

# USF: Indonesia

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USF



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- Legal / Regulatory,
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- Coordinator/Implementing Unit
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- Future strategy
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# Legal

# Regulatory

- Indonesian Act **No. 36 of 1999** regarding Telecommunication, Chapter 16
- Indonesian Government Regulation **no. 7 of 2009** regarding 1.25% Non Tax State Income (PNBP) USO from the gross income of Telecommunication Operator 1,25%.
- Indonesian Communication and Information Ministerial Decree **No. 10 of 2013** regarding BP3TI (the new name is BAKTI) Government institution under the The Ministry of Communication and Information of the Republic of Indonesia with major vision of set up the Public Service of Communication and Information Technology to support the Indonesia economic welfare.

- NON TAX STATE INCOME (PNBP)
- 1.25 % ANNUAL GROSS REVENUE (2009-PRESENT)
- MANAGED BY BP3TI (UNDER MCIT)
- EARMARKED (Infrastructure)
- DISBURST TO CONTRIBUTORS BY OPEN TENDER
- LOWEST SUBSIDY FOR OPEX (ex. PALAPA RING)
- REGULATED USER TARIFF
- 5 YEARS CONTRACT PERIOD  
(1 Y DEPLOYMENT + 4 Ys OPERATION)





## Fund for the Infrastructure:

US \$ 250-300 Million/Rp. 3 - 4 Trillion annually

- Palapa Ring fiber optic backbones of US\$ 100 Million / Rp 1,4 trillion. It comprises: the west, central and east, around 13,000km. It is to expand domestic broadband service nationwide,
- 5000 BTS(base transceiver station) in the covering around US\$ 350 Million or Rp. 5 Trillion in 5 years in **frontier, outermost and less developed regions.**
- Internet Access using even satellite system

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# Coordinator

# Implementing

- BP3TI (Balai Penyedia dan Pengelola Pembiayaan Telekomunikasi dan Informatika), the new name is BAKTI, is the Government institution under the The Ministry of Communication and Information of the Republic of Indonesia to set up the Public Service of Communication and Information Technology to support the Indonesia economic welfare.
- BP3TI has the vision of "Overcoming the Digital disparity to be Equal, Equitable, and Integrity through the Provision of Financing and Management of Public Service of Communication and Information Technology to support the framework of Information Based Society."



# Challenges

# Gaps

- One of the criteria in utilizing USF is the region has no connection or connection is less than 50% coverage. This can happen to an area outside 122 less developed regions based on Perpres 131 of 2015. The government expects those areas will be developed by industry. However, the industry thinks that it has to be supported by USF.
- The Government has to increase the coverage of internet throughout Indonesia. Internet access is for schools, health care center, and other public facilities on the outer region of Indonesia. They are not feasible from business point of view. Indonesian USF needs restructuring.



# Future



# Strategy

- Besides Physical infrastructure, the utilization of the Indonesian USF will be extended for enhancing knowledge of the technology of communication and information through seminar and other socialization methods.
- New idea is among other, Indonesian USF will also be utilized of the digital startup development to encourage business innovation.
- USF is also to subsidize internet service.





# Suggestions

# for Pakistan

- Enhancing Digital Rural Accessibility
  - The Northern part of Pakistan is the hilly beautiful part of the country. It will be the challenge for Telecommunication development. It is mostly rural similar to the challenge that Indonesia also faces.
  - Less population means low business feasibility for this area.
  - Telecommunication accessibility will help land accessibility. For convenience, it needs helicopter transportation to go the this area conveniently.



Thank you

Terima Kasih

Shukria

- Discussion

- Diskusi

- Bahass

