

The Government Encourages Inclusive Digital Economy Ecosystems and Prioritizes Security of User Data Privacy



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
REPUBLIC OF INDONESIA**

PRESS RELEASE

HM.4.6/123/SET.M.EKON.3/04/2023

The Government Encourages Inclusive Digital Economy Ecosystems and Prioritizes Security of User Data Privacy

Jakarta, April 5th, 2023

The Government of Indonesia encourages the optimization of digital transformation that can become enabler for the creation of input efficiency to support high productivity in various economic and business sectors. This was motivated by the condition that last year around 40% or US\$77 billion of the total value of ASEAN digital economic transactions from Indonesia. In 2025, this value is predicted to double to US\$130 billion, and will continue to increase until it reaches around US\$360 billion in 2030.

"Going forward, the potential and opportunities for Indonesia's digital economy are increasingly wide open. Moreover, Indonesia has the 4th largest population in the world, most of whom are of productive age (demographic bonus), and our internet penetration rate reaches 76.8%," explained Coordinating Minister for Economic Affairs Airlangga Hartarto in virtual keynote speech at the Launching of the East Ventures Report – Digital Competitiveness Index 2023, in Jakarta (5/04).

The East Ventures – Digital Competitiveness Index 2023 report with the theme "Digital Justice for All

Indonesian People" emphasizes a fundamental aspect, namely the inclusiveness of the digital economy. In this case, the Government is implementing several strategies to realize this inclusiveness.

First, by increasing accessibility through the development of digital facilities and infrastructure in order to reduce the digital divide in society. Second, improve digital skills through training and education programs in the field of digital technology, such as the Pre-Employment Card Program and Digital Talent Scholarship.

"Third, the government encourages entrepreneurship and transformation of MSMEs through facilitating and strengthening the MSME ecosystem and electronic trading systems. This will encourage MSMEs to upgrade and create a healthy business climate," said Coordinating Minister Airlangga.

Fourth, expanding access to digital financial services through regulations and policies that can trigger the birth of various innovations that are able to protect community users of fintech services and its ecosystem optimally.

Fifth, guarantee the security and privacy of public data through Law Number 27 of 2022 concerning Personal Data Protection. The law becomes the legal umbrella that encourages reform of personal data processing practices, both in the public and private sectors, as an effort to raise industry standards. And, sixth, strengthening cooperation between the Government and the private sector, for example through partnerships with technology companies in developing innovative solutions that will strengthen Indonesia's digital economy ecosystem.

"(All of these strategies) are expected to create an inclusive digital economic ecosystem, agile, and sustainable, also can ensure that all Indonesian people can take advantage of digital economic growth. This is in line with our efforts to prepare a Digital Economy Development Framework (2022-2030) which can contribute to the achievement of the 2045 Golden Indonesia Vision," said Coordinating Minister Airlangga.

The East Ventures – Digital Competitiveness Index 2023 report which has been worked on jointly with Katadata and PwC Indonesia since 2020 is a report in the form of an index that measures the comparison of digital competitiveness among 38 provinces and 157 districts/cities in Indonesia. The report is expected to be a reference that can be utilized stakeholders in building an inclusive and sustainable Indonesian digital economy. It is also stated in this report that Indonesia's Digital Competitiveness Index has increased from 27.9 (2020) to 38.3 (2023), indicating that digital transformation in Indonesia has developed quite significantly.

Also present at the occasion were Deputy for International Economic Cooperation at the Coordinating Ministry for Economic Affairs, Co-Founder and Managing Partners of East Ventures, CEO of Katadata, Director of Katadata Insight Center, and Partner at PwC Indonesia Advisory. (rep/rtn/dlt/map/fsr)

**Head of Communications, Information Services, and Meetings Bureau
Coordinating Ministry for Economic Affairs of the Republic of Indonesia
Haryo Limanseto**

Website: www.ekon.go.id

Twitter, Instagram, Facebook, Tiktok, & Youtube: @PerekonomianRI

Email: humas@ekon.go.id

LinkedIn: Coordinating Ministry for Economic Affairs of the Republic of Indonesia