

An Archipelago of Grief

Jakarta, Indonesia

HE TEMBLORS THIS TIME weren't nearly as devastating as the Boxing Day tsunami that claimed 150,000 lives in 2004. But the earthquakes that rocked Indonesia from Sulawesi to Sumatra in September (the biggest was measured at 8.4 on the Richter scale) were a reminder of just how precarious life can be in this disaster-prone archipelago. So was the Buddhist candlelight memorial in a Jakarta park (pictured above) for a million victims of past disasters. Despite the calamities—23 died in September's quakes—Indonesia's economy is showing surprising resilience. When former general Susilo Bambang Yudhoyono swept to the presidency three years ago, Indonesia was nearly as sick as a nation could be. Islamist fanatics were bombing tourist hot spots, separatist movements on Aceh and Papua were threatening to tear the nation apart, and corruption was pegged as the worst in Asia

and the fifth worst in the world by graft watchdog group Transparency International. The country's few foreign investors were racing for the exits. Three years later Indonesia's economy is much healthier. The central bank expects 6.3% GDP growth this year, up from 5.5% in 2006. Interest rates are 8.5%, slashed from 13% a year ago. Foreign investment, mostly in resources, is expected to be \$8.5 billion this year, double that of 2006. Religious fanaticism has been neutralized. And while corruption remains rife, many miscreants are behind bars (though not yet former President Suharto, recently described by the UN as the world's worst plunderer of state assets). The X factor remains nature's wrath. After two nervous weeks when many of Indonesia's 17,500 isles shook, fakirs and fortunetellers in this superstitious nation—not to mention some sober seismologists—seem convinced that the Big One is nigh. —*Eric Ellis*

00 • FORTUNE October 15, 2007

PHOTOGRAPH BY JURNASYANTO SUKARNO