

🌐 Interview with Mr. Rio D. Praaning Prawira Adiningrat, Managing Partner of PA Europe



Mme Bernadette Reyntjens and Mr. Rio D. Praaning Prawira Adiningrat

Diplomatic World: Dear Mr. Praaning, you have a very interesting life, so when did you establish PA Europe in Brussels and could you tell our readers about your career and experience in Diplomacy?

Mr. R.D. Praaning: First of all, it is really a pleasure to see you again, because the first time that we met was about the Sultanate of Oman and it led to your visit to Oman. One of the missions that we have is to assist Oman in its relations with many parts of the world and one of them is of course very prominently the European Union. I started working with Oman even before I established my own company. The relationship with the Sultanate is therefore rather a personal one and I am extremely privileged to have had 40 great years of exposure to one of the oldest and most inspiring Arab cultures in the world.

Oman is a country with a global history. Since more than 2,000 years the Omani and Chinese dynasties maintain mutually beneficial diplomatic and trade relations. Today they jointly invest in Bagamoyo Port in Tanzania – once a part of the Omani empire – and just now China took a 10 billion USD stake in the industrial/port development of Duqm. This must be one of the longest peaceful and mutual respect-based trade trajectories in the world.

Another long and peaceful relationship is between Oman and Indonesia. At the start of Christianity one of the three wise men honoring the new-born Christ was an Omani, bringing the myrrh from Salalah that featured so high in global trade for so many centuries. Oman's liberal trade also contributed to the Islam in Indonesia. Both developments are described by one of the best geostrategic authors, Robert D. Kaplan. In his book 'Monsoon' he describes how Oman used the winds that in one season blew from Oman to most Asian nations. In the next season the wind blew exactly the other way, so Omani sailors always sailed with the wind. The result was an expanding Omani empire ranging from Zanzibar at the East-African coast to parts of Pakistan, India and even China.

China's new Belt and Road strategy demonstrates how ancient partnerships including with Oman can be revived. Proud and sovereign nations can today engage in trade and investment as in the past. Success is based on respect for local rules and regulations, for a true 'win-win' for both ends. This mutual respect is part and parcel of engaging with other cultures, traditions, and histories. I was present at the creation of modern Omani-Dutch relationships in the 1970s, helped celebrate EU-Omani relations at royalty level in 2000 and assisted with the opening of formal Omani-Indonesian diplomatic relations in 2013. Oman and Indonesia can uniquely complement each other. This is leading to substantial joint agro and infrastructure projects.

Certain parts of the world will experience growing shortages, dramatic demographic decline and a growing dependence on others. Remarkably, China may well be among those, even if the magnitude of its nation will maintain China's standing among the world's largest economies. But as our Chinese friends stipulate, 700 million farmers mainly in western China continue to live on around 700-900 USD per family per year. While China has lifted millions of its citizens out of poverty, a next development phase may not be easily realized.

The history of Indonesia is as rich as it is unique. Over 300 years of merely profit-oriented Dutch colonialism seriously delayed socio-economic development. But only seven decades after decolonization – the result of US insistence – Indonesia is positioned to become the fourth largest economy of the world by 2050. I always ask my friends and colleagues to compare. How is Indonesia compared to other investment destinations? Contrary to Japan and China, Indonesia has a median age of 29. Education has just started to contribute to an ever stronger middle



class that even today contributes to 4.9 percent economic growth. Contrary to India and China, Indonesia has no water shortage and fertile lands in abundance. Agriculture is not mechanized. Once that happens, socio-economic development will have wings. Indonesia currently does have a malnutrition problem, but this is not caused by a lack of food. Lack of cold stores, packaging, transportation are now addressed by highly effective Ministers in the Jokowi Government through a 56 billion USD port/infrastructure investment plan and a total investment project of over 400 billion USD.

Last but not the least: Japan, China and many other Asian economies suffer serious energy shortages. While Indonesia regularly faces earthquakes and volcanic outbursts, the Asian Development Bank figured out that the country can produce as much geothermal energy as the world currently uses.

You ask me when to invest in Indonesia? If you are an investor, you may wish to go in at the start rather than at the end of an investment cycle. A share in the Indonesian economy is already growing but still cheaper than elsewhere. Considering its natural and human potential, PricewaterhouseCoopers has forecasted that Indonesia will grow to be the world's fourth largest economy by purchasing power by 2050. This means it leaves all other Asian nations except for India and China behind it. That is the background for the current Indonesia-EU CEPA trade negotiations. Apart from the expected growth in EU-Indonesian trade, it is easy to recognize Jakarta as the standard bearer of democracy in Asia. This was emphasized by Coordinating Minister of Maritime Affairs and Resources Dr Rizal Ramli during the Industrial Dialogue Group's high-level roundtable on investment. Its Co-Chairman Prof. Mark Eyskens and PA Europe were privileged to host Dr Ramli and other Ministers in the Belgian Senate. Former European Council President Prof. Herman Van Rompuy credited Indonesia for its recent progress and potential to be a prime partner for Europe. The feeling was mutual. Minister Ramli stated that Jakarta prioritizes trade negotiations with the EU: *"We want to have the ethics and morality of Europe in our investment approach."* Indeed this statement is of primordial importance. Outside the EU there is an eight trillion USD investment market that can either turn these world regions into oligarchical models or create vast areas for rules-and-regulations-based socio-economic progress.

Some years ago overenthusiastic Asian leaders called for the 'Age of Asia'. The BRIC would show the way. While many in the EU may still feel that way now, Asian experts have passed to a next stage: Europe may be old and slow, but at an infinitely higher level with substantially higher purchasing power than in most other world regions. So Europe, preferably together with the US as its Atlantic partner, has an essential role to play. It has all the means and people to do this with much more legitimation and credibility in terms of inclusive In-Country Value and Corporate Social Responsibility approaches. What will be required is a strengthened presence of the European Investment Bank in growth markets. In the past centuries Europe's wealth often came from overseas investments. Today, and without the unilateralism of colonial policies, Europe can once again engage in highly profitable Asian, African and Latin American projects. But it cannot come to the table without competitive offers of lending and guarantees.



H.E. Dr Rizal Ramli, Coordinating Minister for Maritime Affairs and Resources of Indonesia, and Rio Praaning Prawira Adiningrat during the Belgian economic mission reception in Jakarta, 2016

DW: What are the goals of PA Europe? What services do you provide to your clients?

Our service to clients is quite simple. Clients come with their problem, we research it in a holistically integrated fashion and on the basis of a multi-stakeholder approach. We usually assist the client with a broadening and deepening of its understanding of the environment in which the problem plays. This rarely involves a single issue. Stakeholder management leads to commonly understood solutions and even to a market 'pull' which is usually better than a sales-service-based marketing 'push'. And the less 'losers' are in the game, the larger and longer the potential profitability. It does cost some more time and effort to include all relevant stakeholders in a solution. But this definitely always delivers an optimized return on investment.

A key tool the PA group often uses is the so-called Elite Poll. A relevant number of top experts, politicians or managers in a certain sector is requested to answer key important questions on policy-related matters. Under their own name and function they respond and thus contribute to awareness and targeting at the highest levels of decision making. An example is the rapidly increasing global threat of Antimicrobial Resistance (AMR). Since the 1960s experts know that the unabated use of antibiotics in human health and in animal husbandry will eventually make all antibiotics ineffective. But a powerful pharma/farming/politics complex continued to push antibiotics for animal growth promotion (70 percent of all antibiotics in the US are used in agriculture) and for human use even if totally useless (antibiotics will not work against viral infections) to such an extent that our question to the top 150 global antibiotics experts in 2014 led to a horrible verdict: 90 percent said that all antibiotics will be rendered ineffective in the next two to ten years. It was as if bombs exploded in several high offices of State and International Organizations. The UK Review on AMR led by Lord Jim O'Neill published reports forecasting 300 million deaths by 2050 if no corrective action was taken today. Bacteria, the oldest life form on earth, have been 'terrorized' by humans to such an extent that they have developed the NDM-9 and MCR-1 genes which will, once combined, start killing people without any way of stopping them. According to the world's leading science magazine 'The Lancet' in February 2016 we are zeroing in on that horrible moment. Obviously this totally dwarfs all panic over Ebola and Zika.



It is of key importance that governments, industries, scientists and NGOs are much better integrated in terms of open, transparent and effective consultations. When the time of talking is over, the world must know what has to be done in a fully concerted and coordinated way. Let this problem change the usual definition of the word. The required new definition of a 'problem' is: a problem is a shortcut to a solution.

DW: What advice would you give our readers and your future clients who would like to successfully develop their business with Indonesian companies? And how can PA Europe help them do it?

At this moment Indonesia has become quite aware of its own value. That is very important because it leads to forms of self-respect that will truly improve society as a whole. Open defecation is not a sign of self-respect. Nor is corruption. Nor is a preference to work without rules and regulations. This is what vibrates in Indonesia. The Indonesians and Europeans need each other to grow vertically in terms of the quality of the relationship, and horizontally in terms of inclusiveness. While the highest possible goals can be obtained, the management of expectation is a matter of consistent improvement. If it were true that Europeans have one yardstick to measure all, any landscape becomes unnecessarily barren.

It may be true that it is easier to come to deals with highly centralized and thus less democratic environments; but is this then the sort of environment we would wish for our successor generations to work in? Wisdom and strategy outclass technicality in any strategic and long-term consideration. It is important that industries, NGOs and governments consult intensely with each other so that the benefit for the nations of Europe and of Indonesia can be obtained in the best possible manner and in the shortest period of time. Industries and NGOs that help in this way will no doubt benefit first. Scientific, political and social top advisors of PT. PA CSR in Jakarta and PA Europe NV in Brussels are ready to assist.

DW: What is your message to Diplomatic World's readers? What would you like to add about PA Europe?

Last week we met senior representatives of a large multinational. We discussed technology development, digitalization, infrastructure investment in Europe and in the world; and we talked about unemployment, discontent and failed politics in many places. Prof. Eyskens referred to governments that manage their constituencies vertically without horizontal (international) considerations while industrial leadership manages constituencies horizontally and across borders and cultures. Unless the two merge political failure is abound. In a general sense in the past 25 years PA has endeavored to develop ways and means to merge these actors and strengthen the combination with all other relevant stakeholders in a holistically integrated way. This is how we assisted with the lifting of the Russian submarine 'Kursk'. This is how we strategized the establishment of the UN-initiated Organization for the Prohibition of Chemical Weapons in The Hague. Integrating the European Commission, the Indonesian Ministry of Marine Affairs and Fisheries, European fish buyers associations and experts within a crash three months' program prevented a ban on Indonesian fish export. The first ever use of a white biotech product (produced through genetic modification but not containing any GMO) could only be positively strategized by combining the interests of vegetarians with those of other consumers and those of the industry.

What is our problem in the world today? We live in a 'selfie' society. In the past, we took pictures of our environment, of beautiful people, forests, mountains. Social media today are flooded with selfies and after a while we forgot where the picture was taken or what happened in our environment. ISIS or Daesh is an extreme form of a 'selfie society'. It uses the Western media and equipment that it despises to erase anything that is not like them. Unfortunately our societies, both Western and Southern or Eastern, respond in a similar 'selfie' way. This limits our understanding of the environment in which these problems occur. It narrows our options to purely defensive measures that neither address nor solve the problem. We have to get out of this 'selfie-box'. Every measure of defense must be equaled by measures to free other people out of their isolation. Obviously this starts in schools, and stretches from schools to homes. There are poor indigenous people and there are poor immigrants. The assistance to one group should never be perceived as disadvantaging others. Funds for anti-terrorist activities must be equaled by funds for joint action improving societies for both indigenous and immigrant communities – through well-structured intercommunal cooperation. Industries, economists, social scientists, NGOs and governments could try to find out how this could work and how this could produce jobs, produce sustainable results and in the end reduce budgets for security – and establish a new fundament for mutual trust. Such trust will take the oxygen out of the fire that certain 'selfie-politicians' try to start.



Rio Praaning Prawira Adiningrat (left) and Minister of State Mark Eyskens (right) with then European Council President Herman Van Rompuy at a 2010 PA Europe reception



Franklinstraat 106-108 - 1000 Brussels, Belgium
T +32 2 735 83 96 - F +32 2 735 84 66

info@pa-europe.com
www.pa-europe.com

