



**Statement by the Head of Delegation of the Republic of Indonesia
At
The 18th Session of the General Conference of United Nations Industrial Development
Organization (UNIDO)
Abu Dhabi, United Arab Emirates
3 -7 November 2019**

**Mr. President,
Director General,
Excellencies,
Distinguished Guests, Ladies and Gentlemen,**

At the outset, I would like to join the previous speakers in congratulating H.E. Mr. Suhail Al Mazrouei, Minister of Industry of the United Arab Emirates, for his election as President of the 18th Session of the General Conference, as well as the elected bureau members.

On behalf of the Indonesian government, I would also like to convey my appreciation to Mr. LI Yong, Director General of UNIDO, for his unwavering support and leadership.

My sincerest gratitude also goes to the Secretariat of UNIDO, as well as the Government and people of the United Arab Emirates for their hospitality and excellent arrangement.

The Indonesian Government looks forward to a fruitful session and to further strengthen our collaboration with UNIDO in important areas, such as technical cooperation, Industry 4.0, and strengthening human resources' skills and capacity.

Mr. President,

In the midst of a global economic slowdown, Indonesia has experienced robust growth in the past few years. Indonesia's GDP on the second quarter of 2019 has reached 5.05% with the manufacturing sector as its largest contributor. The same goes for Indonesia's export which has also experienced positive growth which are driven mainly by industrial goods.

As we are entering the fourth industrial revolution or *Industry 4.0*, where digital transformation is evolving at an exponential pace, developing countries, such as Indonesia, are starting to face new challenges and threats. This era has brought major structural shift which not only disrupt industries but also affect traditional business model, workforce, as well as consumers behaviour.

However, with the arrival of new and innovative technologies such as artificial intelligence, cloud computing, the internet of things, and 3D printing, this era may bring new opportunities that can help industries become more accessible and inclusive.

To turn those challenges into opportunities, new strategies are needed, especially those aimed to strengthening human resources capable of adapting in this new era. For we believe that technology and human capital are inseparable.

Mr. President,

In order to benefit from Industry 4.0, the Indonesian Government has launched "*Making Indonesia 4.0*" in 2018. This initiative comprises of 10 strategies, including efforts to redesign our industrial zone, empower SMEs, build digital infrastructure, establish ecosystem that promotes innovations, as well as strengthen human capital.

To ensure the successful implementation of "*Making Indonesia 4.0*", the government currently focuses on developing 5 potentials sectors that contributes around 60% for manufacturing GDP, 65% for manufacturing exports, and absorbs 60% for manufacturing employment, namely: 1) food and beverages, 2) textile and apparels, 3) automotive, 4) electronics, and 5) chemicals products.

We also created "Indonesia Industry 4.0 Readiness Index (INDI 4.0)", a parameter that indicates the industrial sectors' readiness to implement *Industry 4.0*, which has been done in "Making Indonesia 4.0". INDI 4.0 serves as a signal for government to determine what strategic actions are needed by certain industries, particularly in creating competent workforce, such as training for managerial and expert level and upgrading skills of engineers and technicians.

The Government also developed "*Industrial Vocation Revitalization Program 2020-2024*" which focuses on strengthening curriculum and learning module for 175 polytechnics, 2.612 Vocational High School, and approximately 1.5 million workers. These actions ultimately will ensure that everyone has equal access and opportunity to benefit from the Industry 4.0.

Mr. President,

We would like to echo the G77 and China's statement in supporting UNIDO's role to assist developing countries to achieve the 2030 Agenda for Sustainable Development. One of the concrete example, is through the UNIDO's country-specific programmes.

The current Indonesia-UNIDO Country Programme 2016-2020 has been aligned with our national priorities and long-term development plans. These projects are currently focused on

supporting the industry and SMEs on 4 main areas, namely 1) poverty reduction; 2) energy for all; 3) environment and clean production; and 4) partnership and sustainable development.

Hence, such cooperation not only promotes sustainable and environmental-friendly projects but also contribute to the improvement of industrial sector's productivity and SMEs in Indonesia.

One cooperation project that may serve as a success story is the initiative on "*Sustainable Market Access through Responsible Trading of Fish*" or SMART-Fish. This project, currently running its second phase, is aimed to assist small scale fisheries to increase their production and export capacity by providing added value and in conformity with international standardization.

Mr. President,

We believe that efforts to achieve inclusive and sustainable industrial development cannot be carried out solely at the country level, but should also be carried out at the global level.

Therefore, as part of our global effort to promote industrial development and address the challenges and opportunities of Industry 4.0 in developing countries, Indonesia has conducted the 1st Regional Conference on Industrial Development (RCID) under the theme of "Unlocking the Potential of Industry for Developing Countries" on 8-9 November 2018 in Bali, Indonesia.

The forum was an important platform for countries in the Asia Pacific Region to exchange views, policies, knowledge and ideas in optimizing the opportunity and benefit of the fourth industrial revolution or what is commonly known as Industry 4.0. The Conference produced an outcome document titled 'Bali Agenda on Industry 4.0' which contains aspirations of the participants of the conference to forge a collaboration in the area of Industry 4.0. In this regard, we would really appreciate if the 1st RCID achievement and report could be presented in UNIDO 2019 report.

Further, to keep the momentum of the 1st RCID, together with UNIDO, we are planning to organize the next RCID.

Mr. President,

My delegation would like to associate itself with the statement made by the Group 77 and China on the current financial situation. We welcome the United Nations Development System Reform, and with respect to the cost-sharing, we would like to ensure and encourage more services and effective utilization of the Resident Coordinator System.

Mr. President,

Before I close my statement, I would like to reiterate my Government's commitment to strengthen our cooperation with UNIDO in line with our national priorities, especially to help accelerate our ability to adapt to the Industry 4.0.

We believe that UNIDO can play a major role in assisting our industrial development to adapt and benefit from the Industry 4.0 era. With this in mind, we view the importance of UNIDO, not only in providing expertise but also as *development partner mapping* and *resource mobilization* to ensure the sustainability of our cooperation, especially on enhancing manufacture sector's and SMEs capability and capacity, which will be supported by the promotion of green and environmental friendly industrial systems as one of the means to improve industrial sector's productivity.

To conclude, we are confident that this session can afford us the opportunity to construct an innovative discussion towards common goal that is achieving inclusive and sustainable industrial development.

Thank you, Mr. President.

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