

Welcome Address

First of all, I would like to extend my warmest welcome to Indonesia and Bali to the distinguished foreign participants at this Fifth Asian Battery Conference.

I am honoured by the invitation of Mr J. McAuliffe, Director of the Zinc and Lead Asian Service (ZALAS), to open this important meeting. I would also like to express my thanks and congratulations to the organizing committee, and to ZALAS in particular, for having taken the initiative in selecting Bali as the venue for this Conference.

I am informed that the Conference is being attended by 345 delegates from 32 countries, and that there is a wide range of interesting topics for discussion during the next three days. In my opening remarks, I would like, with your permission, to elaborate on two issues, namely, trade and the environment.

Multi-lateral trade

Particularly for our foreign guests, I wish to inform you that Indonesia will soon embark on a new phase in its national development process. This will be the Second 25-Year Long-Term Development Programme and will be a continuation of the development strategies that have been set down during the past 25 years.

Although the overall national condition of Indonesia has reached quite a high level of resilience, the country must continue to consolidate its position. In terms of economics, for example, Indonesia has been successful in maintaining a relatively high rate of growth during the past few years, despite the rather adverse global economic conditions. Nevertheless, this does not mean that external issues and the world economic situation have had no impact on Indonesia. Proper attention must be paid to these uncertain international developments; it is not sufficient to stand idly still. Endeavours in many sectors must be intensified continuously with a view to strengthening the national resilience.

At present, Indonesia, as well as other countries in the Asia Pacific region, is in a more favourable position compared with other parts of the world. The Asian countries have become a mini-locomotive for the global economy. There are stronger rates of growth and greater opportunities to create jobs. These shifts in global economic power are expected to become even more pronounced towards the end of the 20th century.

The experience of the growing Asian economies clearly demonstrates that full participation in the global trading system is a necessary condition for further rapid growth. Open world trade is vital to Indonesia and to other developing Asian countries and, frankly, is critical to the economic welfare of all nations. The lessons of the past – for both developing and industrialized countries alike – are clear: no nation can prosper amid economic isolation or hostile trading blocs. It is therefore discouraging that progress on removing global trade barriers has slowed markedly in recent years.

Despite the prescriptions of GATT, restrictions on many products of vital importance to developing countries remain in place. Indeed, their impact has risen in recent years. Many developing nations have lowered tariffs, reduced non-tariff barriers and reformed their trade regimes, only to see industrialized countries trying increasingly to protect their industries against so-called 'unfair' trade. Thus, it is important for Indonesia,

and all countries of Asia, that the political strength be found to conclude successfully the current GATT negotiations.

In arguing the case for multi-lateral trade, an important reality of present-day economic life cannot be ignored, namely, economic regionalism is clearly on the increase and there is little prospect that this trend will reverse in the near-term. Regional trading regimes have developed to a greater scale than many realize. Perhaps, attempts should be made to reach a common understanding and to devise unified strategies on these issues.

Environmental issues

In the globally interdependent world of today, issues of environmental protection affect all nations. Unless these issues are resolved, they could become a serious cause of global conflict. The dangers that I see are twofold.

First, there may be increased attempts to export environmentally polluting technologies to the developing world in the belief that regulations there are less strict and the costs of pollution are less severe. This would do nothing to resolve the problem, but would merely push it from one part of the world to another. And as to economics, I for one would argue that, in terms of productivity lost, the cost in developing countries is as high as anywhere else.

Second, there is the danger that measures supposedly intended to protect the environment may, in reality, be trade barriers in disguise and, thus, will merely serve to hinder trade and development.

In Indonesia, not only are there recognized environmental issues, but also there is increasing action on the paramount need to achieve 'sustainable development' in all of the nation's economic activities. At the same time, much remains to be done, both in Indonesia and elsewhere. In this respect, one thing is clear. Progress will not be achieved through confrontation; there is nothing to be gained by allowing the question of environmental pollution and control to become an issue of conflict between the developing and industrialized worlds.

The battery industry in Indonesia

Perhaps, it is prudent for me in ending my opening remarks to give an Indonesian perspective of the growth rate of, and challenges to, the lead/acid battery business.

Based on a recent study published by the CIC Consulting Group, production by Indonesian battery manufacturers has increase at an annual rate of approximately 16% between 1988 and 1992. This has culminated in a total production of some 6.8 million units of automotive batteries in 1992. Of this volume, more than 1.8 million units were exported to over 50 countries.

The prognosis for the Indonesia battery industry is extremely bright as long as the lead/acid battery continues to be the major power source for cars. In order to sustain this kind of growth rate, I am convinced that battery producers in the Asian region will come under increasing pressure to restructure their manufacturing operations. This restructuring will be to improve further the quality level and, more so, the need to comply with the regulations of environmental protection and conservation of resources. These immense tasks cannot be readily achieved without close cooperation between regional manufacturers.

I am sure that these issues will be discussed during your deliberations and that you will arrive at a good solution and understanding. In my opinion, the objectives of this Conference are:

(i) to promote and foster better understanding between Asian battery manufacturers on common issues;

(ii) to provide an adequate forum of communication, especially in the areas of exchange of technical knowledge, and the introduction of new technology and information on new machines and equipment, and

(iii) to encourage and consolidate cooperation between battery companies in the region.

With these efforts, we hope to strengthen our bargaining position and competitiveness. Imbued with a friendly spirit, solidarity and mutual understanding, I fervently hope that the Fifth Asian Battery Conference will run smoothly and bring about results that meet our expectations.

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