

**Secretary of Commerce Gary Locke**  
**Remarks at Center for Strategic and International Studies**  
**Forum**  
**Washington, D.C.**

Good morning.

Thank you, John, for your kind introduction. And thank you to the Center for Strategic and International Studies for your hospitality.

It is great to be here to talk about emerging trade opportunities with Indonesia, especially because trade with Asia has been a focus of mine long before I arrived at the Commerce Department.

Before moving to *this* Washington, I was governor for eight years of Washington state, the most trade-dependent state in America. And when I left office, I was a partner at a law firm and focused on international business, primarily with Asian countries.

When President Obama asked me to be his Secretary of Commerce, I was honored and eager to continue my trade promotion efforts on behalf of the United States.

One thing I can tell you about this president is that he has a deep appreciation for the power of trade to revitalize America's economy and improve the quality of life and strengthen our diplomatic alliances around the world.

It's why he recently announced a National Export Initiative, which calls for doubling our exports in five years.

And it's a big part of the reason why early next week he is going to Indonesia and then to Australia.

These are two vibrant democracies and key allies in a very important part of the world.

As the president said in Tokyo last year, there has been a sense that, for some years, the United States has been absent from the Asia-Pacific region.

That has not been and will not be the case with this administration. It was no coincidence that Secretary of State Clinton made her first official trip abroad to Indonesia. We understand that Asia must be a force for global stability and prosperity in the 21st century.

In Cairo last summer, the president called for a new beginning with Muslims around the world. And Indonesia, the world's most populous Muslim-majority country, is a key part of this strategy. It is a country that holds personal significance for this president and important strategic and economic interests for the United States.

Indonesia also is a key partner in our counterterrorism efforts. And it is a trading partner that holds significant potential.

- Indonesia's GDP grew 4.5 percent last year, while much of the world was contracting;
- Through 2008, American foreign direct investment in Indonesia totaled \$17.9 billion;
- Since 2005, two-way merchandise trade with Indonesia has grown more than 43 percent, and last year was worth more than \$18 billion;
- And despite being off 10 percent from the 2008 levels, last year, Americans exported more than \$5 billion in goods to Indonesia.growing trade

Which is why, when the president is there next week, he'll formally establish the U.S.-Indonesia Comprehensive Partnership—a blueprint for cooperating on a host of issues, from trade and investment to education and the environment.

Growing trade with Indonesia is a piece of the president's broader plan to create jobs here at home by growing market access overseas.

This is the strategy he outlined in his National Export Initiative.

And it's a plan to address a characteristic of the 21st century economy: Job creation in America is increasingly dependent on our foreign trade.

There have, of course, been previous endeavors by the U.S. government to elevate the importance of exports.

But what sets the president's export initiative apart is that this is the first time the United States will have a government-wide export-promotion strategy with focused attention from the president and his Cabinet.

It has never been more important for American companies to increase their sales to the 95 percent of the world's consumers who live outside the United States.

And here's how we plan on doing this.

Number one is through a more robust effort by this administration to expand its trade advocacy in all its forms. That means:

- Educating U.S. companies about opportunities overseas;
- Directly connecting them with new customers; and
- Advocating more forcefully for their interests in government contracting processes.

As part of the National Export Initiative, the 2011 budget includes a request to funnel \$132 million to the Department of Commerce's International Trade Administration, and the U.S. Department of Agriculture to educate U.S. farmers and businesses about opportunities overseas and directly connect them with new customers.

As the president recently said, it's time for the United States "to go to bat for our businesses and our workers," especially when other countries are so vigorously advocating for their companies' interests abroad.

The second key element of the NEI is improving access to credit, especially for small- and medium-sized businesses that want to export.

In particular, the president has called upon the Export-Import Bank—which enables critical financing when private banks are unwilling or unable—to increase its financing available for small- and medium-size businesses by \$2 billion over the next year.

The Small Business Administration will also play a strong role in increasing financing available to small- and medium-size businesses.

Finally, the third key element of the NEI is making sure American companies have free and fair access to foreign markets.

The American people need to feel confident that when we sign an agreement that gives foreign countries the privilege of free and fair access to our domestic market, we are treated the same in their countries.

These steps will make it far easier for American companies to ramp up their investment in Indonesia.

But these initiatives on their own won't be enough to realize the full potential of our partnership.

Although trade with Indonesia has grown in recent years, Indonesia is still only our 28th-largest trading partner.

In fact, Indonesia does less trade with the United States than some of its smaller, less populous ASEAN neighbors, like Singapore, Malaysia and Thailand.

In order to increase trade, it's incumbent upon Indonesia to make market-oriented reforms that will make it a more attractive market. Not just for U.S. companies but companies all around the world.

These same reforms will help improve the quality of life for Indonesians, who will have access to goods and services that they don't have access to today.

Economic nationalism, regulatory uncertainty and unresolved investment disputes give pause to American companies seeking to do business in Indonesia.

And if Indonesia is looking for a partner to address these issues, the United States is eager to lend its assistance.

Because ensuring that increased trade actually happens requires a long-term partnership.

And that's something this administration is intent on seeing through. We are going to play a more active role in leading trade missions abroad and serving as an on-the-ground advocate for our companies.

It's a role that I am eager to play when, in May, I will follow up on the president's trip by leading a trade mission of American renewable energy companies to Indonesia.

This trip can be a model example of the mutual benefits of international trade.

On the one hand, Indonesia has a growing need for cleaner and affordable sources of energy.

Indonesia has more than 230 million people, and by 2050, its population is expected to reach about 280 million. What's more, Indonesia is the world's third-largest emitter of carbon.

As its population swells, Indonesia's energy needs are going to skyrocket.

And American companies can help Indonesia meet this energy challenge.

The Indonesian government has already developed an aggressive blueprint for action on renewable energy. In four years' time, the government expects a 56 percent increase in overall energy investment. And in fifteen years, 15 percent of Indonesia's energy is mandated by law to come from renewable energy.

The implication of this is clear. Indonesia is going to be a vast, steady market for green technologies.

Ensuring that American companies play a lead role in this energy transformation is a priority for the Obama administration.

There are regional neighbors like China and India that are racing with us to meet Indonesia's and the world's demand for renewable energy, a demand expected to increase by 50 percent by 2030.

It will be hard enough to meet that using just any form of energy we can find.

But we're not looking for any old type of energy. This new energy has to be clean to avoid catastrophic climate change. And it has to be cheap to keep our economies growing.

Having traveled across America over the last year, and visited companies at the vanguard of this clean energy challenge, I have no doubt we have the technology and the expertise.

Now, the U.S. government just needs to help connect those companies with customers around the world

When I go to Indonesia, I am taking with me between 10 and 15 firms that represent a cross-section of U.S. clean energy industries.

Indonesia is home to 40 percent of the world's known geothermal resources. But there is great potential for biomass and photovoltaic renewable energies as well.

In fact, to reach its 15 percent renewable energy threshold in 2025, Indonesia has called for five percent of that energy to come from geothermal sources, five percent from biomass and five percent from other sources.

Indonesia is taking bold steps, ones that can—and really must—be met with equally bold initiatives from U.S. companies.

America already has a strong foundation of cooperation to build on, as evidenced by our close trading relationship with ASEAN countries.

Increasingly, this region is becoming one of the most vital U.S. trading partners.

- Last year, trade between the United States and ASEAN countries reached \$145 billion.
- If the ASEAN region were a single country, it would be our sixth-largest trading partner.
- And the Office of the United States Trade Representative is, as we speak, negotiating to open markets with ASEAN nations through the Trans-Pacific Partnership (TPP)—an agreement that could set a new standard for trade agreements with strong labor, environmental and market-access standards.

Growing this relationship has been a particular focus of the Obama administration.

- In November, I joined President Obama and several Cabinet members in Singapore to take part in the first-ever US-ASEAN Summit.
- Since coming to Washington almost exactly a year ago, I have met with ambassadors from every ASEAN nation as well as ministers from Indonesia, Vietnam, Thailand and Singapore.
- And later this spring, Ambassador Kirk will accompany several ASEAN economic ministers on a U.S. tour to promote increased economic engagement.

These are significant steps that the Obama administration is pursuing.

If they lack the widespread attention that has characterized United States ventures into different parts of the world—it's because building strong, lasting ties takes time.

In Cairo, last June, the president talked about re-engaging the Muslim and developing world. He called for trust to be built upon shared values and commonalities.

The real work of relationship building happens in face-to-face interactions. And it often happens between businessmen and businesswomen who can only do business if they trust one another. And so, by necessity, they learn about each other's cultures.

There are certain forces in the world that would seek to drive a wedge between the United States and Indonesia, but the bonds of commerce can be stronger.

For everyone here who seeks to increase U.S.-Indonesia ties, I can assure you, you will have the support of this administration.

Thank you again for having me.