Providing Digital Services Platform for Economy

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• Indonesia Telco Outlook
• Digital Transformation: The future of business in digital age
• New Models of consumption: Digitalization of Public Services
• Digital Service Platform: Ecosystem
• Digital Service Platform: Regulations and Policies
• Goals of Digital Financial Services Ecosystem in providing digital services including for boosting e-Commerce
• Opportunities in implementing Digital Platform
• Conclusion
Indonesian Telco Outlook

Data and facts

1. The communications sector which consists of postal services, information technology services and telecommunication services, accounted for 6.8% of GDP (total ~ 216 Trillion Rupiah) in FY13. The total output of the communications sector grew at a CAGR of 21% in 2004-2014.
2. Mobile network grew 7.7% YoY in FY13 which increases penetration to 121.5%
3. The fixed line network grew 2.5% YoY in FY13, compared to 1.6% to FY12
4. The mobile service ARPU trend continued in 2013, with a market weighted average blended ARPU fell by 5% for this year

Future Trends

Digital Financial Services
Including financial inclusion
Digital Transformation: The future of business in digital age

National Policy and Regulation

Existing Roadmap of Implementation

Digital Service Platform

- e-commerce
- e-logistic
- e-payment
- e-government
- e-procurement
- M2M

- BI 2009: 1,422 T per year 48k transaction per day
- BI 2012: 5,386 T per year 275k transaction per day
- BI 2013: 8,154 T per year 371k transaction per day

- Sea-toll
- Deep Sea Port
- Logistic train
- Broadband integrated

- e-licensing
- Digital interaction of C2G, G2E, G2O, G2B
- Mid-range e-Governmet Development Index with 20 points growth

C2G: Citizen to Govt
G2E: Govt to Employee
G2G: Govt to Govt
G2B: Govt to Business

Public Transparency
Increase efficiency and cost saving

Existing Roadmap of Implementation
New Models of consumption: Digitalization of Public Service

Existing Roadmap of Implementation

- 17 mio mobile banking user
- 80 mio un-bankable people
- Branchless banking
- E-ticketing
- Cashless society
- Growth of tablet and e-reader sales in Indonesia
- E-money
- Digital Service Platform
- E-book
- e-book and e-education to reduce illiteracy, and to improve digital literacy
- E-health
- Teleo infrastructure penetration in hospital
- Medical record
- Broadband integrated

National Policy and Regulation
Digital Service Platform: Ecosystem

It is “digital mall”
Internationally recognized standard
Trusted and comfortable

Business Model Extension: Branchless banking etc
Intermediary: between User and CA/Start Ups/Merchant

Financial Institution
Merchant
Content Apps
Start Up
Public Service/transaction Provider

User  OBO  SME and Co-operation

Security Operation Centre  Trust: Business Model  Knowing Your Customer

Digital Service Platform
Broadband Service
Network Infrastructure
Agents

OBO: Other Broadband Operator

Smart Hub Content: as intermediary system for new media developed by content/application developers
1. It is a “hybrid services” which need a new regulation of telecommunication

2. Investment protection policy from regulator by consolidating player.


5. Consumer Protection Regulation

6. National coverage including for Digital Financial Inclusion purposes (Vertical horizontal platform)

7. As a smart hub content which will develop a competitive basis for local content in competing with global OTT.

Goals of Digital Financial Services (DFS) Ecosystem

A multi bank, multi mobile operator, multi merchant, multi agent platform are integrated by one trusted secure manager system and will provide all type of digital financial services.

*source SGR Ditjen PPI
Opportunities in Implementing Digital Platform

- DFS will provide financial access for more than 80 millions unbankable people to increase their quality of life (41,6 millions are in villages);
- For daily life they can afford from their daily activities but need financial access for health, education and social activities. Micro saving and loan provide by DFS will enable them to manage those needs.
Conclusion

• Providing Digital Services for Economy is a key in advancing National Competitiveness

• National policy and Regulation including Roadmap of Implementation should be in place to harmonize related Parties in Providing Digital Services for Economy

• Among digital services that is important to increase efficiency and effectiveness in national/regional development:
  • Digital Financial Inclusion
  • Digital Service Platform for Business (e-logistic, e-commerce, e-payment, M2M, e-procurement, e-government)
Thank You!