ROADMAP OF TELECOMMUNICATION & INFORMATICS INDUSTRY
DIRECTORATE OF ELECTRONIC & TELEMATICS INDUSTRY, MINISTRY OF INDUSTRY

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INDUSTRIAL DEVELOPMENT BASED ON SECTORS (2010 – 2014)

- Natural resources-oriented industry: food & beverage, CPO, rubber, cocoa, steel, aluminum, seaweed
- Capital goods industry: machinery, vessel
- Small & medium industry: fashion, handicraft, jewelry, ceramic, essential oil
- Labor-intensive industry: textile, footwear, furniture
- Prioritized industry: sugar, fertilizer, petrochemical
- High growth industry: automotive, electronic and telematics
THE STRUCTURE OF TELEMATICS INDUSTRY

- Layer 0: Content industry
- Layer 1: Telematic application industry (e-Government, e-Health)
- Layer 2: Access service industry
- Layer 3: Network provider industry
- Layer 4: Integration system, installation, telematic maintenance industry
- Layer 5: Telematic devices manufacture industry
- Layer 6: Telematic devices component industry
- Layer 7: Telematic devices component material industry
INVESTMENT & EXPORT-IMPORT

- According to IDC (International Data Centre), the investment value of telematic industry in Indonesia in 2011 reached 35 trillion.

- In terms of network readiness index, Indonesia was ranked at number 53. The evaluation is based on the capability of a country in using telematic devices effectively in various fields, such as: business, regulation and telematic infrastructure.

- The export & import value of electronic commodity of Indonesia (2007 – 2011) in billion US$:

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Trend (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPORT</td>
<td>6,97</td>
<td>7,68</td>
<td>7,9</td>
<td>9,25</td>
<td>9,54</td>
<td>8.4%</td>
</tr>
<tr>
<td>IMPORT</td>
<td>4,01</td>
<td>13,45</td>
<td>10,5</td>
<td>14,18</td>
<td>16,12</td>
<td>32.81%</td>
</tr>
</tbody>
</table>

Source: Ministry of Industry, Indonesia
**CHALLENGES & OPPORTUNITIES**

- Providing infrastructure to support the connectivity among regions
- The number of private companies and institutions in favor of domestic telematic industry can be relatively high
- The alignment of banking sector toward capitalization
- The competency of human resources in managerial / entrepreneurial aspect
- The dependency of import products in the telematic development sector
- The R&D support toward product development
- The appreciation for creative works (animation, games, application, etc)
- The ever-bigger broadband penetration (30% in 2014)
- The ministerial / institutional telematic-based programs as the basis in developing telematic industry
DEVELOPMENT TARGET

I. 2011 – 2015:
• The development of telematic devices component and manufacture industry to support the growth of telematic infrastructure
• The development of animation, content and application industry for domestic market
• The development of wireless-supporting products

II. 2016 – 2020:
• The development of telematic devices component and manufacture industry to meet the demand within domestic market and becoming production center for regional market
• The growth of domestic and regional content and application industry

III. 2021 – 2025:
• The competitiveness of animation, content and application products in global market
• The ability of national telematic devices component and manufacture to compete in global market
THE DEVELOPMENT STRATEGY

1. The synchronization between the governmental policy and program to enhance the growth of telematic industry in Indonesia
2. Expanding the access of domestic market as a development basis
3. Developing the telematic industry in various potential regions
4. Strengthening the competitiveness of national telematic industry
THE POLICY

1. Developing the ministerial / institutional telematic-based programs as the development basis of domestic industry
2. Increasing the ability of telematic devices component and manufacture industry
3. Increasing the ability of telematic application and content industry
## THE IMPLEMENTATION OF KEY ACTIONS (I)

<table>
<thead>
<tr>
<th>No.</th>
<th>The policy</th>
<th>Main programs</th>
<th>Key actions</th>
</tr>
</thead>
</table>
| 1   | The development of ministerial / institutional telematic-based programs as the development basis of domestic industry | The coordination of ministerial / institutional telematic-based programs                            | - Coordinating with the related ministry / institution  
- Identifying the ability of national industry  
- Setting up a mutual concept / program  
- Setting up meetings with banking institutions  
- Financial support for the development of telematic industry  
- Setting up the accurate formula of TKDN calculation  
- The implementation of TKDN calculation  
- Monitoring & evaluating the TKDN application  
- Identifying the innovation (R&D) of strategic telematic devices  
- Facilitating the innovation / R&D development  
- Strengthening the capacity of R&D institutions / techno parks |
|     | Financial support                                                                                                                            |                                                                                                    |                                                                                                                                                                                                 |
|     | The application and evaluation of TKDN calculation                                                                                           |                                                                                                    |                                                                                                                                                                                                 |
|     | The innovation / R&D development                                                                                                             |                                                                                                    |                                                                                                                                                                                                 |
| 2   | Enhancing the capacity of telematic devices component and manufacture industry                                                              | Developing the human resources ability                                                              | - Providing the opportunity for apprenticeship  
- Facilitating the standard of competency  
- Providing fiscal incentive: BM, BMDTP, PPnBM, Tax Holiday, Tax Allowance  
- Identifying policy / regulation  
- Establishing the investment- supporting policy / regulation |
|     | Fostering the development centers                                                                                                            |                                                                                                    |                                                                                                                                                                                                 |
|     | Providing incentive                                                                                                                         |                                                                                                    |                                                                                                                                                                                                 |
|     | Developing the investment climate                                                                                                             |                                                                                                    |                                                                                                                                                                                                 |


<table>
<thead>
<tr>
<th>No.</th>
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<th>Key actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Enhancing the ability of telematic application and content industry</td>
<td>Human resources development</td>
<td>- Providing courses for training / apprenticeship / comparative study&lt;br&gt;- Developing the standard of competency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fostering the development centers</td>
<td>- Developing RICE, IBC, techno park centers: workshop, exhibition / promotion, competition, intensifying capacity, building prototype, market access, financial and investment support</td>
</tr>
</tbody>
</table>
# The Potential Development of Telematic Industry

<table>
<thead>
<tr>
<th>National market of Telematic industry</th>
<th>Number of users</th>
<th>Economic scale</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-KTP (electronic identity card)</td>
<td>170 million</td>
<td>US$ 292,79 million</td>
<td>Number of ID card holders (US$ 1,72/card)</td>
</tr>
<tr>
<td>BWA</td>
<td>10 million</td>
<td>US$ 344,46 million</td>
<td>3G substitution (US$ 34,45/CPE)</td>
</tr>
<tr>
<td>Digital TV migration</td>
<td>60 million</td>
<td>US$ 1,03 billion</td>
<td>Number of circulating analog TV (US$ 17,22/set top box)</td>
</tr>
<tr>
<td>Personal computer (PC)</td>
<td>3.5 million</td>
<td>US$ 904.2 billion</td>
<td>IDC data (US$ 258,34/unit)</td>
</tr>
<tr>
<td>Creative industry</td>
<td>Impressive</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EFFORTS DONE

- Continual coordination with related ministry / institutions
- Consolidation and socialization of domestic industry
- Increasing and strengthening the production of animation / games within production center, i.e.: Cimahi, Bandung, Jakarta, Yogyakarta, Surabaya, Bali, Pontianak
- Developing application software product
- Establishing development center in a number of potential regions (Pontianak, Balikpapan, Padang, etc.)
- Strengthening the current development centers (RICE, IBC, BTP, STP)
- Setting up courses for training, apprenticeship, promotion, boosting domestic and overseas business matching programs
- National competitions (animation, game, software application)
- Probing into the cooperation with foreign industry
- Evaluating and establishing TKDN of telematic products
- Providing incentive (BMDTP, Tax Holiday, Tax Allowance)
- Promoting new entrepreneurship
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