



DANCHAM NEWSLETTER - DECEMBER 2021

Dear Members and Friends of DanCham,

We're on the verge of 2021 – and what a fateful and memorable two years that we have all travelled through.

It's hard to say how 2022 will treat us – but we know a few things – there are societies that have it worse than we have experienced; there are societies that have seen the worst of the turmoil behind them and are now speedily recovering; and there are societies that are now experiencing their fourth wave, despite vaccinations, and it's not looking good.

We expect that this mix of experiences will continue through most part of 2022.

There has been a lot happening (and not happening), as a result of the pandemic. These 'happenings' have impacted virtually every part of society, economy, commerce, and life.

One can write a book talking about all of these changes, but there are some things we know from our journey toward our future.

The world, societies, economies, and people's expectations have changed. What was an optimal corporate strategy ten years ago, is probably not totally applicable for the future. Many of the assumptions and expectations that applied in the past are no longer valid and need review – some will survive, and some will require change.

Despite all these challenges, we have successfully held our first physical business event mid November and more are in the pipeline pending PPKM restrictions, and we are pleased to announce that we have gained a

number of new members to our exclusive member base so stay tuned.

On this note, on behalf of Dancham we wish you all safe travels during the holiday season as well as a Merry Christmas and a Happy New Year 2022.

All the best and stay safe,

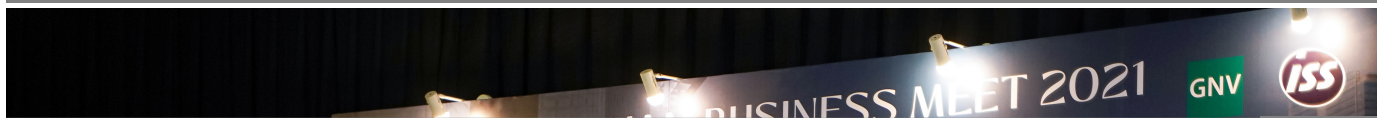
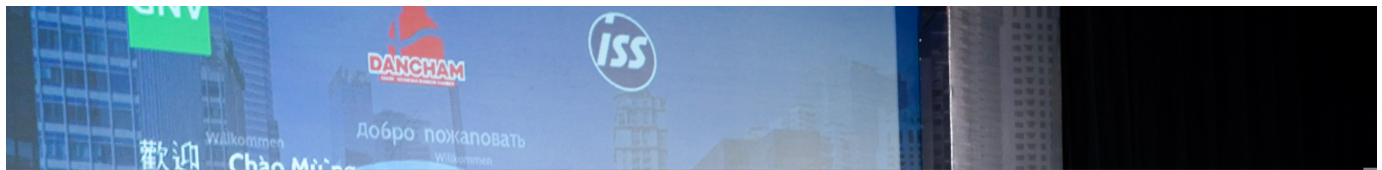
Peter Lund
Chairman of DanCham

Event Report: Dancham Business Meet 2021

Dancham Business Meet 2021 in Collaboration with ISS Indonesia and GNV Consulting

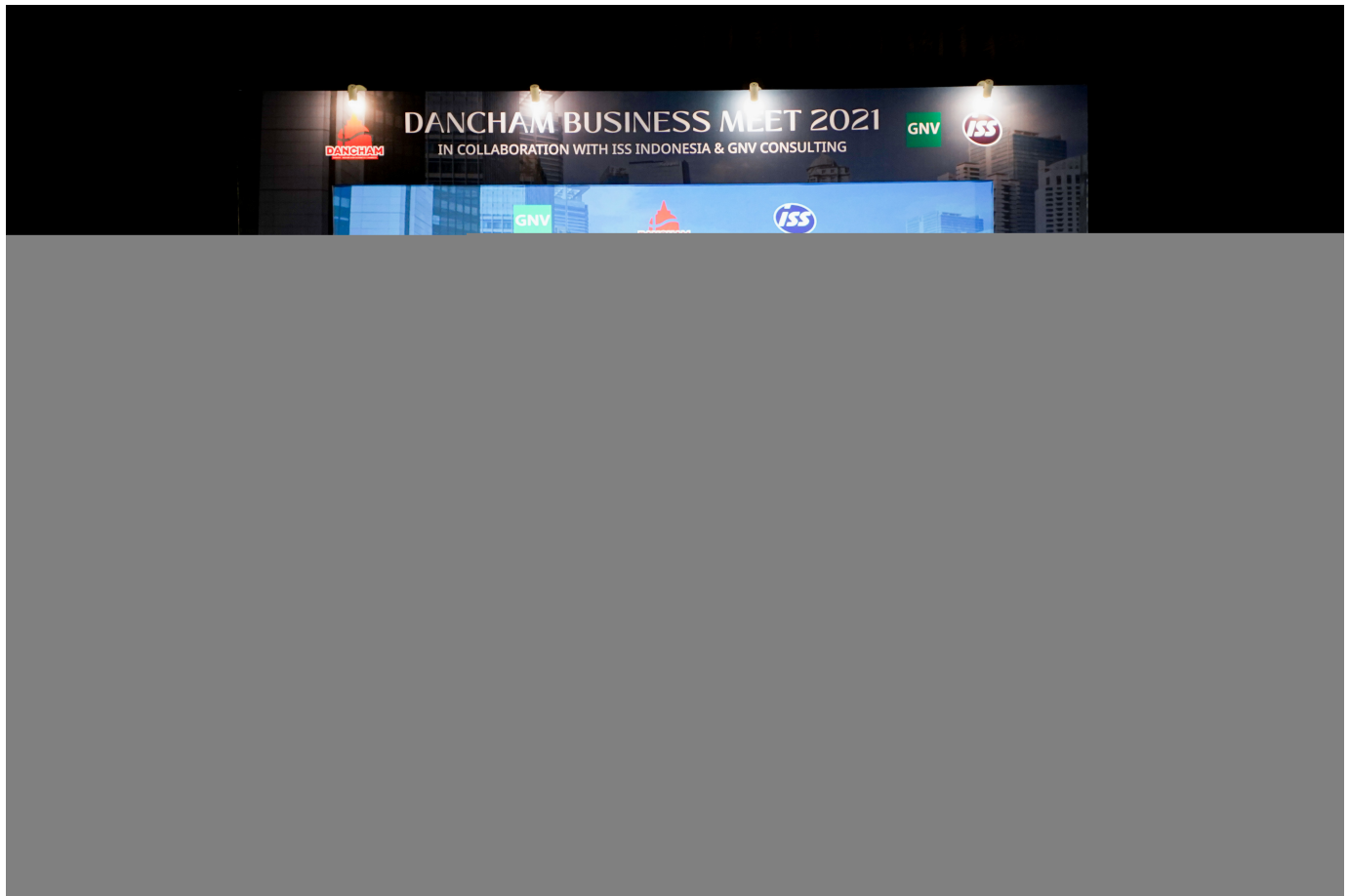
On 17th November 2021, Dancham in collaboration with ISS and GNV organized the first physical event in this year, Dancham Business Meet 2021. The event took place at Graha ISS, Bintaro Support Center.

Chairman of Dancham, Mr. Peter Lund and President Director and CEO of ISS Indonesia, Mr. Elisa Lumbantoruan opened the event and welcomed participants of Dancham Business Meet 2021. Conducted in two sessions, the event was hosted by CFO of ISS Indonesia, Mr. Morten Lentz as Master of Ceremony: the first one is "Future Workplace, Returning to The Office" delivered by Mr. Ari Kurnianto (Operational Performance Director of ISS Indonesia) and Mr. Muhammad Sofyan (Commercial Director of ISS Indonesia) and the second session is "Major Changes in Tax Law - Law on Harmonization of Tax Regulations (UU HPP)" delivered by Mr. Hartiadi B. Santoso (Partner of GNV Consulting).



The first session by ISS discussed how workforce, workflow, and workplace will reshape during and after the pandemic and how ISS and its value proposition can answer this concern. ISS offers Curated Workplace

Experience to prepare for returning to office and make it an awaited time by employees. By tailoring the Curated Workplace Experience, ISS enables people at companies to be their best at work. With a range of services provided by ISS workplace management from cleaning, support, technical, catering, and security services, ISS offers an integration between services and output based model to help companies create the workplace of the future.





The second session by GNV presented the incoming Law on Harmonization of Tax Regulations (UU HPP) that was passed on 7th October 2021. Mr. Hartiadi B. Santoso explained that the aim of this new law is to increase the tax ratio in Indonesia. Some elements included in the new law are: increased income tax rate, tax benefit in kind, increased VAT rate, Voluntary Disclosure Programme, Tax Collection Collaboration, E-commerce Taxation, and Carbon Tax. The first and second tax reform (except the VAT rate) do not conflict and are still compatible with each other.

Participants were very enthusiastic during the two interesting and informative sessions. After each session, there was also an interactive question and answer session between participants and speakers. Participants also had the opportunity to meet and network with each other in between the session and during the delicious and nutritious lunch provided by ISS Food Services.

NEWS FROM EMBASSY

Minister Jeppe Kofod and Delegations of Danish Companies Visited Indonesia

On November 21 to 23, Jeppe Kofod, the Danish Foreign Minister, visited Indonesia with several Danish companies to expand Danish business networks and potentials in Indonesia. During his stay in Indonesia, Minister Kofod visited Surabaya where he officialized the opening of the new Danish consulate in Surabaya as well as visited the Indonesian Shipyard PT.PAL. Minister Kofod opened the new Danish Honorary Consulate in Surabaya together with Khofifah Parawansa, the Governor of East Java. The new consulate is located at the premises of the Danish Honorary Consul Lesmana Hartanto's company PT. Tanto Intim Line. Apart from Surabaya, Denmark also has consulates in Denpasar and Medan.

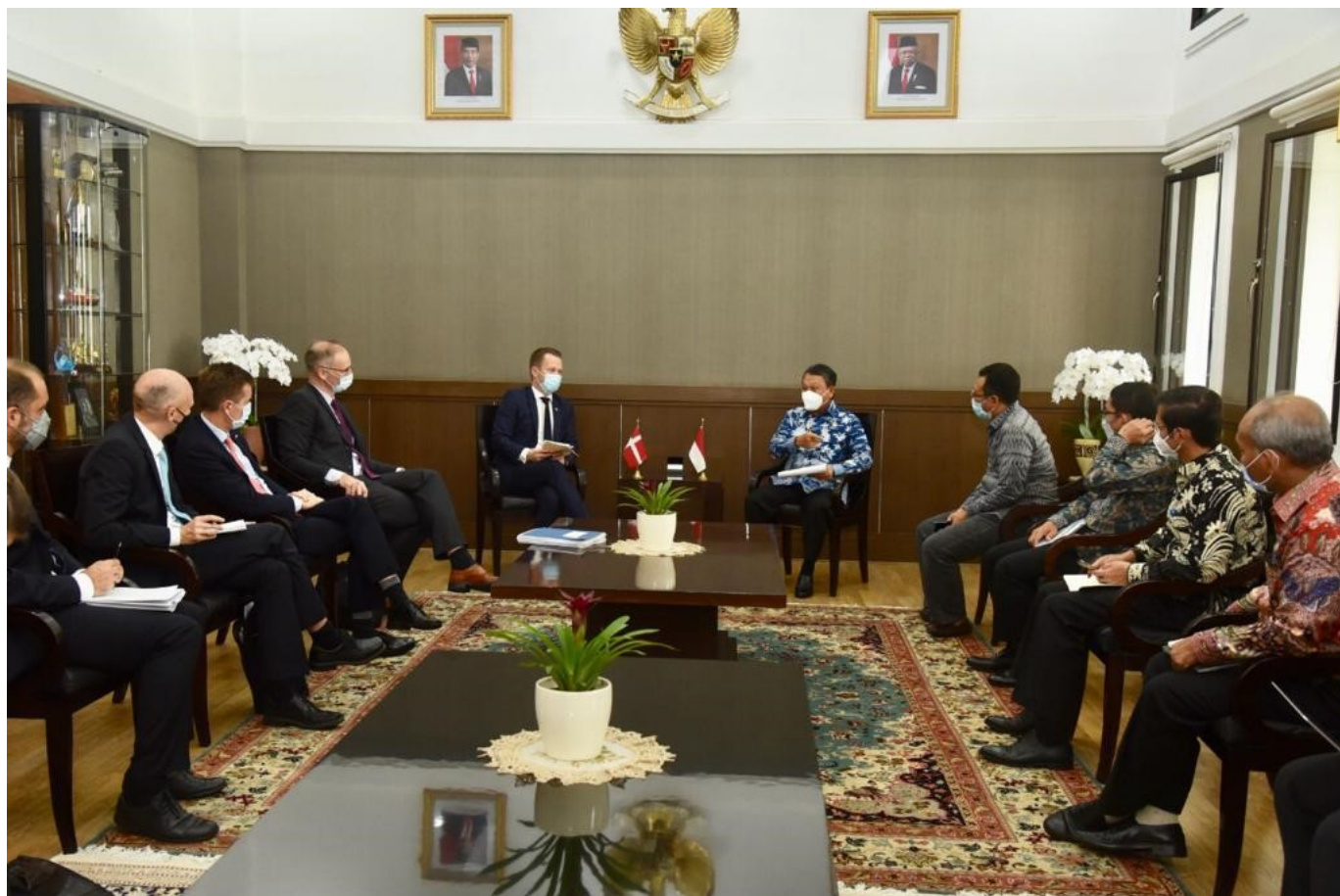


At PT.PAL, the minister observed the KCR60 fast attack vessels that are being fitted with Danish technology. The vessels are currently at sea on trial. Many Danish companies are now in close contact with Indonesian companies to develop high technology products. Unlike many other foreign companies, the Danish companies are not looking to build ships in Europe and sail them to Indonesia. They are committed to support the development of the Indonesian Defense Industry through the transfer of technology.

In Jakarta, Minister Kofod met with Retno Marsudi, the Indonesian Foreign Minister, to sign the new bilateral Plan of Action 2021 - 2024. The Plan of Action will ensure stronger cooperation between Denmark and Indonesia on 86 areas such as security, green transition, circular economy and human rights.



Moreover, Minister Kofod met with Arifin Tasrif, the Indonesian Minister of Energy, to reaffirm both countries' green energy partnerships to accelerate the renewable energy development both in the national and local level. During the bilateral meeting, the two ministers discussed different topics including Denmark's commitment to support the fossil fuel phase-down and acceleration of Indonesia's green energy transition post-COP26 with a focus on renewable energy and energy efficiency. Denmark will continue to support Indonesia's green transition through the Sustainable Island Initiative (SII) programme where the Danish Government will assist NTB province to develop an energy master plan and linking to investment or financing to realize the projects.



Simultaneously, the Danish companies attended the Green Shipping Conference hosted by the Danish Embassy in Jakarta and the Danish Maritime Authority. During the conference, participants had the chance to interact and learn more about the products and services offered by Danish companies in the maritime sector. Officials from the Indonesian Ministry for Maritime and Investment Affairs, the Indonesian Ministry of Transportation as well as Danish and Indonesian private sector stakeholders discussed the green maritime transition in Indonesia. Undoubtedly, The Green Shipping Conference will further strengthen maritime cooperation between Denmark and Indonesia as well as further propel the development and growth of Danish maritime companies in Indonesia.



Finally, the minister visited TWA Mangrove and planted mangroves to symbolize the 70 years of friendship between Denmark and Indonesia. The minister also enjoyed a boat ride around the mangrove park to view the development of mangroves in Indonesia and support Indonesia in realizing its green transition. Denmark plans to support mangrove restoration and rehabilitation in Indonesia and expect to approve grants of 35mio. DKK to improve biodiversity, climate mitigation and adaptation, and coastal livelihoods through World Bank Indonesia.



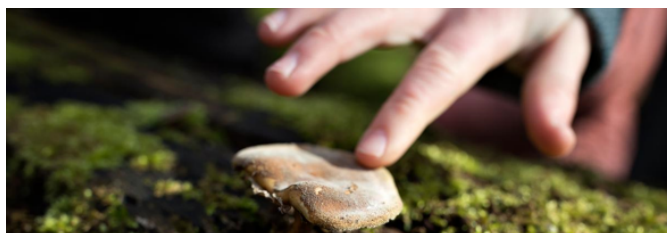
Ultimately, the visit reinforces Denmark's great interest in Indonesia, as well as its commitment to strengthen bilateral relations based on the newly signed Plan of Action between the two countries and the MoU on Infrastructure financing. The visit also confirms Denmark's commitment to support Indonesia's green transition and development in the business sector.

Introducing NOVOZYMES - Dancham's New Member

Unlocking Growth – Powered by Biotech

By Yonny Ang, Setiady, Country Manager Indonesia

As the world leader in biological solutions, Novozymes together with customers, partners and the global community help improve industrial performance while preserving the planet's resources and help build better lives. As the world's largest provider of enzyme and microbial technologies, our biosolutions are applied in over 30 different industries, enabling higher agricultural yields, low-temperature washing, energy-efficient production, renewable fuel, and many other benefits that we rely on today and in the future. For more than 70 years, our work with these biological problem solvers has made a big difference to our shared world.



We believe that sustainability means adding economic, environmental, and social value. This is the triple bottom-line approach Novozymes has always taken, and it is reflected in our purpose and strategy. To ensure that we add value across our stakeholder ecosystem, we integrate sustainability into the core of our business, making it a key component of business strategies and management processes.

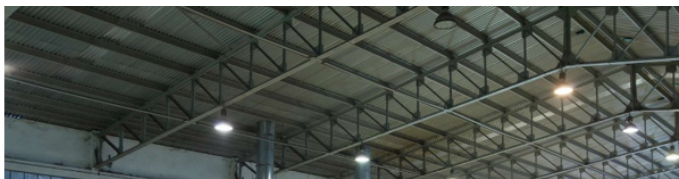
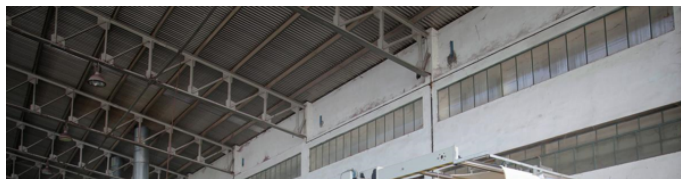
Our purpose looks ahead to what we can achieve together with customers, consumers, governments, academia, and others around us in terms of finding the sustainable answers that our world needs. We are proud that the biggest answers can be found in the tiniest solutions - microbes. In 2019 alone, we helped our customers saved an estimated 87 million tons of CO₂ emissions, equivalent to taking approximately 36 million cars off the road!

As a global biotech powerhouse with more than 6,000 employees, our company is headquartered in Bagsværd outside of Copenhagen, Denmark. Globally, Novozymes' presence consists of 20 R&D sites which include 10 laboratories and 16 production sites.



Novozymes has been selling in Indonesia for the last 40 years. To support and drive our growth, our Indonesia Trading Representative Office was then established in 2018.

Our focus in Indonesia includes household care, starch and the palm oil industry; with more biosolutions for pulp and paper, bio agriculture, textiles and the food and beverages industry.



To learn more about building your business with biology, visit www.novozymes.com

Where to find us:

Novozymes Malaysia Sdn Bhd – Indonesia Trading Rep. Office
26th Floor, APL Tower
Jl. Let. Jend. S. Parman, Kav 28. Jakarta 11470, Indonesia

News from Eurocham

EuroCham: Serving as the Policy Advocacy Platform for European Businesses in Indonesia for two decades



eurocham

The European Business Chamber of Commerce (EuroCham) is the key policy advocacy platform for European businesses in Indonesia. As the single unified voice for European businesses in Indonesia, EuroCham's members share a common objective to enhance competitiveness and ease of doing business in Indonesia. EuroCham carries this out through the Working Groups that cover multiple sectors and are positioned as a dialogue partner for the government of Indonesia.

Committed to free trade, improved market access and sustainable business practices, EuroCham directly represents the interests of over 200 predominantly European companies actively operating in Indonesia and indirectly over 1,800 companies through the 8 bilateral European business chambers of commerce in Indonesia (representing the British,

German, Italian, Dutch, French, and the Scandinavian chambers of commerce (Dancham, INBC and the Swedish Chambers))

The pivotal role that EuroCham plays, especially during these unprecedented times, was in critically supporting our members deal with challenges in operating and adapting to doing business in Indonesia through its role as an advocacy platform and as a key dialogue partner with the government. The pandemic's challenges provided EuroCham with the opportunities to identify areas that are best maintained as well as those that need to be reinforced or improved in order to remain relevant and competitive in Indonesia.

Some of the successful milestones achieved by EuroCham include its advocacy effort towards the Article 20 Patent Law, whereby the inputs submitted were recognized and accommodated by the Government in terms of the exemption from taxation on freight forwarding, and forging working relationships with relevant stakeholders such as with the Ministry of Trade, the Ministry of Finance, the Ministry of Industry and many more.

EuroCham welcomes the interest and active participation of companies in that seek for policy advocacy support to raise the awareness of issues and concerns that potentially lead to an enhanced and conducive business environment. For 2022, EuroCham is committed to work as a reliable partner to promote increased investments to Indonesia, especially in light of Indonesia's chairmanship of the G-20, and thereby accelerate the economic recovery process.

Events

We are planning to organize a special social event, which has been a tradition in our community from year to year, Dancham's Julefrokost (Christmas Lunch) to be organized late January 2022.

A selection of Danish traditional seasonal dishes will be specially cooked for this event, whilst members and friends of Dancham can gather around and network with each other to celebrate Christmas and New Year.

The event will take place at a well-known venue in South Jakarta, owned by one of Dancham's members.

You will receive our invitation with all relevant details for the event soon.

Inputs from Dancham Corporate Members and Friends

Indonesia's Healthcare Industry: a Promising Market of Growth

by Ristya Sangaji
Bright Indonesia

Indonesia's Healthcare Industry: a Lot of Room to Grow

As a developing country with a growing middle class and a stable economic growth, optimism flourish around Indonesia. Continuous developments are being implemented across Indonesia to improve the nation's quality of life. A desire to fulfill basic human rights for everyone in the country accelerates the establishment of infrastructure and of course — the improvement of the healthcare system.

The Indonesian government is still working on providing healthcare to its people that are spread around 17,000 islands. Although only 35% of its island is inhabited, healthcare facilities in Indonesia are unevenly distributed. 44% of primary healthcare facilities are located in Java, the most packed island. There are still many underdeveloped rural areas that rely heavily on *puskesmas* (small clinics) for their healthcare services.

A Shortage of Health Facilities

The coronavirus pandemic has put Indonesia's healthcare system and facilities to the test. The growing number of positive cases each day that overwhelmed hospitals shows how Indonesian healthcare facilities are still in need of improvement. As of 2019, Indonesia has 1,787 privately managed hospitals and 1,026 publicly managed hospitals. These 2,813 hospitals only offer 310,710 hospital beds, which means only 1.17 beds per thousand population (World Health Organisation, 2019).



To accelerate the improvement of the country's healthcare infrastructure, the government has made amendments to its Negative Investment List in 2017. The government gives foreign investors a larger stake in certain subsectors of the Indonesian healthcare industry, such as in hospitals, specialized clinics, and medical equipment.

Raw Materials Imports for Medicine

Indonesia's pharmaceutical market is currently worth US\$9 billion and is expected to reach US\$10.11 billion by 2021. Over-the-counter (OTC) pharmaceuticals amounted to US\$3,483 million in 2018. Although a large number of essential drugs are produced locally, 95% of the basic/active ingredients are still imported.

Medical Equipment Import Dependency

Due to a lack of domestic manufacturers for medical equipment, over 90% of Indonesia's medical devices and raw materials are being imported from abroad. Indonesia's medical devices industry is worth an estimated US\$4.5 billion in 2019, with the majority (US\$2.8 billion) coming from imported products (ASEAN Briefing, 2020).

Diversity in Indonesia's Healthcare Market

Indonesia's healthcare market is made up of many segments and regions that greatly differ from each other. A one-size-fits-all approach will not work to enter Indonesia's healthcare market, due to the diversified market. Current Indonesia's healthcare system is a mixture of public and private providers and public and private financing.

A Healthcare System for All vs. Private Insurance Scheme

In January 2014, the Indonesian government launched a national health insurance scheme, Jaminan Kesehatan Nasional or JKN. This universal healthcare system is run by the Social Security Administrator for Health (BPJS) agency. However, JKN did not reach the expected 100% universal coverage by January 2019, only 83% is covered. Also, since its launch, JKN has incurred increasing deficits each year (Health Policy Plus, 2019).

Currently, BPJS members could only have access to public clinics, hospitals, and only a limited number of private hospitals. On the other hand, the private insurance scheme's objective is different from JKN. Primarily, private schemes aim to provide better, more comfortable medical facilities while making a profit.

According to data from Ronald Berger, Indonesia's private health insurance market is twice as big as the public insurance market. However, that does not necessarily mean the public health facilities are of less quality. This just highlighted the fact that the subscribers to public and private schemes have a contrasting income level.

Outbound Medical Tourism

Over the years, Indonesia has suffered from outbound medical tourism. In the search for better medical treatment, many Indonesian travel abroad. It is recorded that 600.000 Indonesian went overseas and spent around US\$4 billion annually (Wyman, 2018). Middle and upper-class citizens with high buying power choose to seek medical treatment overseas, mainly to Singapore and Malaysia, for a better-quality treatment.

Medical tourism in Indonesia is driven mostly by the desire for better medical services. Indonesian with high buying power seek medical service quality that the Indonesian healthcare service has yet to serve. With the growing number of the wealthy middle class, it seems that the number of medical tourists will continue to grow unless Indonesia could provide a better-quality healthcare service.

The Rise of Digital Health

In the current situation of the coronavirus pandemic, the government urges its people to visit their physician virtually. The Ministry of Health decided to temporarily waive rules on telemedicine so that patients can have a consultation with their physician over the internet. The number of health application users increases significantly during the coronavirus pandemic.

Alodokter applications have been downloaded by 5.5 million users (The Jakarta Post, 2020). The teleconsultation platform saw 1.5 times growth in website traffic after the pandemic. Another startup, Halodoc, saw exponential growth opportunity as they sealed an investment deal of US\$65 million in 2019 (Galen Growth, 2020).

Digital health can contribute as an innovative solution to Indonesia's complex and evolving healthcare system. Indonesia is the largest and fastest-growing internet economy in Southeast Asia. With 64.8% internet penetration, there are 170 million internet users in Indonesia. The digital revenues are growing rapidly, US\$85 million in 2017 (MTPC Connect, 2020).

A much-needed upgrade to the healthcare infrastructure opens windows for foreign high-quality healthcare device manufacturers to export their products to Indonesia. A note, though, Indonesia has regulations (Ministry of Health Regulation No62 of 2017, BPOM Regulation No1010/MENKES/PER/XI/2008) and barriers for foreign companies to enter Indonesia.

After all, Indonesia offers many opportunities for overseas investors and manufacturers that are willing to expand their business to the country. Expanding your healthcare business to Indonesia could be greatly beneficial if it's done right. Be prepared, our next article will get you through successful entry strategies to the Indonesian healthcare industry.

Christmas & New Year Greetings from Dancham



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