Promoting growth and greater efficiency of Indonesia Services Sector

Jakarta, April 18 2018. In its effort to address issues on skilled workers in Indonesia’s services sectors, ISD was privileged to meet and discuss with H.E Hanif Dhakiri, the Minister of Manpower Republic of Indonesia. ISD was represented by Yos Adiguna Ginting (Chairman of ISD Board of Directors), Devi Ariyani (ISD Executive Director), Antarina Amir (ISD Board of Directors) and Elvira Lianita (PT HM Sampoerna Tbk., ISD Member).

The discussion was opened by general presentation on services outlook in Indonesia and followed by more specific issues in human capital such as export potential in medical tourism sector, an urgency for various services sectors to employ foreign skilled workers and how to synergize Indonesia’s education sector and industry in creating more competitive human resources. ISD also shared its policy recommendation in skilled-workers-related areas, which were thoroughly solicited from ISD dialogue series, public forum and focus group discussion.

Highlight

1. Jakarta, July 24 2018. Devi Ariyani (ISD Executive Director) and Astari Adityawati (ISD Economist & Government Relations) with H.E Rudiantara, the Minister of Communication and Informatics Republic of Indonesia.
2. Jakarta, June 7 2018. Devi Ariyani (ISD Executive Director) with H.E Mohamad Nasir, the Minister of Research, Technology and Higher Education Republic of Indonesia.
3. Jakarta, May 7 2018. Devi Ariyani (ISD Executive Director) and Felia Salim (ISD Advisor) with H.E Sri Mulyani Indrawati, the Minister of Finance Republic of Indonesia.

Trade in Services Update

Geneva, June 2018. The International Trade Centre (ITC) and Huawei released its new publication “Faster Customs, Faster Trade: Using technology for trade facilitation”. This report offered policy advice to explore synergies between the World Trade Organization Trade Facilitation and Information Technology Agreements. These agreements reinforced each other and can boost trade. Used well, policymakers can set in motion technology-based national trade facilitation reforms, especially for customs processes.

For the full version of the publication, please click HERE.
Policy Advocacy

ISD Conducts FGDs to Update the Roadmap of National Services Sectors

Jakarta, March 2018. In collaboration with the Coordinating Ministry for Economic Affairs Republic of Indonesia, the Ministry of Trade Republic of Indonesia, professional associations and key players in business sectors, ISD has conducted a number of Focus Group Discussions (FGDs) on nine priority services sectors. The FGDs were the part of a mutual effort in updating the Roadmap of National Services Sectors.

The FGDs, which were attended by line ministries from related services sectors, covered fundamental problems and potential solutions in business services, communication and ICT services, distribution services, construction and related engineering services, health-related services, financial services, transport services, tourism and travel-related services and education services. The FGDs resulted in evidence-based policy recommendations, which helped ISD’s further policy-reform initiatives to relevant ministries and government agencies.

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ISD Annual Board and Member Meeting 2018

Jakarta, June 29 2018. Following the end of Semester I 2018, ISD conducted the Annual Board and Member Meeting. The meeting was primarily aimed to update ISD Board of Advisors, Founders, Directors and ISD Members about achievements and milestones ISD has reached since the last annual meeting in August 2017.

ISD Executive Team also sought for inputs on how to better promote ISD agenda in supporting growth and greater efficiency in Indonesia’s services sectors and used this opportunity to introduce new ISD Members such as PT XL Axiata Tbk., Bukalapak, Tokopedia, Indodax and Mainspring Technology.
Yogyakarta, April 11 2018. In collaboration with the Coordinating Ministry for Economic Affairs Republic of Indonesia and Yogyakarta local government, ISD disseminated a survey result on creative industry to local stakeholders, including creative industry player, academician, policy maker and general public. In her opening remark, Devi Ariyani (ISD Executive Director) talked about how digital transformation through internet could help small and medium businesses to expand their market shares and services. On the other hand, Professor Mari Elka Pangestu (ISD Advisor) emphasized the importance of creative industry sector as the backbone of the economy. Professor Mari also said that Indonesia has a great potential to be the ASEAN creative hub given its strength in human capital and creative industry landscape.

Educational Institutions Must Introduce Technology at Early Stage

Yogyakarta, April 12 2018. Devi Ariyani, ISD Executive Director, named herself as one of the Speakers at the Public Discussion “Toward Resilience and Innovative Indonesia’s Services Sector in the ASEAN Economic Community” hosted by ASEAN Studies Center Universitas Gadjah Mada (UGM), the Coordinating Ministry for Economic Affairs Republic of Indonesia and ISD. Devi believed that skills in technology will make Indonesian students more competitive in facing current challenges in the workplaces. Likewise, Professor Catur Sugiyanto from UGM said that Indonesia should be able to compete as it is the largest country in ASEAN.

Dr. Rizal Affandi Lukman, Deputy Coordinating Minister for Economic Affairs for International Economic Cooperation, added that it is important for all stakeholders to join in mutual effort to increase competitiveness of services sectors in the ASEAN Economic Community context. For the complete review, please click HERE.
Stakeholders seek incentive for services

The Jakarta Post, July 17 2018. A discussion held by the Centre for Strategic and International Studies (CSIS) and ISD featured Yose Rizal Damuri (ISD Board of Founders), Marolop Nainggolan (Director of Export Cooperation Development, the Ministry of Trade Republic of Indonesia), Weihan Liew (CEO of Mainspring Technology; ISD Member), Edi Prio Pambudi (Assistant to Deputy Minister for Monetary and Balance of Payment, the Coordinating Ministry for Economic Affairs Republic of Indonesia), Rustam Effendi (Head of Tax Policy and Non-Tax State Revenue, the Fiscal Policy Agency), Ay Tjing Phan (Managing Partner PwC Indonesia; ISD Board of Founders) and Eulis Eliyani (PT HM Sampoerna Tbk.; ISD Member) as stakeholders.

The main theme of the discussion revolved around challenges and opportunities for Indonesia’s services sectors in supporting national export. To date, services sectors contribute $7.8 billion to current account deficit. Of the $7.8 billion deficit, $6.8 billion was contributed by goods transportation services, which implied a big chunk of opportunity for local players to serve demands from companies in Indonesia. However, initiatives from related policy makers were urgently needed.

On the other hand, Rustam Effendi, Head of Tax Policy and Non-Tax State Revenue, the Fiscal Policy Agency, said that the Ministry of Finance Republic of Indonesia was preparing to revise the Finance Ministerial Regulation No. 70/PMK.03/2010 on taxable exported services, which subsequently enabled other services sectors besides construction, maintenance and makloons (third-party customizing services, usually on clothing and garments) to be exempted from 10% of Value Added Tax (VAT) on services export. This initiative was perceived as a quick win for Indonesia’s services providers to provide services with a more efficient and competitive price in ASEAN landscape.

“Technology should make our lives better, not more complicated”

Jogja TV, April 12 2018. “As a result of technological advancement, several jobs are abandoned while many new jobs are emerging. In response to this, educational institutions should introduce technology as early as possible to produce graduates that meet the current needs,” said Devi Ariyani, ISD Executive Director, during the talkshow ‘Jagongan’ on Jogja TV, Yogyakarta.

Devi believed that technology often raised the fear that humans’ works would in some ways be replaced by robots. In fact, if it is used correctly, technology allows people to improve their productivity and quality of works.

“Technology should make our lives better, not more complicated,” she added.

About Indonesia's position in the ASEAN Economic Community context, Dr. Rizal Affandi Lukman, Deputy Coordinating Minister for Economic Affairs for International Economic Cooperation, said that in order to increase competitiveness in services sectors, national regulation and bureaucracy must be simplified.

“We must work together if we want to reach the ASEAN Economic Community Vision 2025,” said Dr. Rizal.