

Asian Think Tanks Network (ATTN) Forum
Digitalization an Opportunity for Inclusive Growth in Asia and the Pacific

CSIS Auditorium, Jakarta, Indonesia
2 – 4 October 2024

Opening Remarks (2 October 2024)

Jiro Tominaga, Country Director, Indonesia Resident Mission

Selamat pagi,
Assalamualaikum warohmatullohi wabarokatu,

Wakil Menteri Keuangan Bapak Thomas Djiwandono
Bapak Yose Rizal Damuri and partner at the Center for Strategic and International Studies (CSIS)
Colleagues at ADB, ADB Institute, and UN ESCAP
Distinguished Guests
Dear Participants,

Welcome to the 2024 Asian Think Tanks Network (ATTN) Forum, and Happy National Batik Day.

ATTN, comprising think tanks and research centers actively engaged in the study of sustainable growth and inclusive development in Asia-Pacific.

The ADB and ADB Institute are pleased to collaborate with the CSIS and UN ESCAP in this year's forum.

We aspire that the ATTN Forum will contribute to the discourse on managing the fast paced and constantly changing environment in the Asia Pacific region. The theme of this year's forum is ***Digitization an Opportunity for Inclusive Growth in Asia and the Pacific***.

Ladies and gentlemen,

Digital transformation has gained significant attention in the last decade, driving productivity and inclusive economic growth, especially with post-covid surge in digital adoption across a wide range of socio-economic activities.

In Indonesia, the expanded digital economy could add up to USD2.8 trillion by 2040, boosting economic growth by an additional 11 percent over the next two decades.

The island of Java is expected to benefit the most, achieving growth rates of up to 6.65 percent between 2030-2040, compared to the baseline scenario of 5.88 percent. Meanwhile, Papua and Maluku are projected to see economic gains of up to 3.8 percent during the same decade, even with the adoption of new technology, up from 3.56 percent in the baseline scenario.²

The challenge is huge, but Indonesia has had a track record of achieving strong economic growth while narrowing the gaps between its regions.

Since 2001, the levels of income per capita, inequality, and poverty across the country's districts and municipalities have shown a trend toward convergence.

Indonesia's journey towards becoming a high-income nation by 2045 hinges on revitalizing its MSMEs, which contributed 61% of GDP and 97% of employment in 2019. Accessible, affordable technology solutions can play a crucial role³.

COVID-19 accelerated digital transformation⁴ by 3 to 4 years⁵. While some institutions thrived, others struggled or disappeared.

² <https://blogs.adb.org/blog/indonesia-s-digital-transformation-leave-no-region-behind>

³ <https://blogs.adb.org/blog/reviving-indonesia-s-small-businesses-through-plug-and-play-technology-solutions>

⁴ Subramaniam et al., 2021

⁵ McKinset Global Survey 2020

To survive and stay relevant, institutions, whether small or large, new or mature, for-profit or not-for-profit, public or private, will continue to be forced to go through digital transformation.⁶ The radical changes experienced seems to show those which have a culture of rapid response, innovation and adaptability can thrive.

Technological transformation should consider each country's unique needs and opportunities to avoid exacerbating development disparities. Targeted policies are needed to prepare these areas for digitization.

With the right policies, Indonesia and the Asia and the Pacific region can ensure that as it rides this wave of technological transformation, no country will be left behind.

Let us contribute in determining strategies and policies towards an inclusive digital transformation that promotes sustainable economic growth and improves living conditions in the Asia-Pacific region.

We hope that all participants will be active and generous in sharing their ideas and insights.

Terima kasih.

Wassalamualaikum warohmatullohi wabarokatu.

⁶ Mergel et al., 2029