plans to procure five new Lockheed C-130 Hercules military transportation aircraft to modernize its aging fleet. "We are not buying many of them; five aircraft are enough," Defense Minister Ryamizard Ryacudu said at his office in Jakarta.

Ryamizard said the Indonesian Air Force's existing Hercules fleet is aging, with most of the aircraft having been grants from other countries decades ago. The minister said the government wants Indonesia to start producing its own aircraft, but that the country currently lacks the capacity. The government therefore aims to obtain a technology transfer with the planned purchase, so that the country can start building its own aircraft in the near future.

"We already build our own tanks and meanwhile, by purchasing these aircraft, we can strengthen our friendship, especially in defense and technology transfer with other countries," Ryamizard said.

MUHAMMAD ADIMAJAJ/ANTARA PHOTO





## MOVIE



### SI DOEL THE YOUTUBE KID?

"Si Doel The Movie," helmed by Rano himself, will be released in August, seven years after the last episode of the TV series was aired. Rano stated that he has no plan to continue the Doel franchise as a TV series. "Making TV shows takes a long time and a lot of energy," he explained. Since most of the younger generation now watch TV and movies online, Rano might consider taking Doel to YouTube. "If I have to come up with another Si Doel TV series, I might do it on YouTube. People now watch everything online, especially millennials," he stated.

If that happens, the story will likely be centered on Dul, Doel's son with Sarah, Rano added. "Si Doel's story will never end and I would be happy to write new stories based on Dul's adventures," he stated. Rano expects Si Doel The Movie to do even better than last year's biggest box office hit "Dilan 1990," also produced by Falcon Pictures, that attracted 6.3 million viewers.

SAUL LOEB/AFP PHOTO

## INTERNATIONAL Trump-Kim Hotline



United States President Donald Trump reportedly gave North Korean leader Kim Jong-un his "direct" phone number following their landmark meeting in Singapore last month, according to South Korea's Yonhap News. Trump's meeting with Kim marked the first time a sitting US president met with a current North Korean leader. The two signed a joint statement that broadly outlined several plans, such as working towards the "complete denuclearization of the Korean Peninsula." Prior to North Korea's diplomatic overtures this year, maintaining contact with the regime had been difficult. Pyongyang is notoriously unpredictable and outside efforts to engage with the regime have failed before.



### SOUTH CHINA SEA SITUATION

The Chinese navy carried out drills in the South China Sea last month to simulate fending off an aerial attack, as China and the United States trade barbs over who is responsible for heightened tensions in the disputed waterways. US Secretary of State Mike Pompeo expressed concern during a visit to Beijing over China's efforts to militarize the seas. His remarks came after a flurry of US activity in the region, including reports that US Air Force B-52 bombers had flown near disputed islands, an action that drew a sharp rebuke from China.



## INTERNATIONAL Economic Warfare



US President Donald Trump is pushing ahead with hefty tariffs on Chinese imports worth \$50 billion, with the smoldering trade war between the world's two largest economies showing signs of igniting as Beijing immediately vowed to respond in kind. Trump laid out a list of more than 800 strategically important imports, including cars, from China that would be subject to a 25 percent tariff starting on July 6. This is the latest hardline stance on trade by the US president, who has already been wrangling with allies. China said it would respond with tariffs "of the same scale and strength" and that any previous trade deals with Trump were "invalid." The Asian country will impose 25 percent tariffs on 659 US products, ranging from soybeans and seafood to automobiles.



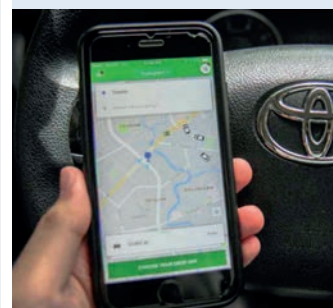
### NON-PERMANENT SEAT AT UNSC

Indonesia won a non-permanent seat on the United Nations Security Council, along with four other countries elected by the General Assembly last month. Indonesia will serve a two-year term from 2019 to 2020, along with Germany, Belgium, South Africa and the Dominican Republic. Indonesia was up against the Maldives to represent the Asia-Pacific group, and managed to secure 144 votes, while its opponent received 44. Indonesia has sought support for its candidacy since 2016. The country is expected to be a moderating voice and consensus builder among members of the council, based on the country's response to various crises over the past year, including the Qatar diplomatic crisis and the humanitarian crisis affecting Rohingya refugees in Myanmar and Bangladesh.



### EU AIR BAN LIFTED

The European Commission, the executive body of the European Union, removed all Indonesian airlines from its EU Air Safety List last month. The bloc keeps tab on all airlines in the world, banning those that do not meet its safety standards from entering the airspace of all EU member states. The flight ban on Indonesia was imposed 11 years ago, in July 2007.



### GRAB INVESTMENT

Toyota Motor has agreed to buy a \$1 billion stake in Grab in the biggest investment by a carmaker in a ride-hailing firm, at a time when traditional automakers are racing to team up with disruptive tech companies. The value of six-year-old Grab will be just over \$10 billion after the investment. The deal comes as the auto industry faces a spike in the need for technological prowess with the advent of features such as autonomous driving, while app makers offer passengers the option to forgo car purchases by connecting them with drivers. Some automakers have responded by partnering with makers of ride-hailing apps, which dominate the fast-growing field of mobility services, in anticipation of a future of reduced car ownership.

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# STEFANUS LO Diamond Tsar

By Albert W Nonto

**Stefanus Lo (50)**, colloquially known as Indonesia's "King of Diamonds," has successfully grown his family business over the years to become the country's leading jewelry company.

He runs a chain of upscale jewelry stores under the family business, PT Central Mega Kencana (CMK), which started off as a small store, *Toko Mas Central*, founded by his father Kurniawan Lo in Senen, Central Jakarta, in 1970. Over the years, Stefanus has transformed it into the largest diamond jewelry business in Indonesia. With 54 stores nationwide, the company has reported stellar financial performance and accumulated incredible brand equity over the past five years.

While all CMK's brands have grown significantly, Stefanus upholds Frank & Co as its leading brand, having achieved this status through a smart and integrated marketing strategy. Nevertheless, alongside Frank & Co, the company's other brands have also seen continuous growth. These include Mondial, Miss Mondial (acquired from a Singaporean company) and The Palace. CMK follows a multi-brand go-to-market strategy, which has enabled the company to target various market segments and successfully meet the needs of thousands of customers, each with a unique set of requirements.

Nonetheless, while building a diverse customer base is the main reason behind the company's multi-brand strategy, it has also helped popularize jewelry in Indonesia. In essence, "CMK aims to promote and grow Indonesia's jewelry industry as a whole, to show the world that the Indonesian economy is incredibly promising and has millions of people transitioning from the low- to middle-income segment with regard to purchasing power," says Petronella Soan, the company's chief operating officer.

Stefanus is pleased that the diamond jewelry industry continues to grow and that his company is able to create value beyond just gold and silver. "I believe this is an example of Indonesia's promising future. As we design our products by employing predominantly local workers and manufacturing

processes, we invariably demonstrate that Indonesia and its people have immense potential and are ready to compete against other dominant nations and their people," he says, confidently. He added that CMK employs more than 50 qualified jewelry designers and thousands of internationally reputable goldsmiths.

To meet the changing needs of its customers, the company collaborates with top Indonesian fashion designers such as Anne Avantie, Sebastian Gunawan and Tex Saverio to work with CMK's brands and create the most contemporary and stylish designs.

While there is incredible room for growth, the company also works very hard to retain existing customers by providing unique and valuable services. Frank & Co general manager Tanya Alissia says, for example, that CMK's customers enjoy a life-time free service, such as the resizing of rings and exchanging of jewelry for newer designs. "We want to make this company last for more than a thousand years, which means we'll have to offer the best service on all possible levels," she says.

"We are in a 'millimeter business' where crucial details come down to the very last grain of sand. This means that we have to continuously watch our customers' every need and ensure that they are beyond satisfied with whatever product or service we provide," Stefanus says.

Now that the company has grown tremendously and its sales have continued to skyrocket, an expansion plan is underway. CMK will soon complete construction of its new production plant, which will employ more than 1,500 goldsmiths. Beyond this, the company is also looking for opportunities to grow through the capital markets, to boost its market value.

**"Jewelry is an expression of life, love and success. It is a symbol of the happiest and most intimate celebrations humans experience in their lifetimes."**





“We are waiting for the right time to take the company to the stock market,” says Stefanus, who is convinced that such a move would put it ahead of its competitors.

He backs this up with examples of other world-class jewelry companies that have gained enormous market capitalization and attracted large numbers of investors. These include Hong Kong-based Chow Tai Fook, which has a price-earnings ratio of around 33, and India’s Tanihq, with a price-earnings ratio of around 74. “This is just one of the many comparisons investors can use to calculate the value of CMK,” he says. “Our company does not merely focus on production, but also on leading Indonesia’s retail chain industry through strong brand recognition.”

Stefanus is optimistic that steadily growing demand in Indonesia’s diamond jewelry industry will allow the company to open at least 100 more stores by 2020. “Jewelry is an expression of life, love and success. It is a symbol of the happiest and most intimate celebrations humans experience in their lifetimes. Pair that to the fact that diamonds are a great investment financially, I believe Indonesians will grow to see the beauty of a diamond, something that can be passed on from one generation to the next,” Stefanus says.

**ETHICAL BUSINESS**

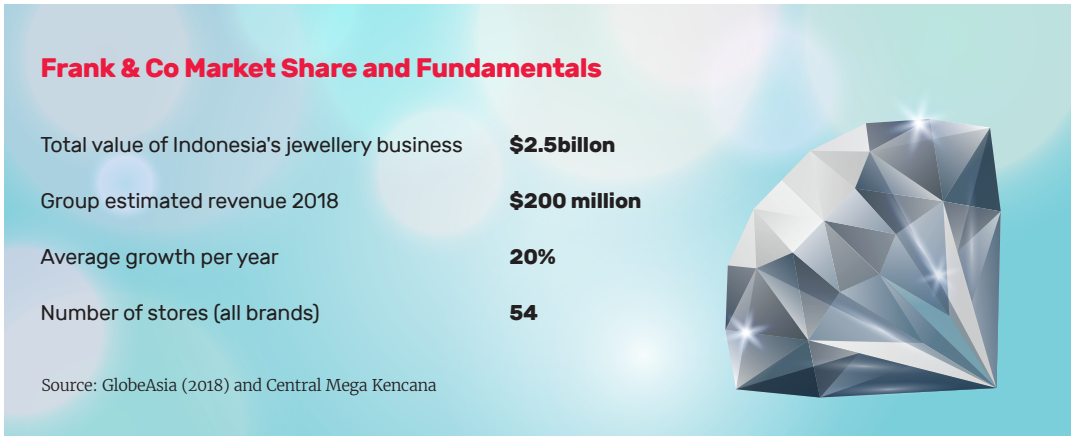
Stefanus is enthusiastic about Indonesia’s economic and industrial potential. As a businessman with an extensive network, he and his peers are frequently consulted by the government on the progress of Indonesia’s economic reforms. While the country has made great strides, he acknowledges that there are certain roadblocks that still need to be addressed collectively by all parties involved.

He says many factors have contributed to making CMK a successful company, but that the high value and social perception of diamonds have made him more mindful of the need to comply with regulations and maintain good business practices. Stefanus strictly sources raw materials only from reputable parties. For example, every single diamond the company sells has to be genuine and come from miners that comply with ethical standards, pay fair wages and uphold workplace safety at all costs. “I do everything in my power to ensure that CMK is a company that provides value, not only to its customers, but to all stakeholders. That includes everyone, from our local employees to the foreign miners from whom we source our raw materials,” he says. The company currently exclusively sources its diamonds from world-renowned jewelry companies such as the De Beers Group.

Additionally, all customers buying items above a certain value have to declare their sources of income by completing documents required by the government to avoid tax evasion and money laundering.

Stefanus agrees that new regulations and the government’s recent tax amnesty policy have forced many businesses to become more transparent and professional.

“Times have changed and our generation is now in a period of transition, where more are striving to implement good business practices. To the next generation of businesspeople, I urge you to use your vast education to embrace changes that will have a positive impact on Indonesia and its people. The challenge now is to create businesses that can add value on all sides, both to shareholders and







## GOLDEN OPPORTUNITY

Not many people know that Martapura in South Kalimantan produces some of the world's best diamonds. Sadly however, substandard local cutting methods often reduce their value in comparison with those produced in other parts of the world, such as Canada, India and some African countries.

According to a 2016 study by strategic market research provider *Euromonitor International*, jewelry sales are expected to continue growing in the near future, despite a global economic slowdown. Industry sources estimate the total value of the jewelry trade in Indonesia at approximately \$2.5 billion, with middle- and upper-class customers accounting for about a quarter of that. However, Indonesia's relatively young population and a significant increase in the number of young people buying jewelry will likely result in an industry boom.

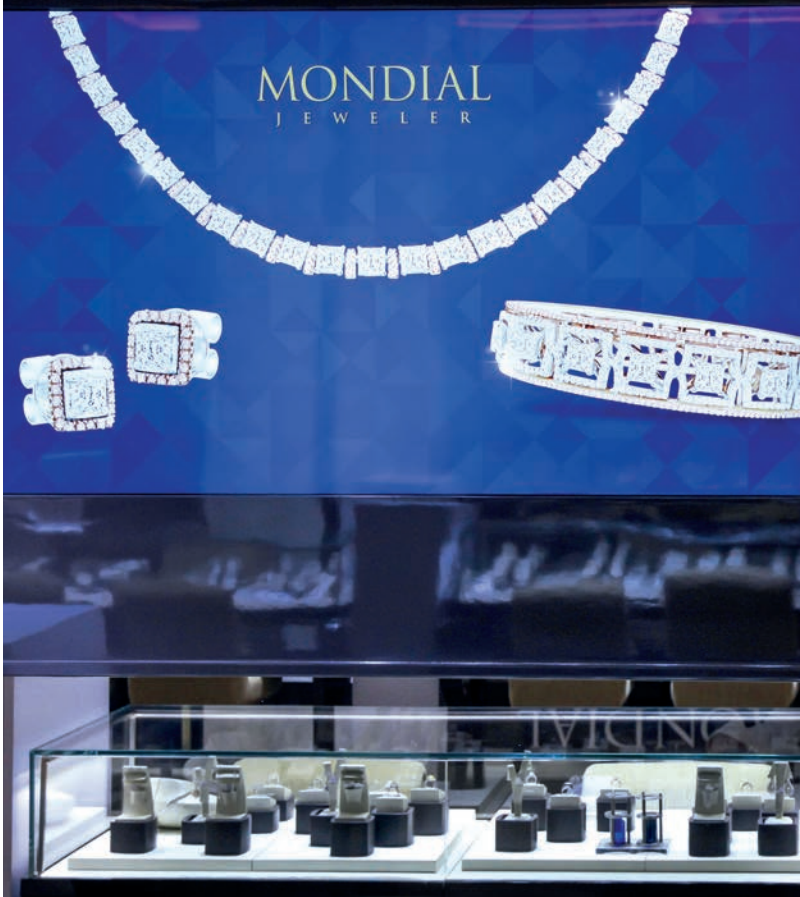
Indonesia's Ministry of Religious Affairs further reported in 2016 that at least 2 million people per year exchange jewelry as part of their wedding ceremonies.

Precious stones and metals, often in the form of jewelry, have also come to be seen once more as a safe alternative for storing wealth.

Government data shows that Indonesia has around 36,000 jewelry makers, of which some 200 operate on an industrial scale. PT Central Mega Kencana is the country's largest jewelry company, employing more than 1,700 workers its manufacturing facilities and retail stores.

With stable growth of between 20 percent and 25 percent a year, most major industry players have set strategic plans in motion to grow their businesses. This includes Bandung, West Java-based jewelry maker PT Hartadinata Abadi, which listed on the Indonesia Stock Exchange in June last year to finance expansion. The company's founder, Ferry Hartadinata, believes the industry will experience a boom within the next five to 10 years.

The company mainly focuses on production and employs more than 600 workers at its four manufacturing facilities, which process around 600 kilograms of gold per month, with plans to increase that to 1,500 kilograms per month soon. It supplies more than 600 jewelry stores throughout the country. 🌐



surrounding communities,” Stefanus says. He adds that ethics are essential to the longevity of a business. More specifically, he emphasizes that a high-end diamond jewelry company is a “trust business,” which requires the best quality products and the most excellent service.

**PROPERTY AND EXHIBITIONS**

Amid his outstanding achievements in the jewelry industry, Stefanus is also growing his interests in the property sector through the Synthesis Group.

Founded in 1992, the group entered Indonesia’s high-end property market seven years later with the construction of the iconic Plaza Semanggi in Central Jakarta.

The group is currently working on several projects, including the upscale Synthesis Residence Kemang in South Jakarta and Prajawangsa City in Pasar Rebo, East Jakarta, with more in the pipeline.

Synthesis was also involved in the construction of Kalibata City in Pancoran, South Jakarta and Bassura City in Jatinegara, East Jakarta. The group still owns and manages the shopping center at Bassura City.

When it comes to the sale of property, a company also has to comply with certain rules and regulations to ensure legality and transparency. Stefanus says knowledge of a buyer’s profile is therefore of particular importance.

Similar to a lot of other businesses, selling property requires compliance with strict rules and Stefanus is firm in consistently implementing policies to ensure transparency.

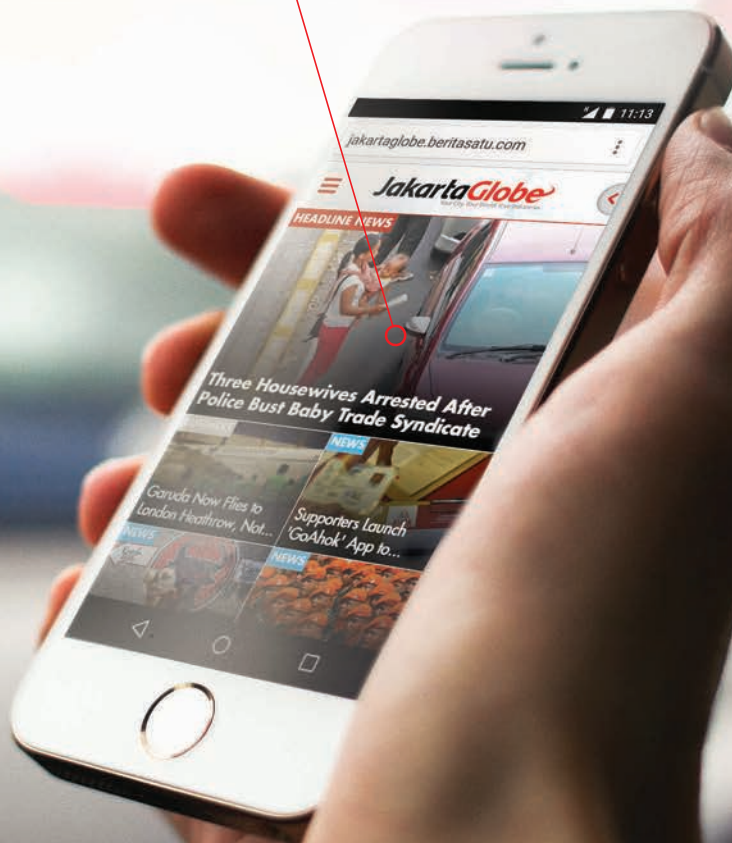
Stefanus is also cooperating with the Kompas Gramedia Group to develop a meetings, convention and exhibition business through PT Nusa Dua Indah, which currently manages the Bali Nusa Dua Convention Center and Surabaya Dyandra Convention Center.

“Staying too focused on one business is not always the best way to go. Therefore, spreading one’s risks by investing in different markets is essential to success,” he says. 🌐





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ERICK THOHIR

# Lifting Indonesia's Brand Through Asian Games

By Muhamad Al Azhari

**It was just two years** after Erick Thohir, along with some partners, bought a controlling stake in Italian football club Inter Milan when the government asked him to lead the Indonesia Asian Games Organizing Committee, or Inasgoc.

“The request came to me in 2015. I was quite occupied back then with my business activities, as you know in 2013, we just acquired Inter Milan,” the Indonesian media entrepreneur and sports investor told *GlobeAsia* in a recent interview.

“With all humility and respect, I finally took the job as it was a very crucial time for us with strong prospects back then when China could take the job. Still, I can’t do it alone. This is the work of the entire nation,” Erick said after attending a sponsorship announcement by a private company in Jakarta in May.

Back then, it was a critical time for Indonesia to secure its bid to host the 2018 Asian Games, as the country was on the





verge of losing out to Beijing. Jakarta had a bad record in hosting international sports events, such as the 2011 Southeast Asian Games, which ended in disaster when two people died in a stampede after the football final between Indonesia and Malaysia.

The Vietnamese capital, Hanoi, was another strong contender to host the Asian Games, considered the second-largest multisport event after the Olympics. However, the city later withdrew from the bidding process due to financial constraints.

Indonesia eventually won the right to host the 18th Asian Games after it managed to convince the Olympic Council of Asia in 2014 that it had the capacity to host the event. It will be the first time the pan-Asian multisport event is co-hosted by two cities – the Indonesian capital and Palembang, the capital of South Sumatra.

The event, which is recognized by the International Olympic Committee, is scheduled to take place between Aug. 18 and Sept. 2, when athletes from 45 countries will compete for gold.

#### **INTERNATIONAL FIGURE**

The administration of President Joko “Jokowi” Widodo had limited options when it came to appointing a local figure with a strong grasp of the international sports business so Erick, with his solid track record in the industry, was almost an automatic choice.

The businessman, who is the founder and chairman of Indonesian media conglomerate Mahaka Group, agreed to take on the responsibility, on condition that the government take care of the venues and athlete’s preparation.

Erick comes from a family with a strong business background. He is the brother of tycoon Garibaldi “Boy” Thohir, who owns a majority stake in PT Adaro Energy Tbk, Indonesia’s second-largest coal miner by production capacity.

His family also has large investments in the food and property industries in Indonesia. Besides Inter Milan, Erick also acquired stakes in other sports clubs outside Indonesia, such as Washington-based football club D.C. United, and the Philadelphia 76ers, a professional basketball team.

Although Erick has become a minority owner after selling most of his stake in Inter Milan, he retains the title of club president.

He also has a track record in basketball, having been president of the Southeast Asian Basketball Association (FIBA) since 2006. He was also chef de mission of the Indonesian contingent at the 2012 Summer Olympics in London.

On a national level, Erick plays an important role as chairman of the National Olympic Committee (KOI) for 2015–2019. KOI is responsible for preparing Indonesia’s athletes for both the Asian Games and the Olympics.

On top of all that, he also owns the Jakarta-based basketball team Satria Muda and serves as an honorary board member of the Indonesian Basketball Association (Perbasi) for 2015–2019.

#### **POSITIVE IMAGE**

Erick shared his vision of how this year’s Asian Games can lift Indonesia’s sports industry, while also making a positive economic impact, both directly and indirectly.

“It is a great opportunity for Indonesia. The Games are not just a sports event, it has a lot to offer,” he said.

Erick said there are four important potential outcomes if the country successfully hosts this year’s Games.

First, he said the event can boost the country’s reputation and it is a good opportunity to project a positive image of the country to the world. The

world's largest archipelago nation, spread out over more than 17,000 islands with a combined surface area of more than 1.9 million square kilometers, offers many breathtaking tourism attractions and the government is currently actively promoting 10 destinations beyond Bali, the country's most popular destination among tourists.

Second, he underlined the economic impact the Games will have, starting from tourism, ticket sales, to the money sponsors will potentially spend during the multinational event.

"Last time, Bappenas [National Planning Agency] calculated that there is potential revenue of almost Rp 3 trillion [\$213 million] if we calculate it based on ticket sales. In terms of the long-term benefit, this event is indeed good for our tourism industry," he said.

The Asian Games will see competition in 61 sports disciplines, with 41 being broadcast live on TV. There will be 462 sports events, held in four sports clusters – three in Jakarta, including in the national sports arena, Gelora Bung Karno Sports Complex, and one in Palembang's main sport facility, Jakabaring Sport City.

Third, he said the government's investment in supporting infrastructure and facilities and the event itself will also create more jobs in the country.

Cosmopolitan Jakarta, which serves as Indonesia's economic, cultural and political center, also has enough good hotels and other forms of accommodation for international guests. The government is renovating the Gelora Bung Karno Sports Complex at a cost of Rp 770 billion. It is also building a \$40 million velodrome in Rawamangun, East Jakarta, and a \$30.8 million equestrian facility in Pulomas, North Jakarta.

In a bid to improve transportation, the government is currently also building a 5.8-kilometer light rail transit system that will allow spectators to travel between the various sports venues. The government is also renovating facilities at Jakabaring in Palembang, while the private sector has enthusiastically welcomed the multilateral sport events, with local media reports that around 20 new hotels will be opened to host athletes, sports ambassadors and spectators during the event.

Last, but not the least, he said it is important for the current generation to leave a proud legacy for the next generation, while on the other side, the expected improvement in athletes' performance should serve to boost the nation's morale. Indonesia has faced a long series of sports scandals, including the suspension of the national football association, PSSI, by the sport's world governing body, FIFA, over the government's alleged meddling in the country's domestic league.

The country's athletes also delivered lackluster performances in international events, with a 17th position in the medal tally during the previous Asian Games in Incheon, South Korea, underlining Indonesia's mediocrity. During last year's biennial Southeast Asian Games, Indonesia delivered its worst performance since 1977 in terms of the medal tally.

Hosting the 2018 Asian Games may revive Indonesia's collective memory of when it hosted the event 56 years ago. Despite controversy surrounding the Sukarno government's refusal at the time to issue the Israeli and Taiwanese delegations with visas to participate in the 1962 Games, Indonesia exceeded all expectations by securing a second place overall in the medal tally among the 10 participating countries.

Some analysts however, believe this achievement is unlikely to be repeated this year, given that the number of participating countries has since more than quadrupled.

Erick said he is well aware of the challenges facing the country's athletes but added that the government is currently doubling down on efforts to improve the nation's sports industry.

"As you know, the government will pay a Rp 1.5 billion bonus for every gold medal. This is a direct instruction from the president," he said. This means the bonus amount will be more than triple what athletes received in 2014.

The government has set an ambitious target for Indonesia to finish in the top 10 in the medal tally. Athletes will also receive bonuses of Rp 400 million for silver and Rp 200 million for bronze medals.

### **BEHAVE, PLEASE**

However, aside from all of the preparations, Erick said the most important aspect is public support for this year's event. While the government is spending extra money and increasing security measures, both physical and cyber, to ensure that the Games are a success, the public's support is of greatest importance.

He called on every citizen and resident in both cities to be considerate and supportive during the event.

"Let's use this momentum to start improving the character of our nation. Let's say, from something simple: Can we maintain the city and keep the sports facilities clean? Don't let it to happen that after watching a football match, people can see garbage everywhere like what typically happens. And for Jakartans who complain about traffic every day, can they refrain from using private cars and start using public transportation?"

The entrepreneur said a country like Indonesia, which has already joined the trillion-dollar club in terms of gross domestic product, should think seriously about reviving its sports industry.

"With a growing middle class, when people have enough money for food, shelter, clothing, they start to spend more on entertainment. Our entertainment industry – our music and movies – is already booming, sports need to follow, especially as we know we have a young population. We expect that millennials will be more active in participating and supporting the sports industry. Let's use the Asian Games as strong momentum for that," he said. 🌐



# Inarno Djajadi, IDX's New Boss

**Veteran capital market executive** Inarno Djajadi, 56, has been appointed as president director of the Indonesia Stock Exchange, or IDX. He succeeds Tito Sulistio who has been in the post since 2015.

Inarno was inaugurated after a shareholders' meeting in June, following a fit-and-proper test by the Financial Services Authority (OJK). He will serve for a three-year term, assisted by a six-member board of directors.

OJK chairman Wimboh Santoso said Inarno sailed through the competence and integrity tests and that he has extensive expertise in capital markets.

The Gajah Mada University graduate began his career as a treasurer at local lender Uppindo Bank in 1989. Since then, Inarno's career has been centered on brokerage firms and the stock market. He served as director of Aspac Upindo Sekuritas between 1991 and 1997 before moving on to Mitra Duta Sekuritas, Widari Securities, Madani Securities, Maybank Kim Eng Securities and CIMB Sekuritas Indonesia. He served as chief executive of the Stock Market Clearing House (KPEI) between 2003 and 2009.

Issuers, investors and analysts meanwhile have high expectations of the new IDX leadership.

"The stock exchange needs more derivative products and exchange-traded funds [ETFs] to deepen the capital market. So far, derivative trading on the IDX has not been doing too well," said Hans Kwee, director at Investa Saran Mandiri.

Hans said the newly appointed IDX president director should begin to think of a new regulation that would allow securities companies or third parties to act as liquidity buffers on the market to prevent issuers that have just completed initial public offerings from seeing steep declines in their stock prices.

"If our capital market is good and growing, entrepreneurs and investors will have the confidence to make the IDX a place to raise funds or to invest," he said.

Isakayoga, director of the Indonesian Issuers Association (AEI), said the bourse must reduce its annual listing fees.

"Do not calculate the annual fee based on market capitalization but base it on total assets. Today, the higher the stock price, the higher the listing fee, almost as if the issuer is being penalized for it. Instead, he should be rewarded," Isakayoga said.

The Indonesian Securities Analysts Association (AAEI), whose members serve more than 1.3 million individual investors, meanwhile said the new IDX president director should focus on good corporate governance.

"Issuers on the IDX must be more transparent, especially to analysts. There are still many companies that are difficult to reach," AAEI chairman Edwin Sebayang said.

Despite recognized achievements by the previous IDX leadership in increasing the number of investors, listed companies and market capitalization, the goal of transforming the stock market to become the biggest in the Association of Southeast Asian Nations (Asean) by 2020 remains to be seen.

Only 580 companies are currently listed on the IDX, compared with 907 on Bursa Malaysia and 765 on Singapore



## New IDX Board Members

President director:	<b>Inarno Djajadi</b>
Listing director:	<b>IGD N. Yetna Setia</b>
Trade director:	<b>Laksono Widito Widodo</b>
Transaction director:	<b>Kristian Sihar Manullang</b>
IT director:	<b>Fithri Hadi</b>
HR and finance director:	<b>Risa Effennita Rustam</b>
Development director:	<b>Hasan Fawzi</b>

Exchange. The IDX has a market capitalization of only \$463 billion, compared with Singapore Exchange's \$755 billion and the Stock Exchange of Thailand's \$529 billion.

There were only 30 new listings on the IDX in the last two years, which is relatively small compared with the market potential, due to the fact that many large natural resource-based companies have made huge profits in Indonesia but preferred listing abroad.

The IDX has encouraged more companies and startups to list but it must be more aggressive if it wants to achieve its target of 1,000 new listings. Based on available data, only 16 companies have completed IPOs by June 6 this year. 🌐



SEKOLAH PELITA HARAPAN

# CONGRATULATIONS

TO GRADUATING CLASS OF 2018

## SPH Lippo Village

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## SPH Sentul City

Abelhard Moshe Jaime Jauwena, Agung Andrea, Alif Reza Indra Roovers, Alvin Kowanda, Amanda Cornelia Tjhin, Angela Dyah Shima Cahya Maharani, Angela Grace Swecker, Aryasatya Wikara, Aurelia Priscilla Tanasal, Bella Fidelia, Bernadette Tissa Anggita, Christin Winata Halim, Darius Alamsjah Pane, Edwin, Febe Sarah, Fredy Johan Lianggara, Gabriel Tangke Rantetoding, Gabriella Dinda Ayu Utami, Genesis Lemuel Ginting, Hae Eun Hong, Jerrycho Tanaya, Jessica Tarida Nahomi Lumbantoruan, Joachim Braska Miquel, Kezya Gunawan Wijaya, Kristoforus Deodato Indra, Lauren Allegrasari Haditono, Lee Seung Hee, Lidya Devega Rajagukguk, Marry Ann Putri Nurcahya, Nadia Eliora, Olivia Klandita, Otilingam Sivakumar Premanand, Rachel Amabel Lianto, Ricard Felix, Ryuta Dharmaputra, Sally Salim, Samuel Jason Wijaya, Samuel Palungan Rantetoding, Tadeus Azriel Kartawijaya, Verena Aurelia Delova, Williem Octavianus Salim, Wira Gavra Maulana, Woo Sung Koh, Yoo Ri Na

## SPH Lippo Cikarang

Alisa Anwar, Alveria Cecilia, Celine Solomon, Crisella Mareta Harsono, Edrik Mulia Tjhie, Filbert Miko Linardi, Kezia Elizabeth P. Laksmono, Kim Mi Seon, Lee Jun Hwoa, Natalia Yap, Park Je Young, Victoria Suryana, Yip Shawn, Yohanes Eric P. Laksmono, Yoon Seong Wook

## SPH Kemang Village

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NIELSEN PRESENTS:



# Hitting \$1.3 Billion Funding Valuation

By Eko Prasetyo

**Southeast Asia has become** both a huge priority and the main target for nearly all business sectors, a fact acknowledged by Nielsen Sports, a premier provider of analytics and insights in the sports industry.

This rising trend, according to the prominent market-data provider, includes mixed martial arts, or MMA, mainly due to the phenomenal rise in popularity of Singapore-based ONE Championship – Asia’s largest sports property.

In a recent conference co-hosted by Nielsen and ONE Championship in the city-state, it emerged that the MMA promotion will soon hit S\$100 million (\$73.6 million) in annual revenue, while it is also set to achieve a milestone S\$1.3 billion valuation in its latest funding round, compared with the Indian Premier League’s S\$5 billion.

Meanwhile, ONE Championship also attracts a massive social media following, which has risen to 19 billion views currently from only 352 million in 2014 – an increase of more than 5,000 percent. Therefore, ONE Championship may now be considered more than just a regional promotion, according to Glenn Lovett, global managing director of Nielsen Sports.

“Everyone is excited about Southeast Asia, as almost everyone around the world talks about Asia as a massive priority, and ONE Championship is taking advantage of that,” Lovett said.

Moreover, the former Australian Football League











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BATARA SIANTURI

# Creating More Value for Indonesia

By Eko Prasetyo

**As a global bank** with a mission to responsibly provide financial services that enable growth and economic progress, Citibank offers a broad range of products and services to its clients, whether they be individuals, corporations or governments.

The bank also strives to create the best outcomes for its clients through financial ingenuity, providing solutions that are simple, creative and responsible.

*GlobeAsia* spoke with Citi Indonesia chief executive Batara Sianturi about the bank's achievements.

Here is an excerpt of the interview:

***GlobeAsia:* With the latest report showing major profit, how did you manage to take Citi to its current level?**

**Batara Sianturi:** This year marks the 50<sup>th</sup> anniversary of our

establishment in Indonesia. We have big consumer and institutional businesses, where between the two, we are delivering our mission as a global bank to continue bringing value to Indonesia. We have been doing so for the past 50 years and we believe in our unique role and opportunities to bring content, solutions and value to contribute to the growth of the Indonesian economy.

***Citi recorded revenue of more than \$500 million this quarter. Is there a similar target for the following quarters and the year?***

Of course we want to continue growing financially. We have committed ourselves to growing both our assets and deposits by 8 percent, respectively. So this will continue, but at the same time, while we continue aiming for profitability, we also want to ensure our credit portfolio remains healthy.



***Citi's corporate banking division contributed 55 percent of total revenue in this quarter. What brought this about?***

We consider it a balanced business if we can maintain a 50/50, or 55/45 percent split between the two. On the institutional banking side, we are big in multinational businesses due to the nature of a global bank involved in 100 countries, and with us connecting multinational companies in those countries.

In short, Citi is the bank for multinational companies in the United States and Europe, and more recently, Asian multinationals as well. Additionally, we also have local corporations as clients and deal with other financial institutions and banks in Indonesia. Lastly, we are a big supporter of the public sector, having been involved in many public-sector capital market transactions, including sovereign bonds and *sukuk* issued by the Indonesian government.

In essence, this is the nature of our institutional banking. In terms of consumer banking, we have a major credit card business with about 1 million clients and also a retail banking business focused on managing the wealth of the affluent segment of our retail customers.

***Citi recently showed impressive growth in wealth management. How do you cater to clients with this form of investment?***

In a bigger picture, Indonesia achieved a gross domestic product of more than \$1 trillion in 2017, seeing it join a special club of countries that have economies bigger than \$1 trillion. With economic growth above 5 percent annually, Indonesia's retail segment is producing a growing affluent segment. So we see opportunity in the fact that Indonesia's growing affluent segment is hungry for more sophisticated products that may provide better yields.

So we took the best practices from offshore banking and implemented it in Indonesia to ensure that our affluent segment may go beyond traditional products such as current accounts, savings accounts and time deposits. Instead, we can offer investment products, such as mutual funds or bonds, and add value to meet the requirements of that segment.

***How do you cooperate with the government to ensure the smooth flow of incoming funds?***

In terms of investing in Indonesia, from the perspective of institutional investors, we have big custody business in our institutional banking sector to facilitate the portfolio flows of big players that are hungry and interested in Indonesian assets, be it in the equity, or fixed-income markets. This is how we facilitate inbound transactions into the Indonesian capital market.

In retail banking, Citi facilitates a lot of wealth management transactions, since we also served as one of the gateway banks during the government's recent tax amnesty program. Therefore, we are quite happy to continue providing value for all Indonesian clients interested in participating in this program.

***How do you foresee investment growth in Indonesia in the near future?***

Indonesia will simply continue to be an attractive investment destination due to various sectors that are attracting investors. Foreign ownership in the equity and bond markets just reached around 40 percent, which shows that Indonesian assets are still attractive.

***What particular products are you offering to the market?***

We ensure that our wealth management business product offerings cover all asset classes, whether traditional current accounts, savings accounts or time deposits; or our mutual funds, that cover fixed income, money markets or equity; then we step into the bond market. In a nutshell, we strive to provide our retail customers with as many options as possible in terms of product offerings in our wealth management business.

***How do you retain revenue through these offerings?***

From the perspective of how we grow our wealth management business, the key is for our clients to feel a difference in Citi's offering, compared with other wealth management players. For us, products are very important but we believe the ultimate key will be our



relationship managers stationed at our branches, as they play an important role in connecting with clients. We are very proud that our relationship bankers and managers, as part of Citi's wealth management business, continue to be the best in the industry.

***Where do you place Citi among your competitors?***

Since Citi focuses on multinationals and local corporates, of course our multinational business competes with other global banks or retail banks. As far as consumer banking is concerned, since we are dealing with the affluent segment and credit card owners, we are competing against only a few products and domestic players.

***Any encroachment into digital markets or financial technology?***

We are very serious about our digital strategy with the CitiDirect platform in our institutional banking division, and I think the gist of the digital offering in institutional banking is how to deliver solutions in payments, collections and treasury management for our corporate clients. In consumer banking, our digital strategy is in mobile devices, to put banking in the palm of your hand through your smartphone.

***How do you see the direction of fintech in the future?***

Various collaborations will be established between banks and fintech or e-commerce players, as I personally believe it is a big win-win solution. In the past, you had competition between banks that has shifted to 'coopetition,' or cooperative competition, such as various banks sharing an ATM network.

The third shift is called the age of collaboration, which goes beyond banking, as any bank can now easily collaborate with fintech or e-commerce players.

***Will Citi collaborate with other fintech players?***

We actually do, and a good thing is the availability of the enabler, which is the API, or application processing infrastructure. I think that is how we are connecting ourselves to all these fintech and e-commerce players, while continuing to add more value to this solution.

***In a highly regulated sector, how does Citi adjust to the government's constant tightening of regulations?***

We stay close and ensure we comply with all regulations, while we also provide input and feedback on upcoming regulations if we have the opportunity. The very fact that Citi is a global bank has provided us with the opportunity to share best practices from across the globe, not only with our clients but also with regulators.

***International relations, for example between Indonesia, China and the United States, surely affected Citi as a global bank. How do you see it connecting the Indonesian market with various international markets?***

Specifically, if we are talking about China, we have an initiative dubbed Asia-to-Asia. It is a multinational initiative connecting investing and hosting countries within the Asian region, for example China-to-Indonesia. If a client of Citi China wants to invest in Indonesia, the natural choice is to contact Citi Indonesia and we will work with our Chinese counterpart to ensure the client planning to invest in Indonesia, whether green field, brown field or already operational, will receive support from Citi's networks in both China and Indonesia. We see it as a positive development that we are able to connect the growth of these companies outside their countries, and domestic companies to other available markets. 🌐



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# Managing Data Streams to Improve Business

By Gilang Al Farisi

**The digital era** impacts every business in the world and forces them to adapt to their customers' current needs. This is especially true for Indonesia, where most people are tech savvy and adopt new gadgets at a rapid pace.

Kinetica, a San Francisco-based data management software company, has come up with a solution for businesses to better connect and understand the needs of their customers.

GlobeAsia spoke with the company's president and co-founder, Amit Vij, who explained how they can help Indonesian businesses manage their data streams.

**GlobeAsia: What is Kinetica's business model and what makes it stand out from other big-data analytics companies?**

**Amit Vij:** We at Kinetica translate data from potential consumers and form it into a valid base from which to build the business. For example, we take data from social media platforms such as Twitter and Instagram and interpret that data to determine shopping habits and what customers are interested in. What makes us different from other companies that utilize this type of business model, is that our software allows clients to instantly turn data into insight. Our GPU-powered insight engine takes data from unpredictable sources and turns it into analytics for our clients to use in their businesses.

In addition to that, the software provides a continuous stream of data analytics where the program almost instantly ingests and analyzes data. The speed of the analysis helps businesses deal with the high-paced changes currently required to keep up with the emergence of digital technology.

**One of the biggest trends and a hot topic in Indonesia right now is cryptocurrency. Does Kinetica have an answer to the trend and is the company interested in the trend?**

Cryptocurrency is becoming more and more known and it is garnering interest globally. Kinetica's GPU-based software is a great way to watch and analyze that trend.





It is also great at calculating the risk that comes from cryptocurrency investment, should any of our clients be interested in that sort of trend. As for us, our business is more on the side of translating the intelligence gathered from the web and analyzing it to create a viable asset for our clients to utilize in their trade. Our main concern is to provide global companies with the ability to analyze data streams in real time and make an immediate prediction on trends and what customers in a particular market would want and may invest in.

Although we worked with one of the more recognizable financial apps in Indonesia, we mainly work on analyzing the spending habits of those who have downloaded the app, and also work on its strategy to target specific markets in order to further develop the business.

#### ***How would Kinetica improve on the business in Indonesia?***

We in Kinetica saw that there are a lot of companies that have yet to utilize customer analytics; most conglomerates in the country still use data silos, while we have found that there are only a few businesses that use the sort of solution Kinetica offers. So they miss out on opportunities to branch out to other customers. We offer a sort of recommendation engine. We match the spending habits of customers to other clients of the same company in order to maximize sale of the business. Our software enables big companies to process large streams of information on customers' spending patterns, needs and preferences to enable the business to bridge sales between the different businesses within a company.

We are also enabling companies to access data analyses in real time, within seconds, in order to get the most accurate and detailed outcome of the business intelligence. That is the big difference between extreme data and big data: the ability to access a massive stream of data in an instant to predict and essentially gain an edge in the market. And with the digital age being embraced in Indonesia, we see a lot of data traffic. For example, one of the companies we are working with is a leading ride-hailing service that wanted to further develop its ability to satisfy its users.

We worked on integrating data from users with the real-time positions of drivers to ensure a higher satisfaction level. In this instance, we include factors such as traffic and weather to improve the service provided by the company.

#### ***Why did you choose Indonesia as the focus of your Southeast Asian operation?***

There are several reasons for choosing Indonesia as our primary focus, the main being that the country is rapidly changing and that there are big opportunities

**Cryptocurrency is becoming more and more known and it is garnering interest globally. Kinetica's GPU-based software is a great way to watch and analyze that trend.**

for Kinetica to grow in Indonesia. We believe Indonesia is rising to become one of the biggest economies in the region with its focus on infrastructure and the economy.

Another reason is that human resources are good; there are lots of local talents that are excellent and very loyal to the company. So these aspects have led us to believe that the country is a fertile ground for Kinetica to grow, and it will lead us to branch out to other countries in Southeast Asia.

#### ***Is Kinetica primarily focused on the analysis of data, or are there other avenues the company is working on?***

Our company focuses on three pillars, the primary one being the analysis of data in real time for our clients. Another is location-based analytics, where we can pinpoint the positions of data centers and visually see the locations on a map. Lastly, there is deep learning, where we streamlined the whole process of machine learning with our GPU engine and display the data in real time.

#### ***With the recent scandal involving private data sold to various vendors, how would Kinetica maintain its clients' trust and ensure privacy?***

Security is a core tenet of Kinetica's business. We have strict rules on what kinds of data may be collected or stored. Stemming from the roots of the organization that incubated us, the US Military, we have kept the strict guidelines that prevent us as a company from breaching any privacy laws. As a technology company, we have security technology embedded into our software that prevents such breaches, and we deeply care about privacy. But being a database analysis company, it is up to the client to use our services and it is also up to individuals to be smart about what services they are using.

#### ***Does Kinetica work with the Indonesian government?***

We try to keep our client list very diverse, so apart from private companies, we also work with the national government and its many institutions. The software we developed can be applied to diverse uses, and we also work with government agencies to maximize the utilization of the technology. Basically, we can fit the technology to the task that needs to be done. 🌐









# Bracing for Another EU Attack

By **Muhamad Al Azhari**

**Palm oil**, a versatile commodity with a wide range of uses, from food production to cosmetics and biodiesel, is under constant attack due to its environmental impact, which often involves deforestation, habitat destruction and social conflict.

Realizing these challenges, Asian Agri, one of the largest palm oil producers in Asia, has set a standard for itself to produce the commodity on a sustainable basis, based on economic, social and environmental viability.

However, in mid-June, bad news emerged from the European Union when it became apparent that member states of the bloc will likely phase out palm oil as a transportation fuel by 2030. This follows a political agreement between the European Commission, European Parliament and Council of the EU to increase the use of renewable energy, which would ultimately lead to a reduction in palm oil imports.

Claude Turmes, a Luxembourgish politician and member of the European Parliament, was quoted by energy and commodity information provider Platts as saying that the informal agreement would see the bloc start phasing out the use of palm oil by restricting imports of the commodity to current levels.

Further steps are still required, given the complexity of the legal process in the European Union, but the June 14 agreement has put an end to more than 18 months of debate, and this will indeed spark an outcry among palm oil producing countries such as Indonesia and Malaysia. Indonesia, the world's largest palm oil producer, has threatened the European Union with trade retaliation if it imposed a palm oil ban.

The bloc is Indonesia's second-largest export market for palm oil, and according to the official website of the EU Delegation to Indonesia and Brunei, imports of the commodity had increased by 28 percent last year.

## **BUSINESS AS USUAL**

At the moment, it remains business as usual at Asian Agri, a business group comprised of a dozen palm oil producing companies controlled by tycoon Sukanto Tanoto.

Mohamad Fadhil Hasan, director of corporate affairs at the Asian Agri Group, said they still have

buyers in Europe and sales have not yet been affected.

"There are some buyers of biodiesel from Spain. It has not yet been affected because we already meet the eligibility requirements to export there. Our crude palm oil products have secured certification from the ISCC [International Sustainability and Carbon Certification] and the Roundtable on Sustainable Palm Oil [RSPO]," he told GlobeAsia in a recent interview.

The ISCC and RSPO are among the most internationally respected sustainability certification systems that review the entire supply chain and all kinds of bio-based feedstock and renewables. Both have benefits and provide premium prices in different markets. For example, ISCC certification has stronger appeal in biodiesel markets, while the RSPO appeals to food producers.

Fadhil said in all its activities, Asian Agri seeks to improve lives by developing resources in a sustainable way. He said the group's chairman, Sukanto, emphasized Asian Agri's vision of becoming "one of the largest, best-managed and sustainable resource-based groups, creating value for the community, country, climate, customers and company."

Fadhil, who is also a member of the Indonesian Palm Oil Producers Association, or Gapki, said Asian Agri is committed to protecting high carbon stock and high conservation value areas to protect the environment it operates in and to respect the rights of communities, workers and smallholder farmers.

Asian Agri has 160,000 hectares of palm oil plantations in Jambi, Riau and North Sumatra, of which 60,000 hectares are developed under the government's plasma smallholder scheme, which requires oil palm plantation companies to make at least 20 percent of their land available to local communities. The group also partners with more than 30,000 smallholder farmers.

Fadhil added that Asian Agri's mills are technologically advanced and energy efficient, minimizing greenhouse gas emissions. He said the group is implementing a strict "no burn" policy and strives to ensure best practices in sustainable plantation management. As part of this commitment, Fadhil said Asian Agri has helped its smallholder partners improve productivity, yields and supply chain traceability, while also assisting them in obtaining globally recognized certification.

"If they secure international certification, we get



**“I am asking the question: what will substitute palm oil, which is currently the cheapest and most productive crop among vegetable oils. Replacing palm oil with any other vegetable oil will require a larger land area.”**

**MOHAMAD FADHIL HASAN**

premium prices from the sale of their crude palm oil products. We return this margin to farmers who sell the fresh fruit bunches to us. We give it back to them in the form of strengthening their operations, including infrastructure and welfare,” Fadhil said.

### **ONE-TO-ONE COMMITMENT**

A unique undertaking by the group is its so-called “One-to-One Commitment,” which will see the company match each hectare of its own land with one hectare of land belonging to a smallholder by the end of 2018. Fadhil said as one of the major players in the palm oil industry, Asian Agri realizes that it has a responsibility to comply with environmentally friendly planting practices.

Asian Agri already partners with plasma smallholders who collectively own more than 60,000 hectares, and independent smallholders with around 25,000 hectares. “So around it, is only another 15,000 hectares of independent smallholder land that is needed,” Fadhil said, adding that by the end of this year, the business group aims to have partnerships accounting for a total of 100,000 hectares in smallholders’ land.

The reason smallholder farmers are important to ensure a reliable supply of palm oil is because at a national level, smallholders represent 42 percent of total oil palm plantations in the country but only

account for just 37 percent of total production.

Fadhil said the productivity of smallholder farmers who are not part of any formal organization is lower because they often lack knowledge, access to financing and modern equipment.

He said Asian Agri understand the challenges and has been working hard to solve those problems.

Asian Agri began offering formal assistance to plasma smallholders in 1987 and expanded the scheme in 2012 with its Independent Smallholder Assistance Program by providing better equipment and training.

By assisting smallholders in increasing the productivity of their land, the group seeks to help tens of thousands of families raise their incomes and improve their living standards. He said the group has also been active in helping smallholders improve traceability, which is required to secure important certifications.

### **MILLS**

According to Asian Agri’s official website, it has developed standard operating procedures and systems on its own estates and at its mills to ensure that each production process meets the standards set by environmental consultants. Furthermore, in addition to internal audits, regular independent audits are also conducted by external consultants, while the ISO 14001 sustainability team regularly assesses the company’s environmental management system.

“All reports are submitted to the superintendent and a list of recommendations is provided and must be acted upon as a benchmark for their performance. This system ensures that sustainable development practices at our plantations and mills are continually promoted,” Asian Agri said, adding that these field practices and standard operating procedures are designed to produce the best quality, cost-efficient and sustainable palm oil for consumers.

“We at Asian Agri want to become a company committed to sustainable practices. We already implement the best practices in managing our palm oil production. In my opinion, those from outside the country should not punish this process, because, for example, if we are being punished with a ban in Europe, it will have a negative impact on whatever they are trying to prevent, such as deforestation and climate change,” Fadhil said.

“I am asking the question: what will substitute palm oil, which is currently the cheapest and most productive crop among vegetable oils. Replacing palm oil with any other vegetable oil will require a larger land area.”

“When talking about land, indeed, it is not available in Europe or other developed markets. We are talking about land in, for example Brazil or countries in Africa, which are mostly developing countries. This means more forests will have to be cut down,” said Fadhil, who is also director of sustainability at the newly established Council of Palm Oil Producing Countries. 🌐





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# Rehumanizing Work, Life and Play

By Eko Prasetyo

**The fourth industrial revolution**, or Industry 4.0, has brought various changes to how people work, such as cloud computing, the internet of things and the emergence of co-working spaces that allow more vibrant, fast-paced collaboration.

Among the major players in the co-working space industry is WeWork, a platform for professional creators, which boasts more than 200,000 members at its 242 locations in 71 cities and 22 countries worldwide. The company sees Indonesia as its next target market, with plans to open two locations in Jakarta.

GlobeAsia visited the WeWork office in Singapore to speak with Turochas “T” Fuad, the company’s managing director for Southeast Asia, and founder of Spacemob, a co-working space provider WeWork acquired in August last year.

Indonesian-born Fuad previously established the startups WUF Networks and Travelmob before WeWork chief executive and co-founder Adam Neumann convinced him to join the company.

## WEWORK AT A GLANCE

Neumann and his partner Miguel McKelvey established WeWork in 2010, having realized that the future of work was heading towards a sharing economy. Fuad said WeWork simply provides a platform to “bring communities together to make a life, not just a living.”

“What we do, is to provide them with services, innovative space and just allow them to develop to their full potential,” he said.

Fuad said the concept of a sharing economy – initiated by Airbnb, Uber, Grab and Indonesia’s GoJek – and a growing number of millennials seeking deeper meaning in terms of jobs and activities, are the main drivers of this shift in the future of work.

“This is where WeWork comes in; to really not only support this, but also evolve and revolutionize the future of work,” he said. “We are not only changing; we are really rehumanizing the way we work, the way we live and the way we play.”

WeWork hosts freelancers, creators, content producers and business units performing various entrepreneurial activities involving both Fortune 500 companies and small and medium enterprises.

Fuad said WeWork is expanding rapidly and that its mission in Southeast Asia is to create a better living for everyone.

## EXPANDING TO INDONESIA

With two planned locations in Jakarta’s central business district, WeWork wholeheartedly believes in the opportunities Indonesia has to offer.

“The good news is that Indonesia is very dear to me and the fact that WeWork acquired Spacemob is due to the fact that I am from this part of the world,” Fuad said, adding that Indonesia is WeWork’s second-most



**“We are not only changing; we are really rehumanizing the way we work, the way we live and the way we play.”**

**TUROCHAS FUAD**

MARC TAN/COURTESY OF WEWORK





important market in Southeast Asia, after Singapore.

Fuad said this is due to Indonesia's large population and its position as the largest economy in the region. He added that rising investment and the entrepreneurial spirit of the people contribute to make the country an even more attractive market for WeWork.

"A study mentioned that \$630 million was pumped in last year and just look at some impressive companies that have come from the country, such as GoJek and Traveloka – both having become one-billion-dollar companies, or unicorns," he said.

With this in mind, Fuad seeks to support, change and revolutionize the way people work in Indonesia, and although WeWork will still stick to the rules of its global playbook, it will localize the execution as much as possible.

"Some examples are the prayer rooms in our locations in Indonesia. We make sure they have prayer rooms and other necessities, such as boardrooms, which is quite different from Singapore and the United States. We design our spaces to cater to Indonesian needs," the entrepreneur said.

Local partners are also essential to WeWork to set up its co-working spaces in Indonesia. In

this particular case, the company established a partnership with the Sinar Mas Group, one of Indonesia's largest conglomerates, and Revenue Office Tower in the Sudirman Central Business District in South Jakarta.

"We brought these two companies on board by making sure they understand the value WeWork brings them and what kind of value we can add together," he said. "We are going to generate better yields for them, in terms of just bringing in tenants to their buildings."

Meanwhile, entering the Indonesian market also involves lots of due diligence, even with government support, so WeWork has partnered with the Investment Coordinating Board or BKPM.

However, there are also plenty of unknowns, such as the sourcing of contractors, accounting and tax agencies and law firms to help WeWork set up the correct entity.

"So, all basic infrastructure required in setting up the entity is important. We want to make sure we set up a local entity in Indonesia, because this is a locally run business. In fact, we have hired a handful of Indonesians to be trained in Singapore to learn how WeWork does things," Fuad said.

"The goal is to support the local business ecosystem in Indonesia."

In return, WeWork is also studying the essentials from an Indonesian perspective, similar to what the company will do when embarking on other ventures in other Southeast Asian countries in future.

"There will be local nuances and differences we are going to have to embrace to ensure we are as local as possible," Fuad said.

WeWork, according to its profile, aims to redefine the meaning of success as measured from personal satisfaction, and not only in terms of numbers.

The company also has a smartphone application that allows users to purchase various business requirements, such as productivity tools and financial, legal and marketing services.

## RECURRING ENTREPRENEURSHIP

Fuad jokingly described himself as a recurring entrepreneur, as Spacemob, before its acquisition by WeWork, had been his third venture.

"It is true. I am a recurring entrepreneur. It is not too far off from what WeWork is trying to create. We are very lucky and blessed in terms of what WeWork started about 10 months before an actual discussion between us and WeWork. Long story short, I got a chance to meet with Adam [Neumann] and we hit it off right then," he said.

But before that, Fuad was one of the lucky few who get the opportunity to spend time abroad to study and start their own companies. "I returned to Southeast Asia after the acquisition of my first company by Yahoo, which posted me in Singapore to help them run their mobile division in Southeast Asia."

He used to manage Skype in the entire Asia-Pacific region, while also helping to include Yahoo services in products offered by local telecommunication firms in Indonesia.

“After that, I returned to being a recurring entrepreneur and established Travelmob – a company focused on peer-to-peer rentals or vacation rentals of private properties – and the last one was Spacemob,” he said.

Travelmob was about changing and disrupting travel, while Spacemob was about changing and disrupting the whole idea of “space.”

“So, it was never just about co-working or co-living, but beyond that, it looked at the whole aspect of space and helping to build an ecosystem of people,” he said.

Referring to his first meeting with Neumann, Fuad said it was “a very personal thing between two founders, where we both shared the same vision; we both want to change the world, and that was how they entered the market in Southeast Asia – through acquisition.”

He said WeWork benefits its members in various ways, the first being its vibrant vibe and energy. “The space itself is clean, simple, with lots of glass partitions, allowing people to engage in collaborations...”

Hence, opportunities are available for massive innovations and collaborations between employees, between member companies, and between member companies and those from outside.

According to recent reports, companies have started to credit WeWork for giving them a much greater chance at success. In one study carried out in New York, Chicago and Los Angeles, startups involved with WeWork had a 12 percent higher survival rate, compared with those that go it alone.

“Around 48 percent of these companies credited WeWork in terms of their ability to grow and accelerate as a company,” Fuad said.

These three major US cities have derived revenue of more than \$20 billion from WeWork locations, which contributed between 1 percent and 2 percent to each city’s gross metropolitan product. “Every 1,000 members we have in our location doubles the opportunity of creating more jobs,” Fuad said.

WeWork has so far invested around \$500 million in the Asia-Pacific region and despite the unavailability of fund distribution data, Fuad said a lot of that went to Indonesia.

“You can imagine the type of things we look at in Indonesia in terms of its importance to us,” he said, referring to the size and rate of growth in the country’s economy.

When asked about his personal targets and whether he plans to embark on more business ventures of his own in the near future, Fuad said he is very happy where he is at the moment.

“WeWork is impacting change in the future of work. As an entrepreneur, to become part of that, to be part of the leadership team to lead and revolutionize the effort, is a dream come true. It is an eye opener for me.” 🌐



MARC TAN/COURTESY OF WEWORK





# ‘People Power’ Business

By **Muhamad Al Azhari**

**Daniel Wong**, chairman and founding partner of regional human resource management consulting firm SRW&Co., started the business in Jakarta back in 2003. It has not been an easy road to build and sustain the company’s business, as it faced stiff competition from both global and local players right from the start.

However, along with his co-founder and business partner Jolanda J. Sadrach, they were able to succeed, turning the company into one of the leaders in its field in Southeast Asia.

Armed with his experience working as an HR consultant and practitioner in a wide range of industries in Asia, Daniel was able to offer a full spectrum of HR consulting services and expertise.

SRW&Co., which celebrates its 15th anniversary this year, now has a diversified clientele consisting of medium and large businesses, state-owned enterprises, government agencies, conglomerates and multinational corporations. One of the services that distinguish the company from its rivals is executive education, which attracts top government officials, chief executives, boards of directors and boards of commissioners in the private and public sectors in the Association of Southeast Asian Nations (Asean).

Through its flagship Asean Global Leadership Program (AGLP), SRW&Co. collaborates with a consortium of world-class business schools in



**“Our core business is human resources management consulting. We provide the full spectrum of consulting services, just like our global competitors. Whatever the big boys are doing, we are also offering.”**

**DANIEL WONG**

Britain, the United States and China. These include the University of Cambridge Judge Business School, London Business School, University of California Berkeley Haas School of Business, New York University Stern School of Business and Cheung Kong Graduate School of Business.

### **VETERAN PRACTITIONER**

Daniel, who has 35 years' management and consulting experience in human resources and general management, shared the story of his company's journey of transformation, providing valuable insights into the management consulting and executive education industry, while giving a few entrepreneurial tips along the way.

“I left work at the peak of my corporate career to take a one-year break to do farming in my home state of Sarawak on Borneo Island, before I set up shop with my co-founding partner,” Daniel said.

He said it was a very welcoming break from the hectic corporate rat race and that he thoroughly enjoyed the experience of being a farmer in a remote village. Interestingly, he said many of the insights he gained in the process and his experience as a farmer proved actually very helpful in preparing him for the challenges of establishing a business.

Daniel had been a professional in his industry, responsible for various top positions at multinational corporations, before becoming a full-time entrepreneur. This included a stint as country manager for leading global professional services firm Towers Perrin (now known as Willis Towers Watson) in Malaysia, and also the first country manager and

director for Malaysia at global human capital and management consulting firm Hewitt Associates (now Aon Hewitt).

Daniel moved to Indonesia about 20 years ago, working with several local conglomerates in a human resources role during his early days in the country. His last corporate role was that of group vice chairman at a family-owned conglomerate before he decided to try his hand at farming.

He decided to take up a full-time role at SRW&Co. in 2006 and having had the opportunity to recharge his batteries during the farming endeavor, the veteran human resources consultant and practitioner wasted no time in rolling up his sleeves to start working with his partners in transforming and rebranding the company.

Together, they implemented a new vision and mission and redefined the corporate values and culture to support the business strategy.

He said “people power” is one of the company's core beliefs, embedded in the tagline, “It's the People Inside.” This affirms a commitment to attract, develop and retain the best talent. The company also established some clear ground rules for the team, identifying “no politics” and “teamwork” as two of the most important principles for managing the business and its people.

“Our core business is human resources management consulting. We provide the full spectrum of consulting services, just like our global competitors. Whatever the big boys are doing, we are also offering,” he said. Indeed, the company also bids for projects against global firms and has won a few, to its credit.

SRW&Co. offers a framework that ensures the alignment of HR programs with client's corporate objectives. The company classifies its HR consulting services into three core areas: organization development, people management and people development.

Within these classifications, there are some complex frameworks, which include organizational design, performance management, reward management, workload analysis, manpower planning, job evaluation and grading, and talent and competency management.

However, Daniel said it is not the sophisticated methods and systems that win clients' confidence.

“At SRW&Co., we develop user-friendly, practical and simple solutions. We are committed to help our clients implement the systems we designed,” he said.

### **RE-EDUCATE THE LEADERS**

Above all, Daniel said the leader of a company is what matters most, because he or she drives the organization's entire strategic agenda.

“For us, the HR consulting to design process and system is great, but when it comes to implementation and execution, we feel that leadership commitment is key, because people on





the boards of directors and boards of commissioners, and one level below the board of directors, will have to support the design and execution of HR transformation,” he said.

“There is no point in us being hired by the HR division to come in to do all the key performance indicators, balance score cards, and other things, if we don’t enjoy the support and commitment from the CEO, or leaders at the top. It will not fly. What typically happens, is when they change the BOD or BOC, everything goes back to square one,” Daniel said. He added that one of the ways to properly support HR design and implementation roll-out is to educate top leaders about their role as agents of change.

Such thinking saw SRW&Co. expand its business in the field of executive education under the AGLP in 2009. After 20 editions over the past 10 years, there are now some 350 AGLP alumni, comprising members at the C-suite and board level in the corporate sector and among top public-sector policy makers and regulators in Southeast Asia.

AGLP participants include a good mix of top-level leaders in the public and private sector in Asean.

“We have a good mix of private-sector and public-sector participants,” Daniel said. Among high-profile AGLP alumni in Indonesian are a minister and three deputy ministers, chief executives of large state-owned enterprises and conglomerates, and several owners of small and medium businesses.

“The AGLP’s hidden agenda is to take leaders away from the office and out of the country to a global business school so they can be ‘re-educated,’

to refresh their thinking and recharge their intellectual batteries. It is also an opportunity for them to reflect on their roles as leaders and reaffirm their passion and commitment to their mission and contribution to the organization and people they are leading,” Daniel said.

“Going to a global business school is also part of the humbling process,” he said, adding even though it is just a short course, AGLP participants get the opportunities to talk to world-class faculty professors, which helps them refresh their knowledge on globalization, innovation, entrepreneurship and leadership – the four core themes of the AGLP.

“They also benefit tremendously through peer learning and by sharing knowledge and experience with other participants. In addition, business networking among Asean participants is also an important part of the AGLP agenda,” he said.

According to Daniel, many AGLP participants realize they have to re-learn many things or go back to basics, so that when they return to the office, they can re-strategize their company’s business plan and put some of the new ideas to work with renewed passion and commitment to their roles as leaders.

#### HIGH DEMAND

Daniel and his partners believe Indonesia will continue to offer bright prospects for their type of services. He said the government’s current restructuring program for state-owned enterprises provides consulting companies with plenty of opportunities.

“For example, the government wants to merge similar industries into one holding company. Within this restructuring, they need to harmonize their HR systems. That’s why there will be a lot of work for HR consulting ... including quality executive education programs to up-skill and beef up the leadership competencies of senior executives.”

As for SRW&Co., Daniel said the company plans to add one or two representative offices in the Asean region within the next few years. It currently has its main office in Jakarta and another in Kuala Lumpur.

“It is people who make or break a company, and the company’s solid foundation rests squarely on its commitment and passion for the mission of contributing to the management and development of people as an important asset of any organization,” he said.

“We had a challenging but rewarding 15-year ride in building and sustaining our business, and it is a journey worth all the pain and joy. Looking ahead, we still have much room for improvement and new milestones to achieve; we want to keep growing the business without compromising the mission and principles of our company, and we believe we are in business for a purpose. That purpose is what will drive our company and keep us going, with the support of our people, our clients and our business partners,” Daniel said. 🌐

# Customized Furniture on a Budget

By Gilang Al Farisi



**Striking a balance** between traditional craftsmanship and digital technology is a feat worth applauding.

Fabelio, a startup dealing in handcrafted furniture, has struck the right balance between exceptional products and the ease of doing business that has become synonymous with the digital age. With its approach of using local talent to produce furniture that meet clients' individual requirements, the company is steadily becoming one of Indonesia's most recognizable brands.

*GlobeAsia* recently spoke with two of the company's founders, Marshall Utoyo and Christian Sutardi. Here is an excerpt of the interview:

**Q: How did Fabelio come to be, and what is the company's business model?**

**Christian:** Well, as with all things, it started with an idea three of us came up with in 2015. In the past, I worked with Marshall and our third co-founder, Krishnan, and we always planned to start something of our own. We have been interested in distributing consumer goods through a business model like

Tokopedia, Lazada and the other e-commerce platforms in Indonesia, which have been flourishing with the advent of the digital age.

We were initially interested in the lifestyle aspect of the digital commerce market and thought that it may be good to focus on the furniture business. There is a lot of commercial furniture in Indonesia, with the country being rich in natural resources such as teakwood and other materials. Also, the country is well-known for its craftsmanship, but unfortunately this craftsmanship comes at a steep price. That is another reason we went into the furniture-making business – to find a balance between quality and reasonable prices.

And the recent focus on residential developments in several parts of Jakarta has presented our company with a huge opportunity to grow. We target middle-class customers looking to fill their homes or apartments with quality furniture at affordable prices. Along with our furniture, we also try to offer great customer service, such as a trial period. We offer a 30-day money-back guarantee if they are not



satisfied with the furniture designs. We also provide free delivery to clients' homes, and a full one-year warranty on the items they buy from us.

**Marshall:** The delivery of the items is a big plus for our company, because there are few businesses offering free delivery, especially of furniture, as it is not the easiest thing to deliver.

**How did the company grow from a startup into a trusted brand that has attracted so much investment?**

**Marshall:** To put it simply, we managed to consistently hit targets throughout the time we spent building up this business. We are also a company with an appetite to balance risk and reward in an era when everything needs to happen super-fast.

**Christian:** We have also been on the lookout for talent that shares our values, while at the same time, looking for investors that share the same vision as our business. That is why for us, Fabelio is not just an e-commerce company, but also a brand. That is why we cover both online and offline markets. We are currently operating outlets and warehouses in several places in Jakarta.

**Marshall:** Another reason we decided to open physical stores is because we looked at the Indonesian market. We don't want to make it complicated for customers to buy our products. They can either buy it online or visit one of our stores.

**Christian:** We also want to keep the suppliers of our products happy. We work closely with craftsmen from Jepara [in Central Java] and we have a vested interest in not only supporting their businesses but also helping them grow. So it's not only about achieving targets and brand recognition, but also the social impact we are providing to these people. This is one of the things investors like about Fabelio.

**Q: What kind of investors do you look for to help the company grow?**

**Christian:** We like to collaborate with investors that share our values in helping small businesses grow. While we recognize the importance of achieving our

financial goals, we want to balance social impact and company growth. That formula has served us well as we attracted \$6.5 million in investment, which has helped Fabelio grow significantly over the past three years.

**Q: Other than selling furniture, what other services does Fabelio provide?**

**Marshall:** Well, most of the furniture is designed by us and tailored to our customers' needs. We send our interior designers to customers' homes to measure the spaces we are working with, and also offer our advice on decorating their homes. We call that "Home by Fabelio," which is a service we offer on top of everything we regularly sell. It is basically to meet the demand of customers looking to decorate their homes and answering their questions on how the space should be decorated. It is to simplify the whole process of buying pieces to compliment a living space, as not everyone is familiar with interior design. The process of furniture shopping is quite tedious and requires precise measurements, so Fabelio seeks to give customers what they want without the hassle.

**Q: What is Fabelio's target market?**

**Christian:** I think it is very hard to please everyone; there are millions of people in Indonesia and we would be hard-pressed to please every single one. So we focus on catering to a single segment of the market that we know we can manage. And by being an e-commerce company, we automatically exclude some people from our target market, so we focus our efforts on those who are up-and-coming and technology-savvy.

So we picture our clients as people who are comfortable buying things online, and who have embraced the digital way of life. We have also found that our customers care as much about the aesthetics as the quality of the products. They are not only concerned about the basic function of the furniture, but also about how it would look in their living spaces. 🌐



# Moving From Success to Significance



*Meena Kumari Adnani is executive vice president of content and business development at First Media. Aside from her corporate role, she is also a motivational speaker and an inspirational writer on social media. Her writing can be found on Facebook/Instagram @strongandshine.*

**In this technologically** advanced era, we are constantly bombarded with the idea of success. The picture often painted is that once we are successful, we automatically attain happiness – that success is the end goal, or that it grants us power, joy, wealth and endless possibilities.

Most people equate success with financial reward, but there is a vast difference between the two. The dictionary defines success as the accomplishment of an aim or purpose. It's about setting a goal, whether it is for the day, such as: "I will go to the gym," for the year, such as: "I will take a digital marketing course," or for life, such as "I will pursue a career as a private banker."

Financial success on the other hand, is about setting and achieving monetary goals. And while it can be considered success, success is not only about wealth, but also about significance.

So, what is the difference between success and significance? Success is about achieving our goals, while significance is about making an impact. Success is about ourselves, while significance is about others.

Success is about building an empire; significance is about building a legacy. Some of the most successful businesses in the world are those that have added value to the lives of others.

Take Facebook for example. Mark Zuckerberg wanted to help his friends connect better in college. He ended up revolutionizing the way billions of people now connect all over the world. With more than 2 billion monthly active users, Facebook is now the highest-earning social media platform, which generated \$18 billion in revenue and \$4 billion in profit last year.

Another example closer to home is ride-hailing





service Go-Jek, launched in 2010 with the simple idea of making it easier for people to travel or have food and other items delivered to their homes or offices. With more over 300,000 driver partners, 80 million app downloads and 3 million transactions per day, the Indonesian startup's estimated value currently stands at \$4 billion.

There are countless more examples of companies that have become successful by pursuing significance.

It is for that same reason I started my blog, "strongandshine" on Instagram and Facebook. We all possess certain skill sets, knowledge, networks and experience unique to ourselves. When we use this to make an impact and transform lives, success will follow. I use my talent to write and speak publicly to inspire people from all walks of life – at a personal and professional level – to raise their level of awareness, to cultivate their thoughts and talent, and to encourage them to be the best versions of themselves.

Whatever your goal is and wherever your business is at, challenge yourself to think bigger. To dream in vivid colors. To set impossible goals that scare you. Whatever you desire, desire more than just success.

If you are ready to move beyond success to significance, here are five ways to achieve it.

### **1. Success Without Significance Is Superficial**

I find it fascinating that most successful people, when asked about their journeys and how they got to where they are, give the same answer: "It was never about money." It was about a vision they had to be a game changer; a trailblazer and a history-maker.

Success on its own does not lead to fulfilment. If success was all about money and goals to enhance our own quality of life, regardless of how it impacted others, then wealth would equate happiness. But we all know this is not necessarily the case.

So, whatever path we choose, we need to make it more than just about ourselves.

### **2. Tap Into Your Inner Power**

Harness that power from within. We are works in progress but we are also masterpieces. Don't underestimate your ability to excel in what you do, your ability to get to the top, to touch lives, to withstand any storm and to rise above it.

Don't let anyone ever tell you, you aren't enough; you aren't smart enough; you don't have enough experience; you aren't educated enough. You are more than enough. Nobody can undermine you without your consent. Like the author J.K. Rowling said: "By every usual standard, I was the biggest failure I knew."

Before her Harry Potter series was translated into 73 languages, sold millions of copies and accrued \$20 billion dollars from movie

**Whatever your goal is and wherever your business is at, challenge yourself to think bigger. To dream in vivid colors. To set impossible goals that scare you. Whatever you desire, desire more than just success.**

adaptations and sponsorships, her story was far from ideal. Despite going through a depression after her mother's death, a failed marriage, raising a child as a single parent and being unemployed, Rowling continued to write. She always knew she would become an author. It took being rejected by 12 publishers before she finally had a breakthrough.

It doesn't matter how many people tell us that we aren't enough. All it takes is one opportunity to present itself. Most importantly, we must never give up on ourselves.

### **3. Education Is a Life-Long Process**

Education is not only about what we learn in school or university. We are all in the school of life. We need to constantly educate ourselves throughout our professional careers and throughout our lives. Today, there are countless career options that did not exist a decade ago. And as the world evolves, so we too must take the responsibility to evolve with it. We need to constantly be curious, to strive, to learn more than we knew the day before. We never stop learning until we are in our graves. We can learn even from a 5-year-old child if we open ourselves to learning.

### **4. Be Mindful of Who You Allow to Influence You**

We often turn to our family, friends and peers for advice, but rarely ask ourselves whether we aspire to be like them. Are they qualified enough to advise us? They may have our best interests at heart, but well-intended advice does not equate sound advice. Seek the counsel of the wise. Find a mentor whose values are spiritually, mentally and emotionally aligned with yours. Mentors who have expertise in your field. But always rely on your own wisdom.

### **5. Seek God**

We may all come from different backgrounds, different fields and different religions, but what is important is recognizing that there is a power far greater than ourselves – the Creator of the Universe and the one who holds our future. In all things and at all times, seek God. Whatever dreams we have for our lives, we must always remember that the Architect of this world is with us. Seek Him in all you do.

Build a legacy and the empire will follow.

# New Sky Gate to Central Java

By Elsid Arendra

Four years ago, then-Jakarta Governor Joko “Jokowi” Widodo witnessed overcrowding at Ahmad Yani International Airport in Semarang, Central Java. There was also a dire shortage of seats in the waiting area of the packed terminal building, which has been managed by state-owned airport operator PT Angkasa Pura I since 1995.

On June 8, when Jokowi returned to the airport, now as president of Indonesia, to inaugurate the new terminal building, he asked a gathering of officials and enthusiastic members of the public a somewhat rhetorical question: “Why did the development take place only two years after I became president; why not earlier?”

However, he was happy that the new terminal building had been completed well before the December 2018 deadline. “Indeed, I prioritize development outside Java. And God bless us, today we can start using the new terminal,” Jokowi said.

“Everything looks good, the architecture is awesome, the environment is also remarkable. I even see a waterpark in one area. The concept of an eco-friendly airport and its water treatment system is a clever idea. Only one thing crossed my mind; the runway is still only 2,500 meters long. Is it possible to extend the runway to 3,000 meters?”

“I prioritize construction projects outside Java so that we can spread the development as quickly as possible. I only hope some people will not be upset if I prioritize development in the province I originally came from,” Jokowi said, half-jokingly.

During the occasion, the president also called on State-Owned Enterprises Minister Rini Soemarno and Public Works and Housing Minister Basuki Hadimuljono to ensure that all toll roads in Central



Java are connected by the end of this year.

The new airport terminal now has the capacity to accommodate up to 6.7 million passengers per year, while the old terminal could only handle 800,000. The airport’s cargo handling capacity has also increased to 16,000 tons per year from 10,000 tons previously.

Speaking at the inauguration, acting Central Java Governor Heru Sudjatmoko said the new airport terminal meets the aspirations of the province’s 32 million residents.

“We can if we are willing to,” he said, echoing an earlier statement by Jokowi.

“We stand here together today to see the opening of the new terminal. We previously doubted whether the new airport could be built within such a short time. And now we see the completion together.

“I saw with my own eyes how the president





**“The final stages of the removal process will see the new international airport terminal become an icon and the pride of Semarang.”**

**FAIK FAHMI**

than old one. It was constructed over a drained swamp and designed and landscaped in such a way that it appears to float above a marsh. The building features a waterpark area with ponds and aquatic plants. The facilities include a waiting area, lounge, cafés, rest rooms, check-in counters, an immigration counter and a baggage claim area. The airport will serve at least 120 flights per day.

The airport’s water supply is recycled and purified through reverse osmosis, completely eliminating the need to use groundwater.

The capacity of the new airport is projected to be sufficient until 2026, when the passenger numbers are expected to reach 13 million per year.

Angkasa Pura I president director Faik Fahmi said before the inauguration of the new terminal that all preparations had been carried out carefully and thoroughly, including the clearing process, which had to be done at night to avoid interrupting airport operations.

“The final stages of the removal process will see the new international airport terminal become an icon and the pride of Semarang,” Faik said.

As head of the state-owned airport operator, he sees the infrastructure development project as proof of the government’s commitment to improve connectivity in Central Java.

He said passenger numbers at Ahmad Yani International Airport are expected to increase by 10 percent per year and that the new terminal will support and greatly benefit the local community, while also boosting economic growth.

“Ahmad Yani is one of the key airports in Java, but limitations have thus far prevented the airport from operating properly. The old airport also could not add new slots, especially for international flights. It was definitely a great loss to the regional economy,” he said.

Jakarta-based entrepreneur Hendra Sudiro, who is a native of Semarang, said he was happy with the new airport terminal, but felt that the construction came a little late.

“I regularly travel between Jakarta and Semarang and saw with my own eyes how the capacity of the old terminal was no longer adequate to accommodate a surge in passenger numbers during holidays and the festive season. But it is now better than never. The new terminal is comfortable, spacious and has a nice interior design; bright and modern. I am also proud, just like everyone else,” he said.

The design of the new airport terminal incorporates glass façades to let in natural light, thus saving electricity. Meanwhile, around 24,000 mangrove seedlings were planted along the perimeter to make it look as if the terminal building is surrounded by broad green fields. The floating concept meanwhile, is a first for Indonesia. It employs a prefabricated vertical drain (PVD) method – special technology that allows construction on soft ground. 🌐

director of Angkasa Pura I worked on the project site day and night, sitting on the floor or anywhere possible to oversee the development.

“Thanks to him, thanks to President Jokowi, the ministers and all stakeholders. We finally have an international airport. On behalf of the people of Central Java, I convey our gratitude,” Heru said.

#### **INDONESIA’S FIRST ECO-FRIENDLY AIRPORT**

Transportation Minister Budi Karya Sumadi reported to the president that the new terminal area has been expanded to 58,652 square meters from 6,708 square meters previously. The airport apron can now accommodate up to 12 narrow-body aircraft at a time, while the carpark has space for up to 1,200 vehicles.

The new airport terminal, built at a cost of Rp 2.2 trillion (\$152 million), is nearly nine times larger



# Auditors Now Turn to Digital

By Eko Prasetyo

**Data analytics** have changed the way many businesses achieve their objectives, while also helping them improve the returns critical to justifying the initial investment. Data analytics also has the potential to create more fundamental changes in a business, in respect of what it does, where it operates, as well as its business model and management culture.

The existing roles of auditors and accountants will also shift due to the impact of data analytics on the businesses they audit, as they adopt a high-level approach to data analytics to provide managements with insights.

The Institute of Chartered Accountants in England and Wales, or ICAEW, is already at the forefront of the accountancy profession. It addressed these developments in big-data analytics at various levels, as it is seen as crucial for businesses to demonstrate that they are not stuck in the past, while at the same time bringing about various improvements in their performance.

*GlobeAsia* discussed the issue with Kirstin Gillon, a technical manager at the ICAEW's IT Faculty.

## SHIFT TO BIG-DATA ANALYTICS

The audit sector has always been about big data, as it is what auditors do: work with massive troves of financial data. Big data involves three major aspects, namely volume, variety and velocity.

“Regarding volume – the viability for accountants to access all transactions of the business – for example, the major shift is to volume and no longer focusing so much on samples. It is about looking at all ledger transactions and being able to analyze them,” Gillon said. “The variety of data sources is really around the opportunity to use many new sources of data to support business decision-making in various contexts.”

Gillon also does a lot of work with finance functions, to observe how they are buying data, looking at data sources and help with understanding cost drivers, revenue prediction and the opportunity to use all data sources to improve decision-making in various organizations.

Due to the traditional work of auditors having shifted from conventional to IT-based data a few years ago, there are significant changes in how audits are performed.

“We see that in the biggest firms, as it is still filtering down the market to some extent, and I think in the UK we see lots of capabilities in the larger firms, while mid-sized firms are still experiencing gaps but with fundamental changes in terms of standards,” Gillon said.

“It definitely changes how audits are implemented and also changing how we train auditors, as they need skills in data that were previously unnecessary,” she added. Currently, data serves as a new opportunity to go hand-in-hand with the broader trend of automation, as many accountants will say they would love to do more with data to provide businesses with knowledge and insight, instead of spending most of their time processing invoices.

The shift is seen in two parts: where people have to put aside these obsolete issues to free their time to work with big data, as well as helping businesses obtain insight to work with nonfinancial information and acquire value drivers of digital business.

“It is really about changing roles in the finance function with a lot less time, when you combine that with robotic process automation and large finance functions,” Gillon said, adding that there are more innovations in small and

**“It definitely changes how audits are implemented and also changing how we train auditors, as they need skills in data that were previously unnecessary.”**

**KIRSTIN GILLON,**  
ICAEW'S IT FACULTY TECHNICAL MANAGER

medium enterprises where auditors spend most of their time as advisors, business planners and error spotters, since there is no longer much to do in terms of traditional accounting when you integrate automated processes into the cloud-computing system.

Moreover, a data-analytics auditor is all about enhancing audit quality. There are different angles on what this means in practice, but audit quality is a common objective of auditors, regulators and standard-setters alike.

A high-quality, focused and effective audit is aligned with the way the audited entity manages its data and operations. Hence, data analytics offers a practical way for auditors to manage some important aspects of IT systems in larger audits.





Kirstin Gillon,  
ICAEW's  
IT Faculty  
technical  
manager.

Competitive tendering for listed company audits has sharpened the focus on data analytics, and audit committees now routinely ask prospective auditors how they are going to use it in the audit.

#### **OVERCOMING CHALLENGES**

Data analytics simply challenges everyone, where giving serious consideration to the possibilities requires vision. Gillon does not believe that the existing audit model is broken – far from it. However, it has necessarily been constrained by many technological limitations that have now vanished.

One of the major challenges presently is in data security.

“Data security is always and absolutely a big issue, as in the ICAEW we have been doing a report every year, taking a snapshot of how every business is doing. It is quite interesting due to lots of investments in the UK and the US on security. However, we also still see lots of breaches and issues,” Gillon said.

The reasons for these issues, according to Gillon, are a lack of basic discipline and good practice in most organizations, such as malware like WannaCry, that can actually be prevented if you have anti-malware applications and keep them up to date.

“Many businesses do not practice these basic security measures, as they are time consuming and not a priority,” she said, despite the data storage spread in various locations, such as the cloud, integrated supply chains and devices. “So, you would need to prioritize where there is compliance, laws, personal data, corporate secrets and others, into where you would want to ensure where your data is and who has access to it.”

Another issue to be addressed is the broader perspective: that it is not only about prevention, but also intelligence. “The UK has put lots of effort into building mechanisms to share information between businesses, so if a bank is attacked by someone, he or she is probably attacking everyone.”

Gillon explained that many benefits can be derived from information sharing, which is a great culture shift, but people still require a lot of trust and that takes time. Therefore, it is part of building good defenses across multiple supply chains and building good detection on any type of intrusions. “There are so many layers and levels where we actually spot improvements, but equally, criminals are also getting better.”

Indonesia in terms of awareness, understanding and investment – particularly in small businesses – still has a long way to go, while SMEs are a difficult sector to engage with security. But there are some possibilities to do a lot of work.

“It takes stronger leadership and a push to some extent to ensure data security in Indonesia,” Gillon said, noting that the government should play a role in facilitating these changes.

“There should be leadership, and it is interesting that the UK government has looked to do all kinds of things it can, such as setting up new cybersecurity standards and compliance with these standards as a way to push good practice down the supply chain,” she said.

In short, global governments should look for more ways to be included as part of market-based mechanisms, not regulations, considering the fact

that the latter is extremely difficult and the best measure is to encourage and economize the necessity to invest in security.

### ICAEW INDONESIA

With more than 265,000 accounting students at 589 universities across the archipelago, Indonesia produces around 35,000 auditors annually. This number shows that Indonesia has great opportunities as the nation with the strongest auditing profession in Southeast Asia.

However, there are only 24,000 professional auditors registered with the official Institute of Indonesia Chartered Accountants (IAI). Based on this fact, Indonesia clearly needs a complete and profound strategy to dominate the region, as well as enter the free-market society of the Asean Economic Community.

Deny Poerhadiyanto, head of ICAEW Indonesia, said the government is currently focusing on more regulatory innovations on the business and development sides.

In countries like Indonesia, fabulous opportunities have opened to grow economies faster than ever.

“In our third year here, we observed that this country has a very unique character. Some might say difficult, but I prefer unique, because data from the World Bank, IMF and other major NGOs said Indonesia, with an economy of this scale, still lacks qualified and professional accountants,” Deny said.

This is one of the main reasons ICAEW established a presence in Indonesia –

to assist the country in growing its economy. “We know from experience that Indonesia may become one of the four largest economies in the world by 2030. To achieve that, we have to create a sound and stable economy, and accountants will play a very important part in that.”

Auditors are currently only gatekeepers of financial assets, but with the help of technology, they will become wealth creators within the next 10 years. “With no technology in the past, accountants only provided financial data. But in the very near future, we will not provide any data but we will create economic decisions based on the data,” Deny said.

### FUTURE OF ACCOUNTING

In the foreseeable future, according to Gillon, we can expect artificial intelligence to collide with big-data analytics.

“Machine learning is a very powerful way of getting insights from lots of data, but you still need accountants to ask the right questions, to understand what the computer is saying, to apply that within the context of the business, to ask the right questions of technology, amid challenges and skepticism, while understanding that we have insurance around the technology and make sure we trust it,” she said.

In conclusion, there is still a big role for auditors in all those areas, if you have trusted transactions. “I think we can expect to see a lot of that basic



Deny Poerhadiyanto, head of ICAEW Indonesia.

bookkeeping repeatable processing tasks being performed by technology in a better, more efficient and more trusted way,” she said. Meanwhile, auditors will be free to focus more on helping businesses become successful, make good decisions and create trust, while obtaining the necessary skills to take action.

“We are talking about a number of things, skills and data; manipulating and understanding data formats, quality and scripting; you know, the strongest skills of working with data and statistical skills enough to understand what it means to have good compensation is to play with the tools themselves,” she said.

In a broader sense of creating a world with stronger economies and partnerships, Gillon said Indonesia should focus more on empowering people to become qualified accountants, “as Indonesians basically are very smart and resourceful.”

This vision is in line with the government’s aim to create more future prosperity, which would require strong and qualified accountants. 🌐



# Style

PATEK PHILIPPE

## Total Ellipse: The 50th Anniversary of the Patek Philippe Golden Ellipse

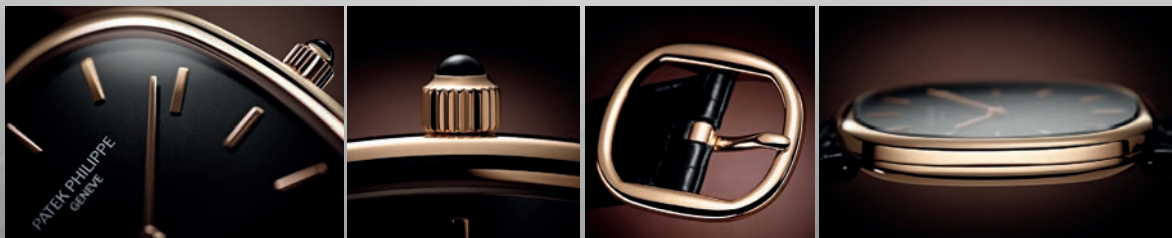
➤ First launched in 1968, the theme behind the Patek Philippe Golden Ellipse is to have an elliptical case with dimensions that reflect the golden ratio. This year, in celebration of the 50th birthday of the illustrious yet illusive Golden Ellipse, Patek Philippe has extended its regular collection with a new rose gold/black dial grand taille model.

After the Calatrava that was released in 1932, the Golden Ellipse is the second oldest watch in the Patek Philippe collection. The piece exudes one of the brand's most iconic design, and solidified its place as a cult model that has survived five centuries of ever-changing fashion trends.

For the 50th birthday of the Golden Ellipse, Patek Philippe invoked the help of several of its rare handcraft specialists to create a limited edition series 100 anniversary sets, each consisting of a platinum watch and matching cufflinks.

The dial of the Ref. 5738 was made to contrast with its black enamel primer as the background for the volute pattern manually engraved in the 18K white-gold plate. The center features a motif reminiscent of the Calatrava cross, Patek Philippe's logo, the work of a master engraver. Inside is a self-winding caliber 240 movement with an off-center 22K gold minirotor completely recessed in the bridge plane.

The refined, style-defining aspect is underscored by a hand-stitched shiny black alligator strap with square scales. Its rose gold prong buckle echoes the shape of the characteristic case silhouette. As in the other Golden Ellipse models, the strap attachment is discreetly concealed beneath the caseband.





HERMÈS

## The Hermès Arceau Chrono Titane

➤ Hermès is a rare sight within the luxury watch scene, the family-owned independent company is mainly known for fashion and leatherwork. But when the company does foray into the luxury watch industry, it is apparent the same attention to detail and design that Hermès is known for is here.

The Arceau line by Hermès was designed by artist Henri d'Origny in 1978, with a distinctive wind-blown font and asymmetrical lugs. The latest Hermès Chrono Titane is the newest of the Arceau design, featuring more dynamic and sporty themes than its predecessors.

Since then, the Arceau has been interpreted through countless evolutions and variations, the line has been perpetually renewed while remaining true to its original spirit.

The dial of the Hermès Arceau Chrono Titane is galvanic black with transferred white Arabic numerals.

The watch is equipped with a chronograph function and a 41mm beadblasted titanium case, this sportier version radiates an appealingly light air. Included with the Hermès Arceau Chrono Titane is a Barena calfskin strap in natural or a black. The leather is a signature of Hermès that was originally used for saddles, in line with the equestrian theme of the watch.

Inside the case is a Swiss-made automatic movement with 37 jewels, which offers a 42 hour power reserve that oscillates at 28,000vph or 4hz. Above and beyond purely equestrian design codes, the Arceau Chrono Titane asserts a fine balance between sturiness and an airy lightness.



OMEGA

## A Mission to Space

➤ Set on its ever evolving path of design and engineering, Omega unveils its new Speedmaster CK 2998 Limited Edition, the newest iteration of the Omega CK 2998 that was first released in 1959. Since then it has become one of the most sought-after vintage Speedmasters in the world for collectors. In 1962, astronaut Walter “Wally” Schirra made history when he wore his own personal Speedmaster CK 2998 during the “Sigma 7” mission of the Mercury Program, marking the Speedmaster as the “first Omega in space”. The classic Speedster laid its foundation for Omega’s newest timepiece, retaining iconic features with a modern flair for new audiences. The watch’s black subdial and white (sand-blasted rhodium-plated) dial combo is paired with a black/white minute track and black pulsometer bezel. The straps are a black perforated leather, with white rubber lining, revisiting a classic look. The timepiece features the same caliber 1861 movement that powers the 2016 CK 1998 Limited Edition.



ARCLINEA

## Culinary Connections

➤ In 1988, the Arclinea project set its sights on modern kitchen concepts, moving to bring innovation into the cooking space. With the help of Antonio Citterio, an interior designer and architect, Arclinea brought a new contemporary aesthetic to the kitchen. Antonio used new materials and methods to provide a new functionality to the familiar space. The Arclinea design emphasizes on the social aspect of food and cooking, the kitchen is a prime space for socializing. This idea is prominently displayed in one of Arclinea’s design, the Lignum et Lapis. On the one side guests can help with preparation, on the other, which houses all the kitchen equipment, those cooking can share techniques and the pleasure of good food with their guests. Since time immemorial, the kitchen has never been just a “kitchen” where food is prepared. The kitchen has always been a place where memories are formed and family legacies are crafted, rituals are invented, desires are expressed and habits created.

# CORUM'S CHOICES

New novelties that cover all demographics

## ADMIRAL 45 SQUELETTE

For those who like classic watches but still want to look casual, Corum has the perfect timepiece. Under its Heritage pillar, the Admiral 45 Squelette gives out more modern and sporty vibes. This watch is a radical piece that showcases both a nautical design and pure watchmaking mechanics. Powered by the Calibre CO 082 movement, which was conceived in house, designed by Corum and made by EMC, the watch features a 42-hour power reserve. Featuring a more energetic look, the Admiral 45 Squelette does not have a dial, but its shows the open-worked bridges coated with an anthracite grey surface that provides two contrasts. The dominant colors of the Admiral 45 Squelette's different models include turquoise blue, yellow and red. These bright colors are distributed in different places on each version: on the seconds hand, the case, the bracelet and the date. The Admiral 45 Squelette's case material is titanium Grade 5 with a black PVD treatment. The watch is water resistant to 300 meters. Sporty chic and energetic, the collection features seven models, each in a limited edition of 288 pieces.



## HOBO COIN

Working with Russian freelance artist and engraver Aleksey Saburov, Corum produced the newest version of its Coin watch collection, called Hobo Coin. Saburov subverts popular imagery, demons and beliefs to create unique works of art, micro-engraved on authentic early 20th-century American five-cent coins. Corum gave the artist the chance to showcase his work in the well-known Coin collection, reviving the forgotten art of hobo coins specially for a very limited edition of unique pieces. Each entirely hand-engraved Hobo Coin will be a unique piece by definition. Saburov has produced a number of original motifs for Corum, each of which will become the dial of a 43-mm timepiece. What makes the watch unique is that Corum pairs it with a denim strap, rather than the customary leather. The denim strap makes the watch appear more free-spirited. Corum chief executive Jerome Biard noted that he will explore more unique materials to be paired with Hobo Coin in the future. Powered by a CO 082 movement, Hobo Coin has a 42-hour power reserve and is water resistant to 10 meters. Hobo Coin embodies the desire of creativity and captures a fragment of forgotten history.



# DROPPIN' ZERO GRAVITY TO THE EARTH

Defy Zero G Swizz Beatz

With Julien Tornare leading Zenith, he wants to make the brand more millennial-friendly. Tornare makes sure that the price point of this classic watch grabs the attention of millennials. Defy Zero G Swizz Beatz is one of the examples Zenith is proud of. The watch is suitable for millennials, since it still maintains the classiness of the Zenith DNA, but also includes innovations. After a first special edition was presented in New York last year, visionary musician and passionate watch-lover Swizz Beatz is once again honored by the issue of three new limited-edition Defy models. Introduced at Baselworld 2018, the Defy Zero G offers a futuristic reinterpretation of Zenith's patented "Gravity Control" module, which cancels out the effects of gravity on the running rate of the watch, by maintaining the regulating organ and the balance wheel in a horizontal position. The gyroscopic cage, inspired by historical marine chronometers, which previously spun between two convex sapphire crystals, now occupies only 30 percent of its initial volume and can thus fit perfectly between the two flat sapphire crystals of the Defy case. This technical, feather-light device appears in all its majesty at the six o'clock position. The new Defy Grand Complication model exudes a modern, stylized design. Visible on both sides, its entirely skeletonized and black rhodium-treated movement makes a striking contrast with the light tone of the five slim branches evoking the offset Zenith star symbol.



BELL AND ROSS

# MEMENTO MORI: THE LAUGHING SKULL

**T**he skull is a universal symbol that has been used for centuries, most famously by pirates and soldiers. The symbol represents death meant to frighten enemies and bring courage to those who display it. The BR 01 Laughing Skull is a tribute to those who have displayed the symbol in the past.

In 2009, Bell and Ross launched the first in their skull watch line, that is the BR 01. Bell and Ross was the first to ride the wave of the skull watch trend. On the back of this success, they revealed two new limited edition models in 2011, including the famous BR01 Tourbillon Skull.



Today, with their 5th iteration of the skull watch design, Bell and Ross went a step further, equipping the piece with an automaton movement; a windable mandible that moves. The brand developed the BR-CAL.206: a caliber entirely produced by the manufacture that is also skull-shaped, so that the mechanism fits the case perfectly. In the extension of the 4 bones, the 4 bridges secure the main plate to the case and come together to form a single assembly floating in the center of the watch.

The BR 01 Laughing Skull has been created for those who love original timepieces. It is symbolic in more ways than one, making it a powerful statement piece. Its automaton movement places it in the category of exceptional watches.

Produced in a limited edition of 500, this model will appeal particularly to collectors of Haute Horlogerie watches. The BR 01 Laughing Skull model sees the brand take the Skull concept one brave step further.

PHOTOS COURTESY OF BELL AND ROSS



AUDEMARS PIGUET

# CELEBRATING THE 25TH ANNIVERSARY OF THE ROYAL OAK OFFSHORE



a re-edition of the original Royal Oak Offshore Selfwinding Chronograph, as well as a brand new Royal Oak Offshore Tourbillon Chronograph with a contemporary dial design.

Since 1993 more than 120 designs of the 42mm model have been created, from stainless steel, to gold and platinum. For its anniversary, Audemars Piguet has introduced a new special series available in stainless steel and 18-carat pink gold.

The Royal Oak Offshore returns with a re-edition, maintaining the 42mm diameter and staying remarkably close to the original. The piece features an updated clasp and movement. The original model was powered by a Jaeger-LeCoultre caliber. The new movement is fitted with a 22k gold rotor, yet staying true to the original.

The Royal Oak Offshore Tourbillon maintains a similar design language its modest 45mm diameter. With a thinner and redesigned bezel that places signature screws under the sapphire crystal in a more direct connection with the inner mechanisms of the timepiece. Available in stainless steel and 18K pink gold.

The timepiece also presents a brand new dial constructed as a true piece of contemporary architecture, demonstrating the bold approach that Audemars Piguet has always sought to convey through the aesthetics of its Offshore collection, while always being true to its foundations.

**A**udemars Piguet is the oldest fine watchmaking manufacturer still in the hands of its founding families (Audemars and Piguet). Since 1875, the company has written some of the finest chapters in the history of Haute Horlogerie, including a number of world firsts.

2018 sees Audemars Piguet celebrating its 25th anniversary of the Royal Oak Offshore that first launched in 1993. The Swiss watchmakers presented three new iterations of the iconic sports watch:





# Six Senses Uluwatu Arrives in Bali

**What is new** on the southernmost tip of Bali? Six Senses Uluwatu, Bali has arrived in Pecatu, which is also home to Pura Uluwatu, or the sacred Uluwatu Temple, considered one of the core spiritual pillars of the island. All facilities at the resort will be operational by the beginning of August to welcome travelers.

Uluwatu is the place where centuries-old tradition and reverence meet with sandy beaches, surf breaks and a rich dining scene. With spirituality being deeply rooted in the Balinese culture, the surrounding nature blends perfectly with the wellness ethos of the brand and gives a sense of calm and serenity where time stands still. The resort is built with indigenous

materials and harmoniously incorporates Balinese architecture and craftsmanship, based on sustainable design principles.

True to Six Senses' inimitable style, Six Senses Uluwatu features 103 villas and suites, which include 28 sky suites, 62 one-bedroom villas, seven two-bedroom villas, four three-bedroom villas, The Retreat and the Presidential Villa, that draw upon the local culture, embrace nature and offer sweeping views of the Indian Ocean.

The resort will offer three restaurants and two bars, all perched on the cliffside, all with uninterrupted ocean views. They will serve a





selection of modern and fusion dishes, based on the seasonal local Balinese traditional cuisine with added influences from the region.

Chef Ricardo and his culinary team believe in honoring each product by bringing out its elements while cooked with simplicity. All dishes are designed on the Eat With Six Senses principle of sourcing natural, local and sustainable ingredients, ensuring that they are not only nutritious and healthy, but also delicious.

Six Senses Uluwatu will offer extraordinary cultural and destination immersions for all its

guests to enjoy, inside and outside the resort. For those seeking an adventure to explore Bali from land, sea and sky, a series of experiences will also be available. Grow With Six Senses will incorporate out-of-the-ordinary activities for younger guests, so they can approach wellness, the local culture and sustainability in a fun and educational way.

Six Senses Spa Uluwatu will embrace a farm to massage concept, where locally-sourced ingredients are used for both signature and locally inspired treatments. The spa will feature 10 treatments rooms, an outdoor massage area, a relaxation area, a fully equipped gym and a yoga pavilion. Multiple-day integrated wellness programs will be available along with wellness screenings that aim to help guests improve their lifestyles, daily routines and reach their full potential.

For those wishing to tie the knot or renew their vows with the magical Balinese sunset as a backdrop, an open-air venue is located on the cliff's edge, with a breathtaking view of the ocean. Function space will also be available, where fully tailored events can be held – from meetings to teambuilding events and dining.

The holistic approach to sustainability and conservation of the brand, would not be complete without the presence of the Earth Lab and an organic garden. A vast majority of fresh herbs, micro-herbs, sprouts and vegetables will be sourced from the garden in addition to creating a small heirloom vegetable farm and a mushroom hut. Guests are invited to visit the gardens, farms and the Earth Lab, where creativity meets sustainability, while raising awareness of the need to be environmentally responsible.

Six Senses Spa Uluwatu meanwhile features Balinese inspired treatments together with an extensive range of signature therapies and multi-day wellness programs together with a fully equipped fitness center, vast central pool and an activities center. 🌐



**Six Senses Uluwatu will offer extraordinary cultural and destination immersions for all its guests to enjoy, inside and outside the resort. For those seeking an adventure to explore Bali from land, sea and sky, a series of experiences will also be available.**



# Exploring Cultural Wealth and Natural Beauty



**By Eko Prasetyo**

**As far as the eye can see**, Sumba Island in East Nusa Tenggara consists of breathtaking natural beauty and a local people whose unique culture and traditions further enrich the landscape.

But despite lucrative growth in tourism, most of Sumba's indigenous people, especially those living on the southwest part of the island, still lack the basic skills to properly benefit from the incoming flow of visitors.

*GlobeAsia* explored the island in May, at the start of the annual dry season when, according to local residents, the tropical heat, in combination with a scarcity of water, is more likely to cause deaths among the island's wildlife populations.

## **MUST-SEE DESTINATIONS**

Sumba offers four types of natural attractions: beaches, waterfalls, savannah and hilltops.

Bawana Beach, a hidden gem on the western side

of the island, hosts the island's most recognizable icon: a rock wall with a giant hole in it, located on a stretch of soft sand. It takes more than 90 minutes by car from Tambolaka to reach this destination, and it is best to visit in the late afternoon to witness the magnificent sunsets.

Near the beach is Ratenggaro, a typical village consisting of traditional wooden houses with unusually high roofs. Residents believe the roofs enable them to reach the gods, while also serving as status symbols. Thus, the higher the roof, the higher the owner's status, with the highest belonging to the royal family. Here one can also find woven fabrics typical to Sumbanese culture.

These traditional villages are spread across the island and locals are accustomed to living alongside their deceased relatives, with ancestors buried in monolithic tombs that make Stonehenge look like domino pieces.

Mandorak, a small beach near a private property belonging to a Frenchman, is a pristine location





where travelers can enjoy sunbathing during low tide, as it becomes too risky during high tide.

Weekuri Lagoon is another attraction, where visitors can enjoy the unusual experience of swimming in a lagoon that directly borders the sea. There is nothing to fear as the waters are calm and relatively shallow, allowing visitors to take a refreshing dip in the lagoon. There is also a spot from where one can jump into the water below, but be careful of marine creatures, such as fire corals, beneath the surface.

The eastern part of Sumba also offers a wide range of attractions, such as Wairinding Hills, the most photogenic place in the area, frequented by bloggers, photographers and those taking pre-wedding photos. It is also a perfect place for those who are into stargazing, as the clear skies and lack of artificial lighting make the stars highly visible at night.

Walakiri Beach in Waingapu, the largest town

on the island, also offers spectacular scenery, with people flocking to the area at sunset to see a magical display of dancing trees provided by the vast array of mangrove trees during low tide. Here you can experience the golden hours of sunset, when the sky turns orange and red as the sun sets over the horizon.

Tanggedu Waterfall is another hidden gem, although it can be difficult to reach for those unprepared to do some hiking. It will take 45 minutes to reach the waterfall from the parking area, but travelers are spoiled with views of the hilly landscape and savannah while passing some traditional houses along the way.

Hence, travelers arriving in Sumba should be prepared to experience long hours on the road to reach the various outdoor adventures, which often still require hiking along narrow and hilly paths to reach secluded beaches and waterfalls. Added to these attractions are cultural events, such as pasola – spear-fighting competitions on horseback.

Most of the island's main roads are already surfaced with asphalt or concrete, but some destinations require a certain degree of driving finesse to conquer the rocky, bumpy roads. While a visit to Sumba means limited access to modern amenities such as electricity, cellular coverage and internet access, travelers get to experience the island's extraordinary landscapes and local traditions.

#### **INFRASTRUCTURE AND TRADITIONAL VALUES**

Although Sumba is commonly perceived as consisting of two distinct regions: west and east, the island actually has four districts. Daily flights are only available at two airports on the island, so travelers may want to plan their trips to include a transit in Bali. Visitors often opt for overland trips across the vast savannah and hilly terrain to reach the other side of the island over several days, or even weeks, while exploring every interesting spot.

Upon their arrival at Tambolaka Airport, visitors face the stark absence of modern infrastructure and a vast wilderness surrounding the small town of Tambolaka in Southwest Sumba, which is reason enough for travelers to adjust their expectations.

However, it is different on the eastern side of the island, where construction sites can be seen in the area



**“It is possible for the government, or the private sector, to invest more in this region, as it is still lacking progress in terms of adding more tourism value and improving people’s livelihoods.”**

surrounding Waingapu. Only small propeller aircraft, operated by regional airlines Nam Air and Wings Air, land at nearby Umbu Mehang Kunda Airport.

Ilham, a travel planner and tour guide focusing on eastern Indonesia, guided us as we explored some of the magnificent natural and cultural attractions on the island. He said most locals in the western part of Sumba still wear traditional clothing, although some wearing more modern attire can occasionally be seen. As part of the local tradition, men in Southwest Sumba still carry machetes, or parang, usually attached to their trousers or sarongs.

The islanders practice the Marapu religion, which involves the worship of a combination of ancestors, natural spirits and an omnipresent god whose name may never be spoken.

However, there is a somewhat awkward acceptance of incoming tourists, with local residents tending to gather around groups of visitors to offer various goods such as souvenirs, handicrafts and fresh coconuts, or services such as assistance in navigating the various paths, or opportunities to take photos with horses, at prices starting from around \$3.

As simple as it might be, this has proven to annoy some visitors, and as word of mouth spread, many tourists, especially foreigners, started to avoid these parts of Sumba. In short, these residents are killing off their own source of income by being too blunt about demanding cash in return for their aid.

Nevertheless, this was not our experience on the eastern part of the island, where people seemed to have been educated to better cater to incoming tourists and travelers. “It is totally different here in the east, as they seem to be more relaxed and friendly to accept visitors,” Ilham told us when we arrived in Waingapu.

#### **WHAT MORE CAN BE DONE?**

The trip was overwhelming, as the beauty of this part of eastern Indonesia contrasts sharply with the living conditions of its residents, most of whom are poor, depending on tourism and scarce resources to survive.

But the government has a real opportunity to develop the region into one of the most notable destinations for both foreign and domestic tourists.

Ery Radixa, a local businessman and member of the royal family in the area, said what had struck him most when he decided to permanently return to his hometown a few years ago, is that livelihoods in the eastern part of the island are far better than in the western part.

“It is possible for the government, or the private sector, to invest more in this region, as it is still lacking progress in terms of adding more tourism value and improving people’s livelihoods,” said Ery whose father, Umbu Mehang Kunda, was honored in the naming of the local airport.

“Business opportunities here are still wide open, as we are facing growth in the tourism sector,” he added.

However, despite the presence of Nihi Sumba Island, a luxury surfing resort chosen by readers of Travel+Leisure magazine as the world’s best hotel for 2016 and 2017, insufficient transportation infrastructure remains one of the main issues for the government to address if it wants to attract more tourists to the area.

Sumba’s unique cultural experiences and breathtaking views are to die for, and the best the government can do to support tourism is to improve the transportation infrastructure and electricity supply. However, great care must be taken not to sacrifice the island’s natural beauty in the process, as is currently happening with the development of a natural gas power plant near Puru Kambera in East Sumba, just 30 minutes from Waingapu.

“It was a difficult decision for the local government I guess, since we need the electricity. But on the other hand, it slightly disrupts the natural beauty of Puru Kambera,” Ery said.

Besides that, the government should also improve education, especially in Sumba’s secluded traditional communities, to allow them to adjust to the increasing influx of tourists, who may soon start to arrive in their thousands. 🌐



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