

Report Overview (updated as of March 12, 2021)

This is an overview of the economy of Indonesia. This report will summarize the economic state of Indonesia and changes resulting from the COVID-19 pandemic.

Economic Statistics¹

- Population: 270,625,568
- GDP (PPP): \$3.3 trillion (2020)
- GDP per capita: \$12,345 (2020)
- GDP growth rate: -1.5%
- Projected GDP growth rate: 6.1% (2021)
- Inflation (CPI): 2.1% (2020)²



Indonesia Overview and Economic Summary

Indonesia is a presidential republic and the world's largest Muslim-majority state as well as the largest economy in Southeast Asia. Its national language is Bahasa Indonesia and national currency is the Indonesian Rupiah. Since 2012, Indonesia has been the second-fastest-growing G-20 economy behind China, and is continuing to modernize and urbanize rapidly. With around half of its population under the age of 30, Indonesia is becoming increasingly relevant on the world stage in terms of competitiveness and the business environment. Current issues include: alleviating poverty, improving education, preventing terrorism, consolidating democracy after four decades of authoritarianism, implementing economic and financial reforms, stemming corruption, reforming the criminal justice system, addressing climate change, and controlling infectious diseases, particularly those of global and regional importance.

Indonesia's economy depends on domestic market and government budget spending and its ownership of state-owned enterprises (the central government owns 141 enterprises). In terms of value added, the industrial sector accounted for 40% of GDP in 2015. Significant foreign direct investment and government incentives have positioned the industry for future growth. Major industrial sectors include petroleum and natural gas, textiles and apparel, mining, footwear, plywood, rubber and chemical fertilisers. The services sector is equally as important to Indonesia's economy, accounting for 43% of GDP in 2015. Agriculture on the other hand only accounted for 14%. The largest companies in Indonesia are PT Freeport Indonesia, Bank Mandiri, Bank Central Asia, Telkom Indonesia, Bank Negara Indonesia, and Gudang Garam.³

¹https://www.imf.org/en/Publications/WEO/weo-database/2020/October/weo-report?c=536.&s=NGDP_RPCH.NGDPD.PP.PGDP.NGDPDPC.PPPPC.PCPIPCH.LUR.&sy=2018&ey=2025&ssm=0&scsm=1&sc=0&ssd=1&ssc=0&sic=0&sort=coun try&ds=.&br=1

² <https://databank.worldbank.org/reports.aspx?source=world-development-indicators>

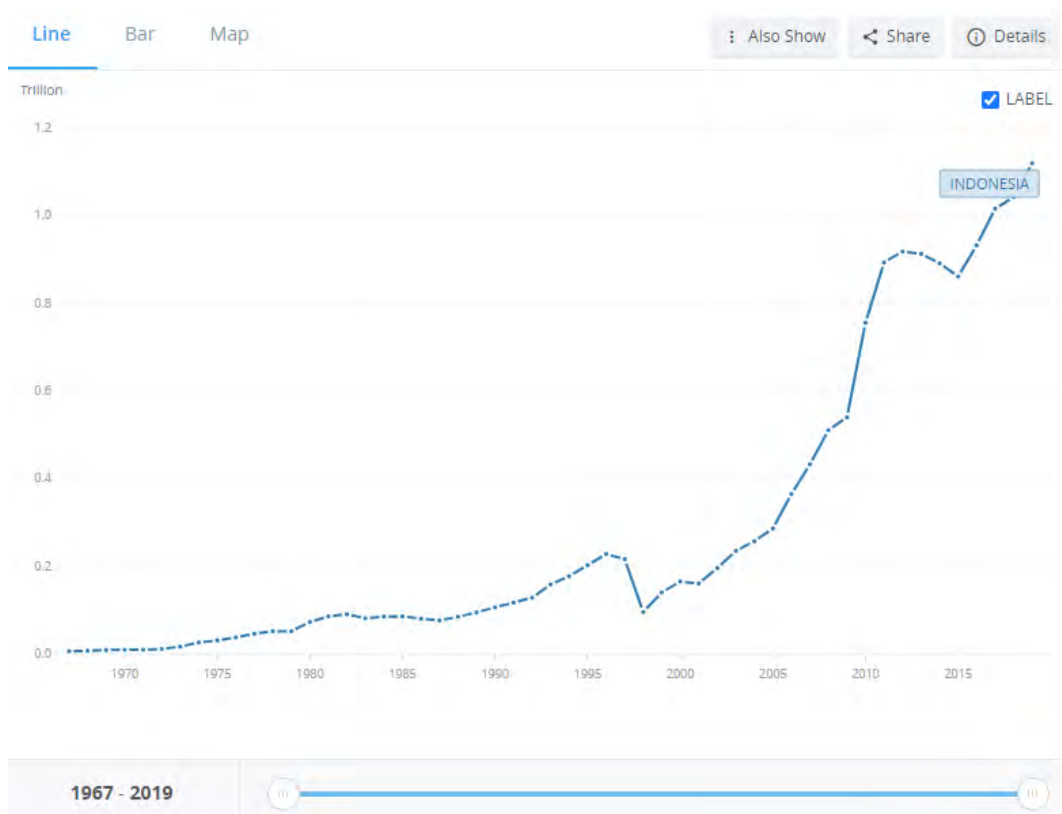
³<https://asialinkbusiness.com.au/indonesia/getting-started-in-indonesia/indonesias-economy?doNothing=1#:~:text=Major%20industrial%20sectors%20include%20petroleum.cent%20of%20GDP%20in%202015.>

https://en.wikipedia.org/wiki/List_of_largest_companies_in_Indonesia

COVID-19 Impact and 2020 Economic Data

The economy contracted sharply in the first half of 2020 and GDP is set to shrink by 2.4% this year, the first recession since 1998. The 2021 rebound, provided containment measures are lifted, will be only partial. With lingering concerns about the health situation and consumer and business confidence remaining low, growth is projected to remain below trend in 2021, with severe consequences on incomes and living standards, before picking up to 5% in 2022. Trade prospects, however, are supportive, as key Northeast Asian markets recover and new agreements including the Regional Comprehensive Economic Partnership (RCEP) come into force.

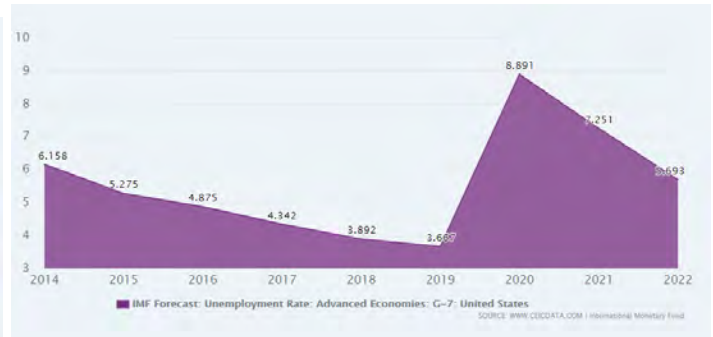
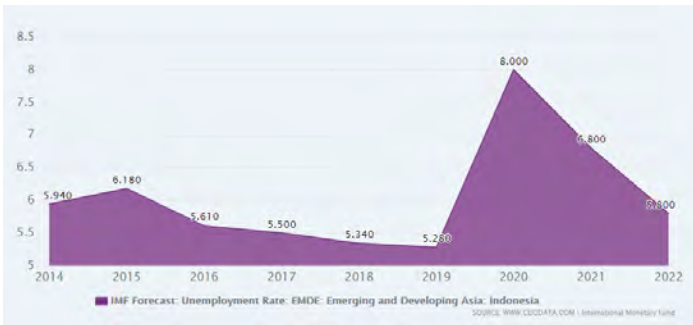
In a few months, the pandemic reversed some hard-won advances in well-being, with poverty, malnutrition, and even hunger rising fast. The credibility built up by the central bank over the years through wise use of its independence – a fragile achievement that must be preserved – has permitted an unconventional policy mix of rate easing, liquidity injection and asset purchases. Fiscal policy has been relaxed, within the structural limits of extremely low tax revenue. The policy imperative is to protect citizens from sudden further shocks: devote more resources to assistance programmes, improve targeting and monitoring, and establish a proper unemployment insurance system. In the longer run, further improvements in well-being and growth require ambitious reforms to boost human capital formation. Reform momentum is returning, as shown by the Omnibus Bill on Job Creation passed in early October.⁴



GDP over time in Indonesia⁵

⁴ <http://www.oecd.org/economy/indonesia-economic-snapshot/>

⁵ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2019&locations=ID&start=1967&view=chart>



Side-by-side comparison of Indonesia's (left) unemployment rate with the USA (right), including projections to 2022.⁶

⁶<https://www.ceicdata.com/en/indicator/indonesia/forecast-unemployment-rate>

Major Cities⁷

Largest cities by population:⁸

Jakarta: 8,540,121

Surabaya: 2,374,658

Medan: 1,750,971

Bandung: 1,699,719

Bekasi: 1,520,119

Jakarta

Jakarta is Indonesia's capital and the most populated city in the country with a total population of 10,075,310 as of the 2014 census. Jakarta is the country's cultural, political, and economic center, and generates one-sixth of Indonesia's GDP. The major contributors to the economy of Jakarta are financial services, trading, manufacturing, and banking. However, cost of living remains high in the city whose property market is prosperous. The main reason why Jakarta's population has been growing since 1951 is due to the attraction of employment opportunities. Jakarta is home to the University of Indonesia which is the oldest institution of higher learning in Indonesia. As such, the city attracts a lot of students from around the country.

Surabaya

Surabaya is a city situated in the north-eastern section of the island of Java. It is Jawa Timur's capital and Indonesia's second largest city after Jakarta. Surabaya is one of the busiest ports in Indonesia that is used to export tobacco, coffee, and sugar, and is a business center that has been influenced by industrial growth. The city is also home to various institutions and universities; for instance, the Electronic Engineering Polytechnic Institute of Surabaya and the Airlangga University.

Bandung

Bandung is the 2nd largest metropolitan in Indonesia with a population of 8,495,928 people according to the 2015 statistics. The majority of the city's population are the people of Sundanese descent. The major contributors to Bandung economy are the manufacturing industries, tourism, creative industry, business, technology, and financial services. The city has over 50 institutions of higher education and is a major educational destination in Indonesia.



(Left to right:) Jakarta, Surabaya, Bandung

⁷ <https://www.worldatlas.com/articles/biggest-cities-in-indonesia.html>

⁸ <https://worldpopulationreview.com/countries/indonesia-population>

Internships and Co-ops

List of Winners of HR Asia Best Companies to Work for in Asia 2020 (Indonesia Edition):⁹

| Company | Industry |
|------------------------------------|---------------------------------|
| PT AIA Financial | Life Insurance |
| PT Anugerah Pharmindo Lestari | Healthcare Services Company |
| PT Astra International, Tbk | Conglomerate |
| AXA Mandiri & AXA Indonesia | Finance - Insurance |
| PT Bank BTPN, Tbk | Banking |
| PT Bank Central Asia, Tbk | Banking |
| PT Bank Mandiri, Tbk | Finance Services. Banking |
| PT Bank Maybank Indonesia, Tbk | Financial Industry |
| Bina Nusantara | Education |
| BPJS Ketenagakerjaan | Social Security |
| British American Tobacco Indonesia | Consumer Goods, Tobacco |
| PT Bukalapak.com | Technology, E- Commerce |
| PT Cargill Indonesia | Agriculture |
| PT CIBA VISION Batam | Manufacturing |
| PT Conwood Indonesia | Manufacture – Building Material |
| Deloitte Indonesia | Audit & Consulting Firm |
| PT Federal Karyatama | Manufacturing |

| | |
|--|--|
| Home Credit Indonesia | Financing |
| PT IDS Medical Systems Indonesia | Healthcare – Medical Supply Chain Solution Company |
| PT Indika Energy Tbk | Energy Industry, Holding |
| PT Indosat Tbk | Telecommunication |
| Kraft Heinz | FMCG |
| PT Kerry Ingredients Indonesia | Food Manufacturing |
| PT Kirana Megatara Tbk | Agribusiness - Manufacture |
| LOreal Indonesia | FMCG - Beauty |
| Maersk Indonesia | Transport & Logistics |
| PT Medtronic Indonesia | Medical Device |
| Mundipharma Healthcare Indonesia | Life Science |
| PT Novartis Indonesia | Pharmaceutical |
| PT Olam Indonesia | Agri Commodity |
| PT Pegadaian (Persero) | Financial Services |
| PT Perkebunan Nusantara IV | Agro Industry |
| PT Perusahaan Gas Negara | Oil and Gas |
| PT Shell Indonesia | Energy |
| Sinar Mas Mining | Energy & Mining |
| The Body Shop Indonesia | Retail |
| tiket.com (PT Global Tiket Network) | Online Travel Agency |
| PT Tokopedia | Technology, E-Commerce |

| | |
|--------------------------|---|
| PT Triputra Agro Persada | Agriculture – Crude palm oil and rubber |
| Upfield Indonesia | FMCG |
| Vidio | Streaming media online |
| Wipro Unza Indonesia | Consumer Goods |

Top 10 start-ups on the rise in Indonesia¹⁰

1. GoBear
2. ShopBack
3. Secretlab
4. Glints
5. ADVANCE.AI
6. Homage
7. Zenyum
8. StashAway
9. Grain
10. Hmlet

¹⁰ <https://www.linkedin.com/pulse/linkedin-top-startups-2020-10-singapore-rise-chris-c-anderson/>

Resources for NU Students

GoinGlobal

GoinGlobal helps new and experienced job seekers find opportunities both at home and abroad. As the market leader in online career and employment resources for more than 16 years, our website has helped millions of new and experienced professionals expand their horizons.

We are committed to providing “grassroots employment intelligence” through our team of local career experts. These globally-minded individuals are in place around the world, personally monitoring and updating the career information and resources that we deliver to you.

GoinGlobal’s Internship database features millions of opportunities around the globe—all updated daily. Our proprietary search engine has the unique ability to identify internships that have been posted in the local language, as well as in English. Each internship opportunity lists the position title and description, company name, location and date of posting.

GoinGlobal makes it easy to search for internship positions in the nonprofit and international development fields, as well as opportunities with public and private organizations of every size and focus.

Link: <http://www.goinglobal.com/>

GlobeSmart

With over 25 years of experience, Aperian Global provides organizations with scalable, blended solutions that enable them to conduct business effectively across boundaries. Our consulting, training, and online learning tools help employees at all levels to engage global and local counterparts in a fully inclusive way, bringing out their best ideas while serving as a catalyst for innovative new solutions.

Prepare for trips or relocation abroad with guidance on over 50 cultural business topics, including travel, attitudes towards women, safety, manners and etiquette, and more.

Link: <https://www.globesmart.com/>