Here it comes: Indonesian E-Commerce Road Map

Jokowi: Social Media is Full of Slander
Fintech New Regulations will Come Out Soon
Dear ICT readers,

We are here again to update you on the latest ICT info in Indonesia. This November, an interesting fact to elaborate was Government IX Economy Policy related to national ICT, in particular e-commerce. It will be our main report in this edition as our government vision is to make Indonesia as the biggest economy digital capacity in South East Asia by 2020, owing to the fact that Indonesia is one of the biggest internet users in the world and has substantial smart phone users. With such big assets, government targets to create 1,000 technopreneurs of USD 10 billion business valuation and total 130 billion USD e-commerce value in 2020.

In addition to main report on Indonesia E-Commerce Road Map, we will also report on social media which is currently worrying, according to President Joko Widodo because it’s full of slander. Indonesian e-business is also moving and improving so a new set of regulations on financial technology will be issued, easy funding using digital media and the arrival of business accelerator company from Silicon valley, Plug and Play, who will invest in 50 startup companies in Indonesia.

We’re happy to tell you, ICT readers that we just renewed our site, www.majalahict.com to give you more comfort in browsing information, while using PC, laptop or cellular phone and we also add more interesting articles. Keep supporting us by giving us feedbacks and/or critics to our redaksi@majalahict.com for a better and improved magazine.

Happy reading and go forward Indonesian ICT.

• Editor
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It’s government’s vision to make Indonesia as a country with the biggest economy digital capacity in South East Asia by 2020. Indonesia is one of the biggest internet users in the world of totaled 93.4 million persons and smart phone users of 71 million persons. With such big assets, government also targeted to create 1,000 technopreneurs with business value @ USD 10 billion and e-commerce value of USD 130 billion by 2020.

“The problem is we don’t have a national e-commerce development road map as guidance for stakeholders, in addition to regulations related to e-commerce which will boost public economy activities,” explained Coordinating Minister for the Economy, Darmin Nasution, when he announced the XIV Economy Package Policy, in mid November, at Presidential Palace, Jakarta.

For this reason, he said, government felt the need to deliver President Regulation on E-Commerce Road Map to encourage expansion and improvement of public economy activities in Indonesia efficiently and globally connected. This e-commerce road map will also encourage creation, innovation and invention of new economy activities among young generation.

“The way to do that is by giving assurance and easy access to utilize e-commerce by providing strategic direction and guidance to accelerate implementation of National Trade System Electronic Basis period 2016-2019,” added Darmin. According to him, this policy will prioritize...
and protect national interest, in particular small medium enterprises (UMKM) as start uppers. As well as improving human resources skill level of National Trade System Electronic Basis subject. This policy will be a reference for Central and Regional Government and other stakeholders in setting or adjusting divisional policies and follow up plans of e-commerce implementation at their respective tasks.

In a separate occasion, Assistant Deputy Economy Zone Competitiveness Improvement, Ministry of Economy, Mira Tayyiba conveyed that e-commerce development is more than online sales. And so, government ensures supporting infrastructure for sales and online commodity quality are appropriate and competitive.

“Announcement of the XIV Economy Package Policy is a calling to government, business entities and public to prepare entering the new economy era. Everyone has no choice but to follow this path,” she explained during Indonesia
Internet Summit at Balai Kartini, Jakarta.

Meanwhile, Ministry of Communication and Information invited industry, public and related government institutions to move forward and achieve the goals, planned in Indonesia Digital Trade Road Map. All the more, Indonesia has the biggest UMKM population in South East Asia. “We need to make and execute strategies to convert the numbers into a significant contribution for national domestic brute products (PDB),” said Special Staff Minister of Communication and Information, Lis Sutjiati.

Indonesia has 57 million UMKM every year that contributes 58%-60% of PDB. Further, Lis explained that one study, done by Google showed only 9% performed digital sales. Government’s effort to digitalize UMKM is of course not to disrupt the current trading activities.

**Big Asset**

Indonesia has huge potency to develop e-commerce seeing high penetration of e-commerce industry and human resources capacity. “E-commerce can become a media to reach out a larger Indonesian public in getting what they need”. Seeing so many innovations are done, digital economy will rise from capital business to a better local market opportunity,” conveyed DirGen Application Informatics Semuel A. Pangerapan.

“President Republic of Indonesia declared Indonesia’s economy vision as the Digital Energy of Asia. Government wishes to put Indonesia as the biggest digital economy in South East Asia by 2020. Ministry of Communication and Information has and will always support by creating various programs through pioneer companies in digital technology which brings positive impacts to Indonesia,” he added.

He continued saying that one supporting aspect to improve a nation is the entrepreneurs. “Up to March 2016, we only have 1.65%. Indonesia does have a chance to create entrepreneur nation by benefitting digital technology that will make Indonesia a host in our own country,” he concluded.

Minister of Communication and Information, Rudiantara, said that e-commerce development was one target of Government’s Working Cabinet to push Indonesia’s digital economy growth. “Practically, we have 12 ministries/institutions that will collaborate to prepare this road map. We also
invite e-commerce players association, represented by iDEA,” added Rudiantara.

In his opinion, this road map was necessary to form Indonesia e-commerce ecosystem and structure. He affirmed the importance of the road map for Indonesia’s e-commerce development, which is growing fast. While, in fact, there’s no ecosystem and structure as tool to well monitor its growth. Rudiantara mentioned in 2014, Indonesia e-commerce achieved USD 12 billion and the number kept increasing to USD 18-19 billion in 2015. “Without structure and ecosystem, it cannot be optimal,” he ended.

8 Aspects of E-Commerce Road Map Regulations

1. Funding: (1) People Business Credit (KUR) for platform developer tenants; (2) grant for business incubator of startup partner; (3) USO fund to digital UMKM and startup e-commerce platform; (4) angel capital; (5) seed capital from Host Father; (6) crowdfunding; and (7) DNI opening.

2. Tax: (1) tax redemption for local investors who invest in startup; (2) simplification in license /tax procedures for e-commerce startup whose profit below RP. 4.8 billion/year; and (3) tax regulations equality for all e-commerce entrepreneurs.

3. Consumer Protection: (1) Government Regulation on Trading Transaction using Electronic System; (2) harmony in regulations; (3) payment system for government goods/service trading via e-commerce; and (4) progressive national payment gateway.

4. Education and Human Resources: (1) e-commerce awareness campaign; (2) national incubator program; (3) e-commerce curriculum; (4) e-commerce education to consumers, doers and law enforcement.

5. Logistic: (1) utilization of National Logistic System (Sisiognas); (2) local courier company enforcement; (3) UMKM logistic data development; (4) logistic development from village to city.

6. Communication Infrastructure throughout broadband network construction.

7. Cyber Security: (1) national system supervision arrangement in e-commerce transaction; (2) cyber crime public awareness; (3) SOP arrangement related to consumer data record, certification for consumer data security.

8. Forming Executor Management by monitoring and evaluating e-commerce road map implementation.
During visit to China last September, Minister of Communication and Information, Rudiantara, invited China investors to invest in Indonesian e-commerce. “Indonesia is ready to develop e-commerce roadmap, soon to be set by the Government. There are seven issues identified to successfully achieve USD 13 billion e-commerce value by 2020 in logistic, communication infrastructure, cyber security, tax, consumer protection, funding, education and human resources,” he explained during Indonesia Business Forum in Shanghai, China.

The Minister communicated that Indonesian government committed to give easy investment access which benefitted digital industry ecosystem and small medium enterprises that would enter digital industry. In front of hundreds of China businessmen, he addressed that one of the most important aspects to support e-commerce was communication infrastructure. “Government started construction of Palapa Ring to connect all islands in Indonesia to internet,” he added.

Indonesia Business Forum was facilitated by Coordinating Board of Investment (BKPM) and Indonesian Embassy in Shanghai. The event was organized by Indonesia China Chamber of Commerce (INACHAM) and China Fortune Land Development (CFLD) to assist business entities from Indonesia and China to
escalate trade and investment value in Indonesia.

Government of Indonesia, as informed by the Minister of Communication and Information would give investment opportunities for e-commerce (market place) by opening investment opportunity up to 49% for asset value of RP. 10billion up to RP. 100billion. “For asset value more than RP. 100billion, we would give investment opportunity up to 100%. For asset value below RP. 10billion, we would direct towards small medium enterprises, he explained.

He also mentioned that one of his office main programs was to create 1,000 digital startup. “Government opens door to collaboration and investment that could help achieve the program target”, he confirmed.

The policy was shown by direct meeting between the Minister and angel investors who were interested to be involved in the program. “We have initiated discussion on the construction of large scale incubator in Indonesia by China investors”, he explained.

Inviting Jack Ma

Further to series of G20 meetings and visit to China, President Joko Widodo and team also visited Alibaba Group Corporate Campus, in Yu Hang District, Hangzhou. Mr. & Mrs. President were welcomed by founder and CEO of Alibaba Group, Jack Ma along with other Alibaba high officials. President felt it’s necessary to study this giant e-commerce company to help marketing products from small medium enterprises and young Indonesian creators in China market.

Through discussions between President Joko Widodo and Jack Ma, both found to have same vision on expansion of small and medium business. According to Jack Ma, small business must be given access to expand. The same thing was addressed by the President in many occasions in Indonesia. At end of discussion with CEO Alibaba Group, Minister Rudiantara revealed that Indonesian e-commerce emphasized on small medium enterprises as they give huge contribution to domestic economy that we need to encourage for export. Rudiantara also invited Jack Ma to become advisor to the Steering Committee
and Road Map Implementation of National e-commerce. That invitation to Jack Ma was criticized by Chairman Mastel Institute Nonot Harsono. From economy point of view, this was good news. But state’s business also included ideology, politic, economy, social, culture, defense and national security. We must also consider the existence of Republic of Indonesia in this globalization online era, Nonot explained to ICT Magazine. As ex member of Indonesian Telecommunication Regulator Agency, one thing that the executive, legislative and judicative leaders and People’s Consultative Assembly (MPR) must be aware of, is the switch from direct interaction to online or cyber world interaction. “Quick example, we’re busy getting income from Tax Amnesty program, but soon, online free trade can diminish tax objects from goods and service trading,” he revealed. Collaboration with Alibaba is very good by requesting them to include as many Indonesian online stores as possible. “However asking Jack Ma to become advisor must take into account our dignity and sovereignty, he affirmed. He made analogy that Indonesian military cannot enter the Philippines to free hostages due to the country’s sovereignty. “Jack Ma entering our domestic executive business is same as foreign army entering Indonesia.” Nonot said to expand e-commerce, we can summarize from success and failure stories of Alibaba or other online applications and markets. Or form collaboration or global partnership, which has mutual respect and mutual benefit. “For example, we can build joint market place or mutual online market of Indonesia and China. Indonesia and China small medium businesses can exist side by side. China people can access Indonesian small medium enterprises and vice versa,” he said. He continued, although it seemed fine, by asking Jack Ma as our advisor, will our Government still take control on online business? If we lose this control, because it’s being handled from outside, can Indonesia still be considered a sovereign country? He also suggested that all leaders must have concept about online business. We’re not anti-foreign but we must think of what kind of global collaboration that keeps Republic Indonesia’s existence in cyber/online world.
Telin Singapore, which is a subsidiary of PT Telkom Indonesia (Persero) Tbk (TelkomGroup) just opened its third data center, i.e.: Telin 3, located at Singapore Data Centre Park (DCP) in Jurong, Singapore. Minister of State Owned Enterprises (BUMN), Rini Soemarno and Minister of Communication and Information Singapore, Janil Puthucheary were present to inaugurate Telin 3, on Tuesday, November 22. This inauguration was an important step for Telkom to actualize their vision as number one digital telecommunication company in the region.

Telin-3 was designed as the first and sole futuristic premium data center that owns Tier-IV design certification from Uptime Institute (UTI), a data center institution that has international reputation. This certification was given to Telin-3 for complying with a strict risk management standard, and data security guarantee, required by numerous industries. Previously, Telin-3 had got Tier III certification Constructed Facility from UTI that proved Telin-3 high standard on service data center reliability as customer gratification key. A 5-storey building with total area 20,000 sqm and adopting multi-tier system, Telin-3 provide a flexible service using modular system, so that customers may choose the numerous services with various tiers according to their business needs. Telin-3 presence has completed world class data center, owned by TelkomGroup in Indonesia of 100,000 sqm with Tier-III certification in Serpong, Tangerang, Sentul and Surabaya, also Tier-IV classification, located in Jatinegara.
and other data centers in many Jakarta areas.

CEO Telin Singapore Septika N, Widyasrini added, “Tellin-3 is not a regular data center, but a futuristic, reliable, flexible and easy to expand data center, long wanted by TelkomGroup. Tellin-3 is also a carrier neutral data center provider, connected to fiber optic domestic network, owned by Telin Singapore. Telin-3 is also connected to sea cable international network, owned by TelkomGroup, making it a global communication hub.”

CEO Telkom Group Alex J. Sinaga in his speech during Telin-3 opening said, “Data Center Telin-3 is an important step for TelkomGroup to realize its vision as regional King of Digital. We are sure this investment will improve our ability to support customer digital business ecosystem regionally and globally.” “Telin Singapore is a first footprint, founded by TelkomGroup to penetrate international business. In accordance with its international expansion business strategy, Data Center Telin-3 is an important investment to strengthen and expand our digital business portfolio,” affirmed Alex.
Telin-3 is the first data center of software basis, built in Asia Pacific using VMWare Validated Design. This design enable Telin Singapore to provide a full solution data center, comprises of data management service, storage, network system and service management. Telin-3 is able to offer a full ecosystem to both private and public, using cloud system and platform to answer growing demand of digital business ecosystem, in Singapore, regionally and globally.

**Being Suspected**

Telkom data center construction project in Singapore was initially full of controversy. When it was first built, Indonesia Club Director, Gigih Guntoro revealed that his office smelled something fishy from this Jurong Project, collaboration between Telkom-Singtel in developing e-Government service. He said, between Singapore data center and Singtel involvement in e-government project in Indonesia was a swap. Gigih explained, data center Telin-3 in Jurong aim premium class of 74% companies in Singapore, global and a strategy hub Telkom group in international market was a wrong step. Majority of this target had been served and they trusted the existing biggest data center players in Singapore, i.e. 1-Net Singapore Pte. Ltd, Ascenic, Digital Realty, Equinix, Fujitsu, Global Switch and others rather than Telin. 74% of this premium market was merely a trick of Singtel and Ministry of State Owned Enterprise as an e-Government swap project for national interest,” he claimed.

“Minister of State Owned Enterprise and Telkom to partner with Singtel in this project conflicted with Trisakti and Nawacita spirit in prioritizing national interest,” he said. Meanwhile, Rini Soemarno commented on strong urges which came from public to cancel the collaboration of data center and e-government that involves Singtel in Indonesia. “Cooperation agreement has yet to start, we’re still in discussion stages between PT Telkom and Singtel, which is corporate’s right and action,” explained Rini. She then added, as a public company, Telkom cannot take one sided decision, they are responsible to all stakeholders, i.e. State and the public.
Ministry of Communication and Information Arranged Public Test for 6 New Policies

Ministry of Communication and Information (Kominfo) arranged public test simultaneously for 6 new policies, i.e.: Minister of Communication and Information Regulation and Government Regulation. To revise Government Regulation (PP) No. 52/2000 and PP No. 53/2000, Kominfo finally requested public opinion on this revision plan. Public test was held up to November 20th. Revision of both PP was related to new government policy, particularly in network sharing.

“To give information and/or to get public and stakeholder feedback, we need to disseminate the PP bill. With regards to that plan, Kominfo arranged public test through Ministry’s website on PP No. 52/2000 bill and PP No. 53/2000 bill on implementation of telecommunication. Public test was arranged on November 14-20, 2016, said Kominfo Acting Head of PR, Noor Iza. “Feedback and input could be sent through email,” he added.

Revision for PP No. 52/2000 on telecommunication management was mainly based on quick changes of technology information & communication. The new PP is ensured to give legal security, business assurance, encourage efficiency and affectivity of telecommunication implementation and optimize supervision and control of telecommunication operation.

Apart from PP No. 52 and PP No. 53, Kominfo also arranged public test on Internet Protocol Television. This Minister Regulation Draft (RPM) consolidates Minister Regulation (PM) Kominfo No. 11/PER/M.KOMINFO/07/2010 on Internet Protocol Television (IPTELEVISION) and PM Kominfo No. 15/2014 on Revision of PM Kominfo No. 11/PER/M.KOMINFO/07/2010 on Internet Protocol Television.

Noor Iza explained that RPM is a simplification program/regulation 2016, which is a program of National Development Planning Agency (Bappenas) which focus on permit and investment sector as mentioned in National Strategy Regulation.
Reformation Book, issued by Ministry of National Development Planning (PPN). “This regulation simplification was based on agreement between Secretary General Kominfo and Secretary General PPN,” he said.

He elaborated how the substances of this RPM was to regulate on Internet Protocol Television (IP Television) service, which comprises of IPTelevision organizers’ obligations, required consortium to organize IP Television and shares ownership by foreign shareholders and by legal entities who are consortium member but who are not local fix network organizer or cellular mobile network organizer. Closed and Fix Network Organizer, Internet Service Provider (ISP) or Subscribe Broadcast Agency.

IP Television service comprises of broadcast service (pushed services), multimedia (pulled services and interactive services), electronic transaction, public internet access. “Security and protection that must be executed by operator on network utilization internet protocol basis as regulated by the law,” Noor Iza said.

Not just IP Television, Kominfo also arranged public consultation on RPM of Content Service Provider on Mobile Cellular Network. This new regulation is a simplification of regulations in 2016, which consolidated PM Kominfo No. 21/2013 on Content Service Provider on Mobile Cellular Network and Local Fix Network Wireless Limited Mobile and its revised regulations, i.e.: PM Kominfo No. 1~/2014 on revision of PM Kominfo No. 21/2013 on Service Operator Content Provider on Mobile Cellular Network and Local Fix Network Wireless Limited Mobile, PM Kominfo No. 24/2014 on 2nd revision of PM Kominfo No. 21/2013 and PM Kominfo No. 6/2015 on 3rd revision on PM Kominfo No. 21/2013.

This RPM is a simplification of 2016 regulations which is a program of National Development Planning Agency (Bappenas) which focus on permit and investment sectors as stated in National Strategy Regulation Reformation Book, issued by Ministry of National Development Planning (PPN). “This regulation simplification was based on agreement between Secretary General Kominfo and Secretary General PPN,” explained Noor Iza. The substance of this RPM is to regulate on content service provider, contents and contents with gift.

“Content service provider must give complete, right and accurate information on the content provided as regulated by the law,” Noor Iza said in his written statement. He explained, content provided cannot have material against Pancasila and 1945 Constitution, ethnic, religious, racial or intergroup affiliation (SARA), violates norms and contain porn, gambling, contempt, extortion, defamation, violation on intellectual property rights; and/or against the law.

Meanwhile, other PM Kominfo which was also tested was revision on PM No. 17/2016 on guidance on State Income Non Tax (PNBP) from contribution for telecommunication operator and universal service obligation, and draft PM Kominfo on telephone internet service for public use.

PT Bank Negara Indonesia offer their latest innovation, BNI Digital Credit to attract small business growth up to 25% in 2017. With a very fast digital technology in every business aspect including banking, opens opportunity and challenges for BNI to keep their innovation in becoming one of leading banks in providing digital service.

Head of Small Business Division BNI, Anton Fadjar Siregar, in “Economic Update” workshop titled BNI Going Digital Credit mentioned that through one of his division, BNI designed digital banking to implement road map for Small Business Digital Basis through BNI Digital Credit.

“We prepare digital credit to facilitate public on small loans. We hope to optimize micro loans”, said Anton. Since the launch, we received 8,683 credit applications, with approved loan of total RP. 4.38 billion. It is highly enthused,” conveyed Anton.

BNI Digital Credit is one of digital service launched by BNI for Indonesian public, to give easy access to request loan through https://eform.bni.co.id. They can apply online micro loan up to RP. 25 million or BNI entrepreneur limit up to RP. 1 billion.

He explained, application through web is to give easy online access to all small businesses all over Indonesia that are connected to internet. “Nationwide, BNI has achieved target 100% for delivering RP. 10trillion of small business credit for people. BNI Digital Credit focused on supporting small business credit for people and BNI entrepreneur 2016,” he added.

Through BNI Digital Credit, all activities are designed effectively and efficiently. Customers who are going to apply loan need not to come physically and fill form at BNI branch offices. All required documents can be scanned or photographed to be then uploaded to system during credit application. They just need to fill the form on the web. This digital service has been introduced all over Indonesia.
Plug and Play Indonesia will make an accelerator program for startup business in Indonesia. The collaboration project between Plug and Play and Gan Kapital will start in 2017.

At early stage, Plug and Play Indonesia will focus on financial technology (fintech) and mobile, considering those two sectors are active in Indonesia. They will invest in 50 startup companies every year.

“We will short list the startup companies, in particular fintech and mobile. Those who make the cut will be funded, guided, given free work place and other supports through a 3 month accelerator program.” said Managing Director Fin Services & IT Gan Capital, Wesley Harjono. He explained, in a year the accelerator program will be divided into two batches. “After the three month accelerator program, there’s Demo Day where the startup companies present their products and meet with investors.”

Wesley added, 50 pioneer companies will get investment of around USD 50,000-100,000. The program will also open access for start uppers to get more funding than from investors.

Plug and Play is a business accelerator global company, specialized in startup companies based on technology. Plug and Play have so far invested in more than 500 startup companies all over the world. They were also one of first investor for PayPal, DropBox and Lending Club. Gan Capital is an Indonesian investment company that focuses on investment for startup business based on technology.
New regulations on financial technology/fintech are made sure to be complete by end of this year. This new regulation will adapt to Bank Indonesia Regulation (PBI) No. 18/40/PBI/2016 on Payment Transaction Process, as informed by Deputy Commissioner the Financial Services Authority Non Bank (IKNB) II OJK Dumoly Pardede.

Dumoly said, his office will soon issue the OJK rules (POJK) on fintech. At least starting next year, we can give circular letter for industry. “This week, we will arrange, we hope it won’t delay, POJK in 2016 and technical guidance for IKNB by January 2017,” he added.

Also, the main regulation in POJK is about financing requirements for fintech. OJK will set limit for existing fintech and startups. “Capital financing is BEKRAF’s concern (Indonesia Creative Economy Agency), They cannot make same regulations for startups fintech and for the existing ones.” Some fintech startups have small scale revenue, while many fintech businesses have been established and are successful, so the same regulations cannot apply.

Besides capital financing, OJK will also regulate fintech business makers to apply standard consumer protection and reliable technology information. They should put concern and are aware of risk management in this business.
PT Indosat Ooredoo Tbk seems to have better performance. They booked net profit of RP. 845.4 Billion as of September 30, 2016, while during the same period, last year, 2015, they suffered net loss of RP. 1.1 trillion.

Information source from Indonesian Stock Exchange (BEI), mentioned Indosat received an increase income up to 9.9% to RP. 21.5 trillion. Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 10.5% to RP. 9.5 trillion from previous RP. 8.6 trillion. EBITDA margin increased by 4.4%. Company’s expenses increased by 5.5% to RP. 18.7 trillion from RP. 17.7 trillion.

Revenues from cellular, fix data and phone, each contributed 83%, 14% and 3% on Company’s revenue. Cellular subscribers at end September 2016 totaled 81.6 million. Fix Data revenue increased by 6.7% compared to 2015, mainly thanks to IT business service contributed by Lintasarta. Fix Phone (Fix Telecommunication) decreased by 16.9% compared to 2015, due to traffic reduction and strengthening of IDR towards USD.

He revealed, during this period, Company’s liabilities declined significantly from USD 505.6 million in 2015 to USD 186.4 million or 12% from total liabilities. The decline rate of 63% is in line with Indosat Ooredoo plan to reduce currency fluctuation influence to Company’s net/gross revenue.

Liabilities from bank loan and bonds decreased by 12% compared to last year, represented liabilities decrease of RP. 12.7 trillion compared to same period in 2015.
National Working Competency Standards (SKKNI) for telecommunication industry is a must to create a strong telecommunication climate. "SKKNI is required for our education and industrial system for us to stay competitive with other developed and developing countries" explained Head of Human Resources RD Basuki Yusuf Iskandar during Convention SKKNI Draft Arrangement Telecommunication Expertise sub division Cellular Network in BPPT Building Jakarta, early this month.

Further, he added that SKKNI is a must and second kit of university. "SKKNI is needed because our university standard is yet to fulfill the industrial standard. This is our opportunity to upgrade and review to improve our capability in technology."

SKKNI Technology Expertise alone comprises of 136 competency units as a reference not only in work force planning, recruitment and others, but also in improving performance management and competence evaluation, reference for education module, and to set a form and competence level for human resources in telecommunication.

In addition, SKKNI is hoped to bridge industrial need and education to link and match to build a better telecommunication climate.

Meanwhile, Head of Literacy Development and Informatics Human Resources Profession Hedi M. Idris said, output of this convention is a draft of SKKNI telecommunication which later be set as SKKNI by Minister of Human Resources as a tool to improve human resources qualification in telecommunication for industry, training center and education institutes.
After causing pros and cons with regards to government intention to revise PP No. 52/2000 and PP No. 53/2000, finally Ministry of Communication & Information requested public opinion on the plan. The public test ran until November 20th.

Previously, the Ministry office was accused of not giving opportunities to public to give feedback for revision plan of the two regulations. In particular, Telkom and Telkomsel who were not involved at all during discussion. All the while the revision is closely related to government’s new policy in network sharing.

“To give information and or get feedback from public and stakeholders, we should inform them on bill of the two PP. And so Ministry of Communication & Information arranged public test from Nov 14-20, 2016 through Ministry’s website: www.kominfo.go.id on PP No. 52/2000 on implementation of telecommunication, as informed by Acting Head of PR, Noor Iza.

“Feedback and suggestion on the said PP can be emailed to hukumppi@mail.kominfo.go.id.” Revised PP No. 52/2000 was based on
fast growth of technology information and communication resulting in fundamental changes for implementation of telecommunication. The new PP will give legal security, business assurance, encourage efficiency and affectivity of telecommunication implementation and optimize supervision and control of telecommunication operations. Some important revisions in this PP was insertion of article 2A, where telecommunication operator must give priority to deliver important information about state security, people security, natural disaster, calamity and or significant outbreaks, free of charge.

Between article 10 and article 11, insertion of 7 articles, 10A-10G, in connection to telecommunication network rental in the form of telecommunication network capacity. Telecommunication network operator can rent their telecommunication network to telecommunication service operator. Additionally, on top of rental, telecommunication network of telecommunication network operator can be used by telecommunication service operator. In certain situations, telecommunication network can be utilized between the network provider and service operator in the form of joint cooperation after getting Minister’s approval. “Rental and or utilization of telecommunication network in the form of capacity telecommunication network,” mentioned the draft of new PP.

Other provisions, telecommunication network operator can partner with legal entities in operating the telecommunication network. They can benefit the telecommunication facilities and infrastructure, owned by legal entities/individual. The same thing applies for facilities and infrastructure, owned by government institutions as regulated by the law. And in certain situations, telecommunication network operator are obliged to open and provide their transmission network facilities to be utilized together with other operator or telecommunication service provider. “Certain situation as mentioned here is meant to create a healthy business competition among the network operators and/or providers, to get public service efficiency and to realize sustainability of the telecommunication network service and a law to limit construction of transmission network.” Transmission network availability is executed openly, transparently and non-discriminately; fair in calculating the costs, existing/running projects; and appoint an independent appraisal in calculating the construction costs.

Telecommunication network must accept every request from new customers who have fulfilled their requirements to subscribe as long as the network is available. They must open access to other telecommunication network provider to rent/use the facilities as long as the capacity allows. They must not discriminate their users, which is opposing the healthy business principle. Mutual rental and/or utilization of the telecommunication network are executed according to an agreement that include construction costs borne by the telecommunication network operator.
KPI Award on Thursday, last November 10th, 2016 was broadcasted live by Television Trans 7. This yearly event is a KPI’s appreciation to qualified radio/television broadcasts/programs. The theme was “Mutual Creation for the Nation”. It was the 11th times since KPI was founded in 2004. It consisted of 16 categories. According to Head of Committee Organizer who is also a Commissioner of KPI, Mayong Suryo Laksono, KPI award was expected to bring innovation and creativity to walk simultaneously in a positive way. Innovation is a key survival in a strict media industry competition.

“This competition is part of broadcast program evaluation. Broadcast agencies such as television and radio, proposed their own programs in line with KPI requirement,” explained Mayong.
Here is complete list of 2016 KPI Award winners:

1. **Best Children Program**: Fun Time – Episode 3, August 10, 2016 (RTV)
2. **Best Animation Program**: Plentis Kentus – Episode 15 June 2016 (Trans TV)
3. **Best Drama/FTV**: Sinema Wajah Indonesia – Episode Dalang (SCTV)
4. **Best Infotainment Program**: Entertainment News Sore – Episode 9 July 2016 (NET TV)
5. **Best Talkshow Program**: 1 Indonesia – Episode Robin Lim (NET TV)
6. **Best News Program**: Kompas Siang (Kompas TV)
7. **Best Television Feature Program**: Mereka yang Tangguh; Merenda Asa Merajut Mimpi (Global TV)
8. **Best Radio Feature Program**: Kisah Mbah Sadiman, Si Miskin Menyantuni Ibu Pertiwi (RRI Pro 3 Jakarta)
9. **Best Television Public Service Advertisement**: Gadget Tak Bisa Menggantikan Sentuhan Cinta (MNC TV)
10. **Best Radio Public Service Advertisement**: Upload Foto Anak di Sosmed (Global Radio FM)
11. **Best Television Border Care Program**: Lentera Indonesia – Episode Guru Garis Depan NTT (NET TV)
12. **Best Radio Border Care Program**: Bela Negara – Episode Membangun Semangat Sehati Sejiwa Memperkokoh NKRI melalui siaran perbatasan RRI Pontianak-RRI Sintang dan RRI Entikong (RRI Entikong Kalbar)
13. **Best News Presenter**: Imam Priyono (TVRI)
14. **Best Non News Presenter**: Maudy Kusnaedi (Trans TV)
15. **Best Moslem Radio Community**: Radio Dakwah Islam 107,9 FM – Masjid Agung Jawa Tengah (DAIS 107,9)
16. **Best Lifetime Achievement**: Ishadi Soetopo Kartosapoetro.
Indonesian Broadcasting Award (KPI) and Border Management National Agency (BNPP) discussed follow up on their cooperation in promoting border area broadcast, in BNPP office. Development of national and local broadcast in border area is part of Republic of Indonesia enforcement.

KPI Commissioner, Agung Suprio said, the sustainable cooperation between KPI and BNPP would encourage participation from all stakeholders related to broadcast, which was broadcast agencies, to invest in border area, whose people were familiar in watching and listening to broadcast from neighboring country.

“The signed MOU must be put into action. This border broadcast must be prioritized as part of enforcing our nation,” said Agung, as agreed by KPI Commissioner for Broadcast Content, Hardly Stefano.

Agung told, during his survey to border area in North Kalimantan, he found no local or national broadcast. What were there were Malaysian broadcasts. Their broadcast poles can even be found at borderline. “It’s true that there’s no broadcast limitation for both countries, however, we should make same effort to balance the broadcasts” he affirmed.

In some border area, there are two or three broadcast agencies but more related to idealism factor. Facts such as small population and small income have made private
broadcasts agencies, especially private television, to avoid the border area. The monthly broadcast cost is up to RP. 2 billion for television, he explained.

Therefore, strategic and efficient steps are needed, like building one broadcast pole for all broadcast agencies, while government collaborating with private can facilitate the construction, using the existing resources such as border soldiers in duty as broadcasters. “There are more steps and ways to efficiency cost,” said Agung in front of BNPP Secretary General, Hadi Prabowo.

In the meantime, KPI Commissioner, Hardly Stefano thinks cooperation KPI and BNPP can promote development in border area. National broadcasts can be a tool in shielding foreign broadcasts. “We must do mutual effort to avoid that”, said Hardly.

BNPP Secretary General, Hadi Prabowo mentioned, his office welcomed KPI effort to optimize mutual cooperation to enforce border areas through broadcasts. Their cooperation will compel related parties as well as private parties to care about border areas development by constructing broadcast infrastructure as expected.

Hadi explained enforcing border area can no longer use old methods by using army. Now, economy, social and other sectors enforcement are deemed appropriate and effective ways to maintain RI’s border areas. “Those areas must improve and it will become government’s primary concern,” added Hadi. Cooperation BNPP-KPI must be actualized as their vision is to enforce and improve border areas. “I really appreciate KPI’s movement in following up the MOU” he elaborated.
Rating Council must be Formed in Broadcast Draft Law

Rating council, initiated by the State, is needed to be formed urgently, in order to manage television rating agency to be more transparent and accountable. In some countries, rating council is enforced by regulations that force rating agency to audit rating. The topic appeared during discussion “Rating Council: Accountability Solution for Broadcasting Industry?” organized in auditorium Social and Political Sciences Faculty, (FISIP) UI, Depok, West Java. KPI Coordinator content supervision, Hardly Stefano agreed the idea to form Rating Council, done by the State. He suggested the roles given to the council to be attached to KPI. For that to happen, while broadcast law is still being discussed in Commission I House of Representative (DPR), this suggestion should be
immediately addressed, as one of solutions on current broadcast quality issue.

Eriyanto, from Independent Journalist Alliance, who is writer of the book “Promoting Rating Accountability of Broadcast Media”, conveyed that the idea of rating council emerged since 10 years ago. “In fact, rating council is industry’s responsibility but it is still lacking.” Seems like the existing television are happy with current condition, therefore we cannot wait for their initiative to come, instead it must be forced by broadcast law,” added Eryanto. A good example of rating council is India’s. There, they set the rating for people preference, include the samples from villages, that rating result is reflecting various people. In Indonesia, up to now, rating regulations and standard is fully given to the only rating agency, i.e.: Nielsen.

Many critics to rating agency, Nielsen, were addressed during the discussion. Andini Wijendaru, Associate Director Media Nielsen Company Indonesia, explained how the rating was executed. Including responders’ requirements and mapping of rating cities, covered by Nielsen. She also explained on several surveys related to television conducted by her office, whose result was not very different. Andini also emphasized that Nielsen surveys count based on quantities instead of quality.

Wishnutama, CEO Net Mediatama, also supported the idea of Rating Council. He explained his experience in broadcast industry and his struggles to stay consistent to qualified broadcast programs. He knows his television programs lose market competition because of minimal rating. Therefore, he asked people to wish that his television station can stay committed to their idealism in making qualified television programs. “If television contains bad quality, people who have money will choose foreign television programs,” Wishnu affirmed.

In regards to television program quality, Hardly said that economy function in broadcast was dominantly present. Even though there are other functions to consider, such as healthy entertainment, information, education, culture, control and social glue that should be equally present. However, on this rating, Hardly admitted that rating is feedback for television station for their public broadcasts. And so, KPI encourage media literacy for public to critically evaluate the television programs. KPI also makes Survey Index Television Broadcast Program Quality in 12 big cities in Indonesia, for television management to get comparison data to public perception on their produced broadcasts.
President Jokowi: Our Social Media is Full of Slander

President Joko Widodo (Jokowi) regrets how social media content on Indonesia is related to provocations and slander. According to him, this issue must be clarified because slander and provocations are not Indonesia’s true character.

“If we see our social media content, in the past month, is full of reciprocal insults, blasphemes, swearing, slanders, provocations, divide and conquer,” said Jokowi during a collective pray with thousands of people in Ecovention, Ancol, Jakarta.

Jokowi hopes, people stop swearing each other in social media as this kind of act is neither Indonesian nor Islamic value. “We cannot be damaged, infiltration enters and become a nation who swears, insult, slander, divide and conquer, our nation has good character and manner,” he hoped. He also reminded Indonesian people to be alert.

“Let’s be alert together, remind our friends to not conduct those things, which neither are Indonesian people value, nor Islamic value,” said Jokowi.

In the meantime, Minister of Communication and Information, Rudiantara, said that social media has calmed after the November 4th rally. It can be seen that less appropriate words have been reduced. “I keep monitoring until November 14th, our social media is now different. Content political actor, peace, law, unlike before, which was alarming.”

According to Chief RA, web usage is increased during November 1-4, especially for Twitter users. But now,
social media users’ activities are back to regular, with chilled contents. Previously, Jokowi hoped our society to avoid swearing each other in social media as this action is neither Indonesia nor Islamic value. “We cannot be damaged, infiltration enters and become a nation who swears, insult, slander, divide and conquer, our nation has a good character and manner,” he hoped. “Let’s be alert together, remind our friends to not conduct those things, which neither are Indonesian people value, nor Islamic value,” said Jokowi.

Indonesian Internet Service Providers Association (APJII) is Confident Internet Users in Indonesia has Toted 132.7 million

Indonesian Internet Service Providers Association (APJII) gave their clarification in connection with doubts on 2016 survey data, which they conducted on internet users in Indonesia. APJII elaborated the following more detailed data along with their survey methods.

Secretary General APJII, Henry Kasyfi, in APJII office, Cyber 1 Building Jakarta said, clarification was taken after several inquiries came to compare with secondary data. They delay the link availability for public access to reconfirm their data survey, to be re-released.

APJII took this step to avoid multi interpretation on their mutual survey result with Polling Indonesia, released on October 24th, 2016. Albeit some revisions, APJII promised no change from previous data. “No change from our survey, released on October 24th, but we give more detail to avoid readers’ multi interpretation,”
explained Henry Kasyfi.

He affirmed, total internet users in 2016 is same as previously revealed, which is 132.7 million users. This number came from APJII 2014 survey that recorded Indonesian internet users totaled 88 million. “Essentially, our survey has two parts and two surveys. Firstly, on (internet) penetration and secondly on Indonesian internet users’ behavior. With regards to (internet) penetration, we compared additionally to 2014 survey method,” he conveyed.

He elaborated: first survey on internet penetration in Indonesia, APJII and Polling Indonesia used sampling technique comprised of sampling probability, area random sampling, and provincial analysis unit. Data compilation was done through interviews using questioners.

“1,250 samples was our intention on margin of error. The bigger the sample, the smaller margin of error became. We consider 1,250 samples was enough with 95% trust level,” said Polling Indonesia team, Yonda Nurtaqwa. Yonda said his team double checked if they found any strange data. “We rechecked 10% of total samples,” he added.

On Indonesian internet users’ behavior, APJII applied multi stage random sampling, varied random area and sampling mix with convenience sampling. Data compilation was same, interview using questioners. Sample number was higher, i.e.: 2,000 respondents. This number was same as 2014 survey total sample. Margin of error was 2.2% with 95% confident interval and survey quality control 10% from total sample.
Indonesia still holds fourth position in broadband infrastructure availability from 10 countries in South East Asia or ASEAN countries. This is not such a good achievement considering the countries below Indonesia such as Myanmar, Laos, Cambodia, and even Vietnam, just started their construction in the last 10 years.

And so, our government through Ministry of Communication and Information has vision to cover all areas in Indonesia with broadband, to improve Indonesia’s rate in TIK infrastructure in ASEAN. This was revealed by the Minister, Rudiantara, during Panel Expo Comm discussion in Jakarta.

“Currently Indonesia is in 4th position among ASEAN countries. Our government along with stakeholders has vision to improve our position to 2nd by 2019. At least from backbone point of view, we’ll be there”, said Minister Rudiantara.

In the meantime, in connection with ASEAN connectivity vision in ASEAN ICT Masterplan
2020, Minister Rudiantara confirmed that Indonesia must catch up on infrastructure construction and physical connectivity. “For Indonesia, right now we must achieve this vision, which is essential requirement,” said Rudiantara.

Until now, according to the Minister, there are still 114 provincial capitals that are without broadband connection. To build broadband in those areas, government goes public private partnership, including operators.

But he affirmed that infrastructure construction in those areas cannot be fully borne by telecommunication operators, since there is no such obligation for operators to build back bone facilities in all areas in Indonesia. “Telecommunication companies in Indonesia have their rights to choose and select which regions they are going to develop,” said Rudiantara.

For those uncovered areas and excluded from business calculation by the operators, he continued, they could contribute through Universal Service Obligation (USO) fund. This fund will then be used by the government to build infrastructure in areas, which are not financially feasible from business point of view, among those was through Palapa Ring project. “Operator commitment to government is by end of 2018, to build 57 areas that are without broadband connection while another 57 to be built by the government,” added Rudiantara.

Expo Comm Panel Discussion is part of activities series of Indonesia Infrastructure Week 2016, arranged in second week of November 2016 at JCC. Also present as panelists in the discussion were Senior VP and GM Oracle, Mike Sicilia; Head of Indonesia Telecommunication Operator Association, Merza Fachys; President Director and CEO Indosat Ooredoo, Alexander Roesli; Director Innovation and Strategy PT Telkom Indonesia, and CEO Secondbridge.
Telkom Indonesia Received Award as Ideal Company in Asia

PT Telkom Indonesia (Persero) Tbk (Telkom) received award as top companies to work for in Asia during Asia Corporate Excellence & Sustainability Awards 2016 (ACES). ACES is an award event organized by MORS Group and given to companies and individuals in Asia for 2 domains: leadership and corporate social responsibility. Award was handed by CEO MORS Group, Shanggari Balakrishnan to Telkom Human Capital Management Director, Herdy Harman in Shangri-La Hotel, Singapore.

This award is a form of recognition to Telkom for showing strong commitments to empowering and developing their employees by doing people centric approach. It was proved by company’s full support to their human resources investment programs, from recognition and retention, employees work satisfaction level, fair and transparent communication practice and executing a work life balance.

Telkom was also recognized for their support on successful talent pool management and continuous improving employees’ knowledge throughout knowledge sharing forums.

“As a digital telecommunication company, Telkom always plans its requirements and human resources development to fulfill stakeholders’ expectation. We acknowledged that effective human capital practice has become an important part in transforming the organization and improving the company’s performance,” said Herdy Harman.

Their serious people centric approach in managing human resources can be seen from recruitment process, competence improvement up to retirement process with fun, love and care mentality, which has motivated employees to become their best.
As the world goes older, the more human knowledge invents things beyond our thoughts. ICT and internet are real proof to accelerate and facilitate work completion.

Fadhilah Mathar, Coordinator of ICT Training and Research Center (BPRTIK) Ministry of Communication and Information (Kominfo), mentioned in his report: “That disability deaf, blind and handicapped, in their lives, should be able to utilize technology information (TI) well to improve their capacity to study and participate in TI Jamboree, whereas this event is an effort to foresee equality for disabilities, which is a continuous struggle.

35 schools for disabled children (SLB) from seven provinces, i.e.: West Nusa Tenggara, East Nusa Tenggara, North Sulawesi, West Sulawesi, South East Sulawesi and South Sulawesi as host participated in the TI Jamboree. South Sulawesi included Goa Regent, Gorontalo Regent, Bantaeng Regent, Sinjai Regent, Takalar Regent, Bone Regent, and Makassar city with total participants 105 persons. The competitions were divided in individual and group. Competition categories were E-tool, E-design, E-creative and E-life map that refer to competition material required to improve technology information literacy. Through this activity, Ministry of Communication and Information attempts to improve programs to fulfill disable persons’ rights as regulated by the law.
After Surabaya and Yogjakarta, now Jakarta took turn as meeting place for photography lovers from all over the islands. Thousands of Canon Photo Marathon Indonesia 2016 participants flocked atrium Epiwalk, Epicentrum, Jakarta. Full spirit, photography lovers from various backgrounds prepared themselves to compete in the biggest photography competition in Indonesia and Asia. Not just experienced photographers, but hundreds of students from elementary school to high schools also participated in Canon Photo Marathon Indonesia 2016.

This event, in its 8th year, ensures Canon’s commitment and PT. Datascrip in promoting Indonesian photography. This event was open for all photography lovers using any brand of digital camera and all participants had the same opportunity to become winner. Not just that, in this event, all participants were given tips and knowledge about photography from Misbachul Munir and Evy Aryati Arbay, two famous photographers in their field for years. The participants were enthusiastic with the knowledge sharing by Munir and Evy. Q&A sessions with moderator became a valuable opportunity for Canon Photo Marathon Indonesia 2016 participants to sharpen their photography knowledge even more.

“This event, organized for 8 years is like a party for Indonesian photography lovers, which was highly awaited for. This yearly event objective was to sharpen photography knowledge and a friendly gathering moment for photographers from all over Indonesia. Creative photos, made by the participants, can bring inspiration and contribution in promoting our photography,” said Merry Harun, Director Division Canon, Datascrip.
Foxconn threw mobile phone Luna in Indonesian market. Foxconn was said to produce Luna mobile phone as qualified as iPhone, from material, finishing process and quality control. They claimed this smart phone is iPhone identical product in Android version.

As revealed by CMO Luna Indonesia, Nina Ratna Wardhani, Luna Smart phone appeared with luxurious, fascinating and stylish design. This cellular phone has a right dimension for Asian people including Indonesian, grip. Weight at only 186 grams, makes Luna a slim and light smart phone. Luna is offered at RP. 5.5 million per unit.

“Luna received a remarkable response from South Korea consumers, as one of the most advance high technology society. Luna was successful in becoming market leader for middle-end class smart phone,” said Nina.

She was confident Luna was designed with high level accuracy, according to Foxconn standards, famous for their world class smart phone manufacturing. Casing material was made from aluminum which covers the whole phone with soft curve. “Design process was made using metal of 8 CNC process to get an accurate precision” promoted Nina.
# LUNA Smart phone Specifications

| Body | Material : Metal  
| Screen size : 5.5 inches 1080 x 1920 pixels (~401 ppi pixel density)  
| Feature : Corning Gorilla Glass 3 |
| Memory | Internal : 64GB  
| External : Support MicroSD Up To 128GB  
| Ram : 3GB |
| Software | OS : Android Marshmallow 6.0 |
| Hardware | Chipset : Qualcomm MSM8974AC Snapdragon 801  
| Processor : Quad-core 2.5 GHz Krait 400  
| GPU : Adreno 330  
| Censor : Gyro sensor, E-compass, Hall sensor 3D gravity, Proximity sensor, Light Sensor |
| Connectivity | Sim Card : Dual Sim  
| Internet : HSPA, LTE  
| GPS : A-GPS, GLONASS  
| Bluetooth : v4.0  
| Wifi : Wi-Fi 802.11 a/b/g/n/ac, dual-band, WiFi Direct, hotspot  
| USB : MicroUSB 2.0, USB OTG  
| Lain-lain : NFC |
| Back Camera | Resolution : 13 Megapixel  
| Feature : Aperture f/2.0, Autofocus, Dual LED Flash  
| Video : 1080p@30fps |
| Front Camera | Resolution : 8 Megapixel  
| Feature : Aperture f/1.8  
| Video : 1080p@30fps |
| Battery | Capacity : Non-removable Li-Ion 3000 mA |
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