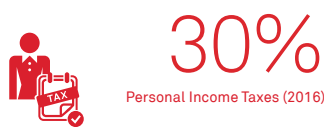
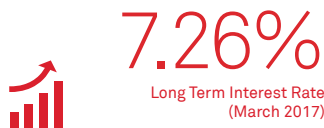




**FINANCIAL INFORMATION
INDONESIA**



Source: PwC Pocket Tax Book (2016);
CEIC (2017)

**ECONOMIC FACTSHEET
INDONESIA**

GENERAL INFORMATION

Indonesia embraces an extensive archipelago with thousands of islands between the Indian Ocean and the Pacific Ocean. With almost a quarter billion inhabitants (mostly of Muslim culture), Indonesia represents the largest economy in South East Asia.

Facts on Indonesia

Population 2016
261.9 million

The world biggest archipelago
17,508 Islands (> 6000 inhabited)

Key Cities (2015)
Jakarta: 9.6 million, Surabaya: 2.8 million,
Bandung: 2.4 million

Languages
Bahasa Indonesia, English

Exchange Rate Rupiah (March 2017)
13,300 IDR/CHF

Bic Mac Index (Price USA, US\$, 2017)
- 54%

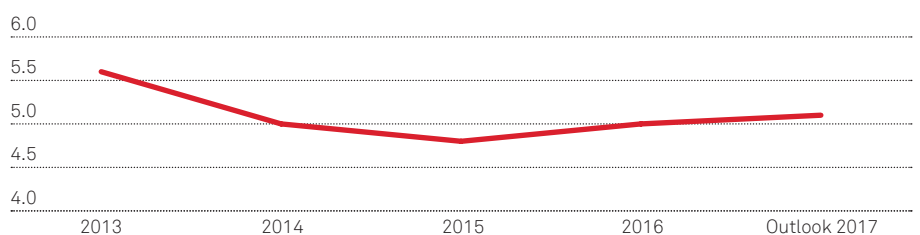
GDP per capita 2016
US\$ 3,603

Source: CIA World Fact Book (2017); Economist Bic Mac Index (2017); CEIC (2017); Finanzen.ch (2017); ME.A. Compass (2016)

ECONOMIC INFORMATION

Despite the financial and economic crisis from 2010 to 2012, Indonesia showed a GDP growth of around 6%. A decline that reached the lowest point in 2015 was due to the stronger US economy, the slow-down of the Chinese economy and lower commodity prices. Since 2016, the country has re-experienced steady GDP growth.

GDP Growth Indonesia



Source: CEIC (2017); SECO (2016)

OFFICIAL PROGRAM

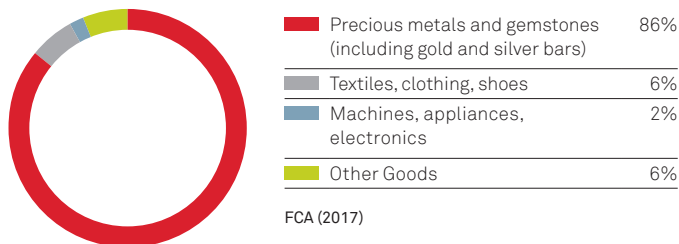


BILATERAL TRADE SWITZERLAND – INDONESIA

Bilateral trade between Indonesia and Switzerland has been growing, with total trade of US\$ 2.83 billion in 2016 compared to 1.87 billion in 2015.

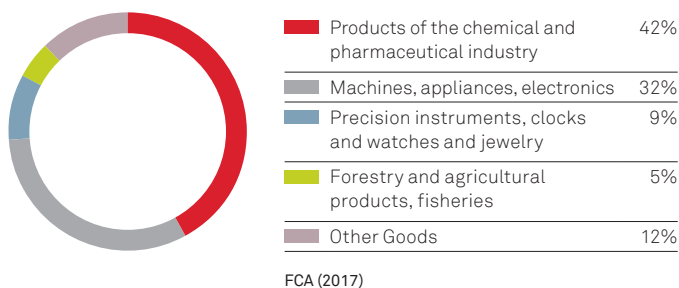
Major Swiss Imports from Indonesia 2016

Total Swiss Imports 2016 in CHF million: 2,356



Major Swiss Exports to Indonesia 2016

Total Swiss Exports 2016 in CHF million: 457



Indonesia, with its huge domestic market and significant number of middle class and hence affluent consumers, offers highly interesting opportunities for Swiss companies. According to an evaluation made by the Swiss Business Hub Indonesia, there are four industry sectors with particular potential for swiss exports: Medtech, ICT, Consumer Goods and Food Processing Technology.

SWISS FOREIGN DIRECT INVESTMENT IN INDONESIA

Switzerland ranked 11th among FDI origin countries in 2016 with a total investment realization of US\$ 347 million. Around 150 Swiss companies are currently active in Indonesia, creating more than 20,000 local jobs. The FDI stock reached nearly CHF 6 billion by end 2015.

Swiss Foreign Direct Investment in Indonesia 2016 vs. 2015



BKMP (2017)

Top 15 countries that invested in Indonesia 2016

Ranking	Country	US\$ million
1	Singapore	9,179
2	Japan	5,401
3	China	2,665
4	Hong Kong	2,248
5	Netherlands	1,475
6	USA	1,161
7	British Virgin Islands	1,157
8	Malaysia	1,116
9	South Korea	1,066
10	Mauritius	577
11	Switzerland	347
12	Thailand	338
13	UK	307
14	Cayman Islands	201
15	Luxembourg	182

Source: BKMP (2017)

Furthermore, as Indonesia represents the largest economy within ASEAN, the country is a perfect entry point to tap into the regional ASEAN Economic Community (AEC) founded in 2015.

Looking at Indonesia's economic policy agenda, the government launched 14 economic reform packages from September 2015 to November 2016. The packages cover a broad range of policies expected to further boost the economy and attract substantial FDI.

Source: BKMP (2017); FCA (2017); Swiss Embassy Indonesia (2016)

MARKET POTENTIAL FOR SWISS EXPORTERS – EVALUATION SWISS BUSINESS HUB INDONESIA

Medtech

- Surgical equipment
- Imaging diagnostic equipment
- IT solutions for hospital management

Information and Communication Technology (ICT)

- E-Commerce
- Big data
- Cyber security
- Fintech

Consumer Goods

- FMCG & fine food
- High end cosmetics
- Luxury & lifestyle products

Food Processing Technologies

- Factory automation
- Compressors, pneumatic & vacuum technology
- Handling & storage equipment
- Packaging machinery

SWOT ANALYSIS

Market Strengths

- Largest economy in SEA - huge domestic market
- Abundant natural resources
- Relatively low labor cost (especially outside Jakarta)
- Political stability and conservative fiscal policies
- Attractive ROIs

Market Weaknesses

- Bureaucracy, corruption, red-tape
- Infrastructure bottlenecks
- Missing legal security and IPR
- Rigid labor law and restrictive for foreign workers
- Weak education and vocational training

Market Opportunities

- Young and growing middle class
- Part of the AEC = ASEAN Economic Community
- Booming industry sectors like health care, ICT, infrastructure, renewable energy, FMCG
- Need for vertical integration and value adding
- Steady growth of GDP >5% p.a.

Market Threats

- Protectionist measures and non-tariff barriers
- More sourcing from regional trade (ASEAN)
- Projects are often delayed for years
- Slow harmonization of national standards in AEC
- High logistic costs

Source: Swiss Business Hub ASEAN (2017)

DID YOU KNOW THAT

...Indonesia is inhabited by more than **300 different ethnic groups** which speak around 742 languages and dialects.

...despite being one of the G20 group of leading economies, roughly **half of Indonesia's population lives on less than US\$ 2 a day.**

...Indonesia is one of the most "connected" nations. In 2015 the country registered **1,324 mobile subscriptions among 1,000 inhabitants.**

...Indonesia is home to **12.7% of the world's Muslim population.** That also makes Indonesia the world's largest Muslim country, with over 87% of the country's population identifying themselves as Muslim.

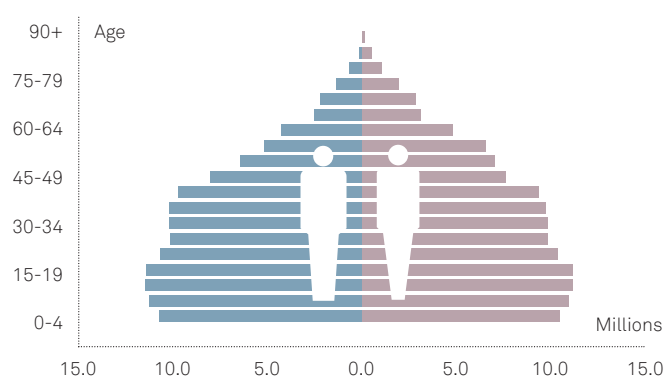
...Indonesia is the **largest supplier of liquid natural gas** (20% of global production), the world's largest producer of palm oil, is a major producer of **cloves and nutmeg** (ranked first in the world in terms of production) and the largest exporter of **plywood**, which makes up 80% of the supply to the world.

...The **biggest gold mine in the world is located in Papua.** Every year the mine produces around 60 tons of gold and silver, as well as approximately 112 tons of cuprum.

Source: Britannica (2017); Far-Horizon (2016)

DEMOGRAPHICS

Age Pyramid Indonesia (2015)



Urbanization (2015)	53.7%
Infant Mortality, per 1,000 births (2016)	23.5
Life expectancy (2016)	72.5 years
Literacy Rate (2015)	93.9%

Source: CIA World Fact Book, (2017); ME. A. Compass (2016)

By 2030, Indonesia will globally have the 4th largest Middle Class consumption market. This growth is due to stronger demand of Middle Class consumers combined with a young and growing population.

Source: S-GE (2017); PwC Analysis (2017)

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