

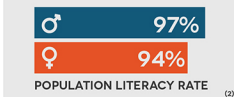
# INDONESIA

## COUNTRY BRIEF

OVERVIEW

### REAL ECONOMY

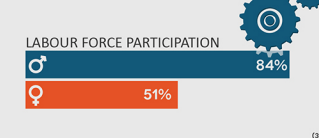
TOTAL POPULATION   
**261 MILLION**



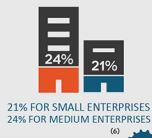
**US\$ 3,974**  
GDP PER CAPITA  
3.8% GDP PER CAPITA  
ANNUAL GROWTH  
CONSTANT US\$



**WOMEN EARN 51% LESS THAN MEN**



**SME SECTOR IN INDONESIA IS UNDER-BANKED**  
DEBT LEVEL FROM BANKS IN RELATION TO THEIR VALUE ADDED WAS



**43% OF ADULTS IN INDONESIA SEE GOOD OPPORTUNITIES TO START A FIRM**

THE INFORMAL SECTOR, TAXES, AND POLITICAL INSTABILITY ARE THE **THREE TOP OBSTACLES TO BUSINESS ENVIRONMENT**

**20%** OF THE ADULT POPULATION OWNS/MANAGES AN ESTABLISHED BUSINESS  
5% OWNS/MANAGES A START-UP VENTURE OF WHICH ONLY 14% ARE YOUTH

**WOMEN ARE MORE WILLING TO BORROW TO INVEST IN THEIR COMPANIES**

♀	44%
♂	40%

### FINANCIAL INCLUSION

IN 2015, GROSS SAVINGS MADE UP **32% OF COUNTRY'S GDP**

**32%** OF POPULATION IS FINANCIALLY LITERATE

**49%** OF FORMAL MSMEs SEE ACCESS TO FINANCE AS AN OBSTACLE

FINANCIAL INCLUSION IN INDONESIA % WITH FINANCIAL ACCOUNT

TOTAL ADULT POPULATION **36%**

FEMALE **37%**

INCOME POOREST **22%**

RURAL **28%**

MALE **35%**

POTENTIAL DEMAND FOR CREDIT FROM WOMEN-OWNED SMEs COULD BE AS HIGH AS **\$6 BILLION**

**26%** OF ADULTS HAVE A DEBIT CARD

**1.6%** OF ADULTS HAVE A CREDIT CARD

**27%** OF ADULTS SAVE FORMALLY AND ONLY 13% BORROW FORMALLY

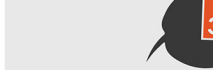
**86%** OF MSME INVESTMENTS COME FROM THEIR OWN FUNDS  
MSME FINANCE GAP IS 19% OF GDP IN INDONESIA

AROUND **18%** OF ADULTS SEND REMITTANCES

AROUND **31%** OF ADULTS RECEIVE REMITTANCES

### SECTOR

**EMPLOYMENT IN AGRICULTURE**



**EMPLOYMENT IN SERVICES**



FEMALE SHARE IN FORMAL NON-AGRI EMPLOYMENT

**39% OVERALL ECONOMY**

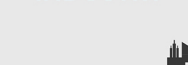
MANUFACTURING **32%**

TRANSPORTATION AND STORAGE **42%**

WHOLESALE AND RETAIL TRADE **26%**

ACCOMMODATION AND FOOD SERVICE ACTIVITIES **51%**

**EMPLOYMENT IN INDUSTRY**



**MOST SMALL ENTERPRISES ARE CONCENTRATED IN:**

TRANSPORTATION AND STORAGE



ACCOMMODATION AND FOOD SERVICE ACTIVITIES



MANUFACTURING



**FEMALE FORMAL MSME OWNERSHIP**

**18% OVERALL ECONOMY**

MANUFACTURING



WHOLESALE AND RETAIL TRADE



TRANSPORTATION AND STORAGE



ACCOMMODATION AND FOOD SERVICE ACTIVITIES



### DIGITAL ECONOMY

MOBILE SUBSCRIPTION RATE IS **142%** OF THE COUNTRY'S POPULATION



AVAILABLE ATMs FOR EVERY **100,000 ADULTS**



**GENDER GAP**

**82% OF MEN COMPARED TO 77% OF WOMEN HAVE ACCESS TO A PHONE**



**51%**

OF ADULT POPULATION HAS ACCESS TO INTERNET



**99%** OF ALL BILLS ARE PAID IN CASH

**LESS THAN 1% OF INDONESIAN ADULTS HAVE EVER USED MOBILE MONEY**

In 2015, 43% of adults in Indonesia saw good opportunities to start a company. SMEs are the key driver of country's business acceleration, with most of small enterprises currently concentrated in Transportation and Storage sector.

Yet, gender inequality in entrepreneurship and employment constitutes a considerable obstacle to the country's sustainable and inclusive growth. Only half of women are employed or seeking employment, and only 18% of businesses are owned by women. Women tend to be crowded out to the informal sector; 58% of females in the workforce are employed in the informal sector. Digitization

remains an attractive avenue of development, as 99% of all utility bills are paid in cash and less than 1% of Indonesian adults have ever used mobile money.

Increased usage of mobile and computer devices can further boost financial inclusion. As of 2014, only 37% of female and 22% of the income-poorest population had an account at a financial institution. Further policy measures, such as the launch of the new Credit Bureau in 2017, can facilitate credit expansion and, most importantly, economic prosperity through inclusive finance.