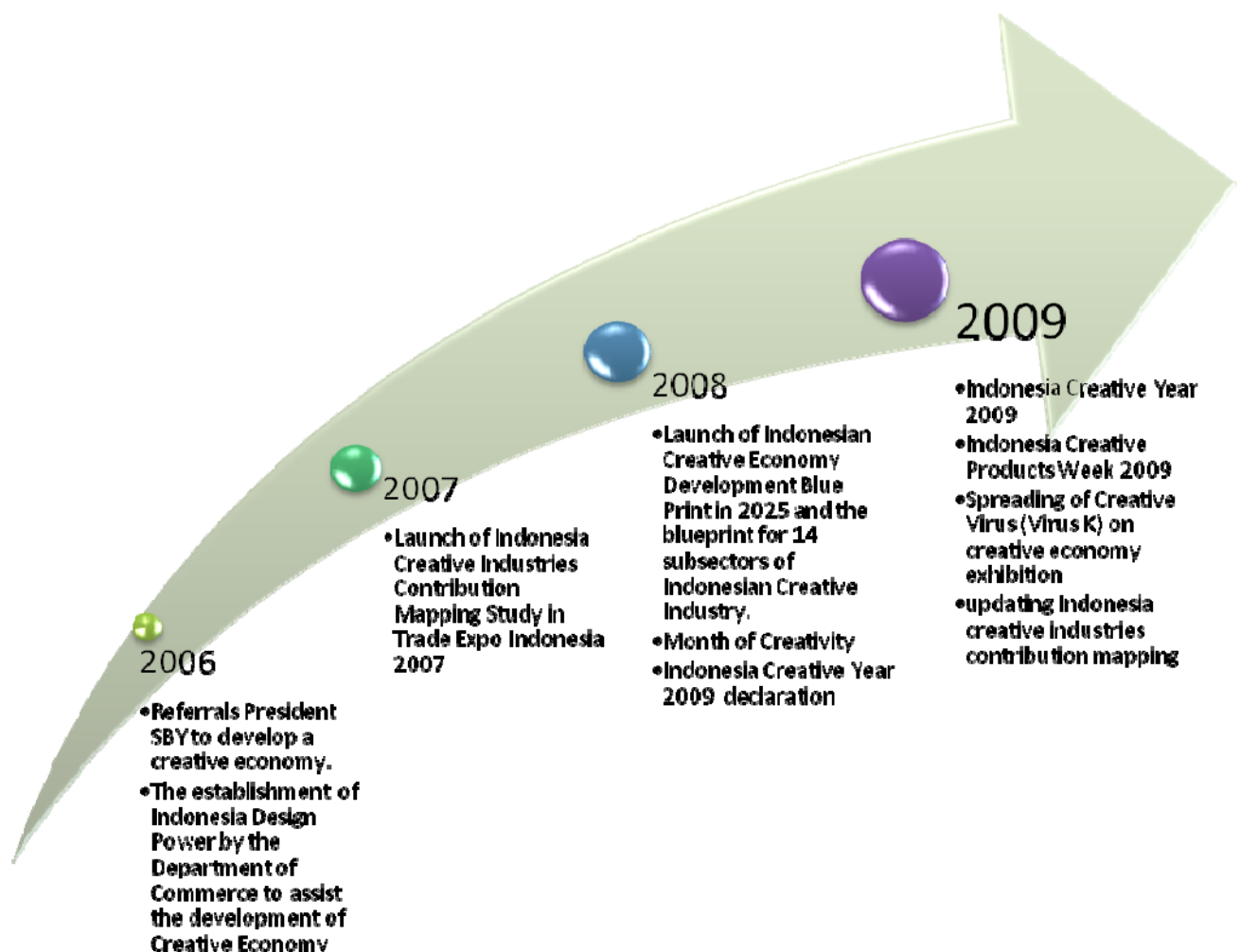


A. Background

Starting with the foundational belief that Indonesia has unlimited creative potencies and a need to improve the competitiveness of national products in global markets, the Indonesian Government has encouraged creative economy development since 2006. Supported by Ministry of Trade, Ministry of Industry, Ministry of Cooperatives and Small Medium Enterprises, the Indonesia Design Power (IDP) was formed in 2006 with the task of designing the concept of Indonesian creative economy development.

B. Milestones

The picture below is the Creative Economy Development Milestones in Indonesia



Collaborating with the Ministry of Trade under Minister Mari Pangestu's direction, IDP created 3 documents fundamental to Indonesia's creative economy development.

The first monumental step was the launching of the **Study of Creative Industries Contribution Mapping in 2007** by President Susilo Bambang Yudoyono. The study mapped the creative industry into 14 subsectors, i.e.: Architecture; Design; Fashion; Film, Video, & Photography; Handicraft; Software & Computer Services; Music; Art & Antiques Markets; Printing & Publishing; Advertising; Interactive Games; Research & Development; Performing Arts; Television and Radio. The UK DCMS creative industry study was the main reference of Indonesia mapping.

The second monumental step was the launching of the **Indonesia Creative Economy Development Blueprint 2009-2025** and the **14 Subsector Creative Industries Development Blueprint 2009-2025**. Both blueprints were launched in 2008, by President Susilo Bambang Yudoyono. At the end of 2008, President formally stated that the year 2009 would be The Year of Creative Indonesia.

The table below features planned goals stated in the Creative Economy Blueprint.

Creative Economy Mission	2009-2015 (The Pillars and Substructures Strengthening)	2015-2025 (Acceleration)
Increasing the contribution of the creative industries to the gross domestic income	Indonesia Creative Industry GDP contribution to reach 7-8% national GDP, with growth conditions 7% -9%	GDP Contribution Creative Industries reach 9-11% National GDP, with growth conditions 9% - 11%
Increased export of national products and services based on creativity of children of the nation that contain local content with contemporary spirit	Creative Industries Export contribution achieve 11-12% from national exports, growth conditions with 9% - 11%	Creative Industries Export contribution reach 12-13% from national exports, growth conditions with 10% - 12%
The increase of employment as a result of opening new employment opportunities in creative industry	the employment contribution from creative industries reached 6-7% from National Labor	the employment contribution from creative industries reached 9-11% from National Labor
Increasing number of highly competitive companies in creative industries sector	Number of creative industries company increase 1.5-2 times the number of creative industry companies in 2006	Number of creative industries company increase 3-4 times the amount of the creative industry companies in 2006
Give priority to the utilization of sustainable resources for earth & generations to come	Support a reduction in deforestation rate 1 million hectare per annum	Continuing to support deforestation reduction based on the new post-Kyoto agreement 2012

Creative Economy Mission	2009-2015 (The Pillars and Substructures Strengthening)	2015-2025 (Acceleration)
Creation of economic value of creative innovation, including that based on wisdom and Indonesian heritage	<ul style="list-style-type: none"> • Growth of registered domestic patent = 4% • Growth of registered domestic copyright = 38.94% • Growth of registered domestic brand = 6% • Growth of registered domestic Industrial design = 39.7% 	<ul style="list-style-type: none"> • Maintaining growth of registered domestic patent at 4% • Maintaining growth of registered domestic copyright 38.94 • Maintaining growth of registered domestic brand at 6% • Maintaining growth of registered domestic Industrial design at 39.7%
Development of creative areas on potential areas in Indonesia	Development of 3 potential creative area in Indonesia (1 area per 2 years)	Development of 7 potential creative area in Indonesia (1 area per year)
Strengthening the creative image of the product / service as an effort of 'National Branding' or country image in global world	Creating 200 local brands of new and existing that has been trusted and legally registered in the Indonesia Intellectual Property Rights General Directorate and also in the patent office in every country of export destination	Creating 325 local brands of new and existing that has been trusted and legally registered in the Indonesia Intellectual Property Rights General Directorate and also in the patent office in every country of export destination

Many creative events have been held by government since 2007. The biggest is the annual Indonesia Creative Products Week. This event is hosted by the Coordinator Minister of Society Welfare, supported by the Coordinator Minister of Economy. There are about 14 Government Ministries supporting this annual event. The Creative Economy Convention is one of the agendas in the event, led by the Minister of Trade, Mari Pangestu. Consolidation and synergy of government, Intellectual and Business in developing creative economy, is the main goal of the convention.

Several other big events have been held since 2007 by the government, e.g.: Month of Creative Economy, Visit Indonesia Year 2008, Creative Product Exhibition, Virus K (Creative Virus), some Conventions, Summits or Seminars, etc.

C. Latest Update

The latest condition of the Indonesian creative industry was updated last July. From 2002 to 2008, the 14 sectors contributed an average of 7.8% of the national GDP, with nominal IDR of about 236 trillion. The sectors employ 7.4 millions workers.

Fashion and Craft are the dominant subsectors in Indonesia. The enterprises, mostly small to medium enterprises, are spread all over the country. Many art skills are indigenous to the people of Indonesia. Several fashion designers and craft artists are known internationally, especially in South East Asia Region, e.g: Oscar Lawalata, Harry Dharsono, Poppy Dharsono, Biyan, Ghea Panggabean, Adjie Notonegoro, etc. The craft and fashion products are exported to many countries. Also, Bali Fashion Week has become a successful annual international fashion show.

Film and Music are also growing. The domination of imported films and music in the Indonesian market has shifted to domestic films and music. In recent years, the domination has increased. Several Indonesian film makers, singers and composers have won awards for their work in international festivals, e.g.: Gita Gutawa, Ruth Sahanaya, Riri Riza, Garin Nugroho, etc.

The Games and Software industries, despite the small contribution to national GDP, have been growing fast in last 7 years. Other potential sectors are Architecture, Advertising, Design and Publishing.

From 7 to 9 August 2009, the Ministry of Trade is hosting the Virus K (Creative Virus) event at the Jakarta Convention Centre. The event contains exhibitions of creative products, music performing etc.

D. Municipal

Since the launching of the Mapping Study, the usage of the terms 'creative industry' or 'creative economy' have spread all over the country. The government's creative economy blueprint has been well-received in all regions in Indonesia. Some local Governments have begun to design policies or plans to develop creative industry in their region. Moreover, some cities are in the process to become a creative city, i.e.: Bandung, Jakarta, Bali, Solo, Yogyakarta. Each municipal government, collaborating with community, academics and businessman in the regions, arranged many creative events, festivals, competitions, seminars, shows, etc.

D.1. Bandung

Bandung is one of the cities that has great potential as a creative city. Bandung is known as the center of textiles, fashion, art, and culture. Bandung is also known as the city of education and is a tourist destination. These things support the mission of Bandung as a creative city. Bandung was determined as a pilot project of the creative city in East Asia on Yokohama in 2007.

D.2. Solo

The Solo City Government wishes to establish "Creative Solo, Prosperous Solo", and Solo City as one of the MJCE (Meeting, Joint, Conference, Exhibition) cities. There are 3 basics concept of Creative Economy development:

1. Creative Economy and democracy
2. The human interest, cultural, and human relations approach
3. Cross-ethnic, cross-class, cross-religious

D.3. Denpasar

The Denpasar City Government has established the direction and policy development through the vision and mission of the City of Denpasar. The development vision of Denpasar is the 'City of Denpasar, the cultural conception in harmony and balance.' The implementation of economic development and empowerment through democracy transformed the community mission based in Balinese culture and local wisdom, and the mission of accelerating growth and strengthening economic resilience is through a populist economic system.

D.4. Yogyakarta

In the development of creative industries, the Government of Yogyakarta City is working to provide facilitation for creators and business. The city government will also hold activities in the development of creative industries.

Development plan:

- a. Potential creative industries mapping
- b. Increase for entrepreneurial incubator program at the new field, especially for information and communication technology MSMEs
- c. Development of the creative industries through OVOP, cluster, and core competency areas
- d. Procurement means the development of creative industry development through the art market, the stage show, and the integration of culinary tourism
- e. Protection of works of art and culture of local
- f. Pemasarakatan batik works of art through sarasehan, exhibitions, the movement in order to carry out declarations of love batik UNESCO in Paris on batik as a world heritage property Indonesia
- g. Development of Jogja Development Center to support the development of creative industries

D.5. Jakarta

In order to develop the creative industries in DKI Jakarta, Banten Pemprov states that culture and technology are the basis for the development of the creative economy. There is

a provincial plan to develop Ancol area as a center for creative activities and creative economy. Ancol is expected to be the area that can unite the actors and creative community in Jakarta and throughout Indonesia. Ridwan Kamil states there are many creative communities in Jakarta, but these communities have yet to connect with each other. Connectivity between the communities is an important factor in the formation of a creative city.

E. 5 Major Threats

The development of Indonesia's creative economy is threaten by five major issues, i.e.: (i) Quantity and quality of human resources as actors in the creative industries; (ii) conducive climate to start and run businesses in the creative industries; (iii) award or appreciation of human creativity and creative work produced; (iv) Information and communication technology; (v) Intermediary Institutions to financing the creative industries.