



## Talking Point

### Deputy Chairman for Digital Economy and Creative Product Multi-year Expert meeting on Trade, Services and Development 10th session *“The role of trade and services for enhancing science, technology and innovation to promote a fair transition to sustainable energy”* 10 July 2023

#### **What are the most relevant creative service sectors contributing to energy transition and the effort to reduce carbon emissions in your country?**

Indonesia has 17 sub sectors of the creative economy, namely: Application, Game Developer, Architecture, Interior Design, Visual Design, Product Design, Fashion, Film, Animation, and Video, Photography, Craft, Culinary, Music, Publishing, Advertising, Performing Arts, Fine Arts, TV and Radio.

The pandemic has accelerated digital transformation, which has impacted the progress of several sub-sectors that are close to the digital ecosystem or have successfully adapted. This can be seen from the positive growth in the workforce in several sub-sectors, namely film, animation and video, culinary, applications and games, TV and radio, interior design, visual communication design, photography, and music.

Digital technologies can also cause demand triggers which refers to the increased demand for goods and services created as a result of the increased efficiency and convenience that these technologies enable.

For example, the growth of e-commerce and online delivery services has led to increased use of transportation and packaging, which can contribute to carbon emissions. Digital technologies can also create a rebound effect for example, the use of teleconferencing and remote working technologies can reduce the need for business travel, but can also lead to more meetings being held and more work being done overall, which can offset potential reductions in carbon emissions.

On the other hand, the creative economy in Indonesia has also grown significantly, especially during a pandemic this sector could survive. Indonesia will take a leading role in building an inclusive and sustainable creative economy ecosystem, so that the creative economy sector can become the backbone of the national economy.

#### **What are the critical challenges in improving the performances of those service sectors?**

Policy and Regulatory Frameworks: The absence of clear and consistent policies and regulatory frameworks is a major challenge. Uncertain regulations, overlapping responsibilities, and bureaucratic processes can hinder investment and slow down the progress of the energy transition. There is a need for comprehensive and stable policies that promote renewable energy investments and provide a conducive environment for businesses.

Infrastructure Development: Adequate infrastructure is essential for the energy transition. Indonesia requires significant investments in building renewable energy infrastructure, including power plants, transmission and distribution networks, and energy storage systems. The lack of infrastructure, especially in remote areas, can be a barrier to expanding renewable energy deployment and accessing electricity for all.

**What policies (e.g., trade and science, technology and innovation) do you have in place to improve the performance of those sectors?**

Addressing these challenges requires collaboration between government, the private sector, and society as a whole. In this regard, supportive regulations, investments in digital infrastructure and expertise, and increased awareness of digital security and literacy are key to developing a strong and sustainable digital economy in Indonesia.

For the creative economy sector, steps are needed such as improving infrastructure, increasing funding and access to finance, better protecting Intellectual Property Right, education and training tailored to the creative industries, as well as effective marketing and promotion efforts to support the development of a sustainable creative economy in Indonesia.