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Indonesia

Export Opportunities in Indonesia

In 2016, Indonesia ranked 35th among U.S. export destinations and 22nd among Virginia export destinations. Some of the top opportunities for U.S. exporters in Indonesia include:

- » Medical Equipment and Supplies
- » Education and Training
- » Franchises
- » Aviation
- » Electrical Power Systems
- » Telecommunications
- » Defense Equipment

Map of Indonesia



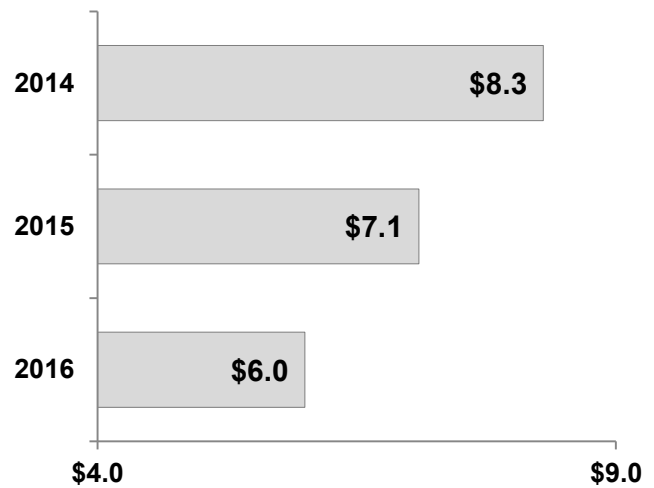
(U.S. Central Intelligence Agency)

Top Virginia Exports to Indonesia

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 171.3	-25%
Fibers And Fabrics	\$ 54.0	-29%
Wood Pulp	\$ 19.8	11%
Food Residues	\$ 18.6	-58%
Paper & Paperboard	\$ 16.5	-20%
Fruits, Seeds, Grains	\$ 10.7	-32%
Cotton	\$ 10.2	517%
Plastics	\$ 9.7	-28%
Pharmaceuticals	\$ 9.5	73%
Tobacco	\$ 5.1	90%
Industrial Machinery	\$ 3.1	-56%

In US\$ millions (World Trade Atlas)

U.S. Exports to Indonesia



In US\$ billions (World Trade Atlas)



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Opportunities in Indonesia for Exporters

Medical Equipment

Indonesia is the fourth most populous country in the world and it relies heavily on imported medical equipment and supplies. This sector continues to present excellent opportunities for U.S. companies. The government continues to encourage private sector involvement in developing hospitals. The best prospects for U.S. medical equipment exporters in Indonesia include:

- » Anesthesia equipment
- » Patient monitoring equipment
- » Diagnostic equipment
- » Ultrasonic scanning machines

Aviation

Indonesia is an archipelago with over 17,000 islands and a large population. From 2010-2015 total air transport passengers increased by more than 12% annually. According to IATA, Indonesia's airports are in urgent need of additional capacity. By 2034, Indonesia's airports are expected to handle an additional 183 million passengers compared to today, creating pressure for infrastructure expansion, including a projected need for 62 airports over the next five years. Top export opportunities include:

- » Aircraft leasing services
- » Commercial and military spare parts
- » Maintenance services

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)

Defense Equipment

Indonesia's military equipment expenditures will continue to increase as the Indonesian military aims to modernize and expand its operations. In 2016 the intent was to increase the defense budget to US\$18.8 billion representing 1.5% of GDP. Indonesia's defense procurement from the US through Direct Commercial Sales (DCS) from 2004-2015 totaled \$0.9 billion. The best prospects for U.S. exporters include:

- » Fighter aircrafts
- » Attack/Assault helicopters
- » Spare parts
- » Unmanned Aerial Vehicles (UAVs)

Franchising

Indonesia has strong long-term potential for franchise businesses. The local industry started with three franchises in the 1970s and grew to some 35 franchises with 308 outlets by the early 1990s. Presently, there are more than 460 foreign franchises, and 540 local franchises and 1,400 non-franchised business opportunities operating in Indonesia covering a wide range of franchise sectors. Top prospects for U.S. exporters include:

- » Restaurants
- » Bars
- » Coffee shop chains
- » Children's education

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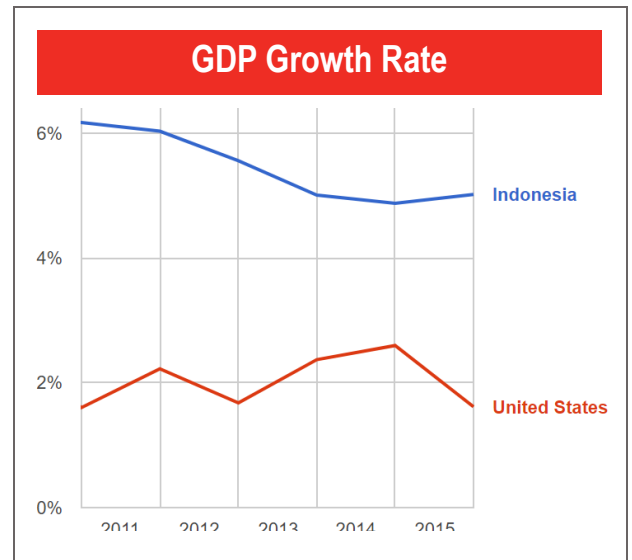


Economic Overview

Indonesia, the largest economy in Southeast Asia, has seen a slowdown in growth since 2012, mostly due to the end of the commodities export boom. Indonesia's annual budget deficit is capped at 3% of GDP, and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to less than 25% today.

Indonesia still struggles with poverty and unemployment, inadequate infrastructure corruption, a complex regulatory environment, and unequal resource distribution among its regions. Indonesia, with the nine other ASEAN members, will continue to move towards participation in the ASEAN Economic Community, though full implementation of economic integration has not yet materialized.

(U.S. Central Intelligence Agency)



Cultural Guide

- » Business cards should display your title. This helps enhance your image and credibility. Although not required, having one side of your card printed in Bahasa shows respect. Give/accept cards using two hands or the right hand. Examine a business card you receive before putting it on the table next to you or in a business card case.
- » Business attire is generally conservative. Women should dress conservatively ensuring that they are well covered from ankle to neck. Tight fitting clothes are best avoided.
- » Indonesians are indirect communicators; they do not always say what they mean. It is up to the listener to read between the lines or pay attention to body language to get the real message. Generally speaking Indonesians speak quietly and with a subdued tone. Loud people would come across as slightly aggressive.
- » Business is personal in Indonesia so spend time through communication to build a strong relationship. Dealing with someone face-to-face is the only effective way of doing business.
- » Indonesians do not make hasty decisions because they might be viewed as not having given the matter sufficient consideration. "Jam Karet" (rubber time) describes the Indonesian approach to time. Things are not rushed as the attitude is that everything has its time and place. Time does not bring money, good relations and harmony do.

Each province in Indonesia has its own language, ethnic make-up, religions and history.

(Kwintessential)

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources: Market Reports

[Indonesia Country Commercial Guide](#)

[Doing Business in Indonesia](#)

[Ease of Doing Business Report](#)

U.S. Commercial Service

United Kingdom Trade & Investment

World Bank

Online Resources

[Indonesia Overview](#)

[Kwintessential Indonesia](#)

Global Edge - Michigan State University

Kwintessential Guide to Indonesia

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