THE ECONOMIC IMPACT OF ONLINE CURATED CONTENT SERVICES IN INDONESIA

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Executive Summary

This White Paper summarises Frontier Economics research into the contributions that Online Curated Content (OCC) providers make to Indonesia's screen sector and how government policy can build a stronger, more competitive industry.

The growing popularity of OCC services in Indonesia is a key driver of the country's expanding screen sector. Demand for OCC continues to accelerate, with sector revenues reaching US $403 million (Rp 6.57 trillion) in 2024. The sector supports Indonesia's strong and dynamic content production and theatrical markets.

Local and international OCC providers have invested in Indonesia's screen sector. OCC providers rely on local content to attract subscribers. Local providers such as Vidio, regional providers like Viu and iQiyi, and global providers like Disney+, Netflix and Amazon, have all invested in Indonesian content, whether directly commissioning, or licensing content, to attract audiences. Moreover, high-quality local content finds global audiences when it is licensed to OCC providers.

The benefits of a strong OCC sector extend beyond the screen sector. OCC investment supports training and infrastructure, stimulates demand for fixed and mobile broadband, and strengthens Indonesia's reputation internationally. These investments bring benefits to the economy: OCC investments in training or infrastructure have spillover benefits to the sector as a whole; and popular content can spur tourism and enhance Indonesia's global reputation.

OCC investment cannot be taken for granted. Indonesia competes with regional rivals to attract investment in the screen sector, including location shooting, as well as pre- and post-production services. However, global pressures, such as the post-COVID inflation surge, combined with domestic market challenges, including low fixed broadband penetration and relatively low-priced OCC service packages (which may in part reflect high levels of video piracy in Indonesia), increase the risks associated with OCC investment in Indonesia. An uncertain policy and regulatory environment for the Indonesian screen sector can heighten these risks.

Government policy can support investment in the sector. To support the production and distribution of Indonesian stories, content and culture, policies should focus on increasing the supply of investment, not decreasing the incentives to create local content. Clear rules, predictable regulation, effective copyright enforcement, and targeted support for skills and facilities are essential in attracting and retaining investment. Policies such as transparent production incentives can further reduce risk and encourage larger-scale projects, while regulatory uncertainty or protectionist measures risk deterring investment.

Inward investment expands the sector's capacity, builds infrastructure, and develops the skills needed to sustain long-term growth. Over time, this process enables Indonesia's screen sector to compete in international markets. Achieving positive outcomes will depend on continued partnership between government and industry to develop pragmatic, co-regulatory frameworks that empower consumers, encourage innovation, and sustain investment in Indonesian stories and skills.

1. OCC IS INCREASING IN INDONESIA

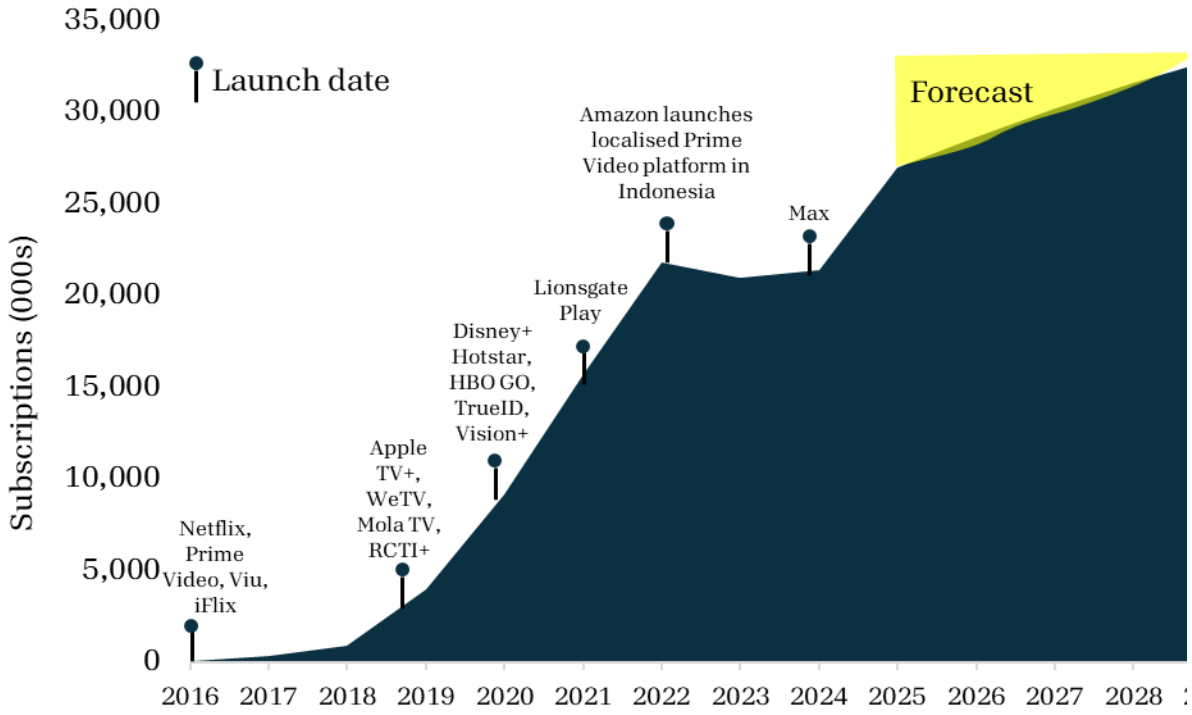
Indonesia's Online Curated Content (OCC) market is expanding. Demand for OCC services reached **21.4 million** subscribers in 2024[1] (Figure 1). Since 2019, the number of OCC subscribers in Indonesia has grown at an average of **40%**[2] per year, far outpacing the Asia-Pacific[3] (APAC) average of **12%** per year. The number of subscribers is expected to grow to 30 million by 2029.

91% of consumers in Indonesia watch subscription VOD content at least once a week

Revenue from OCC is growing, with subscription VOD revenue reaching **US$ 403 million (Rp 6.57 trillion)**[4] in 2024. Between 2019 and 2024, revenue increased by **51%,** the highest growth rate in APAC[5]**.**

Indonesia has seen entry from local services (such as Vidio and Vision+); regional services such as Hong Kong-based Viu, Taiwan's CatchPlay, China's iQiyi and WeTV; and global services such as Netflix, Amazon Prime, Disney+ and HBO Max.

Figure 1 OCC subscriptions in Indonesia show consistent growth



Source: *Media Partners Asia*
Note: *Forecasted data is highlighted*

New retail models have supported OCC uptake in Indonesia:

- Some OCC services offer cheaper “mobile only" tiers. For example, Netflix offers a cheaper mobile-plan “Ponsel (Mobile-only)” plan for Rp 54,000/month)[1].
- Some OCC services offer cheaper or free advertising funded services: RCTI+ and TrueID offer free advertising funded OCC services; similarly, Viu operates on a freemium model, offering basic free access alongside premium paid options; and,
- Existing telecoms services offer bundled broadband and content packages. For example, Telkomsel offers add on packages for streaming services including Netflix, Disney+ Hotstar, Vidio and Viu.

2. OCC SERVICES ARE INVESTING IN INDONESIAN CONTENT

Globally, the growing popularity of OCC services has led to increased investment in content as consumers gradually migrate from traditional broadcasters and pay TV. Global investment in content has soared in recent years, with content spend reaching over **US$ 247 billion**[7] **(Rp 4,024 trillion IDR)** in 2024. By the end of 2025, OCC services’ investment is projected to increase to **US$ 95 billion**[8] **(Rp 1,550 trillion)**.

OCC services’ investment is expected to account for 39% of global content spend in 2025[6]

While OCC services have different strategies (with some focusing on sports, others on regional content, others offer a more global library), local Indonesian content is key to attracting audiences and subscribers. Ultimately, local audiences subscribe to services which offer content that is relevant to them. The growth of OCC has therefore seen a boom of investment in Indonesian content.

- Since launching in the country in 2016, Netflix has ramped up its investment in Indonesian content. Initially, Netflix relied on licensing content from local producers, but since 2021 it has had a local commissioning team on the ground, engaging with producers to commission local content.[9] In 2023, Netflix released **10** Indonesian originals, and in 2024 licensed **50** exclusive local films with a post-theatrical window.[10] In 2025, it has also released **five** Indonesian films and **two** Indonesian series[11], including The Elixir and Losmen Bu Broto: The Series[12]. Netflix has partnered with local production houses, directors and actors to bring these stories to life. Its 2025 slate spans thrillers, comedies and dramas, featuring collaborations with leading Indonesian filmmakers such as Ernest Prakasa and Kimo Stamboel and local production houses, adaptations of bestselling Indonesian novels, and the revival of beloved classics like Losmen Bu Broto[13].

- In 2025, domestic OCC service Vidio, owned by Indonesian media conglomerate Emtek Group, released **14** original Indonesian series spanning a wide range of genres.[14] Vidio also debuted Indonesian adaptations of popular Korean IPs and animations.[15]

[1] https://www.telkomsel.com/jelajah/jelajah-lifestyle/cara-dan-biaya-langganan-netflix-cari-tahu-di-sini

- Hong Kong-based Viu announced a collaboration with Indonesia's leading telecoms service Telkomsel to produce **four** original drama series under the label "Viu | MAXStream Originals" in 2025.[16] Viu has also highlighted its plans to tap into markets beyond urban centres in Southeast Asian countries, particularly in Indonesia due to its large population outside of metro cities.[17]

- In July 2025, regional service iQiyi launched a dedicated Indonesian service. The new service offers original Indonesian programming alongside localised Chinese and international content.[18] As part of its expansion, iQiyi announced a strategic partnership with Telkomsel, a leading Indonesian telecoms service.[19] The collaboration includes bundled mobile plans, joint content production, and co-branded user promotions, as well as developing **six** original Indonesian drama series in partnership with local studios Leo Pictures and Hitmaker Studios.[20] As of Q2 2025, iQiyi already held a 6% share of premium OCC viewing hours, with these initiatives aimed at further growing its market presence.

- Disney+ chose Indonesia as its first Southeast Asian market in which to launch, when it acquired the rights to more than **300** Indonesian movies in 2020. The service continues to license local content. In 2022, it commissioned **six** Disney originals.[21]

Partnering with global OCC services enables local producers to take creative risks in a way that may not be possible where a broadcaster is the primary commissioner. This is for two reasons. First, OCC commissions can cover the full cost of production, meaning that the producer does not need to assemble funding from secondary rights. *"Streaming gave us a cushion to take a risk,"* said one producer based in Indonesia.[22] By contrast, when producers contract with local commissioners (such as broadcasters), they must often secure primary financing for part of the costs and then license secondary rights market by market, shifting financial risk from commissioners to producers. Producers may be therefore less inclined to try out up-and-coming storytellers or push for riskier plots.[23] Second, broadcasters tend to value low risk content that will attract high audiences, whereas OCC services seek high-quality content that highly *engages* audiences (even if the audience is smaller) as it is *engagement* that drives OCC subscriptions. OCC services may therefore be more willing to commission or license more risky content than broadcasters since it may be more likely to drive engagement.

Despite continued investment, Indonesia's OCC sector faces challenges. In 2024, in response to global pressures, Disney+ and Amazon Prime announced they would scale back commissioning original productions in a number of Asian countries including Indonesia.[24]

As a result of these factors, OCC services have pivoted towards licensing local content rather than commissioning directly. For example, Prime Video secured exclusive streaming rights to the Indonesian box office hit *Autobiography*. These licensing deals included worldwide distribution for the content.

3. OCC SERVICES BRING INDONESIAN CONTENT TO THE GLOBAL STAGE

OCC services provide Indonesian productions with global distribution, enabling them to connect with audiences beyond Southeast Asia. OCC services are uniquely positioned to maximise global audiences by offering simultaneous worldwide release, using discovery algorithms that surface local stories to new viewers and providing support for subtitling and localisation in multiple languages. OCC's on-demand model empowers users to choose what they watch and enables platforms to recommend Indonesian titles to global audiences, expanding their reach far beyond domestic markets. For example, in July 2025, Prime Video announced that the Indonesian action-thriller *The Siege at Thorn High* would stream exclusively in more than 240 countries and territories. This marks the first Southeast Asian-produced theatrical film to receive such a wide global release on Prime Video, signalling the international appeal of Indonesian stories.[25]

Licensing content to OCC services increases Indonesia's services exports and boosts its reputation abroad. Indonesian Minister of Culture Fadli Zon has emphasised that cultural content produced in Indonesia will also serve as a means of promoting Indonesian culture internationally.

> "*Digital technology can be an important tool in supporting cultural work and optimizing strategies for promoting Indonesian arts and culture... Digital media also accelerates the spread of artistic knowledge and expands the reach of Indonesian artworks to the international level.*"[26]
>
> - Minister of Culture Dr. Fadli Zon

CASE STUDY - OCC CONTENT INVESTMENT IN INDONESIA: SHADOW STRAYS



The Shadow Strays has quickly become an example of Indonesian cinema breaking through to international audiences in the streaming era. The film premiered at Toronto International Film Festival and was released globally on Netflix in October 2024. Directed by Timo Tjahjanto, the film marked a major leap in visibility for locally produced action cinema. Within just six days of its release, The Shadow Strays entered Netflix's global Top 10 list[27]. It trended in eighty-five countries, including large and mature markets such as the United States, the United Kingdom, Japan, and Germany[27] , an unprecedented reach for an Indonesian production.



The production of Shadow Strays included 40+ Indonesian business, 150+ Indonesian cast and crew, across 70 shoot days in Indonesia. The Indonesian Ministry of Tourism and Creative Economy noted that The Shadow Strays was *"proof that Indonesia has no shortage of creative talent with global competitiveness."*[28]

4. OCC INVESTMENT IS ATTRACTED TO INDONESIA'S MATURE SCREEN PRODUCTION SECTOR

Indonesia is successful at attracting investment in its screen production sector. Investors from regional markets, such as Korea, have invested in Indonesia either by directly commissioning content, working with local producers to create local versions of successful Korean formats,[32] co-producing content or directly investing in production companies.[33]

CASE STUDY INDONESIAN CONTENT ATTRACTING GLOBAL INVESTMENT: AGAK LAEN

Remake rights for *Agak Laen,* an Indonesian 2024 horror-comedy, were acquired by Korean studio Barunson E&A. The film was Indonesia's third highest-grossing film of all time with over 9.1 million admissions[29] and 2024's top box office hit[30]. It mixes supernatural elements with local humour. The film's success attracted global attention with Barunson E&A (producer of *Parasite*) acquiring remake rights.[31]

Indonesia is well placed to attract investment in its screen production sector for a number of reasons.

- **Indonesia has a mature and vibrant screen production ecosystem.** It has a growing mix of producers, distributors, studios and OCC services, creating a deeper market for talent and services. There are many local production companies such as Visinema Group, IDN Media, and Miles Films that undertake pre-production (development, script writing, cast and crew selection), production (filming, location shooting, sound stages), and post production (visual special effects (VFX), Computer Generated Imagary (CGI)). There are many post production and VFX specialists such as, Afterlab, Dalang Digital Studio, Mattebox Visualworks and Qanary Studios. [34] The market is supported by a vibrant festival scene which generate global interest and platform local producers including the world renowned Bali International Film Festival, aka the Balinale[35], and government-sponsored Festival Film Indonesia (FFI)[36].
- **Indonesia is currently very cost competitive compared with regional comparators**. It is able to offer high-quality production values at a fraction of the cost of production hubs in some US or European countries.[37]
- **There is strong local demand for OCC content in Indonesia**. Indonesia is the world's fourth most populous country. Its large domestic audience is skewed to younger, tech savvy demographics which make it an attractive OCC business opportunity: nearly half the population is under 30[38], and roughly 95% of Indonesian consumers aged 18-24 report that they watch subscription OCC services[39].
- **Indonesia offers eye-catching locations** from iconic places such as Bali with beaches, waterfalls, and jungle backdrops; to Java and Jakarta which offer urban settings with historic buildings and temples. Indonesia's creative strengths also reflect its cultural and geographic diversity across the archipelago, offering a wide range of stories, genres and landscapes. Its culture combines many influences that resonate within the region and around the world, combined with a modern, innovative, and tech-savvy audience.

As a result, the Government aims to position Indonesia as a global creative hub. Indonesia's Minister for Economic Affairs noted that "*The future of Indonesia's creative industry is promising, economic stability, a young and creative population, and a rich cultural heritage provide a strong foundation for growth*."[40]

CASE STUDY: JUMBO – A HOME GROWN ANIMATION BOX OFFICE SUCCESS

The growing capabilities and ambition of Indonesia's screen sector is illustrated by local success stories like *Jumbo.*



Jumbo, an animated fantasy film produced by local production company Visinema Pictures, illustrates Indonesia's creative ambition and growing capacity to deliver successful content on a global scale. *Jumbo* not only became the highest-grossing film in Indonesia history[41], but the highest-grossing animation film of all time in Southeast Asia.[42] The producer of the film noted that "*This is an incredible milestone. That it could surpass 'Frozen 2' is not just about numbers, but also proof that Indonesians are proud and love homegrown stories*," Angga Dwimas Sasongko, Visinema Pictures.

Over 420 Indonesian artists and animators contributed to *Jumbo*,[43] illustrating the depth of Indonesian creative talent. Ryan Adriandhy, the writer-director of *Jumbo*, told Reuters that "*Before Jumbo, investors were still doubtful because there hadn't been a success story that you could call a box office … I realised this may open the eyes of producers, production houses, film creators that there is a very thirsty audience for content that people of all ages can enjoy,*""[44].

5. INDONESIAN CONSUMERS ARE FINDING THE LOCAL CONTENT THEY DEMAND ON OCC SERVICES

Frontier Economics surveyed 1,000 internet users in Indonesia and found that Indonesians consumers demand a wide variety of content, both local and international, and that so far VOD services are delivering the content consumers want and love.

Cultural representation has become a defining factor in shaping viewing preferences. 66% of respondents value content that authentically reflects their local environment. This underscores the growing importance of culturally resonant programming within Indonesia's expanding screen ecosystem as a market imperative, driving greater commissioning and licensing of local content by OCCs over time.

OCC platforms have been effective in responding to these preferences, offering a balance of local and international titles. Viewer satisfaction with Indonesia-specific content is particularly strong: 93% of respondents report satisfaction. Viewers find local content on OCC platforms. On **Vidio**, for example, fifty-one percent of total viewing hours are devoted to Indonesian content.

Figure 2 Indonesian OCC consumers value content



6. OCC BOOSTS DEMAND FOR BROADBAND AND CREATES INCENTIVES TO INVEST IN DIGITAL INFRASTRUCTURE

OCC services can stimulate take up of broadband and, in turn, strengthen Indonesia's digital economy. Broadband forms the backbone of digital development, with reliable, high-capacity infrastructure now a critical driver of economic growth. It enables citizens to access public services, benefit from digital finance, and fosters greater market competition. Digital development is therefore a foundational element of a country's economic and social development.

Indonesia has historically been a mobile-first market. Mobile penetration (SIM cards per population) reached 124% in Q1 2025[45], in line with regional benchmarks. By contrast fixed household broadband penetration is 22%, compared to 57% in the region.[46] This relatively low base has constrained the growth of OCC, but also highlights the potential for further expansion of the OCC market.

This means Indonesian consumers tend to access OCC on smartphones, supported by expanding 4G and 5G coverage and improving network capabilities. As mobile network capacity grows, households are also buying larger data packages from their mobile service services, which in turn provides incentives for further network investment.

However, the high-quality content offered by OCC is designed to be best enjoyed on large TV screens, not handheld devices. Unlike user generated content, which is often produced and watched on phones, OCC content is produced to a theatrical standard with very high-quality

production values and using high resolution video. This means that OCC is driving demand for fixed broadband. Empirical studies have found that launch of OCC services tends to increase take up of broadband[47].

In this way the expansion of Indonesia's OCC sector and digital connectivity are mutually reinforcing and they bring wider benefits. Higher broadband penetration supports productivity[48], employment[49]. and economic growth[50]. It also advances government objectives to use digital connectivity as a tool for provision of government services, social development and inclusion.

7. OCC CONTRIBUTES TO ECONOMIC GROWTH AND EMPLOYMENT

The OCC sector generates significant economic value in Indonesia. Investment from both domestic and global OCC services is crucial in propelling growth in the sector, with measurable impacts on output, GDP, and employment.

For every US$ 629 million (Rp 1 trillion) invested in the OCC sector, 4,300 jobs were generated across the economy[51]. Film projects can create a wide range of jobs, from around 100–200 on smaller titles to around 1,000 for larger-scale productions such as *Badarawuhi di Desa Penari*, according to Tourism and Creative Economy Minister Sandiaga Uno[52]. Investment in OCC content will support the gradual development of Indonesia's economy towards a higher productivity and higher wage economy that is characterised by a larger share of employment in highly skilled occupations such as in the screen production sector. For example, a World Bank Report noted that "*the good news is that Indonesia has high potential to increase labor productivity in the short term by opening up the economy to attract investments that create good jobs, and in the medium term by investing in human capital and connectivity*." [53]

OCC investment also boosts the skills and capacity of the sector. Skills and knowledge transfer also occurs as Indonesian cast and crew work alongside international teams, lifting production standards and export readiness. By raising technical standards and providing predictable demand, OCC platforms create a more resilient industry capable of competing at regional and international levels.

According to one Indonesian producer: "*They (streamers) taught us compliance from the creative, editorial side, to business, legal and finance*"[54]

The sector also generates wider spillovers. Indonesian films and TV shows that find global audiences via OCC increase interest in the country which has real economic effects. For example, the film *Laskar Pelangi* boosted tourism to Belitung where it was set by more than 100% in the month after release and increased visitor numbers by 37% over the longer term[55]. In another example, romantic comedy *Eat, Pray, Love,* set in Ubud, Bali, is credited as a driver of the remarkable 400% increase in tourism since its release[56].

Finally, OCC investment has important soft power effects. By distributing Indonesian content to global audiences, OCC platforms enhance the country's international reputation, strengthen cultural diplomacy, and increase global recognition of Indonesian creativity. This visibility contributes not only to tourism but also to Indonesia's ability to project soft power more broadly. Like other countries in the region, Indonesia actively seeks association with creative economies that can project soft power.

"Culture can be a powerful tool of soft power. This soft power should be harnessed collectively to ignite a nationwide movement — what we might call the 'Indonesian Wave'"

- Indonesia Minister of Culture[57]

8. GOVERNMENT POLICY SHOULD AVOID BARRIERS WHICH CAN RESTRICT THE DEVELOPMENT OF THE SECTOR

While Indonesia offers many features that can attract investment, it is important that government policy does not create barriers. Increasingly, regional screen hubs (such as Korea, Thailand or the Philippines) are competing to attract inward investment to the region. In this context, investors look for markets that have consistent and predictable regulatory framework, streamlined and efficient licensing and permit processes, do not impose unwarranted costs, and have strong protection for their IP investments.

However, in Indonesia there are a number of factors giving rise to concern about market access barriers that are likely to increase costs or risks of investment. For example:

- Investors have identified several regulatory, institutional and operational issues that may increase barriers to entry or operation, or raise uncertainty around future market access:

Proposed updates to the Broadcasting Law could increase regulatory barriers for OCC services and place them under the strict oversight of the Indonesian Broadcasting Commission (KPI) despite the very different business models compared to broadcasters[58]. Moreover, it is unclear if further regulation is warranted, given that OCCs are already regulated by the Ministry of Communications and Digital Affairs (Komdigi) and comply with their regulatory obligations under that Ministry. Other concerns relate to regulation (particularly censorship) being applied to OCCs in an unpredictable and non-transparent way.[59]

- In Indonesia, fragmented government responsibilities can create indirect barriers to market entry and expansion, as there is no single body with overall responsibility, who can champion, coordinate and engage with the sector. While Komdigi has regulatory responsibility for the OTT sector (including OCCs, as noted above), the Ministry of Culture has responsibility for film and the Ministry of Creative Economy has responsibility for wider cultural objectives. This creates friction, overlap and potential for siloed working. International investors face being passed from one government ministry to another, and the government lacks a body able to mediate and coordinate the different ministries.

- International film and TV crews can face additional costs when filming in Indonesia compared with other countries, which may act as a deterrent for investment decisions. They face incremental time and costs to receive permits for filming in certain locations. One producer noted that *"the biggest challenge in film production in Indonesia is permits. Filming locations in Indonesia, especially in Jakarta, are often more difficult to obtain permits than in abroad. … production costs often increase due to the lack of clarity on rates and complicated permits*." [60] According to the report, several producers chose to shoot abroad because the budget calculations were more certain and the permitting system is also more predictable and organised.

- Indonesia also faces challenges in combatting piracy, which can function as an effective market access barrier for OCC service investment. According to one report, while the legal framework is appropriate it is undermined by weak enforcement: "*Indonesia has made major improvements in protecting intellectual property (IP), but enforcement challenges remain. Backed by international treaties and legal reforms, Indonesia's IP framework is more robust than ever. Yet issues like digital piracy and weak enforcement hold it back."*[61] Producers and commissioners are less likely to commit to large or long-term projects where piracy remains widespread, as this reduces revenues and weakens incentives to make content legally available. Survey evidence indicates that 59% of Indonesians would use an unauthorised source if an OCC service were unavailable. As a result, piracy can materially reduce ROI and deter investment, particularly for high-value international and local productions. There is some evidence of skills shortages in the sector. One study found that a shortage of digitally skilled professionals remains one of Indonesia's most significant constraints to sustaining creative-sector growth.[62] Similarly, analysis of the national film industry identified the **limited number of specialised film**

schools, insufficient training in emerging production technologies, and weak professional development pathways as key barriers to competitiveness.[63]

Government policy therefore has a critical role in maximising investment and realising its goals for Indonesian cultural content. Other countries have shown that clear frameworks and modest but well-targeted reforms can unlock significant economic and cultural value. For Indonesia, several priorities stand out:

- **Make attracting investment in the screen sector clear government priority.** There is a global race to attract OCC and screen production investment. Maintaining an open sector where both domestic and international services are confident to invest will be essential.

- **Ensure strong government coordination to support the sector.** Screen production benefits from clear, predictable, and streamlined decision-making. Establishing a single lead agency or ministry to coordinate across departments, facilitate approvals, and act as a central investment contact point would reduce transaction costs and make Indonesia a more competitive destination for production.

- **Provide clarity and certainty in regulation.** Unclear or inconsistent regulation creates uncertainty and discourages investment particularly if there is a perceived risk of regulatory expansion (for example, if rules purpose-designed for theatrical releases or television broadcasting were extended to OCC services, or with OCC being grouped alongside user-generated content platforms). Effective policy should recognise existing industry safeguards and align with co-regulatory practice while fully acknowledging the unique operating models and consumer preferences within each sector of the media industry. In particular, modernising both the Film Law and Broadcasting Law for their respective industry sectors, while confirming that these restrictions will not apply to OCC, would send a strong signal to investors. A light-touch, consultative approach, with early engagement of industry stakeholders, remains the preferred model.

- **Strengthen copyright enforcement.** As noted above, weak and inconsistent enforcement of intellectual property rights reduces expected returns on investment and deters both local and international productions. Sustained, predictable enforcement, domestically and in cooperation with regional partners, is essential to protect investments, support legal content availability, and attract high-value projects.

- **Support skills and infrastructure development.** While Indonesia's screen production is maturing, it is important to work with industry to build a pipeline of skilled workers. The government can provide targeted support for training, post-production, and studio facilities benefits the entire ecosystem. Building technical capacity and creative skills will ensure Indonesian productions, and international projects based in Indonesia, meet global standards. A World Bank report recommended that government can make "*investments in human capital are needed to help nurture a local talent pool that is attractive to*

innovative foreign firms looking to expand in Indonesia, as well as to foster the growth of domestic firms that will create high-skilled jobs".[64]

- **Consider screen production incentives.** High-end productions are costly and risky but deliver significant cultural and economic benefits. Production incentives are widely used internationally to attract projects and strengthen domestic capacity. The lack of such incentives in Indonesia represents a competitive disadvantage in attracting major productions compared to regional competitors such as Thailand (30% rebate) or Australia (40% tax credit under the Producer Offset; 30% tax credit under the Location Offset).[65] Such incentives help build capacity in the sector, develop skills and increase the supply of Indonesian cultural content.

These measures can be adopted and structured in a way that avoids substantial direct government spending; they do require concerted effort to overcome institutional barriers, provide strong coordination and champion the sector. Together, they would create the conditions for higher levels of and more sustained investment.

9. KOREA OFFERS A POLICY TEMPLATE FOR PROMOTING INVESTMENT AND COMPETITION

Countries that have succeeded in building global screen sectors, such as Korea, have combined strong intellectual property protection and open market access supported by a clear government champion. Indonesia has the creative talent and domestic demand to achieve similar success if it can put the right enabling framework in place.

To draw lessons for Indonesia, this report compares underlying country characteristics, market outcomes, and policy frameworks. Korea's experience shows how targeted reforms can transform a domestic screen sector into a global success story.

Both countries share common starting points. They were both largely agricultural economies until the mid-20th century, exposed to the 1998 Asian financial crisis, and both transitioned from authoritarian rule to democracy, but their policy choices diverged. While the 1980s Korea opened its market to competition, and in the late 1990s invested heavily in broadband, Indonesia liberalised later and investment in broadband has been slower. The comparison therefore can reveal how government policy and intervention can affect outcomes in the sector.

- Each country has different characteristics that affect investment in the OCC sector. Korea has relatively higher GDP/capita, higher coverage and has higher take up of fixed broadband than Indonesia, which supports demand for OCC. However Indonesia benefits from a large domestic population and low costs which also support the case for investment.

- The two countries have taken different approaches to policy for the sector. Government policy in screen sector is more restrictive in Indonesia (e.g. theatrical restrictions), and

Korea has been relatively more open (as Korea started to ease theatrical restrictions in the early 2000's). Korea is now held as a world leader for IP protection, whereas Indonesia's IP framework is still criticised for weak enforcement. Neither country has a significant production incentive: Indonesia does not have an incentive program, and Korea's production incentive is capped at a relatively low level.

- Outcomes in the screen sector diverge significantly. OCC and wider video sector revenues are far lower in Indonesia; OCC subscriptions per households are lower in Indonesia; and there are many fewer Indonesian international hits.

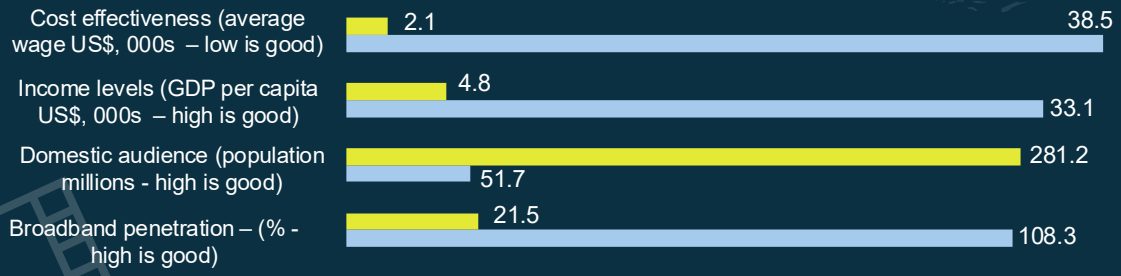
> ***"Korea may not be rich in natural resources, but our people are our greatest resource. … Going forward, there will be limits to material abundance. The next stage will be about fulfilling cultural desires, which will become an important task for the future,"***
>
> **- South Korea's President Lee Jae Myung**[66]

Both countries have a mix of features which support screen and OCC investment: Korea has relatively high income and high broadband penetration; while Indonesia has a large domestic market and is cost effective. However, the earlier path of liberalisation taken in Korea, strong support on IP protection, and a clear government champion for the sector look to have supported positive outcomes in Korea. Successive Korean governments have retained (if not enhanced) this supportive policy framework for the screen sector, recognising cultural content as a core national interest with significant economic and export potential.

County characteristics and policy lead to different outcomes in screen sector of Indonesia vs Korea

Country characteristics

Indonesia benefits from a larger domestic market and cost-effective investment environment; while Korea has higher levels of income and higher broadband penetration.



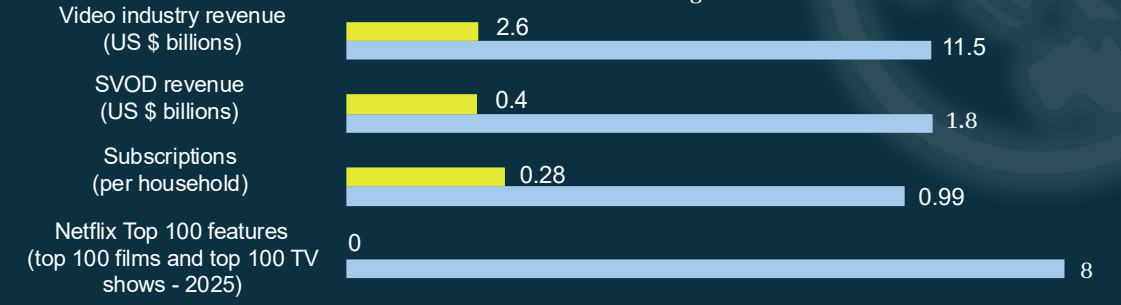
Policy objectives



Korea's policy framework better supports the OCC sector, while neither have strong production incentives.

Market outcomes

As a result of a stronger policy environment and greater development, Korea's OCC sector delivers higher returns than Indonesia's.



10. CONCLUSION

Indonesia's OCC sector is one of the fastest-growing in the Asia-Pacific region. The screen sector has great potential to reach both regional and global audiences. It offers world-class locations, competitive costs, a young skilled workforce and a strong domestic base in theatrical and broadcasting.

OCC platforms can play a role in growing the sector, building skills, contributing to jobs and economic growth, and expanding the reach of Indonesian stories. Domestic, regional and global streamers including Netflix, Disney+, Amazon Prime, Vidio, Viu, and iQIYI, are investing in Indonesian stories, creators, and production talent. By commissioning and licensing local content, these platforms are creating new markets for Indonesian films and series while diversifying sources of production finance. OCC platforms provide a global distribution infrastructure that can project Indonesian culture to audiences worldwide, strengthening the nation's soft power and international reputation.

But making high-quality Indonesian content is costly and risky, and international competition to attract investment is intense. To increase the scale and capacity of the sector, OCC services need clear rules, coordinated approvals, enforceable IP, targeted support for skills and facilities, and an open environment for domestic and international services. To attract investment, Indonesia can offer transparent production incentives. With stable regulation and an enabling policy environment, Indonesia can rely on market-driven expansion of OCC investment to build a globally competitive screen sector and share its stories with the world.

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[1] MPA AVB 2025 Video and Broadband Country Output Models

[2] Compound Annual Growth Rate (CAGR) of 40%

[3] Asia-Pacific (APAC) refers to Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam.

[4] MPA VCD 2025 data Indonesia

[5] MPA VCD 2025 data Indonesia

[6] Streamers to spend $95bn on content in 2025, surpassing commercial broadcasters

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[8] https://www.ampereanalysis.com/insight/streamers-to-spend-95bn-on-content-in-2025-surpassing-commercial-broadcasters

[9] Netflix Showcases Local Stories and Global Reach for Southeast Asia

[10] MPA Asia Pacific Video & Broadband Industry 2025

[11] Netflix unveils Southeast Asian film slate and series from 'How To Make Millions Before Grandma Dies' team

[12] Must check this before end of 2025

[13] https://about.netflix.com/en/news/next-on-netflix-indonesia-2025

[14] Vidio Penasaran 2025: Perkuat Posisi Sebagai OTT Produktif Indonesia, Siap Hadirkan 14 Judul Series Terbaru

[15] Present Classy Local Content, Vidio Achieves 100 Original Series by 2025

[16] Telkomsel and Viu Strengthen Indonesia's Streaming Business with the Series "Viu | MAXStream Originals"

[17] Viu spearheads growth in Asian streaming market with Korean content, local adaptations

[18] "iQIYI Partners with Telkomsel to Expand Indonesian Presence, Marking Another Major Milestone for the "iQIYI Starship Project"

[19] Telegeography

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[25] Joko Anwar's *The Siege at Thorn High* to Stream Globally on Prime Video Starting August 15

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[30] Media Partners Asia

[31] 'Parasite' Producer Barunson E&A to Handle International Remake Rights for Indonesian Films in Deal With Rising Studio Imajinari

[32] In 2025 Korea's Barunson E&A (Parasite producer) struck a deal with Imajinari to license and develop remake rights between the two countries. https://www.screendaily.com/news/koreas-barunson-eanda-signs-remake-partnership-with-indonesias-imajinari/5204070

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