

59th Workshop Meeting of Heads of NPOs
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Inaugural Address

Minister of Manpower of Republic of Indonesia
H.E. M. Hanif Dhakiri

Governor of DI Yogyakarta,
APO Director for Indonesia,
Secretary-General Dr. Santhi Kanoktanaporn,
Representatives from APO Member Countries,
Ladies and Gentlemen:

Assalamu alaikum Wr. Wb.

Good morning and best wishes for all of us.

First of all, I thank God for His blessings by giving us the opportunity to be here together to attend the 59th Workshop Meeting of Heads of NPOs.

Welcome to Indonesia; welcome to Yogyakarta, the historical city of Indonesia; and again, welcome to the 59th Workshop Meeting of Heads of NPOs.

This is my second time to meet all delegates from APO member countries, since we met the first time during the APO Governing Body Session in Jakarta in 2016. I am very happy to see you all again.

Ladies and gentlemen, we know that all of us, in both developed and developing countries, are now trying to extract positive benefits from the current Industry 4.0 phenomenon, which has tremendous potential for overhauling industry and also changing various aspects of human life.

As a response to this phenomenon, the Government of Indonesia through the strategy and roadmap "Making Indonesia 4.0" initiated by the Ministry of Industry with various relevant agencies and stakeholders, including the Ministry of Manpower, is now building solid manufacturing industries. The implementation of Industry 4.0 will be accelerated in five sectors: the food and beverage industry; textile and clothing industry; automotive industry; chemical industry; and electronics industry.

These five sectors are ready to implement Industry 4.0 due to their contribution to GDP, their trading capacity, their potential impacts on other industries, amount of investment, and speed of market penetration.

For Indonesia, the Industry 4.0 phenomenon anticipated through the Making Indonesia 4.0 initiative has given us very big opportunities for increasing the national commitment to work harder and faster in enhancing worker productivity and global competency.

Indonesia's level of productivity and competitiveness is now improving, and it is competitive enough to be able to compete with other countries at the ASEAN and Asia-Pacific levels. Based on productivity measurement results published by the NPO Indonesia and the National Statistics Agency in 2017, Indonesia's productivity level reached 79.66 million rupiah per worker, which grew around 1.83% from the previous year. Regionally, it is also improving, although the growth has not been evenly distributed between one province and another, where only around six provinces out of 34 have productivity levels above the national figure. At the sector level, the Government of Indonesia still needs specific efforts to continue increasing the productivity level in labor-intensive sectors.

The Government of Indonesia hopes that the Making Indonesia 4.0 initiative will be successfully implemented. Aside from being able to double the ratio of productivity to labor costs and encourage net exports to reach 10% of GDP, also it gives us a big opportunity to open up additional employment opportunities that will become the foundation for Indonesia's economic growth, allowing it to be among the 10 largest economies in the world.

Making Indonesia 4.0 is one of the initiatives that accelerate the achievement of the Jokowi-JK national agendas, especially for the sixth agenda item of "Increasing National Productivity and Competitiveness in the Global Market."

There are 11 initiatives for enhancing productivity and competitiveness that must be implemented by Indonesia by 2019: 1) establishing national connectivity to achieve regional and sectoral development balance; 2) building mass transportation in urban areas; 3) building basic infrastructure; 4) improving effectiveness and efficiency in infrastructure financing; 5) strengthening the role of investment in development; 6) encouraging the state-owned enterprises to become the agents of development; 7) improving innovation and the environment for technological catching up; 8) accelerating national economic growth; 9) developing national goods and services trading capacity; 10) increasing labor competitiveness; and 11) improving the quality of data and statistical information, particularly in the 2016 National Economic Census.

Currently, progress has been recorded in the implementation of those initiatives. The progress has been quite positive and makes us proud.

Especially for the initiative of “increasing labor competitiveness,” the Ministry of Manpower has a significant role to make this dream come true. We are working hard to improve the education and training system to make sure that graduates can enter the labor market due to their competency levels meeting industry needs. Aside from the competency levels, we are also working hard to continuously improve the productivity level of the workforce, so that those who are already in the labor market will stay longer and be more productive. We are improving the vocational training system and regulations as well as standardization and certification systems. We also ensure the implementation of labor laws in the workplace, improve the wage systems, and promote harmonious industrial relations between workers and management.

The progress achieved can be said to be positive even though it still needs hard work to see the expected results. This is a big challenge for us, but we are optimistic that the goals we want to achieve can be realized in the near future. The involvement of all parties working together, hand in hand, helping each other to achieve the national goals is very much needed. We are nothing without others.

We are family members of the APO. We are brothers and sisters, and we are very happy to help each other in climbing the productivity ladder to higher levels in the future. Together we will make the APO become the leading productivity organization in the world.

Finally, with these remarks, I officially declare the 59th Workshop Meeting of Heads of NPOs open. I wish you all lively and constructive discussions, a productive and successful meeting, and a memorable stay in Yogyakarta.

Thank you.

Wallahul Muwafiq Ila Aqwamith Thoriq
Wassalamu alaikum Wr. Wb.
(Peace be upon you.)