



Promoting Exports amidst Global Economic Uncertainties

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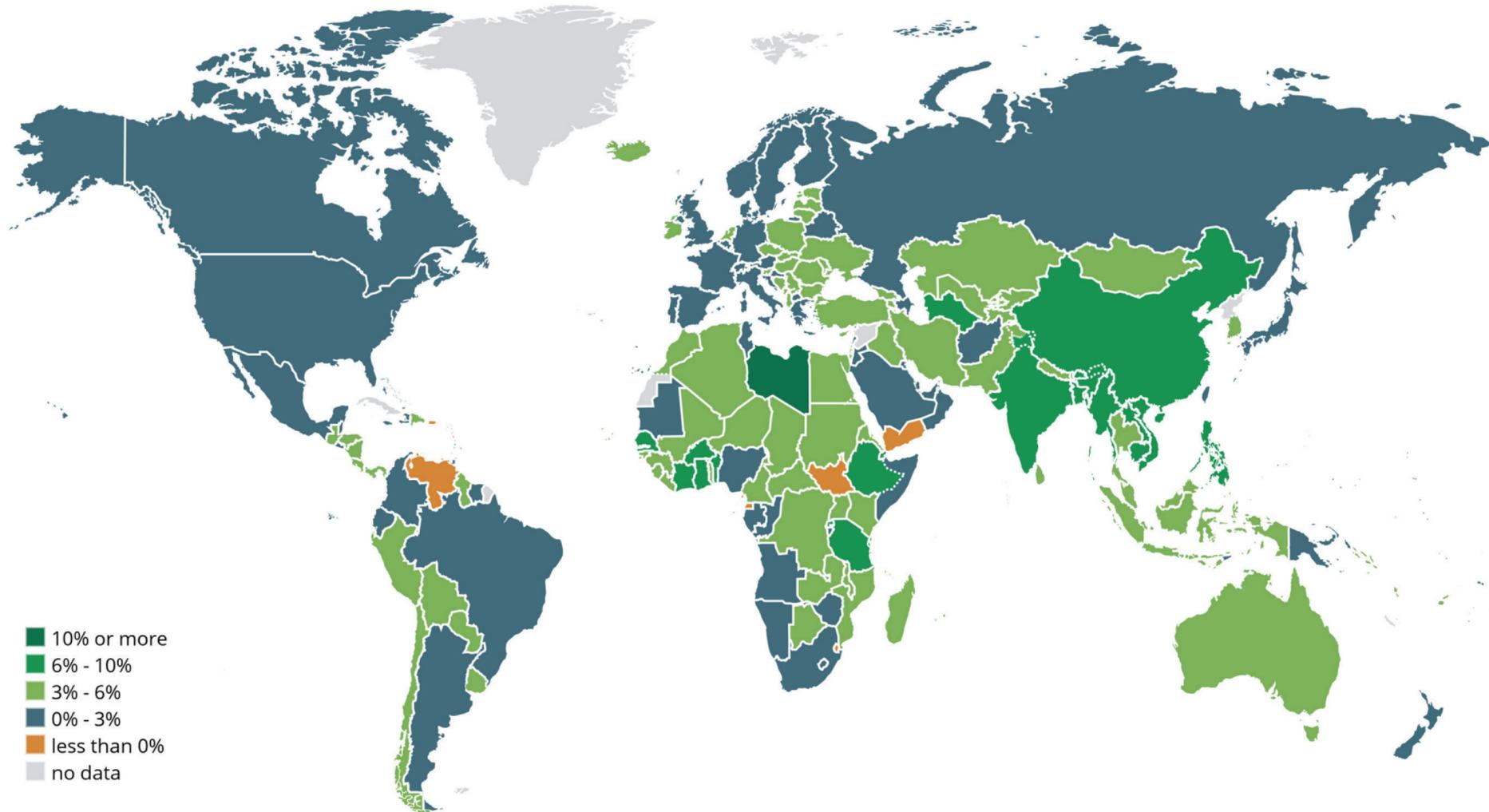
Minister of Trade of the Republic of Indonesia

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1. Indonesian Economic Update

Indonesian Economic Update

The world economy will grow at 3.9% in 2018-2019
Indonesia aims to have 5.4% economic growth with export growth of 11% in 2018



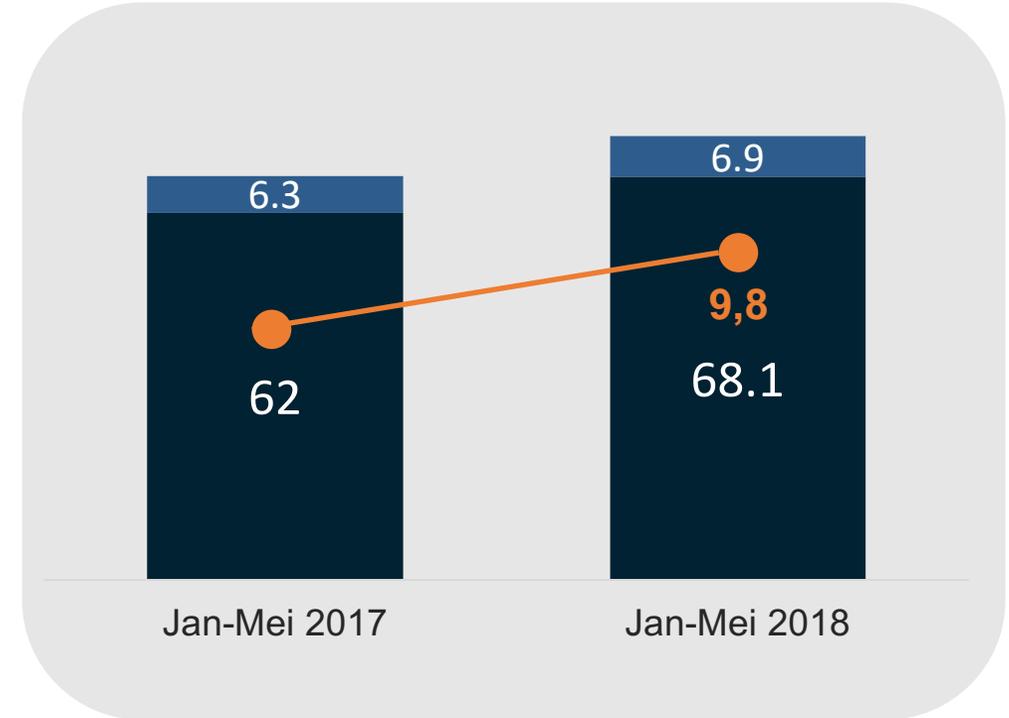
“Kunci pertumbuhan ekonomi negara kita bukan di APBN. APBN hanya stimulasi. Kuncinya hanya dua: ekspor dan investasi”
-Presiden Joko Widodo, 2017



Indonesia's Export Performance 2013-2018



Exports of non oil and gas in 2018: **USD 168.7 billion**
Exports of non oil and gas exports increased by **16.2%**



Exports Jan - May 2018: **USD 75 billion**
Exports of non oil and gas increased by **9.8%**

in USD billion



Nonmigas

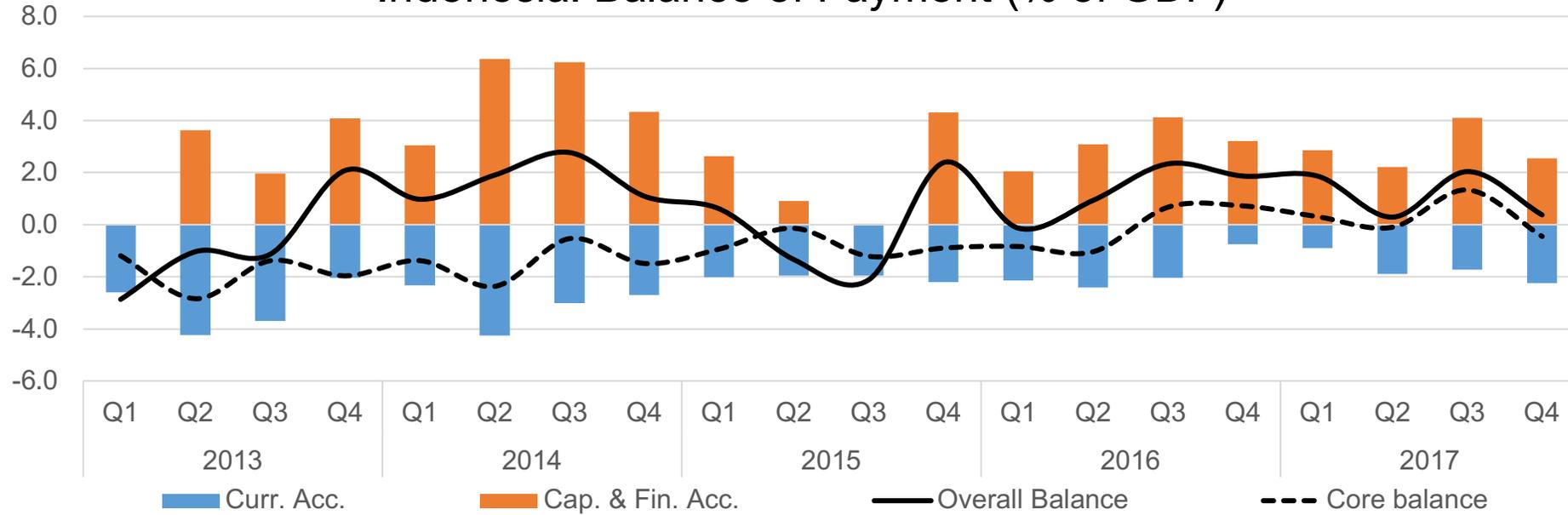


Migas

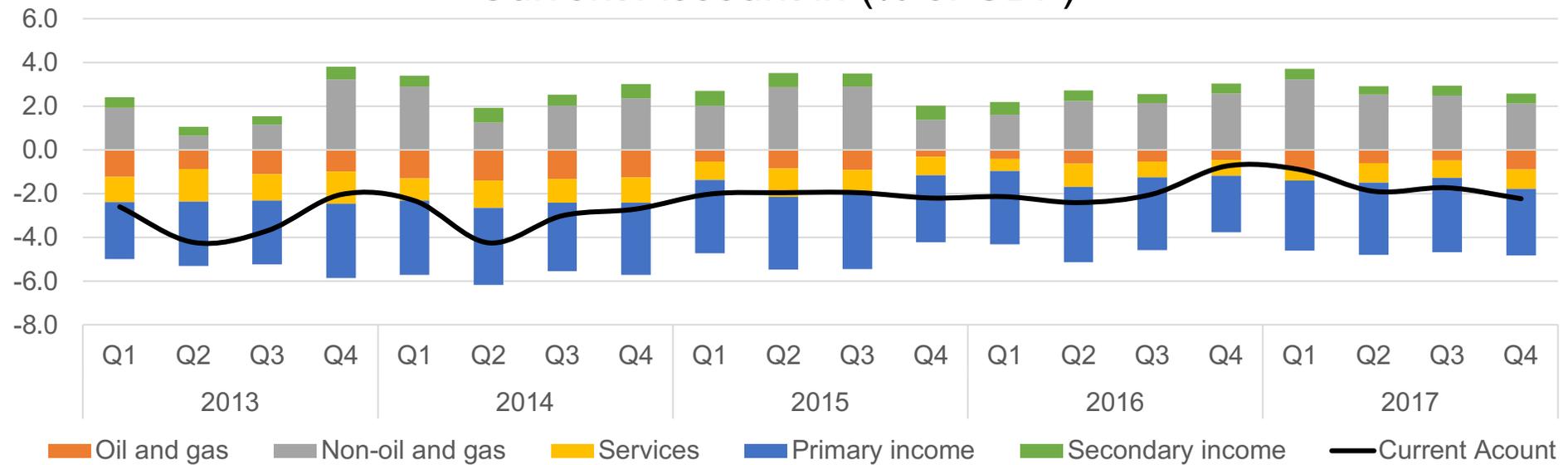


Pertumbuhan Ekspor (%)

Indonesia: Balance of Payment (% of GDP)



Current Account in (% of GDP)



Indonesia is a top-listed investment destination

2017

Indonesia ranks the **4th most favourite investment destination** in the world

2025



300 million population



Income per capita of **15,000 USD**



50% of total population are in **productive working age** or under age 30

2050



3rd largest economy in **Asia**



4th largest economy in **in the world**, after China, India, and the US

The current administration: "to get infrastructure right"



1,000 km rail roads
Trans-Sumatra railways,
MRT and LRT



8 airports

10
seaports



96 sea toll routes

30 Special
Economic Zones

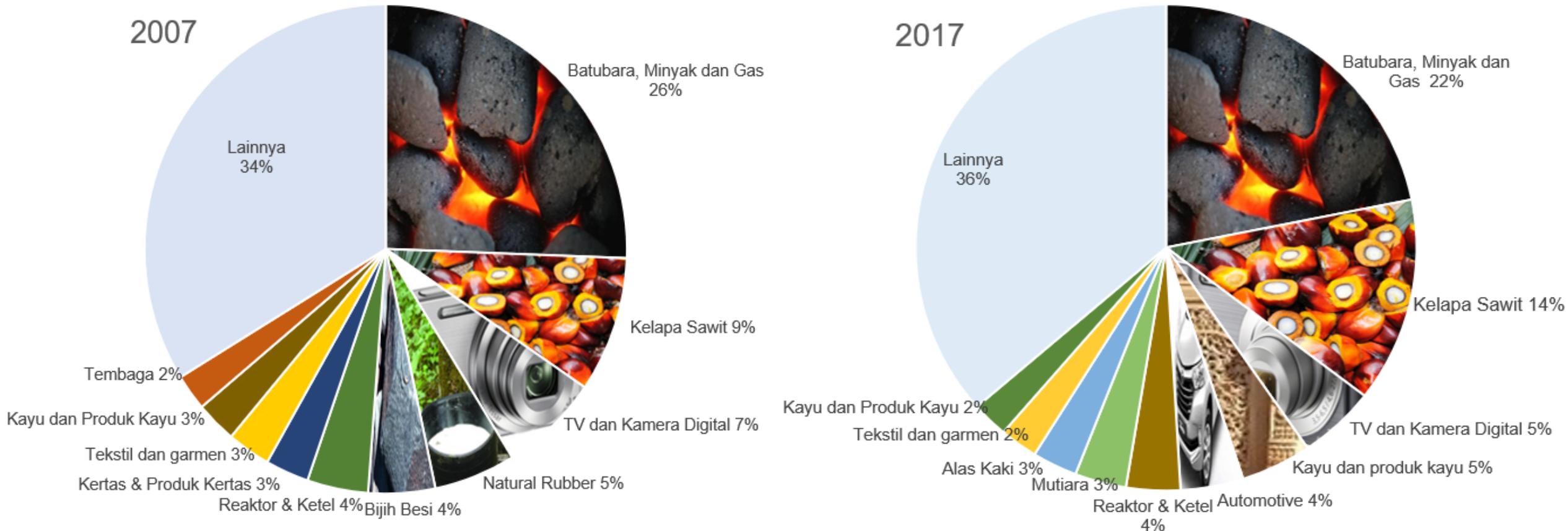


2. The Current Challenges: Internal and External

Internal factor: Indonesia's main export products

While the world demand consists of: 81% manufactured goods and 19% primary goods,

46% Indonesia's exports are still **resource-intensive products**



Internal factor: Indonesia's main export products



Indonesia imports
cotton from US



Exports textiles and garment,
mainly to the US and EU

Indonesia's
involvement in GVCs
is still limited to
garment and footwear



Indonesia
produces textiles and garment

External factor: two main challenges



Rising protectionism

- Brexit
- Trump-nomics
- Trade wars
- Role of the WTO is being questioned



Industry 4.0

3. Indonesia's Trade Strategy

The role of Indonesia

INITIATOR



 50% of World Population

 30% of World Trade

28% of World FDI

RCEP

Brunei. Cambodia. **Indonesia**. Laos. Malaysia. Myanmar. Philippines. Singapore. Thailand. Vietnam. Australia. China. India. Japan. South Korea. New Zealand.

 APEC

FOUNDER

FOUNDER

Indonesia's Trade Agreements

as of 8 August 2018

Concluded FTAs

- 1  ASEAN Free Trade Area
- 2  ASEAN – Japan
- 3  ASEAN – India
- 4  ASEAN – China
- 5  ASEAN – Korea
- 6  ASEAN – Aus-NZ
- 7  Indonesia - Japan
- 8  Indonesia – Chile
- 9  Indonesia – Pakistan

On – Going Negotiation

- 1  Regional Comprehensive Economic Partnership
- 2  Indonesia – EFTA
- 3  Indonesia – Australia
- 4  Indonesia – European Union
- 5  Indonesia – Palestine
- 6  Indonesia – Tunisia
- 7  Indonesia – Morocco



Trade is about **partnership**,
Trade is about **trust**,
Trade is about **growing together**
Trade is about creating a **win-win beneficial solution**

4. The Role of Education and University

Apple starts looking into the development of R&D in Indonesia

4B:

Bay area, Beijing, Bangalore and BSD





New Education Concept (5C):

Center: student-centered-learning

Coach: no more lecturer, just coach

Creative and Innovative

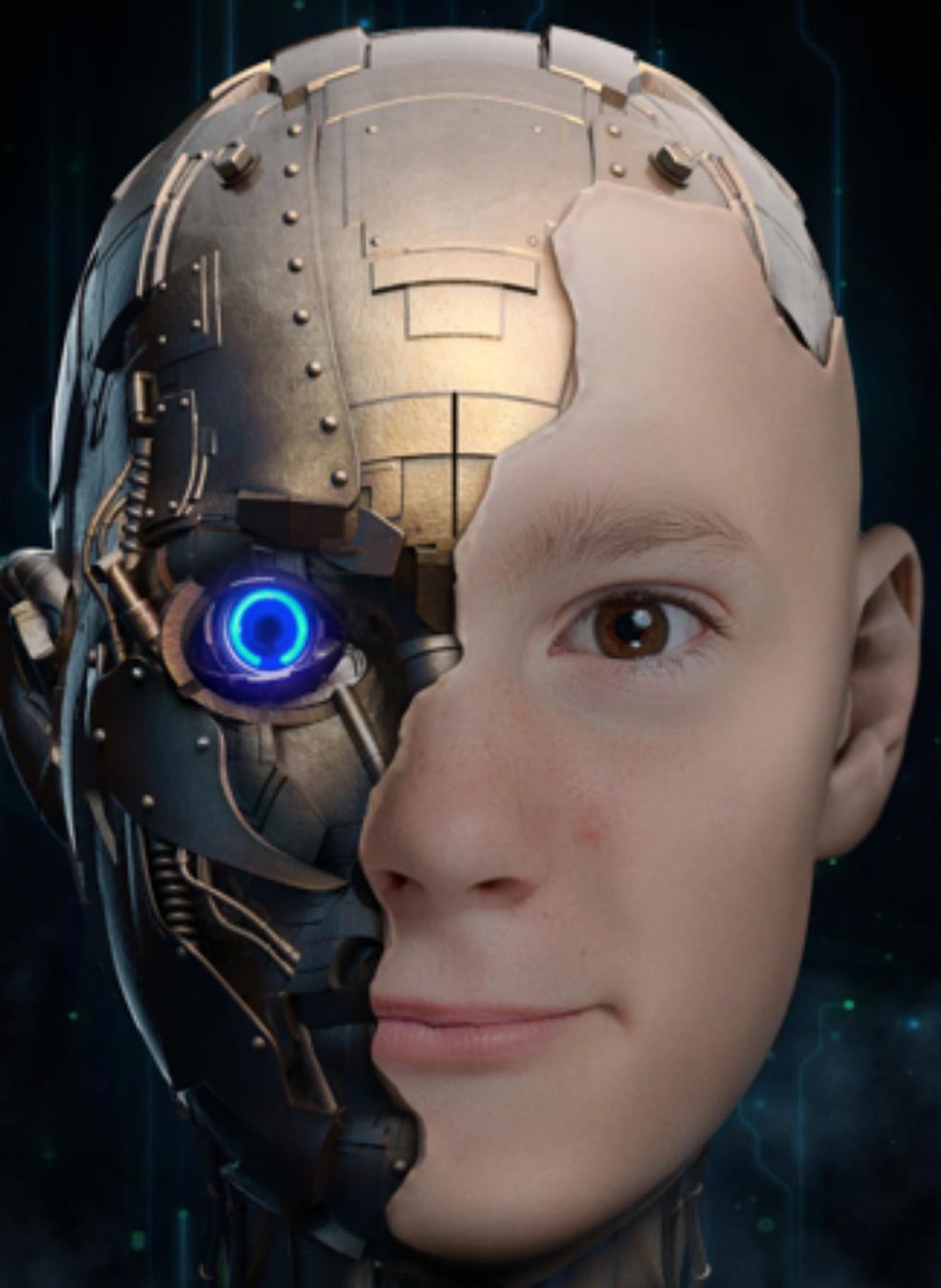
Crop-based: no more lecture, but output-based work

Collaborative and cooperative

“Productivity is not everything, but in long run it is almost everything” Paul Krugman, 1994

To improve Indonesia’s competitiveness: we should have mobile skilled workers

What differentiate us from Robot:
Empathy that we are a part of **Society**



Thank You

Ministry of Trade
of the Republic of Indonesia



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