



Indonesia is a country in Southeastern Asia, situated between the Indian Ocean and the Pacific Ocean. It has a strategic location astride major sea lanes and is an archipelago of more than 17,000 islands. Some of these islands share borders with Timor-Leste, Malaysia, and Papua New Guinea.

Highlights

Income group: Upper middle income

Region: Southeast Asia

Capital: Jakarta

Currency: Indonesian Rupiah (IDR)

Administrative divisions: 34 provinces (five main islands and four archipelagos)

Mainland area: 1,916,906.77 km²

Internet penetration rate: 66.5%

Mobile phone penetration rate: 126.8%

Demographic profile

Population:
278.7M (2023)

Baby boomer 11%	Gen X 20%
Gen Y 25%	Gen Z 26%

Urban population 58.9% (2023)	Rural population 41.1% (2023)
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Most crowded city
West Java

Male 50.3% (2023)	Female 49.7% (2023)
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Employment profile

Labour force
147.7M (2023)
(participation rate: 69.5%)

Labour force at SMEs
97% (2023)

High-skilled labour ratio
9.9% (2017)

Employment rate
94.7% (2023)

Monthly average income
US\$ 222.5 (2023)

Attrition rate
15.1% (2023)

Employment in Agriculture
29.3% (2022)

Employment in Industry
21.9% (2022)

Employment in Services
48.8% (2022)

Economic profile

GDP
US\$ 1,370B (2023)
Rank #1 in SEA

GDP per capita
US\$ 5,270 (2023)

Digital economy GMV
US\$ 82B (2023)



ICT market size
US\$ 42B (2023)

Percentage of SMEs
99% (2023)

Total capital invested in startups
US\$ 2.85B (2023)






FDI inflows
US\$ 50.27B (2023)

Leading FDI sectors

	Metal, Except Machinery, and Equipment Industry	23.4%
	Transportation, Warehouse, and Telecommunication	11.2%
	Chemical and Pharmaceutical Industry	9.5%
	Mining	9.4%
	Paper, Paper Based Goods and Printing Industry	6.8%

GDP, by industry (2023)

Top industries

	Manufacturing	18.7%
	Wholesale and retail trade, repair of motor vehicles and motorcycles	13%
	Agriculture, forestry and fishing	12.5%
	Mining and quarrying	10.5%
	Construction	9.9%






Export turnovers
US\$ 258.8B (2023)

By oil & gas and non oil & gas

Oil and gas		
	Natural gas	3.4%
	Oil products	2.1%
	Crude oil	0.7%
Non oil and gas		
	Manufacturing	72.1%
	Mining and other products	20%
	Agricultural, Forestry and Fishery	1.7%

Deal value of startup funding, by industry (2023)

Top industries by value (Million US\$)

	Marketplace	1,513
	Fintech	583
	Aquatech	213
	Electric vehicles	153
	Healthtech	125

Doing business in Indonesia

Opportunities

- A growing middle class
- Sound fiscal position
- Diverse natural resources
- Huge domestic market
- Open policies for international investments
- Low labour costs and demographic dividend

Challenges

- Exposure to shifts in Chinese demand
- Market fragmentation
- Large infrastructure investment gap/low fiscal revenues
- Lack of skilled workforce
- Highly exposed to natural disasters