

## **INDONESIA – 1 MAY 2007**

### **STATEMENT ON INDUSTRIAL DEVELOPMENT**

My Delegation associates itself with the statement made by Pakistan on behalf of the Group of 77 and China.

To comment on the chairman of the negotiating text, Indonesia would like to highlight the importance of policy space for developing countries in developing its industrial sector and diversification. It is undeniable that industrial development has become the pertinent factor for economy. Nonetheless, developing this sector should be taken in a balance manner with other sector such as agriculture. Industrial development has been so attractive that agricultural lands have been converted into industrial estates and threatened food security. In this regard, industrial development needs to be promoted in order to sustain production and consumption patterns. We witness that globalization of communication and information promotes unsustainable production and consumption patterns and this must be faced through balance campaigns.

Balance policies is required to provide enabling environment for foreign investments to avoid further negative impact of solely focusing on industrial sectors such as, environment degradation, air pollutions, and other impact causing the deepening of the poverty rates. It is important that industrial development grows in an efficient manner while using fewer resources, in other words to become greener.

Indonesia, as well as other countries, is of the view that Corporate Social Responsibilities (CSR) is pertinent, nonetheless the important question is on its implementation. In this regard, CSR should be viewed among other in the framework of providing access to enhance capacity building of the local people.

In order to promote domestic industries, enhancing small and medium enterprises should be placed on the centre of the policy. Financial and capital scheme for SME should get priority as well as labor social security.

Lastly, education could become a pillar of human resource development in order to increase national industrial capacity that could contribute to the MDGs.

Thank You.