



Asia-Pacific Digital Societies Policy Forum 2016

27 - 28 April 2016 / Bangkok . Thailand

**BE
KRAF**

Badan
Ekonomi
Kreatif
Indonesia


EMPOWERING NATIONS THROUGH CREATIVE ECONOMIC SECTOR

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Director of International Marketing
Indonesian Agency for Creative Economy

Bangkok, 28 April 2016

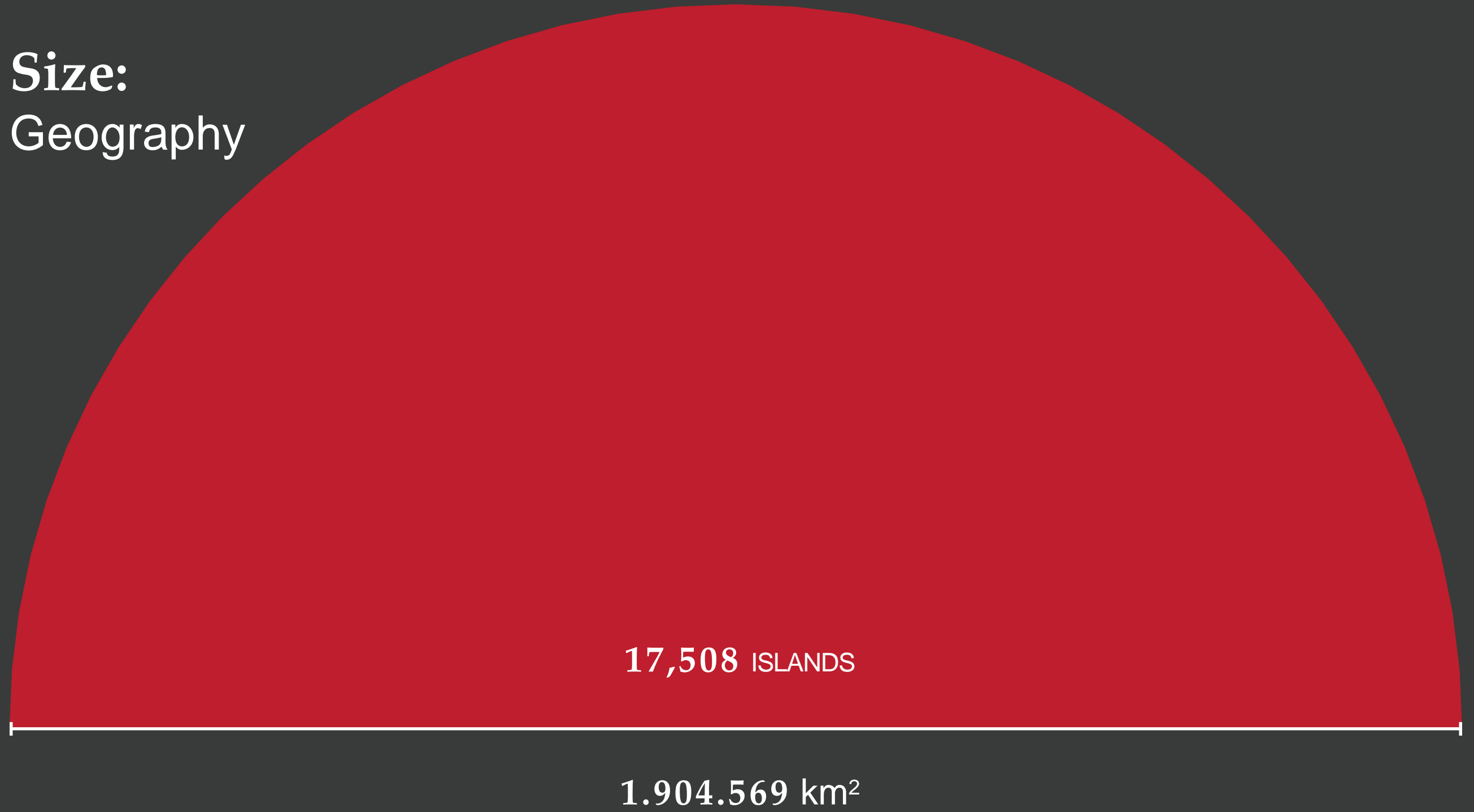
Tour of Indonesia **A Nation in a Glance**

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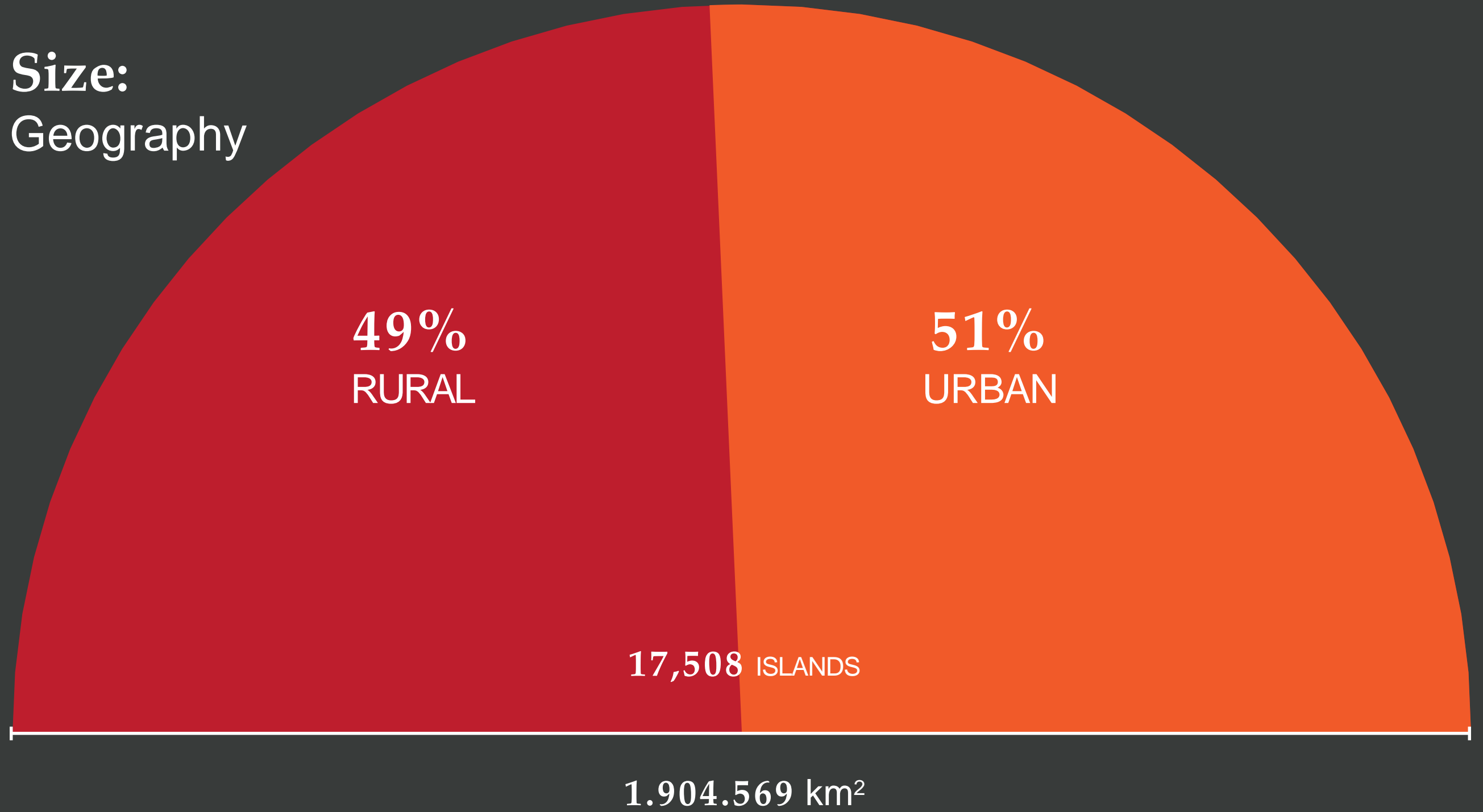


1.904.569 km²

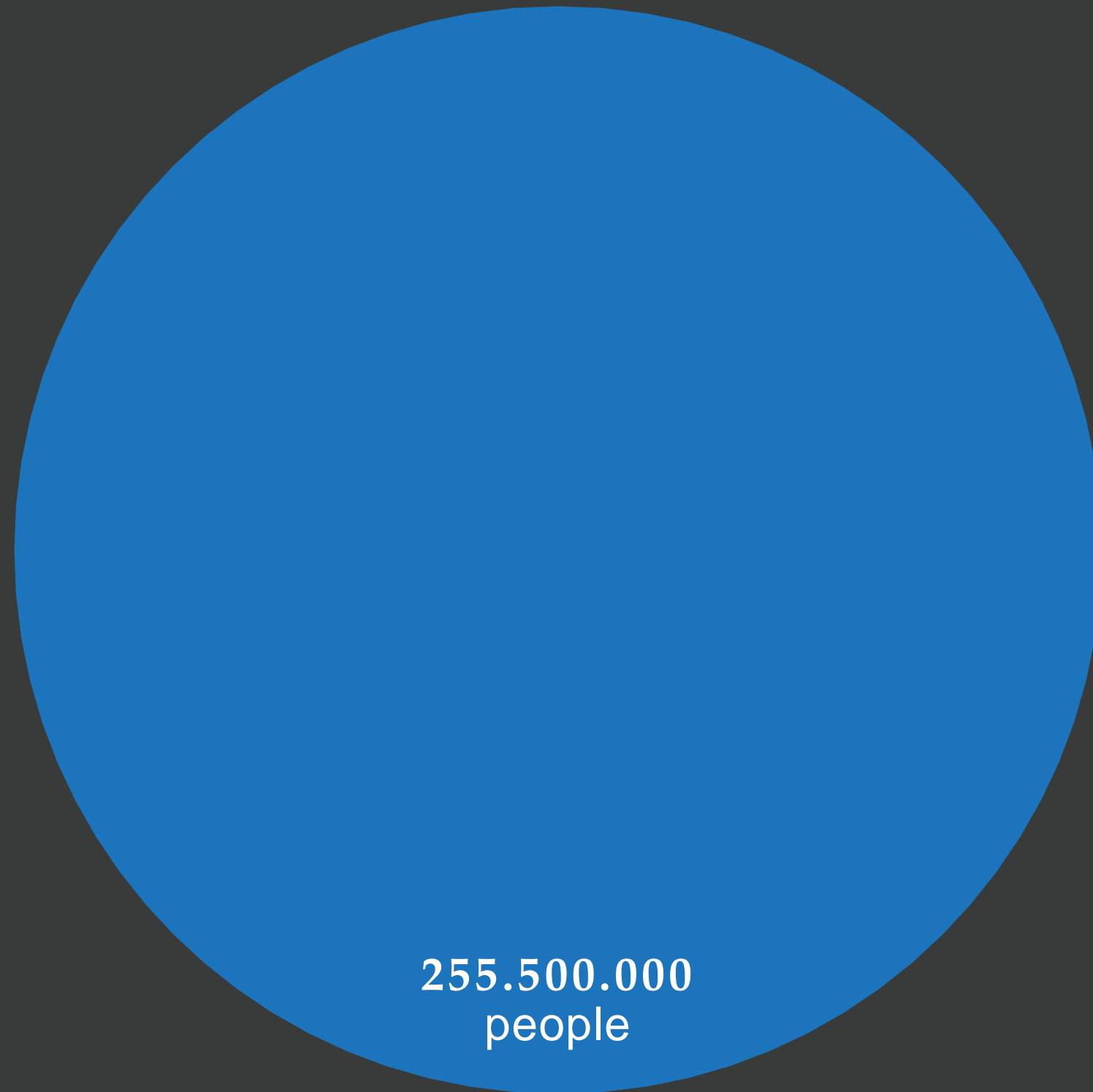
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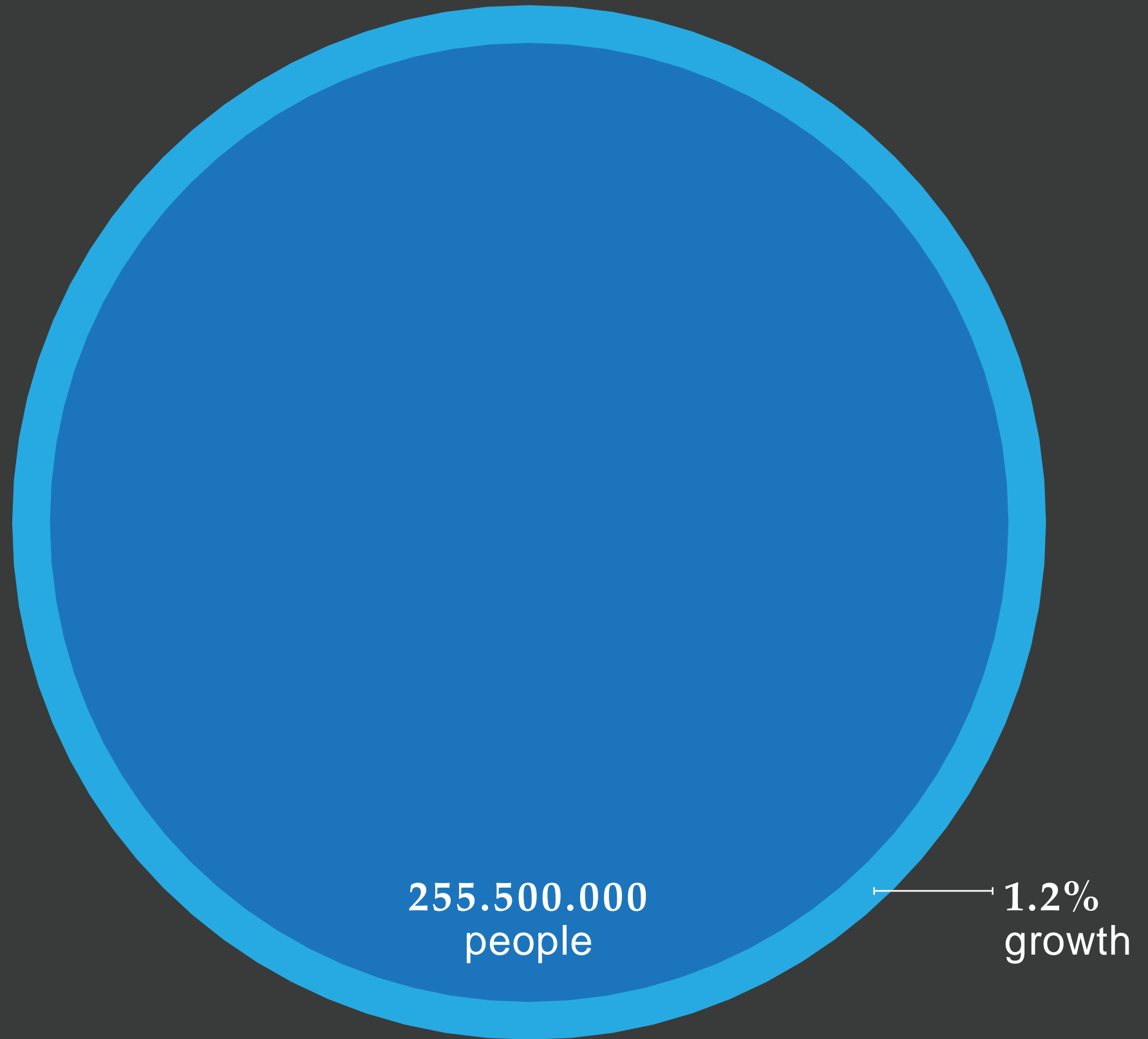
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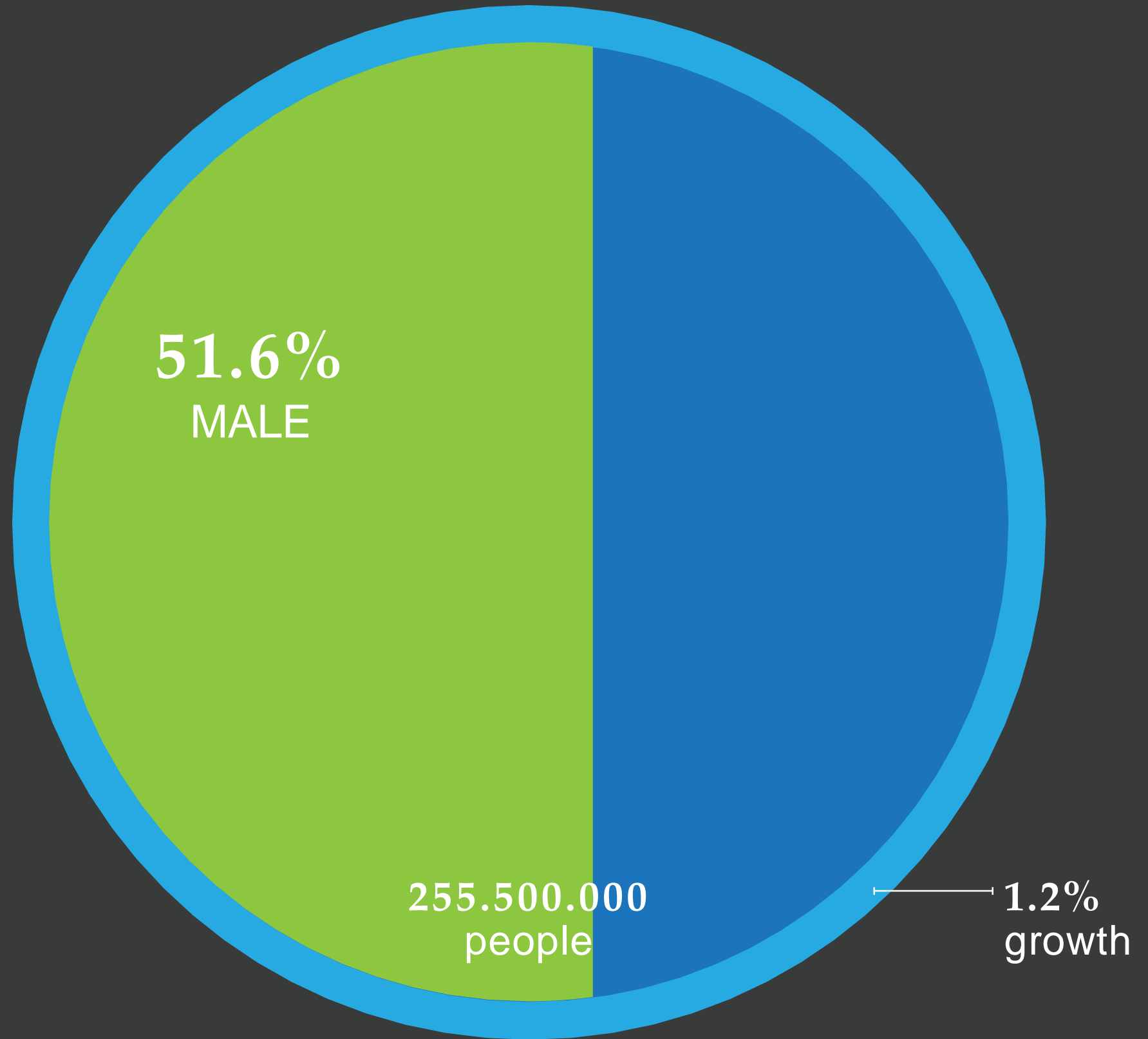
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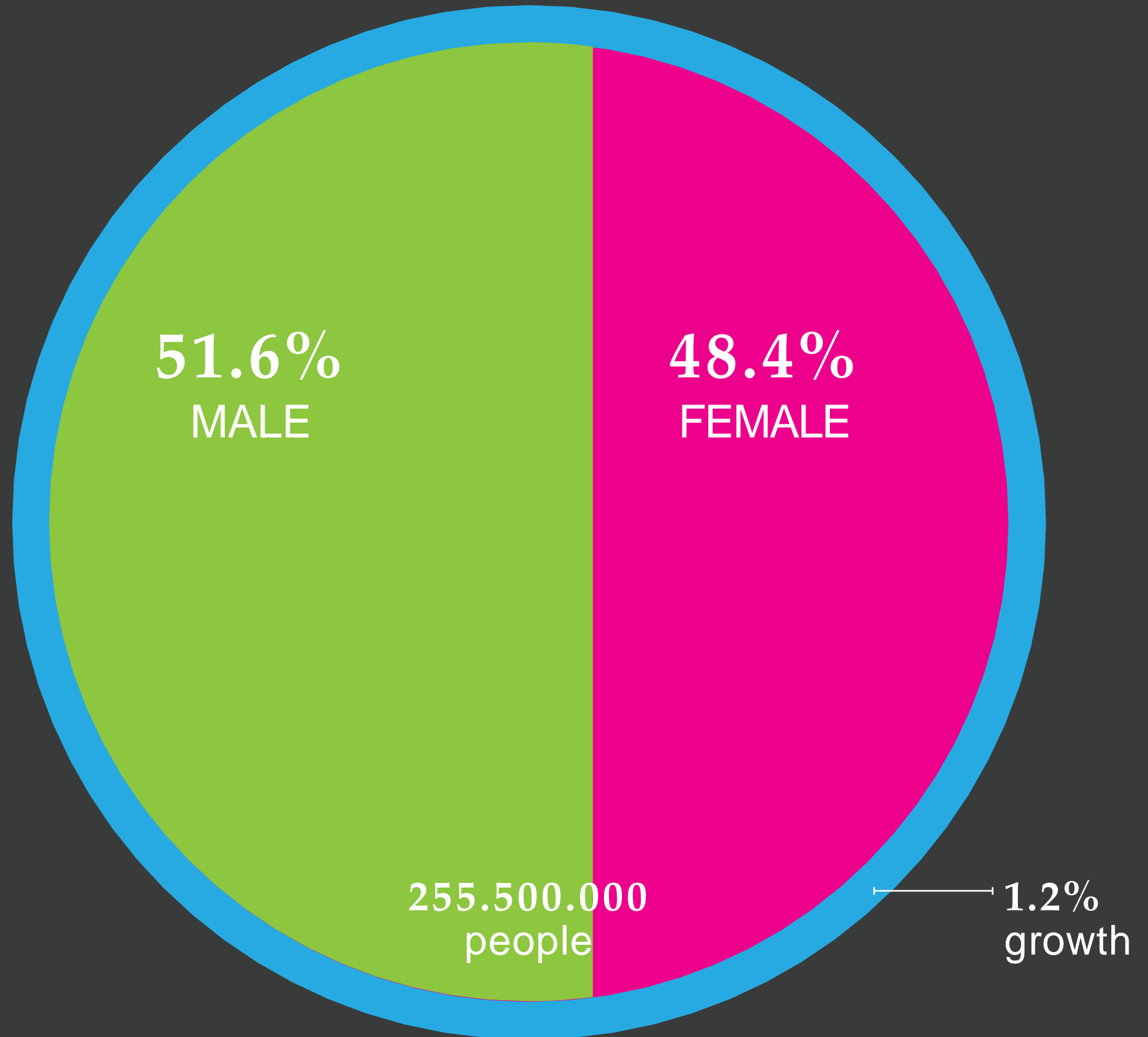
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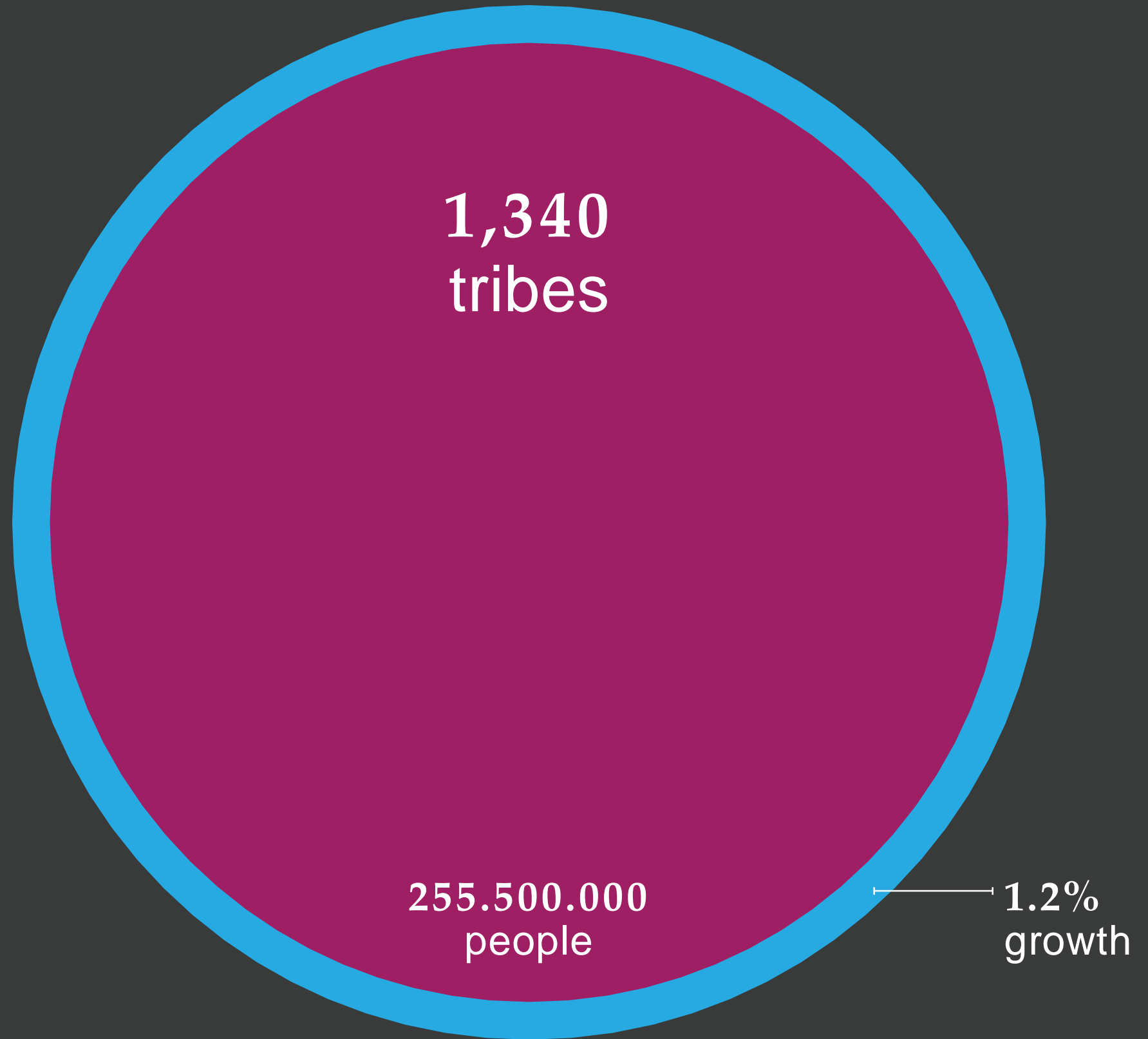
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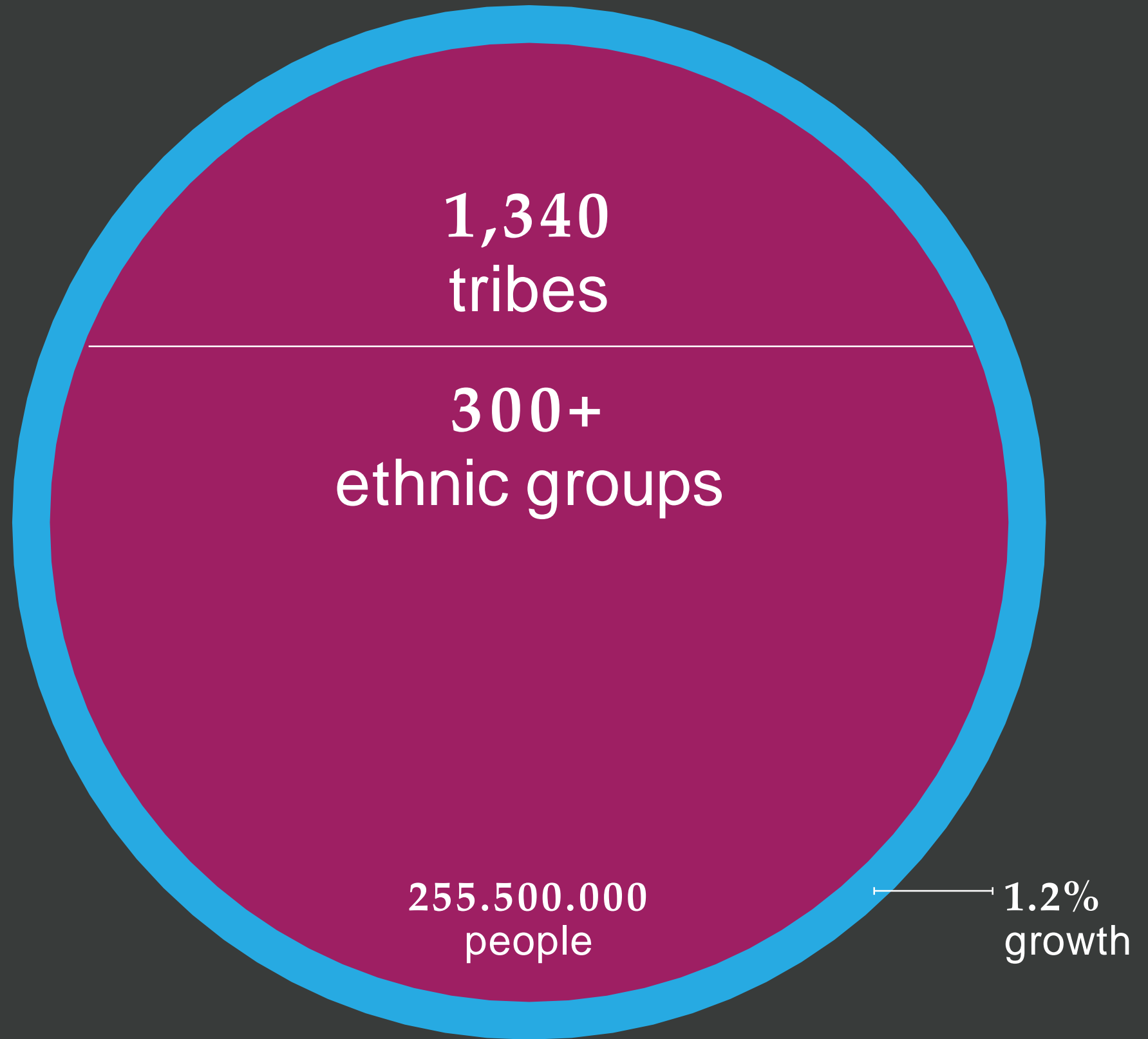
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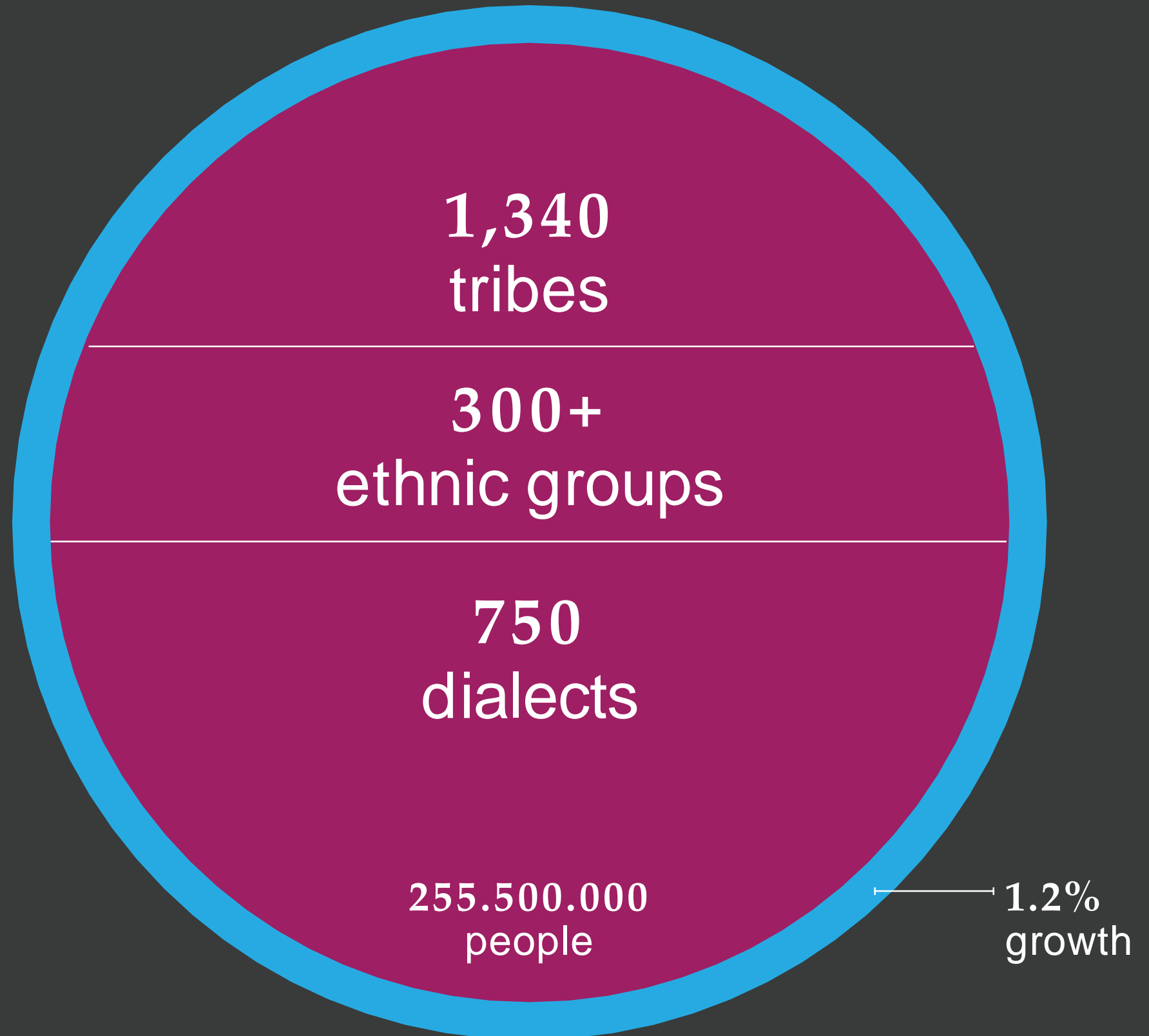
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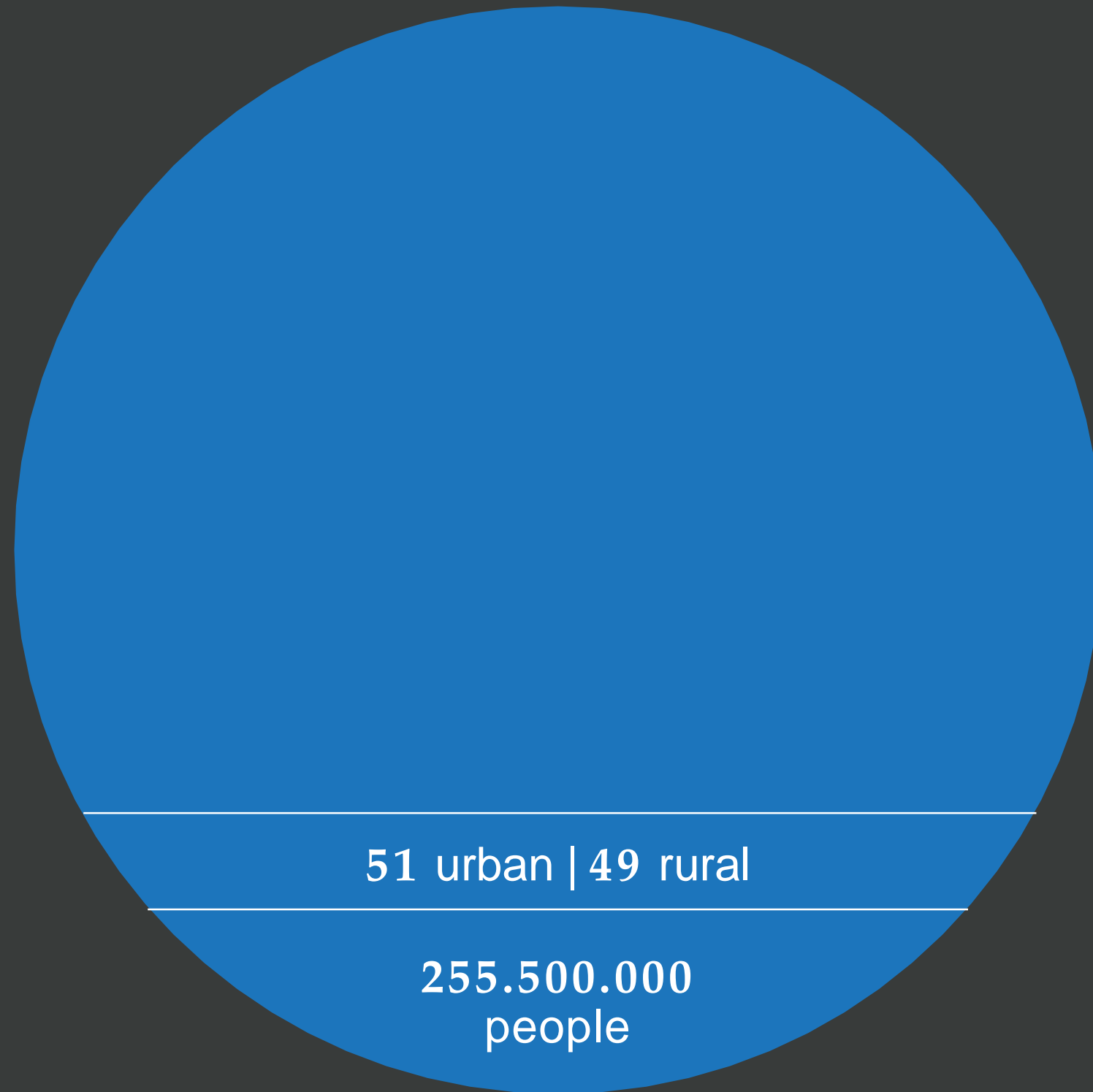


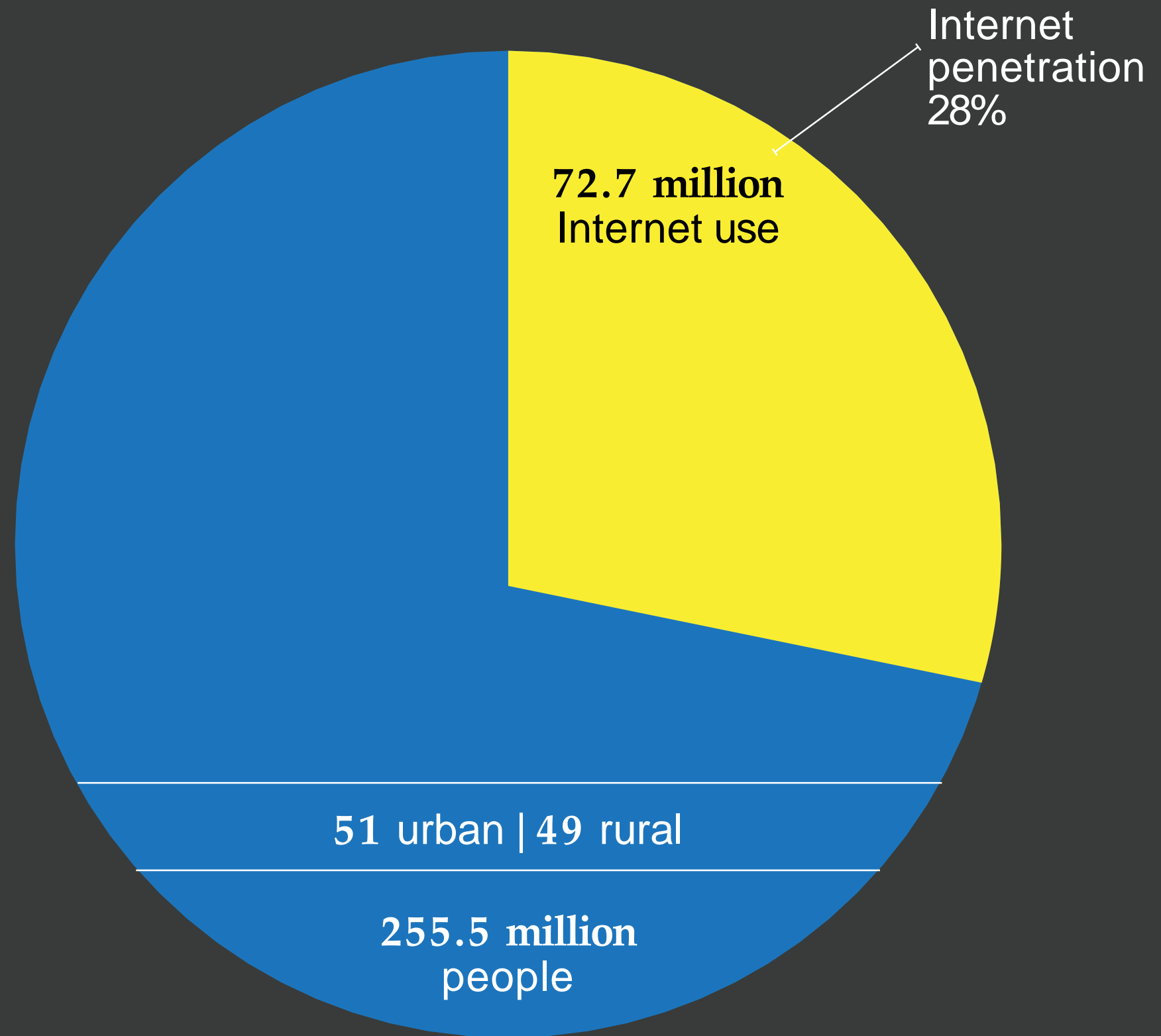
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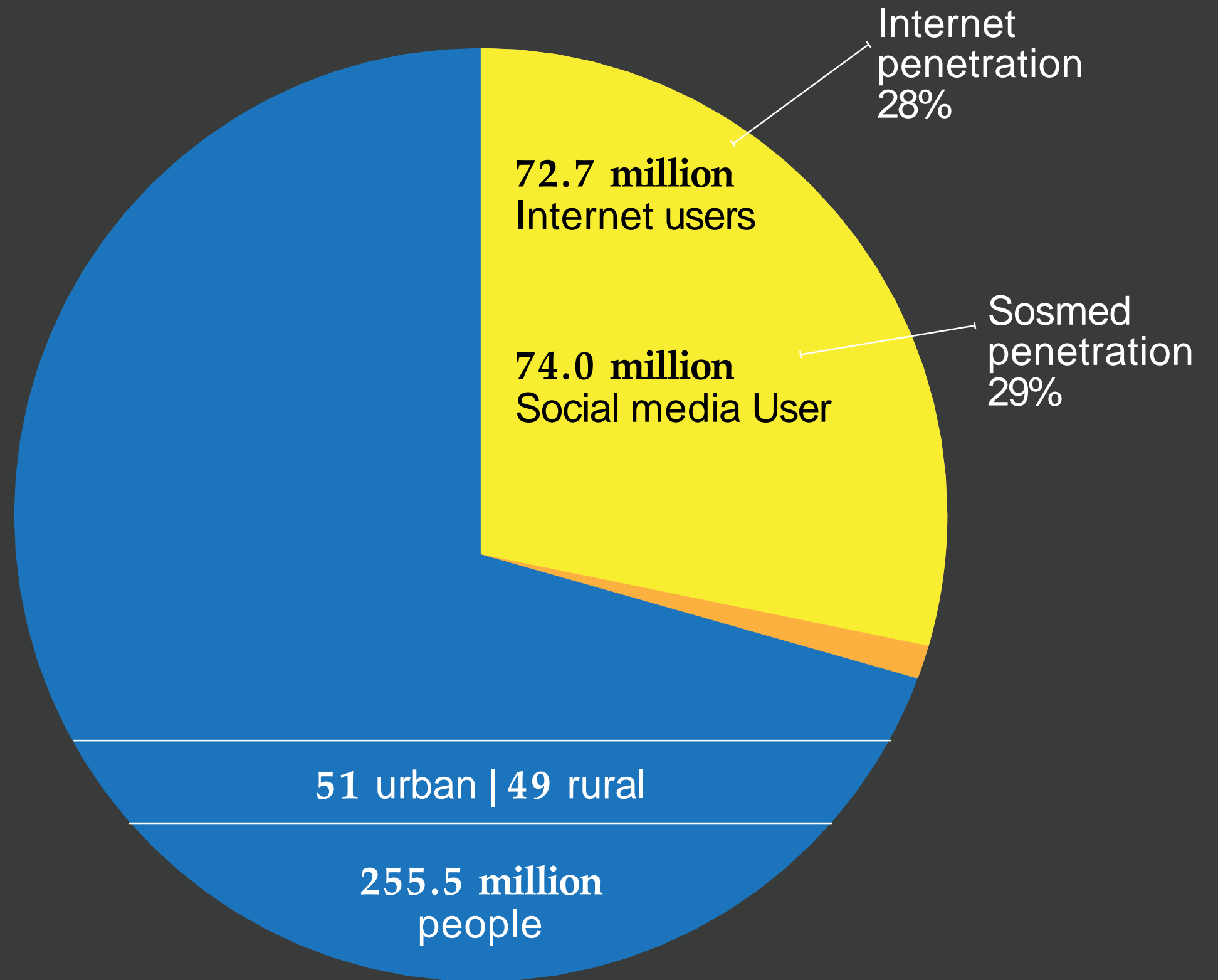


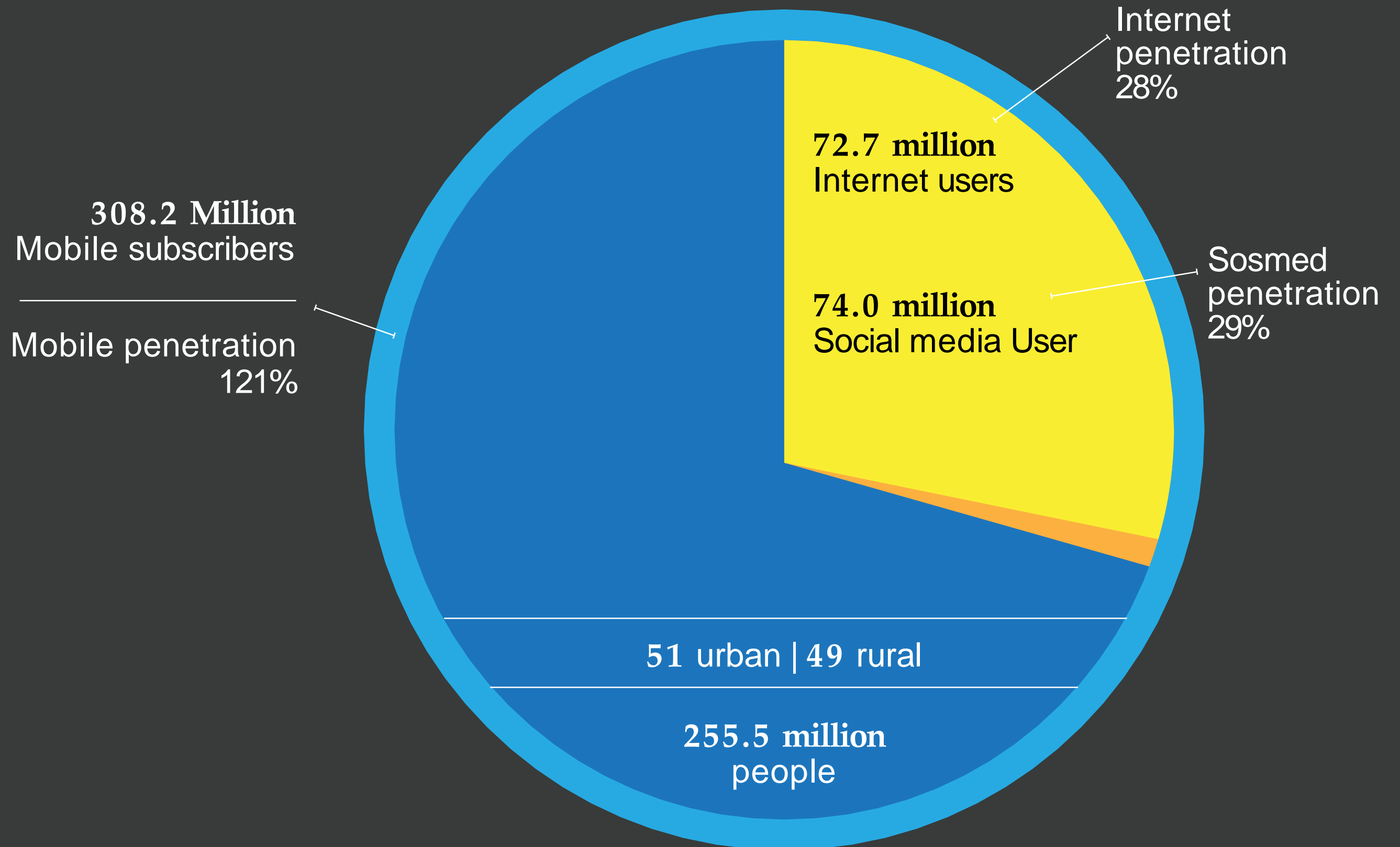
The Digital Market Insights

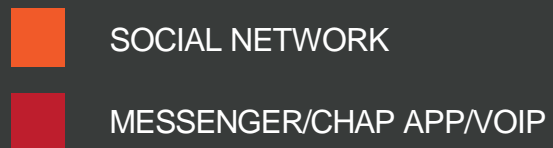
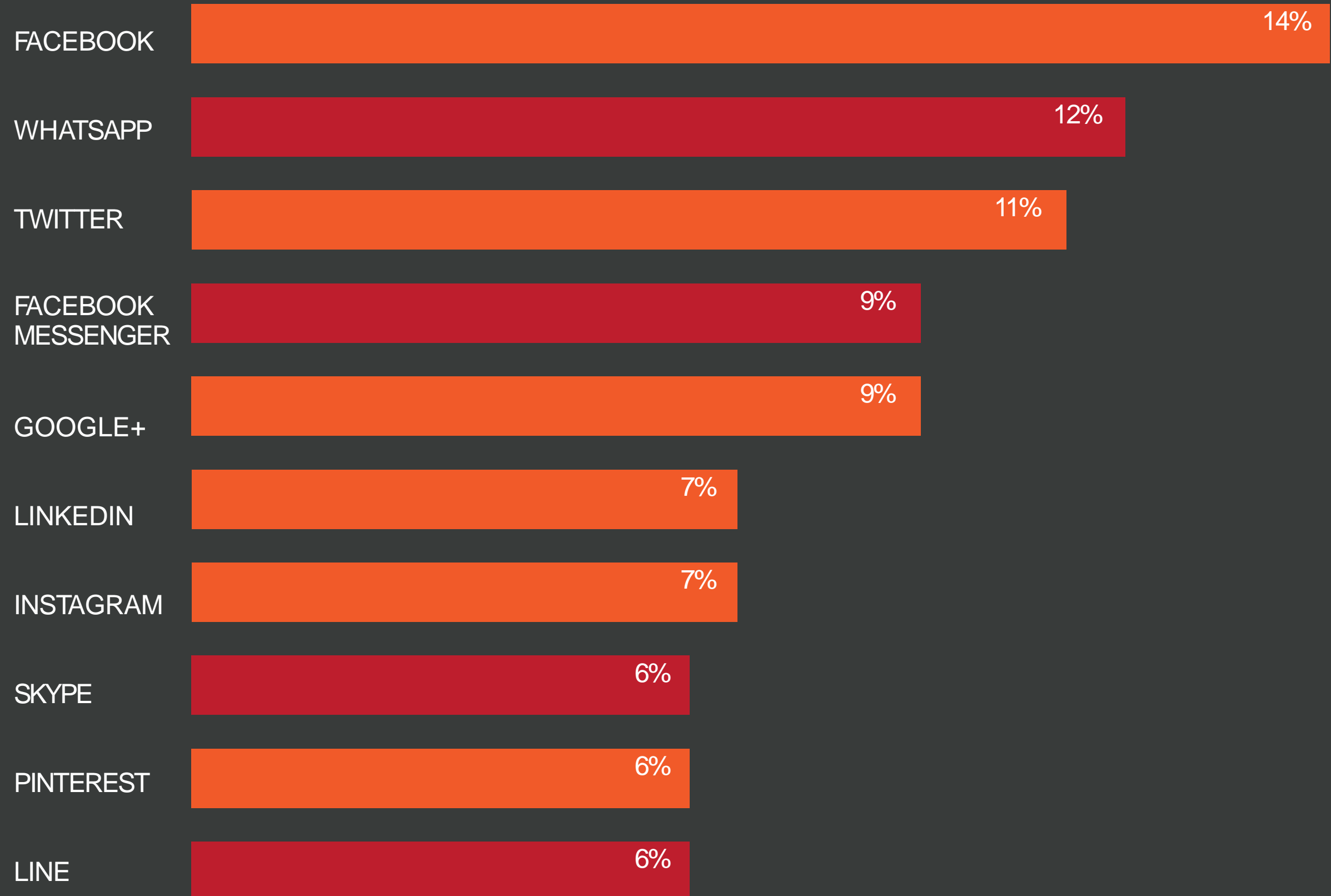
A Nation in a Glance











A black and white photograph of a person sitting on a bench, looking down at a smartphone in their hands. The person is wearing a light-colored, textured sweater and dark pants. The background is a blurred outdoor setting with a paved ground.

INDONESIANS SPENT
+5.1 HOURS
ON INTERNET/DAY

The Agency and Indonesia Creative Sub-sectors A Nation in a Glance

The Indonesia Agency for Creative Economy (Badan Ekonomi Kreatif – BEKRAF)

deals with policy making,
coordination between
Government bodies,
guiding and supporting the
creative sectors.

There are 16 creative sub-
sectors under the
Indonesian Creative
economy

Apps & Games
Architecture
Interior Design
Visual Communication Design
Product Design
Fashion
Film, Animation & Video
Photography
Craft
Culinary
Music
Publishing
Advertising
Performing Art
Fine Art
Television & Radio

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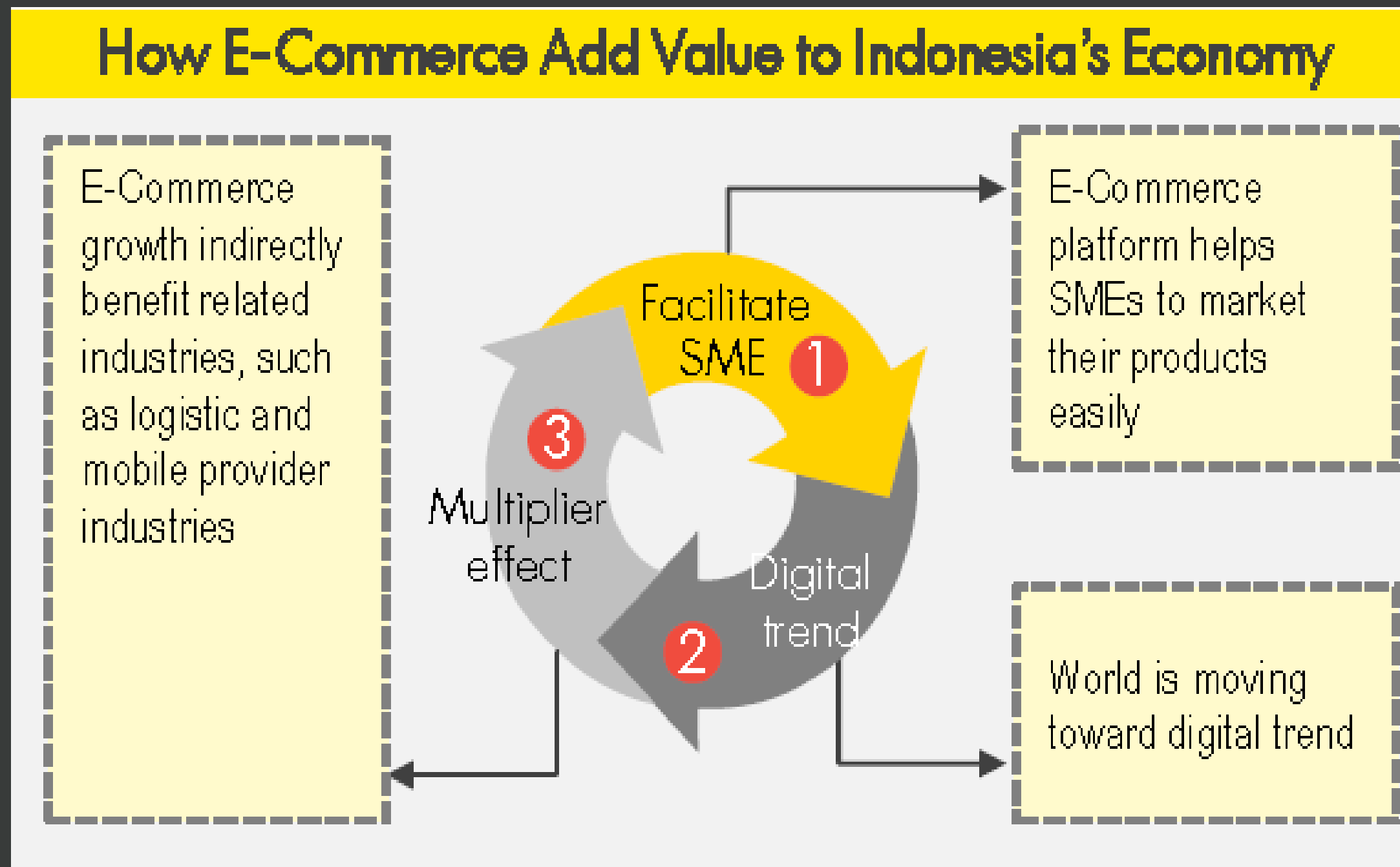
E-Commerce , incubator and Start-up as prime mover economy

A case study

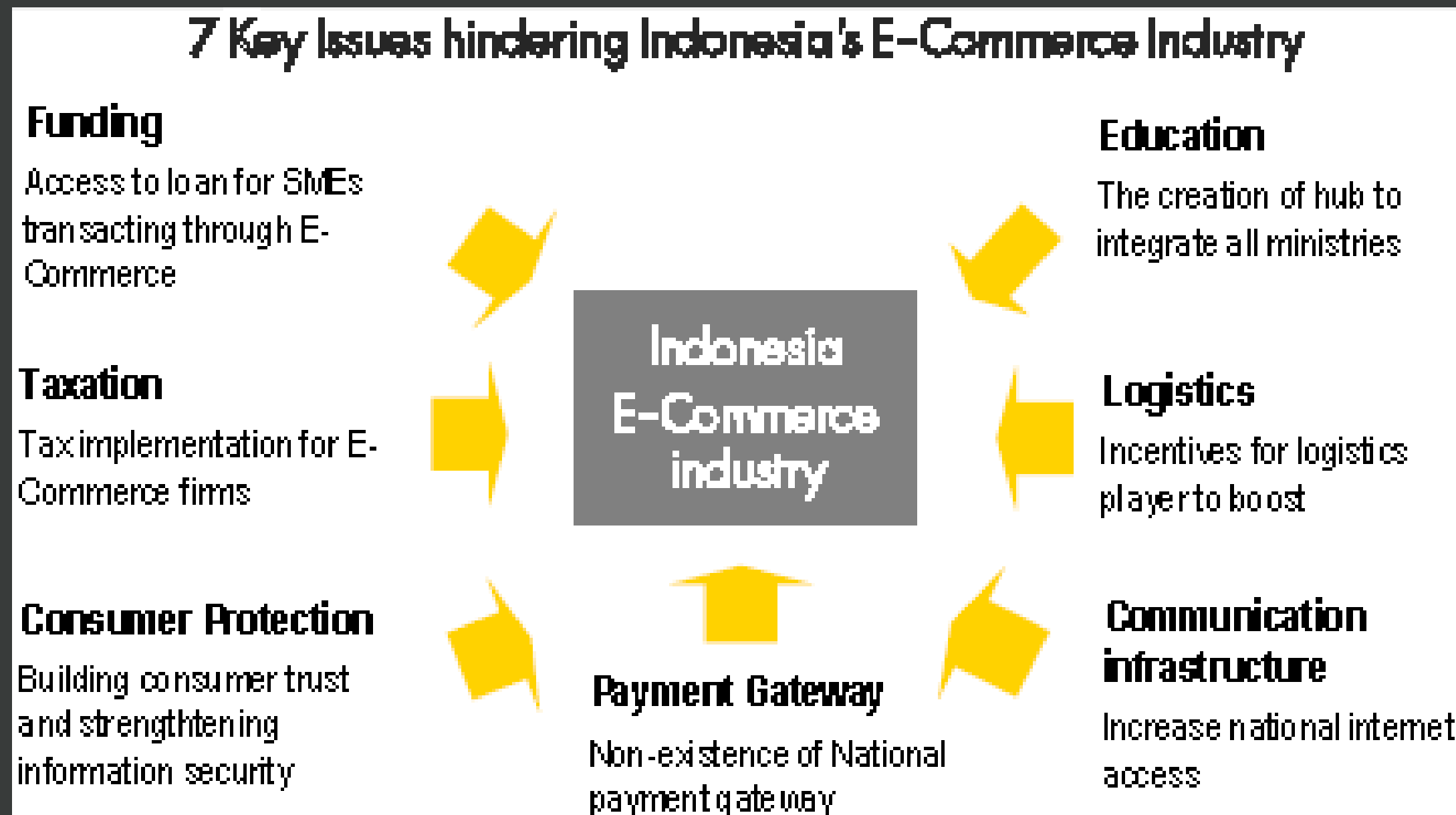
E-Commerce Growth



Added value






Issues



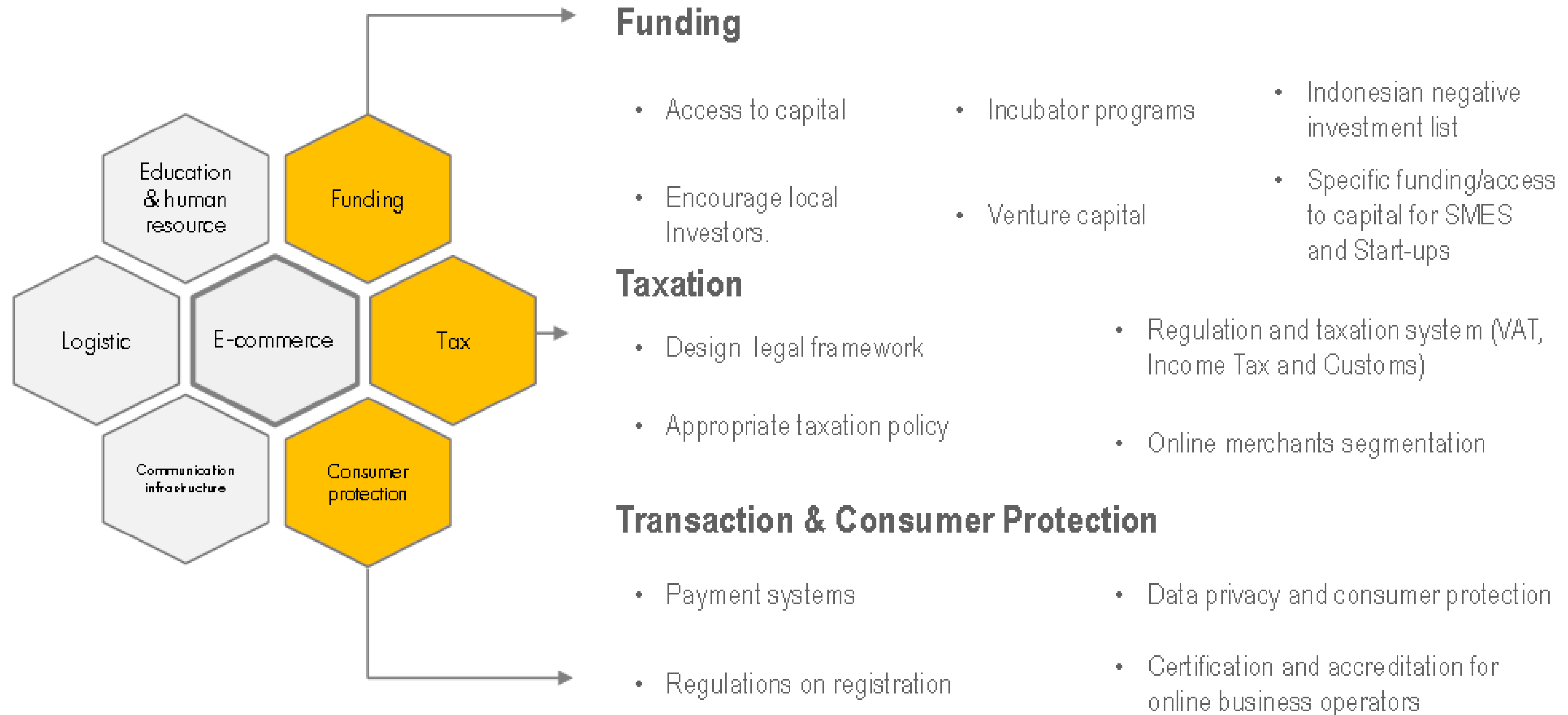
5 Guiding Principles

1	All Indonesians should be provided with the opportunity to access E-Commerce and conduct e-business
2	All Indonesians should be equipped with the skills and knowledge to capitalize on the benefits of the information economy
3	Job losses should be minimized during transition to the Internet economy, and net job impact should be positive by taking into account the impact of "Creative Destruction".
4	Legal and regulatory frameworks should be implemented to ensure E-Commerce is safe, secure, and open. This includes technology neutrality, transparency and international consistency
5	National players , (especially start-ups and SMEs) should be protected in an appropriate manner and local businesses and the national industry growth should be first priority.

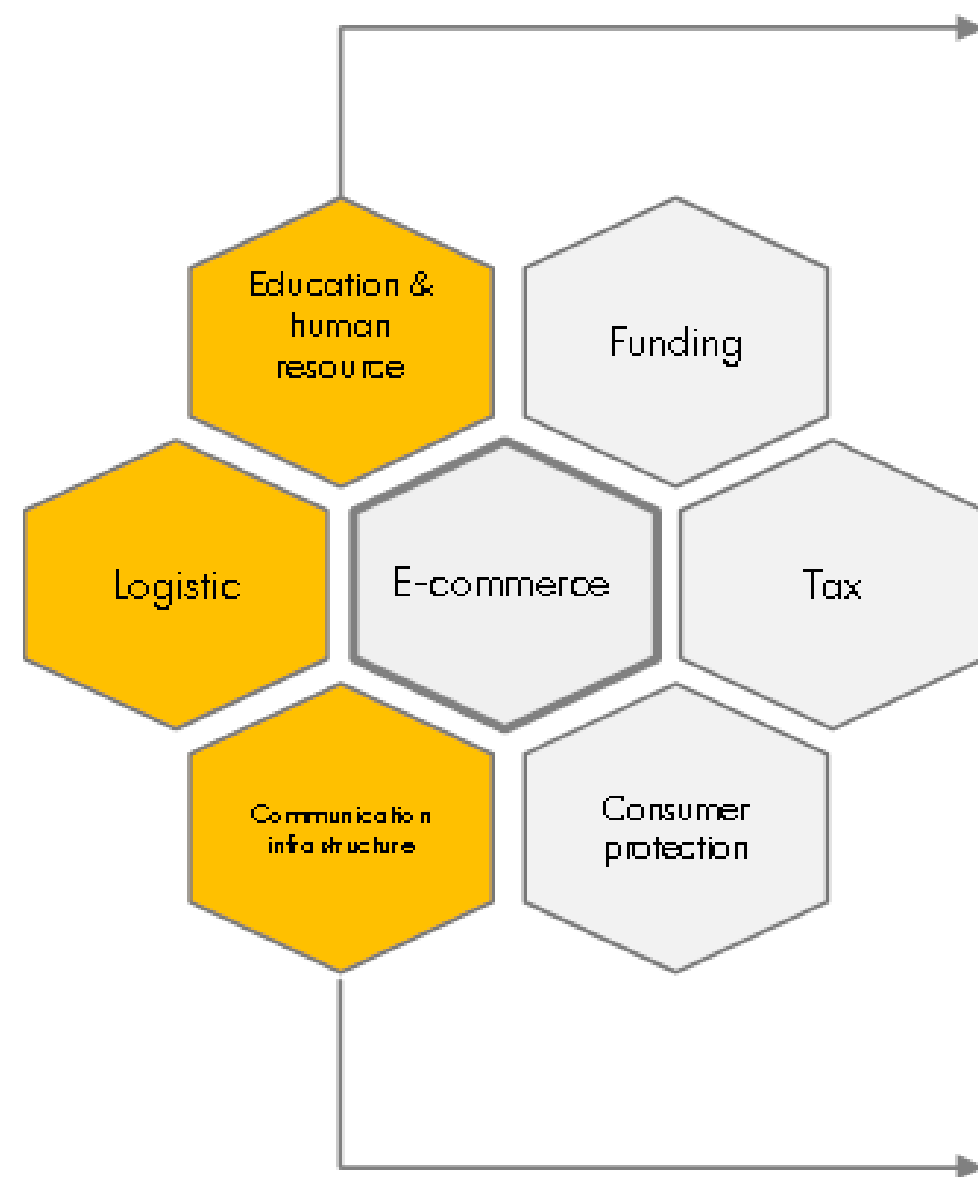
Segmentation of Key Players

Business maturity	Size*	Product development	Source of fund	Sustainability prospect
Start Up 	<ul style="list-style-type: none"> Net asset of up to IDR 50 million Revenue of up to IDR 300 million 	<ul style="list-style-type: none"> Undergo the early product development Founders attempt to capitalize on developing products or services for which they believe there is a demand 	<ul style="list-style-type: none"> Funded by the founders (bootstrapping) Bankroll Angel Investors 	<ul style="list-style-type: none"> Most of start-up businesses are not sustainable without capital injection from investors
Micro businesses 		<ul style="list-style-type: none"> Very traditional type of business or basic raw products 		
Small-Medium Enterprises 	<ul style="list-style-type: none"> Net asset IDR 50 – 500 million Revenue IDR 300 – 2,500 million 	<ul style="list-style-type: none"> Development of early product within limited innovation 	<ul style="list-style-type: none"> Bank loans Private investors Crowdfunding Angel investors 	<ul style="list-style-type: none"> Potentially business embraces stable sustainability prospect. (Despite the fact that SMEs capitalize only small profit margins)
Established business 	<ul style="list-style-type: none"> Above SME size 	<ul style="list-style-type: none"> Tight competition of established business experiences Focus to improve product development to retain its position in the market through innovations 	<ul style="list-style-type: none"> Bank loans Bonds Private investors Public equities 	<ul style="list-style-type: none"> Take a serious view on sustainability Improve their prospect of long term sustainability

Recommendations and initiatives are classified in six broad topic areas



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Education & Human Resources

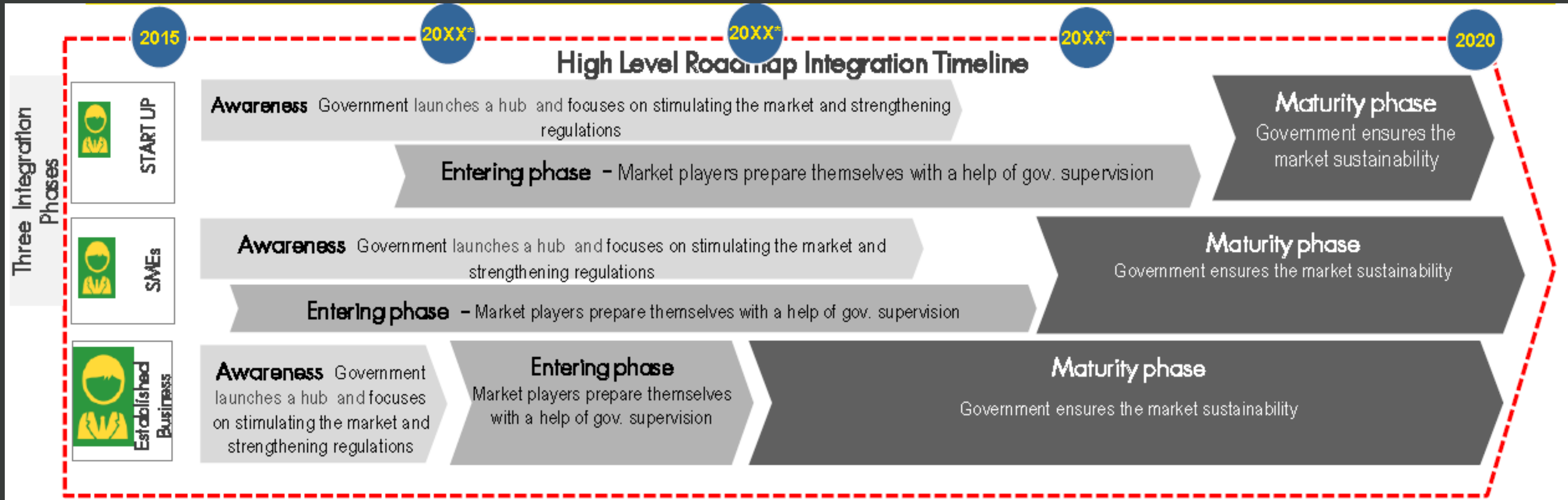
- Entrepreneurship and business innovation
- Vocational education
- Quantity and quality of specific courses of studies to support E-commerce
- Organizational strategy to foster the growth of E-Commerce

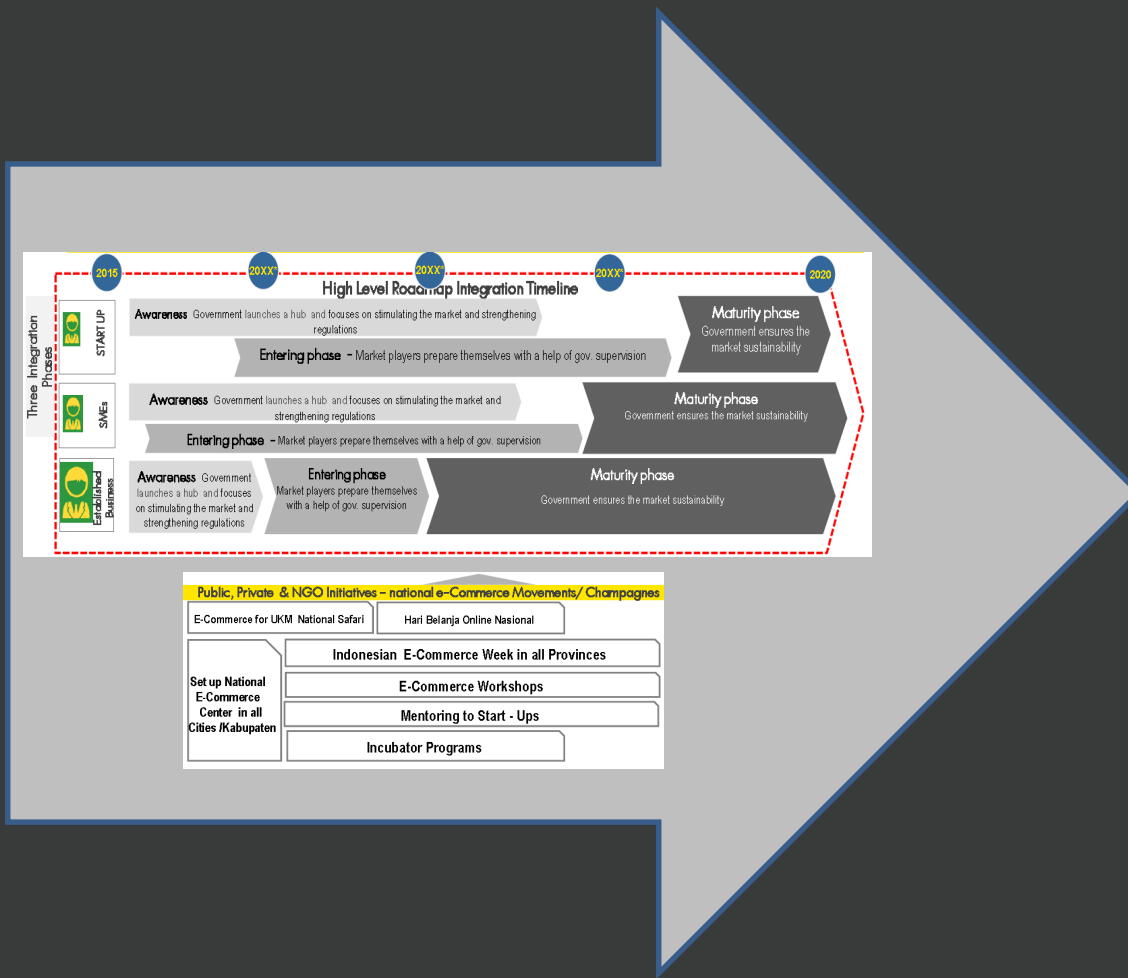
Logistics

- Reliability and efficiency of the national logistics services
- Optimization “Pos Indonesia” in the context of the E-Commerce supply-chain.

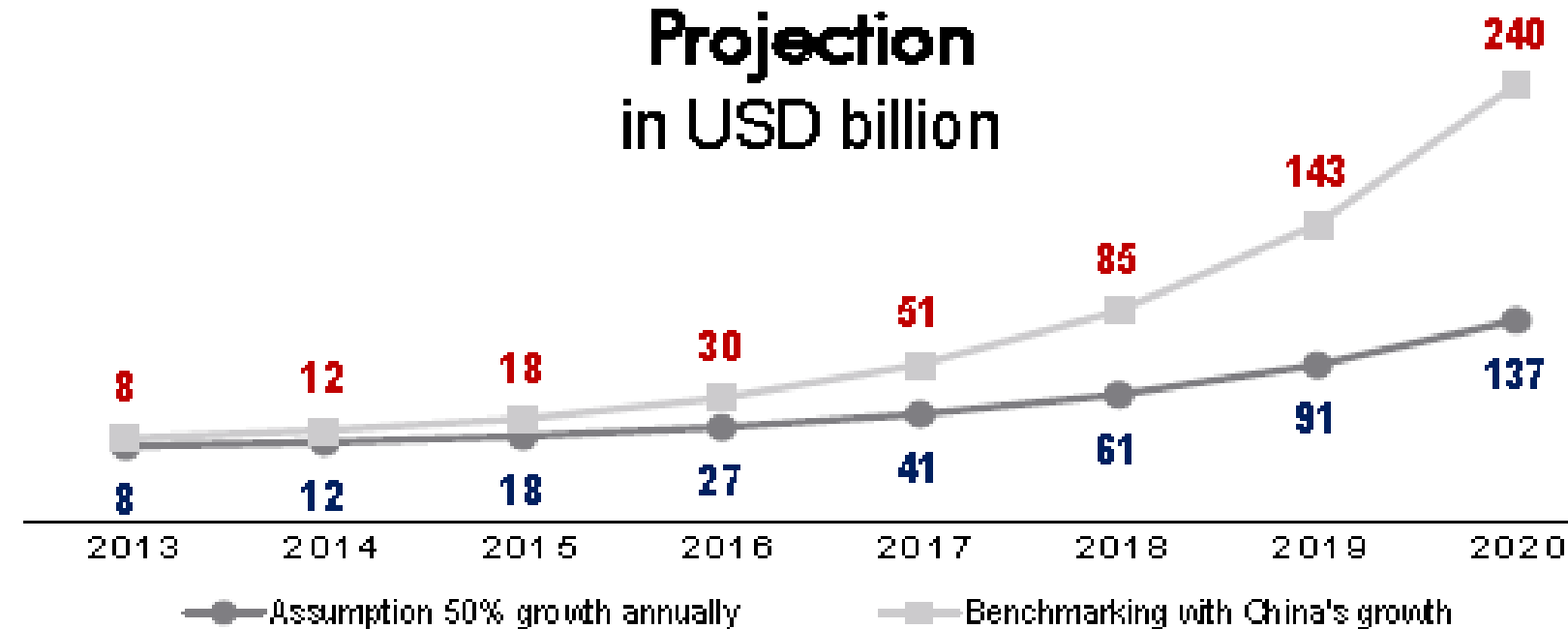
Communication infrastructure

- Internet accessibility and speed
- Innovation in technology and communication infrastructure for the E-Commerce business
- Integrated E-Commerce platform





Indonesia E-Commerce Growth Projection in USD billion



**) Source: MGI, and other sources*

- Increase of online retail size from estimated USD 18 billion in 2015 to targeted USD 240 billion in 2020, illustrating by benchmarking with China growth CAGR 67.9% after it executed its national e-commerce 5 years plan
- Multiplier effect for E-Commerce related industry, including logistics and mobile internet provider
- Incremental growth of GDP in the next 10 years. As a comparison, in China, the online revolution promised to boost GDP by 22%.

Bekraf's role on startup

Challenges for Startups and Incubators



DC For Research and Education

DC For Access to Capital

DC For Infrastructure

DC For Marketing

DC For IPR Facilitation

DC For Inter-institutional Cooperation



- Nurturing Creativity
- Talent Development to be professional developer
- Startup Initiation



- Startup Development
- Product Innovation (incubation & acceleration)

**1000
Startup**

Technology
makes sure it works



Business
Makes sure it
makes money

Design
Makes sure it
serves the user



- Follow on Funding
- Fundraising



Conclusion

1/

Digital Content is a growing and
appealing market

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- 2/ Technology is growing as well as the population and the economy

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- 2/ Technology is growing as well as the population and the economy

- 3/ Government takes role in creating conducive ecosystem for e-commerce

- 4/ Incubator and Startup becomes essential part to boost economic growth

Thank you
