

Indonesia

An overview of the economy and of the business environment

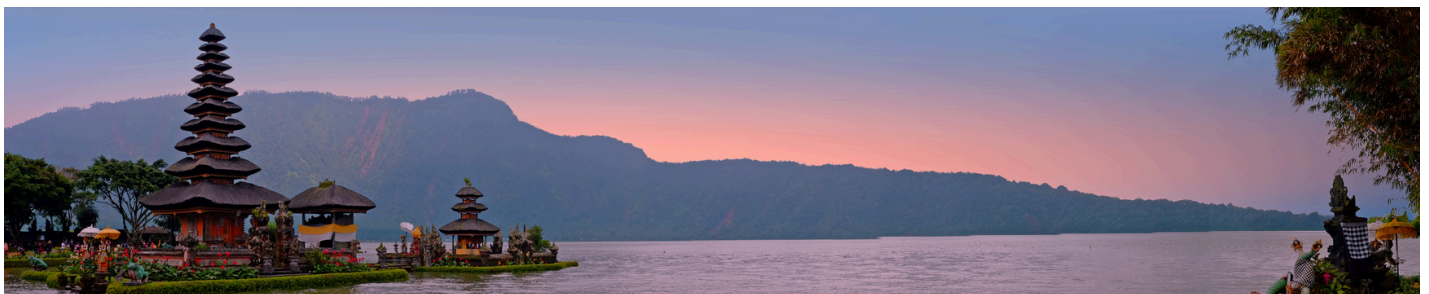


Indonesia is a country of extraordinary diversity, and few dishes capture its character better than nasi goreng. Simple in appearance but rich in ingredients, variations and regional influences, Indonesia's famous fried rice reflects a country shaped by different cultures, traditions and territories.

The same diversity can be found in its economy. Spread across thousands of islands and strategically positioned between the Indian and Pacific Oceans, Indonesia has developed into one of Southeast Asia's most important economic markets. Its strength comes from a combination of abundant natural resources, a large domestic market, a diversified manufacturing base and a rapidly expanding services sector.



Indonesia enters the second half of the decade with a relatively resilient economic outlook. Following GDP growth of 5.1% in 2025, the Asian Development Bank projected continued expansion in 2026, supported particularly by domestic consumption and investment. The World Bank likewise describes the Indonesian economy as resilient, although it stresses the importance of productivity improvements, job creation and reforms in areas such as trade facilitation and logistics to sustain growth over the longer term.



One of Indonesia's biggest economic advantages is the scale of its domestic market. Household consumption remains a central engine of economic activity, making the country less dependent on exports than many other Asian manufacturing economies. At the same time, growing investment, infrastructure development and increasing digitalisation are progressively transforming the country's business landscape.

The economy is also undergoing a gradual shift towards higher-value activities. Indonesia is seeking not simply to export its considerable reserves of natural resources, but to process more of them locally and develop downstream industries. This evolution is particularly significant for minerals, metals and the supply chains linked to batteries and electric vehicles.

Indonesia

An overview of the economy and of the business environment



Agriculture remains an essential part of the Indonesian economy, particularly outside the largest urban centres. Its importance goes well beyond agricultural output itself, since farming, plantations, fisheries and forestry support extensive supply chains involving processing, logistics, exports and employment.



Food production is equally important for the domestic market. Rice remains at the heart of the country's food system, alongside maize, cassava, fruit, vegetables and other crops. Fisheries and aquaculture also have an important role thanks to Indonesia's vast maritime territory.

The country's tropical climate and huge geographical extension allow Indonesia to produce a broad range of agricultural commodities.

Palm oil is particularly important to its international trade, while rubber, coffee, cocoa, coconuts and spices connect Indonesian producers with markets throughout Asia, Europe and the rest of the world.



The sector nevertheless faces significant challenges. Agricultural productivity varies considerably between regions and producers, while logistics can be complicated by the archipelagic geography of the country. Environmental sustainability is another crucial issue, particularly in sectors linked to land use and forestry. The direction of development is therefore increasingly connected with improving productivity and processing capacity while making agricultural supply chains more efficient and sustainable.

Indonesia's industrial sector combines two major strengths: an exceptional natural-resource base and a large manufacturing economy.

Mining plays a strategic role. The country possesses important reserves of coal, nickel and other minerals, and nickel in particular has gained international prominence because of its role in stainless steel and electric-vehicle battery supply chains.

Indonesia

An overview of the economy and of the business environment



Rather than relying solely on raw-material exports, Indonesia has encouraged investment in domestic processing and refining, with the objective of capturing more value within the country.

Manufacturing is considerably broader than mining-related industries. Food and beverage processing, chemicals, textiles and garments, automotive production, electronics, machinery and metal products all contribute to Indonesia's industrial landscape. Manufacturing grew by 5.3% in 2025, according to the Asian Development Bank.



The automotive sector is particularly significant. Indonesia has developed manufacturing capacity serving both its large domestic market and regional markets, while the expansion of electric mobility is creating new connections between the country's mineral resources and its manufacturing ambitions.

Infrastructure is another essential part of this transformation. Ports, roads, industrial estates, logistics networks and energy infrastructure are critical in a country whose economic centres are separated by sea. Improving connectivity between islands and reducing logistics costs therefore has implications far beyond transportation: it can affect the competitiveness of almost every part of the economy.

Services represent an increasingly dynamic side of Indonesia's economy. In 2025, services expanded by 6.3%, with activity supported by trade, transportation, hospitality, information and communications.



Retail and wholesale trade benefit from Indonesia's vast consumer market, while banking, insurance and other financial services are evolving alongside rising incomes and digital adoption. Transportation and logistics are particularly important because of the physical structure of the country, where moving goods efficiently between islands is an everyday business challenge.

Indonesia

An overview of the economy and of the business environment



Tourism provides another important source of activity. Bali is Indonesia's best-known international destination, but the country's tourism economy extends considerably further, creating opportunities for accommodation, transportation, food services, retail and supporting businesses.



At the same time, the digital economy has become one of the most visible expressions of Indonesia's transformation. E-commerce, digital payments, online services and technology-based businesses are changing how consumers purchase goods and how companies reach the market. This combination of traditional services and rapidly developing digital activities makes the tertiary sector particularly important to Indonesia's future growth.

International trade connects Indonesia's natural resources and manufacturing capabilities with some of the world's largest markets.

Exports include mineral products and fuels as well as palm oil and other agricultural commodities, metals and a wide range of manufactured goods. Imports, meanwhile, play an important role in supporting domestic production and investment, including machinery, electrical equipment, industrial inputs, chemicals and other manufactured products.

Recent official statistics illustrate the scale of these flows. In the first four months of 2026, Indonesian merchandise exports reached US\$92.15 billion, while imports totalled US\$86.51 billion. The country consequently recorded a trade surplus of US\$5.64 billion during the period.

This trade profile reflects Indonesia's dual nature: it is simultaneously a major supplier of resources to global markets and an enormous domestic economy requiring technology, equipment and intermediate goods for its continuing development.



Its location also gives the country strategic importance within Asian and global supply chains. Positioned between major maritime routes and deeply connected with Southeast Asian markets, Indonesia provides international companies not only with access to local demand but also with opportunities linked to regional production and distribution networks.

Indonesia

An overview of the economy and of the business environment



A market of this size inevitably offers significant business opportunities, but it also presents a particular challenge: obtaining reliable information about potential business partners. SkyMinder brings together business information designed to help companies know and evaluate customers, suppliers and potential partners around the world. Its broader approach is focused on multiple aspects of business risk, including credit and financial, compliance and reputational considerations.

SkyMinder, thanks to its network of local business information providers, offers detailed and reliable insights into Indonesian companies, helping businesses make informed decisions, build trust, and develop sustainable partnerships.



All SkyMinder Full Reports include the following information, if available from local sources:

Complete company identification details: correct company name, address(es), and contact details such as phone, email, website, etc.

- Company registration details: registration number, company ID, tax identification details, and other information available from local registries.
- Directors and company structure: directors, shareholders, subsidiaries, participations, and related companies, where available.
- Payment information, where available
- Financial information: balance sheet, profit and loss account, financial ratios, and other financial information, depending on local availability and disclosure.
- Credit rating and suggested credit limit.
- Number of employees.
- Activity details: the company's sector and industry, with information on import and export activities where available.
- Negative information: adverse data, negative events, court judgments, debts, or other relevant information, where available.

Indonesia

An overview of the economy and of the business environment



In addition to the Full Report, which provides a comprehensive overview of Indonesian companies, SkyMinder offers other types of reports and services to provide an even deeper understanding of current or potential business partners:

- SkyMinder Executive Report: includes the same information as the Full Report, plus an AI-generated Executive Summary highlighting the key information contained in the report, with a focus on the company's risk level.
- Compliance Check Report and Extended Check Report: provide access to compliance information powered by LexisNexis Risk Solutions, supporting checks related to sanctions, enforcement, PEPs, adverse media, money laundering, fraud, corruption, terrorism, and other relevant risk categories. The Extended Check Report combines company and risk information with compliance checks in a single report.
- Cyber Risk Report: assesses the cyber risk associated with business partners by testing vulnerabilities related to their websites and domains.
- Official registry and LEI documents: documents and company information available from official sources, including public registries and LEI-related documentation.

Through this combination of reliable data sources, specialized reports, and risk assessment solutions, SkyMinder supports businesses operating in Indonesia with the information they need to evaluate companies more effectively, reduce uncertainty, and establish stronger and more sustainable business relationships.

Sources: BPS – Statistics Indonesia; <https://www.bkpm.go.id>; BKPM Satu Data; World Bank