EDITORIAL

New (and old) economic team

resident Prabowo Subianto inaugurated Monday members of his Red-and-White Cabinet, who will implement his vision and policies to realize his ambitious 8-percent economic growth target to turn Indonesia into a highincome country by its centenary celebration in 2045.

Familiar faces from former president Joko "Jokowi" Widodo's cabinet along with new appointees were chosen for the new cabinet after Prabowo summoned them for one-on-one interviews at his Kertanegara residence in South Jakarta last week.

They include prominent figures Finance Minister Sri Mulyani Indrawati and her deputies, Suahasil Nazara and Thomas "Tommy" Djiwandono, as well as Coordinating Economic Minister Airlangga Hartarto.

Investors have perceived Prabowo's economic team roster with positivity, as nothing screams continuity more than that. IDX, the country's benchmark stock market index, rose by almost 3 percent to 7,746 on Oct. 18 compared to Oct. 14.

Meanwhile, the rupiah exchange has strengthened to Rp 15,466 against the US dollar from Rp 15,581 per dollar last week, according to Bank Indonesia data.

While some may think Prabowo is returning the favor to Jokowi with these reappointed figures, we cannot deny the fact that the business community loves predictability and Prabowo has served that well.

 $Business\ groups\ forged\ strong\ working\ relationships\ with$ many of Jokowi's cabinet members over the past decade.

Those who have served during the previous administration gained experience, and with familiar faces still in place, Prabowo can hit the ground running.

However, choosing the same cabinet members may not guarantee economic policies will remain consistent in the new administration, as Jokowi and Prabowo have distinct

Both the old faces and the new ones must follow the President's directive or perhaps demonstrate a certain amount of "obedience", especially if they want to retain their positions. In fact, in the past some ministers were dismissed from their posts for expressing disagreement with the president's directives.

Furthermore, continuity will only be advantageous if the new administration builds upon positive legacies, while businesses must remain alert to the potential for negative legacies to persist including policy inconsistencies and sectoral egos that impede seamless coordination between different ministries.

Prabowo will need to ensure that the old faces have learned from past mistakes, such as the mandatory local content policy, import restrictions and red tape, among

While businesses have been able to remain calm thus far, Prabowo should make sure the rest of the economic team can live up to expectations and keep the momentum going.

There are a total of 48 ministers in President Prabowo's cabinet, along with 56 deputy ministers and several nonministerial government agencies, the largest cabinet since the New Order and Reform Era. Many, if not most of the cabinet members come from political parties that support Prabowo's government, which economists have warned poses a risk as they have vested interests.

This will present another challenge for businesses to adapt, as the large number may result in a longer and more complex bureaucratic procedure, requiring industry players to engage with a greater number of institutions and individuals.

We hope the President's economic team can quickly failliarize itself with its roles and that its policies will re flect the goal of the new government to provide a favorable investment environment. Too much trial and error will only cost the economy.

It is too early to assess whether the economy will go sideways with the cabinet lineup Prabowo has formed. The ministers, the economic team included, deserve the benefit of the doubt.

The public should give them a chance to prove they can perform in the next few months. If they fail, we hope President Prabowo knows what to do.

Leading Indonesia's charge toward 8 percent growth in a bold new era

e are living in an extraordinary time for business, especially in Indonesia, where newly inaugurated President Prabowo Subianto has set an audacious target of 8 percent annual gross domestic product (GDP) growth. This goal presents both dazzling opportunities and complex challenges.

The days when success hinged on labor and capital during the Industrial Revolution are behind us. The Knowledge Age, where information and intellectual prowess ruled, is also fading. We are now entering what Julian Birkinshaw of London Business School calls the "Post-Knowledge Era", an age driven by decisive action, emotional conviction and the courage to lead through uncertainty.

This shift has huge implications for business leadership. It is no longer about simply having the right information or being the smartest person in the room. To navigate this landscape, leaders must be agile decision makers, prepared to act, even when outcomes are uncertain. For Indonesia, where the stakes are high, it's a fascinating and daunting challenge for businesses aiming to thrive.

Let's rewind. Back in the Industrial Age, growth came from mastering production, labor and capital were key. Businesses grew by scaling up, producing more and refining supply chains. Success meant hard, physical work. Then came the Knowledge Age, ushered in by computing and the internet. Suddenly, information became the most valuable resource.

In Indonesia, with its young, tech-savvy population and booming digital economy, intellectual capital took center stage. The winners weren't manufacturers anymore but innovators, those who could turn data into insights and decisions. Indonesia's digital economy was valued at US\$77 billion in 2022, with sectors like e-commerce, financial technology and logistics leading the way.

The Post-Knowledge Era, as Birkinshaw suggests, goes beyond just knowing things. It's about doing things, making fast decisions, even when you don't have all the answers. This means Indonesian businesses must cut through the noise of data overload and act decisively, all while inspiring their teams with emotional conviction.

As Indonesia pushes for an 8 ercent GDP growth, leadership must adapt. It's about being decisive, embracing calculated risks and having the moral courage to act even when facing "wicked problems", those tricky, complex challenges with no clear solutions. Leaders who can balance decisive action with emotional conviction will be the ones who drive Indonesia forward.

In a world swimming in infor-



Street party: A group of people carrying a poster wait for the arrival of newly inaugurated President Prabowo Subianto and Vice President Gibran Rakabuming Raka on Oct. 20, 2024, in front of the Merdeka

By Rudolf Tjandra



Kalbe consumer health director with experience in various C-suites and top leadership roles in Indonesia's leading companies. The views expressed are personal.

mation, the real challenge is no longer gathering data, it's making decisions quickly and confidently. Successful leaders know when to stop analyzing and start acting. The Indonesian government's ambition to attract foreign investment and strengthen local industries demands nimble businesses that can respond rapidly to shifting global trends.

Indonesia's natural resource sector is a strong example of decisive action outside the tech world. The government has aggressively pushed the development of the nickel industry, given the global surge in demand for electric vehicle (EV) batteries.

In 2020, Indonesia accounted for 30 percent of the world's nickel production and has continued to attract major international companies such as China's Tsingshan Holding Group and South Korea's Hyundai to invest in nickel processing plants. Tsingshan, for instance, has invested heavily in Indonesia's Morowali Industrial Park, which has become a hub for nickel smelting. Hyundai has also partnered with LG Energy Solution to build a major EV battery plant in Karawang, West Java, aiming to establish Indonesia as a critical player in the global EV supply chain.

Similarly, Indonesia's palm oil industry, contributing about \$23 billion in exports annually, highlights the ability to adapt and remain competitive amid global pressure. Indonesian palm oil producers have been facing increasing scrutiny over deforestation concerns and sustainability practices. In response, companies have invested heavily in sustainable farming practices and supply chain transparency, allowing Indonesia to remain the world's largest producer despite these challenges.

In Indonesia, where over half the population is under 30, the future of leadership lies in understanding the emotional pulse of the workforce. Millennials and Gen Z demand more than just a job, they want to be part of something bigger. Leaders who can tap into this, who can connect their business decisions to a sense of purpose, will be the ones who galvanize this generation to drive the country forward.

Indonesia's tourism sector, hit hard by the pandemic, has made a strong recovery driven by leaders who blended strategic decisiveness with a deep sense of purpose. The government's "Wonderful Indonesia" campaign, bolstered by investments in local culture and sustainability, helped tourism contribute \$12.5 billion in 2023.

Leaders in this sector capital ized on Indonesia's rich cultural heritage and natural beauty to create emotionally resonant experiences, aligning their business strategy with the concept of gotong royong (mutual cooperation) by involving local communities in ecotourism projects.

So, what does it take for businesses in Indonesia to thrive in this new era and contribute to

that ambitious 8 percent GDP growth target?

First, be decisive. Develop the confidence to make quick decisions based on the best available information. Don't get stuck in analysis paralysis, success today belongs to those who act, even in the face of ambiguity.

Second, embrace risk. With swift decision-making comes risk. It's impossible to predict every outcome, and unintended consequences are part of the journey. However, businesses that dare to act, like the nickel industry or Wilmar International in the palm oil sector, are the ones that will succeed in this fast-moving landscape

Third, lead with emotional conviction. As Birkinshaw highlights, leadership today isn't just about intellect; it's about connecting with people on a human level. Leaders who inspire trust, create a shared sense of purpose and align with cultural values will get the best out of their teams, particularly in Indonesia's young, vibrant workforce.

Fourth, leverage Indonesia's cultural strengths. Don't underestimate the power of local values like mutual cooperation and family spirit. These principles of cooperation and family spirit can guide businesses in creating inclusive, emotionally resonant environments that not only drive profits but contribute to the broader societal good

Businesses must adapt to the demands of the Post-Knowledge Era. Success will come to those who can balance decisive action with emotional conviction, leaders who act swiftly, inspire loyalty and connect their decisions to a greater purpose.

In this new era, the future of Indonesian business lies in a combination of head and heart.

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Outer space should be a pillar of new government

s the world moves toward an era of technological **L** advancement, the importance of outer space as a strategic domain has become increasingly clear. For Indonesia, the potential benefits of prioritizing space as national interest under the leadership of President Prabowo Subianto is undeniable. The country stands at a critical juncture where space can no longer be viewed as merely a distant frontier but as an essential component of both economic growth and national security.

One of the most compelling reasons for Indonesia to focus on space is its potential to drive the economy forward. Remote sensing technology, a key area of space development, offers significant commercial benefits.

Currently, Indonesia spends approximately Rp 475 billion (US\$31 million) annually on satellite imagery from foreign sources. This expenditure represents a considerable financial burden, but it also highlights a significant opportunity. By investing in domestic satellite capabilities, Indonesia could transform this cost into an investment thus potentially turning the data into a commercial asset.

Developing at least six remote sensing satellites could not only meet the country's own data needs but also allow Indonesia to enter the global market. Such satellites can support multiple sectors, particularly agriculture and forestry, which are the backbone of Indonesia's economy.

Through advanced satellite imagery, farmers can gain in-



views expressed are personal.

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sights into crop health, soil conditions and deforestation trends. vancements in the 2030s. This technology would encourage efforts to achieve food security and support environmental, sustainability and governance

(ESG) development. There is one topic which needs commitment and has been pending due to the administration change. Indonesia has long considered the establishment of a spaceport, a stepping stone to become a spacefaring nation.

Situated near the equator, Indonesia enjoys a unique geographical advantage. The location allows for lower fuel consumption during rocket launches. A factor that could make Indonesia an attractive destination for global space launch companies.

Despite the ongoing discussions, the location of this spaceport remains undecided, either Biak in Papua or Morotai in North Maluku. A decision that should have been made between 2017 and 2020 according to the Indonesian space policy.

The Prabowo administration could act swiftly to finalize the location and begin spaceport construction. Indonesia could position itself as a regional hub for space activities, spurring job creation and technological ad-

Additionally, space plays a crucial role in national security. In today's world, defense systems are increasingly integrated across land, sea, air and (near)-space.

Satellite technology is indispensable for modern military operations, providing real-time intelligence, navigation and secure communication. The Middle East conflict now underway is a testament to the importance of outer

As Indonesia currently relies on foreign satellites for much of its defense-related data, concerns about data security and sovereignty have arisen. To protect its national security interests, Indonesia needs its own constellation of defense satellites. These satellites would ensure that sensitive military communications remain secure, avoiding potential data leaks or manipulation by external parties.

Defense satellites would also enhance Indonesia's ability to monitor its vast maritime territory, a critical factor given the fact that the country lies within key global shipping routes and rising tensions in the South China Sea.

Prabowo should focus on two orbits in outer space, namely low-earth orbit (LEO) and geostationary orbit (GSO). Current trends have shown the importance of LEO for communications and earth observation.

Elon Musk's Starlink has raised national security concerns while at the same time proving to boost internet connectivity. Indeed, all eyes are now on LEO as many space companies race to explore it, namely from small satellites to

the latest spacewalk tourism. GSO is also important but for Indonesia has now been largely forgotten. The country is not at the stage of creating its own constellation of navigation satellites, such as GPS, Glonass, Galileo or Beidou. Prabowo needs to secure a few slots in GSO where such satellites are consistently above Indonesia at approximately 35,786 kilometers above earth.

Another trending topic is the plan to establish a cyber force within the Indonesian Military (TNI). Such a force should deal with outer space, thus a discussion on establishing a space force automatically follows.

As space becomes increasingly militarized, with countries such as the United States, China, Russia, Australia and India developing their own space forces, Indonesia risks falling behind in the global defense arena.

A dedicated space force would not only enhance Indonesia's defense capabilities, but also enable the country to better monitor other threats such as the increasing amount of space debris. The ability to protect future Indonesian satellites, both commercial and defense-related, is essential to maintain the country's strategic interests in space. It would also bring more confidence to investors launching satellites from an Indonesian spaceport.

Whether the space force would operate as part of the Air Force or as an independent entity similar to the US Space Force remains an open question. What is clear, however, is the urgency to consider such a move.

Prabowo's administration could think of establishing a space force to ensure that Indonesia remains secure and competitive in an increasingly space-reliant world. No ASEAN member state seems to take the issue seriously.

The establishment of a space force would not infringe Article IV of the Outer Space Treaty. It would not lead to the weaponizing of space as the "space Magna Carta" forbids. With international legal frameworks on space security still in their infancy, Indonesia could take a proactive role in redefining global norms and treaties related to the peaceful use of outer space.

Hopefully, Prabowo's first 100 days in office will see outer space being taken seriously. Building a spaceport and refocusing on GSO is a game changer. LEO utilization needs to be balanced. Indonesia could transform into a regional leader in space governance.

Such a vision requires immediate action. In the short term, Prabowo cannot afford to delay decisions on its spaceport location. Global competitors are advancing.

Tardiness could result to more reliance on foreign space technologies in the future.