

Strategies in Developing SMEs Products for Global Market

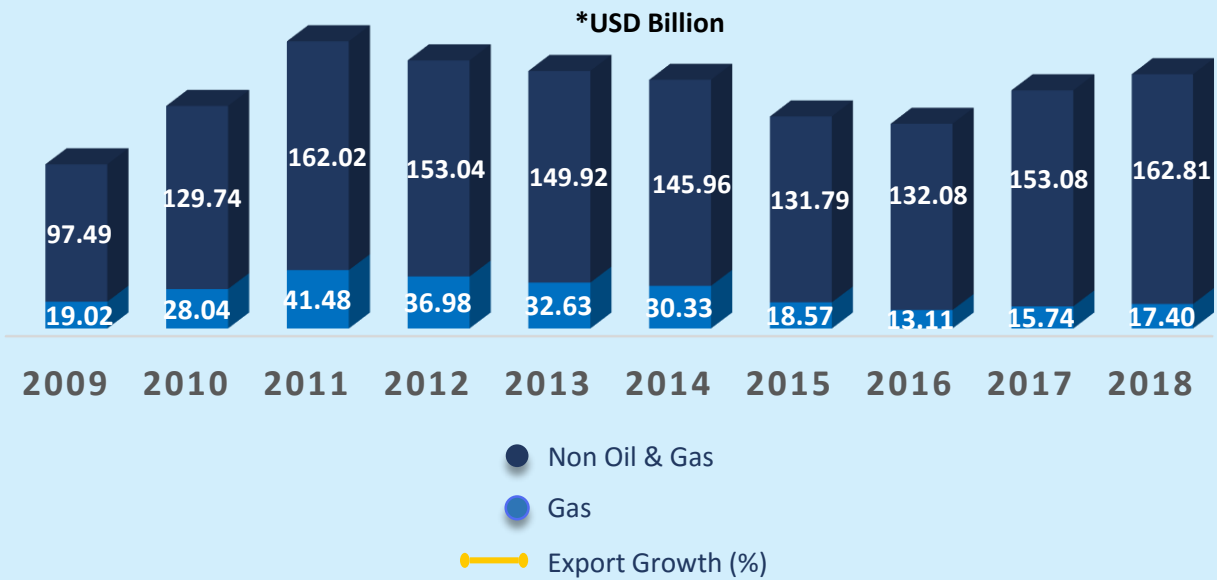
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INDONESIA'S EXPORT PERFORMANCE 2018






Source: Ministry of Trade of Republic Indonesia








Total export value (oil & non oil products) in **2018** was at **USD 180,01 Billion**

↑ Export of non oil products increased by **6,37%** (**USD 162,84 Billion**) from 2017

5 Main Export Products :

-  CPO (11,20%);
-  Textile and textile products (8,12%);
-  Metal products (7,50%);
-  Chemical products (6,77%); and
-  Wood products (incl. paper & furniture) (6,44%).

5 Main Export Destination :

-  China (14,99%);
-  USA (10,85%);
-  Japan (10,02%);
-  India (8,39%); and
-  Singapore (5,53%)

INDONESIA'S EXPORT PERFORMANCE 2019

Source: Central Statistic Agency (BPS)

Export of non oil products on Jan – June 2019 is at **USD 74,21 Billion** or decreased by **6,54%** compare to Jan – June 2018 of **USD 79.40 Billion**

5 Main Export Products Jan – Jun 2019 (share 40.77%)



Mineral fuel (15,33%)
USD 11.38 Billion



Animal fat & oil (10,89%)
USD 8.08 Billion



Machineries/ electricity tools (5,28%)
USD 3,92 Billion



Vehicles & parts (4,96%)
USD 3.68 Billion



Jewellery (4,31%)
USD 3.19 Billion

5 Main Export Destination Jan – Jun 2019 (share 48.99%)



China (15.36%)
USD 11.39 Billion



USA (11.23%)
USD 8.33 Billion



Japan (9.02%)
USD 6.69 Billion



India (7.64%)
USD 5.67 Billion



Singapore (5.74%)
USD 4.26 Billion

Indonesia Export Structure (2018)

Indonesia export structure
(2018)



49,8%

Manufacture Products

50,2%

Non Manufacture Products



World import structure
(2017)

81%

19%

Source: Trademap

Challenges in Exporting Products and Services



- During the past years, Indonesia's exports are mainly natural intensive products
- Lack of awareness among entrepreneurs to comply with international standards and certifications



- Indonesia needs to focus on developing exports of potential products which will give significant contribution to the increase of export value
- Indonesia needs to conduct more research (market analysis & market intelligence) about potential export products
- Indonesia needs to determine clear strategies to boost export of its potential products including strategies to enter export destination countries (incl. non traditional markets)

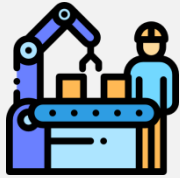


- Coordination among stakeholders (central and regional government as well as private sector) need to be improved to boost export



- Indonesia ranks 73rd on World Bank's Ease of Doing Business Index 2019 which is a setback by one point compared to last year where Indonesia was at 72

Factors Supporting the Increase of Export of SMEs Products



Production capacity needs to be significantly improved, hence an increase in investment and development of downstream industry are necessary



Improvement on trade-related infrastructure (transportation, housewares capacity, port facility, banking, internet, etc)



Sinergy between central and regional governments



Incentives for export-oriented SMEs

The spirit of “**Indonesia Incorporated**” needs to be practiced among the central and regional governments as well as other stakeholders

Strategies & Policies To Boost Trade of SMEs Products



Developing market for SMEs products in the domestic market through :

- Local Trade Mission
- Promotion of e-commerce platform for entrepreneurs
- Implementation of “100% Love Indonesian Products” campaign



Improving competitiveness of SMEs products in the global market through :

- The Indonesia Design Development Center (IDDC) facility
- Designer Dispatch Service (DDS) program
- Good Design Indonesia (GDI) competition
- Rebranding program
- Coaching Program
- Export training



Mapping of entrepreneurs based on product and location through :

- Identification of Exporters and Potential Exporters (IPE) program
- Customer Service Center (CSC) program



Facilitating and strengthening networking of Indonesian entrepreneurs and buyers through :

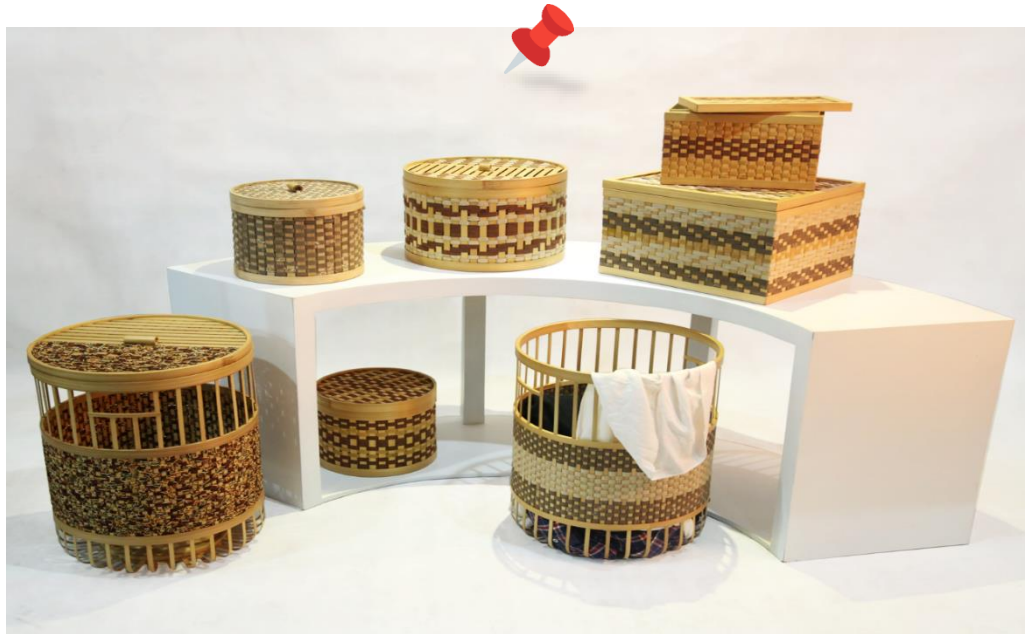
- Trade Mission program
- Trade Expo Indonesia
- World Expo Dubai 2020



Opening new export destination for SMEs products from Indonesia through :

- Acceleration of negotiation of Free Trade Agreements with export destination countries
- Optimization of the role of Trade Attache and Indonesia Trade Promotion Center (ITPC) abroad

Success Story of IDDC Program

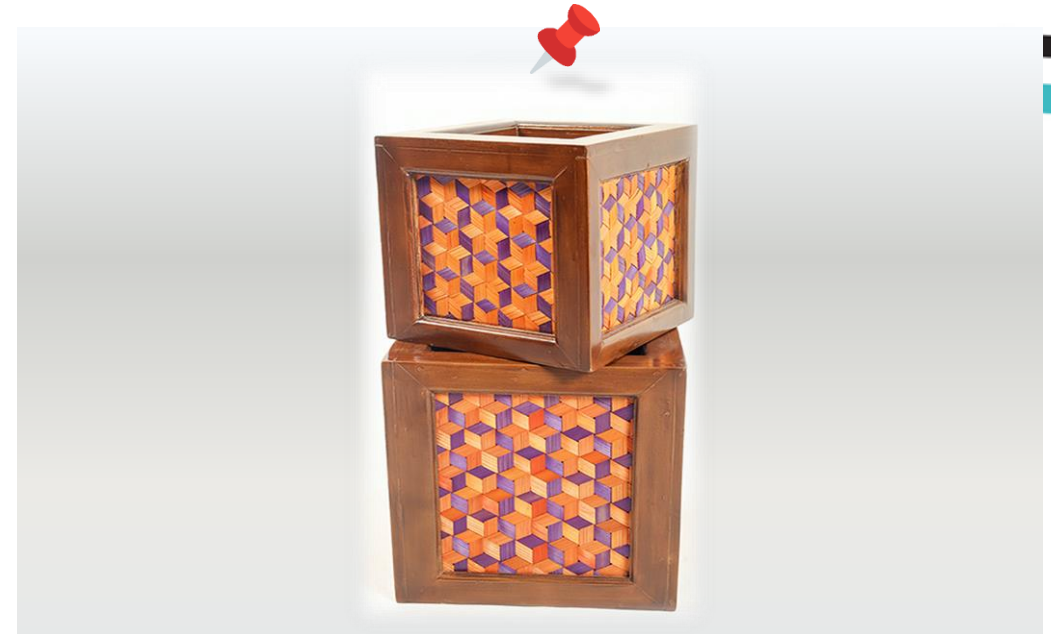


Product Designer : Mufti Alem
Company : Raja Serayu
Location : Cilacap
Export to : UAE, China, Argentina and Chile

Total Export (2018) :

Volume : > 1.150 Pcs

Value : US\$ 62,250 and Rp. 210.000.000,-



Product Designer : Raditya A Taepur
Company : Rumah Tikar Vinto
Location : Jambi
Export to : Japan, Turkey, Italy, Malaysia, Singapore

Total Export (2018):

Volume : > 14.600 Pcs

Value : Rp 13.8 Billion (US\$ 985,714)

Thank You

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