

# BAHASA BUSINESS



The Indonesia Canada Chamber of Commerce  
Monthly Newsletter

JANUARY 2017

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Takeover**

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# RCMP Tackling Foreign Bribery Cases

On November 18th, 2016 the Canadian Embassy hosted a special breakfast meeting to give RCMP Senior Investigator Sgt. Poitevin an opportunity to speak to the business community on Strategies for Corruption Prevention.

The talks are part of a global initiative the RCMP is undertaking to drastically reduce corruption and to stop Canadian companies from paying bribes to win contracts overseas by combining a communication campaign with tough new penalties under the revised 2013 Corruption of Foreign Public Officials Act (CFPOA).

Sgt Poitevin's presentation included a list of prosecuted cases with penalties ranging from millions of dollars to years of jail time. Interestingly the RCMP are not just investigating companies but also the people that pay the bribes, who face up to 14 years of jail time for even agreeing to conduct a bribe.

According to Sgt Poitevin the measures are part of a global cooperation to stamp out corruption which is costing businesses USD2.6 trillion per year, or 5% of GDP. This is equivalent to one in every thirty dollars of GDP in the world being used to pay bribes and equates to a 10% cost on doing business globally.

People fail to realize the direct impact corruption has on everyday lives as inferior infrastructure projects are selected, shoddy materials are used, and corners are cut to make up for the costs of corruption.

In regards to the Canadian government's response, a number of federal departments, agencies and Crown corporations play key roles in Canada's fight against foreign bribery. They work in close cooperation in Canada's two-pronged approach to foreign bribery, which focuses on enforcement (RCMP) and prevention (Public Prosecution Service Canada (PPSC)).

For more information on the Canadian Centre of Excellence for Anti-Corruption and also a list of free

compliance programs providing guides, tools and strategies to assist in the development and implementation of anti-corruption compliance programs please go to the following link: <https://continue.uottawa.ca/en/cceac/about-centre>

The breakfast meeting will be followed by an invitation to Canadian companies to participate in an anti-corruption webinar series presented by Global Affairs Canada and Global Compact Network Canada (GCNC). The webinar program was prepared by the GCNC's Anti-Corruption Working Group, and will discuss themes such as reporting and investigations, jurisdiction, tone from the top, policies and procedures, and managing sub-contractors and suppliers – all delivered by Canadian legal and fiscal experts.



Patrice Poitevin is a 32 year veteran of the Royal Canadian Mounted Police, who has worked on proceeds of crime and fraud investigations and is sought after for his knowledge on drugs, organized crime and international corruption issues. Sgt. Poitevin has extensive experience in

program development and community capacity building. He has developed and/or managed a number of outreach programs and projects at the local, provincial and national levels. He has also provided training at the national and international levels on a range of issues that have an impact on businesses and communities.

In his role as senior investigator and outreach coordinator for the Sensitive and International Investigations unit of National Division, Sgt. Poitevin's mandate is to connect with Canadian businesses and stakeholders in order to provide them information on the RCMP's global efforts to combat corruption. In addition to sharing information on the costs and impact of corruption on businesses and communities, Sgt. Poitevin advises on tools, strategies and good practices that will minimize risks, help individuals and companies to recognize red flags, and enhance the role of businesses in preventing and fighting corruption.



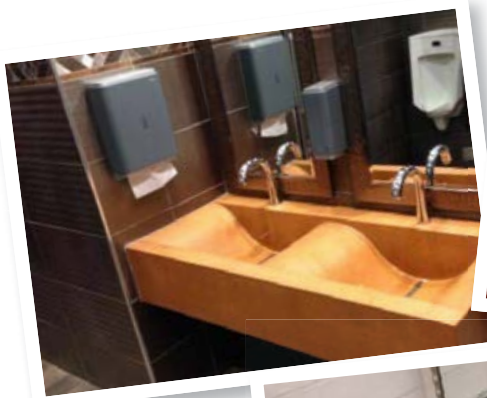
Travellers Tips:

# Where to Find Canada's Best Customer Toilet

I know the importance of clean bathrooms because I have seen my wife swear that she would rather let her bladder free in the car than go to a bad bathroom. So it is interesting to note then that for travellers to Canada they need look no further than the Shell gas station in Whitecourt, Alberta to find the country's best porcelain throne.

In a thorough report from GlobalNews.ca, a national contest has declared Alberta as having some of the best public bathrooms, with three of the top finalists in their "Best Bathroom Competition" coming from the wildrose country including washrooms from restaurants Sauce Italian Kitchen & Market (in Calgary) and also the washroom at the Esso Super Station in Whitecourt which the contest description describes as, "the decorative lighting mounted overhead immediately catches your eye in these restrooms along the Alaska Highway."

For Canadians, an award winning gas station bathroom is nothing new as a Shell Super Station washroom in Valleyview, AB was named the top winner only three years ago with its geo-thermal heating and cooling technologies, solid adler wood stall doors, tiled walls and sparkling Victorian style semi-flush mount chandeliers.



Dear readers, everyone here at Bahasa Business wish you a very Happy and Successful New Year 2017!!

2017 is set to be a very exciting year for both our Indonesia and Canada based readers. On the Canadian side of the Pacific Ocean the BMO Canadian Financial Conditions Index (which for many has replaced the desisted Bank of Canada Index) indicates the Canadian economy will grow by 2.5 per cent in 2017 (nearly doubling 2016's growth of 1.3%). And in Indonesia the International Monetary Fund (IMF) has predicted Indonesia's economy will grow 5.3%, up from the 4.9% recorded in Q42016. Both countries are also expected to benefit from the strengthening price of oil, which doubled from its low points.

As always we hope you enjoy this month's edition of Bahasa Business. Our feature story is based on an exclusive interview with the new Canadian Ambassador to Indonesia His Excellency Peter MacArthur. The Ambassador shares his first reaction to finding out he would lead the Canadian Embassy in Jakarta and also discusses the various opportunities he will focus on in bringing Canada and Indonesia closer together.

Read on to find out more from the extremely light (Where to find the best toilets in Canada?) to the Indonesian policies that affect your business (SSEK article on minimum wages).

Enjoy the read and if you have any questions or comments for the team at Bahasa Business please feel free to send us an email at [bahasabusiness@klirkom.com](mailto:bahasabusiness@klirkom.com)

Cheers to 2017!!

**Edwin Piroelie**

*Secretary - General ICCG*



# Maximizing Opportunities

## Interview with Ambassador Peter MacArthur

Bahasa Business are very privileged to start 2017 with an exclusive interview with Canada's new Ambassador to Indonesia, His Excellency Peter MacArthur.

**Sir, when you found out you were appointed Canadian Ambassador to Indonesia, what was your first reaction?**

I was thrilled as this assignment is a great fit with the pattern of work I have conducted in the region and also my past postings in the Indo-Pacific region. I was also most recently in Ottawa with Global Affairs Canada overseeing our relations with South and Southeast Asia focused mainly on ASEAN and India, so again, it is a very fitting move.

**What makes moving here so special?**

There are so many reasons but the top two include the fact we have an outstanding team of Indonesians and Canadians here at the Embassy, which goes beyond the foreign affairs, consular and trade programs and includes an official development program, immigration, police (RCMP) and national defence sectors. And of course the fact that Indonesia is such a remarkable country with its people, geography, diverse culture, and natural resources.

**What do you think are the biggest opportunities?**

There are so many great opportunities to explore and while we are ready to support Canadian business in their specific needs we are focussing on Agri-food,

forestry, cleantech, and information and communications technology. I am also very happy to confirm that the opportunities are also being realized and having a positive impact. Trade between our two countries has increased at an annual rate of 20% and exceeded Cdn\$3.5 billion last year. Indonesia has also become one of Canada's primary investment destinations in Asia with Canadian job-creating investment in natural resources, high technology and services valued at Cdn\$4.3 billion. I believe equally important to knowing the different types of business opportunities that exist between our two countries is knowing some of the simple steps one can take to take advantage of the opportunities. One way is to engage in the monthly networking activities which are attended by both Indonesian and Canadian business representatives. This month on January 19th, for example, members of several Canada-Indonesia organizations are holding a joint networking event which both myself and Her Excellency Marie-Louise Hannan, Canada's Ambassador to ASEAN will be attending.

**What would your message be to Canadian businesses looking at Indonesia?**

With proper due diligence Indonesia is a large, young, dynamic, fast growing country



market worth the investment of time and effort and the Government of Canada is here to help businesses manage the risks through the Embassy's local knowledge and networks designed to deliver market intelligence and facilitate business introductions. I am also happy to report that the British Columbia Government recently opened an office in Jakarta. We are working hard to boost Canadian business prospects in this vast, complex country and the Indonesia-Canada Chamber of Commerce is clearly an influential partner in this overall program.

**Any plans to explore the country?**

(Laughs) Oh yes. I spent Canadian Thanksgiving in beautiful Bali and plan trips to Lombok as well as Yogyakarta, Ambon and other interesting spots. Just like Canada, you can spend a lifetime visiting new places here and never get bored.



Indonesia Canada Chamber of Commerce (ICCC),  
in cooperation with Canadian Alumni in Indonesia (Calindo)  
proudly present our first joint business networking in 2017.

Thursday, 19 January 2017

6:00 - 8:30PM

Venue: TBA

Join us for a networking evening with  
His Excellency Mr. Peter MacArthur  
Ambassador of Canada to Indonesia

&

Her Excellency Ms. Marie-Louise Hannan  
Ambassador of Canada to ASEAN

Please note our rates:

ICCC, Calindo, CWA & KADIN members : Rp. 250.000/person

Individual ICCC member is allowed 1 guest at member rate.

Corporate ICCC member is allowed 5 guests at member rate.

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RSVP: [secretariat@iccc.or.id](mailto:secretariat@iccc.or.id) / 0215277890



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# KPPU Approves Talisman Takeover



In a decision that has been a little over four months in the making, the Indonesian Business Competition Supervisory Commission (KPPU) has approved the takeover of Talisman Energy in Indonesia by Repsol Energy Resources Canada Inc (which is a subsidiary of Spanish based Repsol S.A).

Under Indonesian law No. 57/2010 the size and value of the acquisition required Repsol Energy Resources Canada Inc to seek the KPPU's approval.

In a written statement KPPU Chair Syarkawi Rauf confirmed that the acquisition of Talisman Energy legally occurred on May 8, 2015 and the KPPU was asked to review the transaction in relation to assets in Indonesia on June 29, 2016. The evaluation included Talisman Energy's upstream oil and gas activities in Indonesia and also Repsol Energy Resources Canada Inc's upstream and downstream oil and gas activities in Indonesia.

Added Syarkawi Rauf in an interview with local media, "Before we approved the transaction we reviewed the upstream and downstream oil and gas markets and also spoke to regulators, business competitors, consumers, and industry experts."

Talisman energy was acquired by Repsol S.A for US\$8.3 billion plus assumed debt of US\$4.7 billion transforming Repsol into one of

the world's largest privately-owned energy groups, incorporating reserves and production in politically stable countries like Indonesia and also increasing their presence in OECD countries.

The incorporation of Talisman increases the output of the Repsol Group by 76% to 680,000 barrels of oil equivalent per day, and

boosts reserves by 55% to 2,353 billion barrels of oil equivalent. The resulting group will be present in more than 50 countries with over 27,000 employees.

At the time of the transaction Repsol Chairman Antonio Brufau said: "This is a transformative and exciting deal which will make us one of the world's most significant players and which will allow us to grow as a company and reinforce Repsol as a solid and competitive integrated player."

"Talisman is an excellent company which will add its experience and proven track record in production assets that will add to that of Repsol in deep water exploration. This will significantly boost joint development."





# Indonesian Employment Law Update Minimum Wage Matters



By Richard D. Emmerson  
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Consultants

There have been a couple of recent developments as regards monthly minimum wages that employers should take note of.

## 2017 Minimum Wage for Jakarta

First, the Governor of Jakarta has issued a new regulation on the minimum wage for 2017, Regulation No. 227 of 2016 dated October 27, 2016 regarding the Jakarta Provincial Minimum Wage for 2017 ("Reg. 227"). Beginning January 1, 2017, the minimum wage in Jakarta will be IDR 3,355,750 per month.

Under Reg. 227, companies in Jakarta are prohibited from paying workers less than IDR 3,355,750 per month. Companies can, however, seek to defer the application of the new minimum wage by submitting an application for postponement to the governor's office no later than 10 days before January 1, 2017.

The Jakarta minimum wage is going up 8.25% in 2017 from the previous year.

## Deferral of Minimum Wage

In a related development, Indonesia's Constitutional Court has issued Decision No. 72/PUU-XIII/2015 dated September 29, 2016 regarding Judicial Review of the Employment Law. The Constitutional Court found the phrase "but is not required to comply with the prevailing minimum wage provision for the period of deferment" in the elucidation of Article 90(2) of the Indonesian Employment Law to be unconstitutional and not legally binding.

Article 90(2) of the Employment Law provides that if an employer is unable to pay the applicable minimum wage, then the employer can defer payment of such minimum wage. The elucidation of this article suggests that when the period of deferral of the relevant minimum wage ends, the employer must start paying the minimum wage but is not required to pay the minimum wage during the period of deferral (i.e., the employer is not obligated

to later pay the applicable minimum wage in arrears).

With this Constitutional Court decision, it would appear that even when an employer obtains approval to defer the implementation of a new minimum wage, the employer

must later pay the applicable minimum wage in arrears for the period of deferral when the deferral period ends. Recognizing that employers are only able to obtain approval to defer the application of a new minimum wage based on clear evidence of financial necessity, this decision is very controversial.

## Maritime Labour Convention

And in a development that perhaps affects fewer employers and workers, the Indonesian government and the House of Representatives have agreed to ratify the Maritime Labour Convention ("MLC"), an International Labour Organization convention first established in 2006, through the issuance of Law No. 15 of 2016 ("Law 15/2016").

Law 15/2016 covers, inter alia, salaries, work requirements, working hours and breaks, medical treatment, and social and healthcare security for seafarers and maritime workers.



# Canada Welcomes First Hijab Wearing News Anchor

**Ginella Massa**

“

That makes me really sad when they've been told because of their hijab, that's not going to happen.

In a true sign of its openness and acceptance Canada has welcomed its first Hijab wearing news anchor to television when Ginella Massa filled in on the anchor desk for major Toronto based news broadcaster CityNews' 11 p.m timeslot. As reported in the

Associated Press, Massa, 29, said that she actually became Canada's first hijab-wearing television news reporter in 2015 while reporting for CTV News in Kitchener, Ontario, a city west of Toronto but has gained recognition this time around because Toronto is a major city.

Massa told The Associated Press "It wasn't until my editor said, 'Hey, great job! Was that a first for Canada? A woman in a hijab?' And I said yes. And so I tweeted about it. As much as I knew it was important, I didn't expect the reaction that I received. My phone hasn't stopped buzzing for the last week,".

"I've talked to many women who are journalists in the U.S. who work behind the scenes and they've told me that they face multiple challenges trying to get on air," said Massa. "They've been told because of their hijab, that's not going to happen. That makes me really sad because they're being held back by someone else's idea of what the public can or cannot handle."

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# Canada Year End Dinner

This year the Canada Year End dinner, which was held at the Fairmont Hotel, hosted a sold-out crowd of both old and new members of the Indonesia-Canada community. The theme of the evening was “a fusion of Canada and Indonesian cultures” which was not only reflected in the delicious selection of food, gamelan based Canadian pop music, and decorations, but also in participant’s fashion choices which included some sarong draped, cowboy hat wearing revellers.

(note: all pictures were taken by photographer Rinaldy Chaniago who can be reached at +62 812 9537965)





## Canadian Startup

# Introduces 3-wheel Supercar

Girfalco, a Canadian automotive startup, recently unveiled the Azkarra, a 3 wheel electric supercar able to do 0-60mph in 2.5 seconds. The two-seater will be able to handle on-road and track use and is based on a three-wheel-drive system consisting of an electric motor powering each wheel. The motors enable full torque vectoring and a combined continuous output of 217 horsepower (301 hp peak). In addition to the 2.5-second 0-60 time, the Azkarra S also easily hits a governed top speed of 150 mph.

The standard Azkarra has a single motor cable of continuous output of 72 hp (100 hp peak) and will accelerate to 60 mph in 4.5 seconds. Its top speed is 124 mph. Both the Azkarra and the Azkarra S models feature a direct-drive connection between the motor(s) and wheels.

The car is expected to sell for approximately USD 50,000.



## Export Development Canada Supports Indonesia's Power Goals

In full support of President Jokowi's plans to introduce 35,000 Megawatt(MW) of new power to Indonesia, Export Development Canada (EDC) in cooperation with the Hungarian Export-Import Bank (HEXIM) and in partnership with National Electric Company (PLN), are providing USD 435 million in financing to create 500 MW of power through the development of eight Mobile/Mobile Power Plants (MPP).

The 12 year loan is being provided through an Export Credit Agency (ECA) scheme, has no government guarantee, and is being provided at a very competitive fixed interest rate. The agreement was ceremoniously celebrated in a signing ceremony between the PLN Director of Finance Sarwono and representatives from EDC and HEXIM.





# MAPLE LEAF BALL — 2017 —



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# Join ICCC

The Indonesia Canada Chamber of Commerce (ICCC) is a membership organization that exists primarily to promote positive business growth for social and economic development both in Indonesia and in Canada. The ICCC vision is to be recognized as the home of ideas and information to best support the connecting of Canadian and Indonesian business interests and our organization works at the grass-roots business level to nurture local business relationship networks for the benefit of all our members. There is truth in the phrase "strength in numbers" and we invite all businesses in the Indonesian-Canadian community to join us.



for further information please  
contact our ICCC Secretariat at

☎ +62-21-527-7890

✉ or [secretariat@iccc.or.id](mailto:secretariat@iccc.or.id)



## Contributors

Bahasa Business is managed by **ICCC** Secretary General **Edwin Pieroelie** in coordination with local PR agency **klirkom** ([www.klirkom.com](http://www.klirkom.com)) and contributing members from the Indonesian and Canadian community.

In this January 2017 edition, special appreciation goes to:

**Ray Christie** | **Wely Kustono** | **Karina Sherlen** | **Minie**



## Sharing is Caring

If you are interested in contributing an article to Bahasa Business or have ideas to share please send an email to [bahasabusiness@klirkom.com](mailto:bahasabusiness@klirkom.com)

We are interested in news highlighting business related developments in Canada and Indonesia.



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