

Indonesia: Poised for growth

With a 264 million-strong population spread across an archipelago of over 17,000 islands, Indonesia is a veritable giant of Southeast Asia. Its incredible economy has grown significantly over the past decade--going from a GDP per capita of just \$823 in 2000, to \$3,932 in 2018-- bolstered by a burgeoning tech-savvy population, government policy and rising affluence.

However, as one of the world's fastest-growing emerging economies, Indonesia is also one of its highest-emitting countries, driven largely by its consumption of fossil fuel and rapid development.

As such, leaders of emerging economies are fast realising that economic growth needs to be tempered by sustainability. There's a good reason: Research by the Global Commission on the Economy and Climate shows that combating climate change could deliver at least \$26 trillion in new and innovative economic growth between now and 2030, compared to business as usual.

Realising this, one of Indonesia's leading developers, PT Surya Semesta Internusa (SSIA), is at the forefront of sustainable development. Having been in the property business for more than four decades, SSIA is widely recognised as a pioneer both in national development, and within its industry; with an established presence in 14 cities in the country.

Currently, it is developing a township in Subang, "Suryacipta", about 85km east from Jakarta, as a city of the future with access to education, healthcare facilities, and ease of mobility-- a smart and sustainable city spread across 2,700ha. The township is poised to become an appealing attraction driving investors to the region.

This plays into President Director of SSIA Johannes Suriadaja's goal to make a bold push for the private sector to do more for sustainability and innovation.

"As a private sector company, Surya Internusa is playing its own role to implement smart and sustainable living into our developments. Sometimes there can be hurdles to realize our company's vision, as there may be a lack of understanding of what the private sector needs in terms of regulatory frameworks. That is why we are working together with central government bodies and also the private sector, and we welcome partnerships in this respect," says Johannes.

"We want to make a statement that even the private sector can help solve social issues -- whether it is human resources or infrastructure development," he adds.

Infrastructure development means that PT ICI Paints Indonesia, which is the local joint venture partner company of AkzoNobel, is perfectly positioned to play their role in the sustainable development that is the cornerstone of Indonesia's future.

"I must say that business is looking great so far. The government plans to focus on infrastructure while fulfilling the people's needs for housing and schooling. Paint is pretty essential in the construction of infrastructure, as you require paint and coating to protect and strengthen the structure," says Indra Laban, AkzoNobel's President Director.

"We [also] aim to produce and create more value with less resources," he adds. "We have a product that helps keep the building cool, so it saves the energy required for air-conditioning in the building. Most of our products are also water-based,

AkzoNobel

Indra Laban,
President
Director
of PT ICI Paints
Indonesia
(AkzoNobel
Decorative
Paints
Indonesia)



AkzoNobel: Today's Actions, Tomorrow's Sustainable Solution

For AkzoNobel, innovation means taking action today to develop tomorrow's sustainable solution. The global expert in the proud craft of making paints and coatings has set the standard in colour and protection since 1792, and fully understands its role in creating more value with less resources.

That is why AkzoNobel's portfolio of well-known paint brands -- including Dulux, International, Sikkens and Interpon -- requires less application to create the same professional effect. Less layers applied means less cost and labour time for the painters, while achieving the same colour saturation and unique features, such as keeping a building cool. Innovations like this are driven by AkzoNobel's principles, which is to ensure sustainability in the products, sustainability in the features, and sustainability for the people using it.

The Amsterdam headquartered brand emphasises on sharing best practices and know-how. The AkzoNobel Paint Academy has produced cohorts after cohorts of top-notch painters in the past decade, providing courses from basic to advanced levels in paint application.

AkzoNobel has made fresh commitments to improve services and reach to second-tier cities in Indonesia, offering customer support and product education in the lesser-connected areas so that every Indonesian can enjoy AkzoNobel's innovative and sustainable products. "Since 1792, AkzoNobel has developed a passion for paint, and our strategy is to keep moving forward bringing the trust and confidence for customers across the globe," Indra concludes.

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which makes it sustainable and very safe to use."

Oscar Wezenbeek, Regional Managing Director, AkzoNobel Decorative Paints South East & South Asia, emphasises that sustainability is built into the core of the business.

"Our sustainability agenda incorporates economic, environmental and social aspects across the value chain," he says. "We protect the environment and preserve our planet by reducing waste, becoming carbon neutral and transitioning to renewable energy by 2050."

This is in line with the government's commitment to a minimum of 26% reduction in greenhouse gas emissions by 2020; and AkzoNobel is certain this will generate long term sustainable solutions and help improve business performance.

With a demanding market, it is no longer enough to deliver a good product, but also one that is environmentally and socially responsible. "Sustainable practices and improvements will continue to take precedence in the company's growth strategy," he adds.

Even as Indonesia propels forward towards its ambitious sustainable development goals, these unprecedented times have also led to a shift within Indonesia's higher education sector. Hence, for the first time in Indonesia's history, Nadiem Makarim, a young entrepreneur that is well-known as the Gojek founder was appointed as the Minister of Education. Makarim understands how important it is to have entrepreneurship, technology and innovation embedded in the education system as the way to drive change.

As the nations' economy moves towards its future, human capital development is crucial to achieve the models of growth seen in its regional neighbours. Universities are increasingly being challenged to internationalise, to deploy technology that will enable conducive learning ecosystems, and to implement diverse strategies to achieve their objectives.

But perhaps its most crucial role is in nurturing the talent needed to catapult Indonesia's economy to the next level, and many higher education institutions

in Indonesia are cognizant of their role.

Prof. Dr. Djisman S. Simandjuntak, Rector of the Universitas Prasetiya Mulya, "UPM" stresses the importance of internationalisation as a way for Indonesian universities to surge ahead.

"Internationalisation is a must. We have launched a few programs with English as the language of instruction as the platform for internationalisation; we engage visiting faculties from different centres of higher learning," he says.

Innovation is another focal point for the university. "The appearance of hybrid companies like Gojek, Grab, Tokopedia and Blibli signals a shifting technology frontier. Yet, much more is needed. Experiences in other parts of East Asia tell that domestically originated technologies can deliver sustainable progressive growth because of the scale and scope of the economies involved."

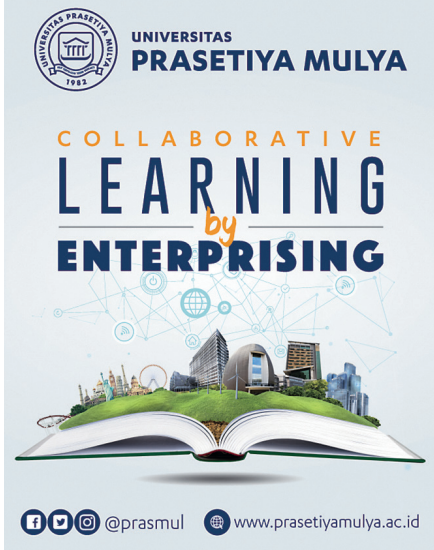
Therefore, UPM opened its science, technology, engineering and mathematics (STEM) program in 2016, with a focus to groom technology-driven businesses. "We attach a greater importance to the use of knowledge to generate technology-based businesses rather than theorizing about fundamental questions in STEM. Indonesia needs to transition in the nearest future to STEM-related businesses. Higher education has to align with this goal."

However, innovation is not the sole focus of universities. To develop human capital means to develop skills that are fit for the advent of Industry 4.0, says Prof. Dr. Arif Satria, Rector of IPB University (Bogor Agricultural University).

When he was awarded the role as the university's rector in 2017, his priority was to design a curriculum to respond to new opportunities and challenges that arise in a technology-driven environment.

"This is a new era that is not only about digital technologies or the Internet of Things (IoT), but also demands different skill sets and qualifications. We identified the skills that our graduates need to develop for [this], such as critical thinking, collaboration, communication and creativity," he adds.

"Upon entering IPB, our students go



through a talent mapping program that we have developed. In talent mapping, we can identify the interest and personality of the students, and prepare them adequately. For example, for students keen on business and have the patience for it, we would encourage them to join our start-up schools," he adds.

However, the path forward can be challenging, and there is still work to be done to achieve their goals.

Prof. Dr. Ali Ghufroon Mukti, Rector of Trisakti University says: "The education field is seeing great opportunities now that the government is focusing on human capital development. The government will have to prepare the universities and higher education institutions to produce qualified, integrated and competitive human resources which can fulfil the needs of the newest development, especially those related to Industry 4.0.

"First, we need deregulation, less bureaucracy and more autonomy for universities to increase the capacity of students. Universities need to take action to improve on the teaching-learning process, adopt innovation and increase knowledge in new technologies," he says. "It is also important to intensify internship programs in the industry. University of Trisakti has implemented this and has had a strong relationship with industry before the "Kampus Merdeka" policy was launched."

As such, the path towards sustainable development for Indonesia is one which will combine innovation and the nurturing of human capital; and only through a partnership of both private and public sectors will this goal be achieved.

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