

STATE OF THE NATION ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA

AT THE ANNUAL SESSION OF THE PEOPLE'S CONSULTATIVE ASSEMBLY (MPR) OF THE REPUBLIC OF INDONESIA

AND

THE JOINT SESSION OF THE HOUSE OF REPRESENTATIVES (DPR) OF THE REPUBLIC OF INDONESIA

AND

THE REGIONAL REPRESENTATIVE COUNCIL (DPD)
OF THE REPUBLIC OF INDONESIA

ON THE OCCASION OF THE 78TH ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF INDONESIA



JAKARTA, 16 AUGUST 2023 MINISTRY OF THE STATE SECRETARIAT OF THE REPUBLIC OF INDONESIA



PRESIDENT REPUBLIC OF INDONESIA

Bismillahirrahmanirrahim,
Assalamu'alaikum warahmatullahi wabarakatuh,
Good morning,
May peace be upon us all,
Om Swastyastu,
Namo Buddhaya,
Greetings of virtue,

Distinguished Vice President of the Republic of Indonesia *Bapak* Prof. Dr. (H.C.) KH Ma'ruf Amin and *Ibu* Hj. Wury Estu Ma'ruf Amin;

Honorable Speaker, Deputy Speakers, and Members of the People's Consultative Assembly (MPR) of the Republic of Indonesia; Honorable Speaker, Deputy Speakers, and Members of the House of Representatives (DPR) of the Republic of Indonesia;

Honorable Speaker, Deputy Speakers, and Members of the Regional Representatives Council (DPD) of the Republic of Indonesia;

Honorable Chairpersons, Deputy Chairpersons, and Members of State Institutions;

Distinguished *Ibu* Prof. Dr. (H.C.). Hj. Megawati Soekarnoputri, the Fifth President of the Republic of Indonesia;

Distinguished *Bapak* Prof. Dr. H. Susilo Bambang Yudhoyono, the Sixth President of the Republic of Indonesia;

Distinguished *Bapak* General (Ret.) Try Sutrisno and *Bapak* H. Hamzah Haz;

Distinguished *Bapak* Dr. (H.C.) H. Muhammad Jusuf Kalla and *Ibu* Hj. Mufidah Jusuf Kalla;

Distinguished *Bapak* Prof. Dr. H. Boediono and *Ibu* Hj. Herawati Boediono;

Distinguished *Ibu* Hj. Shinta Nuriyah Abdurrahman Wahid;

Excellencies Ambassadors of Friendly Countries and Heads of International Agencies and Organizations;

Distinguished Ministers of the Indonesia Onward Cabinet, the Attorney General, Commander of the Indonesian National Defense Forces (TNI), Chief of the Indonesian National Police (Polri);

Distinguished Chairpersons of Political Parties;

My Fellow Citizens, Distinguished Ladies and Gentlemen,

We are now entering a political year. The situation has mildly escalated. The trend among politicians and those in political parties, whenever they are asked about their Candidates for President and Vice President, their answer would be: "There are no directives yet from the "Village Chief."

I was thinking who this "Village Chief" was. Everything is connected to this "Village Chief". These days, I realize that the Village Chief refers to me. To which I replied that I'm not a Village Chief. I'm the President of the Republic of Indonesia. It turns out that the Village Chief is a hint.

However, let me stress that I am not a chairperson of a political party nor am I the leader of a coalition of political parties. In accordance with the provisions of the law, it is political parties and their coalition that determine presidential and vice-presidential candidates. Thus, I would like to state that it's not my authority. It's not the authority of the "Village Chief".

I understand that it is the nature of a President to become a scapegoat, a target, a shield. Even before the campaign season begins, my pictures are everywhere. In many provinces, cities, regencies. In many villages too. However, they are not my pictures alone. Next to me are presidential candidates. That's alright. No problem.

Distinguished Ladies and Gentlemen,

Being a President is not as convenient as the people perceive. There's a big responsibility that must be shouldered. There are problems faced by our people that must be addressed.

In the social media era like today, anything can reach the President, starting from problems faced by the people in the villages, anger, mockery, derision, and slander. Everything can be easily conveyed.

I am aware that there are people calling me stupid, dumb, ignorant, a Pharaoh, a fool. I have no problem. Personally, I accept that. However, what upsets me is that the polite culture and noble character of this nation seems to have ebbed away. Freedom and democracy are used to vent malice and slander. This moral corruption hurts our civility.

Indeed, it is not always the case. The majority of the people is also disappointed with this moral corruption. The mockery and insults have actually awakened the nation's conscience to unite in preserving the morality in the public space, in protecting the mentality of society so that we can keep moving forward, carrying out the transformation of the nation towards an Advanced Indonesia, towards the 2045 Golden Indonesia.

This is what I frequently mention in every occasion: that Indonesia today has a great chance to achieve the 2045 Golden Indonesia vision and to be among top five global economies.

We do not only have the chance, but have also devised strategies to achieve it. It depends upon whether we wish to focus our energy to move forward or waste it on unproductive activities that may divide us or even cause us to step backwards.

My Fellow Citizens,

Distinguished Ladies and Gentlemen,

The demographic bonus that will peak in 2030s is a tremendous chance for us to achieve the 2045 Golden Indonesia vision. Sixty eight percent of our population belongs to the productive age group. This is the key to improving our national productivity.

The second great chance is the current international trust in Indonesia. Such trust that has been built for a long time is not merely a gimmick or rhetoric. Instead, it demonstrates the role and the actual proof of Indonesia's bravery in taking a stand.

The momentum of Indonesia's G20 Presidency, Chairmanship in ASEAN, consistency in upholding human rights, humanity, equality, as well as Indonesia's success in facing the global crisis in the past three years, have leveraged and re-positioned Indonesia as a player in the global stage.

Amid the global condition replete with volatility due to differences, Indonesia with her Pancasila (the Five Principles), harmonious diversity, and democratic principle is able to create space for dialog, become a meeting point, and bridge the existing differences. Australian think tank Lowy Institute stated that Indonesia is a middle power in Asia with a diplomatic clout that is significantly on the rise. Indonesia belongs to one out of the six Asian countries that has seen an increase in comprehensive power.

However, there remains doubt about the significance of high level of international trust. Our people consume rice. International trust cannot be consumed. Yes, it is indeed inedible. Similarly, toll road cannot be consumed. These are the examples of how we waste our energy on unproductive activities. But it's all good. They make me happy. They are here to make things more lively and not monotonous.

Distinguished Ladies and Gentlemen,

With a high level of international trust, our credibility will be even more acknowledged and our sovereignty will be even more respected. Indonesia's voice will be heard, making it easier for us to negotiate.

We must make the most of this opportunity. We would be at a great loss if we missed out this opportunity because not every country has it and there's no guarantee that we will have it once again.

Our first strategy in making the most of this opportunity is by preparing Indonesia's human capital. We managed to reduce stunting into 21.6 percent in 2022 and improved our Human Development Index into 72.91 percent in the same year. We also improved our

Gender Empowerment Index in 2022 into 76.59 percent. We set aside a budget for social protection amounting to Rp3,212 trillion from 2015 until 2023, including for Health Indonesia Card, Smart Indonesia Card, College Smart Indonesia Card, Family Hope Program, Staple Food Card, as well as protection for senior citizens, people with disabilities, and other vulnerable groups. We also have re-skilled and upskilled the labor through Work Training Centers and Pre-Employment Program.

At the same time, the people who have been prepared should get a job that can improve national productivity. We must create new economic sectors that provide many job opportunities that bring the greatest added values.

This is the role of the green economy sector and downstreaming as our windows of opportunity to accelerate progress because Indonesia boasts abundant natural resources, including minerals, plantation products, marine products, as well as new and renewable energy.

However, abundant natural resources are not enough. Owning them is not enough because it will make us complacent as a country by merely selling raw materials without added values, without sustainability.

Let me reiterate that Indonesia must not end like that. If anything, Indonesia must transform into developed nation that is able to manage her resources, give added values, and bring prosperity for the people. We can realize this by doing downstreaming. The downstreaming that we are going to do is through transfer of technology, which uses new and renewable energy resources, while minimizing environmental damages. The Government obliges mining companies to make adequate nurseries to carry out reforestation of lands previously used as mining areas. Downstreaming must be carried out not only for mining commodities, but also non-mining commodities such as palm oil, seaweed, coconut, and other potential commodities. The downstreaming will also optimize local content by partnering with the MSMEs, farmers, and fishers so that they can enjoy the benefits.

We are taking measures and we must carry on. It is a bitter pill to swallow for raw material exporters. It is an unfavorable condition for short-term state revenue. However, once a large ecosystem has been established and the processing plants are ready, I fervently believe it will produce a good result in the long run, especially for the welfare of the Indonesian people.

As an illustration, after we discontinued exporting nickel ore in 2020, investment in nickel downstreaming recorded a rapid growth. We have already built 43 nickel processing plants that will provide a huge number of job opportunities. This is from one commodity only.

With consistency in carrying out downstreaming in nickel, copper, bauxite, CPO, and seaweed, based on our calculation, in the next 10 years our per capita income will reach Rp153 million (US\$10,944). In the next 15 years, our per capita income will reach

Rp217 million (US\$15,860). In the next 22 years, our per capita income will reach Rp331 million (US\$25,025). As a comparison, in 2022 our per capita income stood at Rp71 million, meaning that the hike can be more than twofold in 10 years.

We have already started building the foundation to achieve this. First, infrastructure development and connectivity ultimately boost our competitiveness. Based on report from Institute for Management Development, our competitiveness in 2022 rose from 44th to 34th. This is the world's highest increase.

Second, development of villages, border areas, and outermost areas ultimately brings equality to our economy. The Village Fund that we disbursed has reached Rp539 trillion from 2015 to 2023.

Third, a consistent structural reform, particularly synchronization and simplification of regulations, ease of licensing, legal certainty, and corruption prevention. All of these become our capital for reaching advancement.

To that end, I have reiterated that future leadership will set a path forward for Indonesia's future.

This is not about who the President is. No, it's not. The question is whether or not the future leaders are ready to work in line with what we have started today, or whether or not they are brave or consistent enough. What we need is endurance. We are not having a leisure walking here, and we are not having a sprint either. What we are doing is a marathon to reach the Golden Indonesia.

Distinguished Ladies and Gentlemen,

The challenges ahead will be daunting. Choices of policy will be increasingly challenging to make so it takes courage and trust to make difficult, unpopular decisions.

To that end, in my opinion, a leader must earn public trust for trust is one of the factors determining whether a policy is feasible; whether a decision can be followed up or not. It is a political strength to lead a nation.

Moreover, a leader also needs support and cooperation from components of the nation. Thus, I would like to thank Heads of State Institutions, Ulemas, religious figures, public figures, community leaders, teachers, culture bearers, health workers, journalists, political parties, politicians, government apparatus, the Indonesian National Defense Forces (TNI) and the Indonesian National Police (Polri) personnel, and all community members who have been lending their support.

I'd also highly appreciate the endeavors made by the People's Consultative Assembly (MPR) in strengthening the national foundation, broadening the understanding of the national ideology, reviewing the content and legal form of the State Policy Guidelines (Pokok-Pokok Haluan Negara/PPHN), and promoting international cooperation in surmounting various global challenges.

The House of Representatives (DPR) has also given its tremendous support in pushing for structural

reform, making efforts to improve governance, avoiding fraud in state financial management, and preparing the 2024 simultaneous elections.

The Regional Representatives Council (DPD), based on its authority, has actively accommodated the people's aspiration in the regions and played a pivotal role in drafting a number of bills, and reviewing our state administration system.

The Indonesian Audit Board (Badan Pengawas Keuangan/BPK) has also given a significant contribution to enhance finance accountability and encourage sustainable improvement of the National Priority Programs.

The Supreme Court's endeavors to promote justice deserve recognition for enhancing judicial transparency, advancing digital justice systems, and expediting case resolution with cost-effective measures.

The Constitutional Court has also demonstrated its efficiency by resolving cases, upholding transparency during trial proceedings and facilitating access to justice for those seeking its services.

The Judicial Commission remains committed to proactive advocacy, training, and investigations, as well as enforcing rigorous penalties on judges who breach the code, to safeguard the integrity and dignity of our judges.

Furthermore, I'd like to express my gratitude to Bank Indonesia, the Financial Services Authority, the Deposit Insurance Corporation, the Corruption Eradication Commission, the Indonesian Ombudsman, the General Elections Commission, the Election Supervisory Body, the National Commission on Human Rights, and other national institutions for their contributions in accordance with their roles and responsibilities.

May Allah the Almighty always bless and ease the endeavors of the Indonesian nation towards an Advanced Indonesia that we aspire to be. Let us unite for an Advanced Indonesia, Moving Forward, Advancing Indonesia.

Long Live the Republic of Indonesia! Long Live the Land of Pancasila! Independence! Thank you.

Wassalaamu'alaikum Warahmatullaahi Wabarakaatuh. Om shanti shanti shanti om, Namo buddhaya.

Jakarta, 16 August 2023
PRESIDENT OF THE REPUBLIC OF INDONESIA

JOKO WIDODO

