

# Economic Report 2025

## INDONESIA

(as of June 2025)

### **Executive Summary**

Indonesia's economy showed resilience in 2024, growing by 5.03% despite global headwinds, with household consumption remaining the primary growth driver. Inflation fell to a record low of 1.6%, as economic pressures contributed to deflation in mid-year months. Fiscal and external positions remained stable, with a controlled deficit and robust reserves, but structural labour market challenges and a shrinking middle class pose concerns. Indonesia initiated the accession process to the Organization for Economic Co-operation and Development (OECD), which could accelerate structural reforms to achieve advanced economy status by 2045.

The 2025 economic outlook remains positive but moderated, started by a 4.7% growth in Q1 2025. The government of President Prabowo Subianto, in office since October 2024, adopted a cautious but adaptive policy stance, such as cancelling a planned value-added tax hike, issuing fiscal stimuli, reallocating public spending to key programs and the establishment of the Danantara sovereign wealth fund. The government introduced regulatory changes, including foreign exchange retention and revised local content rules. The priorities of President Prabowo Subianto focus on providing free meals to schoolchildren, achieving energy and food self-reliance, as well as strengthening education and defence. Natural resources, commodities and downstreaming play an integral part.

Manufacturing, including downstream industries, construction, and wholesale trade constitute a large share of Indonesia's economic growth. Switzerland sees opportunities in sectors such as renewable energy, infrastructure, food, mechanical and electrical engineering and healthcare, where Swiss companies have potential to expand their presence.

Indonesia's 2024 total foreign trade grew by 2.29% in exports (USD 264 billion) and 5.6% in imports (USD 233 billion), marked a reversal from previous downward trend. Bilateral trade with Switzerland, however, saw a decline of 29.7%, largely due to a drop in gold imports. Indonesia generated higher FDI inflow in 2024 by 21% yoy, and the bilateral investment with Switzerland increased by 63% yoy.

Indonesia has been addressing the potential impact of the United States' proposed additional tariffs (10% baseline and 32% reciprocal) on its exports. The government has pursued and completed negotiations with the US, offering certain concessions. Mitigation strategies, including diversifying export markets, are being explored.

With the Comprehensive Economic Partnership Agreement (CEPA) between the EFTA and Indonesia and a new bilateral investment treaty, Switzerland is well positioned economically and makes constructive contributions to various government priorities, including energy security and education, through economic cooperation (SECO) and the Swiss private sector. Switzerland can also support reforms in the context of Indonesia's bid to join the OECD. In 2024 and 2025 several high-level official meetings have and will take place offering opportunities to promote Swiss interests.

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## 1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Indonesia's economy demonstrated resilience in 2024, with GDP growth steady at 5.03%, reaching IDR 22,139 trillion (approx. USD 1.3 trillion), with GDP per capita at USD 4,960.<sup>1</sup> Inflation stood at 1.57% year-over-year (yoy), a record low, and remained within the central bank's target of 2.5%±1%. A five-months deflation streak from May to September due to contracted food prices and declining purchasing power contributed to this outcome. Household consumption remained the main contributor to GDP (54%), followed by gross fixed capital formation (29%) and exports (22%).<sup>2</sup>

Fiscal policy and budget outcomes in 2024 reflected moderate revenue growth amid higher expenditure and a contained deficit. Indonesia's revenue reached IDR 2,842 trillion (approx. USD 179.4 billion), falling short of the target of IDR 2,802 trillion but still growing a 2.1% compared to 2023.<sup>3</sup> Government expenditure rose by 7.3% to IDR 3,350 trillion (approx. USD 208 billion), driven by two major elections. The budget deficit widened to 2.29% of GDP, up from 1.6% in 2023, but remained within fiscal limits. Total public debt continued its declining trend, standing at 38.5% of GDP.

Indonesia's balance of payments remained broadly stable amid global uncertainties. The current account posted a deficit of USD 8.86 billion (0.6% of GDP), a notable increase from 0.1% in 2023, due to weaker demand from key export destinations and lower commodity prices, especially coal and palm oil. This was offset by sustained surpluses in the financial and capital accounts, driven by steady investment flows. Foreign exchange reserves remained strong. The rupiah was under pressure and ended 2024 at IDR 16,162 per USD, with an annual average of IDR 15,847, pressured by global monetary tightening, slower growth, and domestic political uncertainty.

Despite positive headline growth, improvements in living standards remain limited. The poverty rate stagnated at 9% in 2024, well above the target of 6.5-7.5%.<sup>4</sup> The share of middle-class population fell from 21.5% in 2021 to 17.1% in 2024 (47 million). This group accounts for 36.8% of household consumption and 50.7% of tax revenue. The strained labor market also exacerbated, as the number of workers affected by layoffs reached record high of 77,965 in 2024, up 20% from 2023.<sup>5</sup> The labor-intensive sectors have the most layoffs, impacted by global slowdown and lower domestic consumption. These trends underscore persistent structural challenges.

Throughout 2024 and into early 2025, Indonesia's economic policy adopted a cautious yet adaptive stance. In December 2024, the government cancelled a planned VAT hike, maintaining the rate for general goods and services but proceeding with an increase to 12% for luxury items. To cushion the economy, economic stimulus packages worth USD 2.3 billion (January) and USD 1.5 billion (May) were deployed.<sup>6</sup> Budget efficiency and reallocation totaling approx. USD 20 billion (1.3% of GDP) were implemented to fund the newly launched Danantara - a sovereign wealth fund and super holding company for SOEs - and the flagship Free Nutritious Meals program (meals for students).<sup>7</sup>

### Outlook

Indonesia faces a gradual slowdown in growth, with GDP projected at 4.7% in 2025.<sup>8</sup> Inflation is forecasted to rise to 2.3% in 2025, as the recent depreciation of the rupiah gradually affects domestic prices.<sup>9</sup> The current account deficit is also projected to widen. The fiscal deficit is projected to average 2.7% of GDP over 2025.<sup>10</sup> The 2025 state budget authorized IDR 776 trillion (approx. USD 48.5 billion) in new debt, with IDR 349.3 trillion (approx. USD 21.8 billion) already issued by May.<sup>11</sup> Household consumption is expected to remain stable, supported by low inflation and government stimulus measures, though unemployment and labor market challenges may weigh on demand.

<sup>1</sup> BPS, [Statistical Yearbook of Indonesia 2025](#), May, 2025.

<sup>2</sup> BPS, Rilis Berita Resmi Statistik, February, 2025.

<sup>3</sup> Ministry of Finance of Republic of Indonesia, [Recent Macroeconomic and Fiscal Development](#), January, 2025.

<sup>4</sup> BPS, [Consumer price index May 2024](#), December, 2025. Poverty line at IDR 582 thousand per capita per month.

<sup>5</sup> Jakarta Globe, [Deflation and Layoffs Weaken Indonesia's Ramadan Spending](#), April, 2025.

<sup>6</sup> ASEAN Briefing, [Indonesia's Consumer Stimulus: Impacts for Foreign Investors](#), June, 2025.

<sup>7</sup> Jakarta Post, [Danantara and the austerity paradox](#), March, 2025.

<sup>8</sup> OECD, [Economic Outlook, Volume 2025 Issue 1](#), June, 2025.

<sup>9</sup> Ibid.

<sup>10</sup> World Bank, [Indonesia Economic Prospect: A Roadmap from Homes to Jobs to Prosperity in Indonesia](#), June, 2025.

<sup>11</sup> Jakarta Globe, [Indonesia's government debt jumps 164% in 5 months](#), June, 2025.

Major institutional changes, including government reorganization, budget adjustments, and the transfer of SOEs ownership to Danantara, have been noted by economic actors. This was evidenced by a 7% drop in the Indonesia Composite Index (IHSG) in March 2025, triggering the first trading halt on the Indonesia Stock Exchange since the 2020 pandemic.

However, foreign direct investment is expected to gradually rise to 1.5% of GDP by 2027 and remain the largest source of external financing.<sup>12</sup> To address economic headwinds, the government has advanced a structural reform agenda, including deregulation efforts focused on the business environment and licensing, investment liberalization, trade and logistics reforms, and development of digital services. The candidature of Indonesia to OECD may further structure such efforts with concrete implementation still to be realized.

Additionally, to bolster foreign exchange reserves and mitigate currency pressure, Government Regulation No.8/2025 came into effect in March 2025 requiring natural resource exporters to retain foreign exchange earnings onshore for a minimum of one year. The government has also sought to improve the efficiency of public spending through targeting of social benefits to vulnerable households.

## 2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

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Indonesia's GDP ranked as the 5th largest in Asia in 2024. The country's economic structure remains broadly diversified. By sector, manufacturing, including downstreaming activities remained the main drivers of the economic growth at 19%, followed by wholesale trade, agriculture, construction and mining.<sup>13</sup> The unemployment rate stood at 4.9% in 2024, while unemployed young people aged 20-29 was the highest at 22.5%.<sup>14</sup> The proportion of workers in the informal sector continued to rise, reaching above 59% by February 2025.

The government under President Prabowo Subianto, inaugurated in October 2024, has set an ambitious target of 8% average growth over the next five years. 17 priority programs were outlined for 2025-2029, focusing on key sectors such as energy, industry, and agriculture to drive economic transformation. For 2025, government spending is focused on social welfare and food security, with major allocations including IDR 724 trillion (approx. USD 45 billion) for education initiatives like free nutritious meals for students, IDR 503 trillion (approx. USD 31 billion) for social protection, IDR 21 trillion (approx. USD 1.3 billion) for health, and IDR 139.4 trillion (approx. USD 8.7 billion) for food security. The "Quick Win" program, funded with IDR 121 trillion (approx. USD 7.5 billion), aims to deliver tangible improvements through initial rollout of the free nutritious meals, health screenings, hospital construction, tuberculosis eradication, school infrastructure upgrades, and food barn development.<sup>15</sup>

The energy sector is undergoing reforms aimed at boosting self-sufficiency by expanding oil and gas production alongside renewable energy sources, including geothermal, solar, hydropower, and bioenergy. The government targets 75% of power generation from renewables and a 30% reduction in coal usage by 2024, with total investments expected to reach at least USD 235 billion.<sup>16</sup> Biofuel initiatives include the rollout of B40 biodiesel in 2025, with plans for B50 biodiesel and E10 bioethanol by 2029. Notably, Ministry of Energy and Mineral Resources Regulation No. 11/2024 in August 2024 lowered local content requirements for electricity infrastructure projects, significantly reducing thresholds for hydropower, geothermal, wind, biomass, biogas, and waste-to-energy projects to between 15-65%. The new regulation also stipulates that electricity projects with at least 50% financing from foreign multilateral or bilateral lenders are exempt from local content requirements. Swiss companies with expertise in the production, transmission and distribution of (renewable) energy have more opportunities to engage in these expanding sectors.<sup>17</sup>

Agriculture accounts for 12.6% of GDP and remains vital for employment. However, the sector faces stagnating productivity and vulnerability to climate risks. The government's agricultural agenda emphasizes food self-sufficiency, targeting the expansion of rice cultivation by 1 million hectares,

<sup>12</sup> OECD, [Economic Outlook, Volume 2025 Issue 1](#), June, 2025.

<sup>13</sup> BPS, [Official Statistics News](#), February, 2025.

<sup>14</sup> BPS, [Indonesia's unemployment based on age group in 2024](#), June, 2024.

<sup>15</sup> Ministry of Finance, [Recent Macroeconomic and Fiscal Development](#), Jan. 2025. 1 USD=IDR 16000 based on 2025 Budget.

<sup>16</sup> PLN, [Press Release Climate Talks](#), November, 2025.

<sup>17</sup> [Decree of the Minister of Energy and Mineral Resources No. 191/K/EK.01/MEM/E/2024](#).

upgrading irrigation infrastructure, modernizing farming techniques, and empowering smallholder farmers. The government continues to develop state-run food estates.

Healthcare is a growing focus area, with increased government spending on public health, hospital infrastructure, and social protection programs. Demand for advanced pharmaceuticals, medical devices, and digital health solutions is rising. Swiss firms can leverage their strong reputation in medical technology and pharmaceuticals by engaging in collaborations and navigating regulatory frameworks.

### 3 FOREIGN ECONOMIC POLICY

#### 3.1 Host country's policy and priorities

Under President Prabowo, Indonesia has consolidated its foreign policy posture, with economic diplomacy remaining central. While setting new priorities, the administration has pledged broad continuity with the previous government, a pragmatic blend of economic nationalism, infrastructure development, and now with a more active approach to international engagement.

Indonesia is increasingly expanding its trade and investment ties to diversify markets, balancing dependence on traditional partners, and strengthen its geopolitical position. The country is currently party to 19 FTAs and CEPAs, with several more underway. Recent milestones include the concluded CEPA negotiations with Canada and the Eurasian Economic Union (EAEU), and the expected finalization of the Indonesia–European Union (EU) CEPA by 2025.

Ongoing Trade Negotiations	Proposed/Explored Trade Negotiations
Indonesia-Turkiye CEPA	Indonesia-South African Customs Union (SACU)
Indonesia-Pakistan Trade in Goods Agreement (IP-TIGA)	Indonesia-Nigeria (Economic Community of West African States/ECOWAS) PTA
Indonesia-Bangladesh PTA	Indonesia-East African Community (EAC) PTA
Indonesia-Tunisia PTA	Indonesia-Djibouti PTA
Indonesia-Mauritius PTA	Indonesia-Algeria PTA
Indonesia-Morocco PTA	Indonesia-Colombia PTA
Indonesia-Mercosur CEPA	Indonesia-Ecuador
Review ASEAN-India FTA (AIFTA)	Indonesia-US Limited Trade Deals (LTD)
Upgrading ASEAN Trade in Goods Agreement (ATIGA)	Indonesia-Fiji PTA
ASEAN-Canada FTA	Indonesia-Papua New Guinea PTA
Upgrading ASEAN-China FTA	Indonesia-Ukraine PTA
Indonesia-EU CEPA	Indonesia-India PTA
Indonesia-Peru CEPA	ASEAN-EU FTA
Indonesia-Sri Lanka FTA	Indonesia-Jordan PTA
Indonesia-Gulf Cooperation Council (GCC) FTA	Indonesia-Egypt PTA

*Data source: Directorate General of International Trade Negotiation of the Ministry of Trade*

Indonesia's recent accession to BRICS reflects strengthening multipolar engagement and deeper South-South cooperation. The government views BRICS as a platform to broaden economic partnership opportunities, now even more so against the backdrop of heightened geo-economic fragmentation and rising protectionism. Bank Indonesia's existing Local Currency Settlement (LCS) arrangements with several partners, including China, Japan, Malaysia, and Thailand, may contribute to mitigate exchange rate risk.

Indonesia's OECD accession process, now in its technical phase following the June 2025 submission of its Initial Memorandum, reflects an ambition to align with global standards and improve business climate. Switzerland, among other member states, has offered to support this process, including through development cooperation programs from State Secretariat for Economic Affairs (SECO).

#### 3.2 Outlook for Switzerland

Switzerland currently enjoys preferential access to the Indonesian market through the Indonesia-EFTA Comprehensive Economic Partnership Agreement (CEPA).<sup>18</sup> Indonesia's expanding FTA network, including with major economic blocs like the EU, EAEU, and BRICS, may potentially reduce Switzerland's relative trade advantage. The Indonesia–EU CEPA may encourage regulatory alignment and market reforms that benefit all trading partners, including Switzerland. Swiss companies producing in the EU or contributing with components to EU exports will also be able to benefit from the new CEPA,

<sup>18</sup> [CEPA between EFTA and Indonesia](#).

once ratified by the member states and entered into force. Swiss businesses must remain attentive to potential regulatory shifts and evolving trade norms as Indonesia expands its economic engagement with a broader range of partners.

Switzerland's support for Indonesia's OECD accession, notably in regulatory reform and governance, can accompany structural advances.

## 4 FOREIGN TRADE

### 4.1 Developments and general outlook

#### 4.1.1 Trade in goods

Indonesia's trade values in 2024 grew by 2.29% in exports (USD 264 billion) and 5.6% in imports (USD 233 billion) yoy.<sup>19</sup> The non-oil and gas commodities dominated export, at US\$248.83 billion (94%). By sector, exports of agricultural, forestry, and fishery products increased the highest by 29.81%. Exports of manufactured goods rose by 5.33%, while exports of mining and other products declined by 10.20%.

The increase in imports in 2024 marked a reversal of the previous downward trend. Imports of raw materials and intermediary goods recorded the highest at USD 169.6 billion, up 5.29% yoy, followed by capital goods at USD 41.2 billion (+5.34%) and consumer goods at USD 22.7 billion (+5.37%).



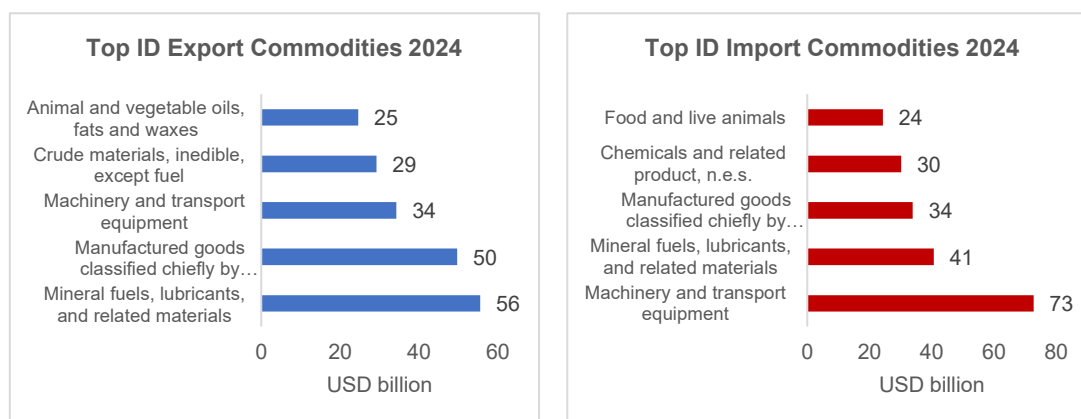
Data source: Indonesian Ministry of Trade

Despite the drop in prices of key commodities such as palm oil, coal and nickel influence, Indonesia maintained trade surplus overall and with most of its trading partners in 2024, although the number narrowed down by 15.8% yoy to USD 31 billion. In 2024, China remained Indonesia's largest trading partner, with total bilateral trade increasing by 5.7% compared to the previous year. Indonesia's exports to China reached USD 62.4 billion, dominated by iron and steel, coal, as well as nickel and its derivatives. Imports from China, primarily consisting of machinery, mechanical and electrical equipment, iron and steel, plastic products, and vehicles, amounted to USD 72.7 billion. This surge in imports (16%, yoy) contributed to Indonesia's largest trade deficit, which stood at USD 10.5 billion.

Following China, the United States, Japan, India, and Singapore are among Indonesia's key trading partners. Notably, India and United States emerged as the largest contributors to Indonesia's trade surplus, amounting to USD 14.6 billion and USD 14.3 billion respectively.

<sup>19</sup> Ministry of Trade of Indonesia, [Export-Import Dashboard](#), May, 2025.





Data source: Statistical Yearbook of Indonesia 2025

In May 2024, the Ministry of Trade issued Regulation No. 8/2024, easing import restrictions on seven product categories, including electronics, shoes, and clothing, as well as removing raw and auxiliary materials from the restricted list. While intended to streamline import flows, the policy drew criticism from domestic manufacturers, particularly in the textile sector, for fueling a surge in imports. The regulation is currently under review, with revisions expected. Earlier, the Ministry of Industry introduced Regulation No. 5/2024, mandating that importers of textiles, bags, and footwear submit trademark certificates when applying for import permits.

Under Government Regulation No. 8/2025, effective 1 March 2025, exporters in non-oil-and-gas natural resource sectors, such as mining, plantation, forestry, and fisheries, are required to repatriate 100% of export earnings, up from the previous 30%.<sup>20</sup> These funds must be held in domestic accounts for 12 months, though they can be used for approved purposes including foreign loan repayments, capital goods and raw material imports, and tax obligations. The policy aims to maintain macroeconomic stability, improve domestic liquidity, and limit capital flight from commodity-heavy export sectors.

#### 4.1.2 Trade in services

In 2024, Indonesia's services exports rose 21% to IDR 613.3 trillion (approx. USD 38.3 billion), contributing 2.77% to GDP, driven by digital and professional services, a rebound in tourism, and improved logistics. Imports grew 16.3% to IDR 915.8 trillion (approx. USD 57.2 billion), with a 4.14% GDP share, reflecting higher outbound travel, transport costs, and IP-related transactions.

Despite this growth, Indonesia's services trade remains below regional peers. The OECD Services Trade Restrictiveness Index (STRI) remained high in 2024 (0.37 out of 1), indicating barriers.<sup>21</sup> Architecture remains the most open subsector, while insurance, legal, accounting, and telecom services continue restricted for foreign entries.

### 4.2 Bilateral trade

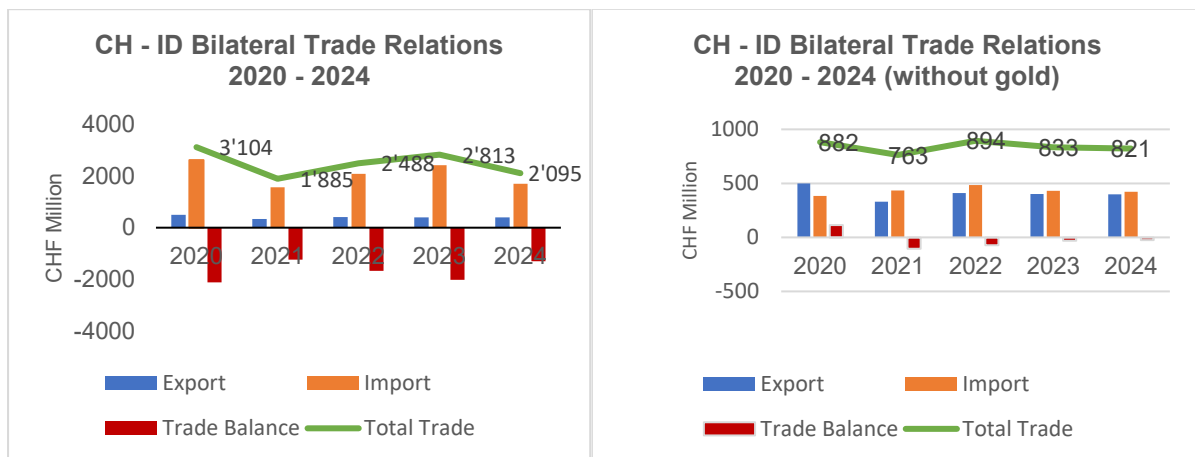
#### 4.2.1 Trade in goods

In 2024, total bilateral trade between Switzerland and Indonesia amounted to CHF 2.1 billion.<sup>22</sup> Switzerland's imports totaled CHF 1.69 billion, marking a 29.7% decline from CHF 2.41 billion in 2023.

<sup>20</sup> UNCTAD Investment Policy Hub, [Indonesia - Imposes restrictions on foreign exchange earnings](#), May, 2025.

<sup>21</sup> OECD, [Service Trade in Indonesia: Exploring Patterns, Policies, and Reform Scenarios](#), June, 2025.

<sup>22</sup> Swiss Federal Office for Customs and Border Security, [Swiss-Impex](#), May, 2025.



Data source: Swiss Federal Customs Administration

The contraction was primarily driven by a drop in precious metals and gemstones imports (-35.8%) to CHF 1.27 billion, reflecting lower gold purchases. Textile imports also fell (-7.0%) to CHF 204 million amid the weakening of Indonesia's industry sector overall. Vehicle imports plunged by 35% to CHF 7.1 million, driven by declines in motorcycle and bicycle imports, including their parts and accessories, and mirroring an overall contraction in Swiss imports across these categories in 2024. Meanwhile, imports of machines and electronics surged (26.5%) to CHF 53 million, and energy sources imports saw the highest increase (28.7%) to CHF 0.38 million, fueled by higher global crude prices.

Swiss exports to Indonesia remained stable at CHF 401 million (virtually unchanged from 2023), with products of the chemical and pharmaceutical industry continued to account for the largest share at CHF 159 million. Machinery and electronics exports saw the highest growth at 8.2% to CHF 91 million, reflecting sustained demand for advanced technology to support Indonesia's manufacturing industry.

Exports			Imports		
	% share	% value +/-		% share	% value +/-
Products of the chemical and pharmaceutical industry	39.70	0.2	Precious metals, precious and semi-precious stones	75%	-35.8
Machines, appliances, electronics	22.60	8.2	Textiles, clothing, shoes	12.10%	-7
Precision instruments, clocks and watches, and jewelry	12.80	-1.4	Machines, appliances, electronics	3.10%	26.5
Metals	11.10	-6	Forestry and agricultural products, fisheries	2.90%	6
Forestry and agricultural products, fisheries	7.40	6	Leather, rubber, plastics	1.80%	1.1

Data source: Swiss Federal Customs Administration

#### 4.2.2 Trade in services

As of now, there is still no publicly available official bilateral trade in services data for 2024 between Indonesia and Switzerland. The CEPA provides a framework for liberalizing services, particularly in sectors like insurance, finance, and professional services, where Swiss firms are well-positioned.

## 5 DIRECT INVESTMENTS

### 5.1 Developments and general outlook

In 2024, Indonesia secured IDR 1,714.2 trillion (approx. USD 60 billion) in investment, surpassing its national target, while marking a 20.8% increase and generating over 2.45 million jobs (up 34%).<sup>23</sup> Investment remained balanced between foreign (52.5%) and domestic (47.5%) sources, with both growing approximately 21% yoy.

<sup>23</sup> Ministry of Investment and Downstreaming of Indonesia/BKPM, [January-December 2024 Investment Realization](#), May, 2025.

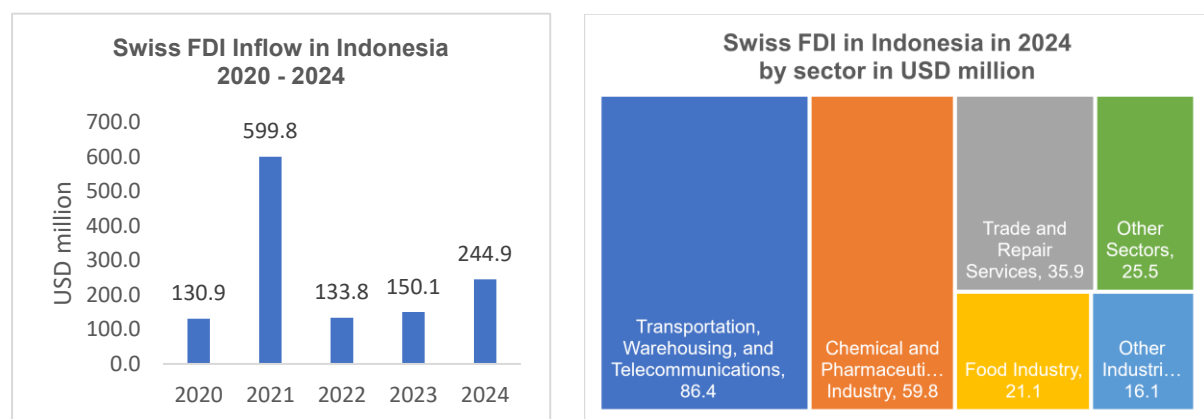


Top sectors included basic metals (13.9%), transport and telecom (11.1%), mining (10.8%) and housing and industrial estates (7.2%). Investments related to downstream industries making up 23.8% of the total, particularly in smelters, forestry, palm oil and pulp, oil and gas, and electric vehicle components. 47.8% of total investment occurred within Java. Central Sulawesi and North Maluku stood out as key non-Java destinations, drawing 15% and 7.3% of total foreign direct investment (FDI) respectively, largely driven by nickel downstreaming projects.

In 2024, FDI in Indonesia dominated largely by regional partners, led by Singapore, Hong Kong, China, Malaysia, Japan and South Korea, reflecting strong regional economic integration and supply chain ties. Meanwhile, the United States and a number of European countries, notably the Netherlands and United Kingdom, were also among the top investors.

The government is finalizing roadmaps for 28 priority commodities through 2045 and expanding downstreaming to agriculture and marine sectors. Special Economic Zones are expected to play a critical role, supported by enhanced fiscal and non-fiscal incentives across strategic industries, including manufacturing, digital technology, MRO, healthcare, tourism, and education. Additionally, a single digital investment registration platform under development by the Ministry of Investment is poised to streamline investor onboarding and reinforce FDI momentum.

## 5.2 Bilateral investment



Data source: Ministry of Investment and Downstreaming of Indonesia/BKPM

According to the Indonesia's Ministry of Investment and Downstreaming/BKPM, Swiss investment in the country reached USD 244.9 million and ranked 19th in 2024, marking a substantial 63% increase from the previous year. The latest Swiss National Bank data shows an investment stock of CHF 1.76 billion in 2023.<sup>24</sup>

Based on BKPM data, from 2020 to Q1 2025, Swiss investment in Indonesia totaled over USD 1.3 billion, creating employment for more than 13,300 Indonesians. The largest share of Swiss investment in 2024 flowed into the transportation, warehousing, and telecommunications sector (35.3%), followed by the chemical and pharmaceutical industry (24.4%), and trade and repair services (14.7%). Food industry also remained a significant sector.

Swiss companies continue to maintain a strong presence across sectors such as food and beverage, chemicals, precision instruments, construction, insurances and industrial solutions, to name a few. There are more than 100 Swiss companies established in Indonesia.

The new Bilateral Agreement on the Promotion and Reciprocal Protection of Investments is in force since 1 August 2024.<sup>25</sup> It offers protection against political risks and state discrimination, free transfer of investment related payments and dispute settlement procedures via international arbitration court.

<sup>24</sup> SNB, [Swiss Direct Investment Abroad](#), December, 2024.

<sup>25</sup> SECO, [Switzerland's Investment Treaty Policy](#), June, 2025.

## 6 ECONOMIC AND TOURIST PROMOTION

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### 6.1 Swiss foreign economic promotion instruments

The Embassy of Switzerland in Indonesia represents Swiss economic interests through a combination of economic diplomacy, commercial engagement, and export promotion. In collaboration with the Jakarta Office of the regional Swiss Business Hub (SBH), SwissCham Indonesia, the Indonesian Chamber of Commerce and Industry (KADIN), and other partners, the Embassy supported Swiss business efforts in 2024 across infrastructure, industrial partnerships, and trade promotion.

Increasing the visibility and effective implementation of the Indonesia-EFTA CEPA remained a central focus. The Swiss Business Hub office in Jakarta, representing Switzerland Global Enterprise, supported Swiss and Liechtenstein SMEs in expanding into Indonesia. Hydropower technology is a focus in 2025, aligned with Indonesia's renewable energy agenda. The Swiss-Indonesia Hydropower Conference set the stage in April for deeper collaboration.

Switzerland Tourism, represented at the Embassy, launched a refreshed brand identity in 2024, repositioning Switzerland as an all-year-round destination. Tourism, education, and other services: Indonesia remained a top Southeast Asian market in 2024, accounting for 15% of regional overnights in Switzerland. Despite a 9% drop from 2023, 113,442 overnight stays represented a 12% increase over 2019. Southeast Asia remained the strongest recovering Asian market.

The Swiss-Indonesia Chamber of Commerce (SwissCham Indonesia) is a business association representing 79 member companies. It facilitates dialogue both among its members and with the government. It works through four Sectoral Groups: Ease of Doing Business; Fiscal, Customs and Excise; Human Capital Development; and Sustainability and Innovation.

## ANNEX 1 – Economic structure

**Economic structure of the host country**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Percentage Distribution of GDP by Industry<sup>26</sup></b>					
Manufacturing	19.9%	19.2%	18.3%	18.7%	18.98%
Agriculture, Forestry and Fishery	13.7%	13.3%	12.4%	12.5%	12.6%
Wholesale and Retail Trade	12.9%	13%	12.8%	12.9%	13.1%
Construction	10.7%	10.4%	9.8%	9.9%	10.1%
Mining and Quarrying	6.4%	9%	12.2%	10.5%	9.15%
Information and Communication	4.5%	4.4%	4.1%	4.2%	4.3%
Financial and Insurance Services	4.5%	4.2%	4.1%	4.2%	4.2%
Transportation and Storage	4.5%	4.2%	5.0%	5.9%	6.1%
Taxes	3.7%	4.1%	4.4%	4.4%	4.3%
Other Services	19.2%	18%	16.7%	16.8%	17.1%

<b>Distribution of GDP by Expenditure<sup>27</sup></b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Household Consumption	57.63	54.40	51.88	53.18	54.04
Gross Fixed Capital Formation (GFCF)	31.71	30.79	29.08	29.15	29.15
Exports of Goods and Services	17.33	21.42	24.50	21.75	22.18
Government Consumption	9.66	9.25	7.69	7.45	7.73
NPISHs Final Consumption Expenditure	1.30	1.22	1.17	1.25	1.36
Less: Imports of Goods and Services	-15.64	-18.79	-20.96	-19.58	-20.39
<b>Distribution of employment</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Primary sector	25%	31%	30%	28%	29%
Manufacturing sector	15%	14%	14%	14%	14%
Services	38%	55%	56%	58%	57%

<sup>26</sup> BPS, [Statistical Yearbook of Indonesia 2025: Percentage Distribution of Gross Domestic Product at Current Market Prices by Industry](#), 2020–2024 (p.772), May, 2025.

<sup>27</sup> Ibid., p.780

## ANNEX 2 – Main economic data

	2023	2024	2025 (as of April 2025)
<b>GDP (USD bn)</b>	<b>1'370</b>	<b>1'480</b>	<b>1'430</b>
<b>GDP per capita (USD)</b>	<b>4'940</b>	<b>4'960<sup>28</sup></b>	<b>5'030<sup>29</sup></b>
<b>Growth rate (% of GDP)</b>	<b>5.0</b>	<b>5.0</b>	<b>4.7</b>
<b>Inflation rate (%)</b>	<b>2.7</b>	<b>1.6</b>	<b>1.9<sup>30</sup></b>
<b>Unemployment rate (%)</b>	<b>5.3</b>	<b>4.9</b>	<b>n/a</b>
<b>Fiscal balance (% of GDP)</b>	<b>-1.7</b>	<b>-2.3</b>	<b>-2.5</b>
<b>Current account balance (% of GDP)</b>	<b>-0.1</b>	<b>-0.6</b>	<b>-0.1<sup>31</sup></b>
<b>Total external debt (% of GDP)</b>	<b>39.0</b>	<b>38.5<sup>32</sup></b>	<b>40.1<sup>33</sup></b>
<b>Debt-service ratio (% of exports)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Reserves (months of imports)</b>	<b>6.5</b>	<b>6.8</b>	<b>6.4<sup>34</sup></b>

<sup>28</sup> BPS, [Official Statistics News](#), Feb, 2025.

<sup>29</sup> IMF, [World Economic Outlook: GDP per capita, current prices](#), April, 2025.

<sup>30</sup> Bank Indonesia, [Data Inflasi](#), May, 2025.

<sup>31</sup> Bank Indonesia, [Neraca Pembayaran Indonesia](#), May, 2025.

<sup>32</sup> World Bank, [Funding Indonesia's Vision 2045 - Indonesia Economic Prospects](#), December, 2024.

<sup>33</sup> World Bank, [The Macro Poverty Outlook 2025 - Indonesia](#) (p.15), April, 2025.

<sup>34</sup> [IDN Financial](#), May 2025

## ANNEX 3 – Trade partners

## Trade partners of Indonesia

Year: 2024

Rank	Country	Exports* (USD billion)	Share	Change <sup>35</sup>	Rank	Country	Imports* (USD billion)	Share	Change
1	China	62.4	23.6%	-3.8%	1	China	72.7	31.1%	15.7%
2	USA	26.3	9.9%	13.2%	2	Singapore	21.5	9.2%	16.9%
3	Japan	20.7	7.8%	-0.4%	3	Japan	15.0	6.4%	-9.4%
4	India	20.3	7.7%	0.2%	4	USA	12.0	5.1%	6.1%
5	Singapore	12.2	4.6%	-3.2%	5	Malaysia	10.9	4.7%	1.5%
6	Malaysia	12	4.5%	-3.4%	6	Australia	10.4	4.5%	12.2%
7	South Korea	10.8	4.1%	4.4%	7	Thailand	9.7	4.2%	-5.3%
8	Philippines	10.7	4%	-2.7%	8	South Korea	9.3	4.0%	-11.3%
9	Vietnam	9.5	3.6%	25.7%	9	Vietnam	6.5	2.8%	21.8%
10	Thailand	7.7	2.9%	6.6%	10	India	5.7	2.4%	-15.5%
	Switzerland	1.5	0.6%	-33.7%		Switzerland	0.4	0.4%	10.2%
	<b>TOTAL</b>	<b>264.7</b>				<b>TOTAL</b>	<b>233.7</b>		

\* Indonesia perspective

Source: Export - Import Dashboard, Ministry of Trade of Indonesia, April 2025

<https://satudata.kemendag.go.id/dashboard/ekspor-impor>

<sup>35</sup> Change from the previous year in percentage.

## ANNEX 4 – Bilateral trade

**Bilateral trade between Switzerland and the host country**

	<b>Export</b> (CHF million)	<b>Change</b> (%)**	<b>Import</b> (CHF million)	<b>Change (%)**</b>	<b>Balance</b> (in million)	<b>Volume</b> (in million)
<b>2020</b>	498.4	2.1	2605.1	166.1	-2106.7	3103.5
<b>2021</b>	329.4	-33.9	1555.3	-40.3	-1225.9	1884.7
<b>2022</b>	409.7	24.4	2078.5	33.6	-1668.8	2488.2
<b>2023</b>	401.1	-2.2	2410.5	16.0	-2008.4	2812.6
<b>2024</b>	401.1	0	1694.3	-29.7	-1293.2	2095.4
<b>2024*</b>	398.1	-0.7	423.2	-2.1	-25.1	821.3
<b>2025 (Jan-May)</b>	131.1	0.4	785.0	2.2	-653.9	916.1

\*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques

\*\*) Change (%) from the previous year

<b>Exports</b>	<b>2023</b> (% of total)	<b>2024</b> (% of total)
1. Products of the chemical and pharmaceutical industry	39.6%	39.7%
2. Machines, appliances, electronics	20.9%	22.6%
3. Precision instruments, clocks and watches, and jewellery	12.9%	12.8%
4. Metals	11.8%	11.1%
5. Forestry and agricultural products, fisheries	7.3%	7.4%
6. Textiles, clothing, shoes	2%	1.9%
7. Paper, articles of paper and products of the printing industry	3%	1.64%
8. Leather, rubber, plastics	2%	1.55%
9. Precious metals and gemstones (including gold and silver bars)	0.5%	0.72%
10. Various goods, such as music instruments, home furnishings, toys, sports equipment	0.2%	0.22%
11. Stones and earth	0.14%	0.21%
12. Vehicles	0.4%	0.06%
13. Works of arts and antiques	0.006%	0.013%
14. Energy source	0.006%	0.002%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

<b>Imports</b>	<b>2023</b> (% of total)	<b>2024</b> (% of total)
1. Precious metals, precious and semi-precious stones	82.1%	75%
2. Textiles, clothing, shoes	9.1%	12.1%
3. Machines, appliances, electronics	1.7%	3.1%
4. Forestry and agricultural products, fisheries	1.9%	2.9%
5. Leather, rubber, plastics	1.3%	1.8%
6. Products of the chemical and pharmaceutical industry	1.3%	1.8%
7. Various goods, such as music instruments, home furnishings, toys, sports equipment	1.3%	1.7%
8. Metals	0.4%	0.7%
9. Vehicles	0.4%	0.4%
10. Precision instruments, clocks and watches, and jewellery	0.2%	0.3%
11. Stones and earth	0.06%	0.06%
12. Paper, articles of paper and products of the printing industry	0.03%	0.06%
13. Energy source	0.01%	0.022%
14. Works of antiques and arts	0.01%	0.019%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Source: Federal Office for Customs and Border Security

## ANNEX 5 – Main investing countries

**Main investing countries in Indonesia****Year: 2024**

Rank	Country	Inflows (USD billion)
1	Singapore	20.1
2	Hong Kong	8.2
3	China	8.1
4	Malaysia	4.2
5	United States	3.7
6	Japan	3.5
7	South Korea	2.9
8	Netherlands	1.9
9	British Virgin Island	0.77
10	United Kingdom	0.74
19	Switzerland	0.24
	<b>Total FDI</b>	<b>60.0</b>

Source: Ministry of Investment and Downstreaming of Indonesia / BKPM

\* Exchange Rate 1 USD = IDR 15 000 based on 2024 National Budget.

BKPM publishes only the investment inflow data, and currently investment stock data are not available.