



GOVERNOR OF KEPULAUAN RIAU

OPENING REMARK GOVERNOR OF KEPULAUAN RIAU ON ASIA COMPETITIVENESS INSTITUTE'S WEBINAR “BATAM AND BEYOND: POST-PANDEMIC ECONOMIC STRATEGIES FOR RIAU ISLANDS”

Assalamu'alaikum Wr. Wb.

Greetings To All Of Us

The Honorable *Director of Asia Competitiveness Institute, Prof. Paul Cheung;*

The Honorable *Dean of Politeknik Negeri Batam, Uuf Brajawidagda, S.T, M.T, Ph.D*

The Honorable *The Head of Planning, Research and Development Agency of Kepulauan Riau Province, Andri Rizal, S.E, M.M*

The Honorable *Representative of DPP Asosiasi Pengusaha Indonesia*

The Honorable *Representative of KEK Batam Nongsa Digital Park
and All Participants*

Tanjak dipakai paduka sultan

Sulaman emas jadi hiasan

Selamat mengikuti webinar saya ucapkan

Sehat wal afiat saya harapkan

On this occasion, let us express our praise and gratitude to Allah SWT the Almighty God, because thanks to His Grace and Hidayah all of us who attended this webinar were still given health and the opportunity to participate in the Asia Competitiveness Institute Webinar "Batam And Beyond : Post-Pandemic Economic Strategies for Riau Islands".

The Honorable Participants,

Kepulauan Riau Province is the 32nd province in Indonesia, administratively has 2 (two) cities, namely Tanjungpinang City as the provincial capital and Batam City, as well as 5 (five) regencies, namely: Karimun Regency, Bintan Regency, Lingga Regency, Natuna Regency and Kepulauan Anambas Regency.

Kepulauan Riau Province is a unique province which is dominated by 96 percent of the ocean area (417,012.97 km²) and is bordered by other countries such as Singapore, Vietnam, Cambodia, and Malaysia. This causes the Kepulauan Riau Province to be a strategic province both economically, politically and defense.

The Honorable Participants,

The economy of the Kepulauan Riau Province continues to show a positive trend. This condition shows the seriousness of the Kepulauan Riau Provincial Government in overcoming various regional problems due to the Covid-19 pandemic. I still remember that in 2020, the economic growth rate of Kepulauan Riau was contracted up to minus 3.80 percent. The efforts and hard work carried out by the Kepulauan Riau Provincial Government have a significant impact on the economic development of the people in the Kepulauan Riau Province. Economic growth in 2021 reached 3.43 percent, which is dominated by the manufacturing, construction, quarrying and mining sectors. This achievement is in accordance with the Regional Medium Term Development Plan (RPJMD) target for the Kepulauan Riau Province in 2021-2026, where economic growth is targeted at 1.5 - 3.5 percent in 2021. Furthermore, the poverty rate in September

2021 reached 5.75 percent. This achievement is better than the poverty target set in the RPJMD of the Kepulauan Riau Province in 2021-2026, which is 6.07 percent in 2021.

Due to the Covid-19 pandemic, many sectors have been hit and are not operating. This condition resulted in the Kepulauan Riau Province's Unemployment Rate in February 2021 reaching 10.12 percent. In addition, this condition has an effect on the cessation of various economic sectors, ranging from hotels, manufacturing businesses, services and even micro, small and medium enterprises (UMKM). The economy of the people of the Kepulauan Riau Province is faced with a dilemma that requires special strategic policies in overcoming the impact of the Covid-19 pandemic on the Kepulauan Riau economy.

Various strategic policies began to be drawn up by the Kepulauan Riau Provincial Government. One of the most popular is the economic recovery program with a package of activities and action plans that touch the people most affected by the Covid-19 pandemic. The Kepulauan Riau Provincial Government is refocusing the 2021 Regional Revenue and Expenditure Budget (APBD) by reallocating the budget to economic recovery programs and efforts to overcome the Covid-19 pandemic. Budget items whose designations are not included in the priority scale are diverted to providing economic recovery stimulus, social safety nets, community empowerment, Covid-19 Task Force operations, incentives for health workers. Furthermore, the budget was also diverted to various programs that encourage the rise of small, micro and medium enterprises (UMKM) such as providing interest-free capital loans, providing compensation for underprivileged families affected by Covid-19, as well as providing various relaxations of investment permits to attract as many investors as possible to the Kepulauan Riau Province.

Simultaneously, the Kepulauan Riau Provincial Government also encourages the growth of Special Economic Zones (SEZs) in Batam, Bintan and Karimun with various convenience facilities in licensing. Another strategic policy in reviving the Kepulauan Riau economy is continuous and massive efforts in implementing strict health protocols and accelerating vaccinations. These various policies are carried out with careful, prudent and sustainable planning so that the Kepulauan Riau is able to be revived and escape from the threatening economic recession.

The Honorable Participants,

Batam is one of the Cities in the Kepulauan Riau Province which is the largest contributor to the Kepulauan Riau Province's economy. Batam is the 3rd major entry point for foreign tourists to Indonesia, after Jakarta and Bali. Every year approximately 1.9 million foreign tourists come to Batam. The Covid-19 pandemic and the implementation of social restriction policies have had a direct impact on foreign tourist visits to Batam. This has implications for the number of foreign tourist arrivals which fell drastically to 84 percent, from 306,777 visits during the 2020 period compared to the same period in 2019 which was 1,947,943 visits. Furthermore, the impact of the Covid-19 pandemic also had an impact on the increase in the Unemployment Rate (TPT) in Batam by 3.48 percent from 11.79 percent in 2020 compared to the 2019 TPT of 8.31 percent. The Covid-19 pandemic also caused Batam's economic growth in 2020 to contract by 2.55 percent.

In the context of recovering Batam after the Covid-19 pandemic, the Kepulauan Riau Provincial Government has several policies that will and have been carried out. Some of the things that have been done by the Kepulauan Riau Province include:

1. Vaccination for children, adults and the elderly in Batam with vaccination achievements as of February 16, 2022 for the first dose of 102.30 percent and the second dose of 87.22 percent.

2. Strengthening cooperation between Indonesia and Singapore through the implementation of a travel bubble policy for Singaporean citizens and Indonesian citizens who lived in Singapore to be able to visit Nongsa - Batam.
3. Establishment of the Batam Aero Technic Special Economic Zone (SEZ), Batam Nongsa Digital Park SEZ, Batam Sekupang International Health SEZ.

Moreover, in developing the strategic area of the Kepulauan Riau Province as stated in the National Medium-Term Development Plan (RPJMN), Batam is designated as a Free Trade Free Port Area (KPBPB), New Priority Tourism Destination Development (DPP), and Aerospace Industry Development.

KPBPB in Batam is directed at developing national strategic areas to become centers of economic growth with a national competitiveness orientation. Then, the focus of the development of KPBPB in Batam is set at developing export-oriented leading manufacturing industries, the tourism industry as well as preparing facilities and infrastructure for free ports and free trade.

The development of urban areas in Batam is designated as a trade and service center, a center for international logistics relations, tourism, aerospace industry, digital and creative industries, international trade and finance center with the following description:

1. Development of Local and International Transportation Routes;
2. Construction of Roads, Bridges and Drainage;
3. Development of Main Infrastructure and Supporting Industrial Activities;
4. Development of Special Economic Zone (SEZ);
5. Development of Shipbuilding, Port Services, Warehousing, Offshore, and Electronic Industries;
6. Development of Logistics Ports;
7. Development of Galang Rempang Industrial and Tourism Area;
8. Made Batam as the Main Meeting Incentive, Convention & Exhibition (MICE) Tourism Destination in Indonesia;

9. Facilitation and Acceleration of Batam-Bintan Bridge Construction; and
10. Development of Micro, Small and Medium Enterprises (MSMEs) and Creative Economy.

The Honorable Participants,

Those are some things that I can convey at the Asia Competitiveness Institute Webinar "Batam And Beyond: Post-Pandemic Economic Strategies For Riau Islands". On this happy occasion, I as the Governor of the Kepulauan Riau and all the citizens Kepulauan Riau Provincial Government, would like to express my deepest gratitude to the Asia Competitiveness Institute - Lee Kuan Yew School of Public Policy National University of Singapore as the organizer and all participants who have participated .

Finally, I present a *pantun* as follows:

Gurindam dua belas sebuah gubahan

Berisi ajaran akhlak dan shalat

Sambutan telah pun saya sampaikan

Semoga webinar ini menuai manfaat

All in all, to Allah SWT, the Almighty God, we also put our trust and surrender, hopefully what we have done and will do can provide benefits for the common good. thank you for your kind attention.

Wassalamu'alaikum Warahmatullahi Wabarakatuh.

Tanjungpinang, February 22nd, 2022

GOVERNOR OF KEPULAUAN RIAU,

H. ANSAR AHMAD, S.E., M.M