

# The Economic Impact of the Screen Industry in Indonesia – an opportunity



# Foreword: PWC Indonesia & LPEM FEB-UI

The economic impact of Indonesia's screen industry in 2022 is significant, with a total output of USD 8.2 billion (Rp 130 trillion), a GDP contribution of USD 5.1 billion (Rp 81 trillion), and providing employment for 387,000 individuals. The industry is projected to grow at a Compound Annual Growth Rate (CAGR) of 6.13% from 2023 to 2027. This means that by 2027, the screen industry, encompassing film, animation, video, and television, has the potential to generate USD 9.8 billion (Rp 156 trillion) in economic output, USD 6.1 billion (Rp 98 trillion) in Gross Value Added (GVA) to GDP, and an additional 616,000 Full-time Equivalent (FTE) jobs.

This study highlights a number of critical issues which could constrain the industry from reaching its full potential.

These include a limited workforce size and skills gaps, insufficient infrastructure, regulatory hurdles, and limited funding for independent projects, all of which present barriers to growth, which would need to be addressed through strategic policy initiatives. These could include updating and simplifying regulations, reskilling and upskilling talent, enhancing infrastructure capacity, and providing incentives to attract both global and local investors.

Implemented effectively, these policy initiatives have the potential to create an enabling environment for accelerated growth, fostering innovation, creativity, and sustainable economic development within Indonesia's screen industry.

We extend our gratitude to Badan Perfilman Indonesia (BPI) for their valuable insights and collaborative discussions, which have contributed significantly to the depth and richness of the study. We would also like to express our thanks to (Singapore) for their support and engagement throughout the research process. This study serves as a testament to the collaborative efforts of all the parties involved, and we hope it provides substantial benefits for all stakeholders in the industry, and to the country as a whole.

**Julian Smith**

Director  
PwC Indonesia

**Chaikal Nuryakkin**

Director  
LPEM FEB UI

## Foreword: Badan Perfilman Indonesia (BPI)

Our vision is for the Indonesian screen industry to be an economic, cultural, and creative force worthy of international recognition, and for the works of Indonesian filmmakers to be appreciated globally and domestically, achieving awards at various renowned global festivals. We envision the Indonesian production sector gaining a reputation for creating diverse content, including films, TV shows, online content, animation, and documentaries, showcasing the richness of Indonesian culture, history, and contemporary life. Our focus is not only on achievements—we also hope for Indonesia to have production, post-production, and distribution facilities that attract productions from around the world. Indonesian filmmakers should have strong ties with the best film schools, nurturing a new generation of filmmakers, actors, and technicians, and putting the Indonesian screen industry at the forefront of technological innovation in film and TV production.

Indonesia is on the right track to achieve this vision. The local industry has been growing rapidly, driven by innovative stories with continuous growth of enthusiasm from audiences. *“The Face of Indonesian Cinema,”* a study published by the Indonesian Film Agency in 2023, highlights the importance of the Indonesian screen industry. This study indicates that the growth of the national screen industry in Indonesia over the last five years has been encouraging.

Despite the screen industry being heavily impacted by the COVID-19 pandemic, Indonesian films have shown strong signs of recovery, with the market share of Indonesian films in Indonesia reaching 61% in 2022, surpassing foreign films.

Complementary to BPI findings, we wholeheartedly endorse the findings presented in *“The Economic Impact of the Screen Industry in Indonesia – an opportunity,”* authored by PwC and LPEM FEB UI. This study is a crucial step in realizing our vision for the Indonesian screen industry, and we express our gratitude for the support of Netflix in this endeavour. The study provides an overview of current trends in the Indonesian screen industry, examining the aspects of the industry value chain and measuring both the significant economic impact and potential. For example, the study highlights that by 2027 the Indonesian screen industry could generate additional output of up to Indonesian Rupiah (Rp) 156 trillion, increase Gross Value Added for GDP by Rp 98 trillion, and create 616,000 jobs.

## Foreword: Badan Perfilman Indonesia (BPI)

However, these potentials will only materialize with a supportive policy framework and conducive synergy between the government and industry stakeholders. If the recommendations in this report are implemented effectively, BPI believes that the development of the screen industry in Indonesia will progress even faster, adding value to economic development and promoting Indonesia's rich culture worldwide.

Our hope is that the findings and recommendations in this report benefit the wider community, especially the Indonesian film community.

*Salam Sinema, Salam Budaya dan Salam Kreatif.*

**Gunawan Paggaru S.Ikom., CFP., CFD., CFE.**

Ketua

Badan Perfilman Indonesia (BPI)

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# Introduction

## Objectives of the Study

The screen industry has been recognized in many countries as an important driver of economic development. This study aims to understand the strengths, weaknesses, and

opportunities of Indonesia's screen industry, identifying possible policy initiatives that may help to develop and grow the sector further, benefiting the country as a whole.

## Methodology

The study has been conducted using: desktop research and literature reviews, expert interviews, data analysis, Input-Output modeling and Focus Group Discussions (FGD).

Using this research, the study estimates that in the year 2027, the Indonesian screen industry (including film, animation, video and TV), could contribute:

- USD 9.8 billion (Rp 156 trillion) to economic output (the gross value of goods and services measured by the total market value of transactions in the supply chain).

- USD 6.1 billion (Rp 98 trillion) in Gross Value Added (GVA) to Gross Domestic Product (GDP). (GVA is the value of goods and services less the cost of producing those goods and services.)
- 616,000 additional Full-time Equivalent (FTE) jobs

*This study consulted a variety of stakeholders in the Indonesian screen industry. It has been prepared by PT PricewaterhouseCoopers Indonesia Advisory and LPEM FEB Universitas Indonesia, and supported by Netflix.*

## Current Impact (2022):

Indonesia's screen industry in 2022 gave rise to a total economic impact of **USD 8.2 billion (Rp 130 trillion)** in output, **USD 5.1 billion (Rp 81 trillion)** in GDP, and **387,000 jobs**.



**Every additional Rp 1 trillion of new investment in the screen industry would generate:**



Output

**USD 900 million**  
(Rp 1.43 trillion)



GDP

**USD 560 million**  
(Rp 892 billion)



Employment

**4,300**  
High Quality Jobs

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## Chapter 1: Indonesia's screen industry

### 1.1 Technology drives an evolving screen industry

Indonesia's screen industry, which for this study includes **TV and film industries** but excludes radio, has undergone several waves of technological change. Since the first Indonesian feature films were released in the 1920s, technological changes have opened up new possibilities for the industry in every part of the value chain. It has driven media and market revolutions, and enhanced the quantity, quality and cost-effectiveness of artistic expression on-screen. The development of the internet and emergence of Online Curated Content (OCC) - any audio-visual video content delivered online through streaming or media services, are powerful examples of such changes.

And as internet connection speeds have improved, subscription video content has become increasingly accessible through online streaming services.

**OCC has the potential to drive numerous innovations across the global tv and film industry**, including in Indonesia, in both production and distribution, and epitomises a new phase in the evolution of the screen industry as a whole.

### 1.2 The untapped potential of the screen industry

Indonesia's screen industry has developed through a combination of entrepreneurial innovation and artistic creativity. Major industry players focus mainly on profitable investment, capacity building, and distribution partnerships to exploit untapped potential in the industry.

However, a lack of investment has constrained the industry's development and led to an inadequate supply of integral supporting infrastructure, such as cinema screens. The industry has also been hampered by a lack of integration, resulting in high costs and supply chain inefficiencies.

#### Definition

- Radio is a small component of the overall industry, relative to TV and filmmaking industry.
- Online curated content (OCC) is defined here as any audio-visual video content delivered online through a streaming or media platform.

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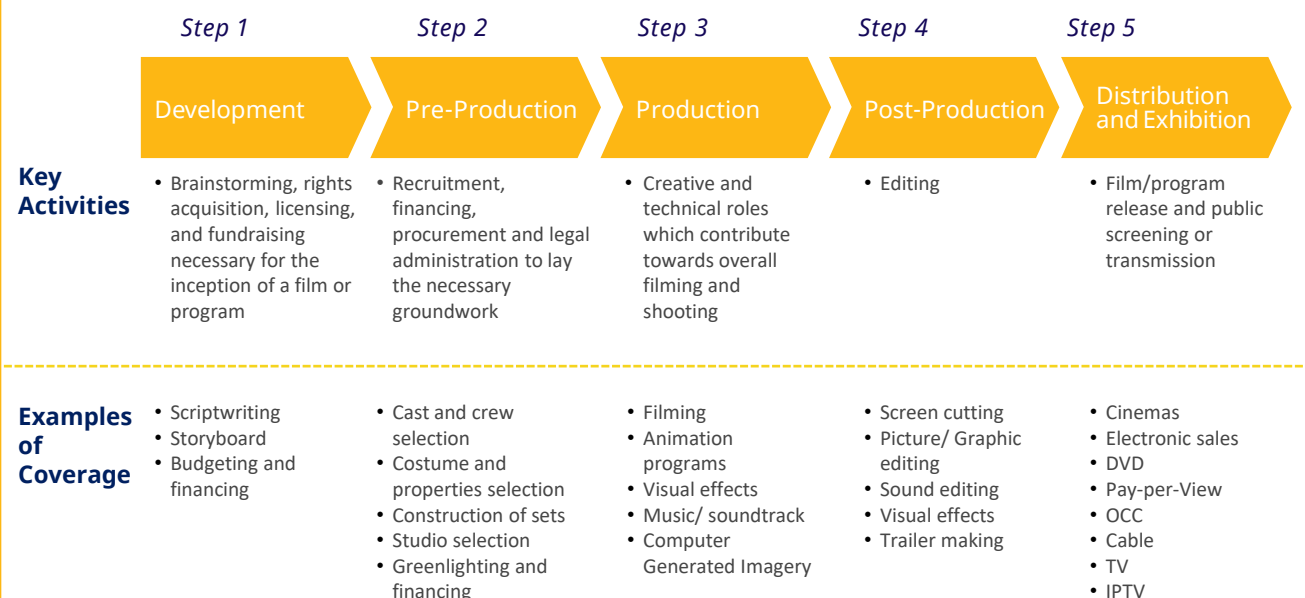
## 1.3 Definition and value chain of the screen industry

The screen industry is defined differently around the world, but in **most countries, it includes TV and film**. While the screen industry is not explicitly defined in Indonesian law<sup>1</sup>, the Ministry of Tourism and Creative Economy (MTCE) specifies that the two most relevant sub-sectors - film, animation and video; and TV and radio - are defined as work of cultural art functioning as social institutions and mass communication media.<sup>2</sup>

Based on literature reviews, interviews and discussions, the following definition of the industry has been used for this study:

*“The comprehensive supply chain of any work or product intended purely for on-screen entertainment (film, TV, and OCC), which includes the entire value-chain of development, pre-production, production, post-production, distribution, and exhibition, including any person, company, or entity directly involved with this supply chain.”*

Figure 1. Value Chain of Indonesia's Screen Industry



Source: PwC Analysis and LPEM FEB UI Analysis (2023)

<sup>1</sup> Government of Indonesia, 2009, UU Nomor 33 Tahun 2009 tentang Perfilman, <https://peraturan.bpk.go.id/Details/38772/uu-no-33-tahun-2009..>

<sup>2</sup> Durmasema, A.R., Pratama, A.Y.N., Rendisky J.H. and “S.IP., M.Si” Avianto, Dr. B.N, 2020, Creative Economic Statistics - Ministry of Tourism and Creative Economy

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## Chapter 2: Screen industry opportunities and barriers to development

### 2.1 Development of market champions

Market champions with access to unique key resources, such as extensive experience, notable talents, and innovative producers, play a pivotal role in the Indonesian screen industry. These resources enable them to undertake ambitious projects that typically involve high risks and costs. Furthermore, their access to these key resources significantly enhances their ability to secure funding for their projects.

Several market champions exist for each step of the value chain namely development, pre-production, production, post-production, and distribution and exhibition (see Figure 1).

In the development and pre-production stages, notable scriptwriters include Joko Anwar, Hanung Bramantyo, Riri Riza, Mira Lesmana, and Gina S. Noer<sup>3</sup> and talent management companies include LESLAR Entertainment, RANS, Avatara 88, INBEK, SA-Itainment, ZEMA, and PM Artist Management.<sup>4</sup>

In the production and post-production stages, notable production companies include MD Entertainment, Soraya, Falcon Pictures, Sinemart, and MNC Pictures.<sup>5</sup> In the distribution and exhibition stages, notable champions include CGV Cinemas, Cinema XXI, MNC Media, MNC Vision, and MNC TV, among many others.<sup>6</sup>

The presence of other SVOD (Subscription Video on Demand) and Online Curated Content (OCC) providers, especially local actors such as Vidio or Mola, can positively impact the market by offering local content, adhering to regional regulations, leveraging competitive advantages, and investing in technology and infrastructure. These factors can impact the overall consumption of video content nationally.

A robust financing framework is important for success. In Indonesia this typically includes commercial sources, crowdfunding, or subsidies from national and local government agencies, such as the Ministry of Education, Culture, Research and MTCE.<sup>7</sup>

#### Definition

- Market champion is defined as a leading industry player distinguished by the possession of key resources, such as extensive industry know-how, expert talent, and innovative production capabilities

<sup>3</sup> Listiyawan, 2020, Jajaran Penulis Skenario Terbaik di Indonesia: <https://teknoia.com/jajaran-penulis-skenario-terbaik-di-indonesia-8e8ce7feb5b0>.

<sup>4</sup> Jay, Jenti, 2022, 7 Manajemen Artis Indonesia, Paling Top 2021: <https://mediaini.com/branding-promosi/2021/11/29/64909/manajemen-artis/>.

<sup>5</sup> Ulum, M. B., Jannah, F., & Nadhiyah, F., 2021, Film Industry as Part of Global Creative Industry: Learning from Indonesia. TRILOGI: Jurnal Ilmu Teknologi, Kesehatan, dan Humaniora, 2(3), 220-227, <http://dx.doi.org/10.33650/trilogi.v2i3.3075>

<sup>6</sup> Sasono, E., 2022, Measuring the Economic Capacity of the Indonesian Film Industry. Jurnal Film Economy, Vol. 1 September-December 2022: <https://kafein.or.id/journal/index.php/filmeconomy/article/view/1>

<sup>7</sup> Shackleton, Liz, 2023, Indonesia Launches Funding Scheme For International Co-Productions: <https://deadline.com/2023/05/indonesia-grant-scheme-international-co-productions-1235370672/>.

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## 2.2 International experience of screen industry development

To optimize the potential of Indonesia's screen industry, policymakers can learn from the **experiences of countries that have succeeded in developing specific aspects** of the screen industry value chain.

For example, South Korea and Japan have a strong track record in high-budget production, with content incorporating local culture, and highly-targeted marketing campaigns. Germany

and Spain are well-known for film production management, while Thailand's production activity has thrived by facilitating access to its scenic locations and by leveraging local folktales that resonate with the audience (e.g. folktale-based horror movies). India is renowned for soundtrack production, while Australia and New Zealand are known for visual effects, animation, and sound and music post-production.

Figure 2: Value Chain of the global screen industry

1. Development	2. Pre-Production	3. Production	4. Post-Production	5. Distribution and Exhibition
 South Korea	 Germany	 Germany	 India	 South Korea
 Japan		 Thailand	 Australia	 Japan
		 Spain	 New Zealand	
High-budget productions that promote national culture	Comprehensive pre-production management	Comprehensive production management	Highly rated and aesthetically pleasing soundtracks and visual Effects (VFX)	Highly targeted marketing campaigns

Source: PwC and LPEM Analysis (2023), based on various sources.

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## 2.3 Potential economic growth and development

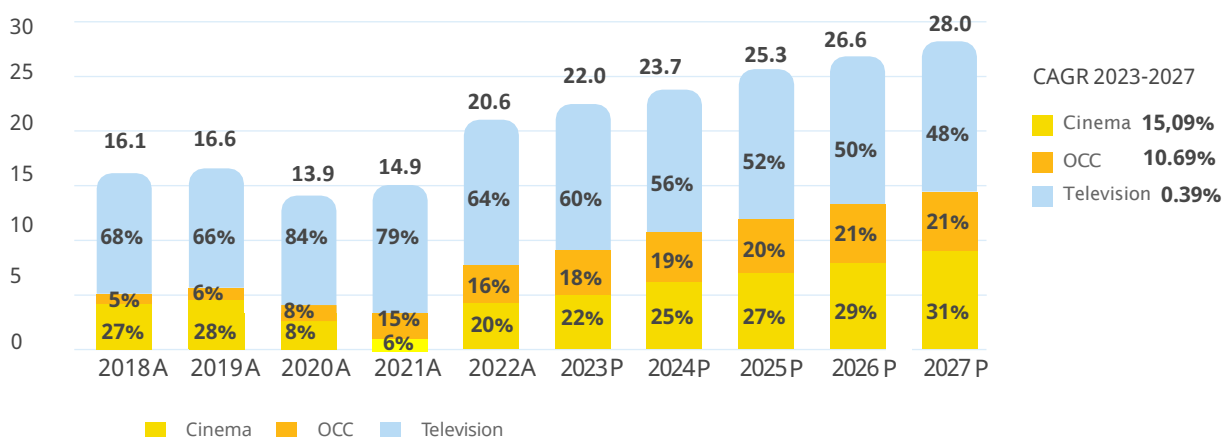
**Indonesia's screen industry is projected to grow at 6.13% Compounded Annual Growth Rate (CAGR) from 2023 to 2027.** The total combined revenues (excluding revenue from advertising production) for cinema, OCC, and TV reached USD 1.3 billion (Rp 20.7 trillion) in 2022 and are projected to grow to USD 1.8 billion (Rp 28 trillion) by 2027.<sup>8</sup>

Cinema and OCC in particular are expected to grow rapidly. Cinema revenues CAGR is expected to be 15.09% over this period, bolstered by investment in increasing the number of cinema screens in Indonesia.<sup>9</sup>

OCC revenues are projected to reach USD 0.37 billion (Rp 5.9 trillion) by 2027, with CAGR of 10.69%.<sup>9</sup> OCC-generated revenues increased by 44% from 2016 to 2019 following the entry of several local and international players into the Indonesian market. Examples include Vidio and Viu for local and regional players, plus Netflix and AppleTV+ among others for international players who have entered the Indonesian market.<sup>10</sup>

Revenues from TV are projected to remain steady, with CAGR of 0.39% from 2023 to 2027 as the segment is already mature.

**Figure 3: Industry Revenue for Cinema, OCC Video and TV 2018-2027 (Rp Trillion)**



*\*The revenue excludes income from advertising production*

*Revenue values are sourced from GEMO and might differ with values from MTCE due to classification differences*

Source: PwC GEMO (2023), and PwC and LPEM FEB UI Analysis

<sup>8</sup> Said, Indonesia's Statistics of the Creative Economy and Tourism 2018-2021, Ministry of Tourism and Creative economy, <https://api2.ke-menparekraf.go.id/storage/app/uploads/public/63e/d99/bb5/63ed99bb5d83b591570455.pdf>

<sup>9</sup> PwC, Omdia and IMF, 2023, Perspectives from the Global Entertainment & Media Outlook 2023-2027 - Resetting expectations, refocusing inward and recharging growth. PwC Global, <https://www.pwc.com/gx/en/industries/tmt/media/outlook/insights-and-perspectives.html>

<sup>10</sup> Frontier Economics, 2021, The Economic Impact of Online Curated Content Services in Indonesia, <https://www.mpa-apac.org/wp-content/uploads/2021/09/Indonesia-Frontier-The-Economic-Impact-of-OCC-in-Indonesia.pdf>

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The screen industry generates the highest level of productivity among all sectors in Indonesia's creative economy.<sup>2</sup> The productivity of each sector is calculated by dividing sector GDP output by the total number of people employed in the sector. The MTCE defines the creative economy as a sector that embodies added-value of Intellectual Property (IP) generated from human creativity, cultural heritage, science and technology. This include sectors like architecture, design, music, and fashion.<sup>8</sup>

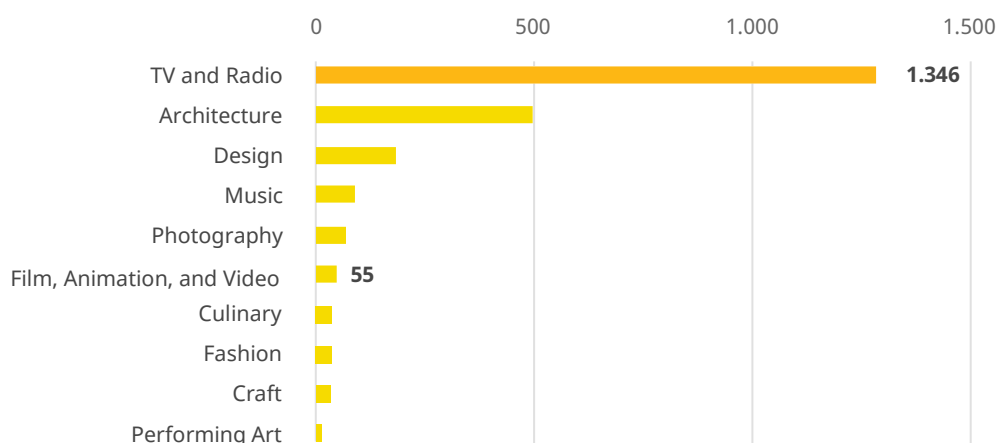
In 2021, the screen industry employed 150,000 workers, less than 1% of total creative economy employment.<sup>2</sup>

However, these workers represent a significant source of added value for the Indonesian economy.<sup>8</sup>

In 2019, each worker employed in the TV and radio sector generated USD 0.82 million (Rp 1.3 billion) in GVA, while each worker employed in the film, animation, and video sector generated USD 3,474.49 (Rp 55.3 million).<sup>8</sup>

Advertising revenues and the sector's established infrastructure and advanced operational capabilities underpin the large GVA of the TV and radio sector relative to other sectors in the creative economy.<sup>8</sup> The contribution of radio is relatively minor at only 3% of the sector's output and value.

**Figure 4: GVA per number of full and part-time employees in the Creative Economy in 2019 (Rp million) \***



\*The employment includes non-full-time employment

Source: Creative Economy Statistic, MTCE (2021), and PwC and LPEM FEB UI Analysis

## Definition

- It is important to note that the figures on this page variate slightly with the ones in Chapter 3 as currently TV and Radio figures are inflated due to the inclusion of advertising and radio activities, which will be excluded in the impact modelling.

<sup>2</sup> Ministry of Tourism and Creative Economy, 2021, Tourism and Creative Economy Labor Statistics 2018-2021, <https://api2.kemendikbud.go.id/storage/app/uploads/public/63e/d99/bb5/63ed99bb5d83b591570455.pdf>

<sup>8</sup> Said, Indonesia's Statistics of the Creative Economy and Tourism 2018-2021, Ministry of Tourism and Creative economy, <https://api2.kemendikbud.go.id/storage/app/uploads/public/63e/d99/bb5/63ed99bb5d83b591570455.pdf>

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**The screen industry contributed USD 7.8 billion (Rp 125 trillion) of GVA to Indonesia's economy in 2020, equivalent to 11% of the total creative economy and 0.82% of GDP.<sup>8</sup>**

Indonesia has approximately 2,300 cinema screens to serve a population of 277 million, resulting in ratio of around one screen per 120,000 people,<sup>11</sup> far behind neighbouring Malaysia with one screen per 28,000 people,<sup>12</sup> and even further behind South Korea with one screen per 16,000 people.<sup>13</sup> Cinema XXI, the largest chain in the country, operates 1,235 cinema screens in 71 cities.<sup>14</sup>

Television contributes the most economic value and consumption as a screen media platform, evident by how the TV and Radio sector generated GVA of around USD 7.7 billion (Rp 122.7 trillion) in 2020, although this also includes radio and advertising activities.<sup>8</sup>

OCC platforms are seeing growing interest from viewers looking for entertainment. In 2022, 66 million Indonesian viewers consumed 3 billion hours of OCC content monthly.<sup>15</sup> 75% of Indonesian users of premium OCC services (such as Netflix, Vidio, Viu and WeTV) said it offered the best quality content, higher than users of any other category of screen industry output.<sup>16</sup>

Indonesia's growing middle class is also spending more on entertainment, including going to the cinema or subscribing to premium OCC services, with many viewers choosing to subscribe to several such services.<sup>17</sup>

<sup>11</sup> Lim, L., Fortune Asia, 2023, The CEO behind Indonesia's biggest movie ever wants to make your next foreign film hit : 'I see ourselves as South Korea 15 years ago' <https://fortune.com/asia/2023/11/08/md-entertainment-indonesia-tencent-manoj-punjabi-movie-market/>

<sup>12</sup> Malaysian Ministry of Communication and Digital, 2022, Industry Information: Malaysian Film Data ,<https://www.finas.gov.my/en/industry-information/>

<sup>13</sup> International Trade Administration, 2023, South Korea Country Commercial Guide: Entertainment and Media, <https://www.trade.gov/country-commercial-guides/south-korea-entertainment-and-media>

<sup>14</sup> Rossiana, G., Neo, K., Nikkei Asia, 2023, Indonesian movie chain Cinema XXI operator eyes up to \$300m in IPO , <https://asia.nikkei.com/Spotlight/DealStreetAsia/Indonesian-movie-chain-Cinema-XXI-operator-eyes-up-to-300m-in-IPOKRISTIE-NEO> (link as of 30 September 2023)

<sup>15</sup> Asia Video Industry Association, 2022, Indonesia in View, [https://avia.org/all\\_events/indonesia-in-view-6-october-2022/](https://avia.org/all_events/indonesia-in-view-6-october-2022/)

<sup>16</sup> Asia Video Industry Association, 2023, Premium OTT – Building its Rightful Place in the Digital Market, <https://avia.org/avia-releases-indonesia-study-on-the-untapped-opportunity-of-premium-ott-services-for-advertisers/>

<sup>17</sup> The World Bank, 2020, Aspiring Indonesia: Expanding the Middle Class, <https://www.worldbank.org/en/country/indonesia/publication/aspiring-indonesia-expanding-the-middle-class>

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A study by Wibowo, Rubiana and Hartono in 2022<sup>19</sup> provides interesting insights into how content, and certain themes in particular, can drive industry success. Their study on successful films screened in Indonesia concluded that stories exploring family dynamics and contemporary social issues create strong brand attachment. Cultural heritage including local food, dance and music, Indonesia's scenic locations and well-known actors are also some of the factors contributing to a film's success

with Indonesian consumers.<sup>18</sup> Meanwhile, genres such as drama, horror, and action – in particular the Indonesian martial art of *Silat* – continue to gain traction with local and international audiences.<sup>19</sup>

Younger consumers, including Indonesian Millennials and Generation Z, have become more willing to support and contribute to the local screen industry.<sup>20</sup>



<sup>18</sup> Wibowo, Rubiana and Hartono, 2022, A data-driven investigation of successful local film profiles in the Indonesian box office, Jurnal Manajemen Indonesia (Vol. 22(3), pp. 333-344, 2022) <https://journals.telkomuniversity.ac.id/ijm/article/view/4106/1947>

<sup>19</sup> Barker, T., 2021, Market transnationalisation of the Indonesian screen industries, Saw Swee Hock Southeast Asia Centre (SEAC) of the London School of Economics and Political Science (LSE): <https://blogs.lse.ac.uk/seac/2021/10/20/market-transnationalisation-of-the-indonesian-screen-industries/>

<sup>20</sup> Saiful Mujani Research & Consulting, 2019, Siapa yang Menonton Film?, [https://saifulmujani.com/wp-content/uploads/2020/01/Presentasi-Final-Film\\_SMRC\\_rev.pdf](https://saifulmujani.com/wp-content/uploads/2020/01/Presentasi-Final-Film_SMRC_rev.pdf)

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## 2.4 The wider potential impact of Indonesia's screen industry

Increasing **international viewing** of Indonesian content abroad is driven by the following three factors<sup>19</sup>:

1. **In recent years, film festivals have exhibited more Indonesian films than in the past, which has facilitated** interaction between film professionals and investors around the world. Through film festivals, Indonesian films have greater visibility which allows them to demonstrate their quality and in turn attract potential funders and/or potential partners for projects.<sup>19</sup> This can be seen in the case of *Penyalin Cahaya* (Photocopier) which gained popularity after being shown at the Busan Film Festival in 2021. The film later became popular in several countries, including Malaysia, Singapore and Brazil.
2. **Co-production and licensing of local content by notable international OCC players** such as Netflix, Disney+, or Amazon Prime Video now provides access to Indonesian content for a worldwide audience. These players also provide

training and experience for local crews, and networking opportunities for talent. Government incentives, such as the USD 10 million (Rp 159 billion) film grant provided by the Indonesian Cultural Endowment fund, are expected to further promote such collaboration, thus pushing more co-produced Indonesian content to the global market.<sup>21</sup>

3. **Many films harness local folklore and cultural heritage.** For example, the Silat martial arts film genre is now internationally recognized as an Indonesian speciality,<sup>19</sup> having been popularised by the 2011 film *The Raid* (directed by Gareth Evans) - international audiences were hooked by the film's realistic kinetic action sequences.<sup>22</sup> The film has been praised for its storytelling and portrayal of Pencak Silat. Having grossed approximately USD 9.3 million (Rp 150 billion) overseas, it remains one of the most emblematic Indonesian action films of the modern era for film producers and enthusiasts.<sup>22</sup>

<sup>19</sup> Barker, T., 2021, Market transnationalisation of the Indonesian screen industries, Saw Swee Hock Southeast Asia Centre (SEAC) of the London School of Economics and Political Science (LSE): <https://blogs.lse.ac.uk/seac/2021/10/20/market-transnationalisation-of-the-indonesian-screen-industries/>

<sup>20</sup> Saiful Mujani Research & Consulting, 2019, Siapa yang Menonton Film?, [https://saifulmujani.com/wp-content/uploads/2020/01/Presentasi-Final-Film\\_SMRC\\_rev.pdf](https://saifulmujani.com/wp-content/uploads/2020/01/Presentasi-Final-Film_SMRC_rev.pdf)

<sup>21</sup> Wong, S., Screen Daily, 2023, Indonesia launches \$10m co-production film fund (exclusive), <https://www.screendaily.com/news/indonesia-launches-10m-co-production-film-fund-exclusive/5182137.article>

<sup>22</sup> Brajer, J., Here's What Makes The Raid One of the Best Action Movies of All Time, <https://movieweb.com/the-raid-best-action-movie/>

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Other examples of **acclaimed Indonesian films and TV shows** below are believed to have the potential to elevate Indonesian culture and propel the entire screen industry to international prominence:

- *KKN Desa Penari* (2022) or *Student Study Service in Dancer's Village* has been praised for its storyline and performances rooted in authentic mystical folklore. It became the highest-grossing Indonesian film in history in only the first 25 days of its theatrical release, setting a new box office record across Indonesia, Malaysia, Singapore, and Brunei.<sup>23</sup>
- *Gadis Kretek* (2023) or *Cigarette Girl* is an intergenerational period drama praised for its feminist perspective. It received an IMDB rating of 8.3/10 and was ranked in the Global Top 10 Netflix list for non-English TV shows for two consecutive weeks from November 6 to 18, 2023.<sup>24</sup>

The screen industry can also stimulate economic activity in other sectors – an effect referred to as non-transactional spillover. One example is film-induced tourism - an increase in tourism at locations featured in successful screen productions.<sup>25</sup> The screen industry's non-transactional **spillover effects on tourism** have been extensively documented in academic literature, and it is something that government, industry players, and local businesses have started to capitalize on.

The series *Game of Thrones*, for example, led to increased tourism at filming locations in Northern Ireland and Croatia<sup>26</sup> while *The Lord of the Rings* alone is believed to have led to a 50% increase in tourism for New Zealand, worth NZD 33 million (Rp 310 billion) a year.<sup>27</sup>

<sup>23</sup> MD Pictures Tbk News, 2022, <https://www.prnewswire.com/news-releases/kkn-di-desa-penari-curse-of-the-dancing-village-indonesias-biggest-film-in-history--is-coming-to-america-301631902.html>

<sup>24</sup> IMDB, 2023, *Cigarette Girl*, <https://www.imdb.com/title/tt21279114/>

<sup>25</sup> Beeton, S., 2005. Film-induced tourism. *Multilingual Matters*.

<sup>26</sup> Gómez-Morales, B., Nieto-Ferrando, J. and Sánchez-Castillo, S., 2022. (Re) Visiting Game of Thrones: film-induced tourism and television fiction. *Journal of Travel & Tourism Marketing*, 39(1), pp.73-86.

<sup>27</sup> Pinchefskey, C., 2012, The Impact (Economic and Otherwise) of Lord of the Rings/The Hobbit on New Zealand, *Forbes Magazine*,

<https://www.forbes.com/sites/carolpinchefskey/2012/12/14/the-impact-economic-and-otherwise-of-lord-of-the-ringsthe-hobbit-on-new-zealand/?sh=8dc3c8531b68>

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Two examples below highlight the potential for positive spillover effects from Indonesian films:

- *Laskar Pelangi* or *The Rainbow Troops* (2008) had a positive impact on the hospitality industry on Belitung island.<sup>28</sup> It contributed to long-term growth in tourism, including a rise of 20% in regional hotel occupancy between 2007 and 2009 due to an increase in tourist arrivals, which coincided with the release of the film.<sup>29</sup>
- *Ngeri Ngeri Sedap* or *Missing Home* (2022) depicted iconic sights in North Sumatra and Lake Toba. It was praised and officially promoted by the MTCE and Minister Sandiaga Uno as elevating Batak customs and culture in the public interest.<sup>30</sup> Although there are no official statistics, it is assumed that it produced a similar impact in tourism to the *Laskar Pelangi* case study due to an alleged rise in tourism in 2023.<sup>31</sup>



<sup>28</sup> Boediarto, Y.M., 2022. Analisis Proses Kreatif Film Laskar Pelangi dan Efek Multiplier Pada Pariwisata Provinsi Bangka Belitung. *PARAHYANGAN ECONOMIC DEVELOPMENT REVIEW*, 1(2), pp.152-163.

<sup>29</sup> Badan Pusat Statistik, 2010, Tingkat Penghunian Kamar Hotel (Persen), Pariwisata, <https://www.bps.go.id/indicator/16/282/6/tingkat-penghunian-kamar-hotel.html>

<sup>30</sup> koridor.co.id, 2022, Peran film Ngeri-Ngeri Sedap sebagai “storynomics tourism”. Menimbulkan efek berganda yang salah satunya meningkatkan jumlah wisatawan, <https://koridor.co.id/rehat/peran-film-ngeri-ngeri-sedap-sebagai-storynomics-tourism-menimbulkan-efek-berganda-yang-salah-satunya-meningkatkan-jumlah-wisatawan/>

<sup>31</sup> MC KAB TOBA, 2023, Kunjungan Wisata ke Toba Semakin Meningkat, <https://infopublik.id/kategori/nusantara/718749/kunjungan-wisata-ke-toba-semakin-meningkat>, InfoPublik

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## 2.5 Key challenges facing the Indonesian screen industry

Despite the significant opportunities the Indonesian screen industry presents, there are some barriers that hamper its development:

- **The lack of a generally recognized definition and scope** of the screen industry impedes efforts to collect reliable data and to measure the output and productivity of each part of the value chain.<sup>32</sup> The screen industry is defined as part of the **country's broader creative economy** and the preferred definition of particular stakeholders may contain some overlaps between the **16 different segments**: such as apps and game development, visual communication design, advertising, and performing arts, among many others.<sup>9</sup>
- **Limited workforce size and lack of skills** constrain the number and quality of new productions in a highly-innovative and constantly changing industry. There is a need for increased availability and improved quality of formal education covering new techniques such as digital production,<sup>33</sup> as well as more on-the-job training opportunities on-set.<sup>34</sup>
- **Limited infrastructure** increases the cost of production, and **reduces opportunities for the distribution** of works in the screen industry. Production infrastructure includes studios and post-production facilities, as well as cloud-based tools supporting virtual work.<sup>35</sup> Distribution infrastructure includes cinema screens, which are capital intensive and higher risk investments, with cinema tickets still being too costly for some.<sup>36</sup>

<sup>9</sup> PwC, Omdia and IMF, 2023, Perspectives from the Global Entertainment & Media Outlook 2023–2027 - Resetting expectations, refocusing inward and recharging growth. PwC Global, <https://www.pwc.com/gx/en/industries/tmt/media/outlook/insights-and-perspectives.html>

<sup>32</sup> PwC and LPEM FEB UI Analysis, 2023, FGD event – The Economic Impact Assessment of screen industry in Indonesia

<sup>33</sup> Mardianto, Hastuti, Husada, and Andriawan, 2019, Comparative Analysis of The Competitiveness between Indonesian Movies against International Movie, as a Reference in Developing Indonesia's Cinema and Curriculum about Cinematography, [https://www.ijicc.net/images/Vol\\_5\\_Iss\\_3/41\\_Hastuti\\_P685\\_2019R.pdf](https://www.ijicc.net/images/Vol_5_Iss_3/41_Hastuti_P685_2019R.pdf), International Journal of Innovation, Creativity and Change. www.ijicc.net, Volume 5, Issue 3, 2019 Special Edition: Science, Applied Science, Teaching and Education

<sup>34</sup> Naswan I., 2023, BPI "Indonesian Film Board", Wajah Perfilman Nasional di Hari Film, [https://www.bpi.or.id/artikel-27-Wajah\\_Perfilman\\_Nasional\\_di\\_hari\\_film\\_nasional.html](https://www.bpi.or.id/artikel-27-Wajah_Perfilman_Nasional_di_hari_film_nasional.html)

<sup>35</sup> Ramachandran N., Variety Magazine, 2023, Indonesian Distribution in Focus at Busan Market, <https://variety.com/2023/film/asia/indonesian-distribution-busan-market-1235748486/>

<sup>36</sup> Pennington A., ScreenDaily News, 2017, The resolution war: is cinema falling behind home entertainment on innovation?, <https://www.screendaily.com/features/the-resolution-war-is-cinema-falling-behind-home-entertainment-on-innovation/5124023.article>

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- **Regulatory challenges**, including **weak enforcement of copyright laws**, can hinder the development of the screen industry and can encourage piracy.<sup>37</sup> **Bureaucratic paperwork** when applying for film permits or location access, or to bring in equipment and production workers can also affect productivity of the sector.
- **Limited funding for independent film projects**<sup>38</sup> can also impede the organic skill growth and development of the sector, as financing is typically channeled through large-scale production companies.



<sup>37</sup> Redfearn N., Rouse Insights, 2018, Local movies and piracy in Indonesia, <https://rouse.com/insights/news/2018/local-movies-and-piracy-in-indonesia>

<sup>38</sup> Indonesia Youth Foundation, 2023, The Challenges of Indonesian Cinema in Domestic and International Market: A Review On Indonesian Cinema, <https://indonesiayouthfoundation.org/the-challenges-of-indonesian-cinema-in-domestic-and-international-market-a-review-on-indonesian-cinema/>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## Chapter 3: Estimating the screen industry's economic impact

### 3.1 Approach and framework

An economic impact assessment is fundamental to understanding the overall economic benefit from further investment\* in the screen industry. Spending in the screen industry creates ripple effects across the supply chain, in both creative economy sectors and others, resulting in overall economic contributions that exceed the initial amount of investment.

Economic impact models measure the effect of investment in a particular sector along **three different dimensions**:

- **Direct impact**, generated by additional spending in the screen industry that represents economic output of the screen industry itself.
- **Indirect impact**, or supply chain impacts, generated by an increase in demand for goods and services from suppliers of the screen industry, and from the suppliers of those suppliers.
- **Induced impact**, generated by increased wages of employees in the screen industry and related sectors that lead to increased spending on goods and services in the economy.

*\*Investment in this study refers to added revenue in the industry which is treated as a stimulus to the industry*

**Figure 5: Total Economic Impact\*\***

**DIRECT IMPACT**

**INDUCED IMPACT**

**INDIRECT IMPACT**

**PROMOTIONAL SPILLOVER EFFECT**

\*\*This report is only estimating the Direct and Indirect Impact.

Source: LPEM FEB UI Analysis (2023)

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This study considers only the direct and indirect impact of investment in the screen industry, as induced impacts may result in double counting.<sup>39</sup>

Spending in the screen industry will also create spillover over effects such as film-induced tourism, increased sales of books that have been adapted into films, or increased streaming of music featured in TV series. Spillover effects are difficult to quantify but potentially represent a significant benefit to the overall economy.

Economic impact models known as Input-Output models quantify the economic benefit of additional spending in a given sector by estimating multipliers. A multiplier represents the ratio of the total increase in output generated to the initial increase in spending in a given sector.

- **Type I multipliers, or indirect impact multipliers**, which estimate the total direct and indirect impact of an increase in spending. For example, a multiplier of 1.2 would mean that an increase of Rp 1 of spending in a sector would result in a total of Rp 1.2 increase in economic contribution.

- **Type II multipliers, or induced impact multipliers**, which estimate the total direct, indirect, and induced impact of an increase in spending. This study does not consider induced impacts and therefore does not estimate Type II multipliers.

Multipliers measure three types of economic contribution:

- **Output, or expenditure**, which measures the value of goods and services based on the price paid to suppliers.
- **Gross Value Added (GVA)**, which measures the value of goods and services less the cost of intermediate goods. The GDP of a country is the sum of the GVA of each sector in the country's economy.
- **Employment**, typically measured on a full time equivalent basis.

Understanding the ripple effects of additional investment into Indonesia's screen industry, measured on this basis of direct and indirect impacts on output, GVA, and employment, can help shape policies aimed to maximize the potential economic benefits of the screen industry on the wider economy.

<sup>39</sup> Cambridge Econometrics, 2012, Assessing the Impacts of Academic Social Science Research: Modelling the economic impact on the UK economy of UK-based academic social science research, London School of Economics Public Policy Group

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## 3.2 Data and findings

This study is an economic impact assessment of the screen industry in Indonesia which, based on MTCE classification, consists of: 1) film, animation and video and 2) TV and radio. These sub-sectors are both defined as "work of cultural art functioning as social institutions and mass communication media", and would include all types of entertainment from film to TV shows, including activities from OCC. The study relies on the following three data sources:

- **MTCE 2014 Creative Economy Input-Output tables**, to estimate the screen industry multipliers. Input-Output ("IO") tables for economic impact modeling are updated infrequently, and these represent the most recent tables available for MTCE creative economy sectors. These IO tables are the most accurate and granular representation of the Indonesian screen industry, as other IO tables such as those provided by the OECD more recently in 2018 are a broader depiction of the creative economy's linkages.

- **MTCE data on GVA up to 2020, or contributions to GDP, of creative economy sectors.**
- **PwC's Global Entertainment and Media Outlook 2023-2027 (GEMO)**, to forecast the growth of the screen industry, using current MTCE data as the baseline. These forecasts do not consider any significant changes to the policy environment.



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The TV and radio sector is defined more broadly than the screen industry definition proposed above, so the data has been adjusted in two ways:

- The MTCE data is adjusted to exclude radio-generated GVA from the overall GVA of the TV and radio sector. Radio represents only 3% of the total.
- The MTCE data is also adjusted to remove the portion of TV and radio GVA based on advertising production. According to GEMO, this is approximately 63% of the total activity in the sector in Indonesia.

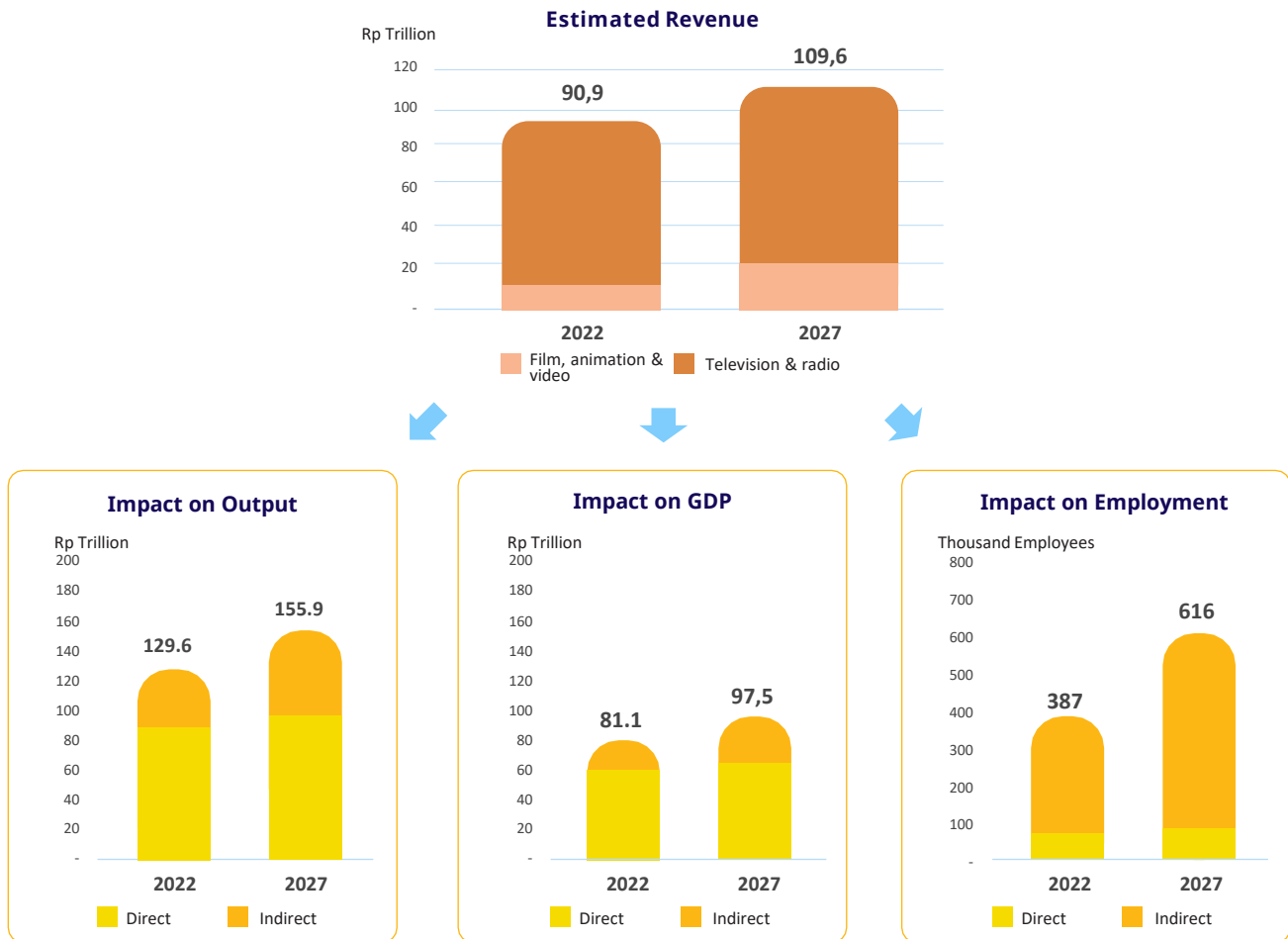
The study estimates the following output multipliers:

- The film, animation, and video sector has a multiplier of 1.38, meaning that additional investment of Rp 1 billion into the sector would result in a total of Rp 1.38 billion of increased output.
- The TV and radio sector has a multiplier of 1.43, meaning that additional investment of Rp 1 billion into the sector would result in a total of Rp 1.43 billion of increased output.



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Figure 6: Assessed impacts of the screen industry



Source: PwC and LPEM FEB UI Analysis (2023)-see page 18

Based on the MTCE GVA estimates and the future growth projections from GEMO, we estimate that the total revenue of the screen industry in 2022 was Rp 90.9 Trillion. This is projected to grow to Rp 109.6 trillion in 2027.

Based on this assessment, Indonesia's screen industry in 2022 resulted in a total economic impact of USD 8.2 billion (Rp 130 trillion) in output, USD 5.1 billion (Rp 81 trillion) in GVA, and 387,000 jobs. In 2027, the economic impact of the screen industry is projected to reach USD

9.8 billion (Rp 156 trillion) in output, USD 6.1 billion (Rp 98 trillion) in GVA, and 616,000 jobs.

The calculation of these impacts involves the following steps:

- First, the MTCE GVA estimates for the film, animation, and video sector and the TV and radio sector are converted to output using a GVA-to-Output ratio based on the 2014 MTCE IO table<sup>40</sup>, as this study uses an output multiplier to estimate the economic impact of the screen industry.

<sup>40</sup> Ministry of Creative Economy, 2014, Creative Economy Updating Input-Output table 2014 and PwC and LPEM Analysis

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- Second, the Type I multipliers derived above are applied to the output to calculate the total impact on output, including both direct and indirect impacts. This total impact on output is then converted to GVA using the same GVA-to-Output ratio to get the total impact on GVA. The impact on employment is also calculated using an Output-to-Jobs ratio constructed from the values of output provided from the 2014 MTCE IO table and 2014 Creative Economy employment data from the Central Statistics Agency (“BPS”).<sup>41</sup>

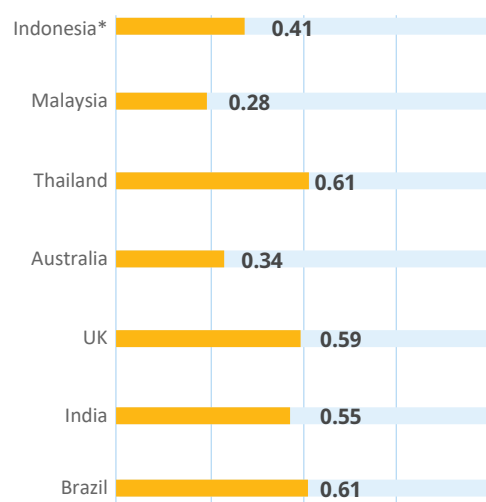
Finally, the results are aggregated across the two sectors to get the screen industry’s total impact on output, GVA, and employment.

The findings of this study highlight how the screen industry contributes to the broader Indonesian economy, as well as the potential for the increased spending created by additional investment in the sector to ripple through the supply chain. The screen industry is projected to continue to grow, and this will bring substantial impact on output and GVA. In addition, the screen industry has a particularly significant indirect impact on employment, with a higher multiplier for employment than for either output or GVA. Employment in the screen industry itself is highly productive, with higher GVA per worker than other creative economy

sectors, and investment in the screen industry also supports employment in sectors throughout the supply chain.

Nevertheless, there are opportunities to maximize the growth of the screen industry. For example, Indonesia’s screen industry currently contributes 0.41% of total GDP, which is ahead of Malaysia and Australia but behind Brazil and Thailand (both 0.61%). While multipliers are assumed to be constant in these projections, supportive policy measures have significant potential to increase investment in the screen industry and strengthen the linkages between the screen industry and other sectors in the supply chain to expand the potential impacts of that investment.

**Figure 7: Proportion of GDP impact attributable to the screen industry in Indonesia and other countries (%)**



Source: LPEM FEB UI (2023) and various literature (see Appendix)

\*The figure for GDP impact in Indonesia deviates significantly from the 0.82% of the GDP proportion cited on page 11 due to the exclusion of advertising and radio activities, and classification differences. Malaysia and Thailand figures were calculated using an IO tables for 2005 and 2010.

<sup>41</sup> Central Statistics Agency (Badan Pusat Statistik), 2014, Creative Economy Employment 2011-2016 and PwC and LPEM Analysis

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## Chapter 4: Possible policy initiatives to support the development of Indonesia's screen industry

### 4.1 Update and simplify regulations

Regulatory frameworks play a pivotal role in nurturing industry growth, and the screen industry is no exception. In Indonesia, there is a growing need to refine and update regulatory measures, considering industry dynamics and international best practices, to support and advance the screen industry's growth. Key areas for regulatory improvement include promoting film and TV production, enhancing workforce capabilities, and encouraging long-term investments in film and TV infrastructure and international collaboration. The components are all interconnected and should be considered holistically by the government and private sector.

- **Streamline administrative production processes** including permits and location access.<sup>42</sup> For example, creating a **“one-stop shop”** to provide a single point of contact for processing regulatory applications and permits and coordinating government services and support for production would save time and resources and increase productivity. This could leverage the existing Online Single Submission (OSS) system.<sup>42</sup>

- **Improve Intellectual Property (IP) enforcement for film and TV content.** It has been governed by the Copyright Act of 2014, and Indonesia has taken steps to improve its IP enforcement since then, such as the establishment of an interagency antipiracy task force within the government, which has shut down 392 illegal film websites since 2015. However, concerns remain regarding the ability of foreign right holders to benefit from the system, and Indonesia has issued implementing regulations to the 2009 Film Law that further restrict foreign participation in the film industry. Despite these efforts, online piracy remains a concern in Indonesia, with filmmakers losing more than USD 290,000 (Rp 4 billion) for each film that gets pirated, and the recording industry losing up to USD 0.9 billion (Rp 14 trillion) a year from illegal downloading. To address these issues, Indonesia would need to develop and fully fund a robust and coordinated IP enforcement effort.<sup>43</sup>

<sup>42</sup> The Jakarta Post, 2019, Minister wants to relax permit procedure for filming in Indonesia, <https://www.thejakartapost.com/travel/2019/11/09/minster-wants-to-relax-permit-procedure-for-filming-in-indonesia.html>.

<sup>43</sup> Gema A., J., 2018, The Jakarta Post, Intellectual property rights: Indonesia can win the war on online piracy, <https://www.thejakartapost.com/academia/2018/05/03/intellectual-property-rights-indonesia-can-win-the-war-on-online-piracy.html>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

- **Review and address obstacles to the implementation of IP-based financing**, including establishment of a public database on IP assets<sup>44</sup> and incorporation of an IP valuation standard into Indonesian Valuation Standards. While the basic framework has been passed by the government for financial institutions to provide IP-based financing to creative sectors<sup>45</sup>, further policy initiatives are required to promote its standardization and universal access.
- **Provide supportive regulations to boost film-induced tourism** through collaborative partnerships between local government entities and international production companies.<sup>46</sup> Film-induced tourism provides benefits to local businesses such as products and services development in the form of tours, exhibitions, and merchandise tailored to visitors interested in the film's locations, as well as creation of new job opportunities in the hospitality, retail, and service sectors.
  - This includes establishing new Special Economic Zones (SEZs) as preferred filming locations. These SEZs offer production incentives, simpler permitting processes, and access to local resources that could be advantageous to filmmakers, making the locations more attractive and internationally competitive, and boosting tourism activity both regionally and internationally.<sup>47</sup>
  - Possible locations for these potential SEZs include **North Sumatra (Lake Toba), Flores (Labuan Bajo), Central Java (Borobudur), North Sulawesi (Likupang), and Lombok (Mandalika)** which are five destinations actively promoted by the MTCE as “super priority” destinations.<sup>48</sup>

<sup>44</sup> Assegaf Hamzah & Partners, 2023, Refresher on Government Regulation for IP-Based Financing Scheme, <https://www.ahp.id/refresher-on-government-regulation-for-ip-based-financing-scheme/>

<sup>45</sup> Government of Indonesia, 2022, Peraturan Pemerintah (PP) Nomor 24 Tahun 2022 tentang Peraturan Pelaksanaan Undang-Undang Nomor 24 Tahun 2019 tentang Ekonomi Kreatif, <https://peraturan.bpk.go.id/Details/216815/pp-no-24-tahun-2022>

<sup>46</sup> Liu, Y., Chin, W. L., et al., 2020, Framing Film-Induced Tourism into a Sustainable Perspective from Romania, Indonesia and Malaysia, Framing Film-Induced Tourism into a Sustainable Perspective from Romania, Indonesia and Malaysia, <https://www.mdpi.com/2071-1050/12/23/9910> (link as of 13 November 2023)

<sup>47</sup> Medina F., 2023, Incentives for Doing Business in Indonesia, <https://www.aseanbriefing.com/news/an-introduction-to-special-economic-zones-in-indonesia/>

<sup>48</sup> Ministry of Tourism and Creative Economy, 2021, 5 Destinasi Super Prioritas, <https://info5dsp.kemenparekraf.go.id/>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## 4.2 Reskilling and upskilling of film talent

- **Invest in high-quality education and vocational training programmes** to develop the skills needed to grow the industry and increase workforce diversity, including through public-private partnerships:
  - **Enhance film education** by combining **in-depth academic teaching** with **practical, technology-focused training**. This approach includes recruiting highly skilled and experienced faculty members, updating curricula to reflect current industry trends, providing facilities equipped with modern technology, and implementing a traineeship system with active involvement from the business sector.<sup>49</sup>
- **Investment in established film communities** is important to the Indonesian film industry because they support the film ecosystem by increasing film literacy, knowledge and skills for talent working in the screen sector. There are currently 79 film communities and they help foster the film literacy of their members through networking events, workshops, FGDs.<sup>50</sup>
- **Offer financial support** for people from vulnerable social backgrounds, to support more diverse storytelling.<sup>51</sup>
  - The **Indonesian Cultural Endowment Fund** has so far put aside USD 10 million (Rp 159 billion) for a one-to-one matching fund to support co-production film projects as well as an **education endowment fund** of USD 8 billion (Rp 127 billion) to enhance the local film education infrastructure.<sup>52</sup>

<sup>49</sup> Dewi K., Atlantis Press, 2019, Indigenous Knowledge: Develop Cross-Cultural Literacy and Character of Indonesia in Multicultural Society

<sup>50</sup> BPI "Indonesian Film Board", Wajah Perfilman Indonesia: Laporan Konferensi dan Lokakarya Hari Film Nasional 2023 (link as of 21 August 2023)

<sup>51</sup> Bappenas, 2022, Media Nasional: Jiwa Muda Indonesia, Film Industry Development in Indonesia, [https:// www.jiwamudaindo.com/film-industry-development-in-indonesia/](https://www.jiwamudaindo.com/film-industry-development-in-indonesia/)

<sup>52</sup> Ramachandran, N., Variety, 2023, Indonesian Culture Minister Nadiem Makarim Launches \$13 Million Annual Film Grant, Reveals BiFan, Upline Agreements (EXCLUSIVE), <https://variety.com/2023/film/asia/indonesia-film-grant-cannes-1235614300/>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

- **The Indonesiana Fund**, which was established by the Ministry of Education, Culture, Research, and Technology and the Ministry of Finance, can be allocated to screen industry to further scale their businesses. The fund was launched in 2021, valued at USD 215 million (Rp 3 trillion).<sup>53</sup>
- **VIU Shorts+ program by VIU**, in collaboration with the Ministry of Tourism and Creative Economy, has successfully produced 33 talented young directors and more than 900 young creators in the content industry from 33 cities and districts throughout Indonesia.<sup>54</sup>
- **The Scriptwriting Masterclass by Netflix** in collaboration with the Ministry of Education, Culture, Research, and Technology, Indonesian Writers for the Big Screen (PILAR), and Telkom Group aims to develop creativity, and encourage participants to think outside the box during the scriptwriting process. The training was attended by 40 local scriptwriters or practitioners, including **Indonesiana** representatives sent by the the Ministry of Education, Culture, Research, and Technology .<sup>55</sup>
- **Netflix's Series Pitch Lab**, in collaboration with Jogja-NETPAC Asian Film Festival (JAFF) and the University of Southern California (USC), is a competition and creative workshop for young producers and writers who would like to practice how to pitch and produce a successful series . The aim is to develop young talent to produce high-quality local series. The Series Pitch Lab series of events also included a JAFF x Netflix Sharing Session which explored the journey and creative process behind the making of *Gadis Kretek*.<sup>56</sup>
- **Apresiasi Film Indonesia program by Rangkai.id**, in collaboration with the Ministry of Education, Culture, Research, and Technology , aim to showcase community-made films, and revive Indonesian scriptwriters and producers' creative spirits in production of new works.<sup>57</sup>

<sup>53</sup> Kementerian Pendidikan, Kebudayaan, Riset, dan Teknologi, Dana Indonesiana, <https://itjen.kemdikbud.go.id/web/apa-itu-dana-indonesiana-dana-abadi-kebudayaan/>

<sup>54</sup> Kumparan Travel, 2020, Kemenparekraf Dukung Budaya Lokal Indonesia Diangkat Lewat Film Pendek, <https://kumparan.com/kumparantravel/kemenparekraf-dukung-budaya-lokal-indonesia-diangkat-lewat-film-pendek-1trPC1G4kpn>

<sup>55</sup> Marvela, 2022, Netflix Writing Master Class 2022 Asah Kemampuan Penulis Indonesia, <https://seleb.tempo.co/read/1585177/netflix-writing-master-class-2022-asah-kemampuan-penulis-indonesia>

<sup>56</sup> Laraswaty, N., 2023, JAFF dan Netflix Berkolaborasi Mendukung Talenta Muda Perfilman Indonesia Melalui Series Pitch Lab, <https://cinemags.org/jaff-dan-netflix-berkolaborasi-mendukung-talenta-muda-perfilman-indonesia-melalui-series-pitch-lab/>

<sup>57</sup> Presentasi Publik Apresiasi Film Indonesia Jogja-NETPAC Asian Film Festival ( JAFF ), <https://jaff-filmfest.org/public-presentation-apresiasi-film-indonesia/>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

- **Supporting programs that offer vocational training**, notable examples include:

- The **USAID - Partnerships for Productivity (PADU) program**, which aims to enhance **vocational training** through public-private partnerships in Indonesia with national and subnational vocational training institutions called *Balai Latihan Kerja* network in targeted provinces, empowering staff and training participants to effectively bridge training to job placement opportunities.<sup>58</sup>
- Additionally, the **German Federal Ministry for Economic Cooperation and Development** is supporting the Indonesian government in reforming the country's Technical and Vocational Education and Training (TVET) system to produce a skilled and competent workforce that meets the needs of the industry's rapid and disruptive evolution.<sup>59</sup>

- **Improve the competency standards for workers** in the screen industry by adding more professions to be standardized under the **National Work Competency Standards (SKKNI) system**. The competency certification process needs to be supported by the government in cooperation with the national film and TV profession associations through establishing a Professional Certification Body (*Lembaga Sertifikasi Profesi*) for specific areas of work, such as film crews, film educators, actors and animation.<sup>53</sup>

Hence, there is a need for more government and private sector intervention in creating pro bono training facilities. These facilities foster an environment where experienced professionals can share their knowledge, building a stronger and more interconnected industry.

<sup>53</sup> Bappenas, 2022, Media Nasional: Jiwa Muda Indonesia, Film Industry Development in Indonesia, [https:// www.jiwamudaindo.com/film-industry-development-in-indonesia/](https://www.jiwamudaindo.com/film-industry-development-in-indonesia/)

<sup>58</sup> Manurung E., Mursida L., USAID, 2023, USAID PADU: Enhancing Vocational Training via Private Sector Partnership, <https://www.usaid.gov/indonesia/fact-sheets/enhancing-vocational-training-private-sector-partnership>

<sup>59</sup> GIZ, 2023, Reforming Indonesia's Technical Vocational Education and Training System, <https://www.giz.de/en/worldwide/123970.html>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## 4.3 Increase infrastructure capacity in the screen industry

- **Streamline approvals for new cinemas.**<sup>60</sup>
- **Subsidize, incentivize** (e.g. with tax concessions) or otherwise support access to studio space, virtual workstations and **production and post-production facilities** in general.<sup>61</sup>
- Optimize the role of the Art Council (Dewan Kesenian) in city-level governance. One of the best examples is the **revitalization of Taman Ismail Marzuki** with the support from Jakarta Art Council and Jakpro, a provincial regional government-owned enterprise which has enhanced film industry infrastructure for Jakarta.<sup>62</sup> The revitalization of the **Keong Emas IMAX cinema** also proved to be successful in continuously contributing to the cultural enrichment of the community. It successfully preserved the historical architecture and heritage while adapting to modern audience expectations.<sup>63</sup>
- Establish **film incubation workshops** and take the opportunity to partner with well-established film schools outside Indonesia to conduct **bespoke courses and masterclasses**, through the following examples:
  - **In-Docs**, an institution based in Indonesia, creates talent development and incubation programs for Southeast Asian documentary projects, aiming to connect these documentaries with the international industry and provide impact strategies to reach targeted audiences.<sup>64</sup> Additionally, **Docs by the Sea Incubator** is another program that helps Southeast Asian documentary projects reach a wider audience by providing support in storytelling, editing, and producing skills.<sup>65</sup>

<sup>60</sup> Charra, M., 2020, Evaluating entertainment tax Indonesia, <https://www.fkpindonesia.org/summary-report/evaluating-entertainment-tax-indonesia>

<sup>61</sup> ILO, 2022, Indonesia's tax deduction programme to attract more industries involved in apprenticeship,

[https://www.ilo.org/jakarta/info/public/pr/WCMS\\_725535/lang--en/index.htm](https://www.ilo.org/jakarta/info/public/pr/WCMS_725535/lang--en/index.htm)

<sup>62</sup> Sunyoto M., Antara- Indonesian News Agency, 2020, Taman Ismail Marzuki -- sweet escape in hectic Jakarta, <https://en.antaranews.com/news/141630/taman-ismail-marzuki-sweet-escape-in-hectic-jakarta>

<sup>63</sup> The Stephen Low Company, 2019, Jakarta Opens Volcanoes of the Deep Sea, <https://www.stephenlow.com/jakarta-opens-volcanoes-of-the-deep-sea/>

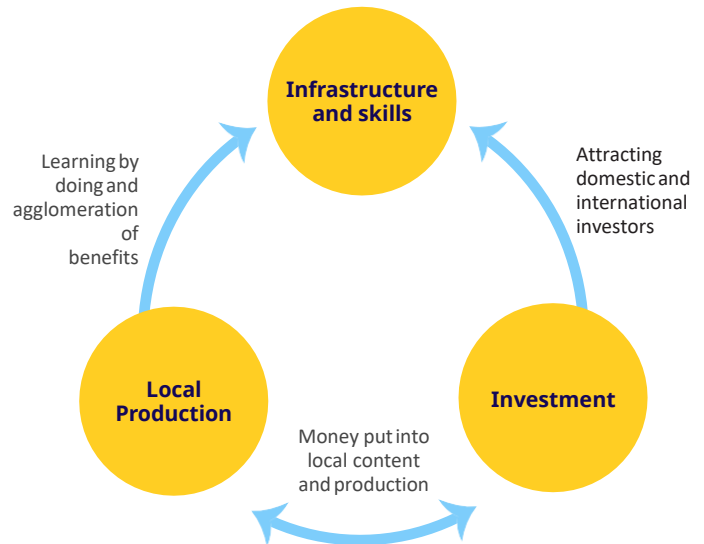
<sup>64</sup> Yayasan Masyarakat Mandiri Film Indonesia, 2023, About In Docs, <https://in-docs.org/about/>

<sup>65</sup> Yayasan Masyarakat Mandiri Film Indonesia, 2023, Docs by the sea incubator, <https://in-docs.org/docs-by-the-sea-incubator/>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

- **Objectives Short Film Incubator** is a mentorship program open to Southeast Asian filmmakers working on short film scripts, providing selected participants with valuable mentorship and a support network.<sup>66</sup>
- **ASEAN–Korea Film Leaders Incubator FLY2023** offers an intensive filmmaking workshop, special lectures, and small group mentoring sessions to support film talent development. These initiatives demonstrate the potential for collaboration between various organizations to foster the growth of the film industry and talent in the region.<sup>67</sup>

Figure 8: Cycle of investment and skills



Source: Frontier Economics (2021)



<sup>66</sup> Objectifs, 2023, Short Film Incubator 2023 Participants, <https://www.objectifs.com.sg/objectifs-short-film-incubator-2023-participants/>

<sup>67</sup> Asia-Europe Foundation, 2023, ASEAN–Korea Film Leaders Incubator FLY2023, <https://culture360.asef.org/opportunities/aseankorea-film-leaders-incubator-fly2023/>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

## 4.4 Offer incentives to attract global and local investors to the screen industry

- Offer **incentive schemes in the form of tax incentives or cash rebates** for expenditures related to production, shooting location or special effects. The end-goal is to make Indonesia more attractive as a destination for investment in screen industry.<sup>68</sup>
- Offer **grants and affiliated sponsorships**<sup>68</sup> to local industry players to encourage more participation by those in the industry and the showcasing of their knowledge and originality:
  - Host local film festivals
  - Host filmmaking competitions

For winners of these local film festivals and filmmaking competitions, more participants can be incentivized with large cash prizes to fund

their local productions. Additionally, the winners could be given extra assistance through access to technical resources, post-production facilities, and training courses to improve their filmmaking abilities.

These events showcase a diverse range of Indonesian cinema, providing opportunities for filmmakers, industry professionals, academics, and film enthusiasts to connect and engage in a dialogue about the past, present, and future of Indonesian cinema. In particular, the government took a step further to celebrate creativity, artistry, and cultural significance of Indonesian filmmaking in Festival Film Indonesia 2022, with the theme of “*Perempuan: Citra, Karya & Karsa*” , which highlighted women as the source of beauty and the birth of creative works by women.<sup>68</sup>

<sup>52</sup> The Stephen Low Company, 2019, Jakarta Opens Volcanoes of the Deep Sea, <https://www.stephenlow.com/jakarta-opens-volcanoes-of-the-deep-sea/>

<sup>53</sup> Suharto, Ruhman, 2022, Government committed to facilitating filmmakers to continue producing works <https://en.antaranews.com/news/261777/govt-committed-to-facilitating-filmmakers-to-continue-producing-works>

<sup>68</sup> Suharto, Ruhman, 2022, Government committed to facilitating filmmakers to continue producing works <https://en.antaranews.com/news/261777/govt-committed-to-facilitating-filmmakers-to-continue-producing-works>

# The Economic Impact of the Screen Industry in Indonesia – an opportunity

Regionally in South-East Asia, there are **production incentives frameworks** to attract investments. These have been introduced in a number of case studies:

- Thailand has increased their **cash rebate program**, increasing from 15% to **30%** and capped up to THB 75 million (Rp 32 billion) per film in the hopes of stimulating the economy by promoting tourism and the use of local inputs and labor in production.<sup>69</sup>
- **Singapore** also offers a similar rebate of up to **40% of qualifying costs** (manpower, equipment, IP, and professional services) through a **“Production Assistance” scheme** headed by the Infocomm Media Development Authority (IMDA).<sup>70</sup>

- In Malaysia, the **Film in Malaysia Incentive (FIMI)** is a **30% cash rebate** for both domestic and foreign producers on qualifying expenditures. Requirements for foreign investors include either setting Malaysia as the filming location, or a co-production with a local Malaysian film producer. A minimum production budget of MYR 5 million (16.7 billion Rp) is also required.<sup>71</sup>



<sup>69</sup> Fraser, P., 2023, Thailand Approves 30% Film Production Incentive, Aims to Remain a Competitive Location, Variety, <https://variety.com/2023/film/news/thailand-film-production-incentive-1235516809/>

<sup>70</sup> Infocomm Media Development Authority, 2020, Production Assistance (Film) Application Guidelines, [https://www.imda.gov.sg/-/media/Imda/Files/Industry-Development/Grants-and-Schemes/Guidelines-for-P-Assist-Film\\_Aug-2020.pdf](https://www.imda.gov.sg/-/media/Imda/Files/Industry-Development/Grants-and-Schemes/Guidelines-for-P-Assist-Film_Aug-2020.pdf)

<sup>71</sup> Film in Malaysia Incentives, Incentives Overview, <http://filminmalaysia.com/incentives/incentives-overview/>

# Appendix 1: KBLI classification related to the Indonesian screen industry

## Appendix 1.1 Understanding MTCE's definition of the screen industry

Two subsectors within the overall Indonesian Creative Economy make up the screen industry namely: Film, Animation, and Video, and TV and radio. The two identified subsectors consist of a broad scope of activities which encompass several detailed industrial classifications (KBLI) as portrayed in the figure below.

**Figure 9: KBLI classification of Film, Animation and Video sector**

52	Film, Animation and Video	38950	Motion picture film, exposed and washed, whether or not the soundtrack is incorporated or consisting solely of the soundtrack
		73320	Licensing services for original entertainment, literary and artistic use rights
		84331	Downloaded films and other videos
		84332	Streaming video content
		96121	Production services for films, videos, and TV shows
		96123	Motion pictures, video tapes, original TV and radio programmes
		96131	Audiovisual editing services
		96132	Master transfer and duplication services
		96133	Color correction and digital restoration services
		96134	Visual effects services
		96135	Animation services
		96136	Captioning, titling and subtitling services
		96139	Other audio-visual post-production services
		96140	Services for the distribution of films, videos, and TV shows
		96150	Services for the projection of moving images
		89123	Recording media playback services, on a fee or contract basis
		92919	Services for educational purposes and for courses/training, etc.

Source: Creative Economy Statistics by the Ministry of Tourism and Creative Economy "MTCE" (2021)

# Appendix 1: KBLI classification related to the Indonesian screen industry

**Figure 10: KBLI classification of TV and Radio sector**

<b>61</b>	<b>TV and Radio</b>	<b>96121</b>	Motion picture, video tape and TV programme production services
		<b>83632</b>	Sale of advertising time on TV/radio (except based on commission/rewards)
		<b>84611</b>	Original radio broadcast
		<b>84621</b>	Radio broadcast channel programming
		<b>84631</b>	Broadcasting services
		<b>84633</b>	Home programming (radio, TV) services, selected program packages
		<b>84190</b>	Other telecommunications services
		<b>84612</b>	Original TV broadcast
		<b>84622</b>	TV broadcast channel programming
		<b>84632</b>	Home programming (radio, TV) distribution services, basic programming packages
		<b>84634</b>	Home programming (radio, TV) distribution services, paid for each programme selected
		<b>96122</b>	Radio programme production services

Source: Creative Economy Statistics by the Ministry of Tourism and Creative Economy "MTCE" (2021)

# Appendix 1: KBLI classification related to the Indonesian screen industry

## Appendix 1.2 Constructing a definition of the industry for this study

The lack of a single universally-accepted definition of “the screen industry” has caused confusion for industrial classification and analysis; this makes it difficult for policymakers to formulate policies for the industry. To maintain the focus of this study, it was important to provide a definition of the screen industry, based on the literature and comparisons of different countries. Some commonly-defined segments, such as **film and TV, are almost universally included** within the scope of the screen industry, while other segments such as video games, or complementary and dependent industries such as merchandising and other support services related to film and TV production, may or may not be defined as part of the “screen industry” in different countries.

**Figure 11: Benchmarks for “Screen Industry” definition in six selected countries**

Country	Film	TV	Animation	Video Games	Merchandising	OCC
New Zealand	●	●	●			●
Australia	●	●	●	●	●	●
UK	●	●		●	●	●
Canada	●	●	●			●
India	●	●	●			●
Indonesia	●	●	●		●	●

Source: Various sources

In New Zealand, the screen industry includes “all film, video, TV, commercial, music video, and non-broadcast media activities in production (including pre-production), post-production, distribution, exhibition, and broadcasting.”<sup>1</sup>

The category excludes any “business that primarily undertakes activities not directly related to the process of making or screening a screen production from the population.”

### Appendices citation:

<sup>1</sup> Stats New Zealand , 2018, Screen Industry Survey New Zealand, <https://www.stats.govt.nz/information-releases/screen-industry-201718>

# Appendix 1: KBLI classification related to the Indonesian screen industry

This definition also excludes any indirect production support services, such as accommodation, catering, administration, and acting schools, among others.

Digital gaming and commercials are generally excluded, although the sectors identify and acknowledge strong interrelations. This rigid definition is due to the statistical definition of the screen industry that was generated based on surveys.<sup>2</sup>

In Australia, the screen industry is much more broadly defined. According to the State of Victoria's screen, creative and economic development agency Vic Screen, the screen industry is defined as including any "Persons, companies, associations, and other entities which are involved in production, exhibition, or critical analysis of products designed to be viewed on a screen."<sup>3</sup>

In the Australian state of Queensland, the definition of the screen industry includes "all indirect supporting services and activities", including catering and accommodation, gaming and supporting services.<sup>4</sup>

In the UK, the screen industry is defined as the "full supply chain: production (film, TV), suppliers (camera, lighting, studios), freelance crew, distribution (including digital) and exhibition and platforms."<sup>5</sup>

In Canada, the screen industry is referred to as "the comprehensive film and TV value chain which consists of production, distribution, broadcasting (including on-demand services), and exhibition."<sup>6</sup>

In Indonesia, the closest definition of the term "screen industry" is the definition of "film", which is broadly defined in law. **Law of the Republic of Indonesia No. 33 of 2009 on Films** states that a film is defined as "a work of cultural art that is a social institution and a form of mass communication media created based on the rules of cinematography with or without sound and which can be shown".<sup>7</sup>

<sup>2</sup> Bealing, M., & Kriebel, T., 2017, The economic contribution of the screen industry, New Zealand Institute of Economic Research, <https://www.nzfilm.co.nz/sites/default/files/201712/NZIER%20report%20the%20Economic%20Contribution%20of%20the%20Screen%20Industry%2022%20November%202017.pdf>

<sup>3</sup> Vic screen Australia - Victorian Province of Australia's creative and economic screen development agency, 2021, Vic screen Glossary, <https://vicscreen.vic.gov.au/glossary>

<sup>4</sup> Business Queensland, 2022, Support for the screen industry in Queensland, <https://www.business.qld.gov.au/industries/science-it-creative/creative-industries/support-screen-industry>

<sup>5</sup> Caston, E., 2022, The screen advertising production industry: SIC codes and screen industries mapping. Media Industries, <https://doi.org/10.3998/mij.100>

<sup>6</sup> Canada Media Producers Association (CMPA), 2018, Economic Report on the Screen-Based Media Production Industry in Canada, <https://cmpa.ca/wp-content/uploads/2023/06/Profile-2022-English.pdf>

<sup>7</sup> Government of Indonesia, 2009, UU Nomor 33 Tahun 2009 tentang Perfilman, <https://peraturan.bpk.go.id/Details/38772/uu-no-33-tahun-2009>.

# Appendix 1: KBLI classification related to the Indonesian screen industry

Furthermore, a regulation of the Ministry of Tourism and Creative Economy (MTCE) provides a more specific definition, which comprises the two following sub-sectors:

**Film, Animation and Video** – defined by the MTCE as *“Artwork of moving images that contains various ideas or ideas in the form of audio-visual media, and in the process of making use of cinematographic principles”*.<sup>8</sup>

**TV and Radio** – defined as *“Creative activities which include the process of packaging ideas and quality information to the audience in sound and image formats that are broadcast to the public in a virtual form regularly and continuously”*.<sup>8</sup>.

However, both sub-sectors encompass a variety of standardized industrial classification codes (KBLI) which also include other activities outside the screen industry, such as radio, making the definition loose and broad. As a result, defining the scope of the screen industry was one of the largest challenges in this study. Nevertheless, these two sub-sectors serve as proxies for the screen industry in Indonesia, and form the basis for the Economic Impact Assessment.



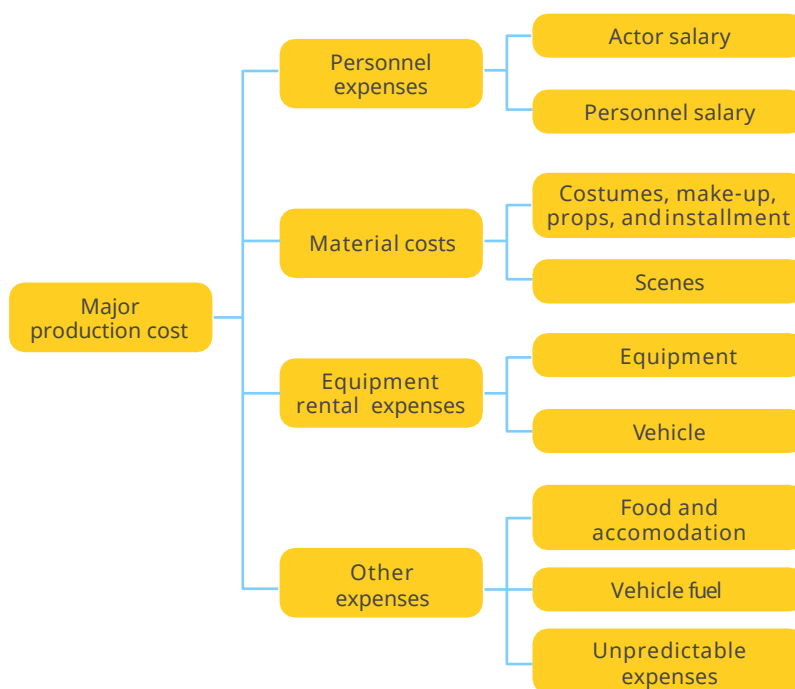
<sup>8</sup> Durmasema, A.R., 2020, Creative Economic Statistics, Ministry of Tourism and Creative Economy.  
[https://api2.kemendparekraf.go.id/storage/app/resources/Statistik\\_Ekraf\\_2021\\_rev01\\_isbn\\_3d826fedcb.pdf](https://api2.kemendparekraf.go.id/storage/app/resources/Statistik_Ekraf_2021_rev01_isbn_3d826fedcb.pdf)

# Appendix 2: Market champions and key local players in the value chain

## Appendix 2.1 Film Production Process

In Indonesia, films are generally produced through a **combination of capital, labour, and entrepreneurship** between the major production houses, smaller production houses, and even standalone individual producers. The roles and responsibilities of each player vary. Smaller producers might initiate a film project's development, conception, and onsite management. Meanwhile, **major production houses would provide the bulk of the financing**. Alternatively, a major producer might take a dominant general management role throughout the entirety of the project. Producers may also take concurrent roles as directors and scriptwriters, as acclaimed producer/director Joko Anwar often exemplifies.

**Figure 12: Estimating the production costs for making films flowchart**



Source: Lu (2019)

Figure 12 highlights the usual production costs for making films. The filmmaking process requires a synergy of various agents across several sectors, which leads to the involvement of a broad supply chain in the economic activities.

The cost of paying actors and personnel generally accounts for **35%-60% of the total cost** (varying depending on popularity of the actors).<sup>9</sup>

Production costs are made up of several fixed and variable costs in production including “unpredictable” expenses which creates significant budgeting challenges. As a result, cost overrun is perhaps one of the most common issues in a film production.

<sup>9</sup> Lu, X., 2019, A study on the cost of production in film project management: Taking small-budget films in China as an example. Open Journal of Social Sciences, <https://www.scirp.org/journal/paperinformation?paperid=90995>

# Appendix 2: Market champions and key local players in the value chain

## Appendix 2.2 Broader Ecosystem

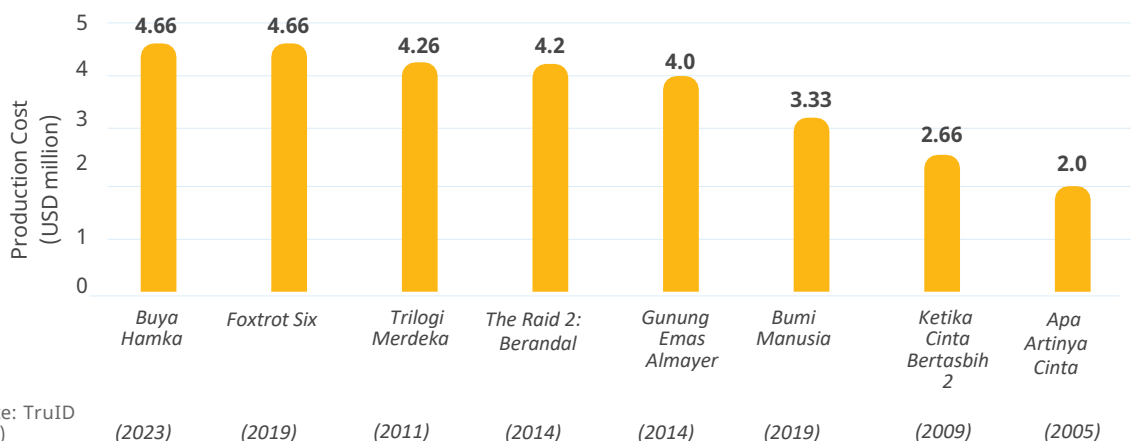
The success of a film encompasses various interconnected elements from the development stage through the finishing stage. Among the essential factors are securing funding for the films, providing aspiring actors training at good acting institutions, and selling merchandise. These interconnected elements help to refine the quality of each element and contribute to each element's success.

Producers in Indonesia traditionally allocate 10 – 20% of the film's total budget for marketing. In Hollywood, major film studios have an annual marketing budget that will be shared based on the market potential of the films they marketed that year. With this marketing and distribution support, they can maximise each film's market potential.<sup>10</sup>

The production costs of an Indonesian film typically range between USD 140,000 – USD 1,600,000 (Rp 2 billion – Rp 25 billion), with high- budget films costing above USD 4 million (Rp 60 billion). Meanwhile, low-budget films are typically independent productions with a budget range from USD 7,000 – USD 66,000 (Rp 100 million – Rp 1 billion).<sup>10</sup>

Funding schemes also come from the government in the form of subsidies. Indonesia's Ministry of Education, Culture, Research and Technology and Ministry of Tourism and Creative Economy have each launched a grant scheme to support national film productions and international promotion and distribution activities through a national cultural endowment fund.<sup>11</sup>

**Figure 13: Production cost of selected Indonesian films for comparison**



Source: TruID (2022)

<sup>10</sup> Boediman, Andi, 2017, Ideosource Film Fund, Siap Mendanai Sineas Indonesia: Investasi di Ekosistem Industri Film: <https://medium.com/@andiboediman/ideosource-film-fund-siap-mendanai-sineas-indonesia-cc84b81e9233>.

<sup>11</sup> Shackleton, Liz, 2023, Indonesia Launches Funding Scheme For International Co-Productions: <https://deadline.com/2023/05/indonesia-grant-scheme-international-co-productions-1235370672/>.

## Appendix 2: Market champions and key local players in the value chain

The availability of acting schools and training programs has been instrumental in developing a more professional and skilled acting community in Indonesia. Several notable institutions such as Institut Kesenian Jakarta (IKJ), Didi Petet Acting School, Hollywood Acting School, Aura Entertainment, and Pena Artha Cinema School provide aspiring actors with formal training in acting principles, improvisation techniques, and character development.<sup>12</sup>

These institutions nurture talent, providing a foundation in acting techniques and fostering the professionalism of actors. However, not all actors in Indonesia have graduated from these acting institutions. Some actors hone their skills through practical experience on

film sets through informal training from experienced mentors to develop their talent.

As part of the creative economy, the film industry attracts major investors seeking to profit from the global film business. Within the industry, there are two distinct concepts: major labels (driven by profit) and indie labels (driven by pursuing idealistic themes). One of the main difference between the two types of film is that mainstream films typically have larger budgets and carefully calculated advantages and disadvantages, whereas independent films prioritise the material or screenplay over substantial funding. The table below shows important industry players in each of the production, distribution and exhibition value chains.

**Figure 14: Indonesian film industry players**

Indonesia Mainstream Film		
Production Chain	Distribution Chain	Exhibition Chain
Production House Media company Government	PT. Nusantara Sejahtera Raya PT. Falcon Pictures PT. Visinema Pictures PT. Starvision Plus PT. Soraya Intercine Films PT. Megatama Cineplex PT. Kharisma Starvision Plus PT. Teguh Bakti Mandiri Films	Cinema 21, Cinemaxx (21 Group) CGV Cinemas Platinum Cineplex New Star Cineplex
Indonesia Independent Film		
Production Chain	Distribution Chain	Exhibition Chain
Indie film community Government	N/A	Film festival Embassy Community University

Source: Putri, I. P.(2013-2017)

<sup>12</sup> Montri, Caesar, 2019, Tertarik jadi Aktor? Inilah Deretan Sekolah Akting Terbaik di Jakarta yang Harus Loopers Tahu!: <https://ilmupedia.co.id/articles/sekolah-akting-terbaik-di-jakarta/full>

# Appendix 2: Market champions and key local players in the value chain

## Appendix 2.3 Influence of international players

### Development, Pre-production and Production stages success stories

Japan and South Korea both have a **high-budget production process incorporating their respective local cultures**.

Japan in particular finds positive reception with adapting its productions from books and manga (“Japanese graphic comics”). In Japan, the 2016 film *Kimi no Na wa* with an estimated budget of JPY 370 million (Rp 40 billion), captured Japanese culture via a compelling story, exploring themes of identity and connection between two different Japanese citizens in different timelines.<sup>13</sup> The Japanese TV series *Samurai Gourmet* boasted a unique plotline of a recent retiree who had taken on a new lease on life by exploring local cuisine with the aid of an imaginary friend in the form of a Samurai, which was praised for its production value and amusing scriptwriting of what it means to retire from the gruelling life of a Japanese salary-man.<sup>14</sup>

*Alice in Borderland* followed a group of young people who find themselves transported to a parallel world where they must compete in dangerous games to survive.<sup>15</sup>

The series features stunning visuals and explores themes of identity, morality, and the consequences of our actions.<sup>15</sup>

Over the past decade, South Korea’s status has evolved to that of a content powerhouse with the popularity of its “*Hallyu*” TV dramas, film, and music.<sup>16</sup>

*Parasite*, with its production value of KRW 97.9 billion (Rp 1.14 trillion), has been praised for its cinematography, set design, and sound design.<sup>17</sup> The film's use of symbolism and metaphor for social commentary has also been noted as a highlight for its ability to tell a story of a stark divide in modern society that is deeply localized in the Korean context, but is also understood by global audiences.<sup>18</sup>

<sup>13</sup> Severino F., Silva F., 2023, International Journal of Event and Festival Management, International Journal of Event and Festival Management, The trend of Japanese pop culture and its differentiating approach through event tourism, <https://www.emerald.com/insight/content/doi/10.1108/IJEFM-01-2023-0001/full/html>

<sup>14</sup> Bliszczyk A., 2020, The Guardian, Netflix's Samurai Gourmet: hypnotically dreamy show makes kitchens feel like Neverland, <https://www.theguardian.com/culture/2020/apr/30/netflixs-samurai-gourmet-hypnotically-dreamy-show-makes-kitchens-feel-like-neverland>

<sup>15</sup> Greene S., 2022, Indie Wire, Netflix's Survival Drama 'Alice in Borderland' Is One of TV's Most Impressive Spectacles, <https://www.indiewire.com/criticism/shows/alice-in-borderland-season-2-review-netflix-show-1234794167/>

<sup>16</sup> JTA – International Trade Administration, 2023, South Korea – Country Commercial Guide, <https://www.trade.gov/country-commercial-guides/south-korea-entertainment-and-media>

<sup>17</sup> Andersen A., A Sound Effect, 2023, Perfecting Parasite's Award-Winning Sound – With Ralph Tae Young Cho, <https://www.asoundeffect.com/parasite-sound>

<sup>18</sup> Lee S., 2019, National Library of Medicine, Film as cultural diplomacy: South Korea's nation branding through Parasite (2019), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7786884/>

## Appendix 2: Market champions and key local players in the value chain

Echoing the success of *Game of Thrones*, *Arthdal Chronicles* became the first historical fantasy Korean drama set in antiquity and budgeted KRW 54 billion (Rp 630 billion) for its diverse shooting locations outside of Korea, computer graphics to create the fantastical elements, from costumes to large-scale and complex set designs.<sup>19</sup>

Similar to the premise of *Alice in Borderland*, *Squid Game* with a budget of KRW 25 billion (Rp 290 billion), was praised for its unique scriptwriting, detailing the unpredictable nature of life and the impact of capitalism on modern society, the gamification structure which created an exciting viewing experience, incorporation of Korean games, as well as the complex and varied production sets and design.<sup>16</sup>

Germany's **film production management**<sup>20</sup> **stands out** with 736 production studios situated

in key clusters, complemented by state-of-the-art facilities and highly skilled film crews. Furthermore, the annual budget of the regional film funding institutions amounts to over EUR 170 million (Rp 2.85 trillion), further cementing Germany's reputation as a film production powerhouse, and solidifying its leadership in film production management.<sup>21</sup>

Spain has become a popular production management destination for its screen industry, attracting both local and international productions. The Spanish government has the EUR 1.6 billion (Rp 26.90 trillion) "Audio-visual Hub of Europe" plan to boost production.<sup>22</sup>

Spain also has a **well-established network of film offices and commissions**, providing assistance with shoot requirements, location searches, tax incentives, work permits, and filming permits.<sup>23</sup>

<sup>16</sup> ITA – International Trade Administration, 2023, South Korea – Country Commercial Guide, <https://www.trade.gov/country-commercial-guides/south-korea-entertainment-and-media>

<sup>19</sup> Kim E., Korea JoongAng Daily, 2019, 'Arthdal Chronicles' is a big-budget fantasy epic: Set in ancient Korean history, humans and other races strive for power, <https://koreajoongangdaily.joins.com/2019/05/29/etc./Arthdal-Chronicles-is-a-bigbudget-fantasy-epic-Set-in-ancient-Korean-history-humans-and-other-races-strive-for-power/3063660.html>

<sup>20</sup> Wibowo, Rubiana and Hartono, 2022, A data-driven investigation of successful local film profiles in the Indonesian box office, Jurnal Manajemen Indonesia (Vol. 22(3), pp. 333-344, 2022) <https://journals.telkomuniversity.ac.id/ijm/article/view/4106/1947>

<sup>21</sup> Studio Babelsberg, 2023, Filming in Germany, <https://www.studiobabelsberg.com/en/services/filming-in-germany/>

<sup>22</sup> Carballosa, A., Spain Film Commission, 2022, How Spain became a hotspot for local and international productions, <https://www.screendaily.com/features/how-spain-became-a-hotspot-for-local-and-international-productions/5170848.article>

<sup>23</sup> Invest in Spain – ICEX, 2023, <https://www.investinspain.org/en/industries/audio-visual>

## Appendix 2: Market champions and key local players in the value chain

The maturity of the screen industry, its vast amount of talent and substantial technical resources for film and other related industries further contribute to Spain's success as a production hub.<sup>23</sup>

Thailand's screen industry stands out for its robust scenic and cultural diversity, as evidenced by its extensive contributions to various international productions.<sup>24</sup> The success of films like *The Beach* and *The Hangover Part II*, both partially filmed in Thailand, showcases the country's captivating landscapes and cultural richness. Since 2016, Thailand has played host to approximately 740 film productions, generating a total revenue of THB 4.86 billion (Rp 2.10 trillion), and demonstrating the industry's **ability to leverage its scenic diversity**.<sup>25</sup>

The picturesque locations, from bustling cities to idyllic beaches and historic temples, provide filmmakers with a versatile canvas for storytelling. This, coupled with a deep cultural heritage, positions Thailand as a preferred destination for filmmakers seeking a visually and culturally dynamic backdrop for their productions. On the other hand, Thai horror films have gained international recognition for their **unique blend of traditional Thai folklore, ghostly apparitions**, and gruesome storytelling. These films are able to tap into the consumer's subconscious, playing on their fears and anxieties, with themes such as religion and socio-political circumstances. Some famous titles include *Nang Nak*, *Shutter* and *Pee Mak*, of which the latter became the highest-grossing Thai film of all time upon its release.<sup>26</sup>

<sup>23</sup> Invest in Spain – ICEX, 2023, <https://www.investinspain.org/en/industries/audio-visual>

<sup>24</sup> Teirra, 2023, Third Culture, Thailand's breathtaking and diverse filming locations, <https://thirdcultureproductions.com/production/diverse-filming-locations-in-thailand/>

<sup>25</sup> Herrera J., 2023, LinkedIn, A Legal Overview Of Filming In Thailand And The Movie, <https://www.linkedin.com/pulse/legal-overview-filming-thailand-movie-industry-jose-herrera>

<sup>26</sup> Angelu, 2023, Thai Cinema and Entertainment: The latest film and TV trends, <https://thailandeventguide.com/thai-cinema-and-entertainment/>

# Appendix 2: Market champions and key local players in the value chain

## Post-production stage success stories

India's Bollywood genre is particularly known for **highly-rated and successful soundtracks**,<sup>20</sup> serving as a global cultural ambassador that reshapes perceptions of Indian cinema. Fuelled by a richly renowned music talent pool, these hit songs transcend borders, gaining international recognition and achieving impressive viewership and streaming numbers on many platforms. In addition to promoting Indian culture, Bollywood's music contributes significantly to the country's revenue, with Indian cinema's 2019 box office revenues surpassing USD 2.5 billion (Rp 39.8 trillion).<sup>27</sup>

Both Australia and New Zealand positioned themselves as premier destinations for **post-production and Visual Effects (VFX) expertise**.

The Location Offset and Location Incentive grant program is for location filming in Australia and the Post, Digital & VFX Offset is to attract work for Australian post-production, animation, and visual effects studios.<sup>29</sup>

New Zealand is widely regarded as one of the world's premier locations for screen production and post-production work. Wētā Workshop and Wētā FX from the city of Wellington helped create the world-famous film series such as *The Lord of the Rings*, *Avengers*, and *Avatar*.<sup>30</sup>

For example, Australia was successful in drawing industry giants such as Marvel Studios, Warner Bros, and HBO. The fiscal year of 2020-2021 witnessed a record-breaking USD 1.04 billion (Rp 16.6 trillion) in international film and television production in Australia, reflecting a notable 114% increase.<sup>28</sup>

<sup>20</sup> Wibowo, Rubiana and Hartono, 2022, A data-driven investigation of successful local film profiles in the Indonesian box office, Jurnal Manajemen Indonesia (Vol. 22(3), pp. 333-344, 2022) <https://journals.telkomuniversity.ac.id/ijm/article/view/4106/1947>

<sup>27</sup> Deloitte, 2019, Economic impact of the recorded music industry in India, [https://www2.deloitte.com/content/dam/Deloitte/in/Documents/technology-media-telecommunications/IMI%20report\\_singlePage.pdf](https://www2.deloitte.com/content/dam/Deloitte/in/Documents/technology-media-telecommunications/IMI%20report_singlePage.pdf)

<sup>28</sup> George S., ScreenDaily News, 2023, Australia records record-breaking international film and TV production spend, <https://www.screendaily.com/news/australia-records-record-breaking-international-film-and-tv-production-spend/5187659.article>

<sup>29</sup> AusFilm, 2023, Australian VFX: On Par With the World, <https://www.ausfilm.com.au/what-we-do/campaigns/australian-vfx/>

<sup>30</sup> 100% pure New Zealand, Wellington: Film Capital of New Zealand <https://www.newzealand.com/us/feature/wellington-film-capital-of-new-zealand/>

## Appendix 2: Market champions and key local players in the value chain

The screen sector has contributed more than NZD 3.5 billion (Rp 32.5 trillion) to the New Zealand economy each year and directly employs over 13,900 people.<sup>31</sup> In order to attract more domestic and international productions to help grow the economy, the New Zealand government confirmed a 20% rebate for post-production, digital, and visual

effects, as well as an additional 5% uplift rebate for international productions.<sup>31</sup> New Zealand's generous screen production incentives systems are expected to continue, following a review of both local and international production incentives as well as the post-production and visual effects schemes that began in late 2022.<sup>32</sup>



<sup>31</sup> New Zealand Government, 2023, Supporting a strong future for screen sector, <https://www.beehive.govt.nz/release/supporting-strong-future-screen-sector>

<sup>32</sup> Frater, P., 2023, Variety.com, <https://variety.com/2023/film/news/new-zealand-renews-film-tv-production-incentives-1235627977/>

# Appendix 2: Market champions and key local players in the value chain

## Distribution and Exhibition stages success stories

Japan and South Korea also have **highly targeted marketing campaigns** to ensure success for their local productions. They often use product placements, celebrity endorsements and appearances, as well as the beauty and emotional appeal of cultural and societal themes to persuade viewers to attend their local productions.

*Kimi no Na wa* captured revenue of JPY 43.4 billion (Rp 4.62 trillion), with its distributor, Toho, having implemented a clever marketing strategy to gain and maintain a huge fan base. It achieved the third-highest grossing Japanese film in Japan and worldwide. The film's impact extended beyond its commercial achievements for a record-breaking 12 non-consecutive weekends, influencing the future direction and works of its director, Makoto Shinkai and leaving a lasting cultural significance.<sup>33</sup>

The Korean film *Parasite* and the TV series *Squid Game* have both been successful in the global market. *Parasite* was the first non-English speaking film ever to win the “Best Film” Oscar in 2020<sup>34</sup> and *Squid Game* became Netflix's biggest global hit in 2021, with over 111 million viewers globally.<sup>35</sup>

Despite the main premise in both being a Korean cast playing a series of Korean “games” for survival, their commentary on social injustice — class divisions, financial inequality, and gender-related issues are explored in a simplistic way that resonates with the global audience.

Aside from the Korean Wave “Hallyu” having significantly contributed to the country's cultural influence and soft power, *Parasite* and *Squid Game* utilized two different promotion tactics.

<sup>33</sup> Hutchins R., ComicBook, 2023, *Kimi No Na Wa* Becomes Highest-Grossing Anime Film Ever, <https://comicbook.com/anime/news/kimi-no-na-wa-becomes-highest-grossing-anime-film-ever/>

<sup>34</sup> Chow A., Time Magazine, 2020, *Parasite's Best Picture Oscar Is Historic. Is This the Beginning of a New Era in Film?*, <https://time.com/5779940/parasite-best-picture-oscar/>

<sup>35</sup> Kim T.H., Kim H.J., The Hill, 2022, *South Korean celebration of 'Squid Game' Emmy wins subdued*, <https://thehill.com/homenews/ap/ap-entertainment/ap-south-korean-celebration-of-squid-game-emmy-wins-subdued/>

## Appendix 2: Market champions and key local players in the value chain

The marketing campaign by NEON, the US distributor of the film *Parasite* was instrumental in its success. NEON generated two trailers that did not reveal any content from the second half of the film and created an interlocking puzzle of images on the film's Instagram account to promote the film, which generated buzz and anticipation among viewers.<sup>36</sup> *Parasite* winning the Palme d'Or award at Cannes Film Festival further sealed the mystery and intrigue around the film. *Parasite* went on to gross over USD 267 million (Rp 4.25 trillion), won numerous international awards, and was made available in thousands of screenings.<sup>37</sup>

Meanwhile, *Squid Game* utilized viral social media strategy with countless memes, and visual hijackings that referred to situations in the series, piquing the audience's interest. Aside from YouTube media channels and late night shows covering the topic, many countries (including France, Philippines and South Korea) recreated some form of goods and services covering some of the iconic characters from *Squid Game*. Ironically, *Squid Game*, which attacks the excesses of capitalism, is generating a business frenzy as the game players' outfits (which include their Vans shoes) remain among the most popular Halloween costumes today.<sup>38</sup>

<sup>36</sup> D'Alessandro A., Deadline, 2019, 'Parasite' Crosses \$11M, On Its Way To Potential \$20M: How NEON Turned The Bong Joon-Ho South Korean Pic Into A B.O. Success, <https://deadline.com/2019/11/parasite-bong-joon-ho-box-office-marketing-success-1202781944/>

<sup>37</sup> Kay J., ScreenDaily News, 2019, How 'Parasite' became the highest-grossing foreign-language Palme d'Or winner in the US, <https://www.screendaily.com/news/how-parasite-became-the-highest-grossing-foreign-language-palme-dor-winner-in-the-us/5144850.article>

<sup>38</sup> Correia C., Guimarães B., Teixeira S., Springer, 2022, International Conference on Design and Digital Communication, Viral Marketing: How Squid Game Became the Most Watched Show on Netflix, [https://link.springer.com/chapter/10.1007/978-3-031-20364-0\\_48](https://link.springer.com/chapter/10.1007/978-3-031-20364-0_48)

# Appendix 3: Overview of Economic Impact methodology

## Appendix 3.1 Sectoral Multipliers

The preliminary results' multiplier output value generated for the Film, animation, and video sector is 1.38 (Type I), while the multiplier of the TV and radio sector is 1.43 (Type I).<sup>39</sup>

This study's estimated multiplier is quite similar to the 2019 Arinda's estimation,<sup>40</sup> however it is much lower than the 2014 Oxford Economics' estimation.<sup>41</sup> The difference is how Oxford Economics used different sources of data to calculate the multiplier, which proxied the output for creative industry using market research data adjusted to 2010 base prices, and included photography in the 'film, video, and photography' sector.

**Figure 15: Output multipliers for Film, Animation and Video and TV and Radio sectors for IO table**

Sector	Output Multiplier Type I
Film, Animation, and Video	1.38
TV and Radio	1.43

Source: Creative Economy Statistics 2014 IOT by "MTCE" (2020)

**Figure 16: Economic multipliers for Film, animation and video and TV and radio sectors (Oxford Economics study)**

**From Creative Economy study:**

Type I multiplier for 'Film, Video, and Photography'	2.23
Type I multiplier for 'TV and Radio'	1.97

**Oxford Economics assumptions and estimates**

Type I multiplier for 'Film' (including video)	2.23
Type I multiplier for 'TV - in isolation	1.97
Type I multiplier for 'TV' - adjusted to exclude estimated impact on and via 'film'	1.83

Source: Oxford Economics (2014)

**Figure 17: Economic multipliers for Film, animation and video and TV and radio sectors (Arinda study)**

No	Creative Industries	Output Multiplier	Ranking
1	Film, animation, and video	1.3793	14
2	TV and radio	1.4296	13

Source: Arinda (2019)

<sup>39</sup> MTCE, 2020, *Tabel Input Output Updating Ekonomi Kreatif 2014*, <https://www.scribd.com/document/395949597/180264-io-ekraf-pdf>

<sup>40</sup> Oxford Economics, 2014, *The economic contribution of the film and television industries in Indonesia*, [https://www.mpa-apac.org/wp-content/uploads/2014/08/Ind\\_film\\_tv.pdf](https://www.mpa-apac.org/wp-content/uploads/2014/08/Ind_film_tv.pdf)

<sup>41</sup> Marinda R., Novalia T., Arinda Study, 2019, *Emerging Creative Economy in Indonesia: Updating IO Table and Measuring Regional Contribution of Creative Economy*, [https://www.researchgate.net/publication/337334799\\_Emerging\\_Creative\\_Economy\\_in\\_Indonesia\\_Updating\\_IO\\_Table\\_and\\_Measuring\\_Regional\\_Contribution\\_of\\_Creative\\_Economy](https://www.researchgate.net/publication/337334799_Emerging_Creative_Economy_in_Indonesia_Updating_IO_Table_and_Measuring_Regional_Contribution_of_Creative_Economy)

# Appendix 3: Overview of Economic Impact methodology

## Appendix 3.2 Literature review pertaining to Impact assessment

**Figure 18: Various literature sources quantifying the economic impact of the screen industry in different countries**

Literature (Authors)	Methodology	Findings
<i>Australia &amp; New Zealand (SPI &amp; MPA, APAC, 2023)</i>	Using both Type I and Type II multipliers on input-output modeling by examining direct, indirect, and induced effects in terms of the output, GVA, and FTE jobs	Economic impact of the offset-supported production of the film and TV production during 2018/2019-2021/2022: <ul style="list-style-type: none"> <li>• Additional GVA: AUD 5.9 billion;</li> <li>• Job creation: 20,600 FTE jobs</li> </ul>
<i>United Kingdom (Oxford Economics, 2007)</i>	Using Type II multipliers to examine the indirect and induced impact on the UK economy from the core UK film industry	Economic impact of the core UK film industry in 2006: <ul style="list-style-type: none"> <li>• Additional GDP: GBP 4.3 billion;</li> <li>• Job creation: 94,700 jobs;</li> <li>• Revenue (gross of tax relief &amp; other fiscal support): GBP 1.1 billion</li> </ul>
<i>Indonesia (Oxford Economics)</i>	Using Type II multipliers which allows for the effects of both indirect supply chains and induced effects from wage spending from workers	Economic impact from film and TV industry in 2010: <ul style="list-style-type: none"> <li>• Additional GDP: Rp 7.6 billion;</li> <li>• Job Creation: 191,800 jobs;</li> <li>• Tax revenue: Rp 785 billion</li> </ul>
<i>Thailand (Oxford Economics)</i>	Using Thailand's 2010 input-output table accessed from the OECD and both Type I and Type II multipliers	Economic impact from film and TV industry in 2015: <ul style="list-style-type: none"> <li>• Additional GDP: THB 60.3 billion (0.4% percent);</li> <li>• Job creation: 55,200 jobs;</li> <li>• Tax revenue: THB 18.8 billion (0.8% of total domestic tax revenue)</li> </ul>
<i>Malaysia (Oxford Economics)</i>	Using the 2005 Malaysia IO table with 120-sectors and Type II multipliers in order for the indirect and induced effect from workers spending	Economic impact from film and TV industry in 2013: <ul style="list-style-type: none"> <li>• Additional GDP: RM 2,910 million;</li> <li>• Job creation: 10,994 jobs;</li> <li>• Tax revenue: RM 366 million</li> </ul>
<i>India (Deloitte, 2020)</i>	Using the 2015-2016 supply-use tables due to the problem in availability for IO table, and using both Type I and Type II multipliers	Direct economic impact from film, TV, and OVS industry in 2019: <ul style="list-style-type: none"> <li>• Additional GDP: USD 16.5 billion;</li> <li>• Job Creation: 848,000 jobs</li> </ul>
<i>Brazil (Tendências Consultoria Integrada, 2016)</i>	Using Brazil's 2013 IO model	Economic impact of audio-visual industry (film and TV) in 2013: <ul style="list-style-type: none"> <li>• Value added: BRL 18.6 billion;</li> <li>• Tax revenue: BRL 2.2 billion</li> </ul>

For the purpose of this study, Type II multipliers are not estimated due to the possible risk of double-counting.

# Appendix 3: Overview of Economic Impact methodology

Previous studies regarding the economic impact of the film and TV industries in Indonesia and other countries are illustrated in the above table. The findings suggest the use of the Type II multipliers with the use of the IO model as the main research method, since it will allow for examining the effects of both indirect and induced impacts of film industries on the desired economic variable.

Recognizing the lack of studies on the economic impact of the screen industry, our

comprehensive study attempts to bridge the gaps in literature and data which hopefully will earmark continued development, investment, and research into a relatively untouched field, with past studies such as the Oxford Economics study<sup>40</sup> relying only on macro-level data provided by the government. With the rise of OCC in recent years, the screen industry now covers a wider scope and will have a broader impact on the economy in areas not previously measured.



<sup>40</sup> Oxford Economics, 2014, The economic contribution of the film and television industries in Indonesia, [https://www.mpa-apac.org/wp-content/uploads/2014/08/Ind\\_film\\_tv.pdf](https://www.mpa-apac.org/wp-content/uploads/2014/08/Ind_film_tv.pdf)

# Appendix 3: Overview of Economic Impact methodology

## Appendix 3.3 Direct Output of the Screen Industry

Initially the value-added/GDP figures from the MTCE are converted into an output amount. This is achieved by dividing the GDP value by the corresponding GDP-to-output ratio obtained from the Input-Output ("IO") Table for each sector: film, animation, video, TV, and radio. The resulting output values are subsequently multiplied by output projections provided by GEMO, to estimate the amounts for years for which GDP data is unavailable and to generate future forecasts (2023-2027).

Additional steps are taken to exclude advertising. TV output is calculated by multiplying the estimated TV and radio output by the specific share allocated to TV activity alone. Within the TV sector, further analysis is conducted to determine the output value for a scenario without advertising. This involves adjusting the previously obtained TV output value to reflect the proportion of non-advertising activity derived from the segmental shares provided by PwC's GEMO. Advertising activities are estimated to account for around 63%. A similar approach is taken to exclude radio activities, using various sources of TV and radio stations.

**Figure 19: Estimated output for each of the two sectors of the screen industry**

Indicators	2022	2027
<b>GDP [Rp mn]</b>		
Film, Animation and Video	7,329	15,144
Television and Radio	145,791	58,586
<b>GPD-to-Output Ratio</b>		
Film, Animation and Video	66.53%	66.53%
Television and Radio	66.51%	66.51%
<b>Radio &amp; Advertising Share</b>		
Radio share	2.67%	2.67%
Advertising share	62.59%	62.59%
<b>Estimated output [Rp mn] Without Advertising</b>		
Film, Animation and Video	11,017	22,764
Television and Radio	79,829	86,835
<b>Total</b>	<b>90,845</b>	<b>109,599</b>

Source: MTCE Creative Economy Statistics (2021), PwC GEMO (2023), and PwC and LPEM FEB UI Analysis

# Appendix 3: Overview of Economic Impact methodology

This shows a comparison of TV and radio performance for local players - MNC Media and PT Mahaka Radio Integra to approximate the portion of radio's contribution in the TV and radio sector.

**Figure 20: TV and radio share of MNC Media and PT Mahaka Radio Integra in 2020**

Component	Revenue in 2020 (Rp billion)	Share (%)
Television		
MNC Media	7,956	45
<b>Estimated TV's total output</b>	<b>17,759</b>	<b>100</b>
Radio		
PT Mahaka Radio Integra	73	15
<b>Estimated Radio's total output</b>	<b>487</b>	<b>100</b>
<b>Estimated TV &amp; Radio output</b>	<b>18,246</b>	
TV	17,759	97
<b>Radio</b>	<b>487</b>	<b>3</b>

Sources:

Rocketreach, 2023, PT Media Nusantara Citra Tbk Information, [https://rocketreach.co/pt-media-nusantara-citra-tbk-profile\\_b4b964bcfb1c7ea3](https://rocketreach.co/pt-media-nusantara-citra-tbk-profile_b4b964bcfb1c7ea3)

Mahaka Radio Integra, 2019, Public Expose Minutes,

[https://www.idx.co.id/StaticData/NewsAndAnnouncement/ANNOUNCEMENTSTOCK/From\\_EREP/201906/d92c3f4a95\\_c976f749aa.pdf](https://www.idx.co.id/StaticData/NewsAndAnnouncement/ANNOUNCEMENTSTOCK/From_EREP/201906/d92c3f4a95_c976f749aa.pdf)

# Appendix: Consultation workshop

## Consultation workshop

Date : 7 September 2023  
Time : 12.00 – 16.00 (Jakarta time)  
Place : LPEM FEB UI Jakarta, Indonesia, offline

### Invitees

#### Government

- Ministry Tourism and Creative Economy
- Ministry of Education and Culture
- Ministry of Finance
- Ministry of Communication and Information Technology
- Film Censorship Board
- *Perum Produksi Film Negara* (State Film Production Corporation)

#### Industry Association

- Indonesian Film Board
- Association of Indonesian Film Companies
- Association of Indonesian Film Researchers
- Association of Indonesian Film Producers
- Association of Cinema Entrepreneurs
- Association of Private Television
- Association of Indonesian Video Streaming Services

#### Private Sector

- Association of State-Owned Banks
- Association of National Banks
- Association of Indonesian General Insurance

### Key Summary

Key summary of the consultation workshop is described as follows:

- The impact of economic spillover effects from films (through tourism etc) can be significant and needs to be accounted for in the study.
- More cooperation is needed between Indonesian Film Board, MTCE, and Ministry of Education for collaboration in funding and policymaking in the Indonesian film industry.
- The Ministry of Education is currently executing several programs and strategies to develop and stimulate the film industry – including film “incubators”, travel grants, funds, community activation programs, and the reduction of red tape.
- The study should have an objective in raising investor confidence in the film industry. Next strategy needs to be formulated in how to promote further the Indonesian screen industries internationally. Labor also needs to be paid fairly, while a broad range of censorship issues needs to be revisited.
- This study would be good in exploring investment, also in setting a clear definition of what the industry actually comprises of as currently it is not well defined as this also contributes to a lack of available data.
- Regulations of the screen industry in Indonesia are not unified and overlap. Cinemas have to pay a certain value of the film shown on the screen and intellectual property rights. There needs to be revisions on these regulations and actions from government so that they’re more conducive towards businesses.
- Financial institutions have previously worked with P2P lending fintech to provide funding towards film producers. However, receiver needs to have collateral to account for risk. Stimulus and subsidies from government are very helpful, as well as cash rebate. Alternative credit scoring can also be based on viewership statistics. Funders have the willingness to learn how they can invest into these industries to help medium sized businesses in Indonesia.

# Appendix: Foreign exchange rates

## Foreign exchange rates used in this study

**Figure 21: Foreign exchange rates and equivalents**

Currency (per unit)	October 2023 BI Mid-Rate Rp Equivalent
EUR	16,790
USD	15,916
KRW	12
THB	431
NZD	9,299
JPY	106
AUD	10,116
GBP	19,254
BRL*	3,110
MYR	3,341

Source: Bank Indonesia (2023)

\*BRL exchange rate data is not available at BI, and has been sourced from X-Rates for the period October 2023.

# Abbreviation List

## Table of terms and their definitions

Term	Definition
<b>AUD</b>	Australian Dollar
<b>BPI</b>	<i>Badan Perfilman Indonesia</i> (Indonesian Film Board)
<b>BEKRAF</b>	<i>Badan Ekonomi Kreatif</i> (Creative Economy Agency)
<b>CAGR</b>	Compound Annual Growth Rate
<b>DVD</b>	Digital Video Disk
<b>EIA</b>	Economic Impact Assessment
<b>EUR</b>	Euro
<b>FTE</b>	Full-Time Equivalent
<b>FLS</b>	Foreign Location and Service
<b>GEMO</b>	Global Entertainment & Media Outlook
<b>GDP</b>	Gross Domestic Product
<b>GVA</b>	Gross Value Added
<b>Rp</b>	Indonesian Rupiah
<b>IKJ</b>	<i>Institut Kesenian Jakarta</i> (Jakarta Arts Institute)
<b>IOT</b>	Input-Output Table
<b>IPTV</b>	Internet Protocol Television
<b>KRW</b>	Korean Won
<b>LPEM</b>	<i>Lembaga Penyelidikan Ekonomi dan Masyarakat</i> (Institute for Economic and Social Research)
<b>LSE</b>	London School of Economics
<b>M&amp;E</b>	Media and Entertainment
<b>MNC</b>	Media Nusantara Citra
<b>MoEC</b>	Ministry of Education and Culture
<b>MTCE</b>	Ministry of Tourism and Creative Economy
<b>NZD</b>	New Zealand Dollar
<b>OCC</b>	Online Curated Content
<b>Perfini</b>	Perusahaan Film Nasional
<b>RCTI</b>	<i>Rajawali Citra Televisi Indonesia</i> (Rajawali Citra Television Indonesia)
<b>SCTV</b>	<i>Surya Citra Televisi</i> (Surya Citra Television)
<b>SME</b>	Small and Medium-sized Enterprise
<b>THB</b>	Thai Baht
<b>TV</b>	Television
<b>TVRI</b>	Televisi Republik Indonesia (Republic of Indonesia Television)
<b>VCD</b>	Video Compact Disk
<b>VCR</b>	Video Cassette Recorder
<b>VR</b>	Virtual Reality
<b>UK</b>	United Kingdom
<b>USD</b>	United States Dollars

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