

**JOINT MEDIA STATEMENT: For The Second Japan-Indonesia Public-Private Economic Dialogue
(Track 1.5)
30 May 2023**

TOKYO–Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry of Japan (METI) Hirai Hirohide, Minister, Embassy of Japan in Indonesia (EOJ) Usui Masato, and Deputy Minister, Coordinating Ministry of Economic Affairs (CMEA) Edi Prio Pambudi held the second Japan-Indonesia Public-Private Economic Dialogue (Track 1.5) today in Tokyo.

The Dialogue brought together public and private sector representatives from both countries to discuss ways to enhance bilateral economic cooperation and business environment improvements including via joint projects in Asia and beyond, based on the Asia-Japan Investing for the Future Initiative (AJIF). Both sides also exchanged views on international and regional developments.

Public and private sector participants from Japan and Indonesia engaged in fruitful discussions in the areas of i) Digital Economy and Start-up, ii) Promotion of Green Industry towards carbon neutral, and iii) Human Resource Development, and exchanged ideas on the future direction of cooperation. In addition, taking into account that Indonesia holds the ASEAN chairmanship and Japan holds the G7 chairmanship this year, the two countries also exchanged views on the nature of economic co-creation for the development of the region.

Following the successful conclusion of the inaugural Track 1.5, Japan and Indonesia agreed to hold the Third Track 1.5 next year.

The summary of areas discussed are as follows:

i) Digital Economy and Start-up

Participants shared about their efforts for promoting digital transformation and start-up in each country and actively discussed various support measures for collaborations between the two countries, for solving social problems. Through these discussions, both sides agreed that further collaboration between supporting measures necessary for forming eco-system to grow start up and the businesses including start up in both countries, which are critical to drive economic growth, solve social challenges, and lead the way for global innovation. Based on the such discussion, METI and CMEA agreed that they would hold the first Indonesia-Japan Fast Track Pitch Event in Indonesia in the near future as a part of the ASEAN-Japan Co-Creation Fast Track Initiative to accelerate open innovation by leveraging creative solutions of startups.

ii) Promotion of Green Industry

The private sector participants from both sides demonstrated concrete projects and ideas on the decarbonization such as (1) visualizing CO₂ emission across supply chains through digital tool, (2) supporting Indonesian SMEs to formulate the roadmaps of carbon footprint management, (3) reducing

carbon emission in commercial buildings and industrial process by optimizing the operation, and (4) Japanese private sector confirmed its commitment to contribute to Indonesian Net-zero target in 2060 or sooner, and presented the overall picture of the current activities by Japanese companies in Indonesia. Both sides welcome the progress of projects in private sector of Japan and Indonesia. Through these discussions, both sides shared the importance of promotion of green industry to achieve sustainable society and net-zero emission from demand side as well as supply side and agreed the necessity of further collaboration in promotion of green industry, especially by sharing good practices in Indonesia. During the discussion, KADIN and JETRO Jakarta Office agreed, among other things, to concretize and sophisticate their cooperation towards Carbon Neutral in Indonesia.

iii) Human Resource Development

Participants from Japanese side demonstrated their efforts on developing human resources in Indonesia, such as a) socialization of apprenticeship program for job seekers, b) internship program of university and high school students, and c) capacity building program for of trainers of Indonesian Ministry of Industry (*Politekniks*) and Ministry of Manpower (BBPVP Bekasi/CEVEST). Participants also shared the views that human resources development in Indonesia is important to realize SME's development, supply chain resilience, and the digital transformation (DX), and green industry. Both sides agreed to work together for further promotion of human resources development in Indonesia.