

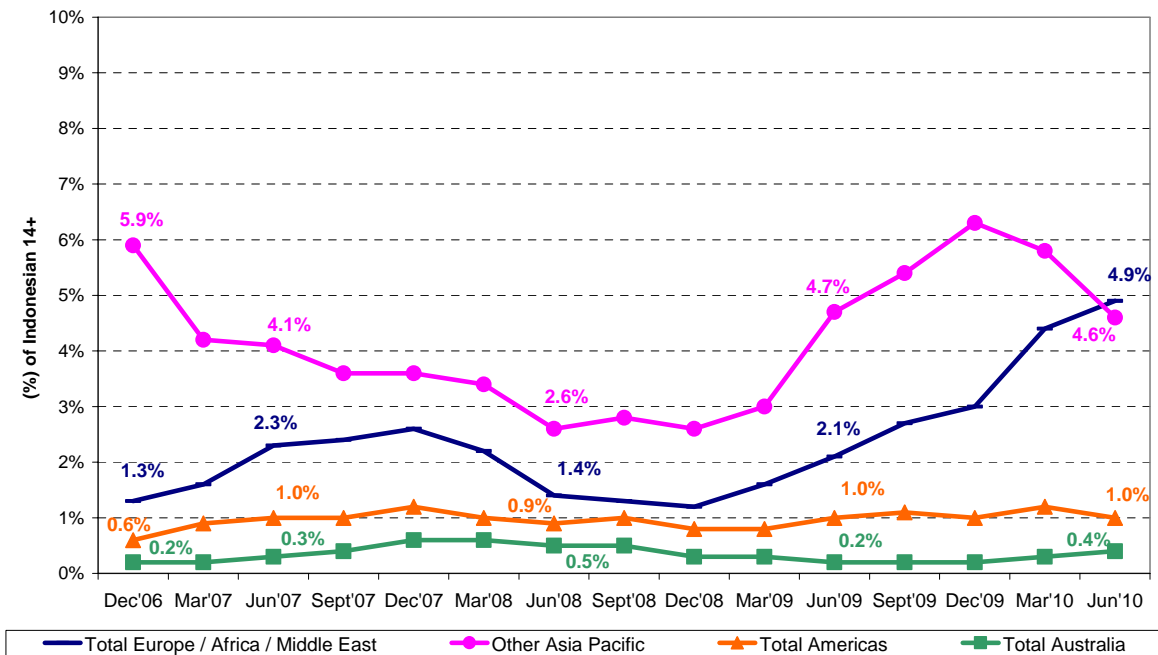
Fear and Disdain Limiting Indo-Australia Trade

The Australian Prime Minister is in the capital. A list of bilateral issues will undoubtedly be discussed. Core concerns like security and human trafficking will in all likelihood top the Australian agenda. Indonesia, already the biggest recipient of Australian aid will seek more assistance wherever it suits the interests of the visitor. But trade, a vital link between two peoples especially two neighbouring countries, will probably get little more than lip service.

The evidence shows that trade between Australia and Indonesia actually declined in 2009. Imagine that. Indonesia was the 3rd fastest growing economy of the G20 nations. Australia was the best performer of the OECD countries, one of the very few that evaded recession. The same-old-same-old continues. Agricultural exports from Australia and manufactured goods from Indonesia cross each other like ghosts from the past. The resources sectors continue with business as usual. Nothing new has happened lately. The usual excuses are trotted out: the global financial crisis, the strong Australian dollar. Lost in the bureaucratic haze, the politically incorrect truth is conveniently left unaddressed. Foreign policy is in the hands of grey-haired politicians and bureaucrats who have yet to bridge the cultural divide that prevails on both sides of the ditch. Journalists of their ilk aren't helping either, fostering old stereotypes every chance they get. Industry leaders simply find it easier to do business where they think they know the ropes.

The last time we looked, the majority of Australians remained wary of its northern neighbour. But lost in the numbers is the stark reality that they are deeply divided in their view of Indonesia. Australians over the age of 50 are still carrying their cultural crosses, but those below the age of 35 have a radically different view of the world stage. Australia is more old than it is young, more's the pity. The sentiments are reciprocated by Indonesians, but at lower levels of distrust.

OVERSEAS TRAVEL INTENTIONS OF INDONESIANS



Perhaps the most important bridge of all is people-to-people contact. More than any other agent of change today, the future of cross-straits relations perhaps lies in the hands of Indonesian students in Australia and the plane-loads of young Aussies who continue to treat Bali as their backyard. Both numbers are growing. That's a good sign, of hope. But there are other worrying signs too. While visitor numbers from each country continue to build on the small volumes each year, intentions to visit Australia on holiday remain in the doldrums. The number of people who have recently seen any advertisement promoting Australia as a destination is in fact declining. As the ranks of Indonesia's affluent at the top-end of society continue to swell, their intentions to travel are understandably on the rise. Europe, Africa and the Middle East are the biggest winners of these intentions. But the very low level of interest in Australia among what is arguably Indonesia's most influential section of society isn't a reassuring sign of the future, for both peoples.

This is all the more disheartening because Australia ranks No.4 today among preferred "country of manufacture", ahead of European giants like Germany and France. That's a key signal that captains of industry in Australia are failing to recognise. Australia needs more shakers and movers like ANZ and Commonwealth banks to pave the way for retailers like Woolworths and Coles, transport experts like Fox and Toll, food and beverage companies like McCains and Southcorp to take a greater interest in this very large Asian tiger. Investments by the two neighbours in each other remain paltry, to be polite. Yet, nobody would argue that both sides have much to offer, much to gain, by simply being better neighbours. Investment and cooperation needs to build, dramatically and enthusiastically, on the good work already being done by the police forces of the two countries, the initiatives taken by both on education. But there are not nearly enough indications that new fields like carbon sequestration or seawater energy, or old essentials like dairy and refrigeration are getting the attention they deserve.

Only when people-to-people exchanges increase dramatically will any real change take root. Trade is a vital catalyst for change. Financially and technologically better resourced, the responsibility for taking the giant leap forward, for igniting a cultural change in bilateral relations, lies more in Australian than Indonesian hands. Without stronger links in this arena, co-operation on security and cross-border issues will remain an endless saga of horse-trading. Any notions of investment as an act of charity are just remnants of old thinking. As Indonesia's economy continues to grow steadily, as Australia seeks more trade in Asia, these neighbours can only become stronger partners. The obvious future is staring at us in both countries, but old fears and legacies hamper progress. Can the Prime Minister and the President address them, with honesty and candour?

Entrepreneurs may well be adventurers, but an honest embrace by the leaders would go a long way to building better futures for Indonesians and Australians alike. If these two very different cultures are able to build a new future, they can become a shining example to the rest of the world. A giant step in that elusive search for world peace.

These observations are by studies conducted by Roy Morgan Research in the two countries, both periodic and continuous. In Indonesia, it produces the country's largest syndicated survey with over 25,000 respondents annually, projected to reflect 90% of the population over the age of 14.

The writer can be contacted at Debnath.Guharoy@roymorgan.com