

**INTERVENTION AND NATIONAL STATEMENTS
DELEGATION OF THE REPUBLIC OF INDONESIA
AT THE 51st SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD (IDB), UNIDO
VIENNA, AUSTRIA, 3 – 6 JULY 2023**

Inclusive and sustainable development in middle-income countries (Item 11)

1. Indonesia commends Director General for delivering the report and preparing an updated workplan for the implementation of the Strategic Framework for Partnering with MICs.
2. Indonesia further appreciates UNIDO for operationalizing the workplan and ensuring its effective and efficient implementation, as mandated by the 50th Session of the IDB last year.
3. MICs are a diverse group, especially in terms of income and development levels. They have become increasingly drivers of the global economy.
4. Indonesia and other MICs have been undergoing incredible industrialization and manufacturing development in the past decades. Having said that, most, if not all, of MICs are in the middle-income trap situation.
5. MICs face uncertain trajectories for economic growth. MICs can no longer compete in labourintensive commodities, as wages becomes growingly high.
6. At the same time, they have not yet achieved the ability to compete in higher value-added activities on a broad scale.
7. To overcome middle-income trap situations, there should be more support to transform the established pattern of industrial development.
8. In that context, Indonesia is of the view that it is imperative to pursue industrial policies which can help increase the level of knowledge and technology embodied in production and exports.
9. Diversification and upgrading of export composition would play a significant role to enhance economic resilience and competitiveness of MICs.
10. Despite different situation, economic composition and level of development, MICs need support to enhance the capacity of human resources, strengthen infrastructure, and advance digital transformation.
11. Indonesia extends an appreciation to UNIDO for delivering some initiatives to assist MICs, among others through the Global Industrial Policy Advice Facility. We wish the implementation of such programs to be expanded to more developing countries.
12. Technical cooperation and initiatives, such as UNIDO Knowledge Hub, should continue to be at the center of UNIDO's service delivery for MICs.
13. Relevant to its priorities, UNIDO should play a more active role in truly enabling developing countries to beneficially participate in global trade, among others by supporting developing countries to add value of their productions and boost their domestic productive capacity.
14. Value addition of raw materials will benefit the economy of commodities-dependent developing countries by creating higher-value downstream processing jobs and increasing export revenues.
15. By pursuing its priorities, UNIDO could play a more significant role to help transform industrial capacity of MICs, in terms of scope, scale, speed and pattern of production, trade and investment, all of which are essential for steady transition towards high-income status.
16. Indonesia urges UNIDO to continuously update the Workplan of the Strategic Framework and provide comprehensive review and assessment of its implementation, in consultation with Member States.