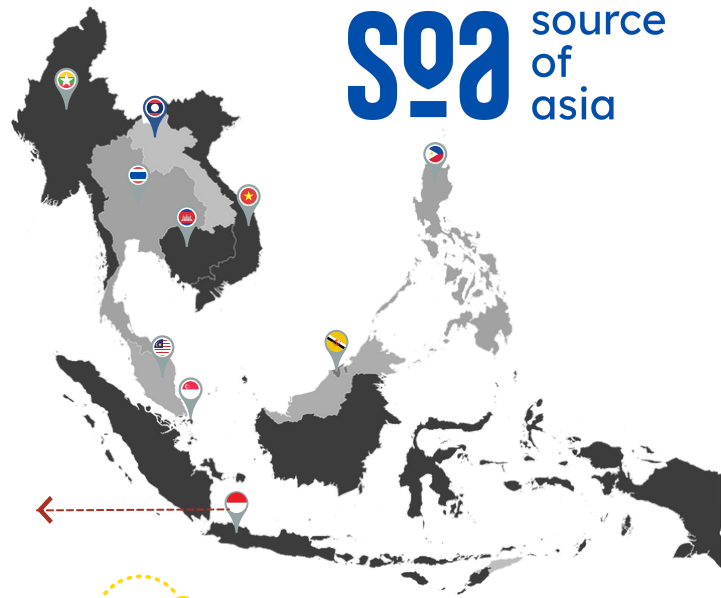


# INDONESIA

Being the largest economy in Southeast Asia, Indonesia's economy offers various opportunities to develop your international expansion. Here is the relevant information to get an overview of the country's rising attractiveness.

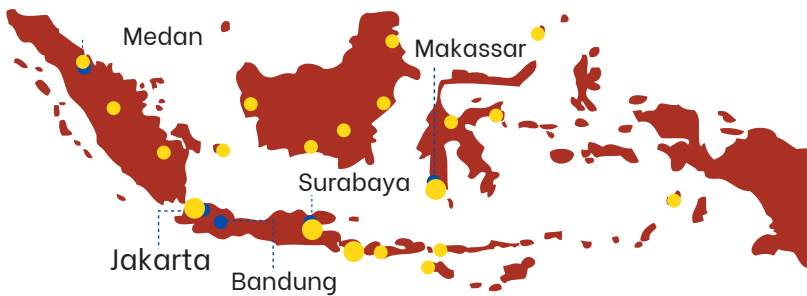
**SOA** source of asia



**Largest economy in Southeast Asia & 10th largest economy in the world**  
(in terms of purchasing power parity)

**680** airports  
**34** of them are commercial airports

● Main airports ● Main cities



**Indonesia is the world's largest archipelago and is composed of approximately 17,000 islands lying along the equator**



Land area  
**1,811,570 km<sup>2</sup>**



**Bahasa Indonesia**



**Rupiah (IDR)**  
1\$ = 14,982p



**277 million inhabitants**  
4th biggest in the world  
(Updated on July 16, 2023)

median age

**29.9**  
years old

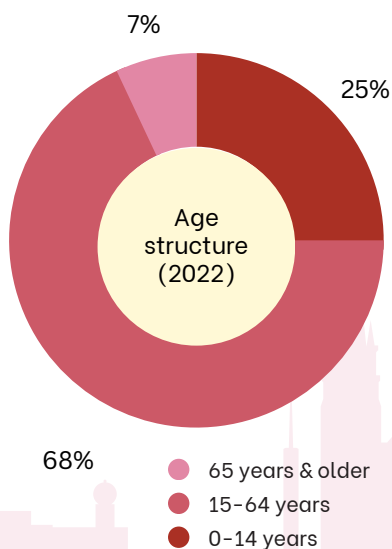


**16,056** islands  
**34** provinces



**Islam**  
(87,5%)

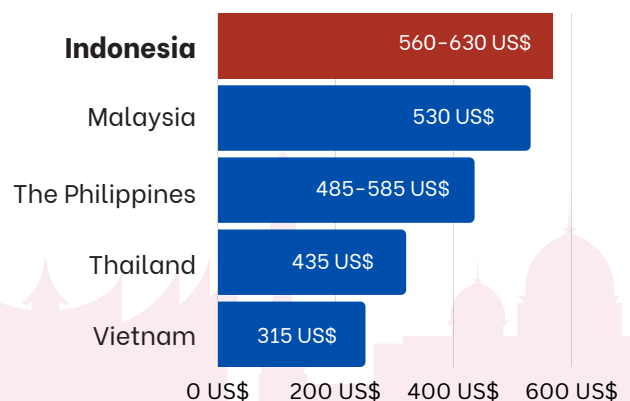
**59.1%** of urban population



GDP per capita  
**US\$ 4,798** (2022)



Average monthly salary  
**US\$ 560-630** (2022)

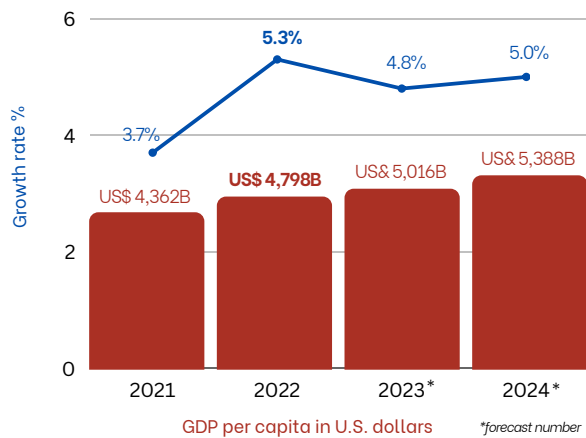


# Today, Indonesia is the world's fourth most populous nation and 10th largest economy in terms of purchasing power parity

– World bank

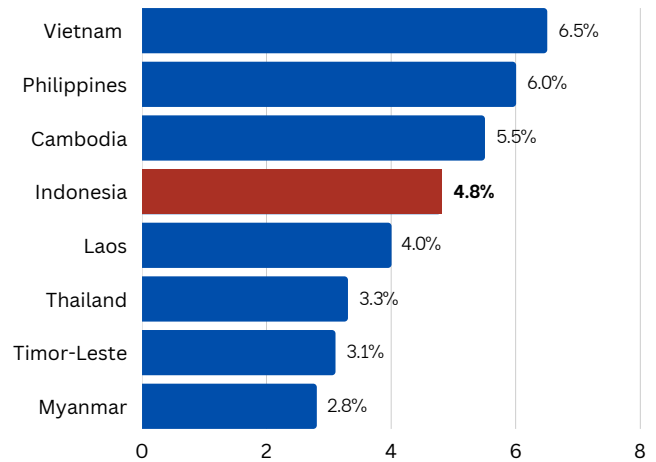
## GDP PER CAPITA AND GROWTH RATE (%)

Source: Statista / Asian Development Bank, Asian Development Outlook (April 2023)



## GDP GROWTH RATE, 2023 FORECAST

Source: Statista / Asian Development Bank, Asian Development Outlook (April 2023)



## BALANCE OF TRADE

Source: Statistics Indonesia (BPS)



## EXTERNAL DEBT

Source: Statistics Indonesia (BPS)

US\$396.8 billion (2022) accounted for **30.1%** of the country's Nominal GDP in 2022

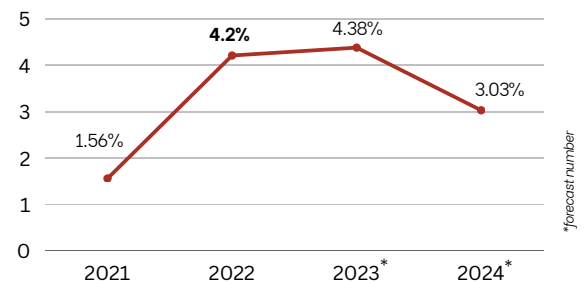
## INFLATION RATE

Source: World Data

**4.2%** in 2022

## INFLATION RATE FROM 1987 TO 2028

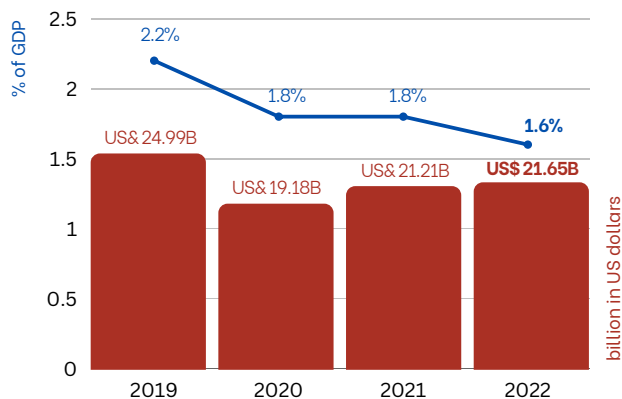
Source: Statista / Asian Development Bank, Asian Development Outlook (April 2023)



INDONESIA IS A **LOWER-MIDDLE-INCOME NATION** AND IS CLASSIFIED AS A **NEWLY INDUSTRIALIZED COUNTRY**. IT IS A MEMBER OF THE **GROUP OF TWENTY (G20) INTERGOVERNMENTAL FORUM** THAT WORKS TOGETHER TO ADDRESS ISSUES SURROUNDING THE GLOBAL ECONOMY

## FOREIGN DIRECT INVESTMENT, NET INFLOWS

Source: The World Bank



- Indonesia received some **US\$43 billion** in foreign investment in 2022, the highest in the country's history and an increase of **44%** from 2021.
- Foreign investment in Indonesia in 2022 was dominated by the metal mining and mining sectors, which saw more than US\$16 billion in FDI combined.
- For **2023**, the government is expecting **US\$92 billion** in combined foreign and domestic investments, and **US\$108 billion in 2024**.

## TOP FDI SOURCES IN 2022

Source: Indonesian Investment Coordinating Board | The BKPM



**Singapore**  
US\$ 13.3 billion



**China**  
US\$ 8.2 billion



**Hong Kong**  
US\$ 5.5 billion



**Japan**  
US\$ 3.6 billion

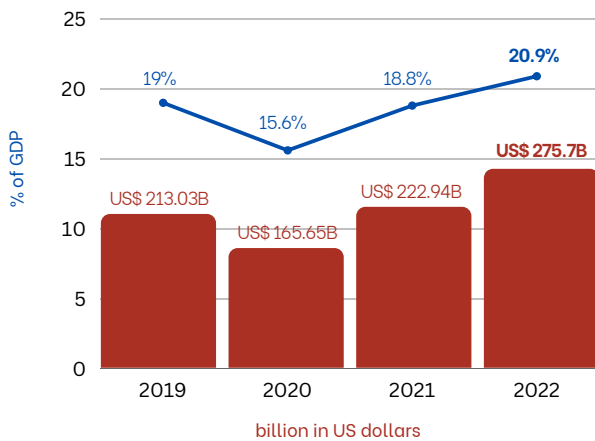


**Malaysia**  
US\$ 3.3 billion

# Indonesia's Import and Export

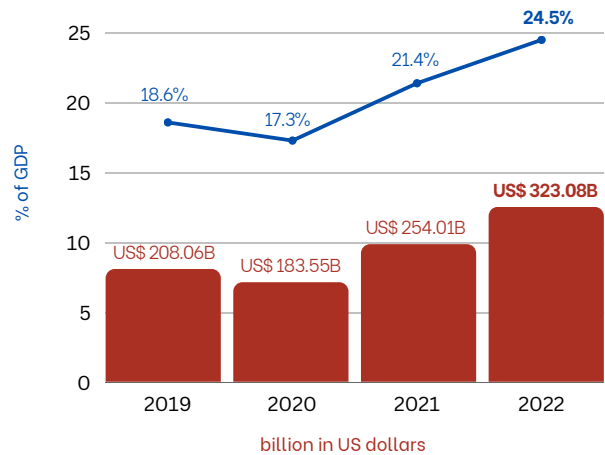
## IMPORTS OF GOODS AND SERVICES

Source: The World Bank



## EXPORTS OF GOODS AND SERVICES

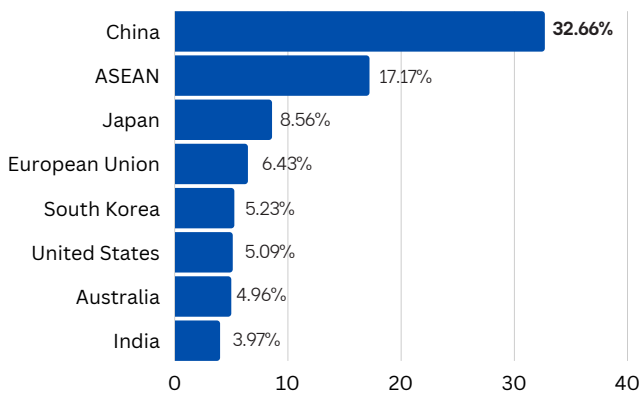
Source: The World Bank



## INDONESIA'S MOST IMPORTANT TRADE PARTNER IS CHINA, IN TERMS OF BOTH EXPORTS AND IMPORTS

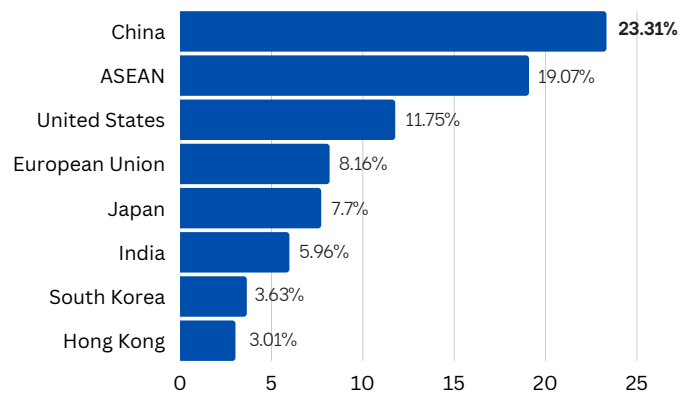
### MAJOR IMPORT PARTNERS IN 2022

Source: Statistics Indonesia (BPS)



### MAJOR EXPORT PARTNERS IN 2022

Source: Statistics Indonesia (BPS)



### TOP IMPORTED GOODS IN 2022

Indonesia's top 10 imports accounted for two-thirds (66.6%) of the overall value of its product purchases from other countries.



Mineral fuels including oil <b>US\$44.9 BILLION</b> (18.9%)	Plastics, plastic articles <b>US\$11.1 BILLION</b> (4.7%)
Articles of iron or steel <b>US\$4 BILLION</b> (1.7%)	Organic chemicals <b>US\$7.7 BILLION</b> (3.2%)
Iron, steel <b>US\$13.9 BILLION</b> (5.9%)	Food industry waste, animal fodder <b>US\$4.6 BILLION</b> (1.9%)
Electrical machinery, equipment <b>US\$26.4 BILLION</b> (11.1%)	Machinery including computers <b>US\$31.6 BILLION</b> (3%)
Vehicles <b>US\$9.5 BILLION</b> (4%)	Cereals <b>US\$4.5 BILLION</b> (1.9%)

### TOP EXPORTED GOODS IN 2022

By value, Indonesia's top 10 exports totaled over two-thirds (68.3%) of Indonesia's total exports.



Mineral fuels including oil <b>US\$71 BILLION</b> (24.3%)	Ores, slag, ash <b>US\$10.3 BILLION</b> (3.5%)
Animal/vegetable fats, oils, waxes <b>US\$35.2 BILLION</b> (12.1%)	Other chemical goods <b>US\$8.5 BILLION</b> (2.9%)
Iron, steel <b>US\$27.8 BILLION</b> (9.5%)	Footwear <b>US\$7.7 BILLION</b> (2.7%)
Electrical machinery, equipment <b>US\$14.6 BILLION</b> (5%)	Machinery including computers <b>US\$7 BILLION</b> (2.4%)
Vehicles <b>US\$11 BILLION</b> (3.8%)	Rubber, rubber articles <b>US\$6.4 BILLION</b> (2.2%)

Source:

Central Intelligence Agency, The World Factbook report on East Asia/Southeast Asia: Indonesia. Accessed on April 7, 2023

International Monetary Fund, World Economic Outlook Database (GDP based on Purchasing Power Parity). Accessed on April 7, 2023

International Trade Centre, Trade Map. Accessed on April 7, 2023

# Investment & Trade relations

INDONESIA'S TRADE POLICY IS A MIX OF FREE TRADE AND PROTECTIONISM.



71

signed Double Tax Avoidance agreements (DTA)

FTAs 14

signed Free Trade Agreements (FTA)

## Indonesia-EU trade relations



Indonesia is the EU's **5th** largest trading partner in ASEAN and the **31st** global partner in 2021.

In 2021, Indonesia's exports to the EU accounted for 8.5% of its global export of goods, amounting to €16.8 billion. Indonesia's imports from the EU accounted for 5.1% of its global import of goods, amounting to €7.9 billion.

BY 2030, INDONESIA'S ROBUST ECONOMIC DEVELOPMENT IS EXPECTED TO TRANSFORM THE COUNTRY INTO THE WORLD'S **SEVENTH-LARGEST ECONOMY**

FOREIGN TRADE ZONES/FREE TRADE/ TRADE FACILITATION



**Job Creation Law**  
(Omnibus Law)

*opened up more sectors for foreign ownership, preparing new labor laws, and simplifying business licenses, among others.*

### Free trade zone (FTZ)

- Island of Batam, Bintan, and Karimun, located just south of Singapore.
- Investors in FTZs are exempted from import duty, income tax, VAT, and sales tax on imported capital goods, equipment, and raw materials.

### Special Economic Zones (SEZs)

- Foreign technology start-up investments located within SEZs are exempt from the minimum investment threshold of IDR 10 billion (USD 700,000), excluding land and buildings

### Other types of zones

- Indonesian law also provides for several other types of zones that enjoy special tax and administrative benefits. Among these are **Industrial Zones/Industrial Estates (Kawasan Industri)**, bonded stockpiling areas (**Tempat Penimbunan Berikat**), and **Integrated Economic Development Zones (Kawasan Pengembangan Ekonomi Terpadu)**.
- Companies operating in these areas enjoy concessions in the form of exemption from certain import taxes, luxury goods taxes, and value-added taxes, based on a variety of criteria for each type of location.

Source:  
U.S. Department of State, 2022 Investment Climate Statements