

Indonesia

The Next Economic Powerhouse



remarkable
indonesia

Indonesia on the world map



INDONESIAN ARCHIPELAGO



FACTS INDONESIA



The largest archipelagic country, 5,120 km from East to West, 1760 Km from North to South.

Land area of 1,9 million km², and 3,1 million km² of water/sea



More than 300 ethnics and 742 local languages and dialects

More than 17.100 islands, 6000 with inhabitants



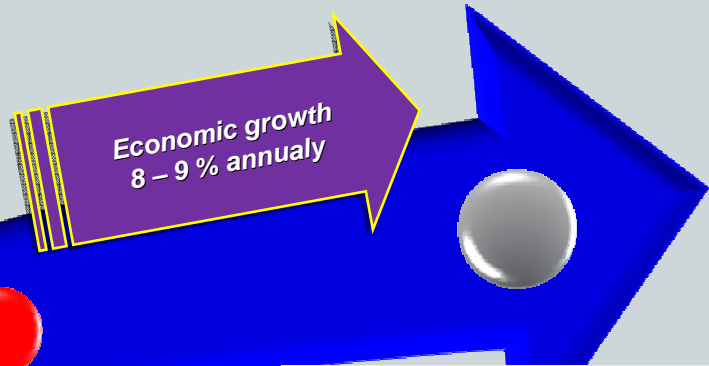
The 3rd largest democracy and member of G20



The 4th most pop. country (240 millions) and the world largest muslim population and member of OIC

VISION 2025

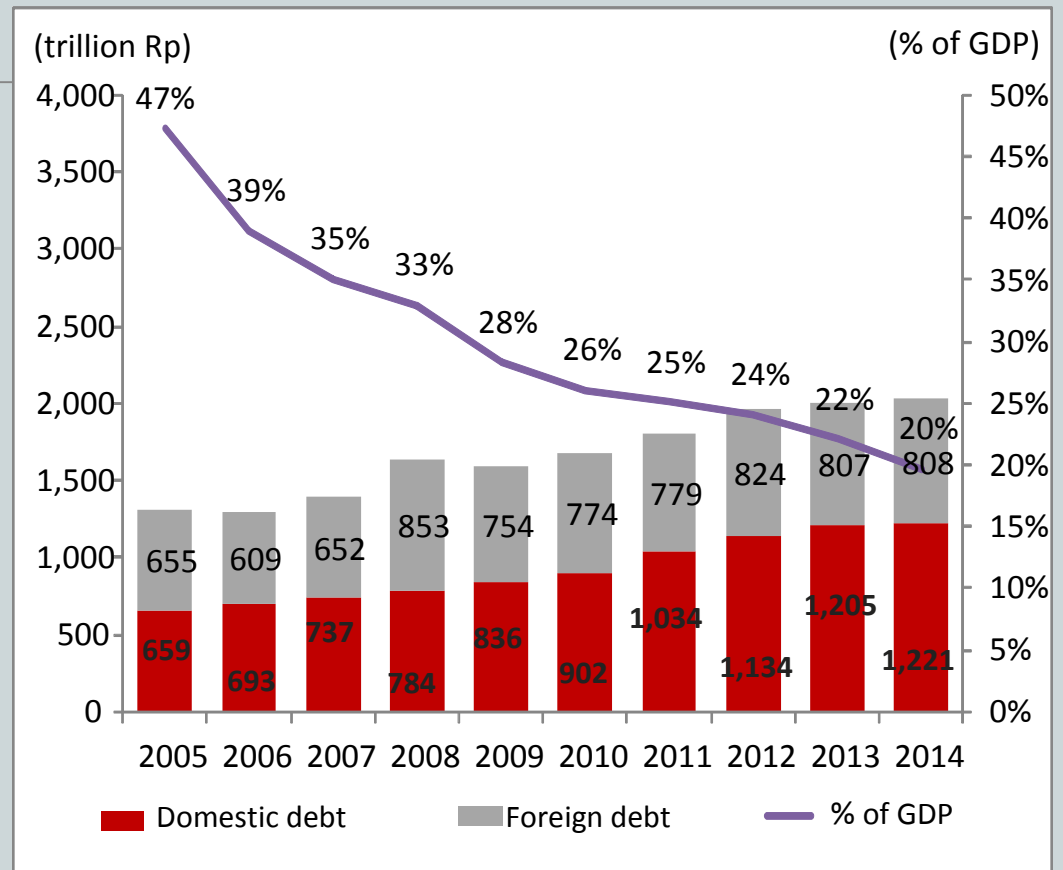
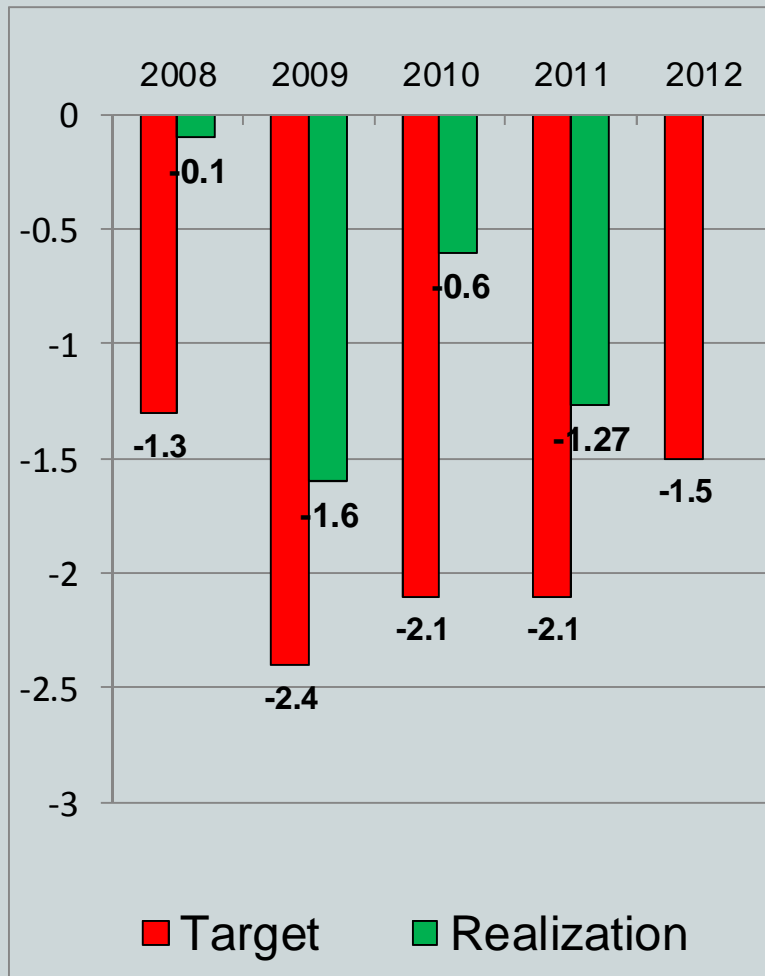
| RPJMN 2010-2014 | |
|-------------------|------------------------------|
| Economic Growth | Average 6,3 – 6,8 % annually |
| Inflation | Average 4 - 6 % annually |
| Unemployment Rate | 5 – 6 % in the end of 2014 |
| Poverty Rate | 8 – 10 % in the end of 2014 |



GOOD FISCAL POLICY

Debt Ratio / GDP (%)

Budget Defisit / GDP (%)



| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| GDP | 2,774 | 3,339 | 3,957 | 4,954 | 5,613 | 6,423 | 7,227 | 8,120 | 9,123 | 10,278 |
| Total Debt | 1,313 | 1,302 | 1,389 | 1,637 | 1,590 | 1,677 | 1,813 | 1,958 | 2,012 | 2,029 |

Indonesia's Economic Indicators

- ✓ GDP Growth 2012 : 6.3% (2011: 6.4%)
- ✓ Target of GDP Growth 2013 : 6.1% - 6.7%
- ✓ GDP 2011 : US\$. 846.83 billion
- ✓ GDP, PPP 2011 : US\$.1,123.47 billion
- ✓ Reserves 2012 : US\$.112.78 billion
(2011: US\$.111.29 billion)
- ✓ The average inflation 2012 : 4.28% (2011: 5.38%)
- ✓ Foreign debt to GDP ratio 2012: 23.1% (2011: 25.0%)
- ✓ FDI : US\$.32.5 billion (2012); up 25%
- ✓ Private consumption : 59% of GDP (2012)

Indonesia's economic outlook

The economic outlook for Indonesia in 2013 remains positive despite a weak global economy, but maintaining strong investment growth is vital.

The government is optimistic that the Indonesia's economic growth in 2012 reached 6.3 percent and has set a target of 6.8 percent in 2013. This projection assumes that domestic consumption and investment growth remain strong, while improving growth in Indonesia's major trading partners supports a modest recovery in exports.

The Indonesian Economic Growth and the World

| The Economic Growth | 2010 | 2011 | 2012 | 2013 *) |
|---|------|------|------|---------|
| The Economic Growth of the World | 5.1 | 3.9 | 3.2 | 3.5 |
| Central and Eastern Europe | 4.6 | 5.3 | 1.8 | 2.4 |
| ASEAN -5 (Indonesia, Malaysian, Philippines, Thailand, Vietnam) | 7.0 | 4.5 | 5.7 | 5.5 |
| The Economic Growth of Indonesia | 6.2 | 6.5 | 6.3 | 6.8 **) |

*) Projected by IMF

**) Targeted by the Indonesian Government

Indonesia's dependency to the global economy is decrease

- The Indonesia's export ratio to GDP is decreased from 29.9% in 2008 to 26.4% in 2011
- It is because of the increasing of strong domestic economic growth



Indonesia has more opportunities to grow (higher than it had been reached in 2009) although the world economy still slow

The Trend of Indonesia's Exports in the Respective Region (2007 – 2012)

| Market Type | Regions | Trend 2007 – 2011 (%) | 2011 – 2012 (%) |
|----------------------|----------------|--------------------------|-----------------|
| Non – Traditional | Africa | 14.42 | 46.40 |
| | Latin America | 9.29 | 11.90 |
| | Middle East | 7.70 | 43.23 |
| | Eastern Europe | 14.93 | 87.53 |
| Traditional | Asia | 40.64 | 63.13 |
| | Western Europe | 13.99 | - 4.27 |
| | North America | 10.69 | - 14.83 |

The Trend of Indonesia's Exports to Bulgaria and Other Neighboring Countries (2007 – 2012)

Thousands US Dollar

| Countries | Trend 2007 – 2011 (%) | Exports Value (January-August 2012) | Trend 2011 – 2012 (%) |
|-----------|--------------------------|--|--------------------------|
| Albania | 51.6 | 6,553.0 | 123.22 |
| Bulgaria | - 2.24 | 33,296.7 | 3.90 |
| Greece | - 10.50 | 91,495.1 | - 10.07 |
| Macedonia | 42.07 | 9,927.5 | 272.08 |
| Romania | 19.03 | 78,109.5 | - 15.87 |
| Russia | 27.81 | 537,184.9 | - 5.67 |
| Turkey | 8.77 | 944,652.5 | - 5.12 |
| Ukraine | 10.25 | 355,487.4 | - 7.74 |

Why Indonesia

Large population

Indonesia is literally a giant. Its market alone exceeds some 240 million people, making it the fourth largest country in the world in terms of its population after China, India, and the United States. Business should cater the needs of 65 million households. About 138 million or about 60 percent live on the island of Java, the most densely populated island in the country. Those numbers also translate into a vibrant labor force of skilled and educated workers.

Why Indonesia

A vast and fertile land rich in natural resources

The second reason why Indonesia is a perfect place for business is its vast and fertile land that enriches its natural resources. Ranked as the 16th largest country in the world, Indonesia, with its tropical climate and humidity, is rich in natural resources. Indonesia's crude palm oil is ranked as the first in the world, while its tin and cocoa occupy the 2nd position. Other natural resources such as nickel, gold and copper are ranked 5th, 7th and 8th, respectively, as well as numerous marine resources.

Why Indonesia

Large numbers of Small and Medium Enterprises

The business people in Indonesia (42 million), of which mostly are dominated by local private business entrepreneurs, have built their small and medium enterprises while managing to make millions of profit.

This fact shows that the economy in Indonesia is not solely run by giant business companies, but also by simple local businessmen who have started with few pennies and turned them into businesses worth thousands of dollars.

Why Indonesia

Strategic location: vital international transport routes

Indonesia is located between 2 continents (Asia and Australia) and 2 oceans (Pacific and Indian) which puts it in a strategic location for international transport routes. One of the most important transport routes vital for international transport and used by international shipping for business purposes is the Malacca strait. Malacca strait lies between Malaysia and Indonesia (Sumatera island). Many ships navigate through the Malacca strait en route to Australia and other Asia countries.

Why Indonesia

Open and liberal market economy

The ASEAN Free Trade Area (AFTA) has now been virtually established. ASEAN Member Countries have made significant progress in the lowering of intra-regional tariffs through the Common Effective Preferential Tariff (CEPT) Scheme for AFTA. The Free Trade Area will usher in the market economy in Indonesia with its open and liberal policies. Every sector in Indonesia is open for investment. With the simplification of rules and regulations, Indonesia's market economy will be openly accessible for foreign investors.

Why Indonesia

Free foreign currency exchange system

In the case of business profits in particular, a foreign investor will be able to transfer the profit of his business in Indonesia straight to his homeland and convert into the currency of his homeland without any involvement by the central government. This is one of the advantages for foreign investors as there will be no complicated procedures in receiving their profits in the currency of their country. With respect to the foreign exchange systems, the central government of Indonesia does not restrict investments with regulations with the view to ease the process.

Why Indonesia

Emerging middle class is driving Indonesia's boom

According to a recent Bloomberg article, Indonesia's 240 million people are currently "basking in a consumer and resources driven boom." There are tens of millions of households on the brink of making the leap into the bankable class, the report enthuses.

These emerging middle income earners – said to number 35 million – are proving eager and discerning consumers, who will seek out and pay for quality. They are a key driver of the Indonesian economy, tipped to increase by more than 6 percent this year.

Indonesia 10 Main Commodities

1. Textile and Product Textile
2. Electronics
3. Rubber and Article thereof
4. Palm Oil
5. Forest Products
6. Footwear
7. Automotive
8. Shrimps
9. Cocoa
10. Coffee

Indonesia 10 Potential Commodities

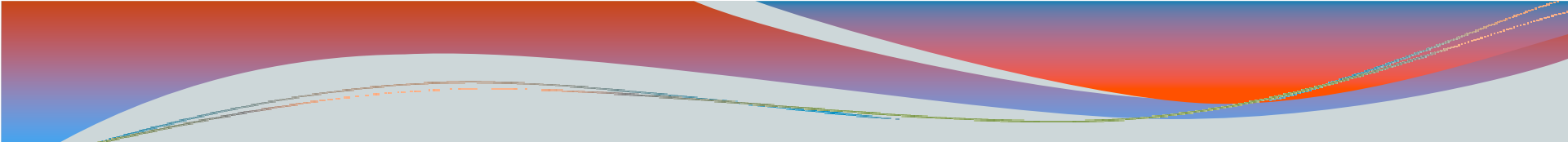
- 1. Leather & Leather Products**
- 2. Medical Instrument and Appliances**
- 3. Medicinal Herbs**
- 4. Processed Food**
- 5. Essential Oil**
- 6. Fish & Fish Products**
- 7. Handicraft**
- 8. Jewellery**
- 9. Spices**
- 10. Stationery Non Paper**

Indonesia Trade Expo

October 16th – 20th, 2013

TEI 2013 will be participated by about 3.000 exhibitors and is expected to be visited by more than 10.000 international buyers

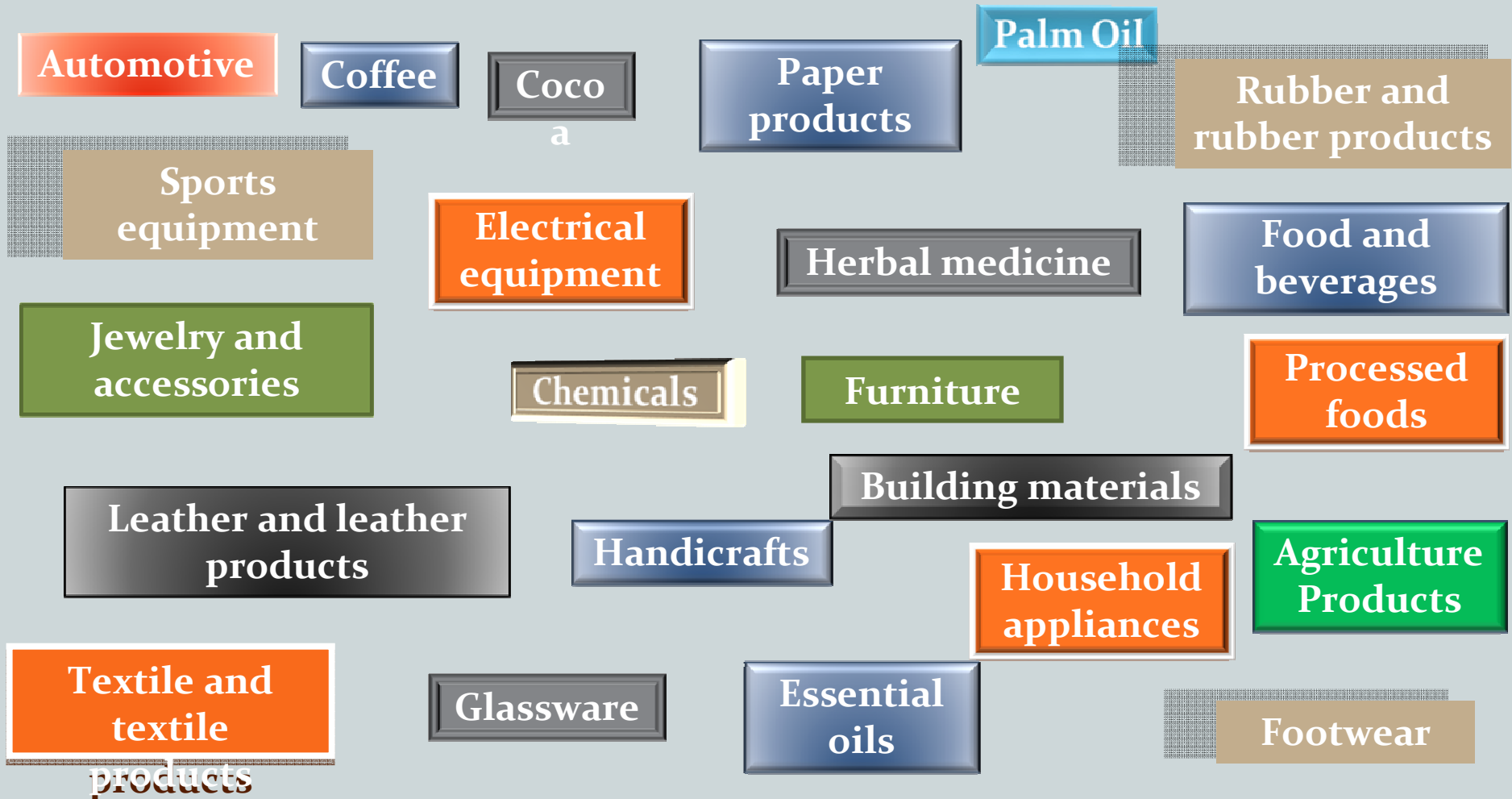
As comparison, TEI 2012 has participated by more than 1.300 and visited by 5.430 international buyers from 95 countries



The 27th Trade Expo Indonesia (TEI), has booked US\$.1 billion in transactions, up 115.29 percent from \$.464.5 million in 2011. Out of the \$1 billion transactions, dominated by automotive and components, aircraft and components, electronics and electrical products. The figure was already “quite big” in terms of direct transactions, and it could lead to much higher transactions following what had been sealed during the event.

The fact that thousands of buyers from many countries come to visit Trade Expo Indonesia every years demonstrates a high commitment of our trading partners around the world; and also a solid prove that Indonesia is one of the potential and reliable suppliers of qualified and competitive consumer products.

Products will be displayed in TEI 2013



Business & Tourism Trip to Indonesia

The Indonesian Embassy will arrange Business and Tourism Trip to Indonesia on October 14th – 18th, 2013

14th : Depart from Sofia

15th : Arrive in Jakarta and check-in hotel

16th : Opening of the 28th TEI 2013

17th : Business meeting with the Indonesian partners

18th : Check-out from hotel

Business & Tourism Trip to Indonesia

The Indonesian Embassy will provide free accommodation for three nights at 4 star hotel for the first 10 business people who enroll for the trip before August 1st, 2013

The transportation costs will be covered by the participants, however the price of the airplane ticket will be discounted if the Embassy achieves agreement with the airline company



SPECIAL INTEREST TOURISM IN JAKARTA



Indonesia National Monument or usually call as *Monas* is a monument built to remember the struggle of Indonesian heroes fighting the colonial domination. The top of Monas shaped like a flame, symbolizing a never extinguished spirit of Indonesian people. The flame was made of bronze medal which weight was 14.5 ton, and was plated with 35 kg gold. The flame has 6 meters diameter and consist of 77 concentrated parts. The height of standing pillar is 137 meters.



"Beautiful Indonesia in Miniature Park" is a culture-based recreational area. It has an area of about 250 acres. The park is a synopsis of Indonesian culture, with virtually all aspects of daily life in Indonesia's provinces encapsulated in separate pavilions. Apart from that, there is a lake with a miniature of the archipelago in the middle of it, cable cars, museums, Keong Emas Imax cinema, the Theatre of My Homeland (*Theater Tanah Airku*) and other recreational facilities which make TMII one of the most popular tourist destination in the Indonesia.



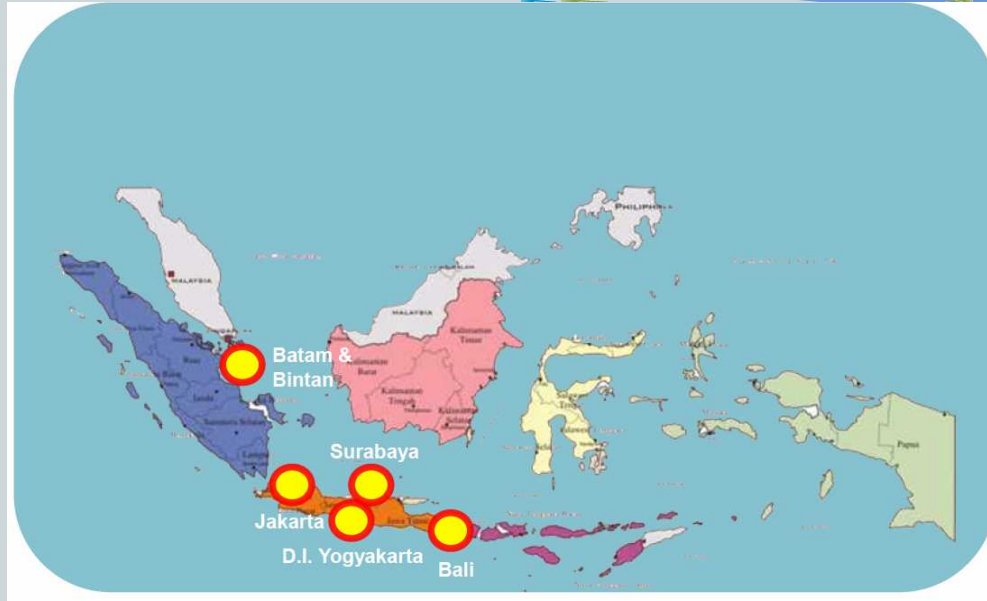
On average, 400 Malaysians shop at Pasar Baru –Bandung daily. During peak season prior to Ramadhan (june-july) the number reached 9,800 people /day. Air Asia flies 4 times/day to Bandung and each flights often fully booked way ahead.



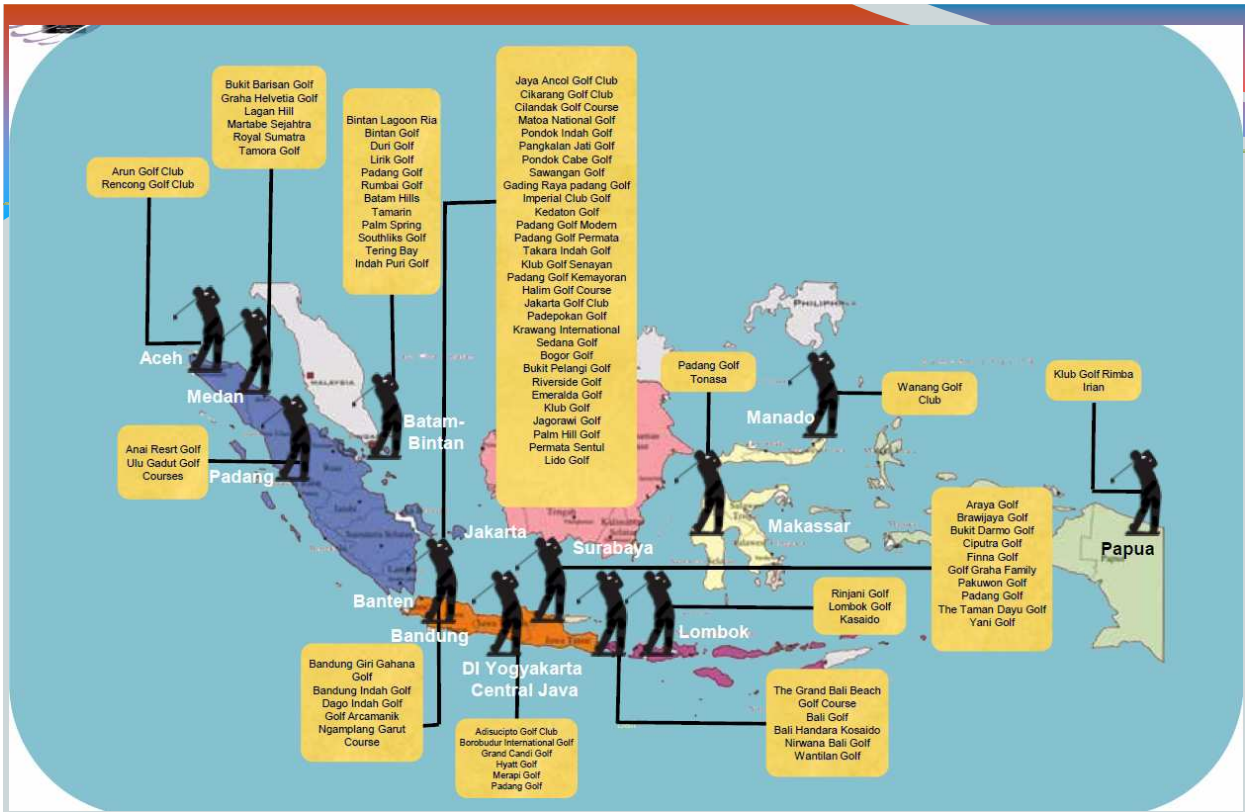
**SHOPPING PARADISE : MORE THAN
450 SHOPPING MALLS IN INDONESIA,
ABOUT 15% IN JAKARTA**



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