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Moment of the Month



Mr. Bambang, the head of Dinas Industry & Trade Tegal in front of delivered components from Tegal



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SPECIAL TOPIC ~ Regional seminars for dissemination

As part of the activities of the SMIDeP technical cooperation project, both the Directorate General of Small and Medium Industry (DG-SMI) and the Expert Team have conducted regional seminars for the purpose of disseminating the experiences and achievements of facilitation activities over the target industries through the SMIDeP approach during the last two years as follows. They were designed to i) share the facilitation approach (implementation set-up, steps/methods for facilitation of local industries taken by SMIDeP), ii) share key factors (lessons learned and good practices observed during the facilitation processes) in success cases, and iii) propose a package of support activities as an applicable model to other regions/industries among/ to the heads of local governments (Dinas Industry & Trade) which have similar local industries in their regions.

	Focus	Invitees	Date/ Venue
Seminar for Region I	Experience/achievement of facilitation over ulos fashion industry in Samosir Regency	Provincial and regional govts. which have the potential for the fashion industry development (utilizing traditional cloth)	17 Nov. Medan
Seminar for Region II	Experience/achievement of facilitation over ship-part industry in Tegal Regency	Provincial and regency govts. which have the metal-working industry, BKI, associations of ship-builders/ dockyards, and ship-parts manufactures	30 Nov. Jakarta, Ministry of Industry
Seminar for Region III	Experience/achievement of facilitation over cacao processing industry in Central Sulawesi Province	Provincial govts. which have the cacao processing industry or the potential for its development	17 Nov. Palu

Among the seminars, the one for the ship-parts industry of Tegal Regency achieved a consensus among the participants on following similar facilitation support to other regions/industries, i.e., technical guidance support for market development and component certification. The Ministry of Industry (MoI) announced the Memorandum of Understanding (MoU) concerning the acceleration of Indonesian Classification Bureau (BKI) component certification to the invited local governments and the association of ship-parts industries throughout Indonesia. The MoU is a derivative from the successful case of technical guidance of BKI certification in Tegal. SMIDeP has successfully founded the collaboration framework (referred as 'platform' at the national level) for ship-parts industry development, where the stakeholders concerned are being committed to increasing the number of certified components in view of enhancing the local-content of ship-building.

The SMIDeP approach has also created a success case in the cacao processing industry in Central Sulawesi Province, and the seminar for Region III has highlighted this case with sharing good practices, tips and lessons observed during the facilitation processes with the provincial governments which have the cacao processing industry or the potential for its development. The seminar, which two Directorate Generals of MoI (SMI and agro-based industry) jointly held, has shared a direction between the said two Director Generals to applying the development model and support menu facilitated in Central Sulawesi to other regions. In parallel with the seminar, an opening ceremony and study tour of a cacao processing factory in Palu was also arranged for the invited provincial governments to learn the development model and supports on the site.



Seminar on ulos fashion industry



on ship-parts industry

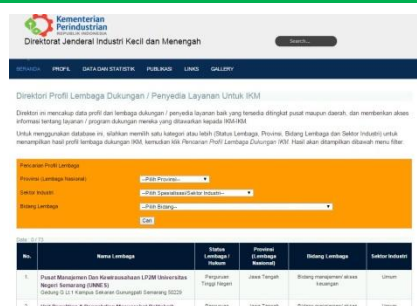


on cacao processing industry

The regional seminars have also introduced the important output of SMIDeP, technical guideline for facilitation of local industry development (being reviewed by DG-SMI) as a reference document to help the officers of local governments (Dinas Industry & Trade) in particular to realize the standard and improved facilitation processes and desirable facilitation outcomes. This technical guideline shall be further introduced to the regional governments on the occasion of a national seminar (to be scheduled in February 2016) in view of widely sharing the SMIDeP approach and experiences in facilitating local industry development.

PROJECT NEWS ~ Support Institution Directory has been improved and uploaded

SMIDeP has suggested and supported to develop a web-based directory of support institutions, which compiles the profiles of key support institutions which are active in the field of SMI development/promotion (starting with those available at the national level and in the target provinces of SMIDeP). The directory, once developed as a demo-version in the last year, was to be improved based on discussion with DG-SMI and technically adjusted in accordance with the technical configuration of DG-SMI's web-site. At the end of October 2015, the improved directory, which enables users to find relevant support institutions to their purposes (searchable in terms of i) province, ii) category of support (such as management/financial access, production/technology, marketing/ promotion, and human resource development) and iii) sector of industry), has been uploaded on the website of DG-SMI: <http://ikm.kemenerperin.go.id/new/> → Data dan Statistik → Lembaga Dukungan.



LWG Meeting for Evaluation at the Target Industries since Phase I

In the last September, the Local Working Groups (LWG) for the target industries since Phase I has organized LWG meetings for evaluation, which invited representatives of target industries. The facilitation activities for the Local Industry Action Plan during the last 2 years were reviewed in terms of their achievements and approach. Evaluation was then followed by a session to discuss how LWG continues (or ceases) the facilitation. Among LWGs, those for the ship-parts and cacao processing industries reviewed that the overall goal of the Action Plans (challenge action) had been satisfactorily attained by target SMIs, and decided to further extend the facilitation support with the revised Action Plans (further increase in success cases of SMIs) while maintaining the existing implementation set-up of facilitation, i.e., LWG. On the other hand, LWG for the rattan furniture industry, which admitted that the overall goals had not been necessarily attained in terms of the number of success cases of SMIs, also decided to continue to facilitate the Action Plan but to reorganize LWG. LWG for the ulos fashion industry in Samosir seemed satisfied with the attainments of transactions made with intended buyers/markets and establishment of a joint-business cooperative, although the value and scale of transactions are still limited. Facilitation through LWG of inter-sector institutions shall be ceased, and Dinas Industry, Trade & Cooperative shall follow-up the Action Plan and approach to other institutions if their cooperation is necessary.

Region I: Aloe Processing Industry in Pontianak

Six SMIs from the aloe processing companies' association in Pontianak and five members from LWG participated in a comparative study tour of Jakarta and Bandung for packaging improvement from 3 to 5 November. The participants visited several packaging companies offering services tailored for SMIs, while having a meeting with the Indonesian Packaging Federation and the Mol Packaging Clinic to discuss various packaging issues. Each participant will utilize information and experience obtained from the study tour to establish beneficial linkage with the suitable packaging companies/organizations. Further, the association has set follow-up action to develop new packaging prototypes in collaboration with LWG and those packaging companies/organizations.



Discussion with a packaging company

Region II: Footwear Industry in Mojokerto

One of the issues indicated by market tests and related support institutions during the course of the "Model Product Development Support Program" is poorly finished bonding between the shoe upper and sole. LWG in response requested the Indonesian Footwear Industry Development Center (BPIPI) to help testing concerning adhesive strength of prototype products. The test result revealed that the products from Mojokerto did not satisfy the national standard of adhesion, making target SMIs recognize their poorly finished bonding by figure. LWG, in further response to this test result, organized gluing training which introduced quality adhesives and adequate finishing practice of bonding to target SMIs. Last October, then, the target SMIs displayed improved prototypes at an exhibition held in Jakarta by preparing a special booth branded as "Cool Mojokerto". The Expert Team recognizes that LWG has been well facilitating the target industry in a flexible and timely manner according to the progress of the Action Plan and their needs.



Strength test of shoes at BPIPI

VOICE ~ Disperindag Kalimantan Barat, LWG for Aloe Industry



Mr Bulyadi, the Head of Division IKAHH, Disperindag Kalimantan Barat with SMIs actively involved in SMIDeP.

At the beginning of the project, the Local Working Group (LWG) together defined a challenge as well as the Action Plan in order to solve problems faced by the aloe industry in Pontianak. The lack of knowledge related to the production process, the lack of supporting equipment, incomplete business licenses, the difficulty of getting packaging materials, and the lack of market access and guidance that is not well coordinated between local government agencies (SKPD) are expected to be solved through the Action Plan. Our common goal is to enable small and medium industries (SMIs) to produce competitive aloe beverage products in the modern market.

The facilitation of support activities based on the Action Plan continues to be done on an ongoing basis by LWG members and other stakeholders. The support activities that have been made include: the establishment of the Aloe Product SMI Association, facilitation of meetings between SMIs and the National Polytechnic, product quality and water tests, business management guidance, facilitation of the arrangement of intellectual property rights and product promotion for market tests through exhibitions. Another ongoing support activity is the implementation and certification of Good Manufacturing Practice (GMP). This is a new approach for the development of aloe product SMIs in Pontianak. A team of experts have been appointed to provide technical

guidance of GMP in detail as well as the implementation in the SMIs' production activities.

The Action Plan has a very clear and focused formulation, as well as greatly assists relevant agencies in implementing the development of aloe SMIs. Although no doubt there are still some aspects that cannot be facilitated fully by each Dinas, but prior to the project, these Dinas did not have clear joint measures relating to the facilitation of the industry.

The project greatly helps LWG, especially regarding internal communication and coordination of activities within Dinas. In addition, the project also boosts the commitment of stakeholders to the aloe industry, both from the province and Pontianak City. Going forward, LWG will continue the program that has been built through the project to achieve our challenge that has been formulated in the Action Plan for the development of aloe product SMIs in Pontianak.