SWISSCHAM INDONESIA POLICY PAPER

ADVANCING INDONESIA 4.0

Opportunities to Enhance the Indonesia-Switzerland Economic Relationships in Trade, Investment, and Development

SwissCham INDONESIA

This Policy Paper has been developed by
The Swiss-Indonesian Chamber of Commerce

OPPORTUNITIES TO
ENHANCE BILATERAL TRADE, INVESTMENT AND RELATIONS
BETWEEN SWITZERLAND AND INDONESIA

Swiss companies believe that the prospects for Indonesia's economy are truly exciting. With the right business solutions and fresh perspectives, all business players in Indonesia can take an important step towards realising the promises of this global transition to the fourth industrial revolution.

Swiss companies are well positioned to help Indonesia develop a strong and vibrant industrial sector. The making of "Indonesia 4.0 Road Map" is a once-in-a-generation opportunity for Indonesia to revitalise its manufacturing sector and become a powerhouse.

SwissCham INDONESIA

INTRODUCTION

SwissCham Indonesia aims to enhance Swiss and Indonesia's relations in trade and investment, and to promote collaboration through dialogue. The Swiss companies that are currently operating in Indonesia have long benefited from the good relationship between the governments of Switzerland and Indonesia. With the new administration under re-elected President Joko Widodo entering office and determined to implement more reforms, the Swiss companies belonging to SwissCham Indonesia all aspire to be part of the collective efforts to assist Indonesia fulfil the President's vision.

This Policy Paper outlines constructive ideas for boosting investment between the two countries and driving Indonesia's economic growth.

OUR VISION

To serve as the leading service platform for the enhancement of bilateral trade, investment and relations between Switzerland and Indonesia.

OUR MISSION

To focus on promoting trade, investment and the development of relations between the Swiss and Indonesian business communities through collaborative dialogue and advocacy, as well as through social and business networking events that are geared to support the needs of our corporate, small and medium-sized enterprises (SME) and individual members.

SNAPSHOT

SWITZERLAND - INDONESIA TRADE & INVESTMENT

The impressive "SwissEcoystem"

Approximately **150 Swiss companies and brands** are locally active and have more than **20,000 employees** on their payroll

2018 Aug 1st

The Swiss-Indonesian Chamber of Commerce, *also called* ***"SwissCham Indonesia"****, was founded 1 August 2018 and currently has nearly 70 members*

A ***Swiss Business Hub Indonesia*** *(integrated in the Embassy of Switzerland) was opened June 2017. It offers trade and investment promotion services, with a special focus on Swiss SME's*

SCI

The recently opened ***Swiss Centre Indonesia*** *is an "incubator" platform which offers one-stop solutions for Swiss SMEs intending to invest in Indonesia*

The Swiss Alumni Network *with its more than* ***200 members*** *(alumni of Swiss universities and hospitality schools) offers a variety of networks and platforms*

Bilateral Trade 2018

Swiss Imports from Indonesia: **USD 870 mio.**

Swiss Exports to Indonesia: **USD 486 mio.**

Total bilateral trade: **USD 1'356 mio.**

Source: Swiss Federal Customs Administration

CHF 75 million *for four years*

Switzerland's current Economic Cooperation and Development Programme 2017-2020 is designed to assist the Government of Indonesia (GoI) in (1) improving public service delivery, as well as (2) creating a more competitive private sector. The total budget amounts to CHF 75 million over four years.

Switzerland's Foreign Direct Investment (FDI) realization in Indonesia

In 2017 Switzerland ranked no 12 with the investment value of USD 615.5 million and 227 projects. #12

In 2018, Switzerland ranked no. 17 with the investment value of USD 243.2 million and 225 projects. #17

source : ***BKPM***

By 2018 the accumulated FDI capital stock reached **>USD 7 bio.**

source : ***Swiss National Bank***

SWITZERLAND - INDONESIA
Investment News

SwissCham Daily Newspaper — Wednesday, November, 20 2019 — CHF 1

EFTA States and Indonesia Sign Comprehensive Economic Partnership Agreement

The Agreement will provide access for major export products to Indonesia, from fish and marine products, agricultural and food industry products such as cheese, chocolates and coffee, to industrial and technical products, machinery and watches, chemicals and pharmaceuticals.

Givaudan Expands in Indonesia with New Development Centre

The investment will enable both the Flavours and Fragrances divisions of the Swiss-based company to serve customers across a wide range of markets: food, beverages and fine fragrances, personal care products, etc.

DKSH and Wicaksana Successfully Complete Transaction

Acquisition of 60 percent of shares in PT Wicaksana provides the basis for DKSH's market entry in Indonesia for Business Units Consumer Goods and Healthcare.

Kuehne + Nagel Strengthens Footprint in Indonesia Through Strategic Acquisition

Extension of strategic partnership with Wira Logistics through acquisition of its logistics operations.

Barry Callebaut Expands in Indonesia with Second Chocolate Plant

Switzerland-based chocholate and cocoa products producer, Barry Callebaut has inaugurated its second chocolate manufacturing plant in Rancaekek, Indonesia.

Nestlé Indonesia Invests USD 100 Million for Factory Expansion in Indonesia

PT Nestlé Indonesia today announced the expansion of its three factories in Karawang (West Java), Kejayan (East Java) and Panjang (Lampung).

Zurich to Acquire Adira Insurance, a Leading Insurer in Indonesia

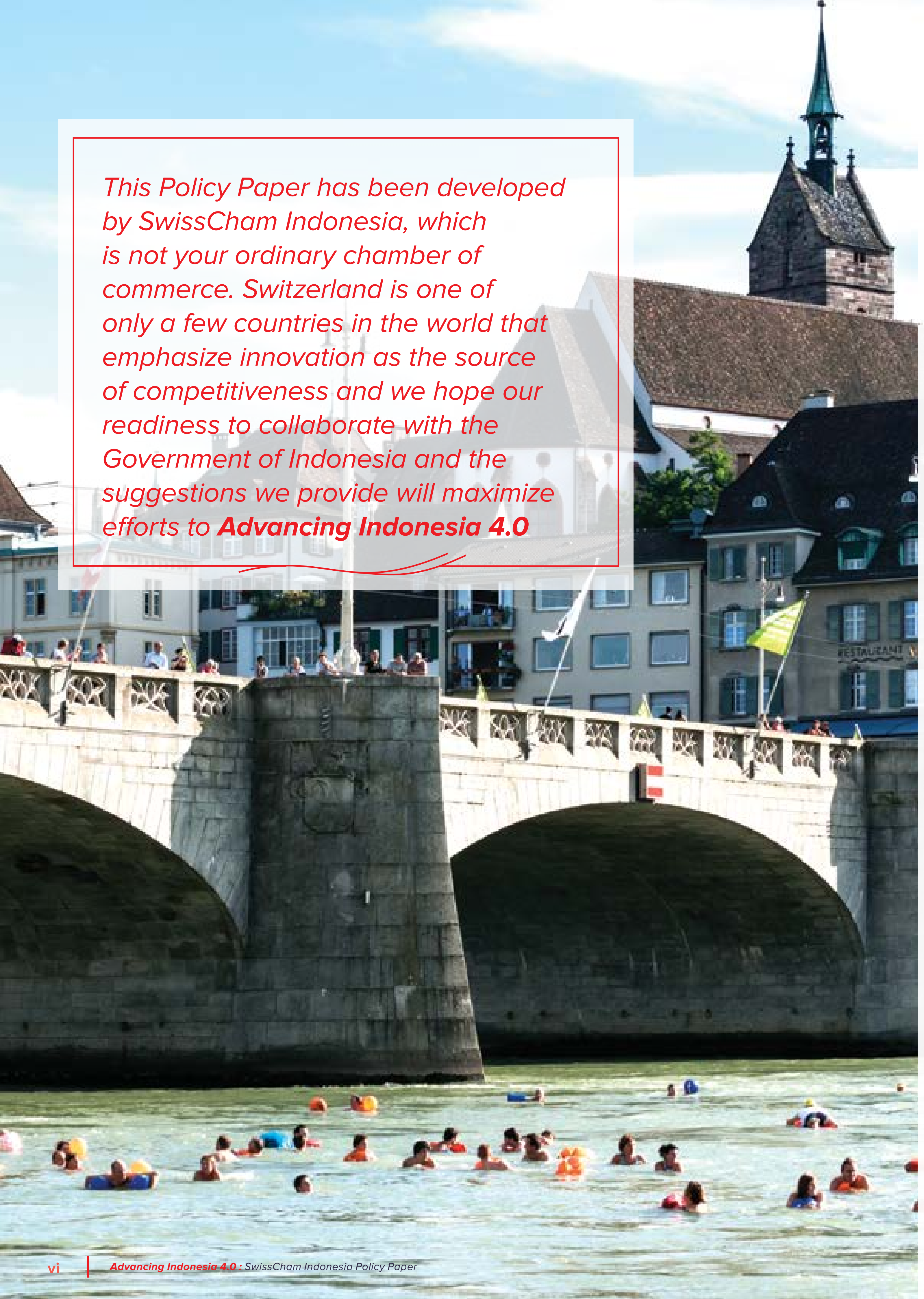
The transaction will see Zurich become the largest foreign P&C insurer in Indonesia and reinforces Zurich's strategy of achieving positions of scale in target markets

Sika Boosts Production to 700,000 Tons a Year with Inauguration of 3rd Factory

The investment will support the government of Indonesia's focus on building infrastructure.

ABB opens new manufacturing facility in Indonesia

Swedish-Swiss multinational technology company ABB is expanding its operation in Indonesia by building a new high voltage gas-insulated switchgear (GIS) manufacturing facility in Tangerang, Banten.



*This Policy Paper has been developed by SwissCham Indonesia, which is not your ordinary chamber of commerce. Switzerland is one of only a few countries in the world that emphasize innovation as the source of competitiveness and we hope our readiness to collaborate with the Government of Indonesia and the suggestions we provide will maximize efforts to **Advancing Indonesia 4.0***

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FOREWORD

Dr. Luthfi Mardiansyah
Chairman of SwissCham Indonesia

This Policy Paper is the Chamber's concrete contribution to the dialogue between the Swiss private sector and the Government of Indonesia

Indonesia and Switzerland have maintained very good bilateral economic relations since 1952. The actual operation of Swiss companies in Indonesia goes back about four decades. A quick look at the available data tells us that trade and investment flows between these countries have been relatively small, but have shown promising trends over the past five years. According to the Indonesian Investment Coordinating Board, Swiss companies were the fourth most important European investors in 2018 (USD 243.2 million) behind the Netherlands (USD 943.12 million), Germany (280.42 million) and the UK (271.13 million). Direct investments from Switzerland mainly flowed into the chemical and pharmaceutical industries, food, and sales and maintenance services. Their success undoubtedly stems from the renowned Swiss technology and operational excellence. Although Switzerland is a non-traditional export market for Indonesia, by 2018 this small and unique country was ranked the 13th largest export market for Indonesia. Switzerland sees Indonesia as the market of the future. Some 150 Swiss companies and brands operate in Indonesia today, with tens of thousands of people on their payrolls.

For these reasons, the members of SwissCham Indonesia would like to contribute their views to help strengthen the business relationship between the two countries. The establishment of SwissCham Indonesia in August 2018 marked the start of the Swiss private sector's active participation in constructive dialogues with the Government of Indonesia (GoI). The Chamber was created to serve as a platform for Swiss companies that have been active in Indonesia to work together to support the GoI, by getting involved in activities that will increase Indonesia's attractiveness for foreign direct investment. The members feel it is their duty to be part of the conversation by pointing out opportunities for collaboration between the Swiss business players in Indonesia and the GoI.

This Policy Paper is their concrete contribution to the dialogue between the Swiss private sector and the GoI. As a group of business players who comes from a long tradition of innovation and precision, SwissCham Indonesia would like to share these strengths with its stakeholders in the country, in order to advance collaboration. This Paper is ready to be presented to the new GoI, members of the new Parliament, and all related stakeholders.

The change of administration led by President Joko Widodo (Jokowi) is the ideal time to increase such dialogues. Jokowi's vision in his new term is to reform the business environment and efforts to attract foreign direct investment, which are in line with SwissCham Indonesia's vision. The almost seventy (70) members of SwissCham Indonesia are very keen to support the current GoI in realising its vision.

I would like to extend my gratitude and appreciation to the Swiss Ambassador to Indonesia, H. E. Mr. Kurt Kunz for his full support in this work, as well as to the members of SwissCham Indonesia and the Secretariat team who have been actively involved in developing and finalising this Policy Paper.

We would like to once again congratulate President Joko Widodo on his re-election, and wish him and his new administration a successful journey in leading this country towards a better future. Thank you for allowing SwissCham Indonesia to be part of 'Visi Indonesia'.

H.E. Mr. Kurt Kunz
Ambassador of Switzerland to Indonesia, Timor Leste and ASEAN

The prospects for further increasing trade and investment between Switzerland and Indonesia are good

In 2019, Indonesia successfully managed one of the most complex democratic electoral processes. President Joko Widodo was elected for a second term and the members of the new Parliament have been chosen.

President Joko Widodo has announced the key elements of the *Visi Indonesia* that he wants to pursue during the coming five years. While building on what has been done in the past, he has also set new priorities and accents. Several of the key elements will need a strong and decisive participation of private companies and investors.

The Swiss-Indonesian Chamber of Commerce (SwissCham Indonesia), founded in 2018, already counts close to 70 members and is doing well. SwissCham Indonesia seeks better access for its members to the GoI with a view to participate in creating a better and more conducive business and investment environment in the country through advocacy and collaboration.

With a new Government and Parliament entering into office, the moment is propitious for such exchanges. SwissCham Indonesia – through its sectors and by attentively listening to its members – has elaborated a set of analytical considerations and proposals.

This policy paper outlines SwissCham Indonesia's considerations with GoI representatives, Members of Parliament and with other stakeholders. SwissCham Indonesia is committed to a constructive approach: Sustainable and inclusive development can only be achieved in an effort that brings the GoI and private sector together.

The prospects for further increasing trade and investment between Switzerland and Indonesia are good. The European Free Trade Association (EFTA) – Indonesia Comprehensive Economic Partnership Agreement – was signed in December 2018 and should enter into force in 2020. A bilateral Agreement to promote and protect investments, as well as an update of the Agreement to avoid double taxation are being negotiated.

Since the 1970s, Switzerland has implemented projects on vocational education and training in Indonesia. Many of them have had a lasting impact. Development of human resources remains a key element of the Swiss economic development cooperation in Indonesia. I am confident that Swiss companies have a good understanding of the importance of fostering talents and vocational education.

I would like to thank SwissCham Indonesia for its impressive efforts to become an innovative networking platform. I wish SwissCham Indonesia and this policy paper every success in opening discussion channels. President Joko Widodo's Visi Indonesia is courageous, and Swiss companies are ready to make valuable contributions to Indonesia's sustainable economic development and growth.

H.E. Prof. Dr. Muliaman D. Hadad
Ambassador of the Republic of Indonesia for Switzerland and Liechtenstein

It is a very good opportunity to dig deeper and explore the huge economic potential between the two countries.

Switzerland is one of the world's most competitive economies. It is also a non-traditional export market for Indonesia. This country has the second highest gross domestic product (GDP) per capita in the world (CHF 77,943 or approximately EUR 73,000 or USD 81,000 in 2015). About 74% of the Swiss GDP is generated by the service sector and 25% by industry.

On the other side of the globe, Indonesia, with its population of more than 260 million people, represents a huge market in the Association of Southeast Asian Nations (ASEAN) region, and has the potential to become one of the world's top ten economies by 2030, according to various sources. As one of the G20 group of leading economies, Indonesia is also among the most "connected" nations on earth, with a registered 1,324 mobile subscriptions among 1,000 inhabitants (2015). This represents an enormous potential, if the GoI can maximise the demographic bonus that Indonesia is enjoying, to propel it towards becoming a developed nation in 2045, the same year that the country will celebrate 100 years of independence.

In recent years, the value of Indonesian exports and the value of Swiss investments in Indonesia increase significantly. Indonesia-Switzerland bilateral trade transactions result in a surplus for Indonesia. From 2015 to 2018, the value of Swiss investments in Indonesia reached USD 1.26 billion. In 2018, the value of Swiss investments in Indonesia reached USD 243 million spread over 225 projects. This achievement made Switzerland the third largest investor country in Indonesia from Europe. There are now about 150 Swiss companies currently active in Indonesia, creating around 20,000 local jobs.

In 2018, Indonesia and Switzerland concluded and signed the Indonesia-European Free Trade Association (EFTA) Comprehensive Economic Partnership Agreement (IE-CEPA). It was the result of many years of negotiations that finally bore fruit for the national interests of both countries. The IE-CEPA agreement is a tremendous opportunity to enhance and expand upon the already excellent economic relationship between the two countries.

It is hoped that Indonesian products such as palm oil, fish, gold, coffee, footwear, toys, textiles, and electrical equipment will have better opportunities to compete in the EFTA market. For Indonesia, EFTA member countries, especially Switzerland, have good potential to become main sources of investment, especially in terms of advanced technologies and healthcare products, as well as banking and telecommunications.

In this regard, I take pleasure in being part of this policy paper, "Advancing Indonesia 4.0", that is developed by SwissCham Indonesia. It is a very good opportunity to dig deeper and explore, for Indonesian as well as Swiss companies, the huge economic potential between the two countries.

It is of course in both of the countries' national interests to fulfil this potential. Rest assured that the Embassy of the Republic of Indonesia in Bern is ready to support and do all it can to help achieve this goal.

Executive Summary

Indonesia is a dynamic country, an influential regional power and a global player that offers Switzerland many opportunities for engagement.

Switzerland has officially been represented in Indonesia since 1952 and the two countries have enjoyed vibrant bilateral relations since then. Indonesia is a priority country for Switzerland. Today it represents one of the most important destinations for Swiss direct investment in Asia, and Switzerland is one of its largest European investors.

President Joko Widodo promised after his re-election that his new administration will continue economic reforms designed to achieve the ambitious target of making Indonesia the world's fifth largest economy, with a GDP of $7.3 trillion by 2045, when the country will celebrate 100 years of independence.

Switzerland attaches great importance to education, technology and innovation. And it is no secret that knowledge transfer is in the DNA of the many Swiss companies present in Indonesia and operating across sectors where Swiss experience and expertise are internationally recognised. Besides various manufacturing industries, services and agriculture, Swiss companies are also involved in basic and vocational education and training, job and income creation and local private sector development. This places Switzerland in a strategic position for supporting Indonesia in its journey towards industrialisation and digitalisation, and leveraging this golden moment in its economic development. Swiss companies have demonstrated a preference for long-term investment strategies that include the development of strong local business and social linkages within Indonesia. An integral part of this long-term strategy is the transfer of knowledge and expertise, an approach that will increasingly benefit Indonesia over the long term. Swiss firms understand the importance of this mutual benefit and find it also in their own interest to hire or develop national expertise whenever possible.

In addition to the diligent efforts of President Joko Widodo's administration, to improve the investment climate in Indonesia through various policy reforms, SwissCham Indonesia is collaborating to improve trade, investment and partnerships between Switzerland and Indonesia.

Based on the experience of our private sector stakeholders in Indonesia and around the world, SwissCham Indonesia has included the following constructive suggestions to the Government of Indonesia (GoI) for enabling or accelerating investments in priority sectors:

+ **A policy framework** that is based on legal certainty, transparency, non-discriminative treatment and the protection of intellectual property rights that will help the GoI in formulating and implementing reform policies that create an attractive, strong and competitive ecosystem for local and foreign investors.
+ **A clear industry roadmap** to support the investment climate and growth in various industrial sectors, and be communicated to business communities to provide certainty for investors in their long-term investment plans and strategies in Indonesia.
+ **Increase competitiveness** by being more transparent towards foreign direct investment. SwissCham Indonesia believes that it is important to further review the Negative Investment List issued by the GoI and policies that are counter-productive because they constitute an unequal treatment between local and foreign business actors. This can impair the country's competitiveness in attracting foreign investment.
+ **Acceleration and refinement of processes and procedure**s through simplification, reduction, consolidation and the improvement of digitalisation to make them even more professional, transparent, and effective. SwissCham Indonesia is committed to working with the GoI to identify conditions that enable the country to push investment further as well as with the adaptation and use of digital technology.
+ **Continuous constructive and collaborative** dialogues between the GoI and business actors to bridge the needs of stakeholders in the frame of partnership. SwissCham Indonesia is committed to be a partner in transparent and constructive dialogues in an effort to increase Indonesia's competitiveness.

It is hoped that the constructive suggestions provided in this policy paper will stimulate many fruitful dialogues that will ultimately lead to further expansion of the economic partnership between Switzerland and Indonesia for mutual benefit and acceleration of Indonesia's entry into its golden age.

PHARMACEUTICALS, CHEMICALS AND COSMETICS

In Switzerland, the industry is categorised by specialised regional cluster:

+ **Pharmaceuticals:** Located in North-western (Basel) and Central Switzerland (Zug and Lucerne). Produces prescription and over-the-counter drugs (patented or generic) and ingredients.
+ **Diagnostics:** Central Switzerland (Zug and Lucerne). Healthcare products which aid physicians in diagnosing diseases.
+ **Vitamins:** North-western Switzerland (Basel). Bulk product used in manufacturing or pharmaceuticals, foodstuffs and animal feed.
+ **Flavours and fragrances:** Western Switzerland (Lake Geneva). Ingredients for manufacturing of foodstuffs, cosmetics and perfumes.
+ **Crop protection agents:** North-western Switzerland (Basel) and Wallis. Herbicides, fungicides and insecticides including their active ingredients, primarily used in agriculture.
+ **Specialty and fine chemicals:** Often providing tailored solutions involving intensive R&D, the production of specialty chemicals is spread throughout Switzerland. The global annual demand for some of these specialties is often below a few metric tons, and all member companies are strongly export-oriented.

SWISS PHARMACEUTICALS, CHEMICALS AND COSMETICS IN INDONESIA : INDUSTRY SNAPSHOT

Indonesia leading Swiss export Market
45%
of Swiss exports go to Indonesia

250
Swiss companies in Indonesia

R&D investment
CHF 7 billion

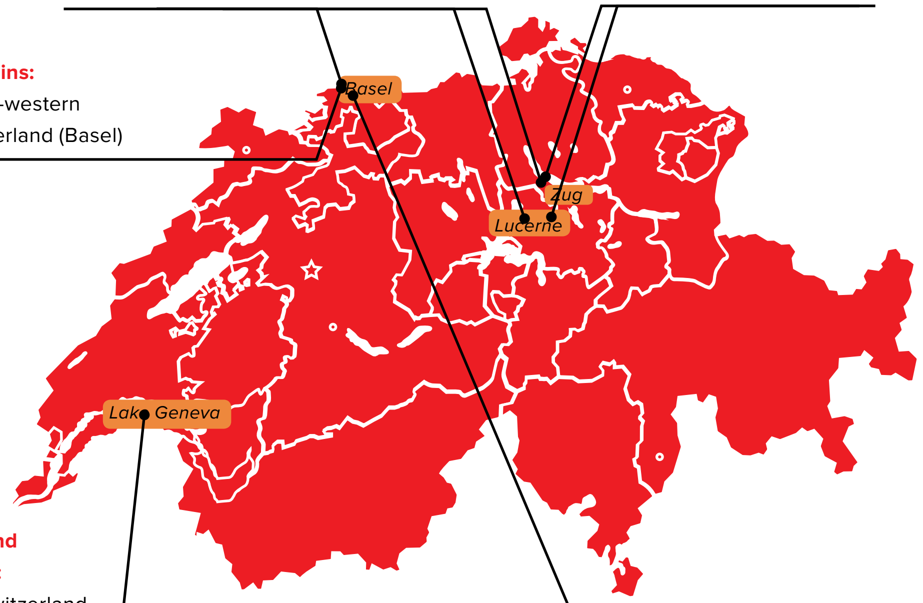
Innovation as the basis for economic success
<40 *million CHF*
per working day towards innovation

Direct employees
70,000

Pharmaceuticals:
Located in North-western (Basel) and Central Switzerland (Zug and Lucerne).

Diagnostics:
Central Switzerland (Zug and Lucerne).

Vitamins:
North-western Switzerland (Basel)



Flavours and fragrances:
Western Switzerland (Lake Geneva).

Specialty and fine chemicals:
Specialty chemicals is spread throughout Switzerland.

Crop protection agents:
North-western Switzerland (Basel) and Wallis.

CURRENT AREAS OF UNCERTAINTY AND SWISSCHAM INDONESIA'S PRO-GROWTH POLICY SOLUTIONS

FORCED LOCALISATION REQUIREMENTS:

1. Local content requirements (LCR)

Presidential Instruction No. 6/2016 on the Acceleration of the Development of the Pharmaceutical Industry and Medical Devices was signed on 8 June 2016 by President Joko Widodo with the objective of improving the competitiveness of Indonesia's pharmaceutical and medical devices industries. SwissCham Indonesia respects the rationale behind the policy but stresses that the impact of the LCRs for the pharmaceutical industry and the economy goes beyond the mere risk of disrupting the availability of the much-needed medicines and medical equipment in Indonesia.

Disruptive impacts include:

+ For foreign companies, the LCRs (which are subject to various interpretations) create a level of uncertainty in the regulatory environment requiring the investment of significant resources on how to try to adapt to the LCRs and the impact on business operations.
+ Possible negative spill-over effects on the entire economy. To comply with the LCRs, most companies will rely on local service providers leading to a strong bias between production and services which is artificially created by the LCRs.
+ A potential reduction in attracting international R&D investments proposed by foreign trading partners. Major multinational companies typically invest heavily in R&D to improve their products. Certain advanced components that have benefited from heavy investments in R&D are, however, excluded from the Indonesian market because the LCRs require the use of locally produced parts. With no incentive to invest in local R&D domestic manufacturers lose their longterm competitivenes

Certain advanced components that have benefited from heavy investments in R&D are, however, excluded from the Indonesian market because the LCRs require the use of locally produced parts

2. Ministry of Health (MOH) Decree 1010/ MENKES/PER/XI/2008

Decree No. 1010/MENKES/PER/XI/2008 (Decree 1010), formally implemented in November 2010, prevents multinational research-based pharmaceutical companies from obtaining marketing authorisation for their products. Under Decree 1010, only companies registered as "local pharmaceutical industries" are granted marketing approval. While the products of multinational research-based pharmaceutical companies and other foreign companies—including those which do not manufacture products in Indonesia and are classified as pharmaceutical distributors or are referred to as "PBF companies"—are barred from the Indonesian market unless a local manufacturing facility is established, or a sensitive IP is transferred to another pharmaceutical firm with local manufacturing facilities in Indonesia. Another aspect of Decree 1010 is the requirement to locally manufacture imported products within five years after the first importation (with some exceptions, e.g., products under patent protection).

SwissCham Indonesia suggests the GoI to review Decree 1010 in order to achieve its goals in protecting the interests of patients. It has been observed that the interpretation of Decree 1010 has led to an absence of significant FDI, an over-reliance on domestic manufacturers on active pharmaceutical ingredient (API) imports (90%), limitation in introducing new innovative medicines for patient treatment and a low level of clinical research, despite the fact that Indonesia exhibits strong market growth and has a significant market size and potential.

Pro-growth Policies Solutions

+ SwissCham Indonesia believes that the implementation of Decree 1010 and the LCRs in pharmaceuticals restricts exporters in accessing the Indonesian market. The Decree warrants major attention, both in economic analysis of trade and in the articulation of trade policy
+ To prevent import restrictions on innovative medicines, SwissCham Indonesia suggests working hand-in-hand with relevant institutions so that a solution is reached to allow all legitimate high-quality pharmaceuticals to be traded, sold and distributed in Indonesia, regardless of origin.
+ SwissCham Indonesia respectfully suggests excluding the pharmaceutical and biotechnology sectors from the LCRs and Decree 1010, and ensuring instead a more attractive set of policies and supportive environment with a strong long-term focus on positive incentives.
+ SwissCham Indonesia respectfully requests the amendment of Decree 1010 and the reimplementation of the previous approval procedure, which allowed companies without production facilities in Indonesia to register their products, until a more suitable policy is formulated.

PATENT LAW

On 28 December 2018, the Ministry of Law and Human Rights released the Regulation No. 39 of 2018 concerning the Procedures for Granting Compulsory Licensing (CL). This regulation is one of the implementing regulations for the Patent Law (Law 13/2016) that was issued back in 2016.

It came as a surprise to Swiss companies, especially as there was no prior consultation with the private sector in its drafting process. The grounds for issuing CL in Indonesia need to be clarified, as CL includes criteria that are not clearly related to legitimate health emergencies.

Pro-growth Policies Solutions

+ SwissCham Indonesia recommends that the GoI clarifies this law, and that any compulsory licensing action needs to be taken on a patent-by-patent basis with full consideration of the particular circumstances in each case. LCRs should conform with Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement, and be used only in extraordinary circumstances and as a last resort rather than as standard government practice.

+ As a general matter, SwissCham Indonesia re-emphasises that a more sustainable or effective way to address healthcare needs should be in place instead of CL. Voluntary arrangements independently undertaken by research-based companies better ensure that current and future patients have access to the best possible medicines.

HALAL LAW

Indonesia's Halal Product Assurance Law No. 33 of 2014 ("Halal Law") enacted in September 2014, mandates Halal certification and labelling for food and beverages, medicines, cosmetics, chemical products, biological products, and genetically-engineered products. This legislation establishes a new Halal certification authority, and requires firms to hire a Halal specialist and disclose sensitive product formulas to the new Halal authority.

SwissCham Indonesia recognises and supports the religious and cultural sensitivities of all Indonesians, but is concerned that these measures may not generate the desired results for patients' health. In particular, significant questions remain regarding the process for securing halal certification, and whether the new requirements negatively impact patient's access to the medicines they need.

Categorising certain pharmaceutical products as non-halal may not be in line with the best interests and objectives of public health. The law may harm patient's access to optimal health treatment and disease prevention.

In the perspective of public health, the safety of pharmaceutical products is the core issue that must be guaranteed by the Government. SwissCham Indonesia believes that National Agency of Food and Drug Control (BPOM) is the primary author and enforcer of the protection of human subjects in Indonesia with respect to medicines. The BPOM is an adequate and competent gatekeeper, and can efficiently ensure the quality, safety, and efficacy of pharmaceutical products marketed in Indonesia.

The mandatory halal certification also prolongs the timeline for patients to access their medicines. To prevent some patients' condition from deteriorating rapidly, the necessary medicines must be given to them without any delays.

The impact to the industry has been quite significant in terms of additional costs accrued due to the compulsory requirement to physically separate the premises and equipment used for processing halal pharmaceutical products from those used for processing non-halal products.

Pro-growth Policies Solutions

+ Recognising that the innovation process within the pharmaceutical and biotechnology industry focuses on improving public health, SwissCham Indonesia respectfully suggests the GoI retain the current principle of halal certification as a voluntary device which a company may avail itself as a marketing tool to give it a marketing advantage over other products. Alternatively, we recommend that the GoI consider a complete exemption of the pharmaceutical industry from the Halal Law and its various implementation regulations.

+ The pharmaceutical industry is already strictly regulated in terms of safety and efficacy. The affixing of non-halal labels/stickers to such products may confuse the public and further limit patient access to vital medicines.

[1] The European Chemical Industry Council (CEFIC), "Chemical Industry Contributes $5.7 Trillion To Global GDP And Supports 120 Million Jobs, New Report Shows". *https://cefic.org/media-corner/newsroom/chemical-industry-contributes-5-7-trillion-to-global-gdp-and-supports-120-million-jobs-new-report-shows/.*
[2] Export.gov. Switzerland Country Commercial Guide. Switzerland -Chemicals. *https://www.export.gov/article?id=Switzerland-Chemicals).*
[3] Chemicals in Indonesia, 2018, *MarketResearch.com*, accessed on 10 March 2019.
[4] "Indonesia Is Home To 260 Million People and One of The Fastest Growing Pharmaceutical Markets In Asia". *https://www.cekindo.com/sectors/pharmaceutical-indonesia,*

MANUFACTURING AND ENGINEERING

Swiss and Indonesian companies in the manufacturing and engineering sector provide support for their members by working together on a common set of topics related to their sustainable long-term business operations and presence in Indonesia.

These companies are operating in industrial manufacturing and engineering sectors for Indonesian and/or Swiss markets. They bring knowledge and technologies to the Indonesian market in the field of construction tools and technology, precision parts, process automation, robotics and motion, machinery and equipment builders, and power and energy.

INDUSTRY OVERVIEW AND OPPORTUNITIES

With the largest population and economy in Southeast Asia, Indonesia is set to become the region's industrial powerhouse. The industrial sector currently contributes the most to Indonesia's annual GDP growth, with machinery and equipment investments growing at stellar rate.

Growth for 2020 onwards is expected to be robust. The domestic indicators are generally encouraging, supported by buoyant consumer confidence. Indonesia's growing middle class, the emphasis on both industrialisation and services, and the GoI's drive to improve underlying infrastructure are laying foundations for continued economy growth.

The country is working to attract an array of foreign and domestic funding and is further opening up its economy and incentivising investment in additional sectors. In other news, the has recently announced a raft of tax incentives to support the property sector and firms who invest in employee training and R&D in a bid to boost the economy. However, lower imports resulting from Government measures to contain the current account deficit may be harmful.

IDEAS TO SUPPORT MAKING "INDONESIA 4.0": EASE OF DOING BUSINESS FROM POLICY TO IMPLEMENTATION

Indonesia's Central Statistics Agency (BPS) has reported that the country's manufacturing industry has been increasingly productive and competitive after several quarters of slower growth. In Q1 2019, Indonesia's manufacturing industry grew 4.45% compared to 4.07% in the same period a year ago. While this increase is seen as encouraging, "The Making Indonesia 4.0" -- an integrated roadmap to implement a number of strategies to enter the Industry 4.0 era -- the industrial sector is still generally suffering from long-term problems that have not been fully addressed, and which continue to hinder the development of a productive economy. A historical reliance on natural resources has left Indonesia's industry lagging behind that of some regional peers (Thailand, Malaysia and Vietnam) in terms of ease of doing business.

Innovative Swiss companies are well placed to play key roles as Indonesia's industrial partners to enter the "Industrial 4.0" era. With strong foundations in competency development through vocational education and training, technology and innovation and global exposure, it is not a surprise that Swiss companies have managed to combine manufacturing, engineering, sustainability and innovation to create a competitive advantage for both its SMEs and larger industrial companies.

PRO-GROWTH SUGGESTIONS

Creating a Robust and Coherent Policy Framework

A policy framework based on the principles of the certainty of law, transparency, non-discrimination and intellectual property protection will help the GoI design and implement policy reforms to create a truly attractive, robust and competitive environment for both domestic and foreign investment. The framework should cover areas affecting investment such as investment policies, investment promotion and facilitation, fair competition, trade, taxation, finance, infrastructure, developing human resources and other broader topics, underpinning a healthy environment for all investors. SwissCham Indonesia members could offer "peer learning", enabling the GoI to incorporate feedback from enterprises' actual experiences in the formulation of new policies.

Facilitating Procedural Simplification and Digitalisation

The GoI is currently going through many radical reforms that will improve Indonesia's business environment significantly. The implementation of a single window service portal (OSS) is well received with room for improvement. SwissCham Indonesia members encourage further reduction, simplification, consolidation and digitalisation of procedures to bring about greater speed and responsiveness. Wider adaptation of IT enablers as well as incentives will facilitate procedural improvements, create more professionalism, transparency and cost effectiveness.

> *Under the framework of Making Indonesia 4.0, Indonesia is revitalising its manufacturing with the introduction of Industry 4.0 concept.*

Openness to Foreign Direct Investment

The efforts of the GoI to create more openness though relaxation of the Negative Investment List (Daftar Negative Investasi/DNI), or trade agreements (e.g. ID-EFTA CEPA) are well recognised. With the recent approval of the DNI, more businesses are now available for full or limited foreign ownership. However, some business areas also face new restrictions. The level of openness is deemed to be insufficient given that the causality and impacts of trade openness on FDI inflows have long been tested. The review process for the DNI can be improved through better consultation, transparency, and links to the current industrial policy framework. SwissCham Indonesia members encourage the GoI to further open up the DNI and hope to serve as active partners in the review process. They would also like to help the GoI increase competitiveness through human resource development and training to achieve greater human capital productivity.

Fulfilling Potentials in the Digital Economy

Under the framework, "Making Indonesia 4.0", Indonesia is revitalising its manufacturing with the introduction of the "Industry 4.0" concept. Aspiring to become the largest digital economy in Southeast Asia, Indonesia has declared the country as an official partner country for the Hannover Fair 2020 which is one of the world's largest industrial technology showcase events. A greater use of the "Industrial Internet of Things" (IIOT) will certainly boost economic growth. However, more Government and business action is needed to fulfil its potential. Many countries have failed to capitalise on this opportunity due to insufficient provision of supporting conditions needed for the rapid adoption of the IIOT, such as infrastructure, skills and regulatory systems. Switzerland together with the US, Nordic countries and the Netherlands have come out on top. SwissCham Indonesia members could work together with the GoI help identify improvements which encourage greater investment in the IIOT and scale of its adoption.

Predictability and Consistent Application of Tax Regulations

When deciding on new investments, the predictability of tax regulations and their consistent application are key for all investors. The current GoI's attempts through the Directorate General of Taxation (DGT) to bring greater reforms via simplification, transparency and predictability in the interpretation of tax regulations are well received and seen as a fight against grey economy. SwissCham Indonesia members are very supportive of the current transformation of the DGT and appreciate the willingness of the DGT to engage in dialogues with taxpayers to find the most effective solutions. SwissCham Indonesia's members encourage further transformation of the DGT in its working methods to harmonise the enforcement of tax regulations and ensure consistent application at the operational level across industries.

Attracting Foreign Talent to Indonesia

The GoI issued Presidential Regulation No. 20/2018 on the "Use of Foreign Workers in Indonesia" in 2018. This new regulation simplifies the permit application process for foreign workers, hence making the process more efficient and faster. Among the key changes is the removal, in specific cases, of the previously mandatory Expatriate Placement Plan (Rencana Penempatan Tenaga Kerja Asing, or RPTKA). SwissCham Indonesia members are optimistic that a more efficient and simpler permit application process for foreign workers will result in rising FDI in the country and faster knowledge-transfer which will then lead to more local employment opportunities. While the GoI's attempt to introduce less restrictive permitting processes and easier application protocols for foreign worker placement is well received, SwissCham Indonesia members would like to support and encourage the GoI to go the extra mile, not only as it streamlines the administrative process, but also competes in attracting high-end foreign talent to Indonesia, in keeping with the "Making Indonesia 4.0" framework.

Local Content Application to Fuel Inclusive Growth

The GoI, through the Minister of Industry, has set local content requirements for selected industries. The bill on local content requirements also encourages Government institutions and state-owned enterprises to use domestic products with flexibility in case the goods are not domestically produced to the required level of quantity and quality. However, mandating a policy of working with local companies or buying local is not a silver bullet on its own. In practice, implementation of this measure has uneven implications for businesses, and creates challenges, i.e., determining how the policy can function within the context of a specific market, which eventually leads to several pitfalls and counter-productive implications with respect to attracting FDI. SwissCham Indonesia members encourage the GoI to have close and continuous dialogues to ensure that the desired inclusive growth is achieved while providing an even playing field for all investors.

Implementation Discipline

The GoI's attempts to implement further reforms need to be supported with strong and consistent implementation programmes. Ensuring early engagement with all stakeholders is essential to achieve the desired goals. The translation of policy goals into operational rules and guidelines in a timely manner will further help to align resources and personnel allocation to drive consistent implementation. SwissCham Indonesia members encourage the GoI to adopt more advanced technologies and digital platforms to ensure that the progress and realisation of the reforms are well monitored and that real-time updates are accessible to all stakeholders for more effective implementation.

FOOD AND BEVERAGE

The food and beverage (F&B) industry is a vital sector within Indonesia's non-oil and gas manufacturing. Based on data from the Ministry of Industry, the contribution of the F&B industry to the non-oil and gas industry GDP was 34.95% in the 3rd quarter of 2017. It therefore constitutes a key engine for the economy. The F&B industry is also one of the most popular destinations for investment in Indonesia. This sector remains attractive because Indonesia is a huge market with a population of more than 260 million. Indeed, the F&B sector is projected to remain the mainstay of Indonesia's manufacturing and economic growth (the "Making Indonesia 4.0" programme).

To realise the industry's growth potential, the GoI will continue to encourage industry players to take advantage of the domestic market potential. The National Agenda welcomes the fourth industrial revolution era in which five industrial sectors are to become the focus for implementing the "Industry 4.0" in Indonesia: F&B, textiles, automotive, electronics, and chemicals.

PRO-GROWTH POLICY ACTIONS

1. License Simplification

President Joko Widodo's administration is currently working on deregulation to reduce barriers and to improve the ease of doing business in Indonesia, including through license simplification. Despite agreement that some licenses are considered redundant, political resistance from various technical ministries and Regional Governments still occurs. Local Governments cannot simplify some of the licensing because other licenses are required by the National Government through various sectoral regulations. To boost the industry's competitiveness, SwissCham Indonesia therefore respectfully suggests further simplification of licenses.

2. Certainty of Supply of Raw Materials

Industry Law No.3 Year 2014 article 33 stipulates that the GoI and Regional Governments must ensure certainty of supply of raw materials for industries. Through the "Industry Law", the GoI aims to support the development of industries such that they can compete with similar products from other countries, and add value to support Indonesia's economic growth. In reality, ensuring the supply of raw materials is among the main problems for the F&B industry in Indonesia. The lack of synergy between the Central and Local Governments, between Government institutions, inconsistencies of regulations/policy, and challenges in obtaining import licenses for raw materials, leave the F&B industry with challenges in ensuring the supply of its raw materials, such as salt, sugar, milk, etc., thus hindering this sector with business uncertainties.

3. Science as Reference in Regulation Development

Many new regulations in Indonesia have suddenly been implemented without prior discussion with stakeholders. This has resulted in unpreparedness on the part of the stakeholders and has created problems for their business operations. There should be opportunities for stakeholders to review, track, and ensure that a new regulation can be implemented. One way to resolve this would be for academics to review the new policies and for a Regulatory Impact Assessment (RIA) to be undertaken in order that the Government could learn and understand more about the risks of a policy prior to its being launched.

REGULATIONS / DRAFT REGULATIONS THAT REDUCE THE COMPETITIVENESS OF THE FOOD AND BEVERAGE INDUSTRY IN INDONESIA

Excise Tax on Sugary Beverage Products

The Ministry of Finance has proposed extending the list of products subject to excise tax. Among the propose products, sugary beverages are included to reap more tax revenue, discourage the consumption of sugar and fight obesity in Indonesia. The report by the World Health Organisation published in 2017 recommends to its member countries, that a tax be implemented to reduce sugar consumption and calls for further evaluation of the feasibility of implementing a tax on sugary drinks. The idea would force the food industry to reformulate foods with less sugar. Per capita consumption of sugary drink products in Indonesia is small compared with the consumption of homemade and out-of-home beverages. SwissCham Indonesia suggests the optimization of education programmes relating to balanced diets and healthy lifestyles as a means to address obesity and non-communicable diseases (NCD) in Indonesia.

Plastic Excise Tax

To help protect the environment, the GoI plans to introduce a new excise tax in an effort to collect additional tax revenues and serve as an instrument to control the consumption of plastic products. The GoI proposal is to impose an excise tax on plastic bottles and packaging on three sectors: The F&B sector, packaging sector, and petrochemicals. The excise tax will depend on the type of plastic. The less environmentally friendly plastic, the higher the excise tax. As of yet there is no other material with the same characteristics as food grade plastic for F&B products that can replace plastic. To address waste and environmental issues, SwissCham Indonesia respectfully suggests that the Government develops a holistic approach in tackling environmental issues, whilst increasing awareness about the role of each stakeholder in managing waste.

Draft Government Regulation of Food Labels and Advertisements

The Minister of Health is drafting a Government regulation to restrict all forms of advertisements for food products intended for children less than three years of age and for food products using the same trade name and design as products for infants up to three years of age. The draft decree was developed in response to the issuance of the World Health Organisation Guidelines in 2016, with an underlying assumption that the advertisement of food products for children aged one to three years and food products using the same trade name and design would contradict the efforts to encourage exclusive breastfeeding for this age group.

The existing prevailing regulations restrict only food products intended for infants less than one year in order to encourage exclusive breastfeeding. They have resulted in very good results. The industry is committed to continuing support for exclusive breastfeeding and providing adequate information and appropriate education to parents and caregivers, to ensure that they are well-informed and make better nutrition decisions for their children.

SwissCham Indonesia respectfully suggests that food products for children aged one to three years should be allowed to provide promotional material and advertising as part of providing adequate information to parents and caregivers about products that suit their needs.

General Provision on Distribution of Goods

The decree of the Minister of Trade No. 22/M-DAG/PER/3/2016 pertaining to General Provision on Distribution of Goods prohibits producers from distributing directly to retailers. Producers are required to appoint local distributors to distribute their products. This has created inefficiencies and unnecessary costs for producers and consumers. SwissCham Indonesia respectfully suggests the revision of the said decree to:

+ Allow producers to distribute directly to modern retail chain stores. This will not damage local distributor's businesses as their services are needed to for distribution to other channels.
+ Allow producers to operate upscale specialised stores.
+ Allow producers to offer e-commerce for their products.

Limitation of Shares Ownership for Foreign Investment in the Distribution Sector

Limiting ownership shares for foreign investment in the distribution sector does not conform with the Government's efforts to enhance foreign investment across the entire economy. More clarity involving both national and international industrial players is important to ensure non-discriminatory treatment and fair competition.

AGRICULTURE AND AQUACULTURE

INDUSTRY OVERVIEW AND OPPORTUNITIES

Aquaculture

Aquaculture is the fastest growing food production sector in the world and has now surpassed wild capture fisheries as the main source of fish production. The United Nation's Food and Agriculture Organisation (FAO) estimates that the aquaculture sector will produce two-thirds of the world's food fish supply by 2030.

With the world's largest archipelago, a coastline of 81,000 km and the largest land and water surface territory in Southeast Asia, Indonesia has the natural ability and opportunities to become a major hub and champion of responsible aquaculture in the region.

The year-long warm tropical climate is able to support aquaculture across many species. Indonesia utilises only 7.38% of its total potential area for aquaculture, but still ranks third among the most productive countries in aquaculture after China and India (OECD/FAO 2014).

The Ministry of Maritime Affairs and Fisheries states that aquaculture is expected to supply 8.76 million tonnes of fish to the domestic market or 60% of the country's fish consumption in 2019.

The Ministry reports that Indonesia's fish consumption per capita for 2019 is 50 Kg, which is equivalent to a national fish consumption production demand of 14.6 million tons per year. For comparison, this is double the EU average fish consumption per capita of 24Kg.

The FAO states that the world's fish consumption per capita will increase from an average of 19.6 kg annually in 2021 to 22.5 kg annually in 2030. This is well below the current fish per capita consumption levels of Indonesia, justifying the need to move towards expanding the aquaculture and seafood processing sector to contribute to Indonesia's food security using responsible fish farming practices and sustainable seafood consumerism models.

Agriculture

According to the Strategic Plan of the Ministry of Agriculture 2015-2019, the primary focus of agricultural development is to achieve food and farming sovereignty. During the 2015-2017 period, agriculture accounted for 10.1% of national GDP and posted an average growth of 3.3% per annum. The proportion of Indonesia's GDP generated through the agricultural industry increased to IDR 84,578 billion (USD 6.1 billion) in the first quarter of 2018, a significant increase over the IDR 43,801 billion (USD 3.2 billion) posted during the fourth quarter of 2017. GDP growth in Indonesia's agricultural sector for 2019 was estimated at 4% over the figure for 2018. Despite these achievements, the GoI can do more to strengthen its policies and anticipate problems that may threaten the country's food security and sovereignty.

Indonesia's population is expected to increase 30% by 2050. This means that 31 years from now there will be over 322 million people. In order to meet this need, agricultural production must increase by 60%. However, Indonesia's farmers are getting older, with most of them now 45 years old or older. If this trend continues, Indonesia will have insufficient human resources working in the farm sector in the near future. Age is not the only factor causing reduced numbers of farmers. Low productivity caused by the lack of access to new farming technologies and information has forced many farmers to choose more lucrative jobs in the urban areas. Due to these factors, Indonesia lost about 5 million farmers between 2008 and 2018. If no transformational measures are taken to address these issues, Indonesia will face serious food insecurity. Farming families will undoubtedly suffer economically in the next decade.

Maximising Opportunities

Innovative Swiss companies in both aquaculture and agriculture are well placed to play key roles as Indonesia's partners in the "Industrial 4.0" era by applying technology- and science-based approaches which espouse environmentally-sustainable and responsible business principles.

Swiss companies in both industries are in the best position to support Indonesia's farmer communities and accelerate innovation to address the increasing challenges faced by farmers and the changing views of society. The main challenges that Indonesian farmers are facing include the need to grow more crops with less water, climate change, floods and drought, satisfying consumers' changing tastes, meeting rising demand for more food of higher quality, adopting new technologies, investing to make farms more productive and passing on a passion for farming to the next generation.

All Swiss companies are science-based and driven, and as such they employ transparent approaches to create innovations that respond to society's needs, thus incorporating farmers and consumers' views into their research and science. Operating globally, the companies respect both international and country-level regulations, and are required to adopt the highest levels of consumer and environmental safety.

President Jokowi's second-term visions are aligned with the above-mentioned ambitions, emphasising that Indonesia must have high competitiveness and flexibility to face the fast-changing world.,. The quality of the human resources must be enhanced, contributing to the acceleration of the country's development. It is of paramount importance that Indonesia be attractive to investors whose operations will lead to increased employment opportunities.

[1] For "Overview of Indonesia's Agricultural Policies 2018", see (*http://ap.fftc.agnet.org/ap_db.php?id=903*), accessed 30 July 2019).
[2] *www.statistica.com (2019).*
[3] "Creative Economy: An Engine to Improve Indonesia's Agriculture", (*http://www.aseanfoundation.org/newsroom/creative-economy-an-engine-to-improve-indonesia-s-agriculture*, accessed 30 July 2019).
[4] "Indonesia Food Sovereignty Remains Elusive", (*https://www.voanews.com/east-asia-pacific/indonesia-food-sovereignty-remains-elusive*, accessed 30 July 2019).

Current Areas of Uncertainty and Pro-Growth Policy Solutions

Aquaculture

Indonesia's growing population and affluence mean there is a basic need for more protein. As the move towards consuming healthier, nutritious protein gathers pace, it is expected that this need will be met by aquaculture.

The ASEAN 2018 Briefing notes that the potential of the aquaculture industry is estimated to exceed US $339 billion annually. The GoI's commitment of USD$1.9 billion to improve the sector demonstrates strong support in the hopes of also attracting foreign investors who also hope to improve the export species sustainable sourcing credentials such as for shrimp and tuna.

But while there is already strong local demand for seafood, as noted above, Indonesia already produces the most-consumed white fish in the US market (Tilapia). This leadership has developed solely from Swiss investment in responsible aquaculture and processing within Indonesia.

The UN FAO has categorised Tilapia a "key global food security protein". Indonesia is already a global leader in responsibly farmed Tilapia through pioneering Swiss investment in the country. Much can be learned from this experience and be applied to the wider drive towards increased responsible aquaculture.

For example, Indonesia is developing the next phase of policymaking to support the growth in responsible aquaculture by conducting up-to-date, new environmental zonal permit modelling using international expertise for species such as shrimp and barramundi. This new permit modelling approach is taking the lessons established from the introduction of the Presidential Regulation Number 81 of 2014 which relates to the spatial planning of the Lake Toba Area and surrounding areas (Perpres 81/2014).

Although, Perpres 81/2014 defines spatial planning for Lake Toba to stabilise the quantity and quality of Lake Toba water to allow for the integrated development of lake fish farming, tourism and community-based eco-friendly plantations, the Presidential Decree does not provide sufficient clarity on map coordinates to guide related industries where to locate and have confidence that their investment in responsible operations is secure.

Such examples of policymaking reform or clarity needed for businesses are not new in Indonesia but must be handled carefully. Well intended changes that do not involve sufficient industrial consultation and expert guidance can inevitably lead to losses of thousands of skilled jobs that have been developed over the years and exacerbate fragile investor confidence.

'Policy Reform - Case Study Proposals' that can act help avoid this negative scenario can be an example of where SwissCham Indonesia's agriculture and aquaculture experts can be especially helpful to build on the leadership already established in this sector.

Agriculture

Positive Role of Foreign Ownership

Foreign ownership-investment in agriculture plays an important role in advancing Indonesia's agricultural development on all fronts, particularly in the form of technology transfers, skills and knowledge to smallholders, regeneration of young innovative farmers and rural revitalisation.

Foreign investments in agriculture, particularly those that have been established for more than a decade, have developed massive partnership programmes with Indonesia's agricultural actors in the area of innovative agriculture technology solutions. The said actors include smallholders, academic institutions and Local Government bodies. Young human resources are also rapidly absorbed by the foreign-invested programmes and reach farmers located in remote and underdeveloped areas. Moreover, foreign-investment companies that develop agriculture technologies which offer solutions for the increasing environmental challenges that farmers face should be able to invest at large scale.

However, as an example, Law No. 13/ 2010 on Horticulture, which limits foreign ownership to just 30% has proved detrimental to foreign investment in the agriculture industry. The implementation of this law in full force since 2014 has driven out foreign investment in horticultural seed-breeding, causing closure of operations, loss of local jobs and termination of partnerships with the local academic institutions in horticulture research and development.

In view of Indonesia's short history of biotechnology and the acute shortage of domestic R&D in seed breeding and propagation, this law is damaging to the country's horticulture production. Foreign investment in horticulture, which is a technologically-intensive sector, should be viewed as advantageous to both the Government and farmers, as it provides a channel through which high-quality horticultural seeds can be obtained.

President Jokowi's positive embrace of the role of foreign investment in advancing Indonesia is clear. However, the regulations are not always consistent with such a spirit. On account of the above, the GoI should establish consistent regulations across ministries that will contribute to the achievement of the President's vision.

While it is true that Indonesia's agricultural sector should have a strong national base, FDI has a pivotal role at this particular point in time. Before stipulating the composition of foreign-ownership schemes, solid assessments of national readiness on all fronts (i.e., level of technology, R&D capacity, farmers' capacity, etc.) must be carried out.

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[5]"Killing Seeds of Food Security", (*https://www.thejakartapost.com/academia/2018/12/21/killing-seeds-of-food-security.html*, accessed 30 July 2019).
[6] "Global Status of Commercialized Biotech/GM Crops in 2017: Biotech Crop Adoption Surges as Economic Benefits Accumulate in 22 Years", (*http://www.isaaa.org/resources/publications/briefs/53/download/isaaa-brief-53-2017.pdf*, accessed 31 July 2019).
[7]Creative Economy: An Engine to Improve Indonesia's Agriculture", *http://www.aseanfoundation.org/newsroom/creative-economy-an-engine-to-improve-indonesia-s-agriculture*, accessed 30 July 2019.
[8]"Indonesia's Aging Farmers", *https://thediplomat.com/2018/07/indonesias-aging-farmers/*, accessed 30 July 2019.
[9]"Empowering Our Farmers", (*https://www.thejakartapost.com/academia/2019/02/15/empowering-our-farmers.html*, accessed 31 July 2019).

Roadmap for Biotechnology Adoption

Plant science is fundamental to Indonesia's, agricultural growth, food security and economic development. Greater access to technologically advanced agricultural equipment and methods, including biotechnology seeds, would help farmers raise their yields of crucial food crops such as rice and corn.

The latest ISAAA (International Service for the Acquisition of Agri-biotech Applications) report noted that the global biotech crop area in 2017 increased 3% to 189.9 million hectares. This increase is primarily due to the greater profitability stemming from higher commodity prices, increased market demand, both domestically and internationally, as well as the availability of seed technologies.

Small holder farmers in the Philippines have seen the direct improvements that biotech crops make. The Government of the Philippines allows farmers to adopt biotechnologies in food production. Biotech (maize) commercialisation in the Philippines started in 2003, following the strict regulations set by the Department of Agriculture for biotech cultivation. Through this, the Philippines became the first country to plant a biotech crop in Southeast Asia, and has become a model for science-based and thorough regulatory policy in the region.

Indonesia, however, still does not have a firm stance on and support for biotechnology crops. As of yet there is no applicable regulatory framework, such as guidelines on variety release and post-cultivation monitoring. This prevents technology proponents from launching their products in the country. We therefore urge the GoI to establish a roadmap for the commercialisation of biotechnology crops. This roadmap should encompass mapping and the identification of regulatory loopholes.

The proponent foreign-invested agriculture companies are ready to serve as the data sources needed to formulate the required policies on biotech crops. The GoI needs to encourage investment and development in the field of biotechnological research by offering strong regulatory protection to the proponents and allowing investment to flourish in this growing field.

Science as Reference in Agriculture Policy Development

The regulation of the agricultural sector and agricultural products must maintain the highest levels of consumer and environmental safety. Indonesia's farmers are facing challenges such as reduced productive farming land, soil degradation, climate change, drought, water scarcity, and floods that threaten their land's productivity. Science-based technological innovations are the best way to address such problems. Indonesia's science community should be involved in the policy-making process that balances agricultural innovation with environmental protection.

Pesticide Registration

To increase investment in the pesticide industry, greater regulatory certainty and a more conducive business climate are needed to increase investment. The revision of Ministry of Agriculture Regulation No. 39/ Permentan/SR.330/7/2015 (Permentan 39) on Pesticide Registration has been long awaited by the industry. This regulation sets out a roadmap for improved enforcement and offers a clear focus on making "better quality" pesticides available for Indonesian farmers which minimise the hazards associated with counterfeit and/or substandard products. The revisions will help create a more effective, efficient and scientifically sound pesticide registration process and will ultimately bring the legislation into harmony with globally accepted standards of pesticide registration.

Stance on International Conventions

In responding to various international conventions and protocols affecting the agricultural sector, Indonesia is often found in a state of high pressure that threatens its decision-making process. Indonesian and foreign agrologists need to work with the GoI to help develop a solid policy stance towards the international conventions and protocols. Rigorous assessment mechanisms are required to address the criteria stipulated in international conventions/ protocols which take into account hard science, field evidence/ research, the interest of Indonesian farmers, national employment and food sovereignty, the latter of which President Jokowi has continuously promoted.

At the same time, the conventions/ protocols must not serve as an instrument to create a non-tariff barrier for Indonesia's agriculture production, hence impeding the country's agricultural products' competitiveness in the international market.

Develop an Actionable Roadmap for Regenerating Farmers

Boosting technological innovation in agriculture will not enhance food security if the number of farmers is decreasing by the year. An actionable roadmap and regulations must be developed to support two proposed pathways:

1. An integrated national programme to support young farmers (regeneration) in both rural and urban areas;

2. Use the creative economy as the vehicle to attract young people with relevant skills and innovative ideas to take ownership and contribute their skills and knowledge to address Indonesia's serious agricultural issues.

Reversing the long-existing negative stigma of farming among the younger generations is a big task for Indonesia. One of the ways for the GoI to attract younger generations into the farming sector is through the introduction of modern technologies. Foreign investment in agriculture that is driven by technology, science and innovation should be openly welcomed and prioritised to help the GoI address this challenge.

The manifestation of the creative economy is evident as more and more agricultural start-ups have been established over the last five years in Indonesia, and they have played key roles in reshaping the agricultural landscape in Indonesia. Agricultural start-ups in Indonesia have been able to address the classic problems that Indonesian smallholders are facing, namely obtaining loans, low education background, long and complex agriculture supply chain, lack of sustainable farming knowledge, and few facilities that offer continuous learning.

An integrated national programme with an actionable roadmap will enforce synchronised regulations among the relevant ministries to support the above pathways. The current efforts to galvanise youth empowerment in agriculture are seldom included in any official plans, or in partnerships with relevant agencies. Hence, they have not yet gained much traction in terms of youth outreach. New agricultural machinery, seed and methodologies, most notably from foreign companies, must play an important role in implementing the objectives of the roadmap.

Revitalisation of Agriculture Extension Workers

The implementation of regional autonomy in 2001 seems to have side-lined agricultural extension workers, who had contributed greatly to empowering farmers and increasing productivity for nearly three decades starting in the late 1990s. President Joko Widodo acknowledged the need to revitalise agriculture extension services to boost the productivity of farmers, but the GoI's capacity for recruitment has been severely limited by the budget.

The lack of interest among the younger generations has exacerbated the issue. Revitalisation should rest not only on instilling new knowledge about the latest agriculture technology in the current extension workers, but it should also be concerned with recruiting younger workers who are proficient in disseminating knowledge about the latest technologically-intensive agriculture products and services.

This is where science and technology-based agricultural companies can play an important role in supporting the GoI in implementing the country's programmes for the revitalisation of agriculture extension workers. Swiss-origin companies can support the increase in extension workers' access to appropriate and improved technologies suitable to field conditions. Given the diverse ecological conditions of the country, there cannot be a 'one-size-fits-all' strategy. What is required is a well-coordinated system among Government, public and private organisations.

SERVICES

IDEAS AND INPUT TO SUPPORT THE NON-BANK FINANCIAL SERVICES SECTOR

Indonesia's insurance sector is one of the fastest growing and most promising in Southeast Asia due to both rapid economic growth and a growing population that can increasingly afford the service.

Summary Background

The Non-Bank Financial Services Sector (NBFI), composed of insurance, asset management, pension and finance companies, is regulated by the autonomous Financial Services Authority (Otoritas Jasa Keuangan/OJK), an integrated regulatory body established in 2013 under Law No.21 of 2011 to supervise the financial services sector, protect customers, and create a sound environment for industrial growth.

Since its inauguration, the OJK has taken admirable strides towards protecting customers and ensuring the long-term financial viability of the industry participants. The first regulation promulgated by the OJK was POJK No. 1/POJK.07/2013 which regulates customer protection by financial service companies. This regulation introduces a standardised regime under which financial players must operate, covering everything from standardised contracts to the handling of customer complaints.

The OJK is guided by the National Financial Literacy Strategy, a blueprint aimed at developing financial inclusion and which consists of three core pillars: (1) National financial literacy campaigns and education; (2) Strengthening financial literacy infrastructure; and (3) Development of financial products and services.

Maximising Opportunities

Insurance

The global insurance industry is knocking at Indonesia's door as they are aware that the sector has averaged compound annual growth of 20% in gross written premiums, and 26% in assets since 2007. It was Swiss companies like Zurich which were operating in Indonesia 30 years ago and working to develop the industry's potential. There is much more opportunity for Indonesia to work with Swiss companies as insurance penetration is still limited at only 6.7% of the population (for life) and 0.47% (for general), a much smaller share of the population than in other countries of the region. In fact, 43 million of the 53 million life insurance policy holders are through corporate group plans. The nearly 10 million individual life policy holders represent more affluent Indonesians.

Pro-Growth Policy Actions

Create Sustainable Investment Climate in Indonesia

The OJK should continue to foster and promote a sustainable investment climate in the financial services industry by developing an investor-friendly industry roadmap and engaging the private sector in its development. This will afford greater certainty for investors in formulating their long-term investment plans and strategies for Indonesia.

Refine the OJK Operational Structure, Internal Collaboration and Synergy with other Government Institutions

To facilitate the ease of doing business, the OJK should ensure greater inter-division (bank, capital markets, insurance) collaboration efficiency and effectiveness, especially during the formulation of regulations and when reviewing transactions and investment approvals. Creating efficient and effective synergy with Government institutions could further boost investment confidence.

Create a Transparent OJK Fee

The OJK publishes its audited financial statement on its website. However, the methodology used for calculating the mandatory asset-based levies paid by the financial services companies and the use of the funds needs to be transparent to ensure confidence in the OJK's operations. Swiss organisations in partnership with industry associations are ready to engage in discussions to support the development of a transparent OJK fee mechanism ensuring alignment with the basic principles and developmental objectives of the OJK.

Integrated Oversight of Financial Conglomerates

The OJK should finish developing an integrated oversight mechanism for the improvement of the financial services industry as mentioned in the draft of "Integrated Oversight OJK Regulation". This draft regulation introduces the concept of a financial conglomerate lead entity which will be responsible to integrate risk management implementation in the financial conglomerates. Such a regulatory development, if supported by corporate law, could permit conglomerates to better manage risk and coordinate activities more efficiently. Enabling the shared services of group-related companies within Indonesia to improve services to customers and boost efficiency, would be welcomed by the industry and seems aligned with the direction of regulations on group risk management and financial conglomerates.

Develop Critical Skills in Actuarial, Compliance, Risk Management and Underwriting

A pillar for economic stability, growth, and the build-up of a stable and trusted financial services sector lies in the development of key human resources. Millions of Indonesians with limited means will potentially rely on health, life and other insurance in times of crisis and need.

By developing programmes that encourage the growth of actuarial, compliance, risk management and underwriting human resources, Indonesia is ensuring the long-term health of its economy. Capacity-building investments targeted in actuarial science and the second lines of defence functions, including compliance and risk management, will have a profound impact on the future quality and rate of growth of the nation's financial system with potentially hugely beneficial impacts to Indonesian society. There are several developmental programmes being supported by industry and academia which could address these needs and Switzerland could play a greater role here. Such initiatives are completely aligned with the ambition and direction of the OJK, as well as the GoI's broader objectives of dramatically boosting financial inclusion and growing the middle class.

Project The Risk Management, Economic Sustainability and Actuarial Science Development in Indonesia (READI) is one such short-term initiative which has garnered considerable support from the industry, providing exposure of the actuarial profession to the grass-roots level. To provide continuity to the momentum generated through Project READI, relevant local industry bodies (Indonesian Life Insurance Association (AAJI), General Insurance Association of Indonesia (AAUI), and the Society of Actuaries of Indonesia (PAI)) should take greater leadership moving forward.

Protect Freedom of Consumer Choice

The private sector can be an effective partner for state-owned enterprises and other government-related entities in influencing the formulation of public policy and fulfilling its goals. Private sector and state-owned enterprises could complement each other in providing solutions to consumers. For example, the Social Security Administration Body (BPJS) which oversees a mandatory health and employee benefit system whose primary objective is to increase the number of Indonesians with access to basic healthcare and a social safety net, cannot be denied. However, the role of the private sector in providing quality health and pension services needs to be equally recognised and protected to ensure freedom of consumer choice.

A similar approach should be taken towards the protection of public sector assets. Allowing private sector companies to competitively bid on commercial protection of public assets is in the best interests of Indonesian taxpayers.

> *Project READI is one such short-term initiative which has garnered considerable support from the industry*

Finally, the introduction of mandatory liability cover at a specified minimum limit for all spaces open to the public would be beneficial to the public interest, filling a much-needed protection gap for those injured in public places. The introduction of compulsory third-party motor insurance would also provide protection to victims and those injured in road traffic accidents as well as providing for damage to property and infrastructure arising from such incidents. The introduction of these mandatory covers would put Indonesia in equilibrium with other countries, where such covers are deemed necessary to protect the public interest.

Insurance Policyholder Protection Fund

The establishment of a fund to protect Indonesian policyholders in case their life insurance company fails will build public trust and confidence in the Industry. To ensure equitable implementation of such a fund, it must be properly governed with heightened supervision and oversight to ensure standardised treatment of all insurers. As in other countries, there is an opportunity for the private sector to play a role in the governance and accountability of the effectiveness of this institution.

Positive Role of Foreign Ownership

Foreign ownership and participation should be welcomed in the financial services sector as the industry will continue to require significant foreign capital and expertise for the foreseeable future.

Foreign ownership in an insurance company should be kept to a maximum of 80%, with 20% held by an Indonesian entity. Joint ventures in which foreign ownership is above 80% without grandfathering will be required to comply by 2020, or the second option is for it to go public. This would be a draw-back for foreign investors due to the lack of options for bonafide local partners.

Enforcement of Regulations

The OJK, together with the relevant insurance associations need to ensure stronger enforcement of regulations so as to build public trust in its institutions and mandate. Consistent application of regulations to industry participants also brings greater legal certainty and fair treatment to all industry players. A more proactive OJK approach to developing resolution plans for troubled insurers would foster greater public trust and reduce the systemic risk that may occur if weak participants are permitted to continue to conduct business.

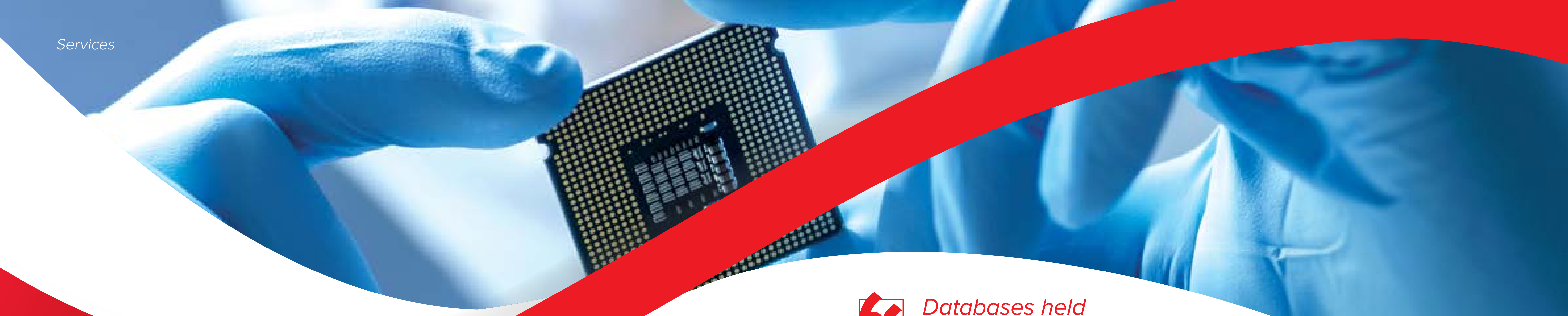
Untapped Potential for Sharia Insurance and Financial Services in Indonesia

In close cooperation with industry, the OJK should devise and promote regulations to support the growth of Sharia insurance and financial services in Indonesia that are aligned to the Country's "Masterplan Ekonomi Syariah Indonesia 2019-2024". This must include providing greater clarity around future operating models that would be acceptable to existing players while ensuring that costs to the consumer are not increased.

A greater focus on financial services to the country's Muslim population has the potential to propel Indonesia into one of the top Sharia markets in the world.

Digital Technology and Regulation

Empowering companies to go digital while keeping pace with global regulations is paramount to a more robust and innovative NBFI sector. Regulators should promote the use



> *Databases held offshore allow companies to use off-shoring to manage their global databases for efficiency and risk management*

of digital tools that increase the effectiveness of the service delivery to the end customers, reducing costs while enhancing accessibility for the end customer of insurance products who are more internet-savvy. Impediments to full "digitisation" of financial services (such as the anachronistic requirement to have "wet signatures") stymie the broader objective of financial inclusion.

Databases held offshore allow companies to use off-shoring to manage their global databases for efficiency and risk management and can provide better services and security for Indonesian customers. The existing OJK Regulation requires the storage of certain data to be in Indonesia, namely premium and claim payment, personal data of policyholders and insured, and data and information in the administration of legal entities.

In a significant change from the now revoked Government Regulation No. 82 of 2012, Article 21 Government Regulation No. 71 of 2019 ("GR 71/2019", effective 10 October 2019) specifically permits a Private electronic system operator ("ESO"), e.g. Zurich Indonesia, to locate an electronic system and electronic data outside the territory of Indonesia, subject to the following conditions:

1. The location of the electronic system and electronic data outside of Indonesia does not diminish the effectiveness of the supervision conducted by a relevant state ministry or institution and law enforcement agencies; and
2. Access to the electronic system and electronic data must be provided for the purpose of supervision and law enforcement, in accordance with law.

The government has not issued the implementing regulation of this matter. Most likely, OJK will amend its Regulation following the new GR.

The Government and OJK must be careful that regulations such as GR 71 and the proposed Cyber Law - that are not fully vetted or improperly implemented - do not have consequences opposed to the intent of their initial purpose.

In relation to electronic policy, although the OJK Regulation No. 23/2015 has made room for e-policies subject to the customer's prior consent, the same Regulation still requires the policy summary to be in hardcopy to fulfil the provision in Indonesia Commercial Law Code (KUHD). The Supreme Court may issue a pronouncement to admit electronic documents. We hope the GoI would revise the KUHD in relation to the e-policy and to undertake harmonisation with GR 82.

Lastly, the OJK should allow every new spin-off insurance corporation to still use the platform of the mother company, among others, the office network and the operation platform.

Simplification of "Know-Your-Customer" (KYC)

To increase the market penetration is to simplify the KYC procedures applied to insurance companies. This needs to involve the effort of OJK all sectors, considering the fact that there are cross-sector products, and also Financial Transaction Reports and Analysis Centre (PPATK).

Tax Department Administration

To ensure business environment certainty and a foundation for positive business growth, the Tax Department needs to develop greater consistency on the application of tax regulations related to the treatment of insurance companies' reserve deductibility. Also, to maximise Government synergies, the Tax office will benefit by harmonising its actions and processes with the OJK. Another area that merits attention – and which is aligned with the GoI's objective to increase the number of registered tax payers – is to consider expanding the range of tax advantages for financial products (i.e., exemption from contribution, exemption from expansion capital, tax on withdrawn capital to create pools of domestic capital that can be used to develop Indonesia's infrastructure with less reliance on foreign capital. Similar schemes in other countries have been the bedrock of long-term funding for infrastructure and have supported the growth of stable financial service industries.

Another area needing attention is the tax benefits associated with life accumulation products where the funds could be invested in Government infrastructure projects. As of 12 August 2019, the GoI has reduced the income tax rate on bond income received by collective investment contracts in the form of infrastructure investment funds. The initial rate was 15% but was reduced to 5% until 2020 and 10% from 2021 onwards. In addition to collective investment contracts, the GoI might opt to receive infrastructure funding from unit-link funds by providing tax benefits for insurance products. Unit-link funds can be invested through Government bonds for infrastructure projects, in particular, or any suitable instrument. The tax benefits can be in the form of reduced income tax rates for Government bonds, similar to collective investment contracts, or deductibility of unit-link premiums in individual income tax. Government bonds can be an attractive investment option for insurance companies since there is no investment limitation from the OJK.

De-tariffication and Tariff Implementation

Currently a tariff exists for motor and property risks and this has been in place since 2014 to curb declining profitability in these areas. The tariff mandate was for only five years and as such there is now discussion as to what happens going forward. The most preferable outcome for insurance companies would be a de-tariffication and a move to fully open market pricing which would enable a truly competitive marketplace. Such a move would enable the application of differentiated, risk-based and dynamic pricing allowing for a more competitive and customer-centric proposition.

Criminalisation of Civil Law:

A ring of individuals led by a lawyer are abusing insurers by filing unsubstantiated criminal cases in the court against insurers who (i) rejected abuse claims (the policy-holders and insureds are members of the ring); or (ii) alleged mis-selling (the agents were also members of the ring). The OJK and AAJI must decriminalise civil law by working together with the Police Department to issue regulations and operative guidelines.

PARTNERSHIPS IN VOCATIONAL EDUCATION AND TRAINING

Ideas and Input to Support Vocational Education and Training

In all the sectors that Swiss companies are working, there are similar challenges with respect to human resources. Switzerland and Swiss companies, with their long-lasting history and experience in dual vocational education can and are interested in being engaged in strengthening the Indonesian vocational education system. As in Switzerland, a strong vocational education system departing from a tradition of operational excellence, working closely with the private sector can contribute to the development of a competent workforce.

Swiss Engagement in Vocational Education and Training in Indonesia

As a backbone of the Swiss economy, the country maintains a mature and strong industry-driven dual vocational education and training system. Switzerland, in its technical cooperation with Indonesia, has been engaged in the development of vocational education and training since the early 70s. This has resulted in a positive recognition by Government partners and the public. Some of the key institutions supported include:

+ National Hotel Institute, NHI Bandung - today: STP Bandung
+ Politeknik Mekanik Swiss, PMS Bandung - today: POLMAN Bandung
+ Polytechnic System, 14 institutions all over Indonesia and the Poly development centre, PEDC in Bandung
+ Vocational Education Development Centre, VEDC Malang (Training Centre for Subject Matter Knowledge (SMK) Teachers)
+ Polytechnik Akademi Teknik Mesin Industri (ATMI) Solo partially supported by the Swiss Government

Today, there is ongoing cooperation and support of the intention and technical and vocational education and training (TVET) priorities of President Joko Widodo:

+ Skills for Competitiveness S4C, supporting 5 technical polys in cooperation with the Ministry of Industry and the Ministry of Research and Higher Education
+ Sustainable Tourism Education Development (STED), supporting a Tourism Polytechnic in Lombok, in cooperation with the Ministry of Tourism
+ Sustainable Tourism Development Project (SUSTOUR), supporting 5 tourism vocational schools (SMKs) in Flores and Wakatobi, in cooperation with the Ministry of Tourism

On the other side, various Swiss industries in Indonesia have introduced and run in-house vocational training programmes to directly build up their needed workforce.

Strong and Competent Workforce as Backbone for Economic Growth

In his annual state of the nation address, President Joko Widodo highlighted his vision to develop the nation's human capital during his next presidential term. To realise this vision, Indonesia will require major reforms to its education and vocational institutions.

Enhancing the quality and relevance of vocational graduates to meet the needs of the private sector from both the SMK and Poly levels will be an important success factor in enhancing global competitiveness. Key factors for success are: a) curricula meeting the needs of industries. This can be achieved by involving the private sector in the development process; and b) competent and practice-oriented teachers and instructors. This can be achieved by exposing the current teachers to the world of work through industrial internships for teachers and involving practitioners from the industry in the teaching learning process. The realisation of the ongoing "Recognition of Prior Learning Programme" is an important precondition for that. In general, a close collaboration between schools and industry is needed.

a) Close Collaboration between Schools and Industry

The most important aspect of vocational schools is their industrial relations and mutual partnerships with businesses. In Indonesia, there are cultural gaps between the two entities: many teachers and school principals do not know how to connect or stay in touch with industrial leaders, and on the other side, the industry needs and demands competent and professional manpower. There could be a wide range of opportunities to work together, such as providing proper tools and equipment for in-house training, regular practitioners from industry visiting the schools as guest lecturers who can share their knowledge and experiences, or hosting teachers for practical training in the businesses. Such involvement of the industry will positively affect graduates, improving their professional competency and provide better job opportunities.

Since such partnerships are strategic, they need to be the responsibility of the top management, i.e. the schools principals and the general managers or companies heads. They are the ones who hold and have the authority in the organisation's decision and policymaking. Cooperation should be defined in a cooperation agreement with an implementation plan defining the activities to be implemented over a defined time. The strategic direction given by the leaders and actual action done by team members will determine the quality of the partnership and long-term relationships between TVET institutes and industry.

b) Curricula, Meeting the Needs of Industries

TVET graduates' skills and competences should meet the needs of the industry. This requires an adequate and practical training programme to cover such needs. Therefore, the involvement of the industry in curriculum development is crucial to integrate the required core competencies and skills for graduates. Unfortunately, industries are very often not involved in the design of the needed competences and curriculum. There are methodologies like DACUM (Developing a Curriculum) for occupational analysis to involve and link industry with schools, especially polytechnics. For SMKs, the national curriculum is set by the Ministry of Education but gives space to the individual SMKs with the so-called local content. In close collaboration with partner industries this local content can be used to close the gap between the existing curriculum and the needs of the industry.

c) Competent and Practice-oriented Teachers and Instructors

Of all the various challenges, teachers capacity is the most critical challenge faced by vocational schools. Indonesia does not have enough vocational teachers and their quality or professional competency is low. Most TVET teachers have an academic qualification, but practical industrial know-how and working experience is nearly non-existent.

A teacher internship programmes which enable vocational school teachers to learn about the practical realities in industry should be conducted regularly to find out about new trends and better cope within the sector. Such an internship also gives the opportunity for teachers to build a mutual relationship with industry, obtaining business information and learning new products, tools and equipment. Such knowledge can be transformed into new teaching materials and methods to improve the quality of teaching. A vocational teacher who regularly follows industrial trends will be able to deliver the newest or latest developments to the students in an innovative and practical way.

d) Recognition of Prior Learning

To involve professionals from the industrial sector as instructors would be highly useful to the vocational programmes, even if they do not have academic degrees. The GoI recognised this potential and introduced the Recognition of Prior Learning or RPL policy in 2016. With such programme it will be possible to formally engage experienced professionals in the teaching process.

Maximising Opportunities for Vocational Training

All of the factors mentioned above are crucially important to meet the vision of President Joko "Jokowi" Widodo, to develop the nation's human capital and hence achieve operational excellence in industries.

The Swiss Government and member companies of SwissCham Indonesia are highly motivated to engage and support the efforts of the Government to strengthen the TVET system. From the private sector, there are various possibilities for collaboration, which might include:

+ Build-up or expanding company internal skills training programmes
+ Partner with a training institution (Poly and/or SMK) with a Link and Match programme to do a dual-like training programme
+ Provide on-the job training opportunities for teachers/ instructors and students to gain practical insight experiences
+ Assign professionals from companies to be guest lecturers
+ Engage in curriculum development processes

With such engagement, SwissCham Indonesia and its member companies can bring experience and know-how to vocational education and strengthen the competitiveness of the Indonesian economy.

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ADVANCING INDONESIA 4.0

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