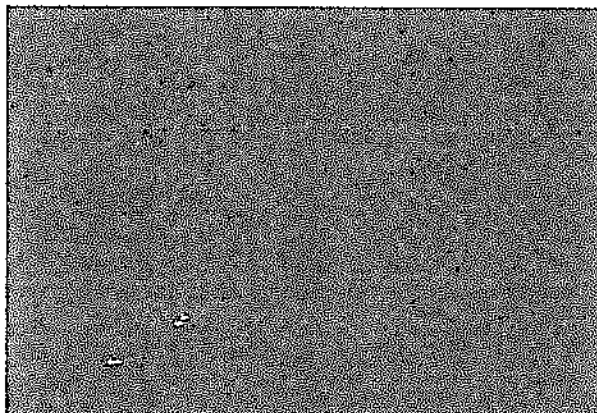


Acceleration
 Development
 Employment
 Opportunity
 Sustainability

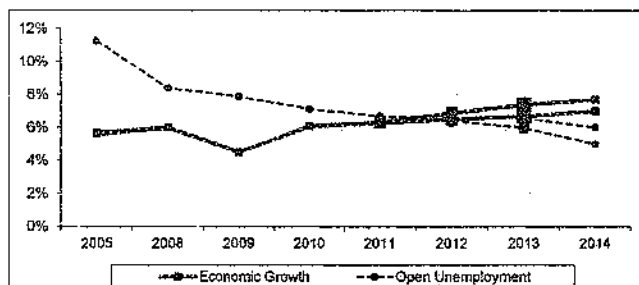


EMPLOYMENT PROJECTIONS IN THE CONTEXT OF DEVELOPMENT PLANNING

POLICY AND PLANNING DIRECTIONS

- Improving economic quality as well as growth for solving basic social problems, especially unemployment by maintaining economic stability.
- The Government as stated in RPJM has Unemployment Rate target of 5-6 % in 2014.

ECONOMIC PROSPECTS



- Less number of poor population and open unemployment;
- Higher economic growth;

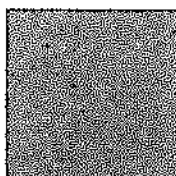
Year	Economic Growth (%)	Open UE rate (%)
2005	5.69	11.24
2008	6.00	8.39 (august)
2009	4.50	7.87 (august)
2010	6.10	7.14 (august)
2011	6.30	6.7
2012	6.3	6.0 - 6.3
2013	6.0	5.8-6.1
2014	6.0	5.6 - 5.9

2013-2014: estimation

ECONOMIC GROWTH AND EMPLOYMENT CREATION

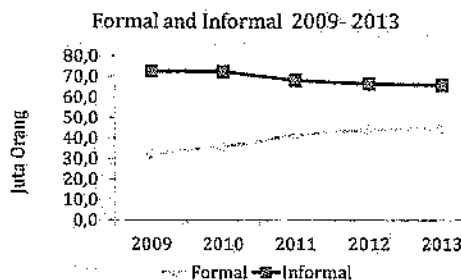
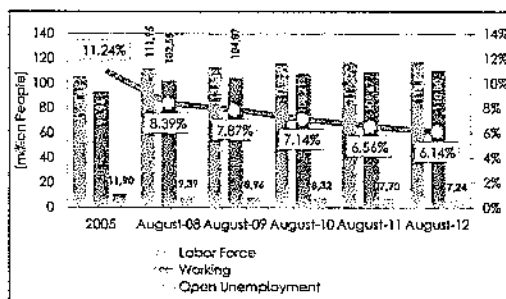
Economic Activity	Nov 2015		Aug 2012		2005-2012	
	Million	%	Million	%	Economic growth (%)	Employment rate (%)
Agriculture	41,31	43,97	38,88	35,09	3,71	-0,86
Industry	11,95	12,72	15,37	13,87	4,53	3,66
Tradable (4+5)	53,26	56,69	54,25	48,96	4,24	0,20
Construction	4,57	4,86	6,79	6,13	7,51	5,82
Trade	17,91	19,06	23,16	20,90	7,04	3,74
Transportation	5,65	6,01	5,00	4,51	13,52	-1,73
Finance	1,14	1,21	2,66	2,40	6,65	12,87
Service	10,33	10,99	17,10	15,43	6,18	7,47
Others	1,10	1,17	1,85	1,67	2,68	7,71
Non-tradable (4+5+6+7+8+9)	40,70	43,31	50,52	45,04	7,06	4,84
Total	93,96	100,00	110,81	100,00	5,92	2,38

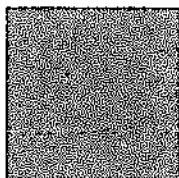
- Agriculture and industry (tradable sectors) grew relatively low compared to national economic growth. Both were also below average in creating jobs.
- Meanwhile, non-tradable sectors grew higher and created more jobs.



Although the labor market shows improvement, its condition is still portrayed by:

- Most labor force have low skill (56 percent have primary school or lower background).
 - Most jobs are informal (60 percent)
 - Labor force are abundant, but jobs are limited.
- Needs strategy and policy breakthrough.





Improving the Condition of the Labor Market

- One of the challenges is creating decent jobs for youth, since youth unemployment rate (15-24 years old) is still high (20 percent).
- Efforts to promote formal economic activities are required, by developing production sector, such as industry.
- Such efforts are needed because so far share of GDP growth and employment rate from production sector (tradable sector) is relatively low compared to non-tradable sector

— reduce

Are Some Clues Around

- With our economic growth rate and the threat of global slow down, is it possible to create more jobs? If yes, then what path we should take, should we put more emphasize on the demand side?
- With large informal employment, How can we increase productive employment? There should be a break through by improving the business environment for micro, small, and medium enterprise.
- Most of the workers are working in the agricultural sector. If we can improve the productivity in our agriculture sector, it will boost overall productivity.
- Employment growth in manufacturing sector is still not as high as expected. We want to know whether there is a way to improve employment creation in manufacturing sector.
- Last resort is the government budget. Can we improve the public investment outcomes?

