

150 RICHEST INDONESIANS



SUSTAINABLE WEALTH CREATION

Despite global political and economic disruption, wealth creation continues around the world. There are now 2,024 billionaires in the world, with Indonesia housing 39 of them. But the future may not be as certain as dark clouds gather over the global financial system.

By Shoeb Kagda

Growing political, economic and security uncertainty around the world is disrupting companies and societies alike. Over the past 12 months, seismic political developments in Europe, the United States and Indonesia have up-ended established thinking while growing economic uncertainty is stalking corporations and affecting their growth.

The world is transitioning into a post-truth era where appeals to belief and emotions are more important than facts in shaping public opinion. Indonesia too has been impacted by such disruption, both in the political as well as the economic realm.

Yet, despite this growing uncertainty, wealth creation continues to gather pace, according to the latest edition of *The Wealth Report* by New World Wealth. In its latest release, it notes that the number of ultra-wealthy people, those with \$30 million or more in assets, rose by 6,340, boosting the total ultra-wealthy population to 193,490. Some 60 people saw their wealth move past the \$1 billion mark, taking the total number of billionaires to 2,024, an increase of 45% in the past decade.

In Indonesia too wealth creation is growing. As the *GlobeAsia* 2017 Richest Indonesians list illustrates, there are 39 billionaires in the country. Fueled by a growing economy and a rising stock market, the country's entrepreneurs have not only grown their net worth but in the process created new jobs and opportunities.

Newcomers to the list, such as Nadiem Makarim, the founder of Go-Jek, are also creating new industries and contributing to the economy. Nadiem makes his debut on the *GlobeAsia* rich list at number 128 with a net worth of \$220 million.

By and large, Indonesia's ultra-wealthy have done well over the past year with only 24 on the list seeing their net worth fall.

Another interesting trend highlighted in this year's report is the rise of business families that are now actively engaged in politics. With the likes of Hari Tanoesoedibyo and Erwin Aksa playing key roles in the recent Jakarta gubernatorial elections. The election of Sandiag0 Uno as vice governor of Jakarta again illustrates that business leaders are now throwing their hat into the political ring.

This is likely to continue as business groups use their muscle to help determine the country's political future from the frontline rather than their traditional backroom role.

Their involvement in the political sphere is crucial to ensure that candidates for public office do not campaign

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JEAN PIERRE DISERENS



on populist policies at the expense of the economy and the interest of the private sector.

DANGER SIGNS

Even as wealth creation continues unabated, its long-term sustainability is under serious threat, according to Jean Pierre

Diserens, secretary general of the Conventions of Independent

Financial Advisors (CIFA) and CEO of Fidurhone. CIFA is a Swiss-based non-profit foundation and the first financial organization to hold General Consultative status with ECOSOC, the Economic and Social Council of the United Nations.

CIFA has now established a presence in Jakarta and Diserens spoke to *GlobeAsia* on his thoughts of the coming tsunami in the financial sector.

"The financial world is completely locked in the Anglo-Saxon logic and culture," he noted. "Over-regulation is killing everything and people must be free to create wealth."

The great danger ahead, he said, is rising sovereign debt which today accounts for 40% of total global debt, which stands at \$210 trillion - three times global GDP. Moreover, the total size of financial products on the market is 10 times global GDP, close to \$700 trillion.

"All this debt is built on leveraging 25,000 listed stocks on global stock markets. Can you imagine the leverage on which the global system is operating on?"

CIFA advises its clients, the wealthy, how to invest and protect their wealth. Diserens recommends that people choose carefully where to park their savings and not invest in financial institutions that are deemed too big to fail.

"I would advise people to leave the systemic institutions - the 29 banks listed by the International Monetary Fund as institutions that will hurt the international financial system if they go under," he noted. "They were bailed out and are now in worst shape."

"The investor has to be aware that politics and big money have put up an enormous smoke screen. CIFA is here to look behind the smoke screen and protect wealth." This applies not only to the wealthy but everyone who has savings and wants to protect their money.

Diserens believes that the current global financial system, built on the Bretton Woods Agreement in 1944, between the United States, Canada, Western Europe, Australia and Canada is in need of an overhaul. A new balance that will serve the global community in the 21st century must be created. ●