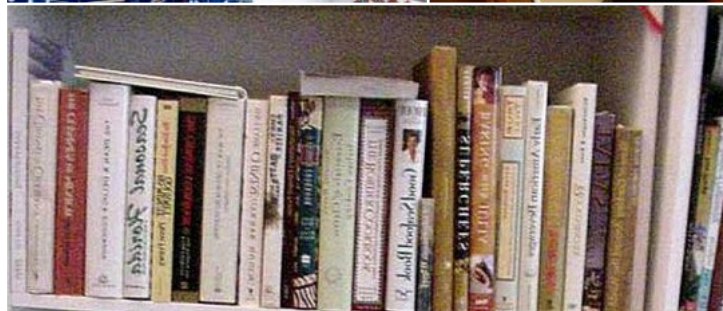


# Study on the Economic Contribution of Copyright and Related Rights Industries in Indonesia



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Creative Industries Series No. 8

# **STUDY ON THE ECONOMIC CONTRIBUTION OF COPYRIGHT AND RELATED RIGHTS INDUSTRIES IN INDONESIA**





**Study on the Economic Contribution of Copyright and  
Related Rights Industries in Indonesia**

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## EXECUTIVE SUMMARY

This study is the first attempt to comprehensively and systematically define, identify, and estimate the economic contribution of copyright and related rights industries in Indonesia. The study employs the methodology of WIPO to define the copyright-based industries and calculate their economic contribution. Copyright is one of the main branches of intellectual property and applies to 'every production in the literary, scientific, and artistic domain, whatever may be the mode or form of its expression' (WIPO, 2002, p. 13). Unlike protection of inventions (covered under patent laws), copyright protects only the form of expression of ideas, not the ideas themselves.

Indonesia has identified creative industries as an important sector in the economy, and based on the potential in the creative sectors, creative industries are believed to make a significant contribution to the national economy. Protecting intellectual property is crucial to the success of the development of creative industries. Copyright gives the creator the legal right to be the only one allowed to reproduce, publish, and sell a book, musical recording, etc., for a certain period of time. Granting copyright and related rights will stimulate creation and innovation.

This study has three specific objectives: identifying the copyright-based industries in Indonesia; calculating the economic contribution of the copyright-based industries in Indonesia; and examining some examples of the development of the copyright industries in Indonesia.

Employing WIPO's framework, the copyright-based industries are classified into four groups, that is:

1. The *core* copyright industries, which are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales, of works and other protected subject matter: these industries create copyright materials as their primary product;
2. The *interdependent* copyright industries, which are engaged in the production, manufacture, and sale of equipment whose function is wholly or primarily to facilitate the creation, production, or use of works and other protected subject matter: these industries support and facilitate the creation of copyright works;
3. The *partial* copyright industries, where only a portion of the industries' activities are associated with the creation of copyright works; and
4. The copyright *distribution* industries, where a part of the activities is related to facilitating broadcast, communication, distribution or sales of works and other protected subject matter, and not included in the core copyright industries: these industries facilitate the distribution of copyright materials to businesses and consumers.

The results of the study reveal that in 2010 the estimated total contribution of copyright-based industries to the Indonesian economy was as depicted in Table ES-1 below:

**Table ES-1: Contribution of Copyright Industries in Indonesia**

Code	Description of Industries	Output	Value Added (Million IDR)	Employment
	<b>TOTAL COPYRIGHT</b>	<b>673,506,900.59 (4.2%)</b>	<b>264,212,744.97 (4.11%)</b>	<b>4,064,345.55 (3.75%)</b>
1	Core Copyright Industries	169,408,059.24 (1.06%)	67,273,614.14 (1.05%)	1,189,710.36 (1.10%)
2	Interdependent Copyright Industries	113,017,173.10 (0.70%)	41,755,138.49 (0.65%)	289,720.22 (0.27%)
3	Partial Copyright Industries	346,821,234.82 (2.16%)	132,091,477.52 (2.06%)	2,223,464.22 (2.05%)
4	Non-dedicated Support Industries	44,260,433.43 (0.28%)	23,092,514.83 (0.36%)	361,450.76 (0.33%)

The findings of the study will reveal the importance of copyright industries as contributors to the national economy. Awareness of the economic importance of copyright-based industries will motivate the Indonesian government in crafting appropriate strategies in support of these industries, through the establishment of an enabling environment and infrastructure. The general public's awareness of the significance of the contribution of these industries to the national economy will hopefully create some motivation to consume genuine, rather than pirated products.

The study offers recommendations as follows:

- Further studies should be conducted to be able to assess the trends and dynamism of the copyright-based industries in Indonesia. The present study can be used as a basis to build a series of data on the economic contribution of copyright-based industries in Indonesia. Such a data series can become a solid basis for government to formulate policies on the development of the industries.
- The Ministry of Trade should combine with the Central Statistics Bureau to gather a database of industry-level data (based on their ISIC) to provide, on a regular basis, specific disaggregated data to allow more accurate estimation of the copyright-based industries in Indonesia.
- The present study provides baseline information on the economic contribution of copyright-based industries in terms of output, value added and employment, and has not yet calculated the contribution to foreign trade. Further studies should also include the other economic parameters, as well as the social-cultural impacts of copyright-based industries in Indonesia.
- Further studies should also conduct a comprehensive survey to be able to validate and determine more accurate copyright factors to be used in the Indonesian context.
- Especially for the Indonesian context, the existence of an assessment of the economic contribution of copyright-based industries can create some confusion with the assessment of the economic contribution of creative industries. While both can become useful parameters for decision-makers, the present study assessing the economic contribution of copyright-based industries using the WIPO methodology is particularly insightful. This is due to the international comparisons which can be drawn from similar studies conducted in many other countries.
- The present study should be placed strategically at the center of the growing creative industries in Indonesia. Copyright protection is necessary for the prospective creators in the creative sectors, to encourage them to develop and later transfer their creation to the industry.

## ACKNOWLEDGMENTS

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This study has been conducted by a team consisting of competent people in their fields of statistics, tourism, copyright law and creative industries in Indonesia.

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Project co-ordinators: Ike Janita Dewi and Henky Hermantoro.

# 1. INTRODUCTION

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Indonesia has identified the creative industries as an important sector in the economy. Based on the potential in the creative sectors, creative industries are believed to make a significant contribution to the national economy and the government of Indonesia has formulated a roadmap for the development of the sector until the year 2025. Protecting intellectual property is crucial to the success of the development of creative industries. Copyright gives the creator the legal right to be the only one allowed to reproduce, publish, and sell a book, musical recording, etc., for a certain period of time. Granting copyright and related rights will stimulate creation and innovation. Therefore, there is an urgent need for the government to calculate the size of the copyright-based industry in order to be able to develop policies and measures to protect the rights of creation, and thus to stimulate the growth of the creative sectors.

However, International Data Corporation (IDC) puts Indonesia at number 11 in the list of countries with the highest software piracy rate. The use and distribution of pirated software in Indonesia has reached 86% and caused a potential loss of US\$1.46 billion or IDR 12.8 Trillion. This is an increase of 10% compared to the previous year's figure. The growing amount of software piracy has decreased the potential commercialization of legal software in Indonesia, which is currently recorded at only US\$ 239 million, far below its potential.

Not only software piracy, but intellectual property rights violation in general is a common issue in Indonesia. There is a massive consumption of pirated CDs/DVDs, illegal downloading of music from the internet, and illegal book photocopying. The Secretary General of the Indonesian Anti-Piracy Society (*Masyarakat Indonesia Anti Pemalsuan*), Justisari P. Kusumah, states that piracy activities negatively affect the national economy (*Suara Pembaruan*, July 17, 2012). There is potential loss from tax income, foreign exchange receipts, and employment opportunities. A research study conducted by the University of Indonesia reveals that in 2005, intellectual property violation caused 124,000 workers in 12 industries to lose their jobs.

Copyright and related industries are indeed major contributors to a country's economy in terms of their value added, aggregate value in the country's gross domestic product (GDP), and contribution to employment. In terms of GDP, the average contribution of the total copyright industries in 29 countries was 5.45%. The highest contribution was recorded by the US with 11.05%, followed by Australia (10.30%), Korea (9.89%), Hungary (6.66%), and China (6.37%). In terms of employment, the average contribution of total copyright industries in 29 countries was 5.99%. The contribution was the highest for the Philippines at 11.10%, followed by Mexico (11.01%), Bhutan (10.09%), the Netherlands (8.80%), and the US (8.51%) (Gantchev, 2011). These figures are not yet available for Indonesia, therefore there is a need to conduct this present study on the economic contribution of copyright and related rights industries in Indonesia. The findings of the study will reveal the importance of copyright industries as contributors to the national economy.

Copyright is one of the main branches of intellectual property and applies to 'every production in the literary, scientific, and artistic domain, whatever may be the mode or form of its expression' (WIPO, 2002, p. 13). Unlike the protection of inventions (covered under patent laws), copyright protects only the form of expression of ideas, not the ideas themselves. The World Intellectual Property Organization (WIPO) defines copyright laws as protecting the owner of property rights in literary and artistic works against those who copy or otherwise take and use the form in which the original work was expressed by the author.

The research takes the definition of copyright as proposed by WIPO, a specialized agency of the United Nations which plays a continuing role in the global governance of Intellectual Property Rights (IPR), and established, with the World Trade Organization (WTO), a new overarching agreement on intellectual property, known as the TRIPS agreement (May, 2009; Yu, 2009). The research also adopts the methodology devised by WIPO for calculating the economic contribution of the copyright-based industries to GDP. To date, this methodology has been applied in 32 countries, including Argentina, Brazil, Chile, Paraguay, Uruguay, Singapore, Canada, and Hungary.

One of the main objectives of WIPO is to assist developing countries in promoting their industrialization, their commerce, and their cultural, scientific, and technological development through the modernization of their industrial property and copyright systems and in meeting some of their needs in scientific documentation and the transfer of technology and technical know-how (WIPO Report as cited in May, 2009).

More specifically, WIPO promotes study of the copyright industries beyond the traditional scope of a purely legal perspective. While the nature of copyright, the scope of its protection, enforcement, and infringement have been the object of extensive research (Frankel, 2009; Gervais, 2009; Gillespie, Krishna, and Jarvis, 2001; May, 2009; Shultz and Saporito, 1996), attempts to study the economic aspect of copyrights are at an early stage. Research on the economic aspects of copyright industries, as cited in the first paragraph of this paper, has offered a new focus for studies on copyrights. Such a new perspective is relevant, since copyright has a role in our daily lives in almost all fields – production, distribution, and consumption. Studies on the economic value of copyright will also respond to the concerns of businesses for their increased involvement in licensing, investment, trade, and transfer of creations.

WIPO has attempted to develop a practical instrument for calculating the size and contribution of a nation's copyright-based industries. Wide and consistent adoptions of WIPO's methodology will provide international comparisons. While definitions of copyright and related rights in different countries may vary based on each country's legislation, largely the definitions are consistent with the provisions of the Berne Convention for the Protection of Literary and Artistic Works, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (commonly known as the Rome Convention), the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement), the WIPO Copyright Treaty of 1986, the WIPO Performances and Phonograms Treaty of 1996 and some other relevant international conventions.

This study discusses the framework for studying the economic contribution of copyright and related rights industries in Indonesia using the WIPO methodology. Since definition of copyright in different countries may vary, this paper first reviews the legal framework of copyright protection in Indonesia. Some harmonization of the Indonesian legal framework and adaptation of the WIPO methodology is needed and is proposed in this study. This study then identifies the copyright industries in Indonesia and calculates their contribution to output, value added and employment. Some development in copyright industries in Indonesia is also reported. Lastly, we present some international comparison of the contribution of copyright industries in Indonesia *vis-à-vis* other countries.



## 2. OBJECTIVES OF THE STUDY

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The findings of the study will reveal the importance of copyright industries as contributors to the national economy of Indonesia. Awareness of the economic importance of copyright-based industries will motivate the Indonesian government in crafting appropriate strategies in support of copyright-based industries, through the establishment of enabling environments and infrastructure. The general public's awareness of the significance of the contribution of these industries to the national economy will hopefully create some motivation to consume genuine, rather than pirated, products.

This study has three specific objectives, as follows:

1. Identifying the copyright-based industries in Indonesia.
2. Calculating the economic contribution of copyright-based industries in Indonesia.
3. Showing some development related to the copyright industries in Indonesia.

## 3. LEGAL FRAMEWORK OF COPYRIGHT IN INDONESIA

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### 3.1 Copyright Law

Indonesia's legal framework on copyright protection was first set up by the issue of the first law on copyrights in 1982, Law No. 6. This law has been amended three times: in 1987 as Law No. 7, in 1997 as Law No. 12, and in 2002 as Law No. 19 which became effective in July, 2003. Law no. 19, in Chapter 4 Article 12, protects 12 items of products with copyrights. The 12 items are:

1. books, computer programs, pamphlets, layout of written published materials and all other written materials;
2. public talks, lectures, speeches, and other related creations;
3. display tools made for education and science purposes;
4. songs or music with or without lyrics;
5. dramas or musical dramas, dances, choreography, shadow puppetry and mimes;
6. art in all forms such as paintings, pictures, carving, calligraphy, sculpture, collage and applied arts;
7. architecture;
8. maps;
9. *batik* arts;
10. photography;
11. cinematography; and
12. translation, interpretation, adaptation, anthology, database and other creations for the transferring of forms.

The law includes the protection of *batik* arts, which is country-specific to Indonesia. The protection of *batik* arts also includes protection of other traditional fabrics, such as twining and woven textiles (*ikat* and *songket*). The law also covers new technological developments such as databases.

Internationally, Indonesia is also a signatory to the World Trade Organization (WTO) agreement of 1994, which includes the agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS). Indonesia also ratified, in 1997, both the Berne Convention for the Protection of Artistic and Literary Works and the WIPO Copyrights Treaty.

### 3.2 Electronic Information and Transaction Law (Law of 'Informasi dan Transaksi Elektronik')

The Indonesian government issued the Law on Electronic Information and Transaction as Law No 11 of the Year 2008. In the Law, electronic information is defined as one or a collection of electronic data, including, but not limited to, writings, sounds, pictures, maps, designs, photos, electronic data interchange (EDI), electronic mails, telegram, telex, telecopy or the like, characters, symbols, or numbers, which have meanings or can be understood by people. An electronic transaction is any action carried out using computers, computer networks, or other electronic media.

While the Law is concerned primarily with general crime in the use of internet and electronic transactions, it does mention explicitly the protection of intellectual property rights over electronic information and/or electronic documents which are constructed as intellectual creations, internet sites, and any intellectual creations within them. Chapter VI, Section 25 of the Law particularly protects the intellectual property rights of creations on the internet.

### 3.3 Copyright Law Enforcement in Indonesia

The copyright enforcement in Indonesia has encountered many obstacles and challenges. While the legal framework is already there, the government has faced problems in enforcing it. The United States Trade Representative (USTR) has put Indonesia on a watch list, or even a priority watch list, because Indonesia's intellectual property right enforcement efforts are regarded as ineffective in addressing challenges such as rampant piracy and counterfeiting, including growing piracy over the internet, and the widespread availability of counterfeit pharmaceutical products.

It is not that the government has not made any efforts to enforce the copyright law. Data from the Directorate General of Intellectual Property Rights, Ministry of Law and Human Rights, show that there were 340 cases in 2003 and 203 in 2004 of copyright violation (mainly in optical disc piracy) handled by the police. However, in the period 2002-2003, only 39 cases were followed up and brought to the court. This shows that despite the measures have been taken, there is still a lack of coordination amongst law enforcement offices.

The Directorate General of Intellectual Property Rights in the Ministry of Law and Human Rights, as the frontline agency in copyright law enforcement, has taken both preventive and repressive measures. These have included enhancement of the administrative/ registration system of copyrights, coordination with law enforcement institutions in law enforcement actions, and legislation (Ministry of Law and Human Rights, 2003).

In the copyright registration system, there has been a development of the administration system for intellectual property rights. The Directorate General of Intellectual Property Rights, based on Presidential Decree No. 189 Year 1998, is assigned to design and undertake a national integrated system for intellectual property rights. This includes improvement in the infrastructure to provide access for people to register and obtain information on intellectual property rights at the provincial level.

The government, through the Directorate General of Intellectual Property Rights, has also taken initiatives to raise public consciousness of the Copyright Law. Seminars and public discussions are conducted to create awareness and understanding of the copyright system.

There are also attempts to enhance coordination between law enforcement institutions in Indonesia, that is, the Ministry of Law and Human Rights (now: the Ministry of Law and Legislation), the police, the Directorate General of Customs, the Attorney General, the courts, and the Supreme Court. These parties have formed a taskforce to take legal measures against violation of copyright law and to take priority actions in copyright law enforcement (interview with Ministry of Law and Legislation, 2008).

In terms of taking concrete actions, the Directorate General of Intellectual Property Rights has taken legal measures against companies that are active in CD/DVD piracy, has apprehended importers of pirated CDs/DVDs, has forbidden shopping malls to sell pirated CDs/DVDs/software, and has cooperated with the police and courts to bring the perpetrators to court. The government has also taken several measures to improve the legislation, for example by issuing a Ministerial Decree to regulate the production of CDs/DVDs and purchase of CD/DVD reproduction machines (Dwi Astuti, 2008).

However, despite the measures already taken, the widespread copyright violation in Indonesia shows that there is an urgent need to strengthen copyright law enforcement efforts. Further public awareness campaigns are definitely needed, since the majority of the people in Indonesia do not understand the underlying principle of copyright as an individual property right. The idea of communal copyright is more familiar in the context of Indonesian culture. For example, a focus-group discussion conducted for this study revealed that a traditional *batik* motif designer in Yogyakarta will not mind at all, and will even be proud, if people want to copy her/his motif.

Understanding the impact of copyright-based industries on the national economy, which is revealed by this study, hopefully will motivate the government to place a higher priority on copyright law enforcement in Indonesia.

## 4. FRAMEWORK AND METHODOLOGY FOR CALCULATING THE ECONOMIC CONTRIBUTION OF COPYRIGHT AND RELATED RIGHTS INDUSTRIES

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In addressing the economic contribution of copyright-based industries, there are several concepts which have to be defined in order to clarify the basis of the discussions. Firstly, this study takes the definition of copyright as an *individual* property right. While so-called communal copyright may exist, the foundation of studying the economic contribution of copyright is the recognition of copyright as a private property right. Property rights are defined as 'the ability of individuals to own, buy, sell, and use their property in a market economy' (WIPO, 2002, page 19). Being a property right, the economic values of copyright can be measured and calculated using an appropriate methodology.

The methodology developed for calculating the economic contribution of copyright is based on understanding the difference between a work which is protected by copyright and the 'means of delivery' by which the work appears in the market and is made available for consumption. WIPO (2002, page 19) states that the principal difference between a protected work and a means of delivery is that the first has the characteristics of a public good, while the means of delivery is typically a private good. For example, a song is protected by copyright, but a music CD is a means of delivery. Copyright itself only refers to the intellectual property aspect, and not to the means of delivery. However, the means of delivery is the intermediary for the copyright to be consumed by the markets. The functional relationship between production and trade with means of delivery is interdependence. Therefore, the methodology developed to calculate the economic contribution of copyright includes some proportions of the activities in the delivery of copyright products.

The calculation of the economic contribution of copyright-based industries has to firstly define the term 'copyright-based industries'. This term refers to a cluster of activities which can be identified, are statistically measurable, and have a certain scale and structure (WIPO, 2002, p. 26); within this cluster we have to identify industries which are predominantly based on copyright and the ones which are less dependent on copyright. WIPO defines the copyright-based industries into four categories: core copyright, interdependent copyright, partial copyright, and non-dedicated support industries. Each category is defined as follows (WIPO, 2002):

### 1. Core Copyright Industries

These are industries that are wholly engaged in the creation, production, and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter. In other words, the core copyright industries are industries that would not be in existence if not for their copyright subject matter. This category includes nine sub-groups:

- (a) press and literature;
- (b) music, theatrical productions, and opera;
- (c) motion picture and video;
- (d) radio and television;
- (e) photography;
- (f) software and databases;
- (g) visual and graphic arts;
- (h) advertising services; and
- (i) copyright collective management societies.

## 2. Interdependent Copyright Industries

This category includes industries that are engaged in production, manufacture, and sale of equipment whose function is wholly or primarily to facilitate the creation, production, or use of works and other protected subject matter. This group is divided into core interdependent and partial interdependent industries, based on their complementarity with the core copyright industries.

The first group of core interdependent industries includes the manufacture, wholesale and retail of TV sets, radios, VCRs, DVD players and other similar equipment, computers and equipment, and musical equipment. Products of this group are jointly consumed with the products of the core copyright industries, e.g., the transmission of entertainment programs would need TV sets.

The second group consists of the manufacture, wholesale and retail of photographic and cinematographic instruments, photocopiers, blank recording material and paper. These industries are not exclusively related to copyright products but significantly facilitate their use. Therefore, the value assigned to them is based on judgments made based on careful analyses on this matter.

## 3. Partial Copyright Industries

These industries are characterized by a portion of their activities being related to works and other protected subject matter and may involve creation, production, and manufacturing, performance, broadcast, communication and exhibition or distribution and sales. This category consists of nine sub-groups:

- (a) apparel;
- (b) jewelry and coins;
- (c) other crafts;
- (d) furniture;
- (e) household goods, china and glass;
- (f) wall coverings and carpets;
- (g) toys and games;
- (h) architecture, engineering and surveying;
- (i) interior design; and
- (j) museums.

In calculating their economic contributions, we need to assign a certain percentage to each of the industries. The assignment of the percentages is based on judgments made by the research team, based on a careful and detailed analysis of each industry.

## 4. Non-dedicated Support Industries.

This category consists of industries where a part of the activities is related to facilitating the broadcast, communication, distribution or sales of works and other protected subject matter, and is not included in the core copyright industries. These industries include general wholesale and retailing, general transportation, and telephony and internet. Measuring the effects of these industries will again involve a qualified judgment to estimate the fraction their activities which is related to copyright products.

To quantify the economic contribution of those industries, WIPO's framework includes measurements of the percentage of GDP attributable to them, the value added, and the employment provided in the copyright-based industries.

In calculating the relative size of these industries in the output, the value added approach is recommended as most appropriate (WIPO, 2002, p 36). The value added approach has been preferred for the following reasons (WIPO, 2002, p 38):



1. it is an industry-centered approach which accords with the desire to identify the contribution of the copyright-based industries;
2. it reduces the chances of double counting, and
3. value added input-output tables (and the surveys underlying them) are readily available to many countries.

Since employment in these industries is often not on a permanent or full-time basis, the measure of employment should be on full-time equivalent (FTE) bases. Employment in these industries can be measured as follows (WIPO, 2002, p. 41):

1. from input-output tables;
2. from industry-specific studies conducted by official statistical agencies, government bodies, or private parties; and
3. from census results.

Earlier sections have argued that the methodology proposed by WIPO is a complete and standard one and does not contradict the legal framework of copyright protection in Indonesia. Adoption of the methodology will also offer international comparisons, since growing numbers of countries also employ it in calculating their copyright-based industries' economic contribution. However, a few adaptations are needed to harmonize it with the existing legal protection in Indonesia and the existing development roadmap of creative industry development. The first adaptation is the inclusion of handicraft industries, including *batik* arts, in the copyright industries.

The crafts industry is included in the 14 sectors of creative industry in Indonesia. Further, *batik* arts (including the other traditional fabrics, such as twining and woven textiles (*ikat* and *songket*)) are protected by Law no 19/2002. This category is necessary to accommodate the country-specific factor, since handicrafts are main export commodities of many regions in Indonesia and *batik* arts have just been acknowledged by UNESCO as part of the world's cultural heritage. Therefore, in terms of the list of industries to be studied, the copyright industries should include handicrafts industries: based on the *Klasifikasi Baku Lapangan Usaha Indonesia (KBLI: Indonesia's Standard of Industry Classification)*, this category will consist of twining (*ikat*); woven textiles (*songket*), *batik*; and the woodcarving industry (excluding furniture).

A survey of these sectors reveals that these industries contain copyright elements in their products. The motifs and designs are copyright-protectable. However, other elements contained in the final products are non-copyright protected. Referring to WIPO's definition of the four categories of copyright-based industries, these industries therefore belong to the partial copyright industries.

The second adaptation concerns the status of architecture in the copyright-based industries. Architecture is acknowledged both by Law no 19/2002 and the creative industry definition as a main copyright-based industry. However, WIPO's classification of copyright-based industries places architecture only in the partial copyright industries. The implication is that only a relatively small portion of this industry's activity is included in the calculation. WIPO (WIPO, 2002) argues that architecture contains a relatively large portion of service components which are not necessarily about production of works protected by copyright and have to be separated. Architecture is indeed a particular case, therefore, a careful and detailed analysis of each part of the industry is needed. We have to understand its structure and process in a given country and only then a decision can be made on the percentage of the architecture activity to be taken as copyright-based.

Other minor differences can be easily resolved. For example, while Law no 19/2002 protects maps, WIPO does not explicitly mention them. However, maps can easily be lumped in the category of books. Another minor difference is on the separate categorisation of photography and visual graphic arts by WIPO while they are included in one category by *KBLI*.

Having reviewed the existing legal framework of copyright protection in Indonesia, the creative industry development roadmap, and the WIPO methodology, this paper proposes a list of industries to be studied in measuring the economic contribution of the copyright and related right industries in Indonesia, which is presented in Appendix 1.

## 5. METHOD AND SOURCES OF DATA

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This part of the research aims at two objectives, that is: (1) calculating the economic contribution of copyright and related rights industries in Indonesia and (2) portraying other supporting data.

Following the methodology of WIPO, data for the purpose of calculating economic contribution of copyright and related rights industries in Indonesia were collected by the Indonesia Central Bureau of Statistics. All data were benchmarked to those of 2005, because the already completed input-output table at the moment of data collection was the 2005 I-O table. To calculate the economic contribution of copyright and related industries, the sources of data were:

1. I-O table for 2010 of 175 sectors.
2. Economic Census (*Sensus Ekonomi*) of 2005.
3. The Intercensal Population Surveys (SUPAS) 2006.
4. National Labor Force Survey (*Survei Angkatan Kerja Nasional*) 2010.
5. Ministry of Trade: Contribution of the Sub-Sectors of Creative Industry in Indonesia, 2011
6. Ministry of Tourism and Creative Economy: A Study on the Economic Contribution of the Cultural Sectors in Indonesia (2010)
7. Other relevant sources of data.

Beside extracting data from secondary sources, this study also conducted a small-scale field survey for the purposes of estimating copyright factors, especially for the handicraft industries. There were 50 respondents, mainly from handicraft industries.

The calculation of economic contribution of copyright and related rights industries included analysis stages as follows:

### 1. Identification of copyright and related rights industries

Identification of copyright and related right industries is based on their industry codes as classified by *KBLI*. This results in a list of industries identified as copyright and related rights industries (ICR) and categorized into the four layers of WIPO's classification of Core Copyright Industries, Partial Copyright Industries, Interdependent Copyright Industries, and Non-dedicated Support Industries (see Appendix 1). The sizes of the identified copyright and related rights industries are then estimated in terms of output, value added, and employment.

### 2. Data Collection

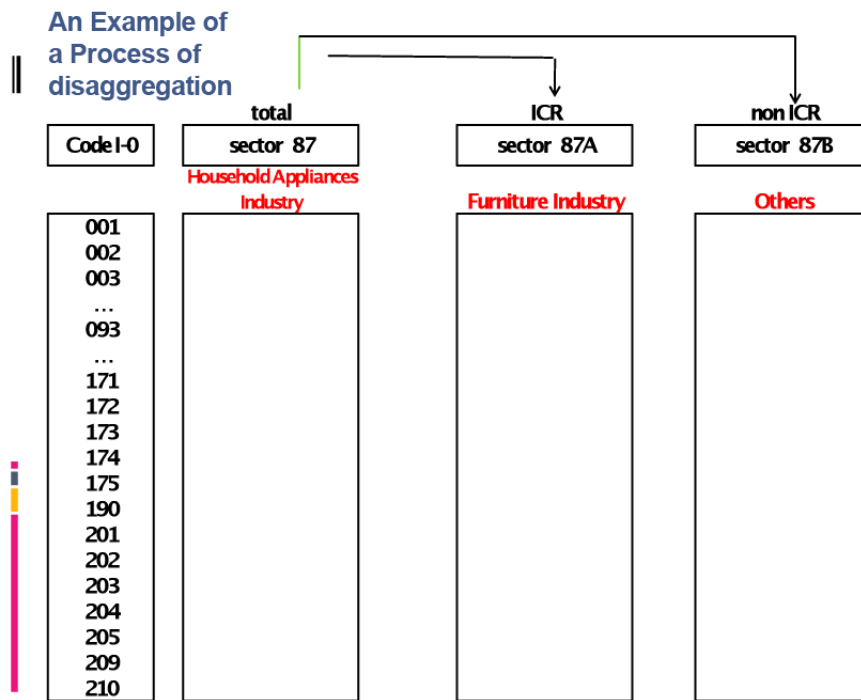
The data were primarily collected from the I-O table, with some additional and supporting data from other sources as identified above. Specifically, the calculation of the employment in the copyright industries was also based on the Employment Survey conducted in 2010.

### 3. Data Analysis

Data were extracted from the I-O table using some disaggregation and aggregation of data. These were employed since the copyright-based industries are often recorded in different sectors in the I-O table: one sector in the I-O table may contain both copyright and non-copyright industries. For example, Sector 87 in the I-O table records 'household appliances industry', which includes the furniture industry (which belongs among copyright-based industries) and other non-copyright industries. For this case, we employed disaggregation of data to separate out the copyright from the non-copyright industries. Other necessary sources were referred to provide best estimates of the required information.

Aggregation of data was employed when data from one type of copyright industry were recorded in different sectors in the I-O table. For example, the furniture industry is recorded in both sectors 87 and 109 in the I-O table. In arriving at best estimates of data, other necessary sources (for example from the Economic Census) were always consulted.

**Figure 5-1: An Example of the Disaggregation Process**



4. Estimation of copyright factors to determine the percentages of the sizes of partial copyright industries, interdependent copyright industries, and non-dedicated support industries which are copyright-based.

There is a basic assumption in the methodology that only the core copyright industries receive 100% inclusion of their size, while the other three groups (partial copyright industries, interdependent copyright industries, and non-dedicated support industries) are presumed different in terms of the degree of their relationship to copyright and related rights. Therefore, the contribution of copyright and related rights of each group should be adjusted with the 'copyright factor' corresponding to their degree of dependency on copyright and related rights.

The copyright factors for the partial copyright and interdependent copyright industries were estimated using proxies of the copyright factors of Singapore, Thailand, and Malaysia, which are neighbor countries of Indonesia. These countries have many similarities with Indonesia and share similar characteristics in terms of copyright and related rights industries.

The copyright factor of non-dedicated support industries was derived from the methodology suggested in the WIPO Guide. The formula for the copyright factor of the non-dedicated support industries is written below. The nominator is the aggregate of value added of the group of core copyright industries, the group of interdependent copyright industries and the group of partial copyright industries. The denominator is the country's GDP, less the summation of the value added of the sub-sector wholesale and retail and that of the transportation sub-sector.

$$\text{Copyright factor of non-dedicated support industries} = \frac{\text{value added (core+interdependent+partial)}}{\text{GDP - value added (wholesale and retail+transportation)}}$$

5. Data Presentation

Data were then presented in absolute size of the copyright industries in terms of output, value added, and employment and their contribution to those economic indicators. Results were also compared with other countries to provide some sense of international comparison. Data were presented both in tables and charts.

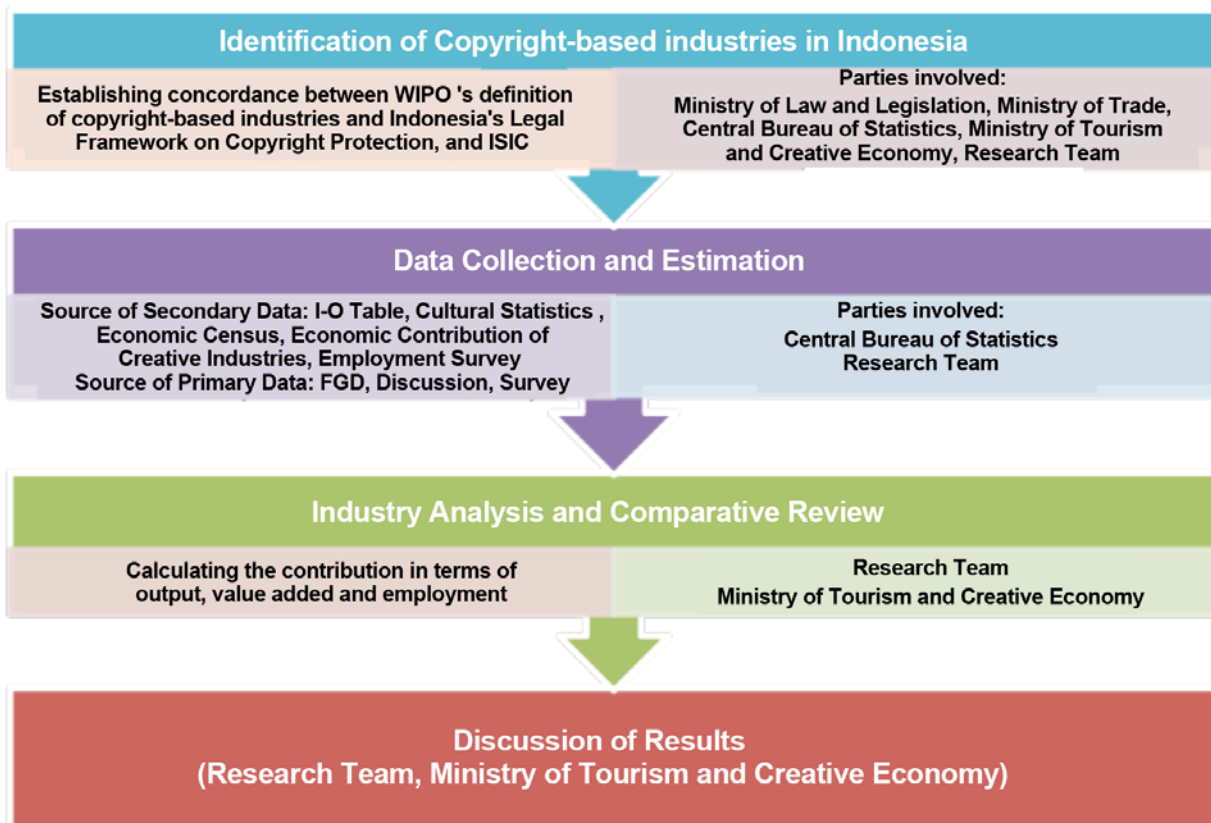
6. Collection of Supporting Data

Supporting data and other relevant information were gathered from various studies conducted by the Ministry of Trade and the Ministry of Tourism and Creative Economy. Other relevant data were collected from other secondary sources, that is, from Nielsen and the International Monetary Fund (IMF).

5.1 Process and Parties Involved in Conducting the Study

The present study involved various stakeholders in copyright and creative industries in Indonesia, where relevant institutions offered their assistance in terms of data, information, technical expertise and ideas throughout the study. Knowledgeable officials from the Ministry of Tourism and Creative Economy, Ministry of Trade, Ministry of Law and Legislation, and Central Bureau of Statistics were involved in the study at various stages. Their contribution is reflected in a simple scheme depicted below (Figure 5-2).

Figure 5-2: Study Process



## 6. RESULTS OF THE SURVEY

A survey (combined with interviews) was conducted in 2012 among 50 owners/managers of copyright industries, mainly from small and medium enterprises (SMEs) in the areas of handicraft, *batik* arts, weaving products, silver-based handicraft products and others. The objective of the survey was to gain insight into the size and output of the companies and the importance of copyright contained in their products. The majority of respondents were active in the area of handicraft because the survey also attempted to gain insight into the copyright factor to be used for the handicraft industry. The sample consisted mainly of SMEs located in Yogyakarta, a region where numerous handicraft companies, including and mainly *batik*-based handicraft, operate.

The first part of the questionnaire contained basic information about the respondent's company, such as status of the respondent and his/her position in the company, name of the company, type of industry, ownership status, year of establishment, and type of products produced by the company. The second part of the questionnaire requested information on the company's output, number of employees and production size. The third part attempted to assess the role of copyright in their products.

The general profile of the respondents is shown depicted in Table 6-1 below. In terms of the respondents' position in the company, 7% of the respondents were managers and 43% were owners. Since the majority of the respondents worked in SMEs, most of the companies were managed by the owners themselves. The industries surveyed were mainly handicrafts (including *batik* arts, silver, bamboo, and wood carving), but some were in the press and publication (6%), advertising services (4%), and artistic photography (2%) industries.

The majority of the companies were local (42%), while the others were foreign (2%), national (10%), and mixed (joint venture between national and local investors: 4%). These companies had been established for more than 5 years, while only 4% had operated for less than 5 years.

**Table 6-1: General Profile of the Respondents**

No.	Survey Item	Description	Freq	Percentage
1.	Respondent's position in the company	Manager	7	14%
		Owner	43	86%
2.	Industry	Handicraft (many kinds)	44	88%
		Press and publication	3	6%
		Advertising services	2	4%
		Artistic Photography	1	2%
3.	Ownership status	Foreign	1	2%
		National	5	10%
		Local	42	88%
		Mixed	2	4%
4.	Year of establishment	Less than 5 years ago	2	4%
		5-10 years ago	21	42%
		>10 years	27	54%
5.	Variety of products	<i>Batik</i> -based handicraft Woven products Leather handicrafts Ceramics handicrafts Books, leaflets Photographs Advertisements (point-of-purchase displays, billboards, print ads, audio-visual ads)		



Some questions in the survey asked for information on turnover and production costs of the respondent companies (see the results in Table 6-2 below). Due to the selection of SMEs as respondents, the total turnover of the companies was not so big, and the majority of respondents fell into the 'less than 500 millions' category.

The question on production cost was difficult to answer, since some respondents did not know their exact percentage of production costs while some others were not willing to reveal their data. Question of management costs confirmed the semi-informal status of respondent companies, where the owners were usually also the managers. The respondent companies seemed to have more part-time workers than full-timers, perhaps due to the typical characteristics of SMEs in Indonesia where the employees prefer to work but are still able to take care of their families.

**Table 6-2: Output and Costs of Production of the Companies**

No	Description	Category	Freq	Percentage	
1	Total Turnover/ Sales per year	>1 billion	2	4%	
		501 millions – 1 billions	13	26%	
		200 – 500 million	18	36%	
		<200 millions	17	34%	
2	Production costs	Production costs vary, many respondents stated 'not certain' (depend on costs of production factors), some stated '90%', some stated '40-50%'.			
3	Management costs	<10%	47	94%	
		10%-25%	3	6%	
		>25%	0	0%	
4	Depreciation costs	<10%	35	70%	
		10%-25%	4	8%	
		>25%	0	0%	
		Don't know	11	22%	
5	Number of Employees	Full-time	<10	35	70%
			10-100	15	30%
			>100	0	0%
		Part-time	<25	8	16%
			25-100	30	60%
			>100	12	24%

Survey items on the importance of copyright revealed that respondents felt that copyrights were supposed to be very important in their daily operations (see Table 6-3). Design and innovation in use of materials were supposed to be protected. However, the idea of copyright in Indonesia was still alien. Therefore, data on the importance of copyright in this case pertain to the protectable or supposedly protected areas. Companies, other than publishers, did not pay or receive royalties.

**Table 6-3: Importance of Copyright**

1	Importance of copyright in daily operations				
	Strongly disagree (0%)	Disagree (0%)	Agree (2%)	Strongly Agree (94%)	Not Sure (4%)
	<p>Interview results revealed some protectable elements in the products, that is: design, coloring techniques, and color-locking techniques.</p> <p>Many kinds of handicrafts were hand-made and custom-made. <i>Batik</i> paintings particularly are produced only 1 piece per item.</p>				
2.	Income from Royalties	Yes (0%)	Don't have (100%)		
3.	Royalty payments	Yes (8%)	No (92%)		
		Especially by publishers			
4.	No of employees working as designers/in the design department or R&D department	None	47 (92%)		
		1-2	3 (6%)		
		More than 2	1 (2%)		
Interview results revealed that respondents (like most handicraft companies or SMEs in Indonesia) have no specified Design/R&D department. However, informally, the owners or senior craftsmen are the designers themselves.					

## 7. ECONOMIC CONTRIBUTION OF COPYRIGHT INDUSTRIES IN INDONESIA – THE RESULTS

The economic contribution of copyright industries in Indonesia is calculated by industry category (that is, core copyright industries, interdependent copyright industries, partial copyright industries, and non-dedicated support industries). The economic contribution is measured in terms of output, value added, and employment.

### 7.1 Core Copyright Industries

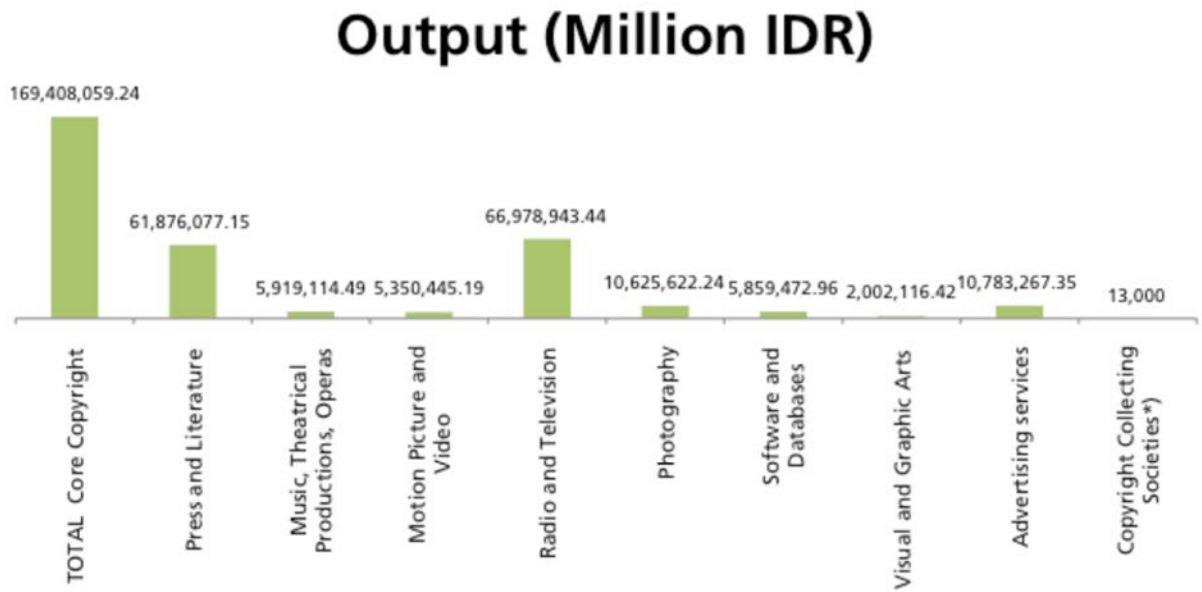
**Table 7-1: Contribution of the Core Copyright Industries**

Code	Description of Industry	Output (Million IDR)	Value Added (Million IDR)	Employment
	<b>TOTAL Core Copyright</b>	<b>169,408,059.24</b>	<b>67,273,614.14</b>	<b>1,189,710.36</b>
1.1	Press and literature	61,876,077.15	23,675,780.97	619,158.06
1.2	Music, theatrical productions, operas	5,919,114.49	2,391,239.37	58,006.26
1.3	Motion picture and video	5,350,445.19	2,047,426.17	29,734.91
1.4	Radio and television	66,978,943.44	27,720,430.50	313,710.52
1.5	Photography	10,625,622.24	4,102,239.16	80,130.00
1.6	Software and databases	5,859,472.96	2,237,813.42	39,098.38
1.7	Visual and graphic arts	2,002,116.42	814,289.76	22,385.22
1.8	Advertising services	10,783,267.35	4,280,394.79	27,207.01
1.9	Copyright collecting societies*)	13,000	4,000	280

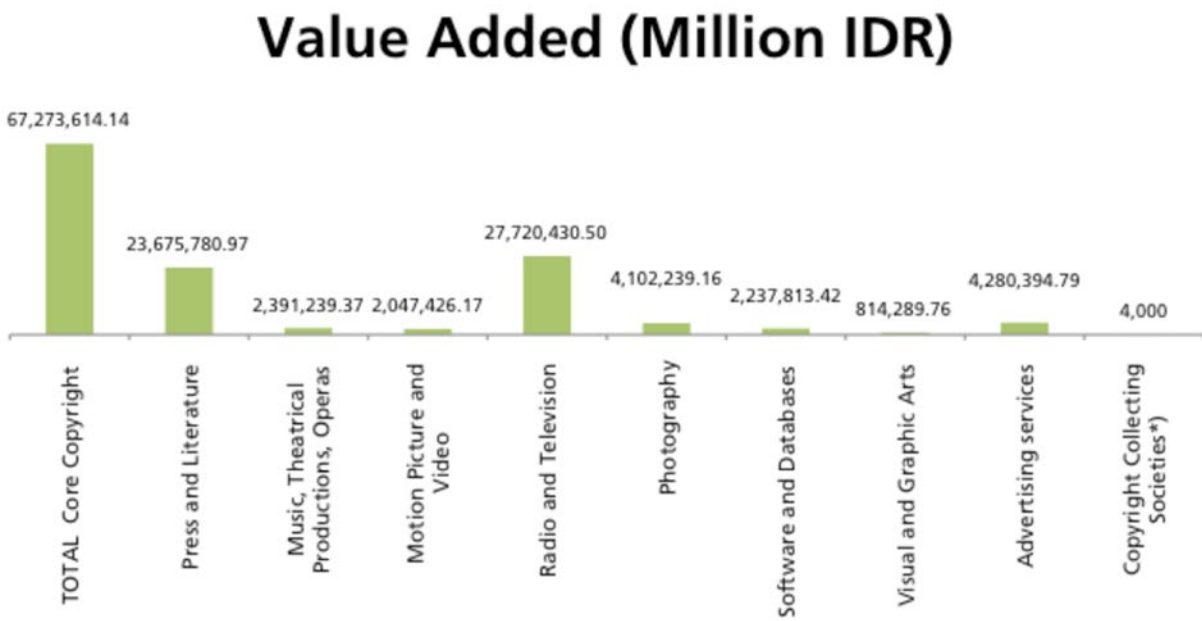
\*Special note on the contribution of the Copyright Collecting Societies. Performing rights or rights to announce and use creations in Copyright Law No. 19 Year 2002 are part of economic rights embedded in exclusive rights as stated in Section 1 Article 1 of the Law. However, royalty collection and management of performing rights in Indonesia do not get proper attention and are somewhat controversial. The Law No. 19 Year 2002 itself does not explicitly state the establishment of a performing right collecting right society. However, there are three copyright collecting societies acknowledged by the Ministry of Law and Human Rights, that is, 'Yayasan Karya Cipta Indonesia' (now: 'Karya Cipta Indonesia') to collect royalties from songs/music, 'Yayasan Cipta Buku Indonesia' to collect royalties from books and the like, and 'Wahana Musik Indonesia' to collect royalties from songs/music. The most active one is 'Karya Cipta Indonesia' whose main source of royalties now comes from a very popular product in Indonesia, Ring Back Tones (RBT). Since the management and data base systems of copyright collection societies in Indonesia have not yet been properly established, based on telephone survey and secondary sources, we put very rough estimates on their economic contribution.

The economic contribution (absolute terms) of core copyright industries is depicted in Table 7-1. In graphical formats, these data are depicted in Charts 7-1 to 7-3. The biggest contributors to output were radio and television; press and literature; photography; advertising services, and motion picture and video. In terms of value added, the biggest contributors were radio and television; press and literature; photography; advertising services; and music, theatrical productions, and operas. In terms of employment, Press and literature employed the biggest number of employees, followed by radio and television; photography; advertising services; music, theatrical productions, and operas, and software and data bases.

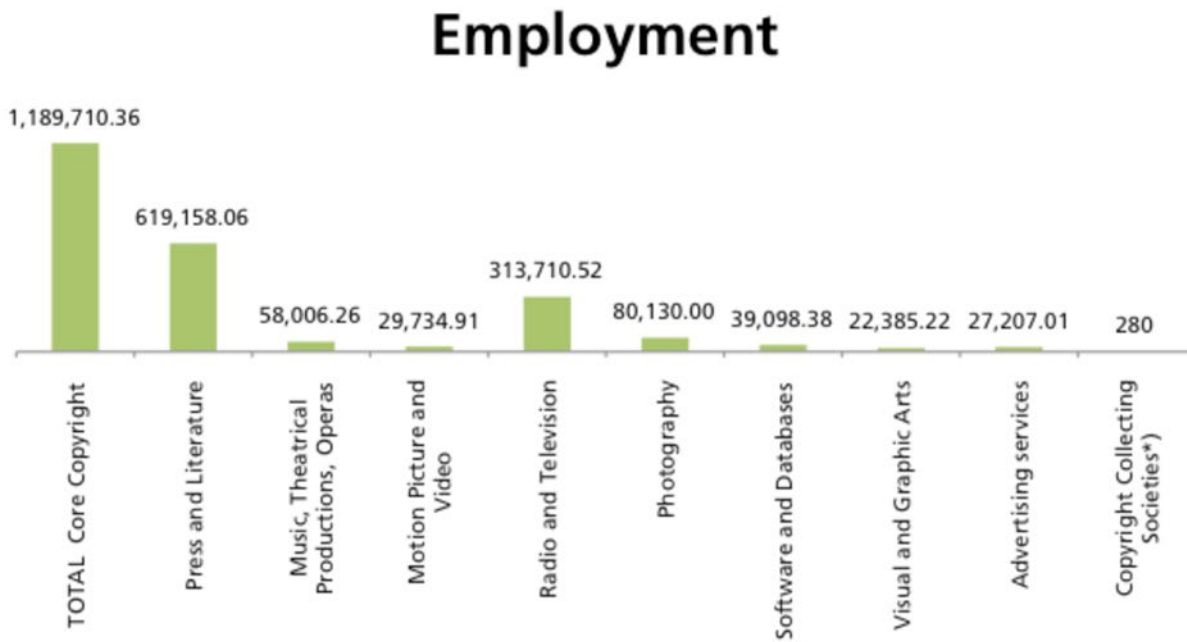
**Chart 7-1: Contribution of Core Copyright Industries in terms of Output, by Industry**



**Chart 7-2: Contribution of Core Copyright Industries in terms of Value Added, by Industry**



**Chart 7-3: Contribution of Core Copyright Industries in terms of Employment, by Industry**



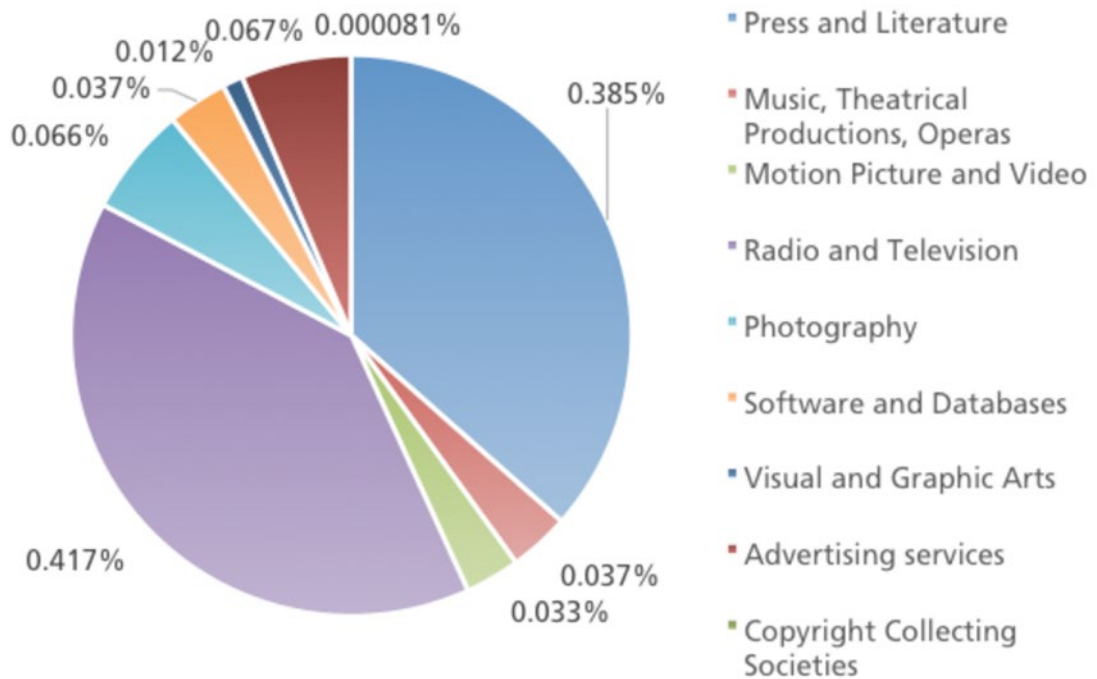
**Table 7-2: Contribution of the Core Copyright Industries (%)**

Code	Description of Industry	Output	Value added	Employment
	<b>I. Core Copyright</b>	<b>1.055%</b>	<b>1.048%</b>	<b>1.10%</b>
1.1	Press and literature	0.385%	0.369%	0.57%
1.2	Music, theatrical productions, operas	0.037%	0.037%	0.05%
1.3	Motion picture and video	0.033%	0.032%	0.03%
1.4	Radio and television	0.417%	0.432%	0.29%
1.5	Photography	0.066%	0.064%	0.07%
1.6	Software and databases	0.037%	0.035%	0.04%
1.7	Visual and graphic arts	0.012%	0.013%	0.02%
1.8	Advertising services	0.067%	0.067%	0.03%
1.9	Copyright collecting societies*)	0.000081%	0.000062%	0.000259%

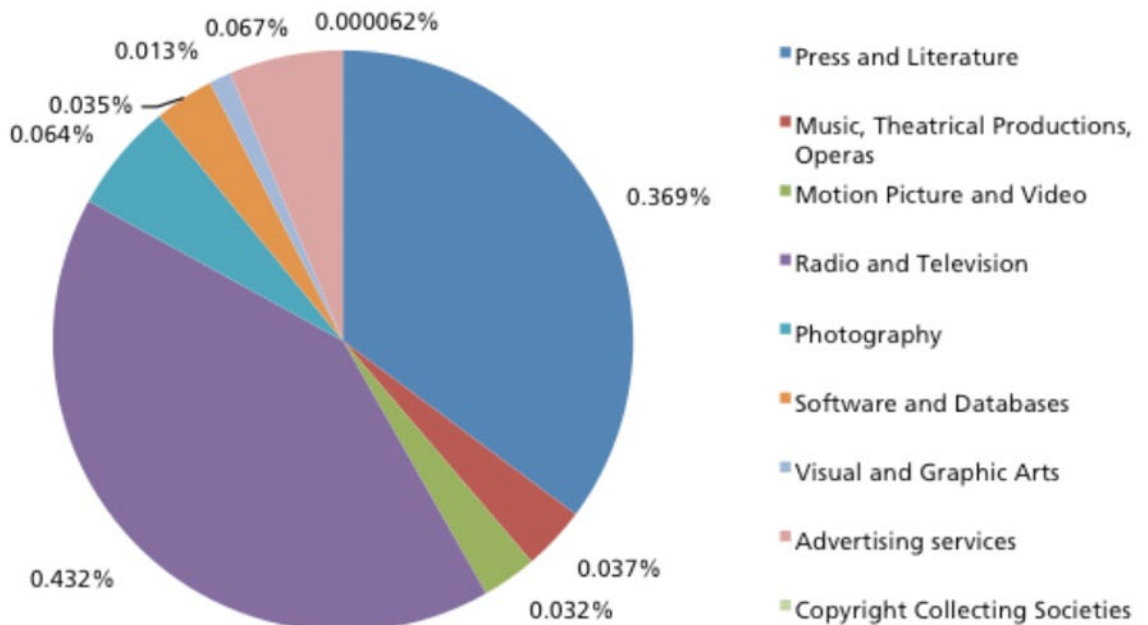
The contributions of core copyright industries to total national output, value added, and employment are shown in Table 7-2. In graphical format, these results are shown in Charts 7-4 to 7-6. The total contribution of core copyright industries were 1.055% (to national output), 1.048% (to national value added), and 1.10% (to national employment). The 'big five' in the core copyright industries contributed 0.417%, 0.385%, 0.067%, 0.066%, and 0.037%, respectively, to output. In terms of value added, radio and television contributed 0.432% to national total value added, while press and literature was the second biggest contributor at 0.369%. However, in terms of employment, press and literature contributed more than radio and television, with 0.57% and 0.29% contribution, respectively. This indicates that the press and literature industry in Indonesia is labor-intensive.



**Chart 7-4: Contribution of the Core Copyright Industry (%) to Output, by Industry**



**Chart 7-5: Contribution of the Core Copyright Industry (%) to Value Added, by Industry**



**Chart 7-6: Contribution of the Core Copyright Industries (%) to Employment, by Industry**

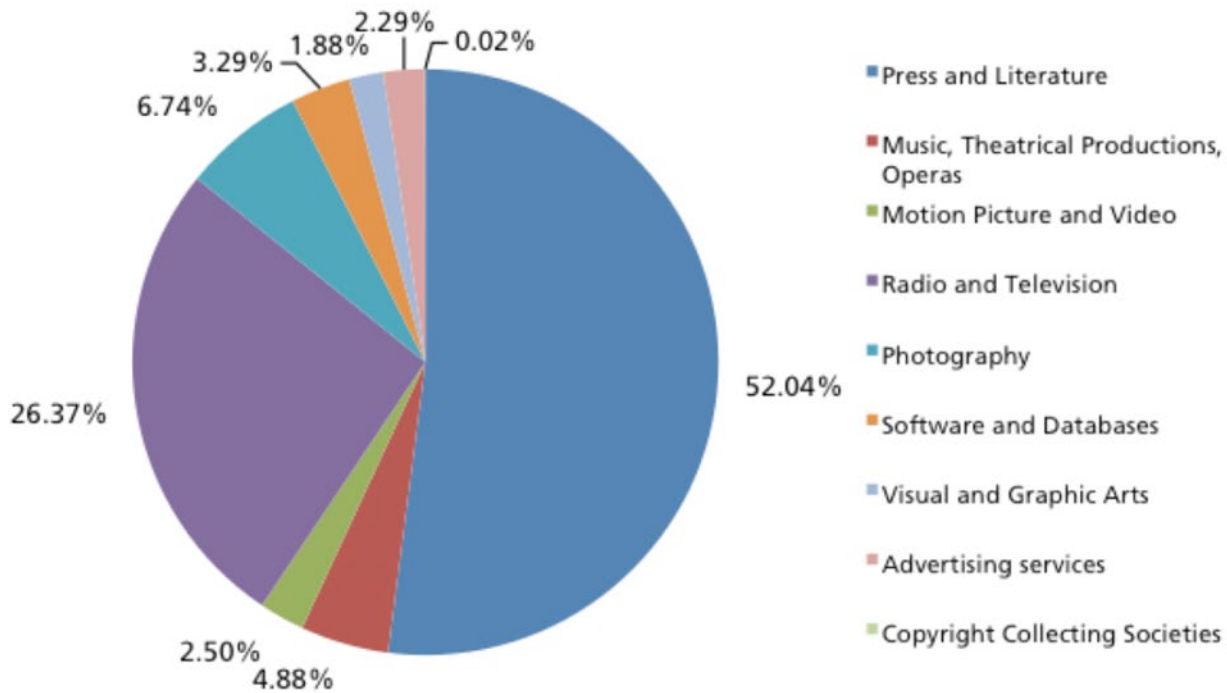
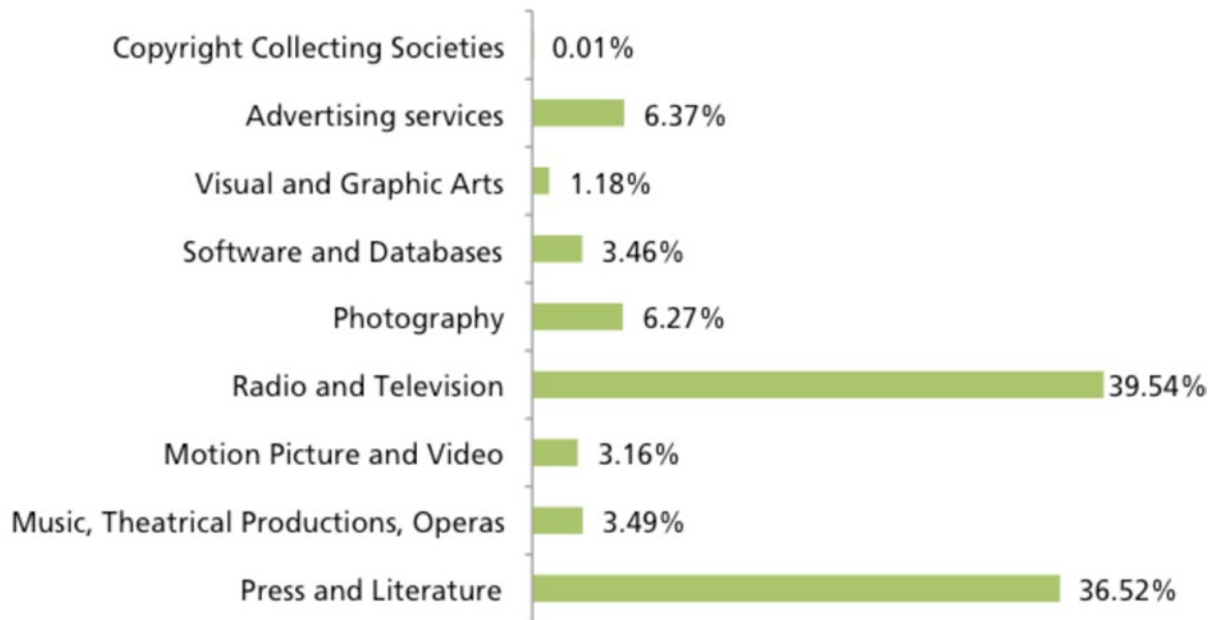


Table 7-3 presents the relative contribution of each core copyright industry to total core copyright, which again shows that radio and television and press and literature were the biggest industries in the core copyright industries. The rest of the core copyright industries contributed approximately 23.94% to output, 23.6% to value added, and 21.58% to employment in the total of core copyright industries. These results are also depicted in graphical formats in Charts 7-7 to 7.9.

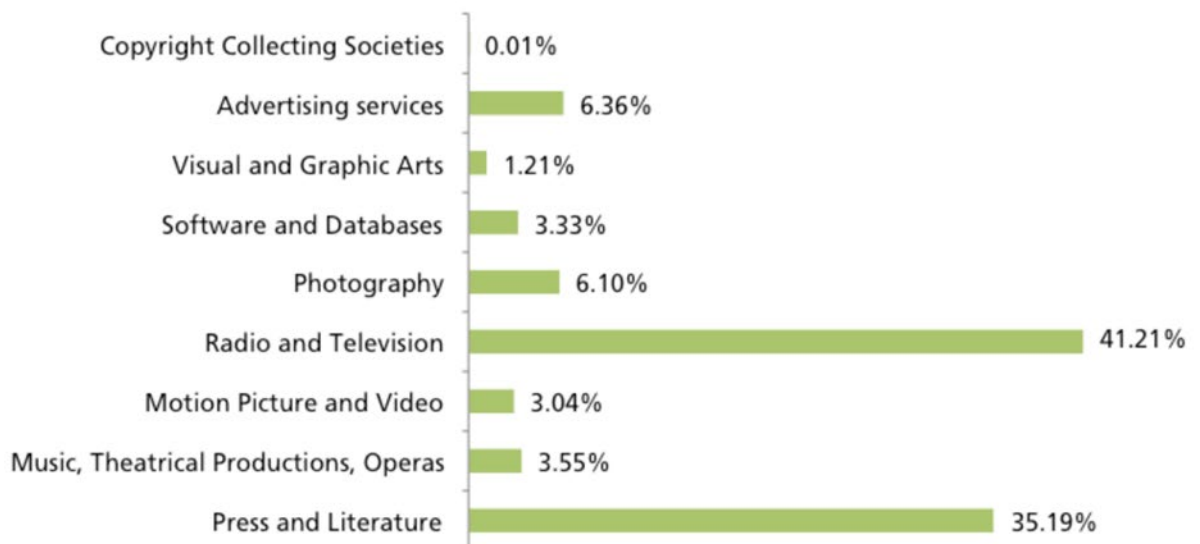
**Table 7-3: Relative Contribution of Each Core Copyright Industry to Total Core Copyright Industries (%)**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Core Copyright</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
1.1	Press and literature	36.52%	35.19%	52.04%
1.2	Music, theatrical productions, operas	3.49%	3.55%	4.88%
1.3	Motion picture and video	3.16%	3.04%	2.50%
1.4	Radio and television	39.54%	41.21%	26.37%
1.5	Photography	6.27%	6.10%	6.74%
1.6	Software and databases	3.46%	3.33%	3.29%
1.7	Visual and graphic arts	1.18%	1.21%	1.88%
1.8	Advertising services	6.37%	6.36%	2.29%
1.9	Copyright collecting societies	0.01%	0.01%	0.02%

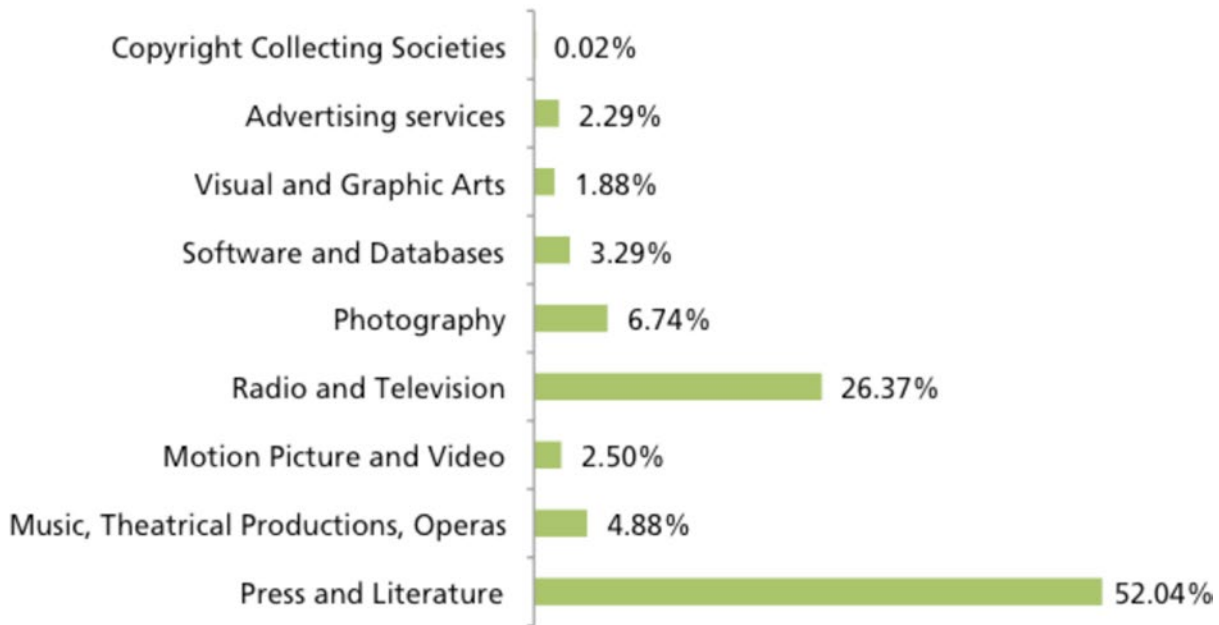
**Chart 7-7: Relative Contribution of Each Core Copyright Industry to Total Core Copyright Industries in terms of Output**



**Chart 7-8: Relative Contribution of Each Core Copyright Industry to Total Core Copyright Industries in terms of Value Added**



**Chart 7-9: Relative Contribution of Each Core Copyright Industry to Total Core Copyright Industries in terms of Employment**



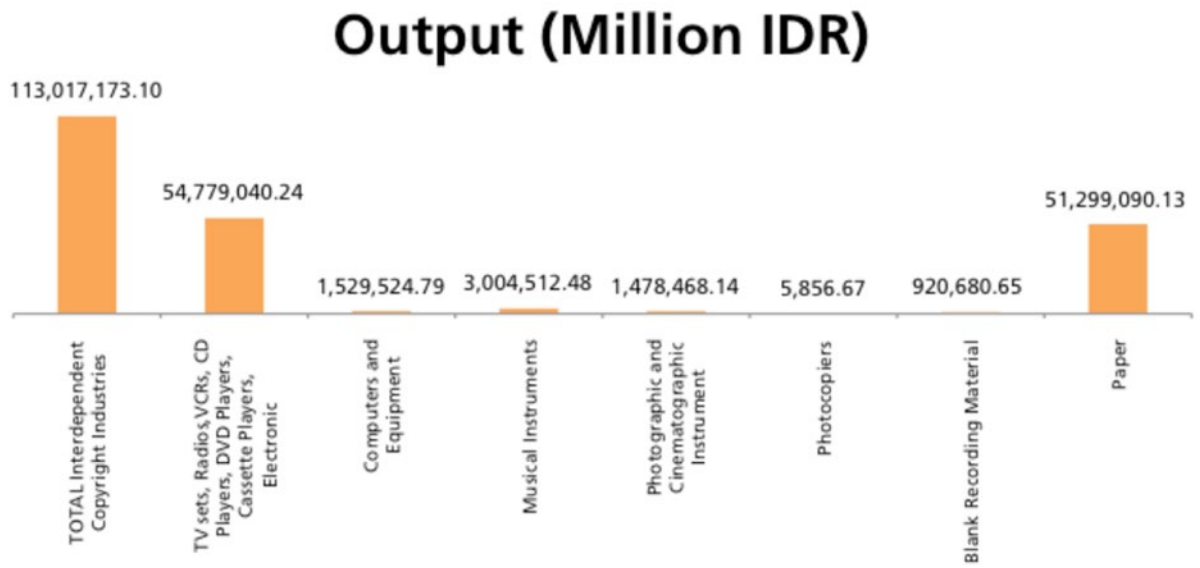
## 7.2 Interdependent Copyright Industries

In the interdependent copyright industries, the biggest industries in terms of output were the manufacture of TV sets, radios, VCRs, CD players, DVD players, and cassette players, and the electronic industry; paper; musical instruments; computers and equipment; and photographic and cinematographic instruments. In terms of value added, the rank of the biggest contributors was similar. However, in terms of employment, the paper industry absorbed the largest number of employees, followed by TV sets, Radios, VCRs, CD players, DVD players, cassette players, and the electronic industry; photographic and cinematographic instruments; musical instruments, and blank recording materials. These data are presented in Table 7-4 and in Charts 7-10 to 7-12.

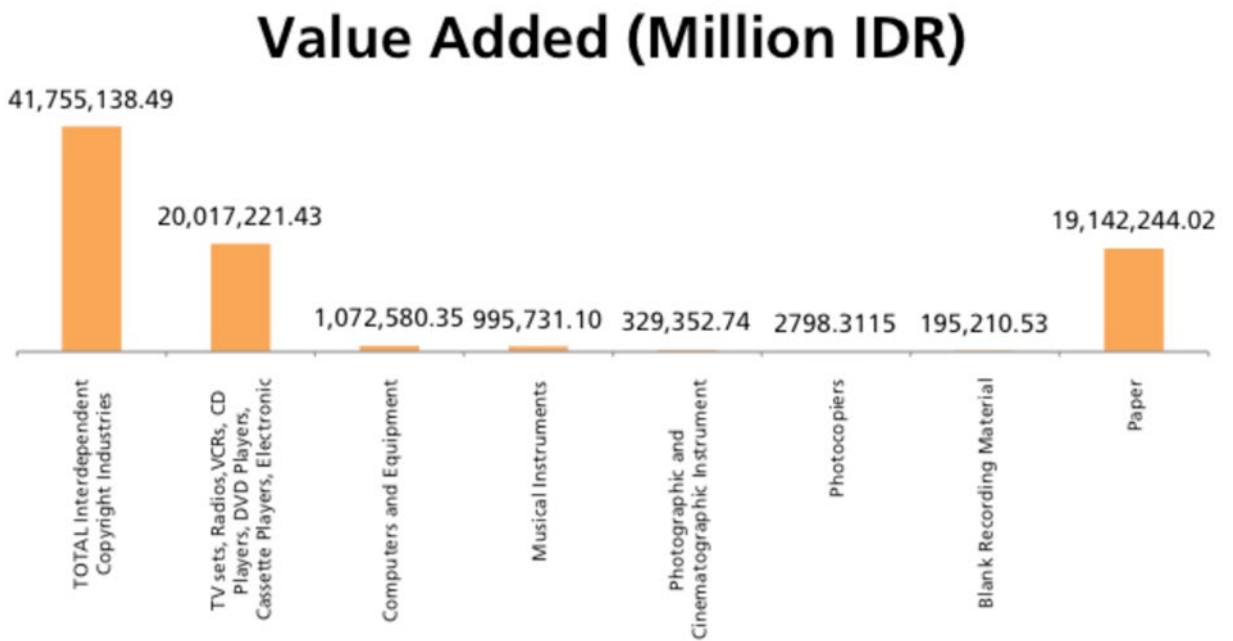
**Table 7-4: Contribution of the Interdependent Copyright Industries**

Code	Description of Industry	Output (Million IDR)	Value Added (Million IDR)	Employment
	<b>TOTAL Interdependent Copyright Industries</b>	<b>113,017,173.10</b>	<b>41,755,138.49</b>	<b>289,720.22</b>
2.1	TV sets, Radios, VCRs, CD players, DVD players, cassette players, electronic	54,779,040.24	20,017,221.43	94,229.63
2.2	Computers and equipment	1,529,524.79	1,072,580.35	1,977.91
2.3	Musical instruments	3,004,512.48	995,731.10	29,334.50
2.4	Photographic and cinematographic instruments	1,478,468.14	329,352.74	28,773.94
2.5	Photocopiers	5,856.67	2798.3115	775.434
2.6	Blank recording materials	920,680.65	195,210.53	1722.9618
2.7	Paper	51,299,090.13	19,142,244.02	132,905.84

**Chart 7-10: Contribution of the Interdependent Copyright Industries in terms of Output, by Industry**

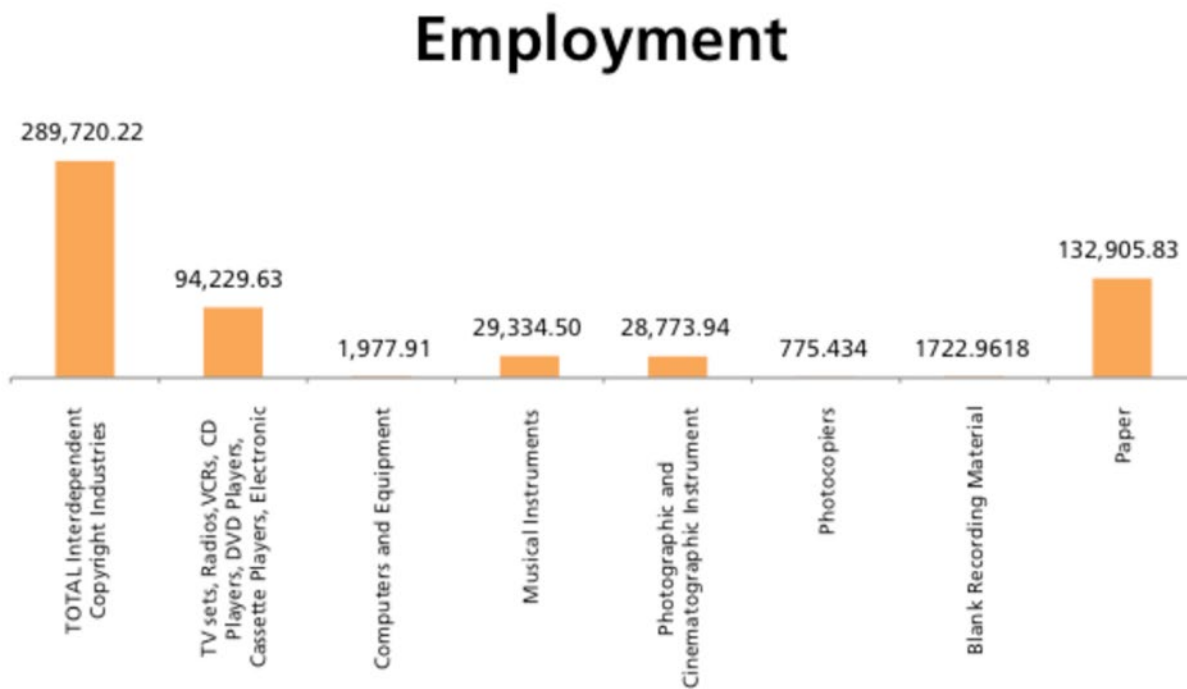


**Chart 7-11: Contribution of the Interdependent Copyright Industries in terms of Value added, by Industry**





**Chart 7-12: Contribution of the Interdependent Copyright Industries in terms of Employment, by Industry**

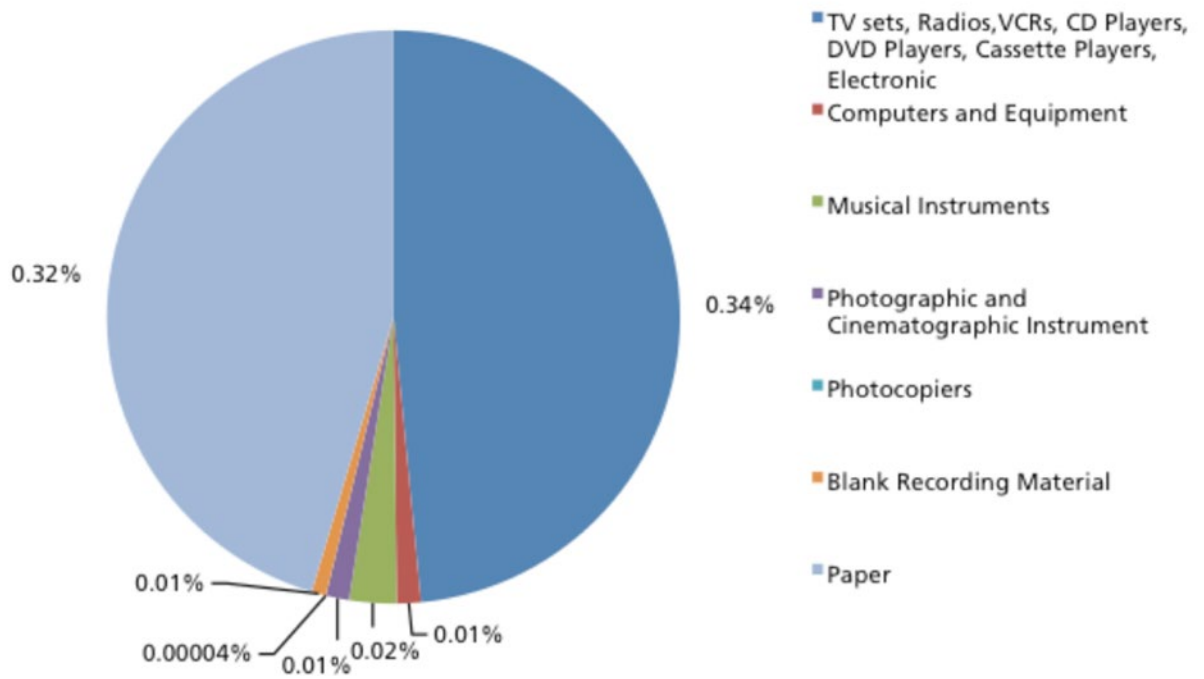


The contributions of interdependent copyright industries to total national output, value added, and employment are shown in Table 7-5 and Charts 7-13 to 7-15. The total contribution of interdependent copyright industries was 0.465% (to national output), 0.335% (to national value added), and 0.061% (to national employment). The 'big five' in the interdependent copyright industries contributed 0.243%, 0.192%, 0.014%, 0.006%, and 0.004%, respectively, to output. In terms of value added, TV sets, Radios, VCRs, CD players, DVD players, cassette players, and the electronic industry contributed 0.178% to national total value added, while paper was the second biggest contributor of 0.137%. However, in terms of employment, paper contributed more than TV sets, Radios, VCRs, CD players, DVD players, cassette players, and electronic industry, with 0.031% and 0.018% contribution, respectively.

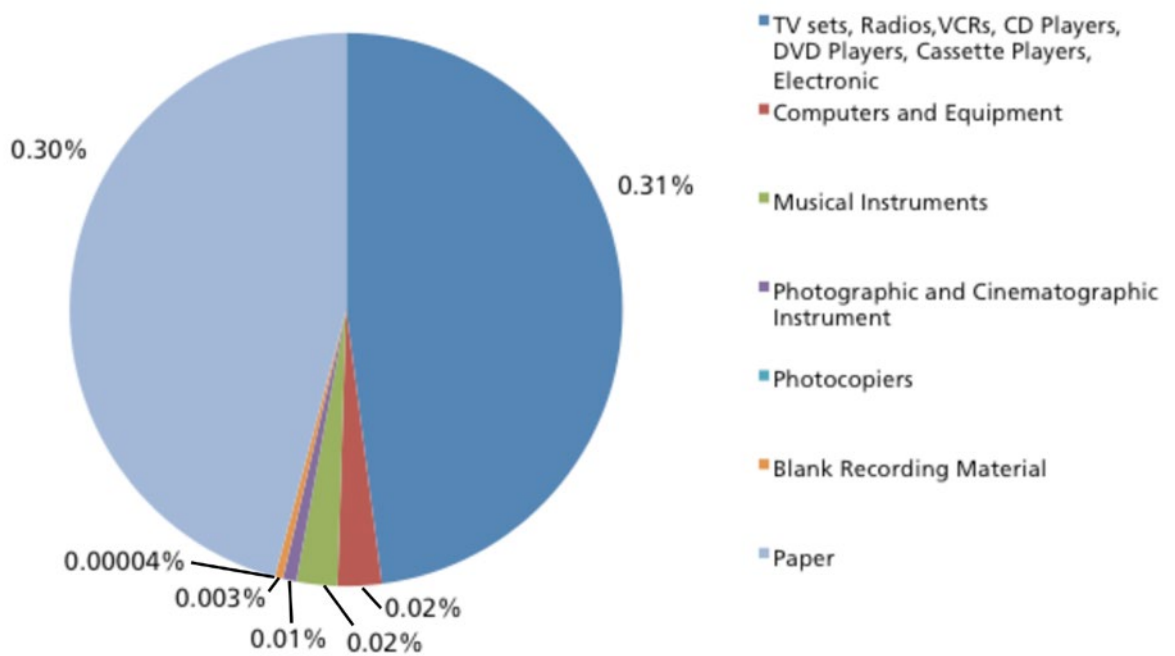
**Table 7-5: Contribution of the Interdependent Copyright Industries (%)**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Interdependent Industries</b>	<b>0.70%</b>	<b>0.65%</b>	<b>0.27%</b>
2.1	TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic	0.34%	0.31%	0.09%
2.2	Computers and equipment	0.01%	0.02%	0.00%
2.3	Musical instruments	0.02%	0.02%	0.03%
2.4	Photographic and cinematographic instruments	0.01%	0.01%	0.03%
2.5	Photocopiers	0.00004%	0.00004%	0.00%
2.6	Blank recording material	0.01%	0.003%	0.00%
2.7	Paper	0.32%	0.30%	0.12%

**Chart 7-13: Contribution of the Interdependent Copyright Industries to Output (%), by Industry**



**Chart 7-14: Contribution of the Interdependent Copyright Industries to Value-Added (%), by Industry**





**Chart 7-15: Contribution of the Interdependent Copyright Industries to Employment (%), by Industry**

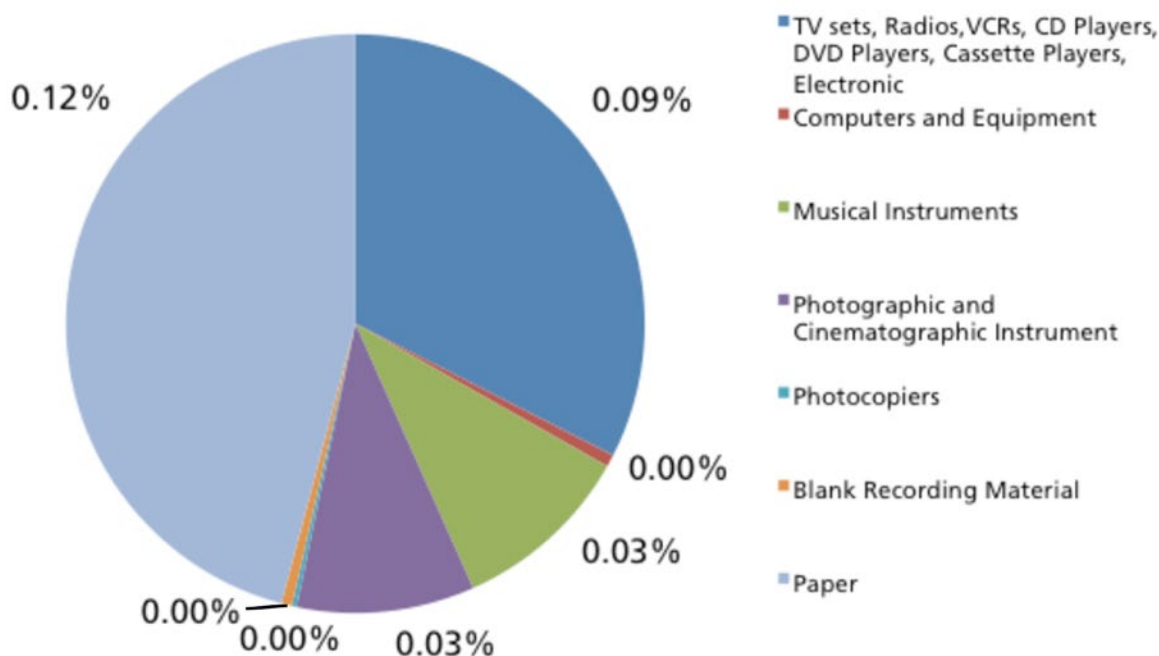
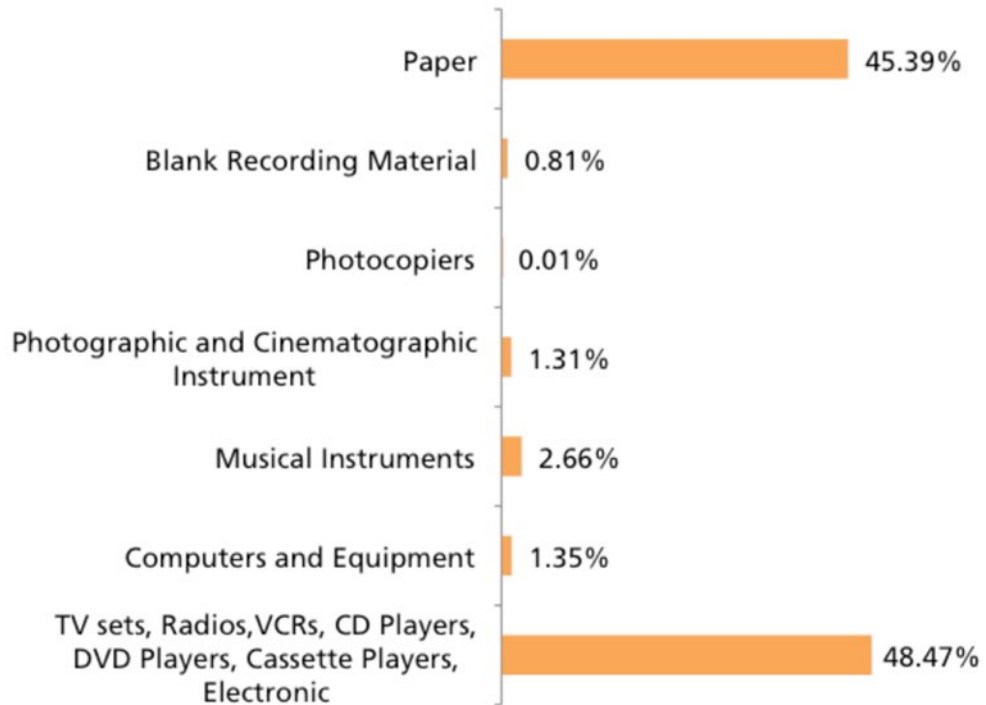


Table 7-6 presents the relative contribution of each interdependent copyright industry to the total of interdependent copyright industries, which again shows that TV sets, Radios, VCRs, CD players, DVD players, cassette players and electronic and paper industries accounted for 93.613% of the total output of all the interdependent copyright industries. Similarly, these two industries accounted for 94.119% of the total value added of the interdependent industries. In terms of employment, these industries accounted for 78.975% of the total employment in the interdependent industries. These results are also depicted in graphical format in Charts 7-16 to 7-18.

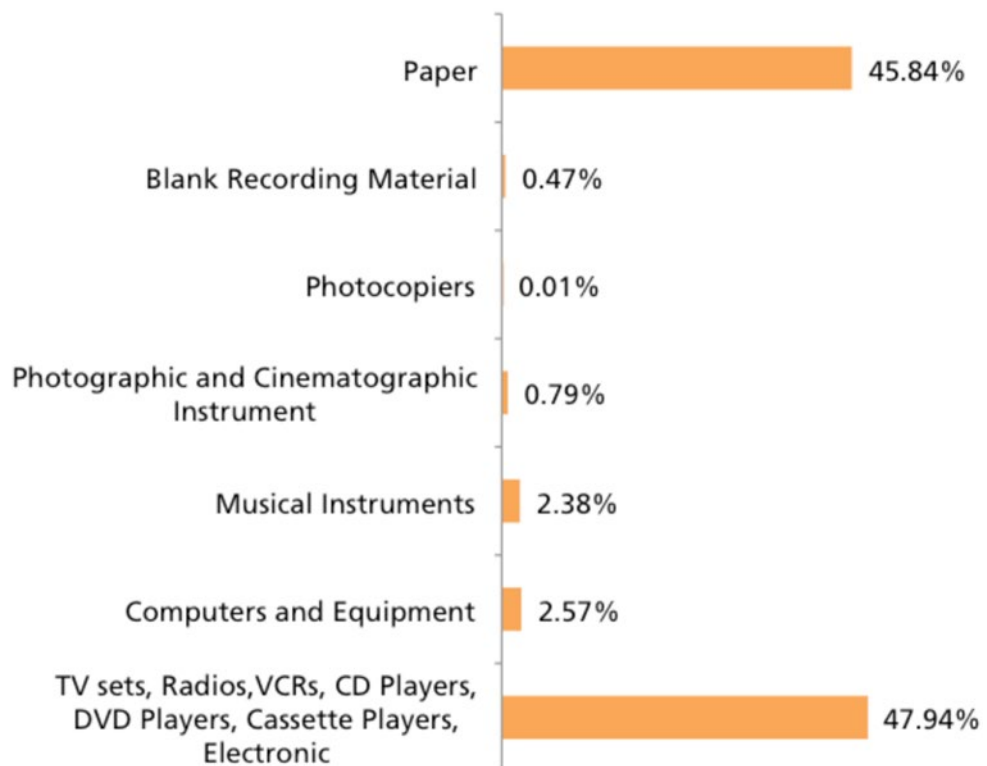
**Table 7-6: Relative Contribution of Each Interdependent Copyright Industry to Total Interdependent Copyright Industries**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Interdependent Industries</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
2.1	TV sets, radios, VCRs, CD Players, DVD players, cassette players, electronic	48.47%	47.94%	32.52%
2.2	Computers and equipment	1.35%	2.57%	0.68%
2.3	Musical instruments	2.66%	2.38%	10.13%
2.4	Photographic and cinematographic instruments	1.31%	0.79%	9.93%
2.5	Photocopiers	0.01%	0.01%	0.27%
2.6	Blank recording material	0.81%	0.47%	0.59%
2.7	Paper	45.39%	45.84%	45.87%

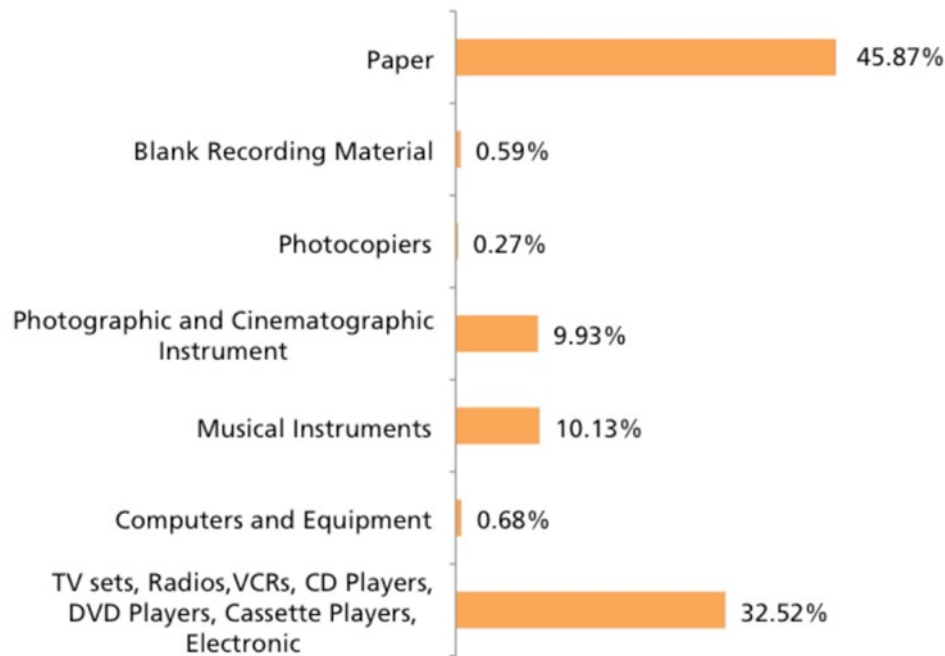
**Chart 7-16: Relative Contribution of Each Interdependent Industry to Total Interdependent Industries in terms of Output**



**Chart 7-17: Relative Contribution of Each Interdependent Industry to Total Interdependent Industries in terms of Value Added**



**Chart 7-18: Relative Contribution of Each Interdependent Industry to Total Interdependent Industries in terms of Employment**



### 7.3 Partial Copyright Industries

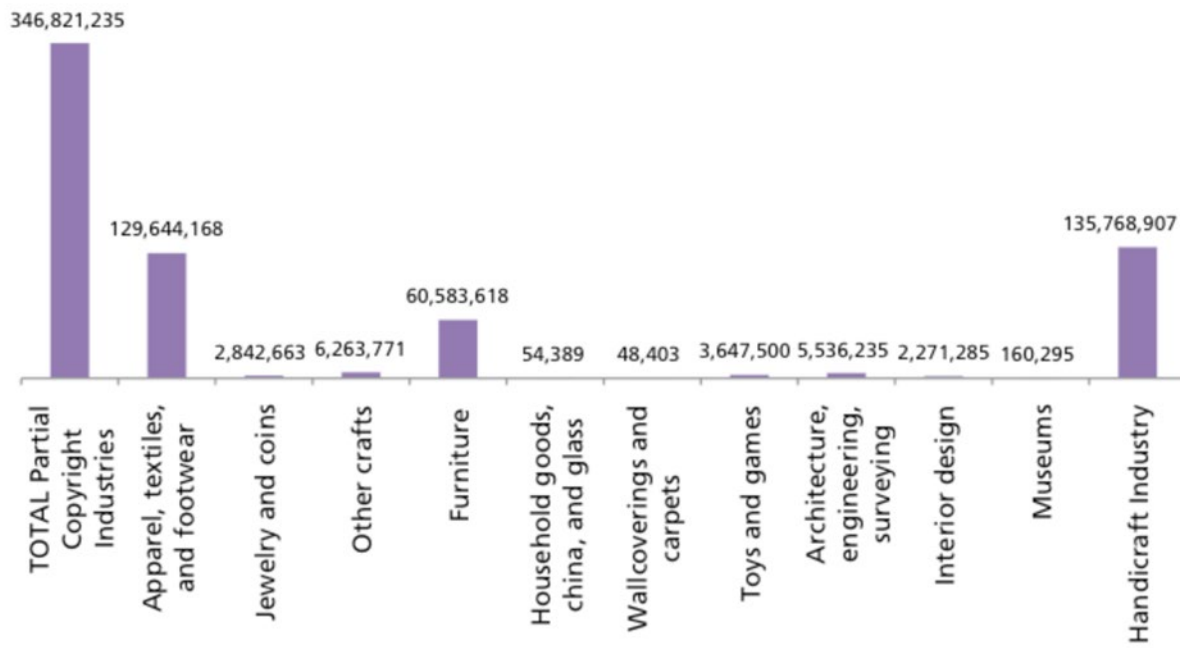
In the partial copyright industries, both in terms of value added and employment, the biggest contributors were the handicraft industries, followed by apparel, textiles and footwear; and furniture. The other industries in the partial copyright category were considerably behind these three industries (see Table 7-7 and Charts 7-19 to 7-21). Handicraft industry, which includes *batik* arts, traditional woven fabrics, souvenirs, and handmade accessories, has become one of the biggest industries in the creative sectors in Indonesia. Apparel, textiles and footwear, and furniture are also two main commodities for exports.

**Table 7-7: Contribution of the Partial Copyright Industries**

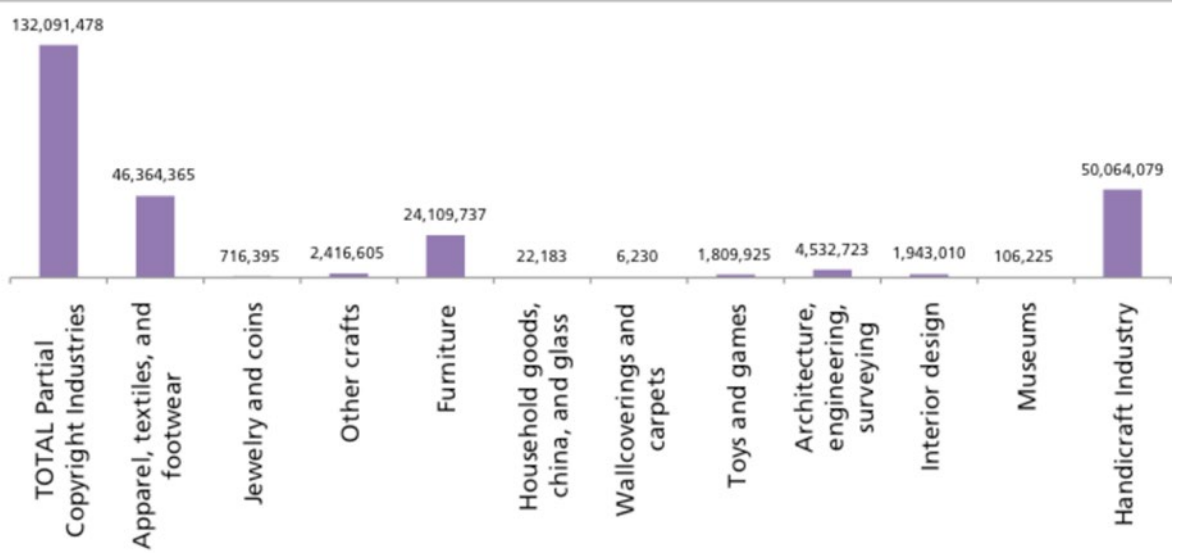
Code	Description of Industry	Output (Million IDR)	Value Added (Million IDR)	Employment
	<b>TOTAL Partial Copyright Industries</b>	<b>346,821,235</b>	<b>132,091,478</b>	<b>2,223,464</b>
3.1	Apparel, textiles, and footwear	129,644,168	46,364,365	531,612
3.2	Jewelry and coins	2,842,663	716,395	37,047
3.3	Other crafts	6,263,771	2,416,605	501,641
3.4	Furniture	60,583,618	24,109,737	451,973
3.5	Household goods, china, and glass	54,389	22,183	199
3.6	Wallcoverings and carpets	48,403	6,230	351
3.7	Toys and games	3,647,500	1,809,925	13,209
3.8	Architecture, engineering, surveying	5,536,235	4,532,723	8,232
3.9	Interior design	2,271,285	1,943,010	22,279
3.1	Museums	160,295	106,225	2,710
3.11	Handicraft industry	135,768,907	50,064,079	654,211



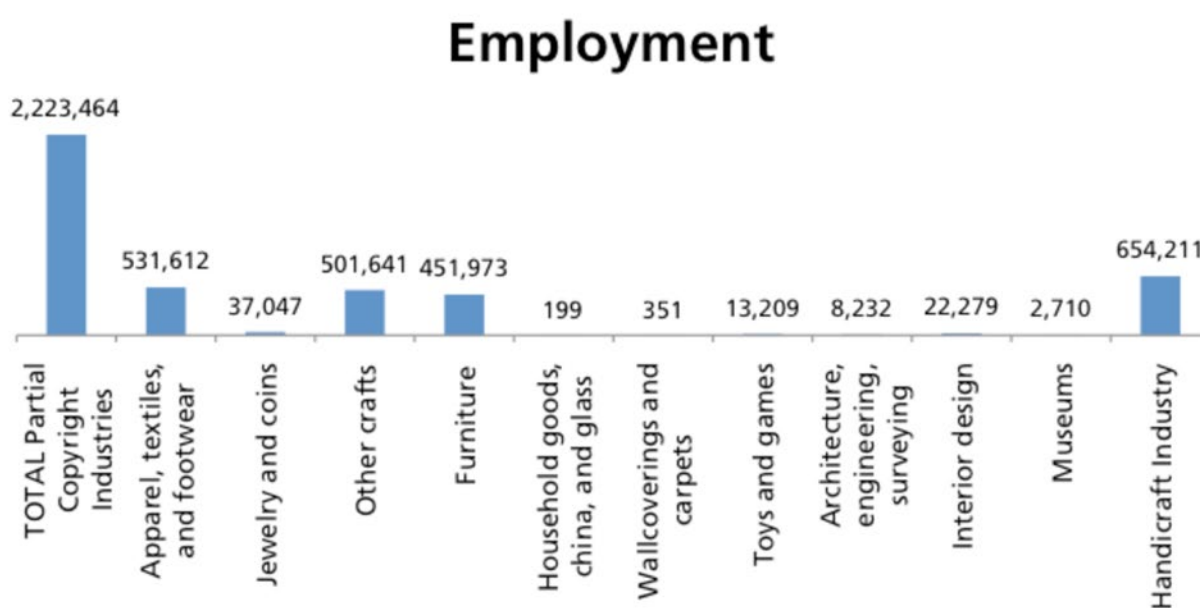
**Chart 7-19: Contribution of the Partial Copyright Industries in terms of Output, by Industry**



**Chart 7-20: Contribution of the Partial Copyright Industries in terms of Value Added, by Industry**



**Chart 7-21: Contribution of the Partial Copyright Industries in terms of Employment, by Industry**

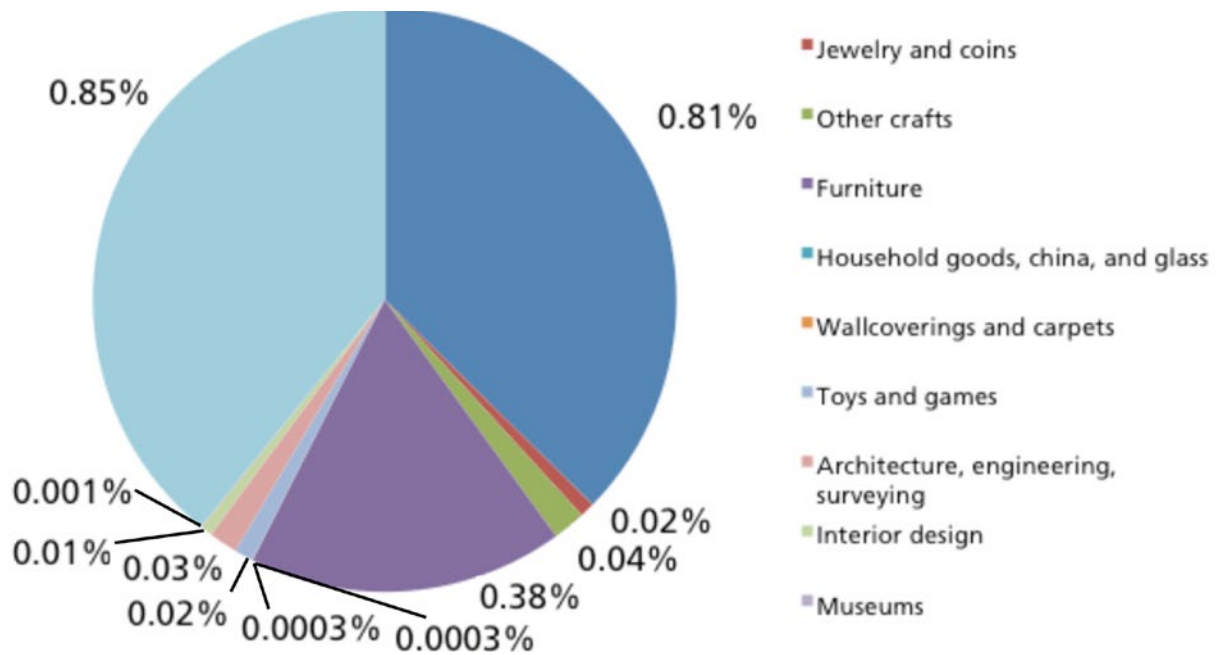


The contributions of partial copyright industries to total national output, value added and employment, in percentages (%), are shown in Table 7-8 and Charts 7-22 to 7-24. The total contribution of partial copyright industries was 2.16% (to national output), 2.06% (to national value added), and 2.05% (to national employment). The 'big three' in the partial copyright industries contributed 0.85%, 0.81%, and 0.38%, respectively. In terms of value added, handicraft was the biggest contributor, followed by the apparel, textiles, and footwear industry and furniture, contributing 0.78%, 0.72%, and 0.38% to national total value added. This pattern also applies to contribution in terms of employment, where handicraft, apparel, textiles and footwear, and furniture were the biggest contributors.

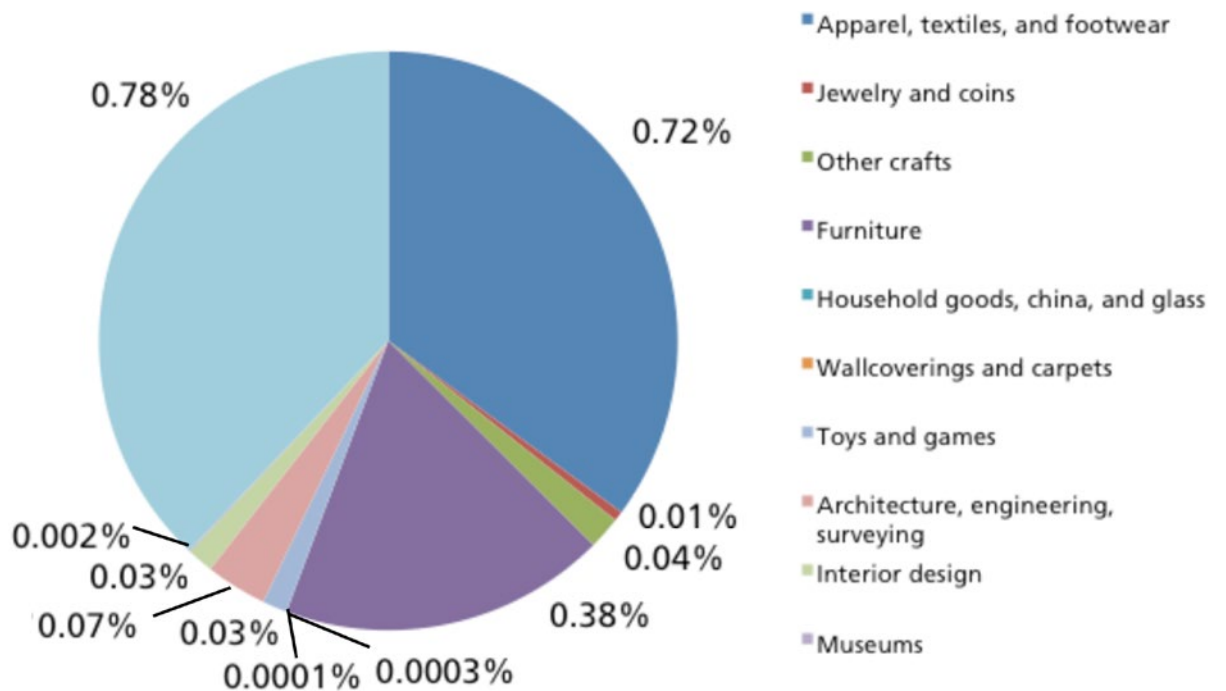
**Table 7-8: Contribution of the Partial Copyright Industries (%)**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Partial Copyright Industries</b>	<b>2.16%</b>	<b>2.06%</b>	<b>2.05%</b>
3.1	Apparel, textiles, and footwear	0.81%	0.72%	0.49%
3.2	Jewelry and coins	0.02%	0.01%	0.03%
3.3	Other crafts	0.04%	0.04%	0.46%
3.4	Furniture	0.38%	0.38%	0.42%
3.5	Household goods, china, and glass	0.0003%	0.0003%	0.0002%
3.6	Wallcoverings and carpets	0.0003%	0.0001%	0.0003%
3.7	Toys and games	0.02%	0.03%	0.01%
3.8	Architecture, engineering, surveying	0.03%	0.07%	0.01%
3.9	Interior design	0.01%	0.03%	0.02%
3.1	Museums	0.001%	0.002%	0.003%
3.11	Handicraft industry	0.85%	0.78%	0.60%

**Chart 7-22: Contribution of the Partial Copyright Industries (%) to Output**



**Chart 7-23: Contribution of the Partial Copyright Industries (%) to Value added**



**Chart 7-24: Contribution of the Partial Copyright Industries (%) to Employment**

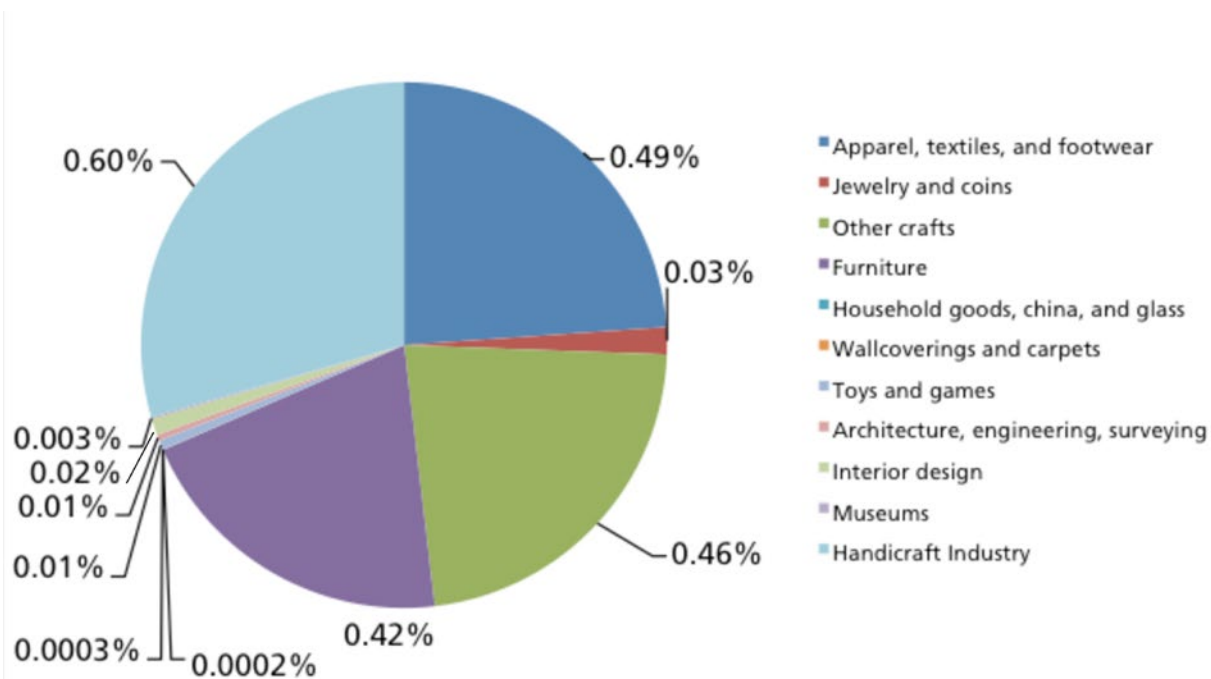
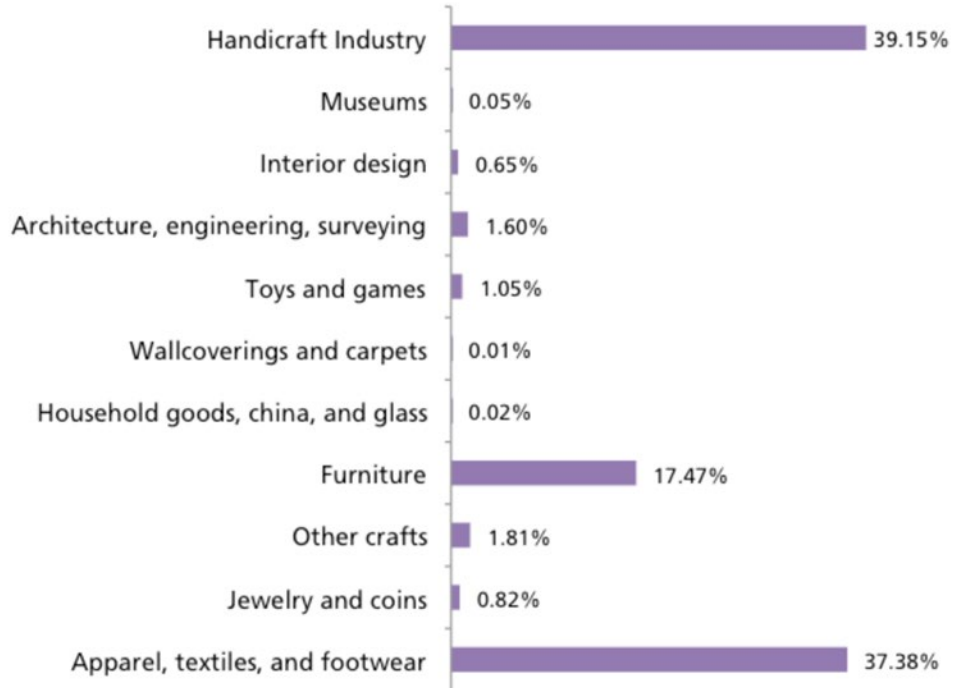


Table 7-9 depicts the relative contribution of each partial copyright industry to total partial copyright industries, which again shows that the handicraft; apparel, textiles and footwear, and furniture industries accounted for 94 % of the total output of all the partial copyright industries. Similarly, these three industries accounted for 91.25% of the total value added of the partial copyright industries. In terms of employment, these industries accounted for 73.66% of the total employment in the partial copyright industries. The category of ‘other crafts’ contributed 22.56%. These results are also depicted in graphical formats in Charts 7-25 to 7-27.

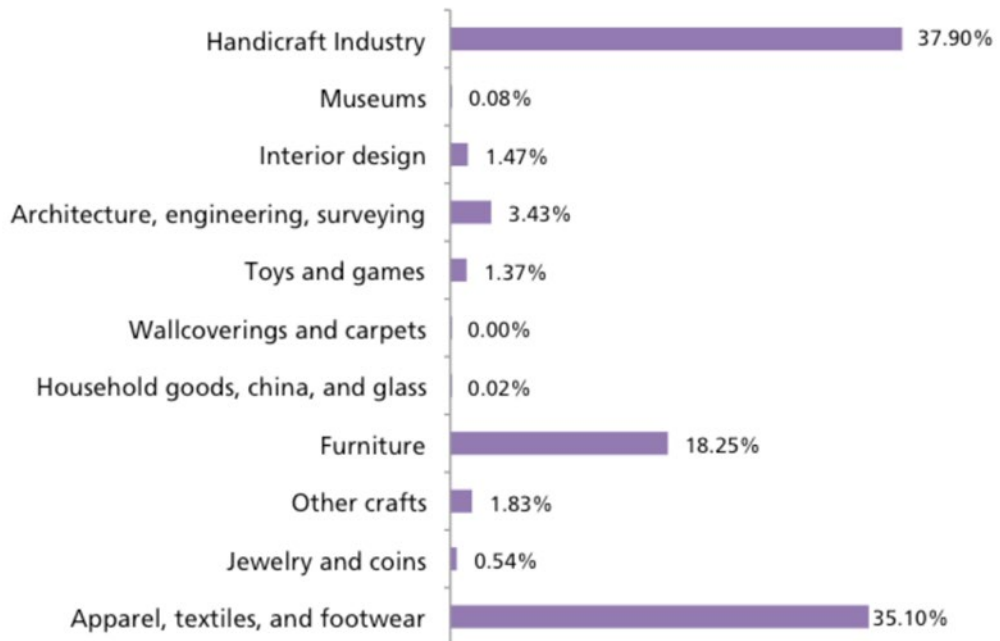
**Table 7-9: Relative Contribution of Each Partial Copyright Industry to Total Partial Copyright Industries**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Partial Copyright Industries</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
3.1	Apparel, textiles, and footwear	37.38%	35.10%	23.91%
3.2	Jewelry and coins	0.82%	0.54%	1.67%
3.3	Other crafts	1.81%	1.83%	22.56%
3.4	Furniture	17.47%	18.25%	20.33%
3.5	Household goods, china and glass	0.02%	0.02%	0.01%
3.6	Wallcoverings and carpets	0.01%	0.00%	0.02%
3.7	Toys and games	1.05%	1.37%	0.59%
3.8	Architecture, engineering, surveying	1.60%	3.43%	0.37%
3.9	Interior design	0.65%	1.47%	1.00%
3.1	Museums	0.05%	0.08%	0.12%
3.11	Handicraft industry	39.15%	37.90%	29.42%

**Chart 7-25: Relative Contribution of Each Partial Copyright Industry to Total Partial Copyright Industries in terms of Output**

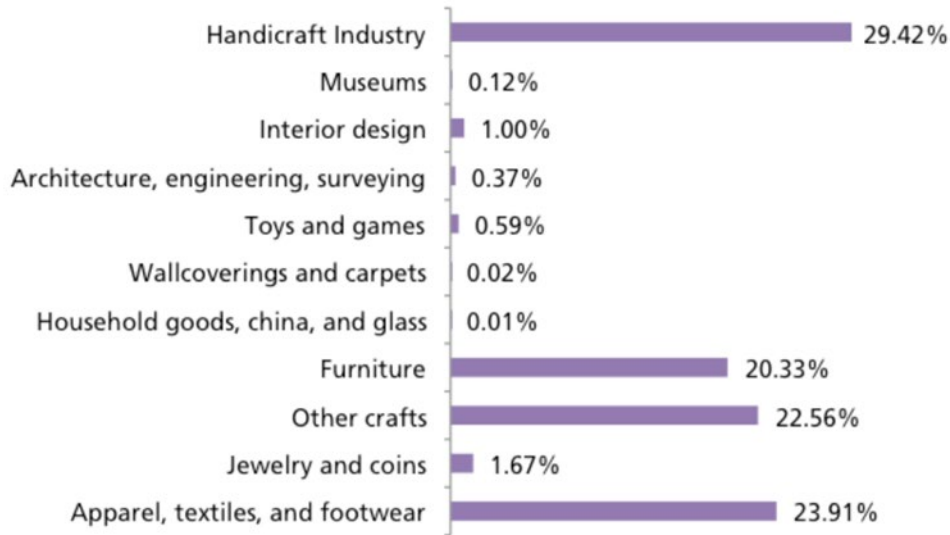


**Chart 7-26: Relative Contribution of Each Partial Copyright Industry to Total Partial Copyright Industries in terms of Value Added**





**Chart 7-27: Relative Contribution of Each Partial Copyright Industry to Total Partial Copyright Industries in terms of Employment**



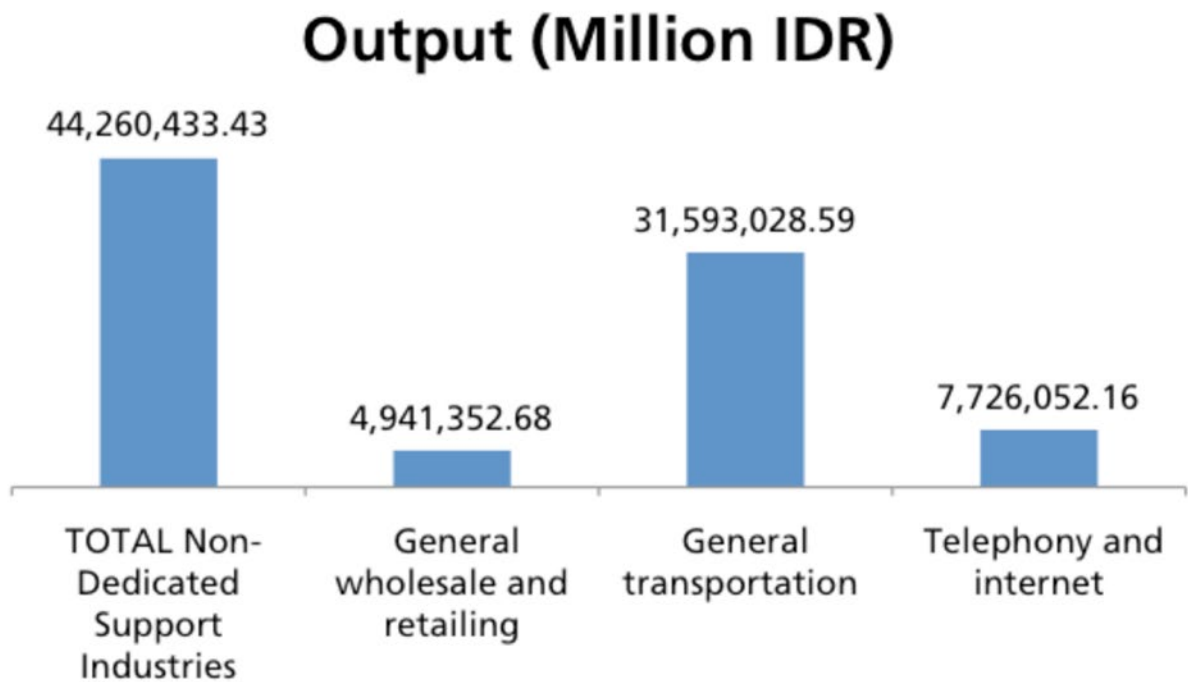
#### 7.4 Non-dedicated Support Industries

In the non-dedicated support industries, the biggest industry in terms of output was general transportation, followed by telephony and internet and general wholesale and retailing. This pattern was also the same for these industries in terms of value added and employment. These data are presented in Table 7-10 and in Charts 7-28 to 7-30.

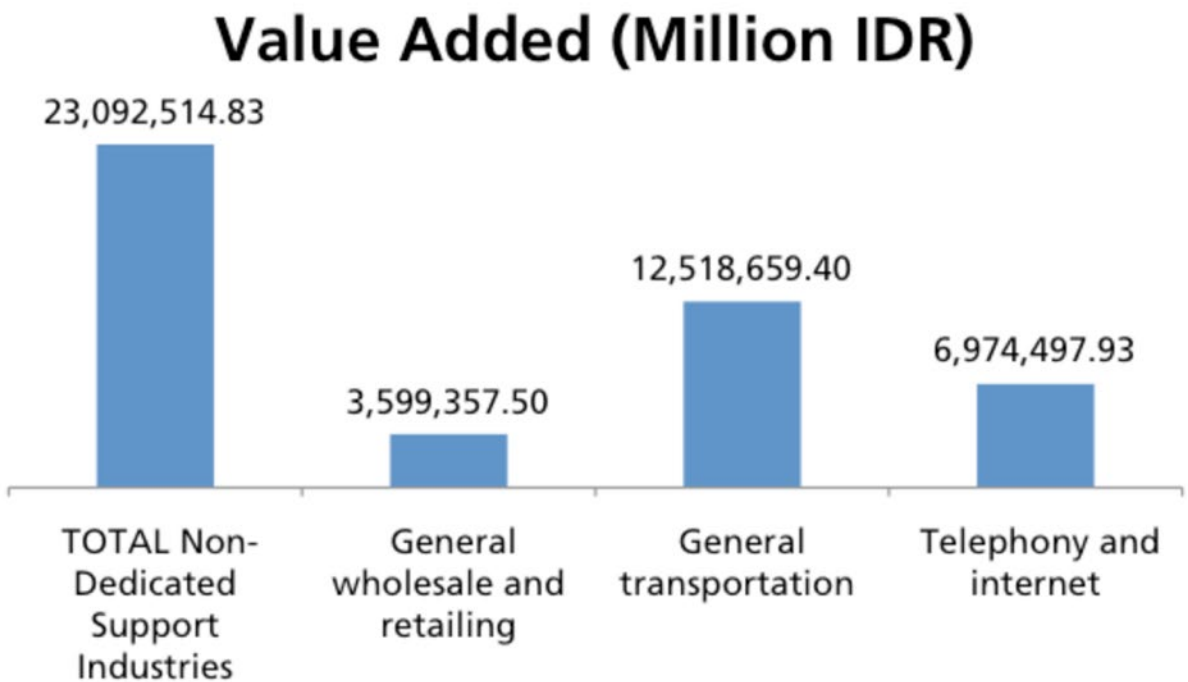
**Table 7-10: Contribution of the Non-dedicated Support Industries**

Code	Description of Industry	Output (Million IDR)	Value Added (Million IDR)	Employment
	<b>TOTAL Non-Dedicated Support Industries</b>	<b>44,260,433.43</b>	<b>23,092,514.83</b>	<b>361,450.76</b>
4.1	General wholesale and retailing	4,941,352.68	3,599,357.50	58,641.70
4.2	General transportation	31,593,028.59	12,518,659.40	255,073.10
4.3	Telephony and internet	7,726,052.16	6,974,497.93	47,735.95

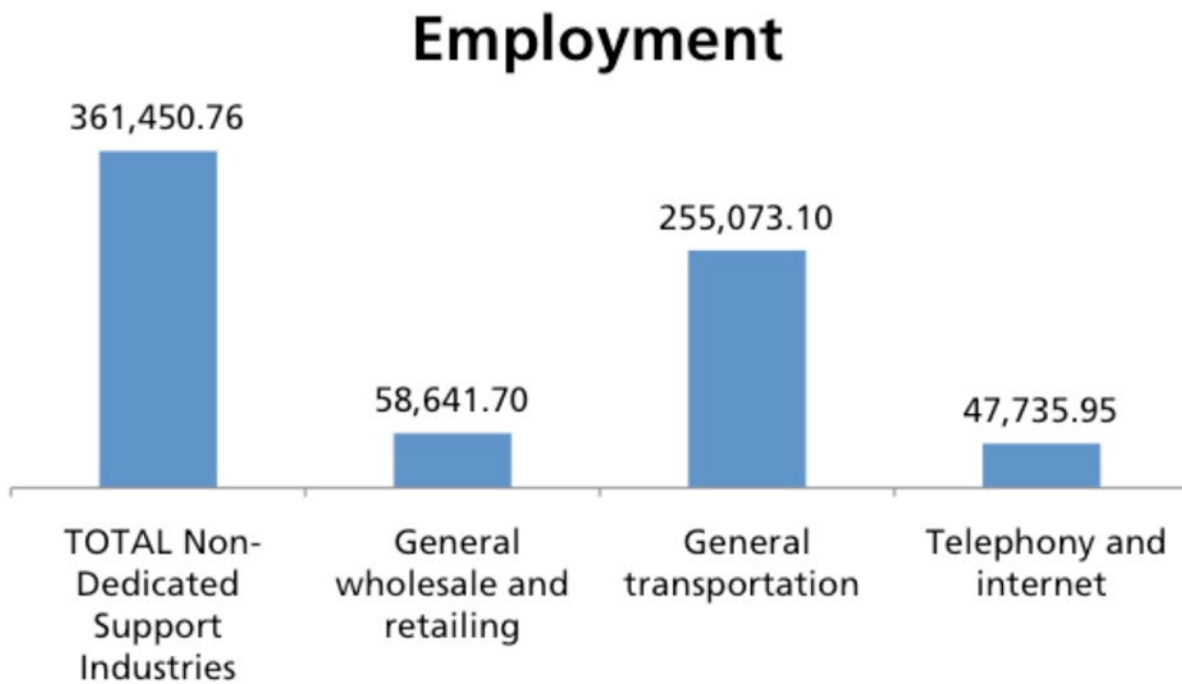
**Chart 7-28: Contribution of the Non-dedicated Support Industries in terms of Output**



**Chart 7-29: Contribution of the Non-dedicated Support Industries in terms of Value Added**



**Chart 7-30: Contribution of the Non-dedicated Support Industries in terms of Employment**

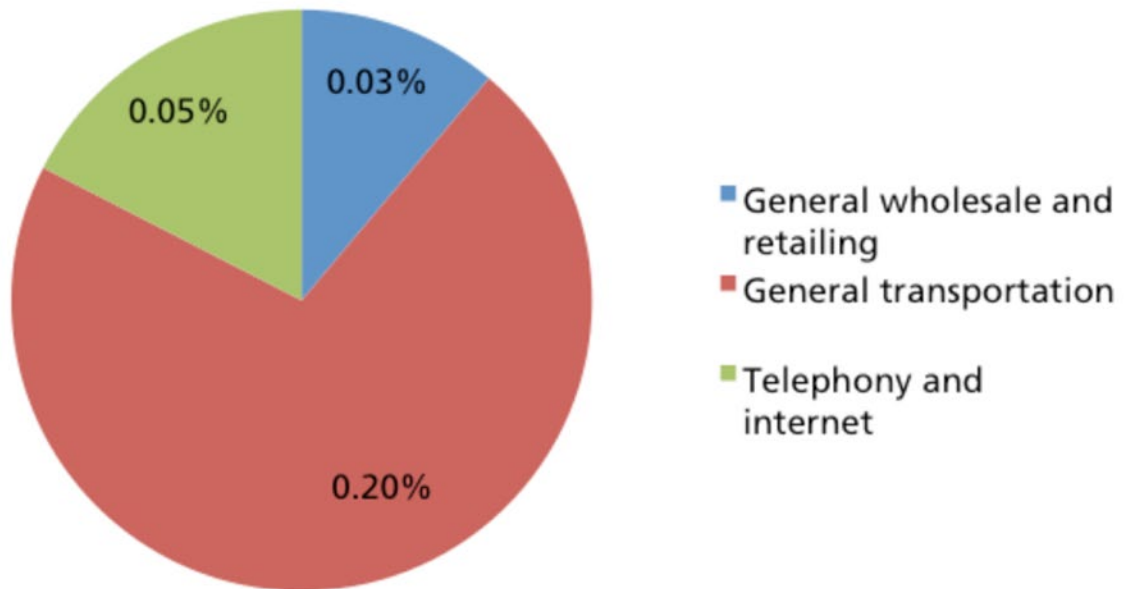


The contributions of non-dedicated support industries to total national output, value added and employment, in percentages (%), are shown in Table 7-11 and Charts 7-31 to 7-33. The total contribution of non-dedicated support industries was 0.28% (to national output), 0.36% (to national value added), and 0.33% (to national employment). In terms of output, general transportation was the biggest contributor (0.2%), followed by telephony and internet (0.05%) and general wholesale and retailing (0.03%). In terms of value added, general transportation was also the biggest contributor (0.19%), followed by telephony and internet (0.011%) and general wholesale and retailing (0.006%). However, in terms of employment, the rank was slightly different, that is, general transportation, general wholesale and retailing, and telephony and internet, with contributions of 0.24%; 0.05%; and 0.04%, respectively.

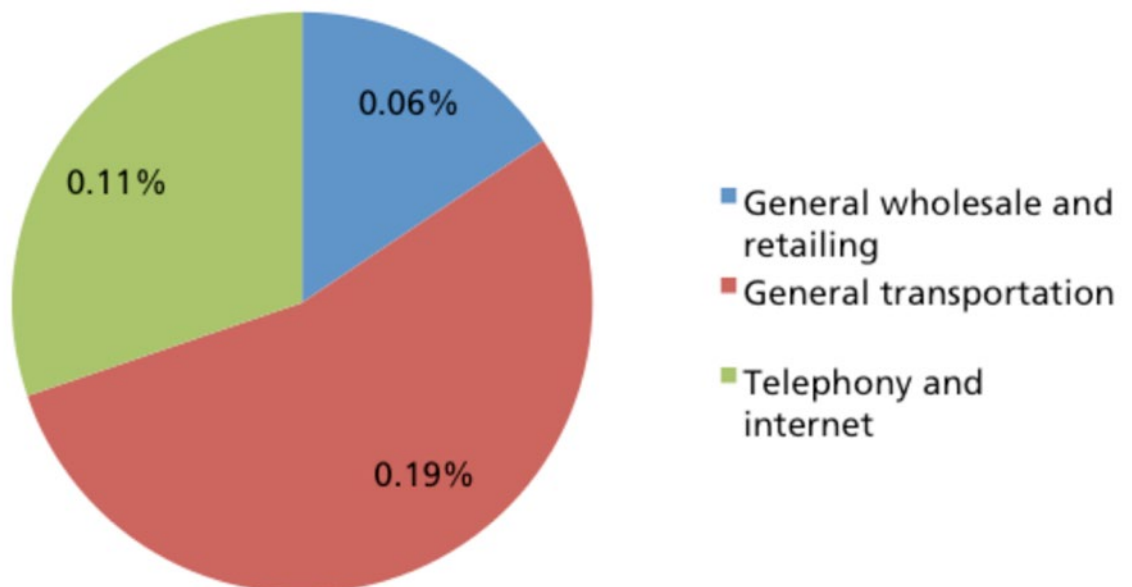
**Table 7-11: Contribution of the Non-dedicated Support Industries (%)**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Non-Dedicated Support Industries</b>	<b>0.28%</b>	<b>0.36%</b>	<b>0.33%</b>
4.1	General wholesale and retailing	0.03%	0.06%	0.05%
4.2	General transportation	0.20%	0.19%	0.24%
4.3	Telephony and internet	0.05%	0.11%	0.04%

**Chart 7-31: Contribution of the Non-dedicated Support Industries (%) to Output**



**Chart 7-32: Contribution of the Non-dedicated Support Industries (%) to Value added**



**Chart 7-33: Contribution of the Non-dedicated Support Industries (%) to Employment**

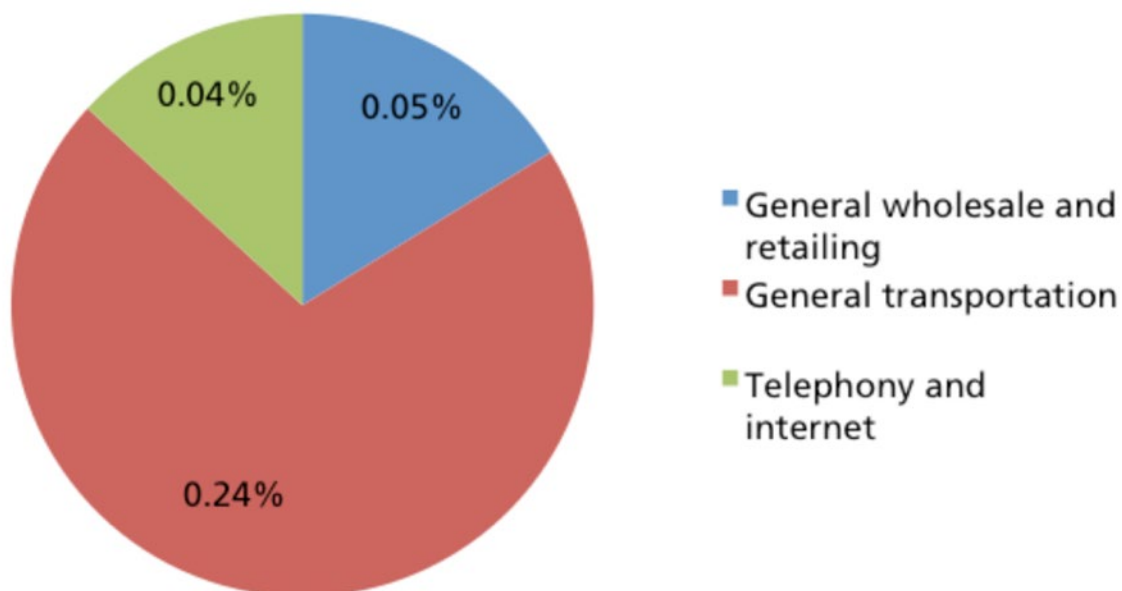


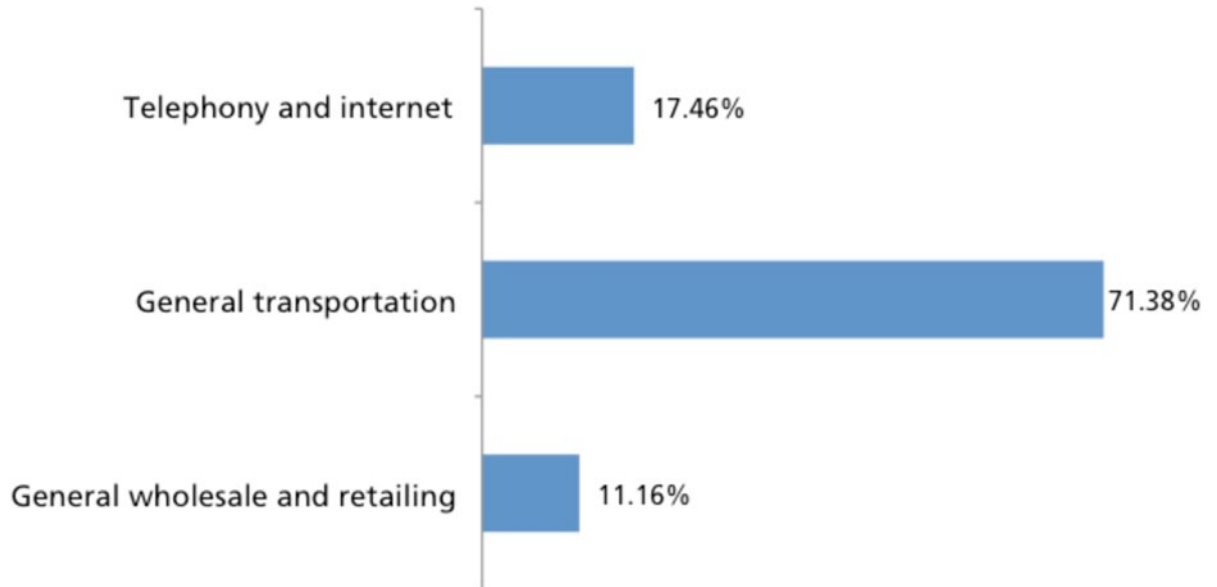
Table 7-12 and Charts 7-34 to 7-36 depict the relative contribution of each non-dedicated support industry to the total of non-dedicated support copyright industries, which again shows that general transportation was the biggest contributor in terms of output, value added and employment. In terms of value added, telephony and internet was ranked number two, but in terms of employment it was ranked number three.

**Table 7-12: Relative Contribution of Each Non-dedicated Support Industry to Total Non-dedicated Support Industries**

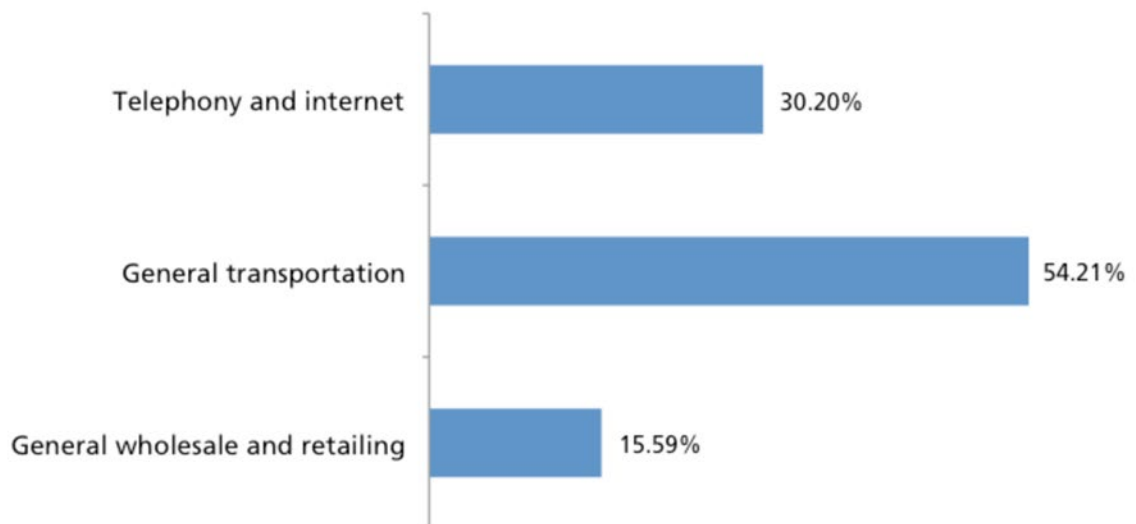
Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL Non-dedicated Support Industries</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
4.1	General wholesale and retailing	11.16%	15.59%	16.22%
4.2	General transportation	71.38%	54.21%	70.57%
4.3	Telephony and internet	17.46%	30.20%	13.21%



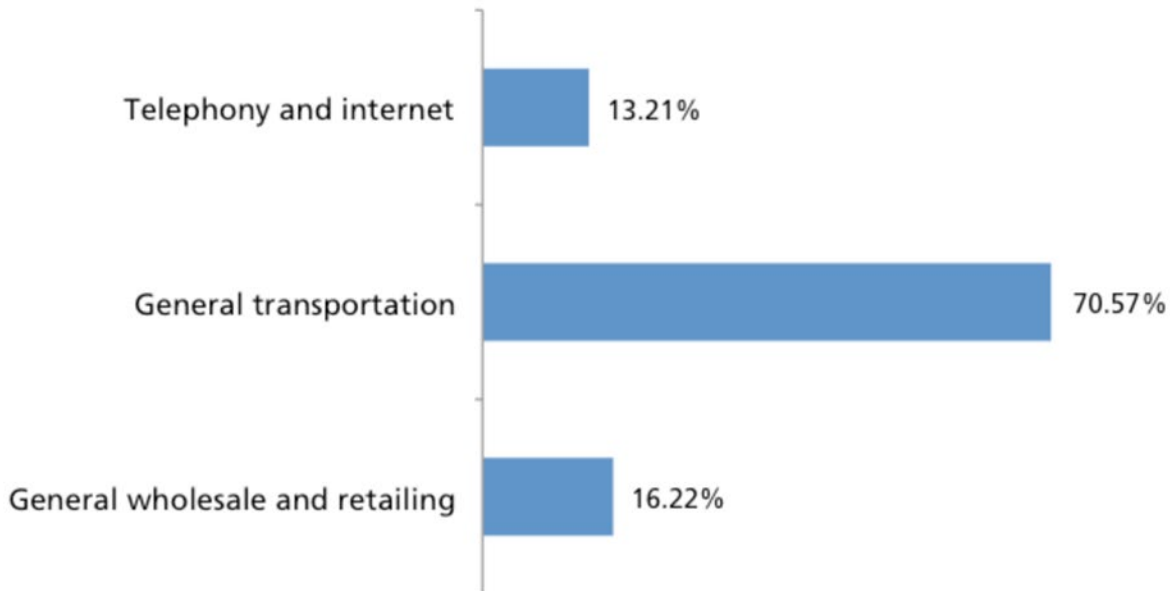
**Chart 7-34: Relative Contribution of Each Non-dedicated Support Industry to Total Non-dedicated Support Industries in terms of Output**



**Chart 7-35: Relative Contribution of Each Non-dedicated Support Industry to Total Non-dedicated Support Industries in terms of Value Added**



**Chart 7-36: Relative Contribution of Each Non-dedicated Support Industry to Total Non-dedicated Support Industries in terms of Employment**



## 7.5 Total Contribution of Copyright Industries

The total economic contribution (in absolute terms) of all the copyright industries is depicted in Table 7-13. In graphical formats, these data are depicted in Charts 7-37 to 7-39. The biggest category contributing to output was partial copyright industries, followed by the core copyright, interdependent copyright, and non-dedicated support industries. In terms of value added, the biggest contributor was also the partial copyright industries, followed by core copyright, interdependent copyright, and lastly non-dedicated support industries. In terms of employment, the ranking was slightly different and the interdependent copyright industries made the least contribution.

**Table 7-13: Contribution of Copyright Industries**

Code	Description of Industry	Output	Value Added (Million IDR)	Employment
	<b>TOTAL COPYRIGHT</b>	<b>673,506,900.59</b>	<b>264,212,744.97</b>	<b>4,064,345.55</b>
1	Core Copyright Industries	169,408,059.24	67,273,614.14	1,189,710.36
2	Interdependent Copyright Industries	113,017,173.10	41,755,138.49	289,720.22
3	Partial Copyright Industries	346,821,234.82	132,091,477.52	2,223,464.22
4	Non-dedicated Support Industries	44,260,433.43	23,092,514.83	361,450.76

Chart 7-37: Contribution of Copyright Industries in terms of Output

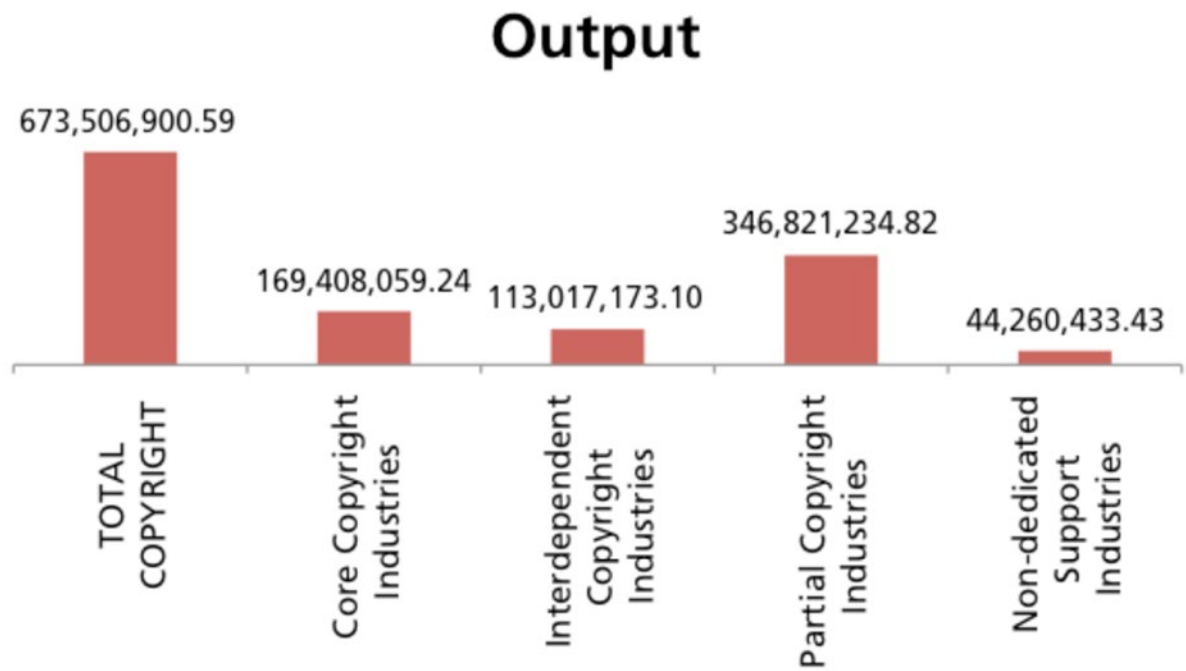
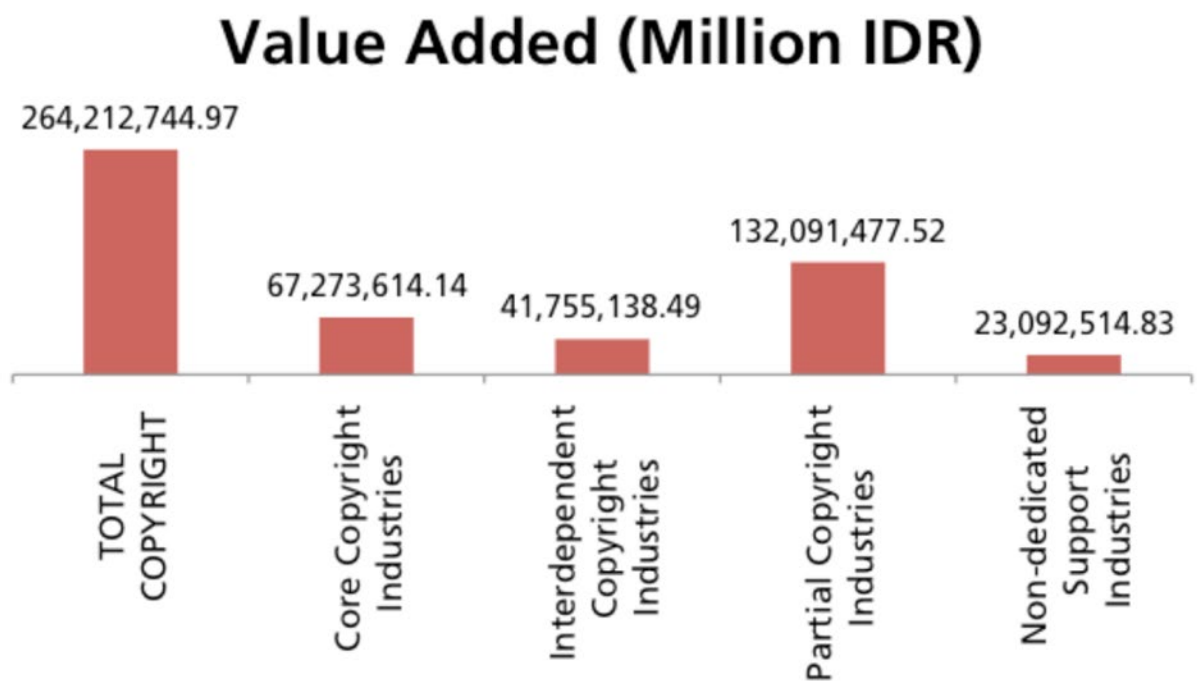
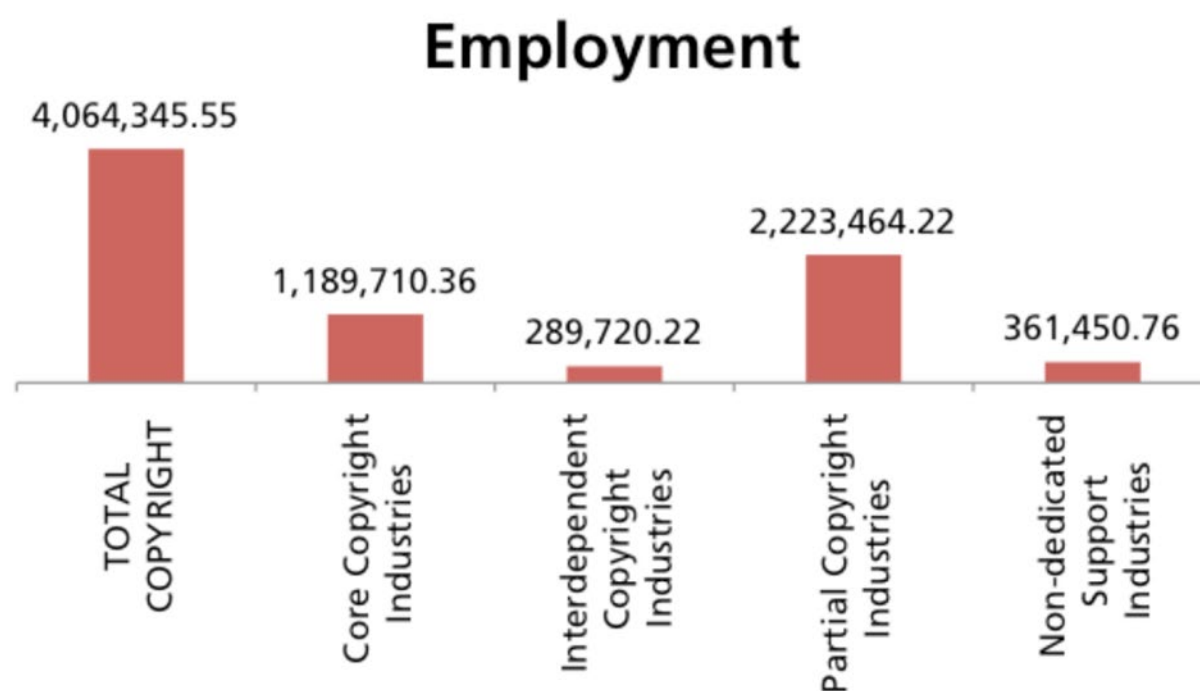


Chart 7-38: Contribution of Copyright Industries in terms of Value Added



**Chart 7-39: Contribution of Copyright Industries in terms of Employment**

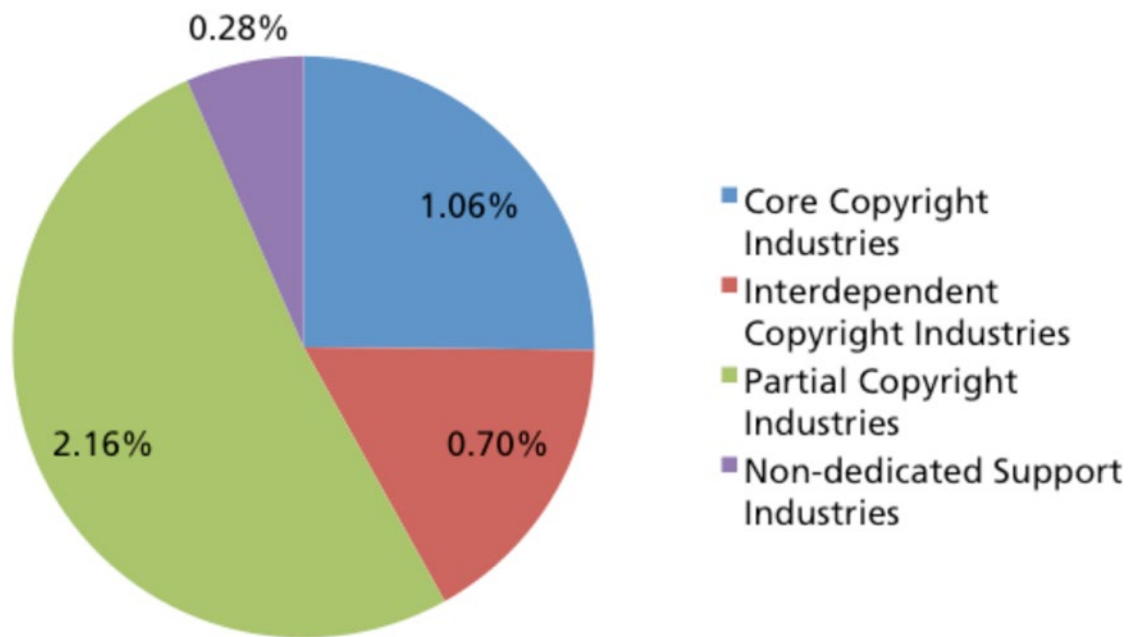


The contributions of copyright industries to total national output, value added and employment, in percentages (%), are shown in Table 7-14 and Charts 7-40 to 7-42. The total contributions of all the copyright industries were 4.2% (to national output), 4.11% (to national value added) and 3.75% (to national employment). The partial copyright industries category was the biggest contributor in three of the parameters. In terms of output, partial copyright industries were the biggest contributors (2.16%), followed by core copyright industries (1.06%), interdependent copyright (0.70%) and non-dedicated support industries (0.28%). In terms of value added, partial copyright industries were also the biggest contributors (2.06%), followed by the core copyright (1.05%), interdependent copyright (0.65%) and non-dedicated support industries (0.36%). However, in terms of employment, the ranking was slightly different, being partial copyright first, followed by core copyright, non-dedicated support industries and interdependent copyright industries, with contributions of 2.0537%; 1.10%; and 0.334%, and 0.268% respectively.

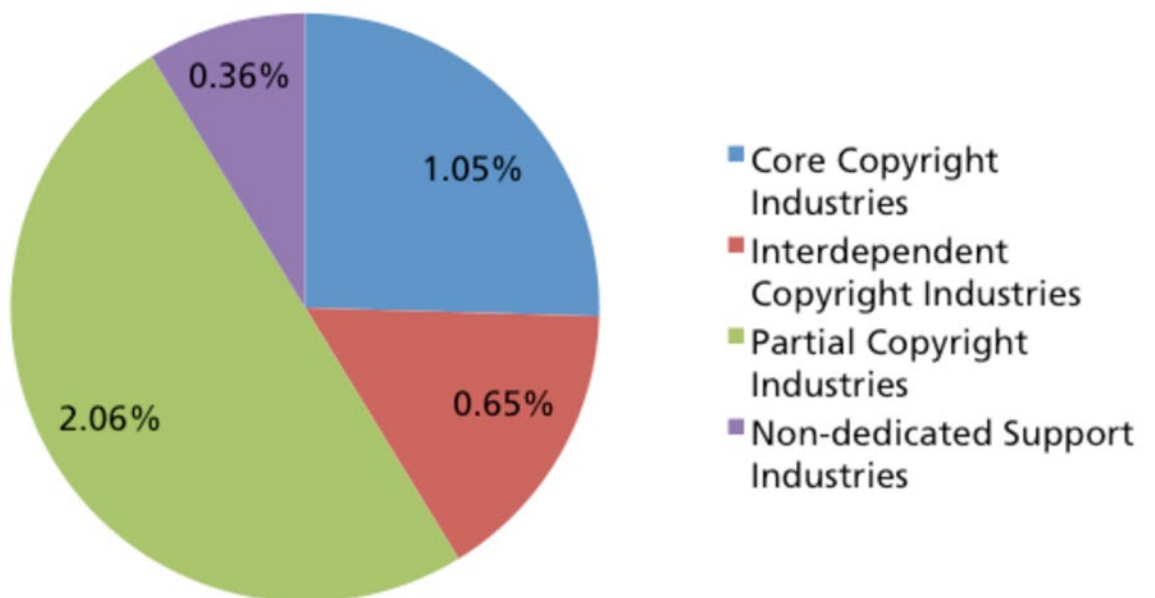
**Table 7-14: Contribution of Copyright Industries (%)**

Code	Description of Industry	Output	Value Added	Employment
	<b>TOTAL COPYRIGHT</b>	<b>4.20%</b>	<b>4.11%</b>	<b>3.75%</b>
1	Core Copyright Industries	1.06%	1.05%	1.10%
2	Interdependent Copyright Industries	0.70%	0.65%	0.2676%
3	Partial Copyright Industries	2.16%	2.06%	2.0537%
4	Non-dedicated Support Industries	0.28%	0.36%	0.3339%

**Chart 7-40: Contribution of Copyright Industries to Output, by Category**



**Chart 7-41: Contribution of Copyright Industries to Value Added, by Category**





**Chart 7-42: Contribution of Copyright Industries to Employment, by Category**

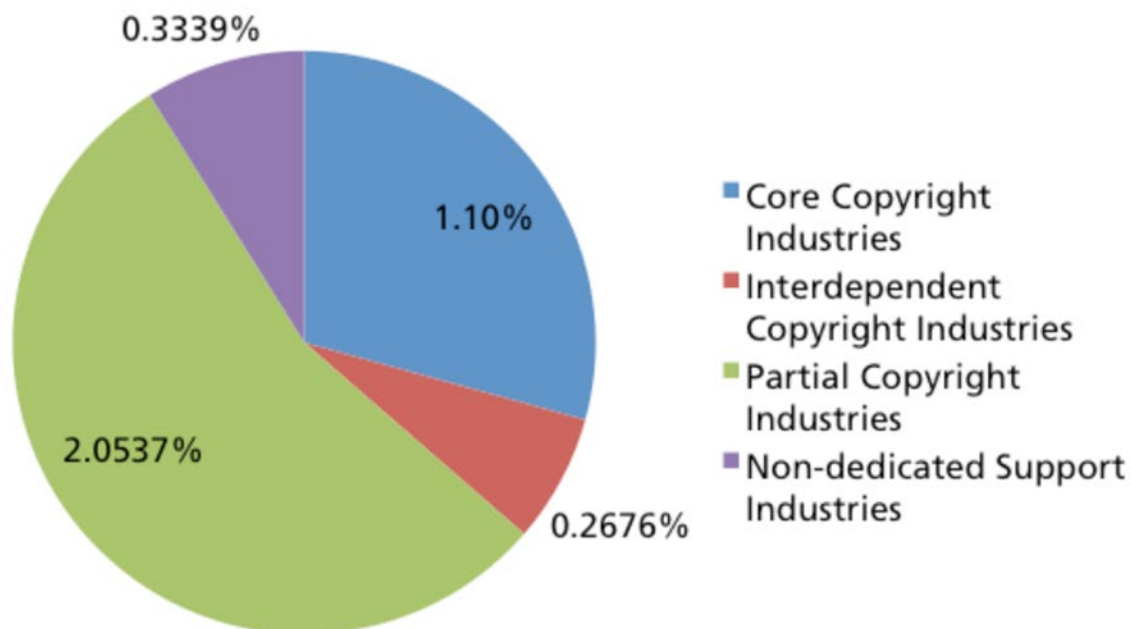
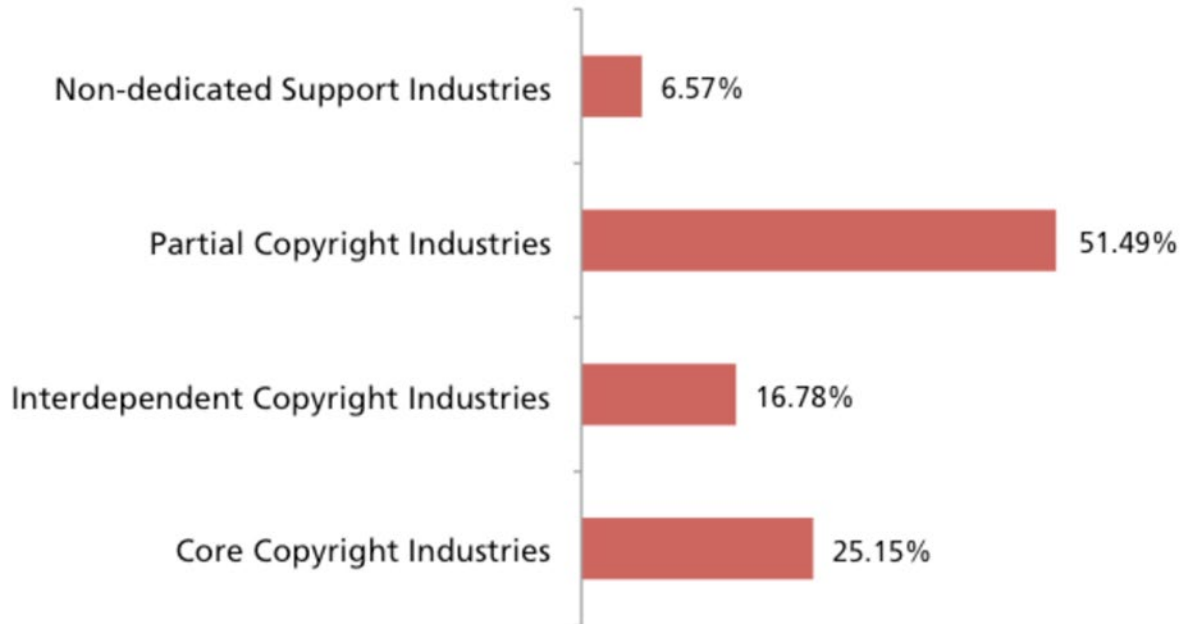


Table 7-15 and Charts 7-43 to 7-45 depict the relative contribution of each copyright industry category to the total of copyright industries, which again shows that partial copyright was the biggest contributor, in terms of output, value added and employment. As already discussed earlier, the rankings were slightly different in terms of value added and employment.

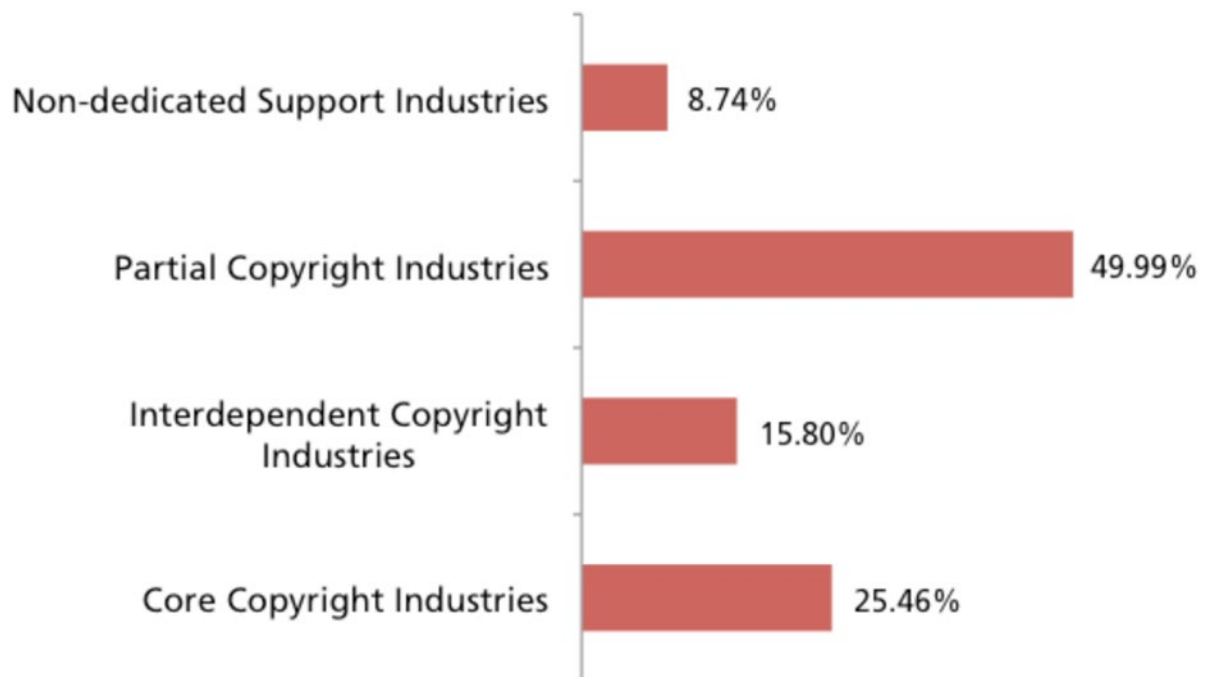
**Table 7-15: Relative Contribution of Each Copyright Industry Category to Total Copyright Industries**

Code	Description of Category	Output	Value Added	Employment
	<b>TOTAL COPYRIGHT</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
1	Core Copyright Industries	25.15%	25.46%	29.27%
2	Interdependent Copyright Industries	16.78%	15.80%	7.13%
3	Partial Copyright Industries	51.49%	49.99%	54.71%
4	Non-dedicated Support Industries	6.57%	8.74%	8.89%

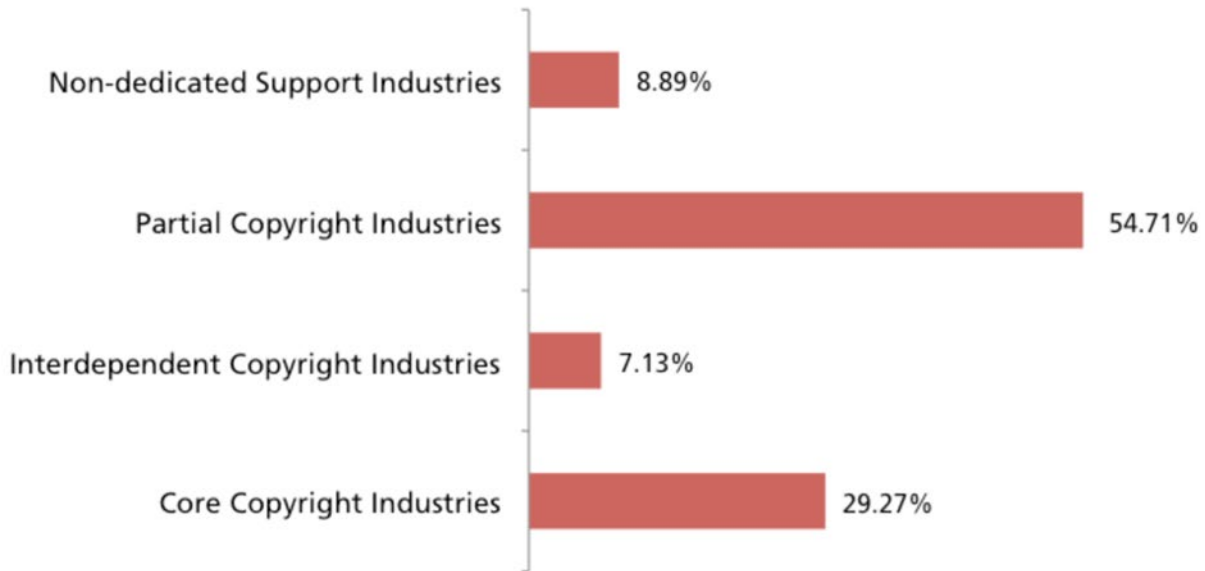
**Chart 7-43: Relative Contribution of Each Copyright Industry Category to Total Copyright Industries in terms of Output**



**Chart 7-44: Relative Contribution of Each Copyright Industry Category to Total Copyright Industries in terms of Value Added**



**Chart 7-45: Relative Contribution of Each Copyright Industry Category to Total Copyright Industries in terms of Employment**



### 7.6 Copyright Factors

Table 7-16 presents the copyright factors applied to the interdependent copyright industries and the partial copyright industries. As mentioned earlier in the method section, in the four groups of copyright industries, only the core copyright industries have 100% of their activities included. The contribution of copyright and related rights of the interdependent, partial and non-dedicated support groups are adjusted with the 'copyright factor' corresponding to their degree of dependence on copyright and related rights.

The copyright factors for the partial copyright and interdependent copyright industries were estimated using proxies of those copyright factors for Singapore, Thailand, and Malaysia, which are neighbor countries of Indonesia. These countries are presumed to have many similarities with Indonesia and share similar characteristics in terms of copyright and related rights industries. Copyright factors for the interdependent and partial copyright industries were also formulated based on the survey conducted on copyright industries.

The copyright factor for the non-dedicated support industries was derived from the methodology suggested in the WIPO Guide.

**Table 7-16: Copyright Factors (2010)**

No.	Interdependent Copyright Industries	Copyright Factor
1	TV Sets, radios, VCRs, CDs, and DVD players	45%
2	Computers and equipment	40%
3	Musical instruments	30%
4	Photographic and cinematographic instruments	25%
5	Photocopiers	20%
6	Blank recording materials	20%
7	Paper	19%
No.	Partial Copyright Industries	Copyright Factor
1	Apparel, textiles, and footwear	35%
2	Jewelry and coins	20%
3	Other crafts	50%
4	Furniture	35%
5	Household goods, china, and glass	2.5%
6	Wallcoverings and carpets	3.00%
7	Toys and games	36.23%
8	Architecture, engineering, and surveying	25.0%
9	Interior design	20.0%
10	Museums*	8%
11	Handicrafts**	80%
No.	Non-dedicated Support Industries	Copyright Factor
1	General wholesale and retail	3.30%
2	General transportation	3.30%
3	Telephony and internet	3.30%

Table 7-17 below shows the contribution of each of the sectors in the copyright-based industries and specifies the figures before factoring, the copyright factors, and the results after factoring.

**Table 7-17: Economic Values of Copyright-Based Industry in Terms of Output, Value added, and Employment**

(In Million IDR and Number of People)

Code	Description of Industry	Output	Factor	Output (million IDR) after factoring	Value Added (Million IDR)	Factor	Value Added (million IDR) after factoring	Employment	Factor	Employment (after factoring)
	<b>I. Core Copyright</b>	<b>169,408,059</b>		<b>169,408,059</b>	<b>67,273,614</b>		<b>67,273,614</b>	<b>1,189,710</b>		<b>1,189,710</b>
1.1	1. Press and Literature	61,876,077	100%	61,876,077	23,675,781	100%	23,675,781	619,158	100%	619,158
1.2	2. Music, Theatrical Productions, Operas	5,919,114	100%	5,919,114	2,391,239	100%	2,391,239	58,006	100%	58,006
1.3	3. Motion Picture and Video	5,350,445	100%	5,350,445	2,047,426	100%	2,047,426	29,735	100%	29,735
1.4	4. Radio and Television	66,978,943	100%	66,978,943	27,720,430	100%	27,720,430	313,711	100%	313,711
1.5	5. Photography	10,625,622	100%	10,625,622	4,102,239	100%	4,102,239	80,130	100%	80,130
1.6	6. Software and Databases	5,859,473	100%	5,859,473	2,237,813	100%	2,237,813	39,098	100%	39,098
1.7	7. Visual and Graphic Arts	2,002,116	100%	2,002,116	814,290	100%	814,290	22,385	100%	22,385
1.8	8. Advertising Services	10,783,267	100%	10,783,267	4,280,395	100%	4,280,395	27,207	100%	27,207
1.9	9. Copyright Collecting Societies	13,000	100%	13,000	4,000	100%	4,000	280	100%	280
	<b>II. Interdependent Industries</b>	<b>416,111,824</b>		<b>113,017,173</b>	<b>39,644,590</b>		<b>41,755,138</b>	<b>289,720</b>		<b>289,720</b>
2.1	1. TV sets, Radios, VCRs, CD Players, DVD Players, Cassette Players, Electronic	121,731,201	45%	54,779,040	16,208,276	40%	20,017,221	53,137	40%	94,230
2.2	2. Computers and Equipment	3,823,812	40%	1,529,525	767,499	40%	1,072,580	1,127	40%	1,978
2.3	3. Musical Instruments	10,015,042	30%	3,004,512	791,834	25%	995,731	22,565	25%	29,335
2.4	4. Photographic and Cinematographic Instrument	5,913,873	25%	1,478,468	241,875	25%	329,353	18,246	25%	28,774
2.5	5. Photocopiers	29,283	20%	5,857	2,293	20%	2,798	536	20%	775
2.6	6. Blank Recording Material	4,603,403	20%	920,681	192,928	20%	195,211	1,993	20%	1,723
2.7	7. Paper	269,995,211	19%	51,299,090	21,439,885	15%	19,142,244	161,098	15%	132,906
	<b>III. Partial Copyright Industries</b>	<b>789,415,107</b>		<b>346,821,235</b>	<b>78,743,375</b>		<b>132,091,478</b>	<b>3,838,436</b>		<b>2,223,464</b>
3.1	1. Apparel, textiles, and footwear	370,411,908	35%	129,644,168	53,755,786	15%	46,364,365	1,687,658	15%	531,612
3.2	2. Jewelry and coins	14,213,317	20%	2,842,663	1,036,566	18%	716,395	139,014	18%	37,047
3.3	3. Other crafts	12,527,542	50%	6,263,771	1,190,446	35%	2,416,605	1,194,384	35%	501,641



**Table 17: Economic Values of Copyright-Based Industry in Terms of Output, Value added, and Employment (continued)**

3.4	4. Furniture	173,096,052	35%	60,583,618	12,300,886	35%	24,109,737	679,658	35%	451,973
3.5	5. Household goods, china, and glass	2,175,543	2.5%	54,389	1,019,446	0.5%	22,183	18,247	0.5%	199
3.6	6. Wallcoverings and carpets	1,613,445	3.00%	48,403	100,873	1.29%	6,230	11,862	1.29%	351
3.7	7. Toys and games	10,066,698	36.23%	3,647,500	1,040,665	36.23%	1,809,925	30,379	36.23%	13,209
3.8	8. Architecture, engineering, surveying	22,144,940	25.0%	5,536,235	5,474,171	14.5%	4,532,723	20,989	14.5%	8,232
3.9	9. Interior design	11,356,426	20.0%	2,271,285	2,476,939	14.5%	1,943,010	42,602	14.5%	22,279
3.10	10. Museums	2,098,102	8%	160,295	347,597	8%	106,225	13,643	8%	2,710
2.80	10. Handicraft Industry	169,711,133	80%	135,768,907	9,933,349	80%	50,064,079	629,049	80%	654,211
	<b>IV. Non-Dedicated Support Industries</b>	<b>1,341,225,255</b>		<b>44,260,433</b>	<b>726,318,070</b>		<b>23,092,515</b>	<b>10,953,053</b>		<b>361,451</b>
4.1	1. General wholesale and retailing	149,737,960	3.30%	4,941,353	110,458,781	3.30%	3,599,358	1,777,021	3.30%	58,642
4.2	2. General transportation	957,364,503	3.30%	31,593,029	379,863,297	3.30%	12,518,659	7,729,488	3.30%	255,073
4.3	3. Telephony and internet	234,122,793	3.30%	7,726,052	235,995,993	3.30%	6,974,498	1,446,544	3.30%	47,736
	<b>TOTAL</b>	<b>2,716,160,246</b>		<b>673,506,901</b>	<b>911,979,649</b>		<b>264,212,745</b>	<b>16,239,902</b>		<b>4,064,346</b>

## 8. RELATED STUDY ON CREATIVE SECTORS IN INDONESIA AND CONTRIBUTION TO NATIONAL ECONOMY

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Copyright industries which include the production of literary, scientific, and artistic products are closely related with the creative industries. The Department of Trade and Industry (now the Ministry of Trade) of the Republic of Indonesia has regarded the creative industries as an inseparable part of the creative economy, that is to say an economy which focuses on the creation of products and services requiring skills, talent, and creativity (Departemen Perdagangan dan Perindustrian Republik Indonesia, 2008). The Ministry of Trade defines the creative industries as the ones which produce, or involve activities related to:

1. advertising products;
2. architecture products;
3. trading of art products;
4. crafts;
5. design;
6. fashion;
7. video, film, and photography;
8. interactive games;
9. music;
10. performing arts;
11. printing and publishing;
12. computer services and software;
13. television and radio;
14. research and development

(Note: in 2012, culinary activity was incorporated as the 15<sup>th</sup> sector of the creative industries)

The study conducted by the Ministry (2010) also calculated the economic contribution of the fourteen sectors of the creative industries to GDP, employment, number of companies, exports, and to other sectors. The study did not specify its methodology, but did mention that the calculation of size and contribution of the industries was based on data from the Central Bureau of Statistics' (Biro Pusat Statistik/BPS). An interview conducted by the author with one of the researchers of the study revealed that some judgments were employed to approximate some data which were not directly available and recorded by BPS.

Unlike the WIPO methodology, where the copyright industry is divided into the four layers of core copyright, interdependent copyright, partial copyright and non-dedicated support industries, the methodology adopted for calculating the economic contribution of creative sectors includes all the categories at the same level. That is, 100% of the size of the industry and its backward and forward linkage are incorporated.

The study shows that in 2010, the creative industries contributed IDR 468,103 billion to Indonesia's GDP or 7.74% to GDP. In terms of employment, for the same period the creative industries absorbed 8.553 million workers or 7.76% of national total employment (see Table 8-1).

**Table 8-1: Estimates of Creative Industries' Economic Contribution (2010)**

		Contribution
1	Value Added (billion)	468,103
2	Employment	7,602
3	Contribution to Value Added (%)	7.29%
4	Contribution to Employment	7.76%

Source: Ministry of Trade (2011)

If we compare the contributions of each sector in the economy, in the relative contributions of the sectors to GDP, manufacturing is the biggest contributor, followed by the agricultural sector, trade, hotel, and restaurant, mining, and construction (see Table 8-2).

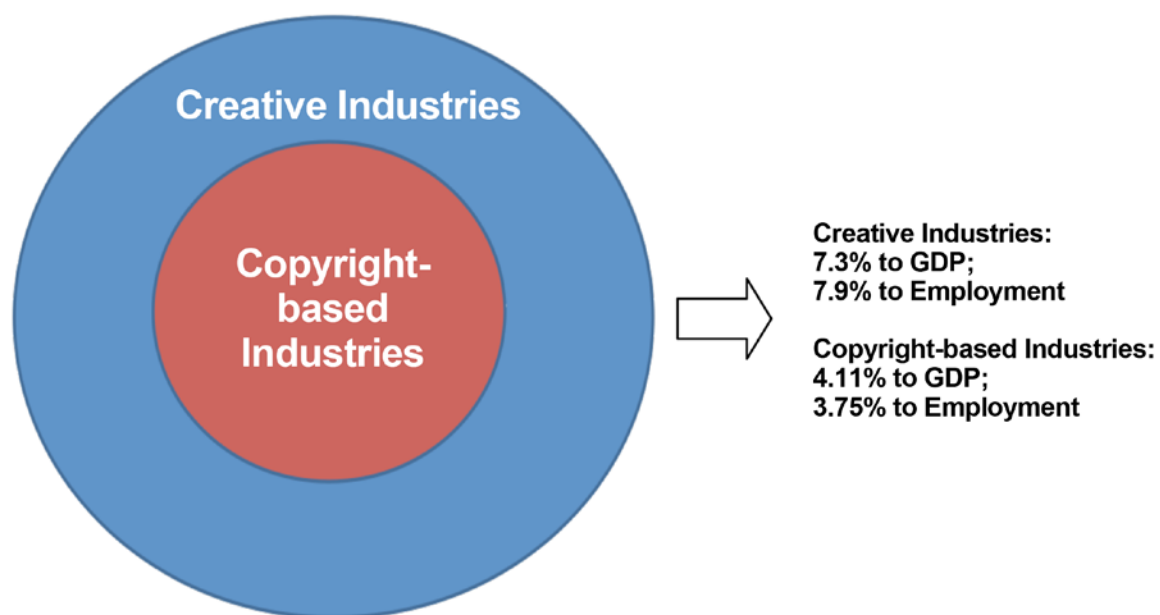
**Table 8-2: GDP Per Sector (Nominal) (2010)**

No	Sector in the Economy	Contribution	
		Absolute	Relative
1	Manufacturing	1,402,088	21.8%
2	Agriculture, Livestock, Forestry, and Fishery	979,733	15.3%
3	Trade, Hotel, and Restaurant	747,752	11.6%
4	Mining and Excavation	708,397	11.0%
5	Construction	635,967	9.9%
6	Social Services	625,657	9.7%
7	Transport and Communication	406,878	6.3%
8	Finance, Real Estate and Company Services	395,604	6.2%
9	Electricity, Gas and Water	51,820	0.8%
10	Creative Industries	468,103	7.3%

Source: Ministry of Trade (2011)

According to the definition of the creative industries in Indonesia and also the methodology applied to calculate their economic contribution, the copyright-based industries of the present study would be part of the creative industries. Part of the 7.3% of the creative industries' contribution to GDP is the 4.11% contributed by the copyright-based industries. Similarly, the 7.9% contribution of creative industries to employment includes the 3.75% contribution of copyright industries. Figure 8-1 below shows the positioning of copyright-based industries *vis-à-vis* creative industries.

**Figure 8-1: Positioning of Copyright-based Industries vis-à-vis Creative Industries**



## 9. SOME INDICATORS OF THE DEVELOPMENT OF COPYRIGHT-BASED INDUSTRIES IN INDONESIA

The growth of the copyright-based industries in Indonesia is also demonstrated by several indicators, as discussed below. These data show the rapid growth of some industries which are examples of some of the copyright-based industries in Indonesia.

### 9.1 Movie Industry

The movie industry in Indonesia shows significant growth in terms of type of business in the industry (see Table 9-1). In terms of production, the number of companies has more than doubled, while other sectors such as technical services, distribution, and performance have also grown significantly.

This development is mostly supported by an increased number of TV movies, and especially TV serials being produced (see Table 9-2) and national production of feature films (see Chart 9-1). Statistics on movie production in Indonesia have particularly described the revitalization of national movie production. In 2002 there were only 9 movies produced, but in 2012, there were more than 80 movies produced by Indonesian movie production companies. This is also shown by the statistics of nationally produced movies versus imported foreign movies (see Table 9-3), in which the national movie-imported foreign movie ratio has improved from year to year.

Such a development is also supported by the increased number of cinemas and screens in Indonesia (see Chart 9-2): in 2011 the number of screens was 170% higher than that in 2005.

**Table 9-1: Development of Movie Industry**

No	Type of Business/ Industry	TOTAL PER YEAR					
		2007	2008	2009	2010	2011	2012*
1	Production	784	1.072	1.237	1.433	1.632	1650
2	Technical Services	17	17	19	19	22	22
3	Distribution	38	49	58	65	67	67
4	Performance	10	22	24	25	25	25
5	Sales & Rental	n.a	n.a	n.a	n.a	n.a	n.a
6	Archiving	n.a	n.a	n.a	n.a	n.a	n.a
7	Export Company	1	1	1	1	1	1
8	Import Company	50	56	57	59	69	69

Source: Ministry of Tourism and Creative Economy (2012)

Note: \* estimated figure

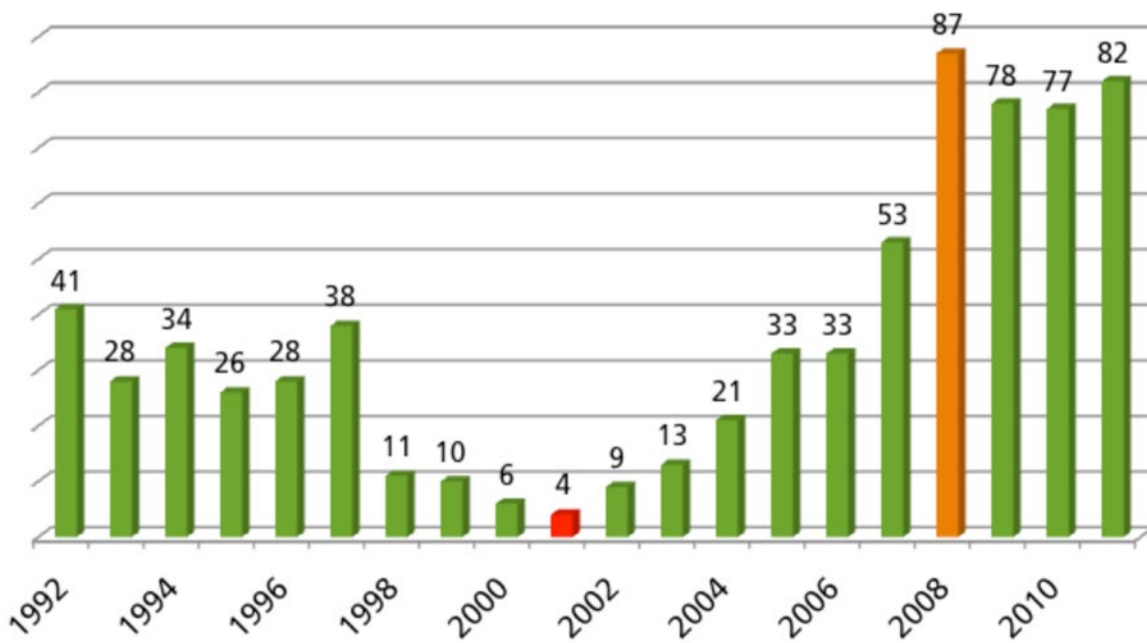


**Table 9-2: Television Stand-Alone Movies and TV Serials Production**

Year	Stand-alone	TV Serials	
		Title	Episodes
2007	1,893	234	3,554
2008	1,038	441	6,969
2009	1,082	458	7,482
2010	738	265	6,997
2011	889	269	7,093

Source: Ministry of Tourism and Creative Economy (2012)

**Chart 9-1: National Movie Production (Ministry of Tourism and Creative Economy, 2012)**

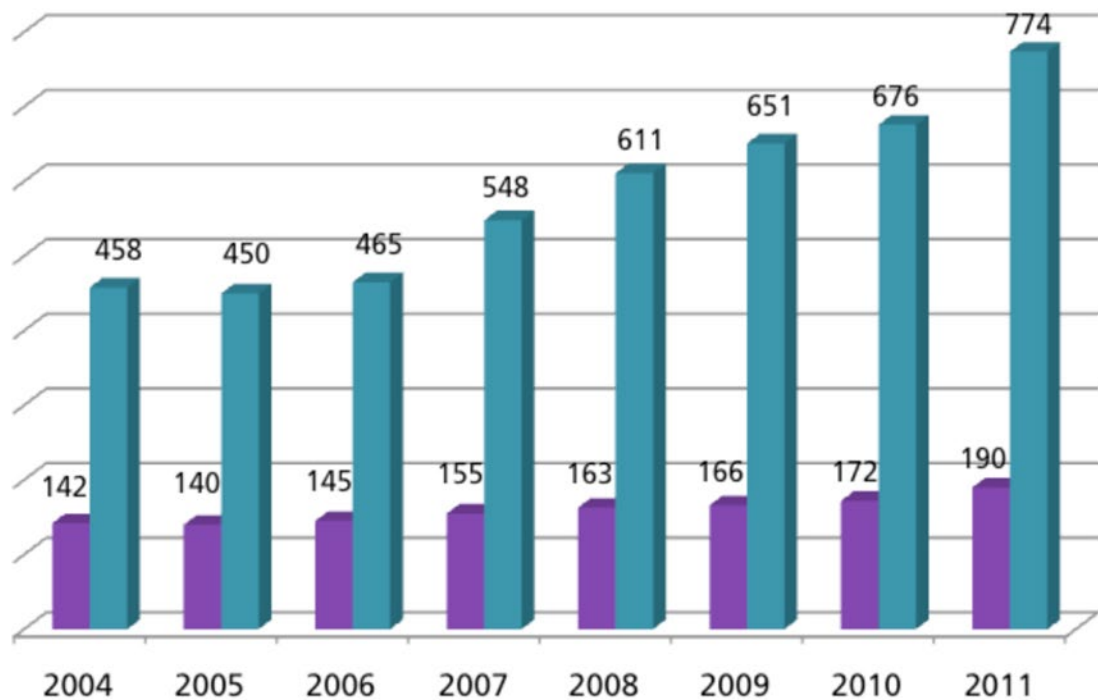


**Table 9-3: Nationally Produced Movies vs. Imported Foreign Movies**

Year	Number of National Movies	Number of Imported Foreign Movies	Ratio
1999	10	210	1 : 21
2000	6	214	1 : 36
2001	4	214	1 : 53
2002	9	269	1 : 29
2003	12	227	1 : 19
2004	21	201	1 : 10
2005	33	201	1 : 6
2006	33	165	1 : 5
2007	53	296	1 : 5
2008	87	185	1 : 2
2009	78	204	1 : 2
2010	77	140	1 : 2
2011	82	168	1 : 2
2012	96	24	1 : 2
<b>Total</b>	<b>521</b>	<b>2.559</b>	<b>1 : 5</b>

Source: Ministry of Tourism and Creative Economy (2012)

**Chart 9-2: Number of Cinemas and Screens (Ministry of Tourism and Creative Economy, 2012)**



There are major players in the film industry in Indonesia. Most of these companies are nationally based companies and produce both feature films and television movies (or the so-called electronic cinema). The major players in the Indonesian film industry are shown in Table 9-4 below.

**Table 9-4: Major Players in the Indonesian Film/TV Programs Industry**

No.	Name of Company	Location
1	Revo Films	Jakarta
2	PT Hadi Cinema Putra	Jakarta
3	MD Entertainment	Jakarta
4	Net Films	Jakarta
5	Sinemart & Lenza Film	Jakarta
6	Rapi Films	Jakarta
7	Avicom	Jakarta
8	Bola Dunia	Jakarta
9	Diwangkara Citra Suara/Elang Perkasa Film	Jakarta
10	Indika Era Mandiri	Jakarta
11	Intercine Film	Jakarta
12	Karnos Film	Jakarta
13	Lenza Film	Jakarta
14	MD Production	Jakarta
15	Miles Production	Jakarta
16	Millennium Visitama Film	Jakarta
17	Multivision Plus	Jakarta
18	Rapi Film	Jakarta
19	Pearson Tv	Jakarta
20	Persari Film	Jakarta
21	Prima Entertainment	Jakarta
22	Sinemart	Jakarta
23	Soraya Intercine Film	Jakarta
24	PT GMM Films Indonesia	Jakarta
24	PT Visi Lintas Film	Jakarta
26	Karno's Film	Jakarta
27	Jelita Visindo	Jakarta
28	PT Genta Buana Paramita	Jakarta
29	PT Shandhika Widya Cinema	Jakarta

Source: Ministry of Tourism and Creative Economy (2011)

## 9.2 Advertising Services

The size and growth of the advertising services industry in Indonesia can be estimated based on the magnitude of advertising expenditure. Nielsen (2012) recorded a consistent positive growth of advertising expenditure for the period of 2006-2012. The research company even projected higher estimates of growth for the year 2013 (see Table 9-5 and Chart 9-3).

**Table 9-5: Advertising Expenditure in Indonesia**

Year	Expenditure (Trillion IDR)	Growth
2006	28.9	
2007	33.9	17.5%
2008	40.5	19.5%
2009	47.2	16.5%
2010	58.3	23.4%
2011	73	21.7%
2012	90	23.0%
2013*	113	14.0%

Source: Nielsen (2013)  
\* = estimated

**Chart 9-3: Advertising Expenditure in Indonesia (source: Nielsen, 2013)**



Table 9-6 shows the 10 biggest advertising agencies in Indonesia. These companies are mostly subsidiaries of global advertising agencies; this represents the advertising activity in Indonesia where the major players are global companies or their affiliates. Also, while there are also local advertising agencies in other big cities in Indonesia, such as Bandung, Yogyakarta, Surabaya, and Medan, the major players are located in Jakarta.

**Table 9-6: Ten Biggest Advertising Agencies in Indonesia (2005)**

No.	Company	Location of Headquarter
1.	Ammirati Puri Lintas	Jakarta
2.	AdForce/JWT, Jakarta	Jakarta
3.	P.T. Indo-Ad (O&M), Jakarta	Jakarta
4.	Inter Admark (Dentsu), Jakarta	Jakarta
5.	Perwanal/DMB&B, Jakarta	Jakarta
6.	Kreasindo Advertising (Burnett), Jakarta	Jakarta
7.	Grafik/McCann-Erickson, Jakarta	Jakarta
8.	Rama & Grey, Jakarta	Jakarta
9.	Metro Advertising, Jakarta	Jakarta
10.	PT Adriwara Krida Euro RSCG), Jakarta	Jakarta

### 9.3 Software Industry

The software industry in Indonesia has grown significantly. Data from the Indonesia Developer Community (IDC) show that in 2006, there were 250 independent software vendors (ISV): this number was projected to grow to 500 ISV in five years. The number of professional developers grew from 56,500 (in 2006) to 71,600 (in 2008). Indonesia is also experiencing a growing developer community: there are at least 200 communities, forums, and mailing lists, which are also involved in big-scale projects, such developing systems for e-government and e-learning.

Further, the IDC states that as of 2009, Indonesia's IT sector will be dominated by IT Services. The development of this specific sector provides 81,000 jobs and will stimulate the growth of 1,100 new IT companies. The sector will also contribute USD 1.1 billion in tax, USD 12 billion to GDP. It is also estimated that software spending will increase up to 11.4% of total IT spending. Also, 29.9% of IT workers in Indonesia will be involved in development, distribution, and implementation services of software (<http://ilmukomputer.org/2012/05/31/masih-tentang-industri-software-lokal>).

### 9.4 Publishing Industry

The Indonesia Association of Publishing Companies (IKAPI) is the publishers' organization in Indonesia, which has approximately 650 member companies. It notes that there are approximately 15,000-25,000 book titles published in Indonesia every year. About 3,000-4,000 units of each title are printed. If we compare the figures with those of Malaysia (16,000 titles), China (189,295 titles), India (60,000), and Japan (40,000), Indonesia records the lowest number of titles per capita (<http://edukasi.kompas.com/read/2012/06/29/09215014>).

The publishing companies in Indonesia have faced serious challenges, which include structural problems, socio-cultural problems and technology development. In terms of structural challenges, the publishing industry faces the problem of the long chain from production to consumption of books, which results in the high price of books in Indonesia. The low per capita consumption of books in Indonesia also results from the undeveloped reading habit of Indonesian people. Further, the publishing industry in Indonesia also suffers from technological advancement, as Indonesians have started to switch their reading from conventional books to electronic versions.



## 9.5 Music Industry

The Association of the Recording Industry in Indonesia (ASIRI) notes that the 'golden period' of the music industry in Indonesia occurred in the 1990s. In this period, compared to the other Southeast Asian nations, Indonesia scored the highest recorded music retail sales, of USD 290 millions. To put this into perspective, the figures of the Philippines, Singapore, Malaysia and Thailand were only 16%, 31%, 50%, and 65% (respectively) of the Indonesian figure.

However, piracy has posed a serious threat to the music industry in Indonesia. In 2007, ASIRI stated that illegal or pirated music sales in Indonesia had reached 95.7%; and according to [bengkelmusik.com](http://bengkelmusik.com), in 2008 the piracy level reached 85%. The piracy level of physical albums also reached 550 million items in 2008 (from 'only' 20 millions in 1996). In 2008, ASIRI recorded sales of only 10 million cassettes and CDs and the figure keeps decreasing about 10-15% every year (<http://justtellsomething.blogspot.com/2012/10/label-rekaman-nasional-uas-industri.html#!/2012/10/label-rekaman-nasional-uas-industri.html>). The number of members of ASIRI has now also decreased from 240 to 76. Even out of the 76 members, only 12-15% are currently actively operating their business.

The music industry in Indonesia has been somewhat saved by the sales of Ring Back Tones (RBT), following the massive growth of mobile communications in Indonesia. Nagaswara, one of the biggest music labels in Indonesia, recorded an annual income of IDR 20 billion in 2009, of which 90% came from RBT (*Rolling Stone Indonesia*, Maret 2010, as quoted in <http://www.widiasmoro.com/2012>).

## 9.6 Handicraft Industry

The handicraft industry is noted as the biggest contributor to the copyright-based industries in Indonesia. Handicraft exports in 2012 reached USD 696.1 million, which showed a 13.3 % increase compared to 2010's exports of USD 614.3 million. Handicraft export of USD 284.6 million showed a 1.55% increase compared to previous year. The main export destinations in 2012 were the United States (USD 301.6 millions); Japan (USD 81.7 millions); the UK (USD 35 millions); Germany (USD 25.7 millions); Australia (USD 23.5 millions); and the Netherlands (USD 21.8 millions) (<http://www.kemendag.go.id/files/pdf/2013/08/19>). The biggest portion of the handicraft industries come from wood-based handicrafts, which include furniture and decorative items.

The handicraft industry has a growing number of companies, as shown in Table 9-7. The large number of handicraft companies in Indonesia shows that the players of the industry mainly consist of SMEs. The statistics cannot even record the actual figures of all the companies in the industry, since so many of them are very small (or micro) companies.

**Table 9-7: Number of Companies in the Handicraft Industry**

No.		2005	2006	2007	2008	2009	2010
1.	No of companies (in thousands)	897	906	1,007	1,070	1,144	1,197
2.	Growth (%)		0.93	11.16	6.25	6.94	4.62

Source: Ministry of Trade (2011)

## 10. INTERNATIONAL COMPARISONS

For the purpose of providing some international comparison, a total of 15 countries have been selected for comparative analysis based on data availability. While all countries have referred to the WIPO methodology, the definitions and approaches applied in these countries were different in several respects. The reports were also not published in the same year. Nonetheless, the data provide useful perspectives in comparing the significance of copyright-based industries in their respective economies.

The US records the biggest contribution of the total copyright industries to its economy, in terms of both value added (11.05%) and employment (8.51%). Australia also has a significant contribution from its copyright industries (10.3% and 8% to national value added and employment, respectively). In the Asian region, Korea and China record copyright-based industries of a significant size.

If we compare the economic contributions of copyright industries in Indonesia with those of other countries, generally Indonesia's figures are lower. In terms of value added and employment, the total contributions of copyright industries in Indonesia were recorded as 4.20% and 4.11% respectively. These are still lower than the ASEAN counterparts of Malaysia and the Philippines (see Table 10-1). This is perhaps because of the size of the overall Indonesian economy, which is the biggest amongst ASEAN countries (IMF, 2010).

**Table 10-1: The Contribution of Total Copyright and Core Copyright Industries to Value Added**

Country	Year of Publication	Contribution of Total Copyright Industry to Value Added	Contribution of Core Copyright Industry to Value Added
US	2009	11.05	6.44
Australia	2009	10.3	7.3
Korea	2012	9.89	3.51
Hungary	2010	6.66	3.96
China	2009	6.37	3.06
Panama	2009	6.35	5.4
Brunei	2011	1.58	0.7
Peru	2009	2.67	1.23
Ukraine	2008	2.85	1.54
Colombia	2008	3.3	1.9
South Africa	2011	4.11	2.05
Croatia	2007	4.27	2.99
Malaysia	2008	5.7	2.9
Philippines	2006	4.82	3.5
Indonesia	2014	4.11	1.05

Source: WIPO

**Table 10-2: The Contribution of Total Copyright and Core Copyright Industries to Employment**

Country	Year of Publication	Contribution of Total Copyright-based Industry to Employment	Contribution of Core Copyright to Employment
Philippines	2006	11.1	8.81
Mexico	2006	11.01	3.41
Bhutan	2011	10.09	1.03
Netherlands	2009	8.8	6.2
US	2009	8.51	4.05
Australia	2009	8	4.97
Russia	2007	7.3	4.29
Ukraine	2008	1.9	1.16
Jamaica	2007	3.13	1.79
Panama	2009	3.17	1.52
Brunei	2011	3.2	1.5
Kenya	2009	3.26	1.2
Pakistan	2009	3.71	0.7
Korea	2012	6.24	2.85
Malaysia	2008	7.5	4.7
Indonesia	2014	3.75	1.10

Source: WIPO

However, there is an interesting insight from the structure of copyright industries in Indonesia, where the contribution of the partial copyright industries is generally higher. Comparatively, this contribution is higher than those of Malaysia and the Philippines (see Table 10-3). If we refer to the previous section where we categorized the copyright industry, it can be noted that the partial copyright industries include the handicraft industry, whose size in terms both of value added and employment is particularly big.

**Table 10-3: Comparative Contribution of Copyright Industries in Indonesia, Malaysia, and the Philippines**

	Indonesia		Malaysia		The Philippines	
	To Value added	To Employment	To Value added	To Employment	To Value added	To Employment
Core Copyright Industries	1.05%	1.1%	2.9%	4.7%	3.54%	8.81%
Interdependent Copyright Industries	0.65%	0.27%	2.1%	1.6%	0.96%	1.4%
Partial Copyright Industries	2.06%	2.05%	0.6%	0.9%	0.04%	0.2%
Non-dedicated Support Industries	0.36%	0.36%	0.1%	0.2%	0.29%	0.6%

Source: WIPO and Primary Data

## 11. CONCLUSIONS AND RECOMMENDATIONS

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This study has found that the copyright based industries in Indonesia make a significant contributor to the national economy. In 2010, the total contribution was 4.20% to output, 4.11% to value added and 3.75% to employment. Looking at the sub-categories in the copyright-based industries, the contribution is highest from the interdependent copyright industries. However, compared to other countries, the contribution of copyright industries in Indonesia is relatively smaller. This is because perhaps of the relatively bigger size of Indonesian GDP compared to those countries. There is also a possibility of underestimation since not of all of the micro, small, and medium enterprises (especially the micro ones) are recorded in the national statistics.

The present study is only a cross-sectional one, providing data of a single year. Further studies should be conducted in order to be able to assess the trends of the copyright-based industries in Indonesia. Perhaps the most important implication of this study is to build awareness of the economic importance of copyright-based industries, which should motivate the Indonesian government in crafting appropriate strategies in support of copyright-based industries through the establishment of an enabling environment infrastructure. The general public's awareness of the significance of the contribution of these industries to the national economy can also create greater motivation to consume genuine products rather than pirated copies.

The present study provides baseline information on the economic contribution of copyright-based industries in terms of output, value added, and employment, but has not calculated the contribution to foreign trade. Further studies should also include the other economic parameters, as well the social-cultural impacts of copyright-based industries in Indonesia.

Since the factors used in the present studies are only rough estimates, further studies should also conduct a comprehensive survey in order to be able to validate and determine more accurate copyright factors to be used in the Indonesian context. The present study can be used as a basis to build up a series of data on the economic contribution of copyright-based industries in Indonesia. Such a data series can become a solid basis for the government to formulate policies on development of these industries.

The Ministry of Trade should team up with the Statistics Bureau to gather a data base of industry-level data (based on their ISIC) to provide, on a regular basis, the specific disaggregated data to offer a more accurate estimation of the copyright-based industries in Indonesia.

Especially for the Indonesian context, the existence of an assessment of the economic contribution of the copyright-based industries can create some confusion with the assessment of the economic contribution of the creative industries. While both can become useful parameters for decision-makers, the present study's assessment of the economic contribution of copyright-based industries using the WIPO methodology is particularly insightful. This is due to the international comparisons which can be drawn from the similar studies conducted in many other countries.

The present study should be placed strategically in the center of the growing creative industries in Indonesia. Copyright protection is necessary for the prospective creators in the creative sectors, to encourage them to develop and later transfer their creation to their industry. As the government of Indonesia has put a focus on the development of the creative sectors, this study can help the government in designing appropriate strategies for the development and protection of copyright-based industries.

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## Appendix 1 List of Copyright-based Industries

(Based on *Klasifikasi Baku Lapangan Usaha Indonesia* or ISIC – 2009)

Type of Copyright Industry	Main Groups of Industries	Subgroups			Code	Notes	
<b>Core Copyright</b>	1. Press and Literature	Printing and Reproduction of Recorded Media (18)	Printing and Services Activities related to Printing (181)	Printing (1811)	(18111)	General Printing covers: newspaper, book, magazines, journal, music, etc.	
					(18112)	Specific Printing (stamp, money, ticket, etc.)	
				Services Activities related to Printing (1812)	(18120)	Services Activities related to Printing (1812)	
		Publishing (58)	Publishing of Books, Magazines, and others (581)		Book Publishing (5811)	58110	Book Publishing
					Publishing of Directories and Mailing List (5812)	58120	Publishing of Directories and Mailing List
					Publishing of Newspapers, Journals and Periodicals (5813)	58130	Publishing of Newspapers, Journals and Periodicals
					Other publishing Activities (5819)	(58190)	Other publishing Activities

Type of Copyright Industry	Main Groups of Industries	Subgroups			Code	Notes	
Core Copyright (continued)	2. Music, Theatrical Productions, and Operas	Printing and Reproduction of Recorded Media (18)	Reproduction of Recorded Media (182)	Reproduction of Recorded Media (1820)	(18201)	Reproduction of Audio Recordings and Software	
			Sound Recording and Music Publishing (592)	Sound Recording and Music Publishing (5920)	59201 59202	Sound Recording Music Publishing	
		Creative, Arts, and Entertainment Activities (90)	Creative, Arts, and Entertainment Activities (900)	Creative, Arts, and Entertainment Activities (900)	Creative, Arts, and Entertainment Activities (9000)	(90001)	Art Performance Activities
						(90002)	Arts Workers Activities
						(90003)	Other Entertainment Activities
	3. Motion Pictures and Video	Printing and Reproduction of Recorded Media (18)	Reproduction of Recorded Media (182)	Reproduction of Recorded Media (1820)	(18202)	Reproduction of Film and Video Recording	
			Motion Picture, Video and TV Program Production, Sound Recording, and Music Publishing Activities (59)	Motion Picture, Video and TV Programmed Production, (591)	(59111)	Motion Picture, Video and TV Program Production by Govt.,	
		(59112)			Motion Picture, Video and TV Program Production by Private		
		Distribution Of Motion Picture, Video and TV Programs (5913)		(59131)	Distribution Of Motion Picture, Video and TV Programs by Govt.,		
			(59132)	Distribution Of Motion Picture, Video and TV Programs by Private			
Creative, Arts, and Entertainment Activities (90)	Creative, Arts, and Entertainment Activities (900)	Motion Pictures Projection Activities (5914)	Creative, Arts, and Entertainment Activities (9000)	(59140)	Motion Pictures Projection Activities		
				(90002)	Arts Workers Activities		

Type of Copyright Industry	Main Groups of Industries	Subgroups				Code	Notes
Core Copyright (continued)	4. Radio and Television	Programming and Broadcasting Activities (60)	Radio Broadcasting (601)	Radio Broadcasting (6010)	Radio Broadcasting by Govt.	(60101)	
					Radio broadcasting by private	(60102)	
	5. Photography	Other Professional, Scientific, and Technical Activities. (74)	Television Programming and Broadcasting (602)	Television Programming and Broadcasting (6020)	Television Programming and Broadcasting by Govt.	(60201)	
					Television Programming and Broadcasting by Private	(60202)	
	6. Software and Databases	Computer Programming, Consultancy, and Related Activities (62)	Photographic Activities (742)	Photographic Activities (7420)	Photographic Activities	(74201)	
					Computer Programming, Consultancy, and Related Activities (620)	(62010)	
	7. Visual and Graphic Arts	Creative, Arts, and Entertainment Activities (90)	Information Service Activities (63)	Computer Programming, Consultancy and Computer Facilities Management (6202)	Computer Programming	(62020)	
					Computer, Consultancy, and Computer Facilities Management		
	8. Advertising Services	Advertising and Market Research (73)	Creative, Arts, and Entertainment Activities (900)	Data Processing, Hosting, and Related Activities, Web Portal (631)	Data Processing	(63111)	
					Data Hosting, and Related Activities	(63112)	
			Web Portals (6312)	Web Portals	(63120)		
			Creative, Arts, and Entertainment Activities (9000)	Arts Workers Activities	(90002)		
			Advertising (731)	Advertising	73100		

Type of Copyright Industry	Main Groups of Industries	Subgroups	Code	Notes
<b>Core Copyright (continued)</b>	9. Copyright Collecting Societies	1. Yayasan Karya Cipta Indonesia (now Karya Cipta Indonesia) Golden Plaza Complex Block C No. 12, Jl. RS. Fatmawati No. 15, Jakarta Selatan 12420, Fax.(021) 7656051 Telp.(021) 75905640, Telp.(021) 75905884, Telp.(021) 75905885 (collecting society for live music)		
		2. Yayasan Cipta Buku Indonesia (collecting society for books)		
		3. Wahana Musik Indonesia Jl. Bakti No.24, Senopati Raya Jakarta Telp. 021 72799904 Fax. 021 72799905 <a href="http://www.wami.co.id">http://www.wami.co.id</a> (collecting society for music recording)		
<b>Interdependent Industries</b>	1. TV sets, Radios, VCRs, CD Players, DVD Players, Cassette Players, Electronic Game Equipment, and other Similar Equipment	Manufacture Of Computer, Electronic And Optical Product (26)	Manufacture Of Audio And Electronic Video (264)	Manufacture Of Television And/Or Assembly Of Television (26410)
		Manufacture Of Computer, Electronic And Optical Product (26)	Manufacture Of Audio/Video Recorder, Receiver, And Copier (2642)	Manufacture Of Audio/Video Recorder, Receiver, And Copier (26420)
	2. Computers and Equipment	Manufacture Of Computer, Electronic And Optical Product (26)	Manufacture Of Computers And Peripherals Equipment (262)	Manufacture And/Or Assembly Of Computers (2621)
		Manufacture Of Computers Peripherals Equipment (2622)	Manufacture Of Computers Peripherals Equipment (2622)	Manufacture Of Computers Peripherals Equipment (26220)

Type of Copyright Industry	Main Groups of Industries	Subgroups				Code	Notes
Interdependent Industries (continued)	3. Musical Instruments	Other Manufacturing (32)	Manufacture Of Musical Instrument (322)	Manufacture Of Musical Instrument (3220)	Manufacture Of Traditional Music Instrument	(32201)	
					Manufacture Of Non Traditional Music Instrument	(32202)	
	4. Photographic and Cinematographic Instrument	Manufacture of Computer, Electronic and Optical Products (26)	Manufacture of Optical Instruments and Photographic Equipment (267)	Manufacture of Photographic Equipment (2671)	Manufacture of Photographic Equipment	(26710)	
				Manufacture of Photographic Equipment and Other Optical Instruments (2679)	Manufacture of Motion Picture Projectors and Equipment	(26791)	
	5. Photocopiers	Manufacture of Machinery and Equipment N.E.C (28)	Manufacture of General Purpose Machinery (281)	Manufacture of Office Machinery and Equipment (except Computer and Peripheral Equipment) (2817)	Manufacture of Photocopier Machines	(28179)	
	6. Blank Recording Material	Manufacture of Computer, Electronic and Optical Products (26)	Manufacture of Magnetic and Optical Media (268)	Manufacture of Magnetic and Optical Media (2680)	Manufacture of Magnetic and Optical Media	(26800)	
	7. Paper	Manufacture of Paper and Paper Products (17)	Manufacture of Paper and Paper Products (170)	Manufacture of Pulp, Paper and Paperboard (1701)	Manufacture of Pulp	(17011)	
Manufacture of Corrugated Paper and Paperboard and of Containers of Paper and Paperboard (1702)				Manufacture of Paper and Paperboard	(17012)		
				Manufacture of Corrugated Paper and Paperboard	(17021)		
				Manufacture of Containers of Paper and Paperboard (1702)	(17022)		

Type of Copyright Industry	Main Groups of Industries	Subgroups			Code	Notes	
<b>Partial Copyright Industries</b>	1. Apparel, Textiles, and Footwear	Manufacture of Wearing Apparel (14)	Manufacture of Wearing Apparel except Fur Apparel (141)	Manufacture of Wearing Apparel (1411)	Manufacture of Wearing Apparel from Textiles	(14111)	
					Manufacture of Wearing Apparel from Leather	(14112)	
		Manufacture of Leather and Related Products (15)	Manufacture of Footwear (152)	Manufacture of Footwear (1520)	Manufacture of Footwear for Daily Needs	(15201)	
					Manufacture of Sport Shoes	(15202)	
					Manufacture of Other Footwear	(15209)	
	2. Jewelry and coins	Other Manufacturing (32)	Manufacture of Jewelry and Valuables (321)	Manufacture of Jewelry and Related Articles (3211)	Manufacture of GemstoneS	(32111)	
					Manufacture of Jewelry from Gold for Personal Use	(32112)	
					Manufacture of Jewelry from Gold for Non-personal Use	(32113)	
					Manufacture of Pearls	(32115)	
					Manufacture of Articles made from Gold	(32119)	
			Manufacture Of Imitation Jewelry and Related Articles (3212)	(32120)			



Type of Copyright Industry	Main Groups of Industries	Subgroups	Manufacture of Products of Wood, Cork, Straw and Plaiting Materials (162)	Manufacture of Other Products of Wood; Manufacture of Articles of Cork, Straw and Plaiting Materials (1629)	Code	Notes		
Partial Copyright Industries (continued)	3. Other Crafts	Manufacture of Wood and of Products of Wood and Cork (Excluding Furniture), Manufacture of Articles of Straw and Plaiting Materials (16)	Manufacture of Products of Wood, Cork, Straw and Plaiting Materials (162)	Manufacture of Other Products of Wood; Manufacture of Articles of Cork, Straw and Plaiting Materials (1629)	Wood Crafting Industry (Excluding Furniture)	(16293)	This category includes Assorted Handicrafts and Wood Crafting, such as: Reliefs, Masks, Puppets, Vases, Frames, etc.	
					Manufacture of Furniture (31)	Manufacture of Furniture (310)		(31001)
	4. Furniture	Manufacture of Furniture (31)	Manufacture of Furniture (310)	Manufacture of Furniture (310)	Manufacture of Furniture (310)	Manufacture of Rattan and Bamboo Furniture	(31002)	
						Manufacture of Plastic Furniture	(31003)	
						Manufacture of Metal Furniture	(31004)	
						Manufacture of Other Furniture	(31005)	
						Manufacture of Glass and Glass Products (23)	Manufacture of Glass Products (2312)	(23121)
	5. Household Goods, China and Glass	Manufacture of Wood and of Products of Wood and Cork (Excluding Furniture), Manufacture of Articles of Straw and Plaiting Materials (16)	Manufacture of Products of Wood, Cork, Straws and Plaiting Materials (162)	Manufacture of Glass and Glass Products (231)	Manufacture of Other Products of Wood; Manufacture of Articles of Cork, Straw and Plaiting Materials (1629)	Manufacture of Other Products of Wood; Manufacture of Articles of Cork, Straw and Plaiting Materials (1629)	(16290)	

Type of Copyright Industry	Main Groups of Industries	Subgroups				Code	Notes
<b>Partial Copyright Industries (continued)</b>	6. Wall Coverings and Carpets	Manufacture of Textiles (13)	Manufacture of Other Textiles (139)	Manufacture of Carpets and Rugs (1393)	Manufacture of Carpets and Rugs (1393)	(13930)	
		Manufacture of Paper and Paper Products (17)	Manufacture of Paper Products (170)	Manufacture of Corrugated Paper and Paperboard and of Containers of Paper and Paperboard (1702)	Manufacture of Corrugated Paper and Paperboard	(17021)	
	7. Toys and Games	Other Manufacturing (32)	Manufacture of Games and Toys (324)	Manufacture of Games and Toys (3240)	Manufacture of Games/Toys Equipment	(32401)	
					Manufacture of Toys	(32402)	
	8. Architecture, Engineering, Surveying	Architectural and Engineering Activities; Technical Testing and Analysis (71)	Architectural and Engineering Activities and Related Technical Consultancy (711)	Architectural and Engineering Activities and Related Technical Consultancy (7110)	Architectural and Engineering Activities and Related Technical Consultancy	(71100)	
		Advertising and Market Research(73)	Market Research and Public Opinion Polling (732)	Market Research and Public Opinion Polling (7320)	Market Research and Public Opinion Polling	(73200)	
	9. Interior Design	Specialized Construction Activities (43)	Building Completion and Finishing (433)	Building Completion and Finishing (4330)	Building Completion and Finishing	(43300)	
	10. Museums	Libraries, Archives, Museums, and Other Cultural Activities (91)	Libraries, Archives, Museums, and other Cultural Activities (910)	Historical Sites and Buildings (9102)	Museum Operating by Govt.	(91021)	
					Museum Operating by Private	(91022)	

Type of Copyright Industry	Main Groups of Industries	Subgroups				Code	Notes	
Partial Copyright Industries (continued)	11. Handicraft Industry	Manufacture of Textile (13)	Spinning, Weaving and Finishing of Textile (131)	Preparation and Spinning of Textile Fibers (1311)	Manufacture of Preparation of Textile Fibers	(13111)	Handicraft is industry which is protected under Indonesia's Copyright Law no 19/2002	
		Finishing of Textiles (1313)		Weaving of Textile (1312)	Spinning of Textile	(13112)		
Non-dedicated Support Industries	1. General Wholesale and Preparation of Historical Sites and Buildings (9102)	Manufacture of Wood and of Products of Wood and Cork (Excluding Furniture), Manufacture of Articles of Straw and Plaiting Materials (16)	Manufacture of Products of Wood, Cork, Straw and Plaiting Materials (162)	Manufacture of Other Products of Wood: Manufacture of Articles of Cork, Straw and Plaiting Materials (1629)	Wood Crafting Industry (Excluding Furniture)	16293	This category includes Assorted Handicrafts and Wood Crafting, such as: Reliefs, Masks, Puppets, Vases, Frames, etc.	
		Wholesale Trade, except of Motor Vehicles and Motorcycles (46)	Wholesale of Household Goods (464)	Wholesale of Textiles, Clothing and Footwear (4641)	Wholesale of Textiles, Clothing and Footwear	(46410)		
				Wholesale of Other Household Goods (4649)	Wholesale of Household Tools and Equipment	(46491)		
	2. Retailing	Retail Trade except of Motor Vehicles and Motorcycles (47)	Retail Sale in Non-specialized Stores (471)	Retail Sale in Non-specialized Stores with Food, Beverages, and Tobacco Predominating (4711)	Retail Sale in Non-specialized Stores with Food, Beverages, and Tobacco	Retail Sale in Non-specialized Stores with Food, Beverages, and Tobacco	(47110)	
				Retail Sale of Food, Beverages, and Tobacco in Specialized Stores (472)	Retail Sale of Food, Beverages, and Tobacco in Specialized Stores (4720)	Retail Sale of Food, Beverages, and Tobacco in Specialized Stores	(47200)	

Type of Copyright Industry	Main Groups of Industries	Subgroups			Code	Notes		
Non-dedicated Support Industries (continued)	3. General Transportation	Land Transport and Transport via Pipelines (49)	Transport via Railways (491)					
			Other Land Transport (4922)					
		Water Transport (50)	Sea and Coastal Water Transport (501)					
			Inland Water Transport (502)					
		Air Transport (51)	Passenger Air Transport (511)					
			Freight Air Transport (512)					
			Warehousing and Storage (521)					
		Warehousing and Support Activities For Transportation (52)	Support Activities for Transportation (522)					
			Postal Activities (531)					
			Courier Activities (532)					
		Postal and Courier Activities (53)	Travel Agency, Tour Operator, Reservation Service and Related Activities (79)					
			Telecommunication (61)					
		4. Telephony and Internet		Wired Telecommunication Activities (611)				
				Wireless Telecommunication Activities (612)				
Other Telecommunication Activities (619)								

## Appendix 2 Values of the Copyright-based Industries Before Factoring

**Results Table 1: Economic Values of Copyright-Based Industries in terms of Output, Value Added, and Employment**

(in million IDR and number of people)

INDONESIAN COPYRIGHT-BASED INDUSTRIES (ICR)										
Code	Description of Industry	Output	Factor	Output (million IDR) after factoring	Value Added (Million IDR)	Factor	Value Added (million IDR) after factoring	Employment	Factor	Employment (after factoring)
<b>I. Core Copyright</b>		<b>169,408,059</b>		<b>169,408,059</b>	<b>67,273,614</b>		<b>67,273,614</b>	<b>1,189,710</b>		<b>1,189,710</b>
1.1	1. Press and Literature	61,876,077	100%	61,876,077	23,675,781	100%	23,675,781	619,158	100%	619,158
1.2	2. Music, Theatrical Productions, Operas	5,919,114	100%	5,919,114	2,391,239	100%	2,391,239	58,006	100%	58,006
1.3	3. Motion Picture and Video	5,350,445	100%	5,350,445	2,047,426	100%	2,047,426	29,735	100%	29,735
1.4	4. Radio and Television	66,978,943	100%	66,978,943	27,720,430	100%	27,720,430	313,711	100%	313,711
1.5	5. Photography	10,625,622	100%	10,625,622	4,102,239	100%	4,102,239	80,130	100%	80,130
1.6	6. Software and Databases	5,859,473	100%	5,859,473	2,237,813	100%	2,237,813	39,098	100%	39,098
1.7	7. Visual and Graphic Arts	2,002,116	100%	2,002,116	814,290	100%	814,290	22,385	100%	22,385
1.8	8. Advertising Services	10,783,267	100%	10,783,267	4,280,395	100%	4,280,395	27,207	100%	27,207
1.9	9. Copyright Collecting Societies*)	13,000	100%	13,000	4,000	100%	4,000	280	100%	280
<b>II. Interdependent Industries</b>		<b>416,111,824</b>		<b>113,017,173</b>	<b>39,644,590</b>		<b>41,755,138</b>	<b>258,702</b>		<b>289,720</b>
2.1	1. TV sets, Radios, VCRs, CD Players, DVD Players, Cassette Players, Electronic	121,731,201	45%	54,779,040	16,208,276	40%	20,017,221	53,137	40%	94,230
2.2	2. Computers and Equipment	3,823,812	40%	1,529,525	767,499	40%	1,072,580	1,127	40%	1,978
2.3	3. Musical Instruments	10,015,042	30%	3,004,512	791,834	25%	995,731	22,565	25%	29,335
2.4	4. Photographic and Cinematographic Instrument	5,913,873	25%	1,478,468	241,875	25%	329,353	18,246	25%	28,774
2.5	5. Photocopiers	29,283	20%	5,857	2,293	20%	2,798	536	20%	775

INDONESIAN COPYRIGHT-BASED INDUSTRIES (ICR)										
Code	Description of Industry	Output	Factor	Output (million IDR) after factoring	Value Added (Million IDR)	Factor	Value Added (million IDR) after factoring	Employment	Factor	Employment (after factoring)
2.6	Blank Recording Material	4,603,403	20%	920,681	192,928	20%	195,211	1,993	20%	1,723
2.7	Paper	269,995,211	19%	51,299,090	21,439,885	15%	19,142,244	161,098	15%	132,906
	<b>III. Partial Copyright Industries</b>	<b>789,415,107</b>		<b>346,821,235</b>	<b>78,743,375</b>		<b>132,091,478</b>	<b>3,838,436</b>		<b>2,223,464</b>
3.1	Apparel, textiles, and footwear	370,411,908	35%	129,644,168	53,755,786	15%	46,364,365	1,687,658	15%	531,612
3.2	Jewelry and coins	14,213,317	20%	2,842,663	1,036,566	18%	716,395	139,014	18%	37,047
3.3	Other crafts	12,527,542	50%	6,263,771	1,190,446	35%	2,416,605	1,194,384	35%	501,641
3.4	Furniture	173,096,052	35%	60,583,618	12,300,886	35%	24,109,737	679,658	35%	451,973
3.5	Household goods, china, and glass	2,175,543	2.5%	54,389	1,019,446	0.5%	22,183	18,247	0.5%	199
3.6	Wallcoverings and carpets	1,613,445	3.00%	48,403	100,873	1.29%	6,230	11,862	1.29%	351
3.7	Toys and games	10,066,698	36.23%	3,647,500	1,040,665	36.23%	1,809,925	30,379	36.23%	13,209
3.8	Architecture, engineering, surveying	22,144,940	25.0%	5,536,235	5,474,171	14.5%	4,532,723	20,989	14.5%	8,232
3.9	Interior design	11,356,426	20.0%	2,271,285	2,476,939	14.5%	1,943,010	42,602	14.5%	22,279
3.10	Museums	2,098,102	8%	160,295	347,597	8%	106,225	13,643	8%	2,710
2.80	Handicraft Industry	169,711,133	80%	135,768,907	9,933,349	80%	50,064,079	629,049	80%	654,211
	<b>IV. Non-Dedicated Support Ind.</b>	<b>1,341,225,255</b>		<b>44,260,433</b>	<b>726,318,070</b>		<b>23,092,515</b>	<b>10,953,053</b>		<b>361,451</b>
4.1	General wholesale and retailing	149,737,960	3.30%	4,941,353	110,458,781	3.30%	3,599,358	1,777,021	3.30%	58,642
4.2	General transportation	957,364,503	3.30%	31,593,029	379,863,297	3.30%	12,518,659	7,729,488	3.30%	255,073
4.3	Telephony and internet	234,122,793	3.30%	7,726,052	235,995,993	3.30%	6,974,498	1,446,544	3.30%	47,736
<b>TOTAL</b>		<b>2,716,160,246</b>		<b>673,506,901</b>	<b>911,979,649</b>		<b>264,212,745</b>	<b>16,239,902</b>		<b>4,064,346</b>



## Appendix 3 The Questionnaire

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### **SURVEY: 'ECONOMIC CONTRIBUTION OF COPYRIGHT-BASED INDUSTRIES IN INDONESIA'**

#### ***INTRODUCTORY LETTER:***

Dear Sir/Madam,

We would like to ask you to fill up the questionnaire (attached). The questionnaire is an instrument of a survey on the Economic Contribution of Copyright and Related Right Industries in Indonesia. The survey is conducted by the Indonesian government in cooperation with WIPO (World Intellectual Property Organization). Please kindly give true responses, because the results of the survey will become one of the bases in developing policies on copyright-based industries in Indonesia. All information is kept confidential and used only for the purpose of this study.

We thank you very much for your helpful cooperation.

Yours sincerely,

Ministry of Tourism and Creative Economy

#### ***Part I: PROFILE of RESPONDENT***

Name	:	
Gender	:	
Age	:	
Position in the Company	:	
Name of Company	:	
Field of business	:	
Status of ownership	:	<input type="checkbox"/> Foreign <input type="checkbox"/> Local <input type="checkbox"/> Mixed
Year of establishment	:	
Variety of products	:	
Company address	:	

**Part II:**

1.	Total turnover in 2011	
2.	Estimation of total production costs in 2011	
	a. Total of payroll/salary/wages	
	b. Total of material costs	
	c. Total of other costs (packaging, office/administration, etc)	
	d. Total of transportation and delivery costs	
	e. Total of management salary, licensing fee, royalty, etc.	
	f. Others (electricity, water, advertising, rental fee, etc)	
	<b>TOTAL PRODUCTION COSTS</b>	
	g. Depreciation	
3.	Total investment in machinery and manufacturing facilities	
4.	Total inventory of finished products at the end of 2011	
5.	Number of employees (at 31 December 2011)	
	a. Total number of permanent employees	
	Including:	
	Manager	
	Staff in the technical department or other professionals	
	Staff in the office and sales department	
	Workers in the production department and transportation	
	b. Number of part-time workers	

**III. Estimation of Company Activities Related to Copyright**

1.	How important is copyright in your company's daily operations? (circle the appropriate answer)			
	Very Important	Important	Somewhat important	Not important
2.	Does your company receive or pay royalties (or in other forms) for using patent, license, or copyright?			
	Yes	No (please go directly to Question no. 5)		
3.	On average, what is the percentage of royalty money paid or received compared to your total expenditure/income?			
	.....%			
4.	How much or what percentage of your total turnover is paid to /received from royalties (or in other forms of royalty)			
	.....%			
5.	What is the percentage or how many people of your employees are involved in activities related to creative activities?			
	Note: Creative activity include research and development, design activities, etc.			
	Number of Full-time employees	:		Person
	Number of Part-time employees	:		Person

**THANK YOU**

For more information contact WIPO at [www.wipo.int](http://www.wipo.int)

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