ABSTRACT

This thesis is about Indonesia Internet Service Provider (ISP) industry case study. Out of 150 ISP licenses issued by Postel, only 60 ISPs are operating. It is estimated by APJII that in the year 2002 the number of subscribers and internet users will be twice as many as last year (100% growth). Domain .ID registrations are also expected to grow at the same rate with their rate in 2001.

However, the ISPs business in Indonesia has some obstacles that can hamper further growth. The first obstacles are related to consumer behavior, like demand for internet, education level, income level, etc. The second obstacles have no relation with consumer behavior, like political will, competition policy, etc.

Some proposed solutions to the obstacles are presented, like visionary market-oriented Information and Communication Technology (ICT) policy, breaking computer barriers, breaking internet access, etc. The author offer a solution to the obstacles by suggesting that government create conducive ICT and competition policy.

Finally, government is urged to create conducive market oriented ICT and competition policy.

Key words: ISP business in Indonesia, general environments, industry environments, business prospects, obstacles, proposed solutions, ISP future
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