

## Concept Note

### INDONESIA-EAEU DIGITAL TECHNOLOGY DIALOGUE

Bali, 24 September 2024

#### **Background**

The Eurasian Economic Union (EAEU) represents a dynamic economic bloc in Eastern Europe comprising of Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan that has become an important economic and trade partner for Indonesia. Despite fluctuations, the trade relationship between Indonesia and the EAEU continues to exhibit resilience, with trade volumes reaching USD 3.8 billion in 2023 and USD 4.36 billion in 2022. The historical trend shows the potential for growth with figures of USD 3.79 billion in 2021 and USD 2.25 billion in 2020. In the first quarter of 2024, trade reached USD 851.9 million, further underscoring the potential for deeper economic engagement.

In July 2024, the 5th round of negotiations for the Indonesia-EAEU Free Trade Agreement (FTA) marked significant progress, particularly with the successful conclusion of the Economic Cooperation Chapter. This Chapter encompasses a wide range of sectors for cooperation including logistics, transportation, telecommunications, innovation, sustainable development and **digital initiatives**. With such vast potentials, this Chapter is expected to be a catalyst for bolstering economic cooperation between Indonesia and the EAEU.

In the digital sphere, the EAEU has identified digital transformation as a cornerstone of its economic strategy as outlined in the *EAEU 2025 Digital Agenda*, developed in collaboration with the World Bank. Digitalization is seen as a vital driver for economic growth and the creation of new cooperative opportunities across the region. According to World Bank forecasts, digital initiatives in the EAEU are expected to significantly impact economic growth by 0.88% to 1.7% by 2025, depending on the scope and scale of initiatives. The expansion of e-commerce alone is estimated to contribute 0.88% to GDP growth, while digitalization efforts are projected to enhance labor productivity by 1.73% by 2025.

Indonesia, as Southeast Asia's largest economy also presents significant digital potential, having the region's largest e-commerce market. Indonesia has emerged as a major player in the regional digital economy, with over USD 30 billion in funding across more than 1,200 business deals in the last decade according to Tech in Asia (2023). From 2019 to 2023, the key sectors attracting the largest investments included logistics and transportation (USD 8,76 billion); fintech (USD 5,17 billion); e-commerce (USD 4,35 billion); travel (USD 1,48 billion); and foodtech (USD 387,35 million). In 2023, Indonesia's digital economy contributed 4% to the national GDP, with projections to reach 19% by 2045.

With these complimentary strengths and the alignment of digital ambitions between Indonesia and EAEU, the Ministry of Foreign Affairs of the Republic of Indonesia will host the *Indonesia-EAEU Digital Technology Dialogue* in Bali on 24 September 2024. This dialogue is designed to facilitate connections between digital businesses from both Parties to build networks, exchange ideas, and explore new cooperation opportunities.

More than just a meeting, the *Indonesia-EAEU Digital Technology Dialogue* offers a unique platform for digital businesses to gain insights into the digital landscape of Indonesia and EAEU. This event is also timed to coincide with the anticipated conclusion of the Indonesia-EAEU FTA, offering participants an in-depth understanding of the Economic Cooperation chapter and its implications for the digital sector. The event will include business pitching sessions where digital businesses from Indonesia and the EAEU present their company profiles, innovation strategies and expansion goals. This event will also provide opportunities for informal networking, enabling participants to establish direct contacts and explore collaborations.

By participating in the Indonesia-EAEU Digital Technology Dialogue, businesses will be at the forefront of shaping the future of digital cooperation between Indonesia and the EAEU, capitalizing on the momentum generated by the Indonesia – EAEU FTA and the shared commitment to digital transformation.

## Objectives

1. Facilitate digital businesses between Indonesia and EAEU to build networks, exchange ideas, and explore cooperation opportunities, leveraging the Economic Cooperation chapter of the I-EAEU Free Trade Agreement (FTA) to enhance trade and investment in the digital sector.
2. Provide a platform for Indonesian and EAEU startups to present their business profiles and expansion goals, and connect them with potential partners, thereby creating new opportunities for investment and growth.

## Outputs

1. Networks and connections between Indonesian and EAEU startups and digital businesses.
2. Business deals and partnerships opportunities between Indonesian and EAEU startups and digital businesses.

## Venue and Date

Venue : Nusa Dua, Bali

Date : Tuesday, 24 September 2024

## Participants

- Indonesian Line Ministries Representatives
- EEC Representatives
- Digital businesses and Business Associations from Indonesia and EAEU

## Tentative Agenda

Date/Time	Agenda
09.30 – 10.00	Registration
10.00 – 10.05	Opening by MC
10.05 – 10.15	Remarks by Director of American and European Intra and Interregional Cooperation, Ministry of Foreign Affairs of the Republic of Indonesia
10.15 – 10.45	Session 1: <b><i>“Bridging Digital Economies, Fostering Collaboration: Challenges of Startups in Indonesia”</i></b>  Director of Digital Economics – Ministry of Communication and Information of the Republic of Indonesia
10.45 – 11.15	Session 2: <b><i>“Driving Digital Integration: Strategic Opportunities for Indonesian and EAEU Startups and Companies”</i></b>  Director of Trade Policy Department – Eurasian Economic Council (EEC)
11.15 – 12.00	Discussion / Q&A
12.00 – 16.00	Lunch Business Pitching 10 EAEU Countries’ Digital Businesses + 10 Indonesian Digital Businesses (@ 5-10 minutes of presentation)  [Each start-up / company will briefly present their company profile & their business proposal]

## Organizing Committee

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