Harnessing Digital Economy Opportunities by Supporting SMEs in Information Technology Adoption (OF53)

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The session was opened by the moderator, **Mr Muhmmad Takdir**, Minister Counsellor, Permanent Mission of the Republic of Indonesia. This session ha five panellists, three representatives from China, Brazil, Indonesia respectively and two from civil society organizations.

Dr Jovan Kurbalija, Director, DiploFoundation, mentioned research from IPSOS and the World Economic Forum that shows that Indonesia is the most trusted government when it comes to digital policy. Trust is an important element of building the digital economy ecosystem and the fact that Indonesia has a high level of trust should be appreciated.

Kurbalija spoke about two major earthquakes in the digital economy. The first is that the European Court of Justice rule that Uber is not an information company but a transport company. This is going to cause a major earthquake because the business model of Uber and related companies based on information is likely to change. Another earthquake relates to data protection in the European Union (EU). Kurbalija hoped that the EU will apply the General Data Protection Regulation (GDPR) with some sort of wisdom; that the regulation would apply to the major companies that monopolise data, and not only to small and medium companies from developing cbountries.

Mr Yang Yang, Deputy Director of International Cooperation Bureau of the Cyberspace Administration of the People's Republic of China, explained digital economy development in China. The Chinese government places high value on digital economy and it became the most innovative and inclusive field with the most rapid development. The Government of China has built systems for advanced information infrastructure, a unified and open Big Data system, and works to integrate the information economy system and innovation to ensure an inclusive and convenient information system that benefits the people. China also improves its cyberspace governance system and enhances its cybersecurity system. These guide China in the development of the Digital Economy from 2016 to 2020.

Mr Nivaldo Cleto, Adviser to Brazilian Internet Steering Committee, shared information about the effort of Comitê Gestor da Internet no Brasil (CGI.br) in helping small and medium enterprises (SMEs) grow and become more competitive to adopt IPv6. In Brazil, there are over 4,000 small and medium Internet service providers (ISPs) that compete with international telecom companies. The adoption of IPv6 made them able to stop relying on legacy system. CGI.br also provides free training regarding accessibility on the web to widen their market, and holds regular courses on security with free or reduced costs especially in order to help smaller businesses keeps up with the latest threats. Cleto said that sticking together is the only way to compete with bigger companies.

Mr Fang Xingdong, Dean of International Internet Institute, explained the growth of SMEs

from another point of view. In the past two decades, the development of the Internet in China can be seen as a history of SMEs. This has changed. As of now there is a joint Internet platform in China, dominated by Alibaba. This big company has become the major player to provide Internet infrastructures for SMEs.

This has caused some power abuse in the market and raised the question of how to manage the governance of the giant Internet platforms?

Mr Donny BU, Expert to Minister, Ministry of Communication and Information Technology, Indonesia, said that there were 3.79 million SMEs in Indonesia that have taken advantage of the online platform but this is less than 8% out of a total 59.2 million SMEs. However, SMEs in Indonesia contributed 60.3% of GDP. The challenge that exists in growing SMES is not only about access but also about increasing capacity including competing with foreign products like Chinese products which are more or less 90% of what is sold in the Indonesian marketplace. The other challenge is the frequency of people buying online, although that is not really often. To overcome that, the Government of Indonesia built an e-commerce network which consists of many ministries to address eight important points, among them funding, taxation, consumer protection and education.

Discussion followed with the participants. The first question was about how to build trust as Indonesian has done. Donny andKurbalija gave examples of simple but strategic communications made by the Government of Indonesia to ensure people of Indonesia know what the government is doing. The other question was about the future of automatisation that OECD has predicted will lower the number of available jobs. Panellists have different points of view - some view this issue is still uncertain while others are optimistic about more jobs being available in the future.

by Shita Laksmi