



### Recommendations:

Indonesia is a populous, resource rich country which can be challenging for foreign companies due to an inconsistent regulatory environment and corruption. Ongoing structural reform initiatives in banking, tax law, and business law are gradually improving the business environment. **\*\*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:

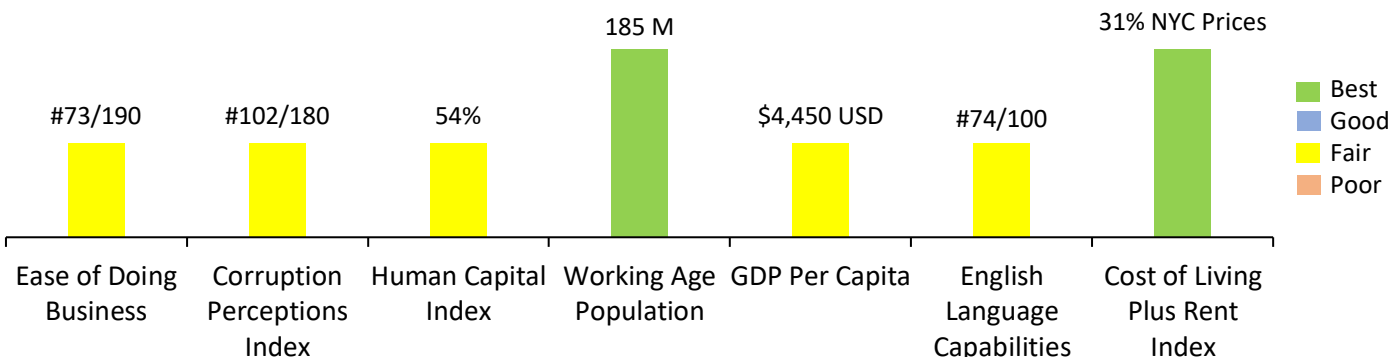
- G20 Member; Largest economy in Southeast Asia; Projected 5% growth in 2022
- Largest working population in ASEAN
- Abundant natural resources to include timber, oil, natural gas, silver, coal, fertile soil, gold, bauxite, tin, copper, timber, and nickel

**"Indonesia's population of 270 million, GDP over USD 1 trillion, growing middle class, abundant natural resources, and stable economy all serve as very attractive features to U.S. investors."**

-U.S. Department of State, 2021

### Country Facts:

Population:	275 million; 3.7% growth in 2021
GDP:	\$1.05 trillion USD; 5% average growth
GNI per capita:	\$3,833 USD; 1.9% 2021 inflation; lower mid-income
E-commerce:	\$38 billion; 37% Growth
Industries:	Manufacturing (auto, electronics), agriculture (rice, rubber, fisheries), mining, petroleum, and timber
Tourism:	4.97% GDP; #26 Country with 4.05 million visitors; Covid-19 restrictions hurt Bali tourism



### Marketing:

Per capita expenditure:	\$1,008 USD
Internet penetration:	73.7%
Shop online:	82%
Mobile ownership:	125%
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 local office in Seoul. BBA can assist SMEs make sales in most sectors, research market opportunities, and find trusted local partners.  
<https://businessbridgeasia.com>