

CHAPTER V

CONCLUSIONS

Conclusions

Based on the results and discussion in this study it can be concluded:

1. Indonesia's opportunities in the AEC are: 1) a large population which means a large domestic market share with a total population of about 255 million; 2) Increasing Class Amount of middle-class growth is estimated at 64%; 3) Indonesia Demographic Bonus where the years 2020 to 2030 the number of productive age population about 2/3 of the total population; 4) Great Natural and Cultural Property, covering the rich fields of mining, maritime, biodiversity, forest, mountains and so on, as well as its cultural richness; 5) Bureaucratic Reform (Institutional and Governance), with the issuance of Presidential Regulation No. 81/2010 on the Grand Design of Bureaucratic Reform 2010-2025 and has a vision of "realizing world-class government"; 6) Resilience of Indonesia's economy Strong, including because the real sector is strong; 7) Massive Infrastructure Development, with an asset-building contribution to GDP in Indonesia reaching US\$ 1.2 trillion; 8) Indonesia Economic Policy Package Volume 1 - 13 that focuses on stimulating economic movement by accelerating, simplifying procedures and removing regulatory/bureaucratic obstacles; 9) The potential of MSMEs sector is very large with a population of MSMEs

in Indonesia 57.9 million; and 10) Potential as Investment Destination Countries, mainly from China, Japan, South Korea, and Taiwan.

2. The challenges faced by Indonesia in AEC are: 1) The quality of human resources is still low quality; 2) The low competitiveness that is proven with Indonesia's competitiveness in 2015 is still in the 37th position of the world; 3) Quality and Competitiveness of MSMEs is still relatively low; 4) The stability of business climate and investment in Indonesia has not been stable and 5) Efforts to increase the effectiveness of central and local government institutions are still running.
3. Indonesia's strategic steps in dealing with the AEC are three steps: Improving economic competitiveness, Improving bureaucratic reform and regulation; improvement of MSMEs empowerment. Increased Economic Competitiveness include Human Resources Competitiveness or Manpower; Infrastructure Competitiveness; Competitiveness of Products and Services; Competitiveness of Micro, Small and Medium Enterprises (MSMEs); Marine Competitiveness and Fisheries and Investment Competitiveness. Improved Bureaucratic Reform and Regulation includes regulatory reform and institutional reform of the bureaucracy. Improvement of MSMEs Empowerment include Legalization of MSME (Institutional Strengthening); Access to Capital; Standardization of MSME products; Capacity building and management of MSMEs; Increased

access to Information and marketing of MSME Based Information
Technology.