

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*
- 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

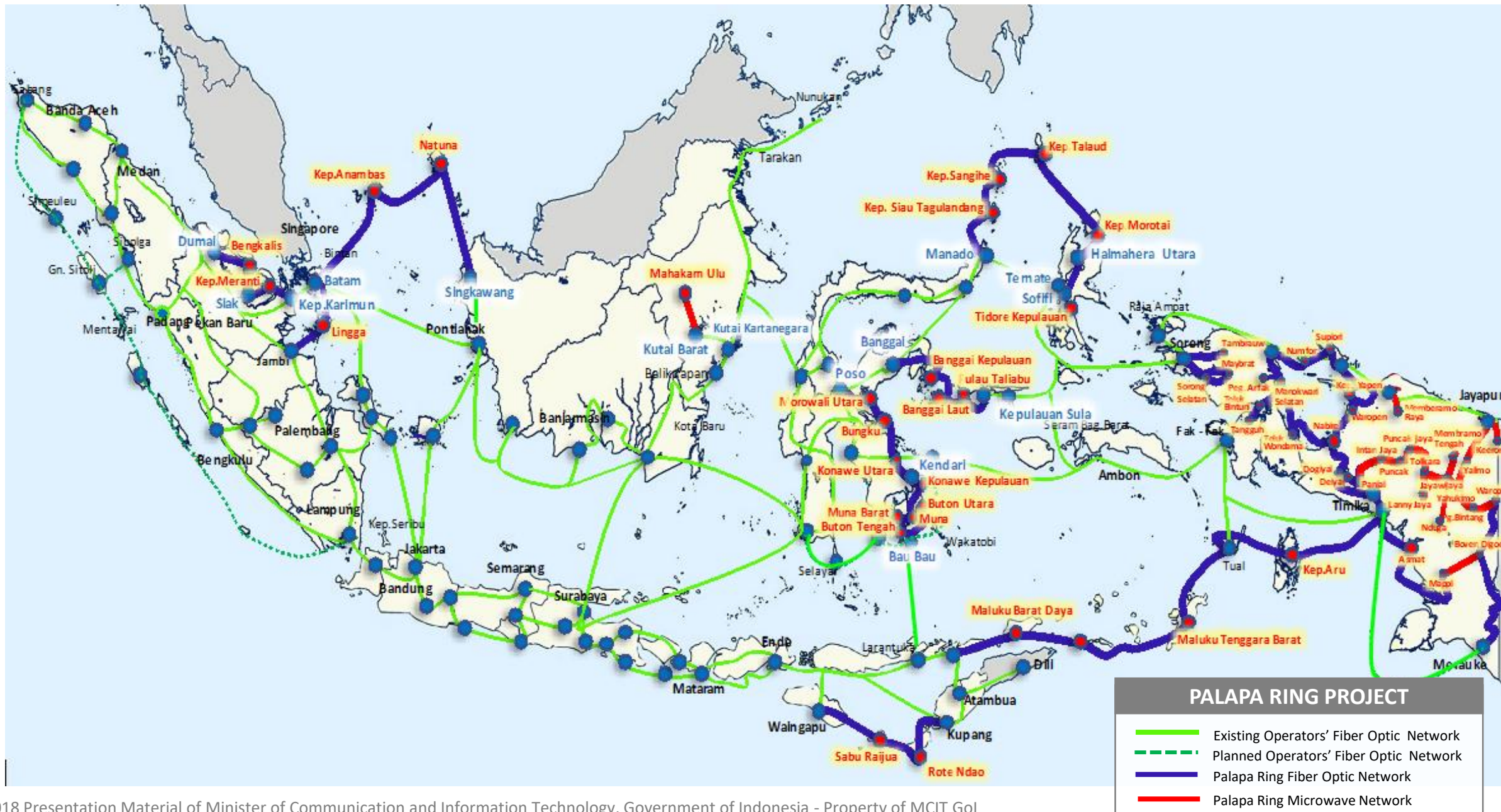


For your comparison:

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 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 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

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.

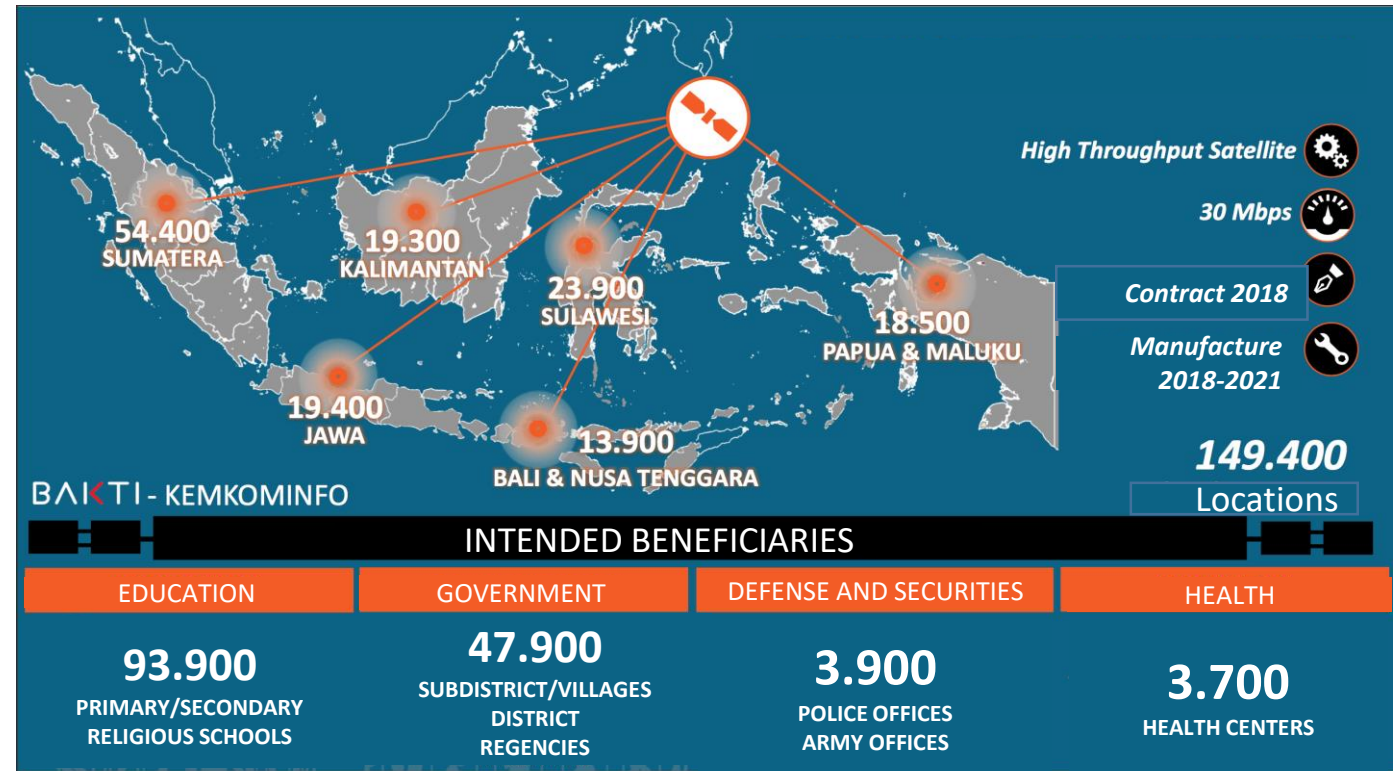
Reducing the cost of provisioning internet access through satellite.

Objectives:

Government services in need of broadband access.

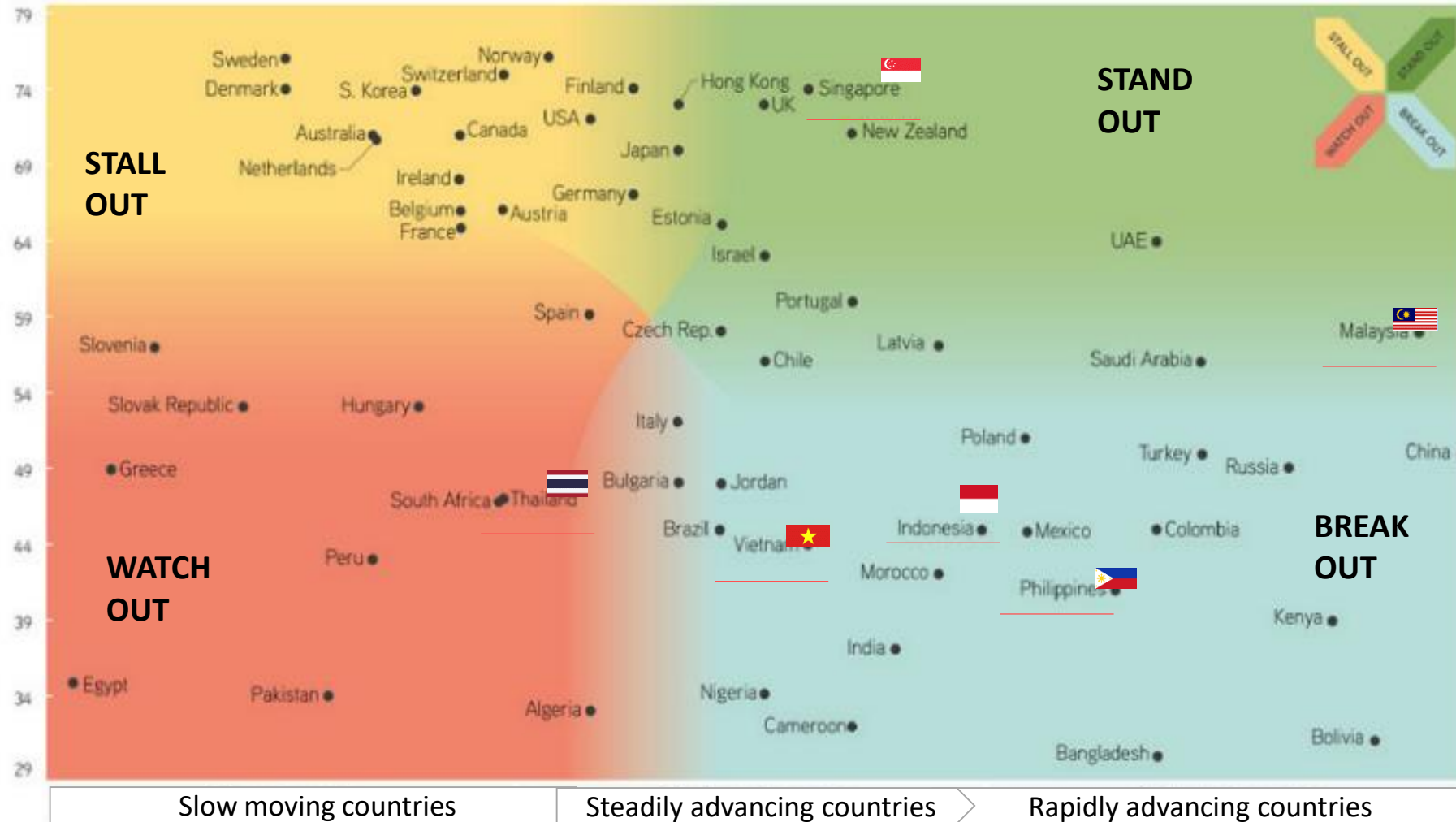
As identified previously, these sector of government services are the intended beneficiaries of broadband access:

- 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

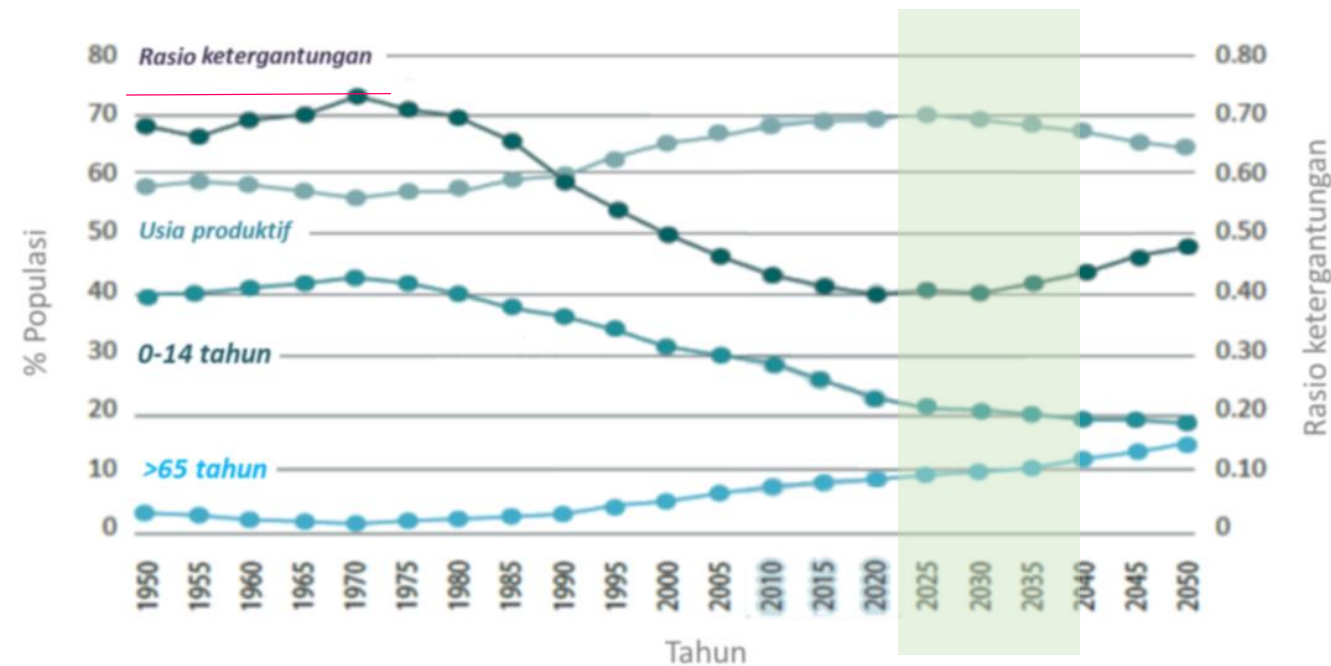
Spreading out the Growth of our Digital Economy

GO  JEK tokopedia traveloka  Bukalapak



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

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

- Informal education with insentives:
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

THANK YOU



USO AREAS

“3T” areas, Priority Areas dan Border Areas

