



**WAKIL PRESIDEN  
REPUBLIK INDONESIA**

**Speech of the Vice President  
of the Republic of Indonesia  
Indonesia Japan Innovation Convention (IJIC) 2012  
Bandung, 2 December 2012**

Excellencies

Distinguished Participants

Ladies and Gentlemen,

Assalamualaikum warahmatullahi wabarakatuh.

First, I would like to convey my happiness at being able to attend the Indonesia-Japan Innovation Convention 2012 that has now taken place for more than two days.

In particular I would like to extend a special welcome to His Excellency Yasuo Fukuda, the former Prime Minister of Japan, for supporting this important event.

I consider this convention as a strategic undertaking for it has brought together many experts and practitioners who, together, will be able to think of ways to enhance the collaboration between Indonesia and Japan in the area of technology innovation, to serve the best interests of our two peoples.

I am happy to note that there are many participants from Indonesia, such as experts from the Bandung Institute of Technology (ITB), the Indonesian Institute of Sciences (LIPI), the Agency for the Assessment and Implementation of Technology (BPPT), from various universities, as well as practitioners from the business sector.

I would also like to give my appreciation to all of the technology experts from various Japanese institutions as well as the private and business sector who are participating in this Indonesia-Japan Innovation Convention. As we know Japan is acknowledged as one of the leading countries in the field of technology development and innovation. The ability of the Japanese to develop and utilize technology for the advancement of their nation is something that Indonesians should strive to emulate.

Ladies and Gentlemen,

According to the current consensus, technology innovation is the primary determinant in the development of a nation. The main gateway for technology to become part of everyday lives is through investment.

Most technology innovation occurs through technology adaptation by the business sector which creates products to be sold in the markets. Research in the area of sophisticated and state-of-the-art technology is highly important. Yet for some countries, like Indonesia, the fastest way is probably to adapt technology to meet our needs.

The World Bank Report of 2010 argued that transforming technology into innovation is basically the responsibility of the private sector and entrepreneurs. Entrepreneurs, therefore, play a vital role in bringing forth the opportunities provided by technology that can give tangible benefits to the people.

I have already raised the fact on another occasion that Indonesia has a relatively small number of entrepreneurs compared to other ASEAN countries. According to a 2008 survey on entrepreneurship by the World Bank, Indonesia's entrepreneurs comprise only 1.56 percent of its total population, compared to Malaysia with 4 percent, Thailand with 4.1 percent and Singapore's 7.2 percent.

Indonesia clearly needs more entrepreneurs who are able to innovate. Therefore, I strongly endorse that the collaboration between Japan and Indonesia in developing entrepreneurship should be enhanced.

Ladies and Gentlemen,

There are two other important factors that support the innovation process, namely high quality educational and research institutions. Indonesia possesses a number of educational and research institutions that have the potential to produce technology for innovation. We must continue to encourage these potentials to become realities. More need to be done to improve the effectiveness of these existing institutions. Fostering productive relationships between universities and research institutions with the business sector is crucial. It would be useful for us to learn and analyze Japan's experience in this matter.



Ladies and Gentlemen,

Indonesia is now entering a development phase which no longer relies on raw materials and cheap labor. We are now beginning a stage in which development must be based on knowledge, innovation and creativity as the source for economic growth. During this phase there are many challenges that have to be overcome.

One of the ways to overcome these challenges is to carry out productive collaboration with countries that are technologically advanced. At the same time technologically-advanced countries can reap benefits from joint research that is directly related to the expansion of trade and investment potentials in Indonesia. Indonesia and Japan have a strong foundation for cooperation in various areas.

Japan and Indonesia have a strong economic relation and share a long and deep history. In 1981, more than 30 years ago, Indonesia and Japan signed an agreement on science and technology cooperation. In 2007 the Japan-Indonesia Economic Partnership Agreement was signed, and came into effect the following year. In 2011 Japan was Indonesia's largest export market (16.6%) and the third largest source of Indonesia's imports (11.0%). In the same year 400,000 Japanese visited Indonesia, while over 60,000 Indonesians visited Japan. Of these, more than 13,000 Indonesians went to Japan to do business.

Japan and Indonesia can benefit from this strong cooperation by expanding collaboration to create innovative products, process and marketing in both countries. The challenges for Indonesia and Japan are how to bring together the various opportunities to strengthen the links between research institutions, business practitioners and societies at large for the benefits of the two countries.

We in Indonesia fully realize that we must continue to improve Indonesia's investment climate and develop its infrastructure. The Indonesian Government already has a concrete action plan in these areas. I hope that this meeting will be able to formulate clear and concrete steps that we can follow up together. The Indonesian Government will give its full support so that our two nations would be able to reap tangible results quickly in the areas of technology innovation, entrepreneurship, trade and investment. That is all from me, and I hope the convention will be a success.

Thank you.

Wassalamualaikum Warahmatullahi Wabarakatuh.

**Vice President of the Republic of Indonesia**

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