



Asian Productivity Organization (APO)

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Press Release

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Indonesia Launches Its 2025–29 National Productivity Master Plan to Power Sustainable, Innovation-led Growth

JAKARTA, Indonesia (8 October 2025) On 7 October 2025, the Government of Indonesia launched the National Productivity Master Plan (MPPN) 2025–2029, a whole-of-nation blueprint for accelerating innovation, strengthening industrial competitiveness, and raising living standards through sustained productivity gains. Unveiled at a ministerial ceremony in Jakarta, the plan aligns policy and execution across central agencies, provinces, and the private sector to drive a shift from input-driven growth to growth led by total factor productivity (TFP). The launch featured addresses by Asian Productivity Organization (APO) Secretary-General Dr. Indra Pradana Singawinata, Minister of Manpower Professor Yassierli, Minister of Home Affairs Muhammad Tito Karnavian, and Minister of National Development Planning/Head of the National Development Planning Agency (BAPPENAS) Professor Ir. Rachmat Pambudy, M.S., underscoring the unified commitment to productivity as the pathway to higher-quality jobs and Indonesia Emas 2045 (“Golden Indonesia 2045”).

The MPPN sets out an integrated agenda to boost productivity across the economy: diffusing technology and management excellence in firms; upgrading workforce skills for digital and green transitions; deepening value chains and export capabilities; improving the enabling environment (regulatory quality, infrastructure, logistics); and institutionalizing measurement, review, and accountability. BAPPENAS will serve as system integrator, coordinating ministries and local governments to align programs and budgets, while public-private collaboration and demonstration projects will speed adoption on the ground. Core to the plan is disciplined monitoring and evaluation, ensuring that productivity gains translate into competitiveness, incomes, and regional convergence.

“Over the long run, a nation’s standard of living is determined by its ability to raise output per worker, its productivity,” said Dr. Indra Pradana Singawinata, adding that “by creating more value from every hour worked and every rupiah invested, Indonesia can lift real wages, lower costs, expand opportunities, and strengthen social and economic resilience.”

“Productivity improves product quality, cost efficiency, and export competitiveness,” noted Minister Yassierli, emphasizing the need to convert stable headline growth into broad-based, quality jobs through skills upgrading, technology adoption, and stronger labor market institutions to harness Indonesia’s demographic bonus.

Minister Tito Karnavian underscored that resilient, well-coordinated local governments are the foundation of national productivity, calling for tighter alignment of central and provincial governments under the current division of functions and for stronger coordination to turn demographic and structural transitions into inclusive, sustainable growth.

Presenting the government’s roadmap, Minister Pambudy situated the MPPN within the architecture of Indonesia’s long-term development plan (RPJPN) and medium-term development plans (RPJMN) and outlined a collaboration agenda to leap into a new era of productivity-based growth, with BAPPENAS integrating policies, budgets, and accountability so reforms translate into measurable gains nationwide.

Implementation of the MPPN will focus on (1) establishing rigorous governance with BAPPENAS as integrator; (2) alignment of central and provincial governments to ensure policy translates into delivery; (3) accelerating firm-level adoption through demonstration and diffusion projects; (4) skills and technology upgrading to raise TFP; and (5) quarterly and annual performance reviews to track outcomes and iterate. The government invited businesses, academia, and provinces to join a shared productivity agenda that scales innovations from pilots to national impact.

This initiative was developed with the support of the APO as part of its advisory role to APO member economies, which includes policy assistance, capacity building, and demonstration projects that help embed productivity as a daily practice across the economy.



Formal joint launching moment of the National Productivity Master Plan (MPPN) 2025–2029 by Vice Minister Febrian Alphyanto Ruddyard (left), Minister Tito Karnavian (second from left), Minister Pambudy (center), Minister Yassierli (second from right), and APO Secretary-General Dr. Indra (right).

About the National Productivity Master Plan (MPPN) 2025–2029

The MPPN is Indonesia's cross-government strategy to accelerate innovation-led, TFP-driven growth. It integrates policy, budget, and delivery across ministries and provinces; supports firm-level technology and management upgrading; strengthens workforce skills for digital and green transitions; and institutionalizes productivity measurement and accountability to ensure gains translate into competitiveness, incomes, and inclusive prosperity.

About the Asian Productivity Organization (APO)

Founded in 1961, APO is an intergovernmental organization dedicated to improving productivity in the Asia-Pacific. Through research, policy advisory, capacity building, and demonstration projects, the APO supports member economies in raising productivity, competitiveness, and sustainable, inclusive growth.

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