

North Sulawesi is a treasure trove for investors

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Rich in natural resources and endowed with scenic beauty plus good infrastructure like airports, seaports and roads, North Sulawesi is an attractive place for investors — domestic and foreign alike. The province, nestled in the northernmost tip of Sulawesi, indeed has far more to offer.

The province's potential and opportunities in investment, according to the North Sulawesi Investment Coordinating Board, is wide and vast, consisting of agriculture, mining, tourism, industry, agriculture and fishery.

Its main agricultural commodities are cloves, nutmeg, vanilla beans and coffee beans, while its prominent commodities in fishery are tuna, skipjack, grouper and seaweed. In response to high market demand, the provincial administration has added corn and virgin coconut oil, which are abundant in North Sulawesi, to a list of commodities that the province plans to promote aggressively to boost its regionally earned income.

"Investment potential in North Sulawesi is big, but in the end it all depends on how we look at and exploit the opportunities," said Danny Kojongian, corporate director of giant retail business group Matahari, whose company has opened branches in North Sulawesi's capital of Manado.

Denny Bernardus, general manager of Citraland, which is building an exclusive housing complex consisting of 2,000 houses called The Village of Living, is of the same view as the Matahari executive on investment prospects in Manado in particular and in North Sulawesi in general.

"In terms of the property business, the prospects of Manado are very bright," said Denny, referring to a large foreign community and many wealthy Indonesian of Chinese ancestry wanting comfortable housing. Some of them want to move from crowded residential areas in downtown Manado to a housing complex, which offers not only modern amenities but also a serene life and beautiful views.

North Sulawesi, with its 2.1 million population, is also one of two main gates to the eastern part of Indonesia, the other being Makassar in South Sulawesi. As a main entry point to the fast growing eastern region, North Sulawesi has a good network of infrastructure like roads, airports and seaports. Sam Ratulangi International Airport can accommodate wide-bodied planes like MD 11s, Boeing 737s and Airbus 300s and serves inbound and outbound flights almost around-the-clock including international airlines from Singapore and the Philippines.

Bitung seaport, one of the largest in Sulawesi which is an added lure for investment and tourists, can accommodate big passenger and cargo ships plying not only North Sulawesi but also other areas in eastern Indonesia.

North Sulawesi is also known for its tourism, especially marine tourism, which is said to be one of the best in Indonesia. Many tourists, namely enthusiastic divers from Japan and Western countries, said Danny, would not leave Indonesia without first visiting Bunaken even though they may have been to Bali or other main tourist destinations in the country.

Robust economic growth, which was recorded at 6.7 percent compared to the national growth of 4.8 percent in 2004, and 5.1 percent in 2005, is another added attraction of North Sulawesi for investors, including those who operate in retail, real estate and hotel businesses.

Matahari, for example, has two department stores, each measuring between 6,000 and 8,000 square meters,

in Manado and will open a Hypermart in May or June this year -- all with a combined investment of around Rp 55 billion (approximately US\$ 6 million). Matahari expects a return in its investment in department stores in Manado by three to four years, which is relatively good for its retail business.

Danny said the potential of the retail business in North Sulawesi is great, thanks to the high purchasing power and high lifestyle of North Sulawesi people, who have modern tastes. It is no wonder that big department stores like Matahari in Manado are always full of shoppers on weekends.

Big business potential in agriculture, fishery, tourism, industry and mining in the province, known as Nyiur Melambai province (province of swaying coconut trees), is also attractive to realtors and hotel operators, including national developers like the Ciputra Group or the Santika hotel chain.

The Citraland residential complex, being built along with Citra Kasih national plus school, is located in a prime and vast developing area not far the heart of Manado, for upmarket home buyers. The prices of Citraland houses range from Rp 280 million (US\$30,000) to Rp 1.6 billion, an amount relatively high for the province.

The Santika Group, a subsidiary of the highly diversified Kompas-Gramedia group, operates a five-star hotel in a prime area 15 kilometers from the center of Manado. There are dozens of four-, three- and two-star hotels besides unrated hotels in the capital city of North Sulawesi. Smaller hotels can also be found in mayoralities and regencies in North Sulawesi.

North Sulawesi is also a base for the giant Newmont Minahasa Raya, which has a gold mine in the Buyat Bay area, and PT Avoset and PT **Meares Soputan** Mining, which plan to start operations mid-2006.

Although he has a positive view on investment prospects in North Sulawesi, Denny from Citraland has some constructive suggestions for the provincial and Manado city administrations -- to speed up repair of damaged roads in downtown Manado, and to immediately finish the development of the 8.4-kilometer Manado Bypass, which will connect Sam Ratulangi Airport with areas in the direction of Tomohon. The bypass, construction of which began four years ago and was scheduled for completion last year, will drastically reduce travel time of motorists as they would no longer have to pass along the crowded roads of Manado city.

Bright investment prospects in North Sulawesi are also helped by a conducive political climate and security condition as well as the friendly and open attitude of the people of the province toward outsiders, including investors.