Jakarta, April 23 & 24 2019. As part of the Asia Pacific Services Coalition, Indonesia Services Dialogue Council had the honour to host the Asia Pacific Services Coalition (APSC) Forum on Services in collaboration with APEC Business Advisory Council (ABAC). The forum brought together local and international experts from public and private sectors to discuss how to meaningfully implement the APEC Services Competitiveness Roadmap and ensure that the initiatives are relevant for businesses in the region. With current digital trend and emerging technology issues around services sectors, the Dialogue discussed on issues and initiatives to enhance growth and competitiveness of services and to contribute to the implementation of services roadmap through evidence-based approaches.

Digital technology has enabled services to be traded across borders. This creates new regulatory challenges. The forum also hold a special video conference with Prof. Richard Baldwin where he presented “The Globotics Revolution”. Innovations in information and communication technology enable services to be easily traded without people/workers moving physically. The speed of this revolution will exceed expectation on technological progress as the actual progress is an ‘exponentially upward curve’. Challenges will come from job displacement as it will rise exceeding job creation but will eventually subsides. As technology progresses, new jobs will be created and therefore it is the challenge for regulators to create an environment that enables job creation and adjust existing regulation to the changing nature of work.

Another issue that was raised is the regulation concerning Data Localisation. Although intended to ensure privacy and security, Data localisation may inhibit business efficiency and raise costs. Regulators should focus on establishing a clear predefined data accessibility provisions for privacy protection and law enforcement. To adjust with the borderless nature of data accessibility, regulators across countries must form a joint collaboration by establishing an interoperable privacy system, a task for APEC member countries.

To conclude, the 2-day public-private dialogue has allowed fruitful engagement and discussion across various topics, ranging from new technologies, e-commerce framework, e-payment, digital talent, and investment. The event provided opportunity for both public and private sectors to understand and exchange views on the new cross-border services, identify challenges and discuss some policy recommendations and regulatory approaches to harness growth in the digital age.
Event

ISD participated in UNCTAD’s Multi Year Expert Meeting on Digital Services and in UNCTAD’s workshop on MRA in Skilled Workers Mobility

Geneva May 1-3 May 2019

1. UNCTAD’s Multi Year Expert Meeting on Digital Services

As the world is experiencing a rapid digital revolution, services are becoming more prominent and digital services, enabled by digital technology are influencing the productive capacity of a country. Issues surrounding digital services and how digital services could enhance country’s capacity in producing goods and services and how regulation can help a country to reap benefits of digital services were discussed. ISD Executive Director, Devi Ariyani, was invited by UNCTAD to be one of the panelist speakers along with WTO Counsel Lee Tuthill and OECD representative in Multi-Year Expert Meeting on Digital Services with the theme “Enhancing productivity thru Digital services”.

2. UNCTAD's workshop on MRA in Skilled Workers Mobility

Cross Border movement of labor in providing services is subject to far more restrictions than movement of goods and capital. The restriction includes non-recognition by host country of skills and qualifications obtained in home country. The workshop focuses on ways to improve the condition and identify barriers in mutual recognition agreement in order to promote skilled labor mobility. ISD Executive Director, Devi Ariyani, was invited as one of the speaker panelists in UNCTAD’s workshop on Mutual Recognition Agreements in facilitating the mobility for skilled workers.

FGD on “Export development for Professional Services” conducted by ISD and National Agency for Export Development, Ministry of Trade

Jakarta, April 26 2019. ISD and the National Agency for Export Development, Ministry of Trade worked together in conducting FGD of professional and business consultation services involving private sectors in the areas of professional and consultation services. The objective of the FGD is to identify opportunities and barriers to export professional services and business consultation services and come up with several recommendations for boosting export in professional services.

In this FGD, ISD pointed out subsectors under professional and business consulting services that are potential due to its rapid growth since 2015. They are Visual Communication Design, Music, Video and Animation, and Architecture.
News

“The Removal of E-Commerce Tax Regulation (PMK 210/2018) and the Ratified Regulation on Value Added Tax on Services Export (PMK 32/2019)”

Bumi Serpong Damai, February 27 2019. The presence of the new wave of technologies such as Artificial Intelligence and blockchain technology are still new concept to most people. Coordinating Ministry of Economic Affairs collaborated with Atma Jaya University conducted a public seminar titled “Blockchain for Youth” in order to give a better understanding on the role of this new technology to general public.

The application of Blockchain and the potential use of Blockchain technology in many sectors were discussed and presented by distinguished speakers from academics and businesses: Dr. Agustinus Prasetyantoko (Rector of Atma Jaya Catholic University), Dr. Edi Prio Pambudi (Assistant to Deputy Minister on Monetary and Balance of Payment, Coordinating Ministry for Economic Affairs), Oscar Darmawan (Founder & CEO of Indonesia Digital Asset Exchange Indodax), Sumardi Fung (Co Founder & CEO of Rekeningku), Karan Bharadwaj (CEO of PLMP Blockchain), Richard Satur (CEO of dClinic), Hayk Hakobyan (Partner of Visioncapital.co), and Shunsuke Murasaki (Head of EMURGO Indonesia) and ISD Executive Director, Devi Ariyani.

Jakarta, March 29 2019. ISD embraces the newly-ratified MoF Regulation no. 32/2019 that sets 0% VAT on services exports. The removal of taxation on services exports has been one of ISD main campaigns since 2017, based on feedbacks from businesses in various sectors. This newly-ratified regulation focuses on expanding the service sectors that are set to 0% VAT, which brings more competitiveness in International Trade on services.

ISD also welcomes the revocation of the e-commerce tax regulation (PMK 210/2018). This is aligned with ISD policy recommendation to give a chance for SME and MSME to run and maintain their online business without worry, while at the same time allow the government to have time to do a proper socialization program and educate on tax for SME/MSME businesses using e-commerce platforms.
Asian Trade Centre Workshop with SME and MSME on Harnessing the Potential of Digital Trade

Jakarta May 2 2019. Indonesia Services Dialogue (ISD) was invited to present and moderate the workshop session with SME and MSME at Asian Trade Centre workshop concerning digital goods trade.

Concerns from SME and MSME regarding barriers in digital goods trade were discussed. ISD also highlighted the importance of economic assessment on digital goods in order to measure the potential impacts of digital goods import duties implementation.

ISD Gallery

ISD and team had a meeting with Director General for Informatics Applications, Bapak Samuel Abrijani Pangerapan on Data Localisation on 27 May 2019.

ISD had discussion on labor in digital economy and how digital has changed the landscape of labor structure with International Labour Organization (ILO) Representative on 6 March 2019.

ISD had a discussion with Bapak Iman Pambagyo Director General for International Trade Negotiation, Ministry of Trade on 11 April 2019.

ISD team had a discussion with Bapak Iman Pambagyo Director General for International Trade Negotiation, Ministry of Trade on 11 April 2019.

ISD participated in the meeting on Indonesia Economic Roadmap held by APINDO on 9 April 2019.

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