Capability of Technology in Indonesia's Steel Industries

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Indonesia's economic growth is significantly high increasing at an average of 8.1 % per year, although in manufacturing industry there is a tendency to be less. Steel industry is one of the main industries a country must have as there can be no strong country without a strong steel industry. Steel industry has a significant role in contributing to national economic growth.

Growth in products manufactured by the steel industry has stagnated in the last five years from 2009–2013. This situation is related to the fact that the technological capabilities and innovation capability in the national steel industry has been unable to fulfill the demand of steel needed in the country. This means the dependency on imported steel products is increasing since the national steel industry is growing slowly and there is a deficiency in steel supply. Therefore, the national steel industry requires an innovation capability to enhance technological developments related to the entire integrated production process. The purpose of this study was to determine the ability of the national steel industry to improve its technology so as to increase the competitiveness of the industry.

This study is based on a survey on forty national steel companies which are the members of Indonesian Iron and Steel Association (IISIA) in the Greater Jakarta area. Results of the analysis of the technological capabilities of the 40 companies engaged in the national steel industry showed that 86% of the steel industry companies have good awareness of the importance of technology and innovation capabilities; 83% of the steel companies are actively seeking information in accordance with their needs from technology and innovation companies; 82% of national steel companies have formulated a technological strategy, and 80% of the steel companies have a programme of training on technological transfer. However, only 53.2% of the steel companies are involving other institutions such as R & D or academic institutions in creating innovation and technology transfer.

The study found that the technological capabilities of the national steel industry is still sufficient to increase national steel production if it could enhance collaboration by involving all steel industries, stakeholders, and government to achieve an integrated industry. Lack of integration of the national steel industry technology is seen as an obstacle for national steel producers to increase steel production and competitiveness.

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References

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