INDONESIA DEVELOPMENT FORUM 2018

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

Jakarta, July 10 2018
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
What we have so far…

<table>
<thead>
<tr>
<th></th>
<th>Have Internet Access</th>
<th>Don't Have Internet Access</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>172,213</td>
<td>39,495</td>
<td>211,708</td>
</tr>
<tr>
<td>Hospitals</td>
<td>1,599</td>
<td>1,159</td>
<td>2,758</td>
</tr>
<tr>
<td>Community Health Center</td>
<td>3,636</td>
<td>6,118</td>
<td>9,754</td>
</tr>
</tbody>
</table>

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

Existing Operators’ Fiber Optic Network
Planned Operators’ Fiber Optic Network
Palapa Ring Fiber Optic Network
Palapa Ring Microwave Network
### 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 Bemban, 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 Tanggulandian Biaro
  3. District of Talauli
  4. Manado City
- **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. Luwuk, District of Banggai
  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 Selat Raijua
  3. District of Lobu
  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. Somobai, District of Yahukimo
  9. District of Toli-kara
  10. District of Waropen
  11. Tanah Merah, District of Boven Digoei
  12. District of Mappi
  13. District of Asmat
  14. District of Segari
  15. District of Yamberamo Raya
  16. District of Central Yamberamo
  17. District of Yalimo
  18. District of Lanny Jaya
  19. District of Nduga
  20. District of Puncak
  21. District of Dogdai
  22. District of Intan Jaya
  23. District of Dei-yai
  24. Biak, District of Biak Numfor
  25. Numfor, District of Biak Numfor
  26. Waropen, District of Boven Digoei
  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 Tambrawa
  5. District of Maybrat
  6. District of South Manokwari
  7. District of Arfak Mountains
  8. Tanggu, District of Gulf of Bintuni
  9. Sorong City
  10. Manokwari City

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*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

Reducing the cost of provisioning internet access through satellite.

**Objectives:**
Government services in need of broadband access.

As identified previously, these sectors 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

**Goals:**
Reducing the digital gap

**Objectives:**
Government services in need of broadband access.
DIGITALIZATION MOMENTUM: INDONESIA?
DIGITAL EVOLUTION INDEX 2017 (Study of The Fletcher School, Tufts University, Mastercard)

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 minimum 113 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
“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**

- Informal education with incentives:
  - Vocational, Coding for Homeschoolers
- Policy from Ministry of Manpower: Ease for foreign skilled workers

**PROMOTION & COMMUNICATION**

Series of Activities:
- Coding Day
- Coding Camp
- Coding Club
- Coding Competition
- Coding Internship

**LONG TERM**

Coding in primary education *syllabus*:
- Implementation start from Vocational Schools
- Parallel with Middle and High Schools

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THANK YOU
USO AREAS

“3T” areas, Priority Areas dan Border Areas