

National Innovation System and Indonesian Export Structure

Syafuruddin Karimi

Arie Sukma

Andalas University

Abstract

Technological progress has resulted in new paradigm called the Age of Network. that increases the role of technology as`a tool for human development. Following this new paradigm, exchange rate depreciation is no longer determined by competitiveness alone. Innovation is now dominantly determining countries' export performance. This paper highlights the characteristics of Indonesian national innovation system associated with the patterns of exportable products. It is observed that the characteristics of Indonesian national innovation system is still weak in supporting the technological intensity of exports. The position of Indonesia is still far behind Southeast Asian countries and China. It is argued that Indonesia needs to improve the role of National Innovation System in order to gain more from the implementation China and ASEAN free trade area.

Keywords: Innovation, R&D, technology, export