

Press Release

For immediate publication

Dentons HPRP Law & Regulations Outlook 2025: The Future of Strategic Sector in the New Administration Data Center Land Zoning and Artificial Intelligence Breakthrough in the Healthcare Sector

Jakarta, 20 February 2025 - The healthcare and digital technology sectors has been experiencing rapid transformation, boosted by artificial intelligence (AI) and accelerated development of data center. The AI has changed the way medical field works by enhancing diagnosis accurate and healthcare service effectiveness, meanwhile data center has become primary foundation for the digital ecosystem in supporting economic growth, targeted by the current Administration to reach 8% level in the next five years.

Both of these strategic issues has become the primary focus on the Dentons HPRP Law & Regulations Outlook 2025 held in Jakarta (February 20th 2025). The Seminar event presented the Special Staff on Sustainable Development and Digital Transformation of the Coordinating Ministry of Infrastructure and Regional Development Affairs, Okto Irianto as the keynote speaker, representing the Coordinating Minister of Infrastructure and Regional Development Affairs Agus Harimurti Yudhoyono. The keynote speech discussed the Government Strategy to Support the Development of Data Center and Utilization of AI Technology to Achieve the 8% Targeted Economic Growth.

Okto Irianto explained that in repoding the rapid development of AI technology and rising need of data centers, the Government has committed to soon implementing land zoning for data centers in Indonesia. The zoning of data centers has been deemed to maximising the potential benefit of information technology in the various industry sectors.

He added that the Indonesian Government must provide the regulations needed by all stakeholders in the development of data centers and AI technology to allow the Country to optimizing the opportunities of data centers and AI technology for the welfare of its people and assist in achieving the targeted economic growth.

"The development of data center and AI technology can succeed when zoning is well implemented. The team at the Ministry of Agrarian and Spatial Planning must implement the zoning policy and find the appropriate space for the data center," explained by Okto Irianto in the seminar titled the 5th Dentons HPRP Law and Regulations Outlook 2025: "The Future of Strategic Sector in the New Administration: Data Center Land Zoning and Artificial Intelligence Breakthrough in the Healthcare Sector".

Supporting the AI Regulation to Boost Innovation in the Healthcare Sector

In the panel discussion, CEO of Halodoc, Jonathan Sudharta discussed how AI not only opens up large opportunities in the healthcare services but also deals with some challenges in its implementation, especially related the governing regulations.

On another matter, he appreciated the Indonesian Ministry of Health's change pattern and pace in adopting the AI technology. "The Ministry of Health is very open in advancing innovations, not coming from innovators but coming from the Government. I really appreciate their view and approach," he said.

Similar to his view, Jonathan Natakusuma, CEO of Eden Sehat AI touched upon the effectiveness of AI in detection a number of diseases, including generating faster and more accurate radiology report on cancer, where he guarantees that his company will maintain confidentiality of patients records in adherence to existing standards.

From the perspective of the regulator, Setiaji, Expert Staff on Health Technology/Chief Digital Transformation Office of the Ministry of Health emphasize on the importance of AI in developing national health data to create and support high quality and integrated healthcare services.

"The Government's vision is to achieve a well-protected and -integrated health digital data. The AI technology on healthcare services is similar to what happened with technology on banking sector thirty years ago. How the banking sector digitizing their data thirty years ago, this is what Ministry of Health doing now. Healthcare data of everyone will be captured from the early stage, even before they were born. This approach is also in place to responds the high prevalence of stunting among Indonesia people," he explained.

Nashatra Prita, Partner Dentons HPRP, highlighted the importance of adaptive regulations to allow AI to develop freely without hindering business innovations. On the other notes, she reminded that service providers are those who earned benefits from the patients, therefore patients' approval must be obtained for the data transfer. "This is the gap that must be filled and governed by the regulations," she explained.

Land Zoning for Data Centers as the Tranformation Point of Indonesia's Digital Ecosystem

In the data center sector, Pandu Sjahrir, Founding Partner AC Ventures discussed further on the main challenges that hinder the acceleration the development of digital infrastructures in the country. He highlighted the situation by comparing with other countries, where Indonesia still needs to catch up its lag behind in developing the data center, particularly in supporting artificial intelligence and the growth of digital economy.

"Indonesia become a very interesting place for data center investment. The more data centers is available in Indonesia the more cost efficient for the communication for the consumer, boosting faster information spread," he explained.

Apart from the land zoning and infrastructure issue, Pandu further emphasize the success determining factor for the development of data center and AI technology lies on the quality of human resources. He is confident that when Indonesia succeeds in developing data centers, it will attract Indonesians high quality human resources working abroad to return home.

"Developing data centers is not a mere financial and land area business, but more also a human resources issue. The development of data centers could become the main attraction for Indonesian diasporas overseas to return home. If you don't want the best quality human resources to flee overseas, then create better jobs in the country that involves high quality workers," he added.

From the Government perspective, Galuh Aji Niracanti, Head of Subdirectorate of Spatial Planning of National Strategic Regions II, Ministry of Ministry of Agrarian and Spatial Planning emphasize the importance of land zoning for the development of data centers and become one the key priorities to accomodate the needs of this particular sector. Through several feedbacks from the stakeholders, the Government policies will be formulated to support investors in accelerating the development of data centers.

From the perspective of industry operator, Michael Abimanyu, Executive Director Indonesia Data Center Provider Organization (IDPRO) expressed his thought on how private sector experienced several challenges in developing data centers, including regulatory support and the readiness of corresponding human resources. According to him, business operators must enhance technical competencies to allow competing in the regional level.

Meanwhile, Trijoyo Ariwibowo, Partner Dentons HPRP, touched upon the legal aspect of data center development. He explained how investors demanded the speed in the development or ease of doing business, even in some cases where development of data centers preceeded the issuance of Building Construction Permit which are still in process. The situaton could be accomodated by implementing special land zoning that are equipped with special facilities needed by the data centers that woud reduce legal risks.

Collaboration Among Regulator and Industry Players for Indonesia's Digital Future

Sartono, Managing Partner Dentons HPRP, emphasized that the seminar event was designed as a productive discussion platform for both the regulator and industry players in managing regulatory challenges and optimizing business opportunities in the digital era

"We hope the seminar event become a forum that strengthen collaboration between regulator and industry sector to ensure formulation of policies that support the business growth of data center as well as utilization of AI technology in the healthcare services," said Sartono.

By involving several key stakeholders, Dentons HPRP Law & Regulations Outlook 2025 plays a strategic steps in formulating more adaptive and progressive policies, in line with the Government's commitment in accelerating digital transformation and supporting national economic growth.

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About Dentons HPRP

Established in 1990, the law firm hukum Hanafiah Ponggawa & Partners has grown into one of Indonesia's largest and prominent law firms. Understanding the need of continuously growing legal services, by the end of 2018 Hanafiah Ponggawa & Partners had announced its move in joining Dentons, the world's largest law firm and introduced the brand of "Dentons HPRP". As part of the world's largest law firm, Dentons HPRP strengthened its capabilities in providing the best legal services together with all Dentons' law firms across the globe.

Regarded as one the top five largest law firms in Indonesia, Dentons HPRP offers leading legal services in several fields, including corporation and commercials, banking and finance, stock market, intellectual property, property, labour and litigations.

Further information on Dentons HPRP can be accessed at the website <https://dentons.hprplawyers.com>

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