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## SMI TOWARDS GLOBAL SUPPLY CHAIN



Ceper, Central Java - To be more focus on the Small and Medium Industry (SMI) empowerment, the Ministry of Industry continued to demonstrate the improvement of the capabilities and competitiveness of SMI in the automotive industry. In this occasion, the Ministry of Industry cooperated with the Indonesian Automotive Institute (IOI) as the initiator of the SMI development programs and PT Toyota Motor Manufacturing Indonesia (TMMIN) as industry agent which provide technical guidance and full support to the SMI. The result of this collaboration between the government, associations and industry was presented in the event of "Kick-Off IKM dalam Supply Chain Industri Otomotif" (Kick-Off in the IKM Automotive Industry Supply Chain), in which the SMI Cooperative Batur Jaya-Ceper unit has successfully developed, produced and delivered the cylinder sleeve product used to produce pistons ring by TMMIN level 1 local supplier, PT TPR Indonesia. The event was attended by Airlangga Hartarto, Minister of Industry, Gati Wibawaningsih, Director General of Small and Medium Industries (SMI), Harjanto, Director General of ILMATE Industry (Metal, Machinery, Transportation Equipment & Electronics), I Made Dana Tangkas, IOI President, Badrul Munir, Head of Batur Jaya Cooperative, supplier company and TMMIN Management.

SMI Development in Batur Jaya Cooperative (KBJ) Ceper has gone through a long process since 2016, with full responsibility and supervision from TMMIN. The focus of TMMIN's coaching includes 3 things, namely 1) Strengthening the foundation of industrial structure, 2) Development of human resources with industrial characteristics, 3) Quality Control/Supervision. Those three focuses are implemented in

the form of providing understanding of industrial science & culture in imparting 5R values (Rajin, Rawat, Rapi, Resik, Ringkas), basic manufacturing capabilities, discipline, work process security, production bases, casting methods, and strict quality supervision on all products. Three years later, precisely at the beginning of January 2019, KBJ SMI's products had met the quality standards and qualified as Toyota's supply chain. A total of 200-cylinder sleeves per month resulting from the production of the Batur Jaya Cooperative will fulfill the TMMIN layer 1 supplier, as required by PT TPR Indonesia. This cylinder sleeve is subsequently used by PT TPR Indonesia as a tool in producing piston rings for TMMIN. In addition to concentrating on assistance to KBJ, TMMIN also donated 5 production machines, namely Spectrometer, Core Making, Moulding, Small NC Milling and Small Milling2 machines to KBJ.

**"The acceleration of the Batur Jaya Cooperative into a world class automotive industry supplier was not easy. Training and mentoring with appropriate methods, re-reconstruction with Toyota standardization, and assistance to the production machinery has encouraged Batur Jaya Cooperatives to meet the high requirements in terms of quality, productivity, technology, and supply continuity. It was not instant, but the consistent hard work has shown the unyielding spirit of automotive SMIs in Indonesia," said Warih Andang Tjahjono, TMMIN President Director.**

The government along with industry agents and stakeholders has been fully trusted the SMI to improve their capabilities in partnering with other automotive industries with well-established human resources, machinery and equipment technology, technical production, and availability of raw materials. To embrace the opportunity, the Ministry of Industry focuses on the development of metal centers in Indonesia such as Ceper, Tegal, Yogyakarta, Sukabumi, Purbalingga, Semarang, Pasuruan, Sidoarjo,

Sukabumi, and Jabodetabek. In this event, TMMIN also donated 1 unit of car and 1 unit of engine to be utilized as educational practical tools to Batur Jaya Ceper 1 Vocational School.

"The competitive automotive industry needs a strong supply chain. Thus, we wanted to be able to contribute significantly, one of which is through the development of automotive in SMI. Quality of HR is the main key to the success of the development of SMI. For this reason, we also paid special attention to HR development programs by supporting vocational schools at Ceper and at the national level through the Ministry of Industry's Education Vocational Program," stated Bob Azam, TMMIN's Director of Administration, Corporate, External Relations & CSR.

Through the spirit of Toyota Berbagi (Bersama Membangun Indonesia) which consists of three pillars namely development of product and technology, automotive industry development and corporate social responsibility, Toyota is committed to be a crucial part of the Indonesian automotive industry advancement.