

VAN ZORGE REPORT ON INDONESIA

COMMENTARY & ANALYSIS ON INDONESIAN POLITICS AND ECONOMICS

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Van Zorge Report

Editor in Chief
James Van Zorge

Publisher
Dennis Heffernan

Managing Editor
Andrew Steele

Senior Assistant Editor
Jacqueline Hicks

Assistant Editor
Dorsey Elisabeth Silalahi

Contributing Editor
Hassan Sillem

Consulting Editor
Patrick Guntensperger

Technical Support
Grafika Irawan

Office:

Van Zorge Report
Jl. Subang #10,
Menteng, Jakarta 10310
Indonesia.

Tel. (62) (21) 3190 3929
Fax. (62) (21) 392 6425

E-mail:
vzr@vzh.co.id

Website:
www.vanzorgereport.com

Send comments to:
asteele@vzh.co.id

SUBSCRIPTION:
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back cover, or contact
(62) (21) 3190 3929

In this issue...

of the *Van Zorge Report on Indonesia*, we present a **Feature Article**, the Chinese Factor, on the rise of Chinese investment in Indonesia. An overview of Chinese sectoral investment moves toward a more focused consideration of Chinese companies' involvement in the oil and gas sector, and the politics which lie behind the biggest business deals.

We also offer a major **Research Report** from the University of Indonesia's Faculty of Economics on business views of the current investment climate in Indonesia. A generally positive assessment of business constraints compared to 2003 is mired by the usual suspects of macroeconomic instability, corruption, and policy uncertainty.

In the **From the Editor** section, the *Report's* Editor-in-Chief comments on Paul Wolfowitz's recent visit to Indonesia.

This week, **In Brief** looks at the complex case of the three men awaiting execution in Poso for their alleged involvement in the sectarian killings of 2001; the corruption case of the Southeast Sulawesi Governor is also examined along with an analysis of the ongoing external debate about the Papua issue.

Intelligence presents the inside scoop on the discord between the Japanese Overseas Development Agency and USAID over a road construction project in Aceh. Encouraging news surfaces about the sustainability of Jakarta's current property boom and Papua's residents question the use of their land for the proposed launching of a Russian rocket.

We hope that you find this issue useful and of interest to yourself and your colleagues. Please feel free to contact us here at the *Report* if you have any comments or suggestions; we are genuinely grateful for your feedback.

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