



**Adapting to COVID-19: Indonesia, The United States, and the Indo-Pacific Session #8:
“E-Commerce and Innovation”
November 1, 2021 (US) | November 2, 2021 (Asia)**

Key Findings

About This Session

The Pacific Forum, with support from the US Department of State through the US Embassy in Jakarta, and in partnership with the Centre for Strategic and International Studies in Indonesia, hosted the eighth session of the US Embassy Jakarta virtual forum series “Adapting to COVID-19: Indonesia, the United States, and the Indo-Pacific” on Nov. 2. The topic was “E-Commerce and Innovation.” The public webinar was attended by 44 viewers from Indonesia, the United States, and the broader region.

The webinar featured three panelists: Ayesha Khanna (ADDO AI), Aulia Halimatussadiyah Siti (Remote Skill Academy Indonesia), and Astrid Kusumawardhani (GoTo Group), who addressed the future of the digital economy in a world that is adjusting and recovering from a global pandemic. COVID-19 has changed the economic landscape due to restrictions on work and travel conditions, prompted businesses to rethink their model and adjust, and made the digital world a bigger part of the business world. The event was moderated by Fitriani (CSIS Indonesia), with US Embassy Jakarta Assistant Cultural Affairs Officer Leo Jilk providing welcome remarks, and briefly establishing the context of the issues within the two countries. The following are the key findings from the session.

Enriching a Global Partnership

Since the beginning of the pandemic, remote work has promoted opportunities for collaboration and greater linkages between ASEAN and the United States, North America, and the EU to create an environment where it is easy to work in multinational teams with people located around the world.

There is a global talent crunch across the world, especially in emerging sectors like AI, data science, robotics, and emerging technologies like quantum computing, crypto, and blockchain. Indonesia has a young thriving population with great potential to meet a high demand for new talent from tech companies in Silicon Valley and New York City. Some Indonesian companies collaborate with American firms for guidance. This is an opportunity for greater, stronger US-Indonesia relations.

Smart Cities

Cities like Jakarta are becoming talent hubs, creating an opportunity to directly reach out and have city-to-city connectivity on a range of sectors like tourism, electrification, robotics, crypto, and artificial intelligence (AI). Early capitalization on these digital economic is critical, as it would allow Jakarta to collaborate with tech-concentrated cities like New York City and Miami. One method to promote this is to encourage smart city opportunities for digital and student exchanges.

A smart city is one that has telecommunications infrastructure, talent, and vision. With the advancement of technology, a user can instantly learn, connect, and consume on demand with only a mobile phone. Smart cities are able to give people of the community exposure to the best talent and venture capital and ideas, which are reinvested into physical infrastructure like roads and bridges.

The greatest benefit of a smart city is that citizens will have opportunities for economic mobility and access to good health care, education, and way of life. The solution is to work with entrepreneurs in the city attract those connections so there's more exchange of talent and vibrant arts and culture.

When promoting US-Indonesia relations, there is no substitute for in-person professional exchanges and cultural and educational programs. As Asians travel to the US for cultural and professional exchanges, it is equally important for Americans to go to Asia. It is important for Indonesia to welcome Americans to study in Indonesia and capitalize knowledge on emerging markets, culture, and innovation.

COVID-19 and a Rising Technology Industry

The COVID-19 pandemic has harmed the tourism industry in Indonesia, but it has made technology skills more in demand. Remote Skills Academy was created to help teach young Indonesians the skills they need to find a career in the rising technology industry. Many of the students in Remote Skills Academy come from a wide range of backgrounds and circumstances. For example, one student lost his job as a waiter but then took the Basic Remote Work course at RSA and is now working freelance for a Singaporean and German company. In addition, students come from all across Indonesia, rather than just Bali.

Remote Skill Academy offers live and recorded courses in a wide range of tech-related fields such as Virtual Assistance, Digital Marketing, Low-code, etc. The students take the courses for a few week and there is a coaching and opportunity-matching service to help the students find opportunities in the technology industry. So far, there have been 15 courses offered with 310 students and 55 instructors. RSA is looking to expand group coaching programs, more advanced courses, and a more enhanced program.

GoTo Group and Innovation during the COVID-19 Pandemic in Indonesia

Workers have turned to digital platforms to overcome hardships during COVID-19. One digital platform, GoTo Group, consists of several companies over a decade old. It's an ecosystem that combines food delivery, news, payment, insurance, and investment services, among many others. Another platform, Tokopedia, provides an e-commerce service similar to Amazon and Alibaba. These platforms combine Amazon, Uber, and PayPal services into one digital entity and is widely used by users in Indonesia.

There are 100 million monthly active users, about half of Indonesia's population, who have downloaded one of these apps. Users can commute, send documents, lunch, groceries, pay bills, order dinner, and stream shows. 11 million merchants and small businesses can check incoming orders, respond to customers' queries, manage inventory, payments, and manage delivery orders. As a whole, about 2% of Indonesia's GDP is encompassed by the ecosystem.

In response to COVID-19, the GoTo Group accelerated vaccination for drivers, sponsored health checkpoints across Indonesia, held awareness campaigns, provided in-app support via telemedicine. Services also made contactless delivery and cashless payment options available.

As the largest archipelago in the world, Indonesia faces challenges in logistics. For example, if a consumer is located outside a major city like Jakarta, it is challenging to receive quality goods. Tokopedia allows for the transit of these goods. E-commerce is transitioning the opportunities for growth outside of the big cities through connecting with digital platforms like GoTo Group's GoTo Financial app. The platform accelerates financial inclusion for the underbanked and functions like an intermediary service, providing opportunities to learn about other investment options. These digital platforms are how Indonesia's tech economies help citizens have constant communication with vendors and consumers. On a wider scope, the community is being provided for as this helps Indonesians maintain a way of life.

This document was prepared by Mikhaela Van Hoven and Benjamin Tracy. For more information, please contact Robert York (rob@pacforum.org), Director of Regional Affairs at Pacific Forum. These preliminary findings provide a general summary of the discussion. This is not a consensus document. The views expressed are those of the speakers and do not necessarily reflect the views of all participants. The speakers have approved this summation of their presentation.