



Recommendations:

Indonesia is a populous, resource rich country that generally has trouble attracting foreign investors due to a challenging regulatory environment and widespread corruption. The Indonesian government's ongoing reform initiatives have the potential to make the country more attractive to foreign investors ****Good for investors looking for a large base of consumers and workers, with tolerance for short term risk and complexity.****

- (+) World's fourth largest country, with a youthful, increasingly wealthy population
- (+) Commodity and resource rich
- (+) Consistent economic growth over 20 years

- (-) Pace of reform is slow; remains challenging to open and operate a business
- (-) Corruption is common, although this is improving
- (-) Human capital is lower than in other Asian states

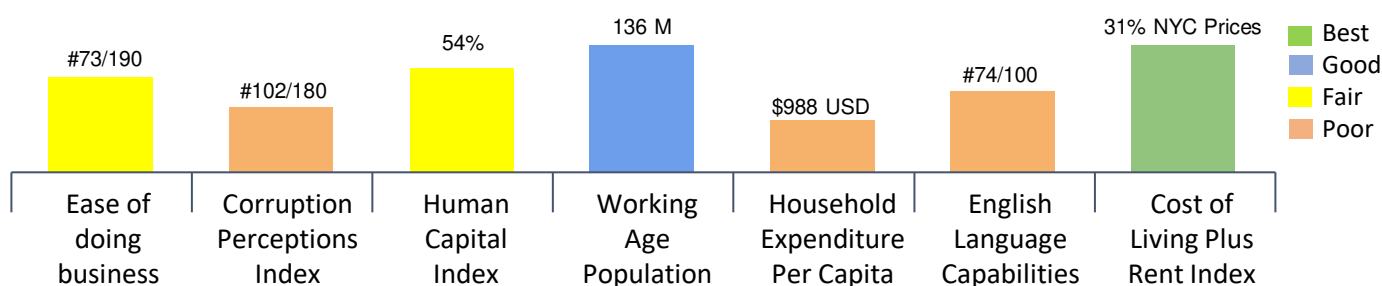
Highlights:

- Largest economy in Southeast Asia
- Fourth most populous country in the world, but underperforms economically relative to population size
- Abundant natural resources to include timber, oil, natural gas, silver, coal, fertile soil, gold, bauxite, tin, copper, timber, and nickel

"The **largest economy in Southeast Asia**, Indonesia has charted **impressive economic growth** since the late 1990s. Today, Indonesia is the world's fourth most populous nation, the **world's 10th largest economy** in terms of purchasing power parity, and a member of the G-20." - World Bank, 2021

Country Facts:

Population:	275 million, 1.07% growth in 2020
GDP:	\$1.12 trillion USD, 5% average growth
GNI per capita:	\$4,050 USD, 3% Inflation, upper middle-income
Industries:	Manufacturing (automobiles, electronics), wholesale/retail, trade, agriculture (rice, rubber, fisheries), mining, petroleum, and timber
Tourism:	#26 Country in the world for tourism revenue #40 most visited country in the world (WEF Report)
Investment:	Foreign investment is difficult, but the Indonesian government is trying to make it easier



Marketing:

Per capita expenditure:	\$8,269 USD
Internet penetration:	56%
Shop online:	11%
Mobile ownership:	91%
Primary messaging:	WhatsApp
Primary website:	Facebook / Google

Average Labor:

Annual Labor Productivity	\$25,412
Prof. Salary	\$28,403
Worker Salary	\$2,040

Infrastructure:

Ports	Good
Roads	Good
Airfields	Fair
Railroads	Good

Opening a Business:

Relevant Laws:	Double Taxation Relief with 66 countries, including tax convention with the U.S
Time to Incorporate:	2-3 months to incorporate/register, ~60 days to complete additional tasks
Fees to Incorporate:	Depends on many factors, but fees range from nearly zero to \$177K USD for some finance, logistics, & e-commerce companies
Corporate Taxes:	25%, though listed companies meeting certain requirements may be able to reduce to 20%
Foreign ownership:	100% foreign ownership possible in many circumstances
Restrictions:	Multiple sectors closed to foreigners, including airport/seaport construction and operation; electricity production, transmission, and distribution; drinking water; railway service; and certain medical services.

BBA Services:

BBA has a small staff in Jakarta, plus Indonesia experts living overseas. BBA can help match you with local partners, navigate local norms, and establish a foothold in Korea.
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