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# Indonesia

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**I**ndonesia is entering a new phase of global engagement, backed by the strength of its \$1.4-trillion economy and an assertive foreign policy vision. GDP grew 5 percent in the third quarter of 2025, on track to meet the IMF's 4.9 percent full-year forecast, driven by stable governance and long-term ambition. The Golden Indonesia Vision 2045 sets out a 20-year

roadmap for industrial growth, education reform, healthcare, tourism, and digitalization. "Our goal is clear: To lift all of our citizens out of poverty and make Indonesia a hub for solutions to food, energy, and water security," President Prabowo Subianto told the UN General Assembly in September.

Recent accession to BRICS underscores Jakarta's geopolitical ambitions, which also

include deepening ties with the United States. Bilateral trade rose 5.2 percent in 2024 to \$42.9 billion, with a tariff deal reached in July paving the way for further negotiations over improved access.

Prabowo's signature free school meals program reflects the government's emphasis on education as a pillar of broader transformation. "Over the next two decades, Indonesia must

shift from being resource-rich to people-rich by increasing productivity per capita," says Pandu Sjahrir, chief investment officer at Danantara, the sovereign wealth fund launched to support national economic objectives.

Domestically, priorities include downstream industrialization and attracting foreign investment, particularly in emerging sectors. With vast reserves of nickel and geothermal energy, a rising middle class, and growing demand for digital and health infrastruc-

**"Indonesia must shift from being resource-rich to people-rich."**

**PANDU SJAHRIR,**  
CHIEF INVESTMENT OFFICER,  
DANANTARA

ture, Indonesia offers investors a rare mix of scale, stability, and scope. **By Rod Reynolds**

## GOVERNMENT PERSPECTIVES

**"Indonesia assures investors of certainty and transparency."**



**AIRLANGGA HARTARTO,**  
COORDINATING MINISTER FOR  
ECONOMIC AFFAIRS

Indonesia's pursuit of 8 percent GDP growth by 2028 spans both the domestic and international arenas. For Minister Airlangga, expanding access to global markets by initiating OECD membership, sealing CEPA deals with Canada and the EU, and exploring CPTPP are key – complementing BRICS accession and US negotiations. Domestically, special economic zones foster the development of manufacturing, particularly in resource downstreaming, while agriculture, textiles, apparel, and rubber are cited as priority sectors for export potential.

**"Infrastructure should be the backbone of our economic transformation."**



**AGUS HARIMURTI YUDHOYONO,**  
COORDINATING MINISTER FOR  
INFRASTRUCTURE AND REGIONAL  
DEVELOPMENT

Agus Harimurti Yudhoyono's vision centers on sustainable infrastructure development that brings shared benefit across the nation. That means prioritizing people-centered projects that balance human and social impact with economic return. With green and digital transition at the forefront, more than 40 flagship projects across transportation, energy, waste management, housing, and smart cities have captured the attention of international investors, paving the way for long-term partnerships.

**"This program represents genuine empowerment."**



**DODY HANGGODO,**  
MINISTER OF PUBLIC WORKS

Under Minister Dody, the Ministry of Public Works is overseeing a substantial program of investment and development, ranging from schools and nutrition centers to irrigation and dams. With 439 active projects across all provinces, road links are a priority, with 43 suspension bridges under construction to connect more than 300,000 rural Indonesians. For Dody, this underpins the effectiveness of the wider program by providing access to schools, hospitals, and similar vital services – in turn strengthening regional economies, as part of the government's goal to eliminate poverty.

# Indonesia's Next Investment Chapter

With a youthful population, rising consumption, and pivot to renewables and tech, Indonesia's diversified economy is drawing global investors seeking emerging-market opportunities. **By Rod Reynolds**

Indonesia is entering a new phase in its investment evolution. Long defined by vast reserves of coal, gas, and minerals, the country is now positioning itself as a high-potential destination for capital targeting healthcare, consumer services, renewables, and tech. As commodity cycles mature, policymakers are steering investment toward sectors that create jobs, build skills, and expand domestic resilience. The World Bank projects Indonesia's GDP to expand by around 5.1 percent annually through 2026, with inflation stable near 3 percent and public debt under 40 percent of GDP – among the healthiest in emerging Asia.

**“McDonald's says success is 'location, location, location.' For foreigners coming here, it should be 'partner, partner, partner.'”**

**EDWIN SOERYADJAYA,**  
INDONESIAN BUSINESSMAN AND INVESTOR

With over 280 million people and a median age of 30, Indonesia's growing population is a key driver reshaping the economy. Data from Statistics Indonesia shows private consumption rose 5.1 percent in 2024, while the Brookings Institution forecasts the country's consumer class will grow by more than 70 million by 2030 – widening opportunities across food, retail, wellness, and digital services.

In healthcare, rising demand is being driven by a growing senior population seeking advanced care and broader communi-



Photo: Unsplash

ties accessing primary services. Beyond hospital construction, this dynamic creates opportunities for operators with multi-site networks, standardized clinical pathways, and strong diagnostic platforms that can improve utilization and quality nationwide.

Education, meanwhile, is gaining traction as a development priority, as Indonesia's demographic dividend hinges on skill creation. The government's decision to allow up to 100 percent foreign ownership in certain private-education institutions has opened a new front for global investors. Through programs focused on workforce upskilling, digital access expansion, and AI integration, Indonesia is equipping the next generation for the modern economy. Private-sector participation is increasingly viewed as essential, with investments in digital learning platforms, vocational training centers, and international university partnerships critical enablers of inclusive growth. IMARC Group forecasts Indonesia's online-education market will grow from \$1.1 billion in 2024 to over \$8 billion by 2033, underscoring how technology and demographics are converging to create significant investment scope.

Indonesia's energy transition is also winning investor attention. With a 2060 net-zero commitment and a suite of incentives – from tax holidays to guaranteed offtake agreements – the government is ac-

tively inviting private capital into clean energy. The National Electricity Plan targets 76 percent of new generation capacity from renewables, while the Institute for Essential Services Reform estimates 333 gigawatts of viable solar, wind, and hydro potential projects in Indonesia. For investors, the upside spans the full value chain – from large-scale solar to component manufacturing.



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What unifies these priorities is the national drive for sustainable, inclusive growth. Through regulatory reform and sector-specific incentives, Indonesia is boosting employment, upgrading skills, and broadening access to essential services. Nonetheless, traditional investment strategy still applies, with long-term success hinging on local-market knowledge. For leading investor Edwin Soeryadjaya, that means forging the right partnerships: “McDonald's says success is ‘location, location, location.’ For foreigners coming here, it should be ‘partner, partner, partner.’” ■



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