INDONESIA DEVELOPMENT FORUM 2018

Affirmative Policies to Grow our Digital Economy by Wiping Out Broadband Disparity

Jakarta, July 10 2018

18th ASIAN GAMES 2018 Jakarta - Palembang

Indonesia Broadband Plan 2014 - 2019

Urban Areas:

- Fixed Broadband: 20 Mbps connection available for 71 % households
- Mobile Broadband: 1Mbps Mobile Connection available for 100 % population

Rural Areas:

- Fixed Broadband: 20 Mbps connection available for 49 % households
- Mobile Broadband: 1Mbps Mobile Connection available for 52 % population

Utilization:

- Broadband Service Tariff: Maximum 5% of *Per Capita Income*
- Priority Sectors: E-Government, e-Health, e-Procurement, e-Logistic, e-Education

What we have so far…

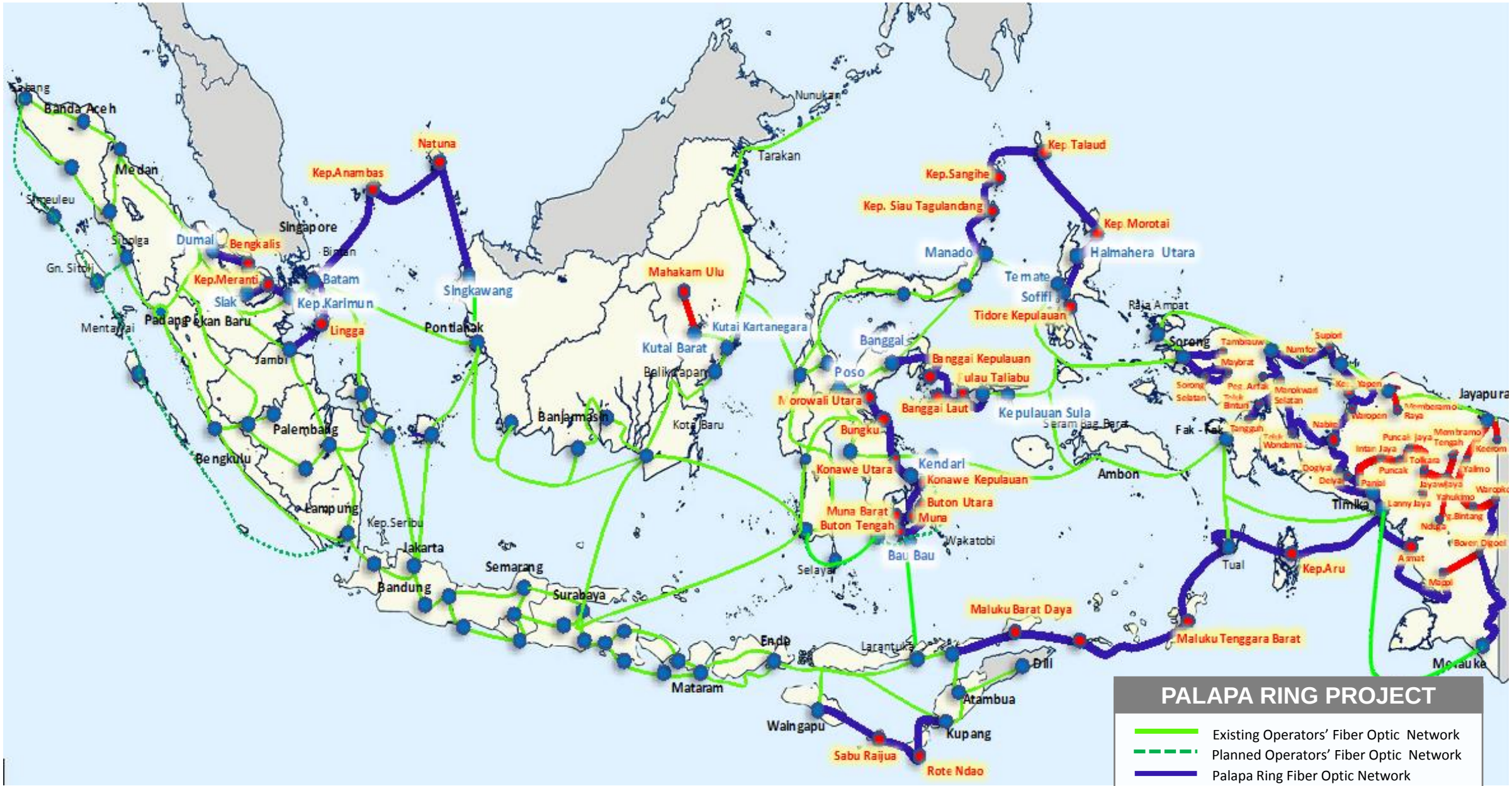
	Have Internet Access	Dont Have Internet Access	Total
Schools	172,213	39,495	211,708
Hospitals	1,599	1,159	2,758
Community Health Center	3,636	6,118	9,754

For your comparison:

*There are **115 Internet Service Providers in Jakarta city** and there are **32 Internet Service Providers in Batam city**.*

*But there are **only 2 Internet Service Providers in Province of West Papua**, and there is **none in Districts of Anambas Islands**…*

Palapa Ring Project



PALAPA RING POPs

WEST PACKAGE

PROV: RIAU
1. District of Bengkalis
2. District of Meranti Islands
3. District of Siak
4. Dumai City

PROV: RIAU ISLANDS
1. District of Natuna
2. District of Lingga
3. District of Anambas Islands
4. Kabupaten Kepulauan Karimun
5. Tanjung Bembam, Batam City
6. Tanjung Pinggir, Batam City

PROV: JAMBI
1. West Tanjung Jabung

PROV: WEST KALIMANTAN
1. Singkawang

CENTRAL PACKAGE

PROV: NORTH SULAWESI
1. District of Sangihe
2. District of Siau Tanggulandan Biaro
3. District of Talaud
4. Manado City

PROV: EAST KALIMANTAN
1. District of Mahakam Ulu
2. District of West Kutai

PROV: CENTRAL SULAWESI
1. District of Morowali
2. District of North Morowali
3. District of Banggai Laut
4. District of Banggai Islands
5. Luwuk, District of Banggai
6. Tentena, District of Poso

PROV: SOUTHEAST SULAWESI
1. District of Muna
2. District of West Muna
3. District of North Konawe
4. District of Konawe Islands
5. District of North Buton
6. District of Central Buton
7. Baubau City
8. Kendari City

PROV: NORTH MALUKU
1. District of Morotai Islands
2. District of Pulau Taliabu
3. Tidore Islands City
4. Tobelo, District of North Halmahera
5. Sanana, District of Sula Islands
6. Ternate City
7. Sofifi City

EAST PACKAGE

PROV: EAST NUSA TENGGARA
1. District of Rote Ndao
2. District of Sabu Raijua
3. District of Alor
4. District of East Sumba
5. Kupang City

PROV: MALUKU
1. District of West Southeast Maluku
2. District of Aru Islands
3. Tiakur, District of Southwest Maluku
4. Wetar, District of Southwest Maluku
5. District of Southeast Maluku

PROV: PAPUA
1. District of Jayawijaya
2. District of Nabire
3. District of Yapen Islands
4. District of Puncak Jaya
5. District of Paniai
6. District of Keerom
7. District of Bintang Mountains
8. Sumohai, District of Yahukimo
9. District of Tolikara
10. District of Waropen
11. Tanah Merah, District of Boven Digoel
12. District of Mappi
13. District of Asmat
14. District of Supiori
15. District of Mamberamo Raya
16. District of Central Mamberamo
17. District of Yalimo
18. District of Lanny Jaya
19. District of Nduga
20. District of Puncak
21. District of Dogiyai
22. District of Intan Jaya
23. District of Deiyai
24. Biak, District of Biak Numfor
25. Numfor, District Biak Numfor
26. Waropko, District of Boven Digoel
27. Dekai, District of Yahukimo
28. District of Mimika
29. District of Sarmi
30. District of Merauke
31. Jayapura City

PROV: WEST PAPUA
1. District of South Sorong
2. Bintuni, District of Gulf of Bintuni
3. District of Gulf of Wondama
4. District of Tambrauw
5. District of Maybrat
6. District of South Manokwari
7. District of Arfak Mountains
8. Tangguh, District of Gulf of Bintuni
9. Sorong City
10. Manokwari City

Districts/Cities which did not have FO before

Districts/Cities which has interconnection with other operator

2018 Presentation Material of Minister of Communication and Information Technology, Government of Indonesia - Property of MCIT GoI

High Throughput Satellite

Goals:
Reducing the digital gap

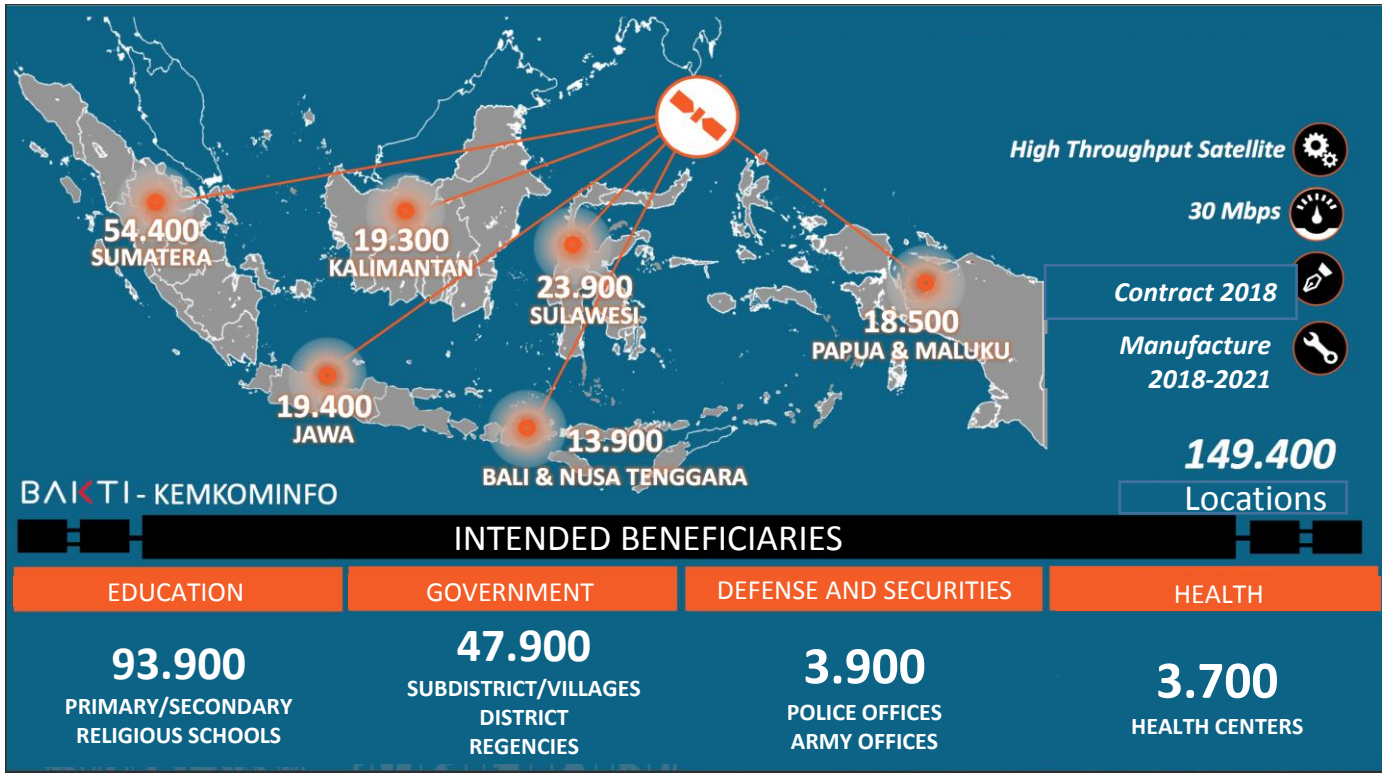
In order to implement USO, Ministry of Communication and Information Technology aims at providing broadband access for USO areas that have yet been covered with broadband access through the use of USO funds.

Reducing the cost of provisioning internet access through satellite.

Objectives:
Government services in need of broadband access.

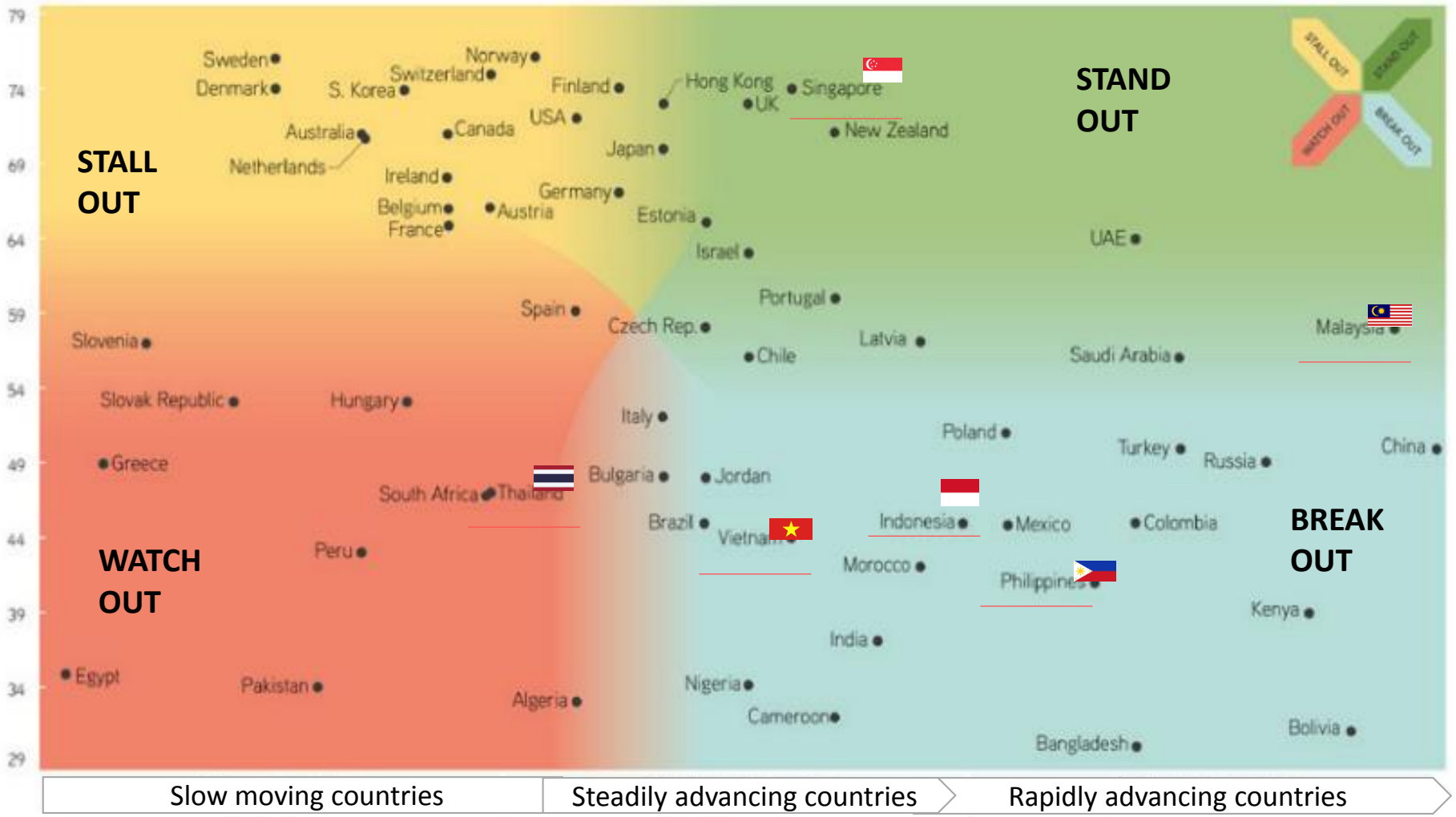
As identified previously, these sector of government services are the intended beneficiaries of broadband access:

- Education: primary/secondary, religious schools
- Health centers: hospitals
- Police and military offices
- Sub district / villages, district, regencies



DIGITALIZATION MOMENTUM: INDONESIA?

DIGITAL EVOLUTION INDEX 2017 (Study of The Fletcher School, Tufts University, Mastercard)



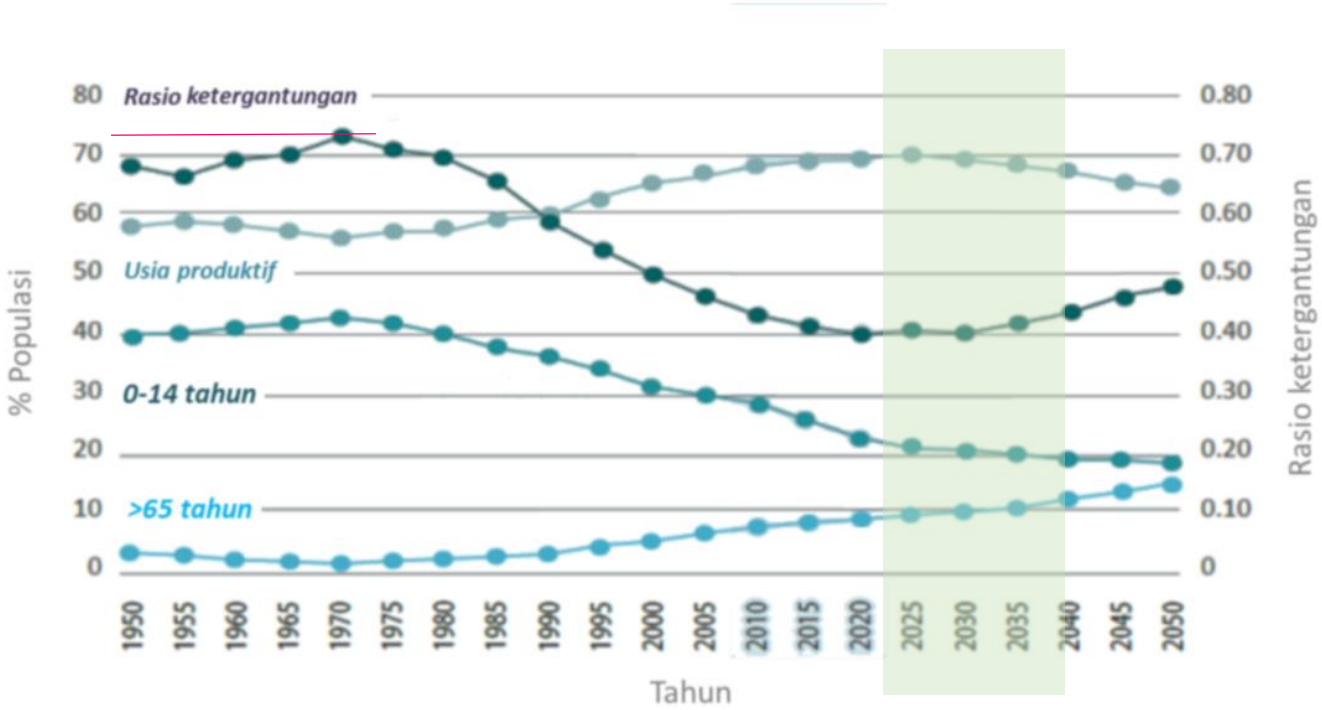
Parameter:

1. Supply conditions: Access infrastructure, Transaction infrastructure, Fulfillment infrastructure (transportation and logistics)
2. Demand conditions: Consumer capacity to engage, Digital payment uptake, Digital uptake
3. Institutional environment: Institution and Business environment, Institution and digital ecosystem, Institutional effectiveness and trust
4. Innovation and change: Inputs, Process, Output

Spreading out the Growth of our Digital Economy

OPPORTUNITIES IN DEMOGRAPHIC BONUS

CREATE WORKING FORCE TO OPTIMIZE OPPORTUNITIES IN DEMOGRAPHIC BONUS AND DIGITAL ECONOMY



Today demography, becoming the digitalization force…

- 57 millions skilled workers
- 143 millions internet users
- 75.5% citizens are 10-24 years old, who are internet users

… estimation in peak of demographic bonus year 2030

- 180 millions of citizen in productive age
- Demand of minimum113 millions of skilled workers
- 90 millions of new consuming class citizen
- Dependency Ratio lean to lowest level
- *Digital native* dominate worker market

Source: Taking Advantage of the Demographic Dividend in Indonesia, UNFPA 2015
Indonesia An Inevitable Choice of Economic Transformation, Waltham Economy of Asia Review, 20114
Unleashing Indonesia Potential, McKinsey Global Institute 2012
Antara News, 2016,2017
Unlocking Indonesia's Digital Opportunity, 2016, McKinsey

DIGITAL EDUCATION

LEARN TO CODE IS MORE IMPORTANT THAN ENGLISH AS SECOND LANGUAGE

" If I were a French student and I were 10 years old, I think it would be more important for me to learn coding than English. I'm not telling people not to learn English in some form — but I think you understand what I am saying is that this is a language that you can [use to] express yourself to 7 billion people in the world "

\- Tim Cook, CEO Apple

SHORT TERM

- <u>Informal education with insentives</u>: Vocational, Coding for Homeschoolers
- <u>Policy from Ministry of Manpower</u> : Ease for foreign skilled workers

PROMOTION & COMMUNICATION

Series of Activities:

- Coding Day
- Coding Camp
- Coding Club
- Coding Competition
- Coding Internship

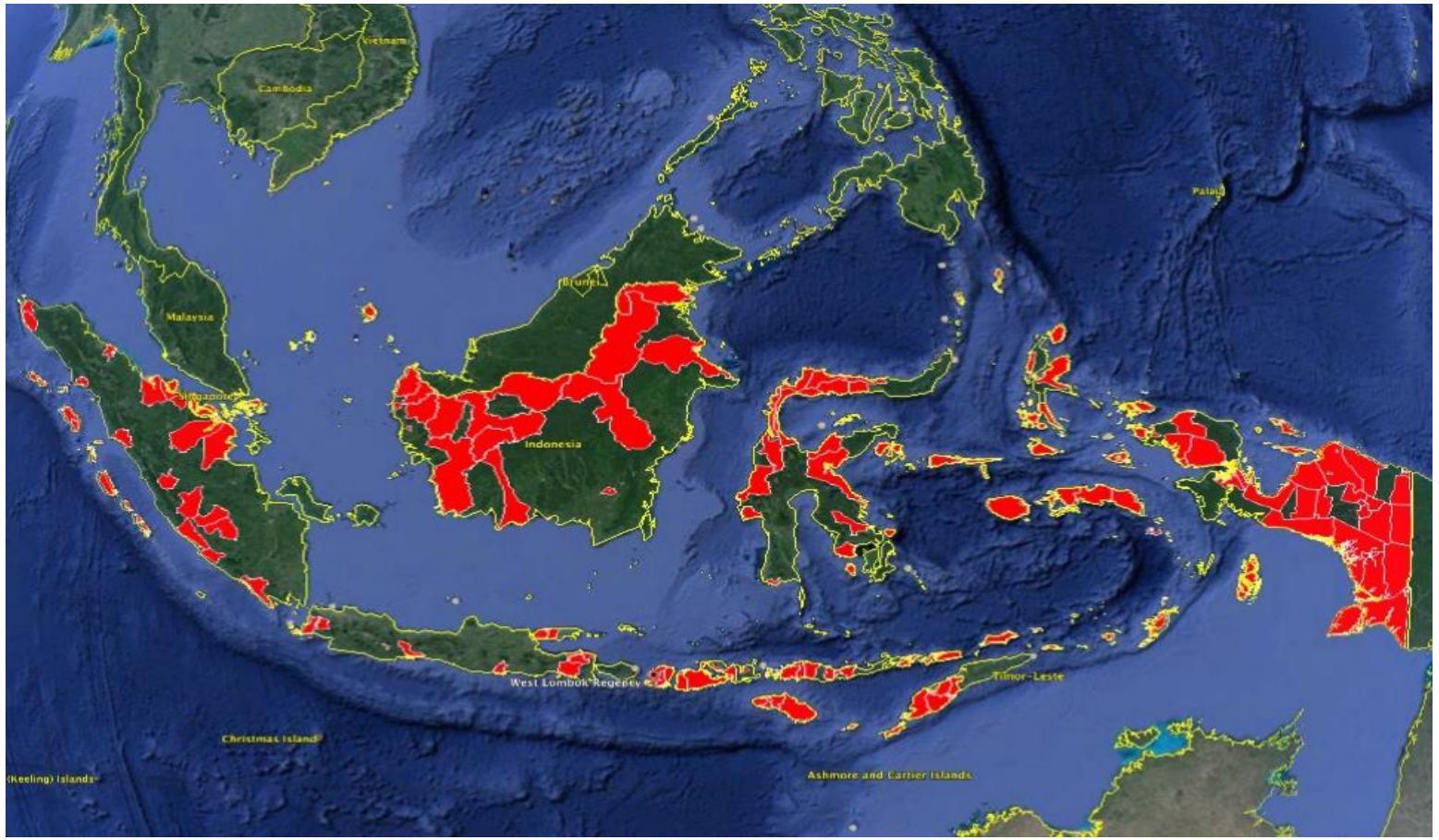
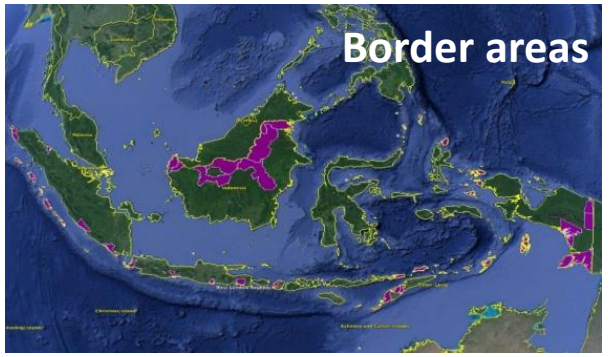
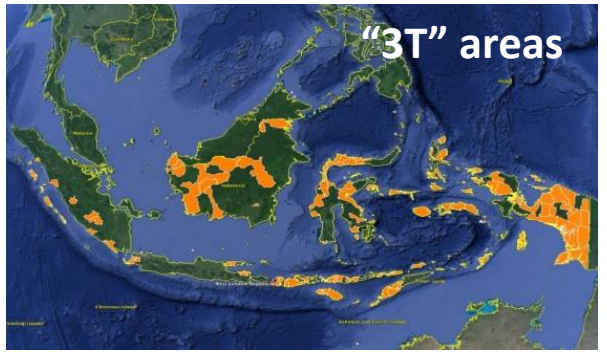
LONG TERM

<u>Coding in primary education *syllabus*</u>:

- Implementation start from Vocational Schools
- Parallel with Middle and High Schools

THANK YOU

Vermeer
SPIL

USO AREAS

“3T” areas, Priority Areas dan Border Areas