



*EMBRACING OPPORTUNITIES:
INDONESIA'S MSME LANDSCAPE
AND FDI OVERVIEW*

In.Corp Indonesia



WORKING PARTNER OF



OFFICIAL CORPORATE SERVICES PARTNER OF





One Of The Largest Asian
Corporate Services Providers



In.Corp Indonesia Highlights

INDONESIA JOURNEY HIGHLIGHTS

Welcome to InCorp Indonesia

WE ARE COMMITTED TO OUR CLIENT'S SUCCESS

As a leading consulting firm, we are here to help build better business and communities in emerging SEA countries.

Over the last 10 years, we have built a vast suite of in-house capabilities to enable clients to setup a well-integrated business from the start.

2012

PT Cekindo Bisnis Grup was established in Jakarta, starting out with 4 employees.

2016

We opened our first Cekindo Business Center at Grand Slipi Tower, Jakarta.

We increased our human capital by 2-folds to 40 employees.

2017

Moved our head office to Business Park Kebon Jeruk, while opening our first branch office in Bali.

We continued to increase the strength of our teams to 80 employees.

2018

We then opened a second Branch Office in Semarang and our first regional branch office in Ho Chi Minh City, Vietnam.

In the same year, we were acquired by In.Corp Group Global Singapore.

We established a new entity and moved business operations to PT Cekindo Business International.

2020

We relocated our head office to AXA Financial Tower, in Kuningan, Jakarta and established Cekindo Business Center at Business Park Kebon Jeruk, Jakarta.

Today, our human capital strength stands at more than 150 people, combining both local and international employees.

INDONESIA USP HIGHLIGHTS



At InCorp Indonesia, we are committed to providing our clients with industry-leading advice and professional end-to-end corporate solutions.

Based in Jakarta, Bali, and Semarang, we are equipped with more than 120 professionals that are always ready to serve all your business needs.

APAC PRESENCE



Incorporation & Corporate Secretarial

3,000+
Clients

100+
New Company Incorporations Annually



Accounting & Tax

70,000+
Annual Transactions

600+
Tax Filings Annually

300+
Accounting Clients



Payroll & Immigration

15,000+
Payslips Processed Annually

100+
Work Visas Processed Annually

120+
Team Of Experts



Indonesia's MSME in Statistics

Indonesia's MSME in Statistics

To delve into the topic of MSMEs, let's first grasp what this term means. MSMEs focus on business size, primarily determined by a company's assets. The table below explains the distinctions between MSMEs and large corporations (big businesses).

Figure 02. Classification of MSME by Capital and Revenue

Company Size	Max. Capital*	Max. Revenue
Micro	Max. Rp1 billion	Rp2 billion
Small	Rp1 billion - Rp5 billion	Rp2 billion - Rp15 billion
Medium	Rp5 billion - Rp10 billion	Rp15 billion - Rp50 billion

*Excluding land and building

Source: PP No.7 2021 about Ease, Protection, and Empowerment of Cooperatives and MSMEs²

Indonesia's MSME in Statistics

The Ministry of Cooperatives and Small and Medium Enterprises reports that there are 65.4 million MSMEs in Indonesia, making up nearly 100% of all businesses in the country. These MSMEs provide jobs for approximately 114.7 million people, accounting for about 56% of the workforce. They are a vital part of Indonesia's economy, contributing over 60% to the country's GDP.

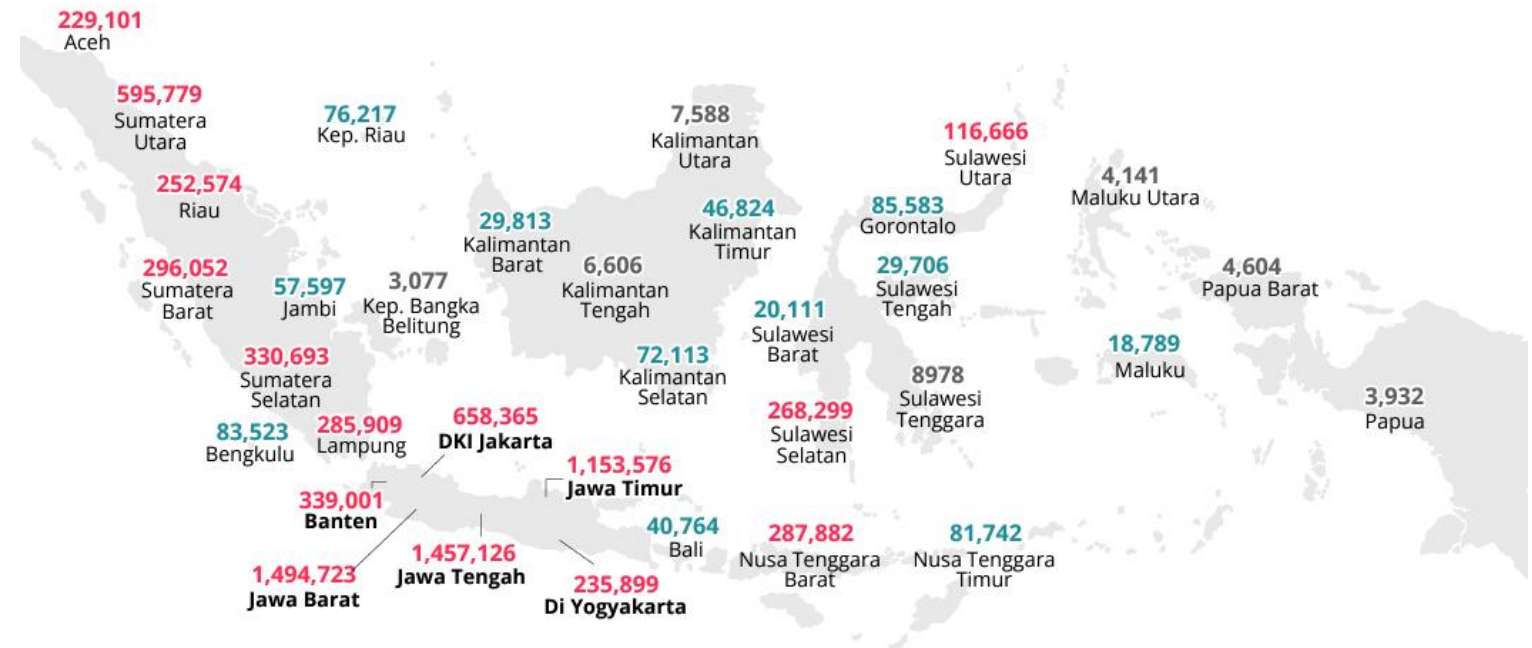
Figure 03. Significance of MSMEs in ASEAN, 2021 (Thousands and per cent)

Country	Number of MSMEs (Thousands)	MSMEs as a share of normal enterprises (%)	Share of Employment (%)	Share of GDP (%)	Share of Exports (%)
Brunei Darussalam	2.6 ^a	97.3	35.4	35.5	2.8
Cambodia	512.9	99.8	52.5	58.0	12.1
Indonesia	65465.5	99.9	97.0	60.3	14.4
Lao People's Democratic Republic	133.7	99.8	82.4	15.7	14.2
Malaysia	1226.0	97.4	48.0 ^b	38.2 ^b	13.5 ^b
Myanmar	72.7 ^c	99.1	76.0	69.3	23.7
Philippines	996.7	99.5	63.2	45.5	14.5
Singapore	279.0 ^d	99.0	72.0	45.0	38.3
Thailand	3134.4	99.5	85.5	35.3	28.7
Vietnam	651.1	98.1	44.5	45.0	18.7

Source: ASEAN Investment Report 2022³

Indonesia's MSMEs Distribution

By using the Satu Data Portal by the Ministry of Cooperatives and SMEs, the researchers are able to map where small and medium-sized business are located in Indonesia

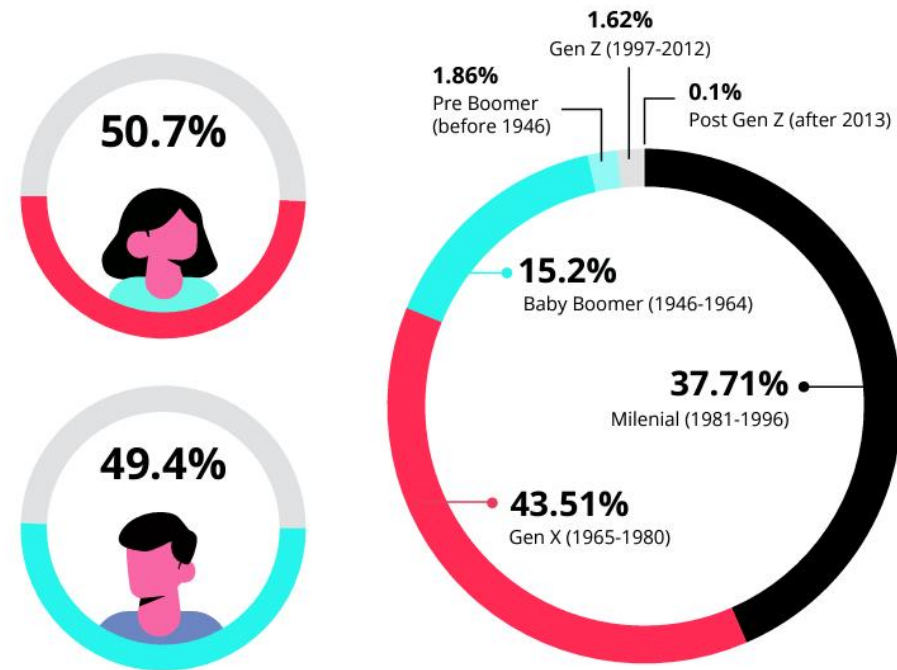


Source: Ministry of Cooperatives and SMEs, visualized by DailySocial.id

Indonesia's MSME in Statistics

In Indonesia, MSMEs are relatively evenly split between genders. This balance makes sense, considering the various business types in the MSME sector. When it comes to age, Generation X (43.51%) holds the majority of business roles, with millennials (37.71%) also actively participating as they enter their prime working years. Indonesia's demographic advantage means that the younger generation has the potential to become more involved in the MSME sector.

Figure 06. Demographic of MSME owner in Indonesia by Age and Gender



Indonesia's MSME in Statistics

Indonesia's journey towards digitizing its Micro, Small, and Medium-sized Enterprises (MSMEs) has been marked by progress and challenges from infrastructure to ease up the tax incentives.



Connected Village program aim to bring internet to every village by 2024.



Digital Hubs in each regions provide access to digital resources and support.



The government established special funds and financing programs for MSMEs.



Why Invest in Indonesia?



KEMPINSKI

Indonesia
KEMPINSKI

In-Cap
Real Estate & Reality

Investment Statistics in Indonesia Q1-Q2 2023



Rp 678,7 T
(YoY: ↑ 16,1%)



48,5%
Compare to 2023
Rp 1.400 T



Workers Absorption:
849.181
Workers

Why Invest In Indonesia?

Key Facts

In.Corp's Macro economic market research of Indonesia's investment climate are as following.

P-Political



Indonesia's political situation rates among the best in South East Asia, if not in East Asia Region without any prolonged political turmoil (Malaysia, Philippines, Japan) or lockdown (Singapore, Australia, Thailand, Vietnam).

E-Economic

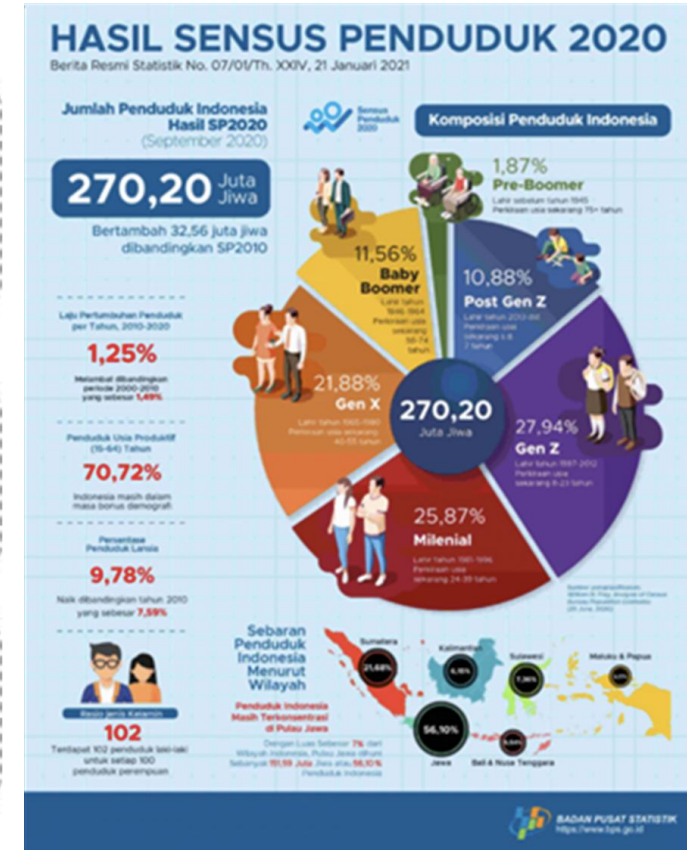


Economic opportunities are inevitably related to populations. Indonesian citizens is **270 million** with **74 million** being young generation.

S- Social



- Largest Muslim population in the world
- Fastest country to open border and apply tourism policy in SEA region. Foreigner from 70+ countries can visit directly with VoAs.



Why Invest In Indonesia ? – Key Facts (Cont.)

In.Corp's Macro economic market research of Indonesia's investment climate are as following.

T-Technological



- Telecom industry and its supporting industry enjoys boom during this pandemic.
- **Opportunity for foreign investors** to expand their business operations in Indonesia.
- Consumption-driven technology are growing rapidly

E-Environmental



- As of June 2022, Indonesia's mining sector continues to grow on **92.8%** and coal export increases up to **148.94%** on annual basis.
- Indonesia rapidly welcoming green energy utilizations in many sectors

L-Legal



- Law Number 11 Year 2020
- **E-license system** & empower **company data centralization** to break out from the effect of COVID-19 by end of 2021.
- Indonesia allowed foreigner with investor KITAS to be exempted from obligation to provide Guarantor.

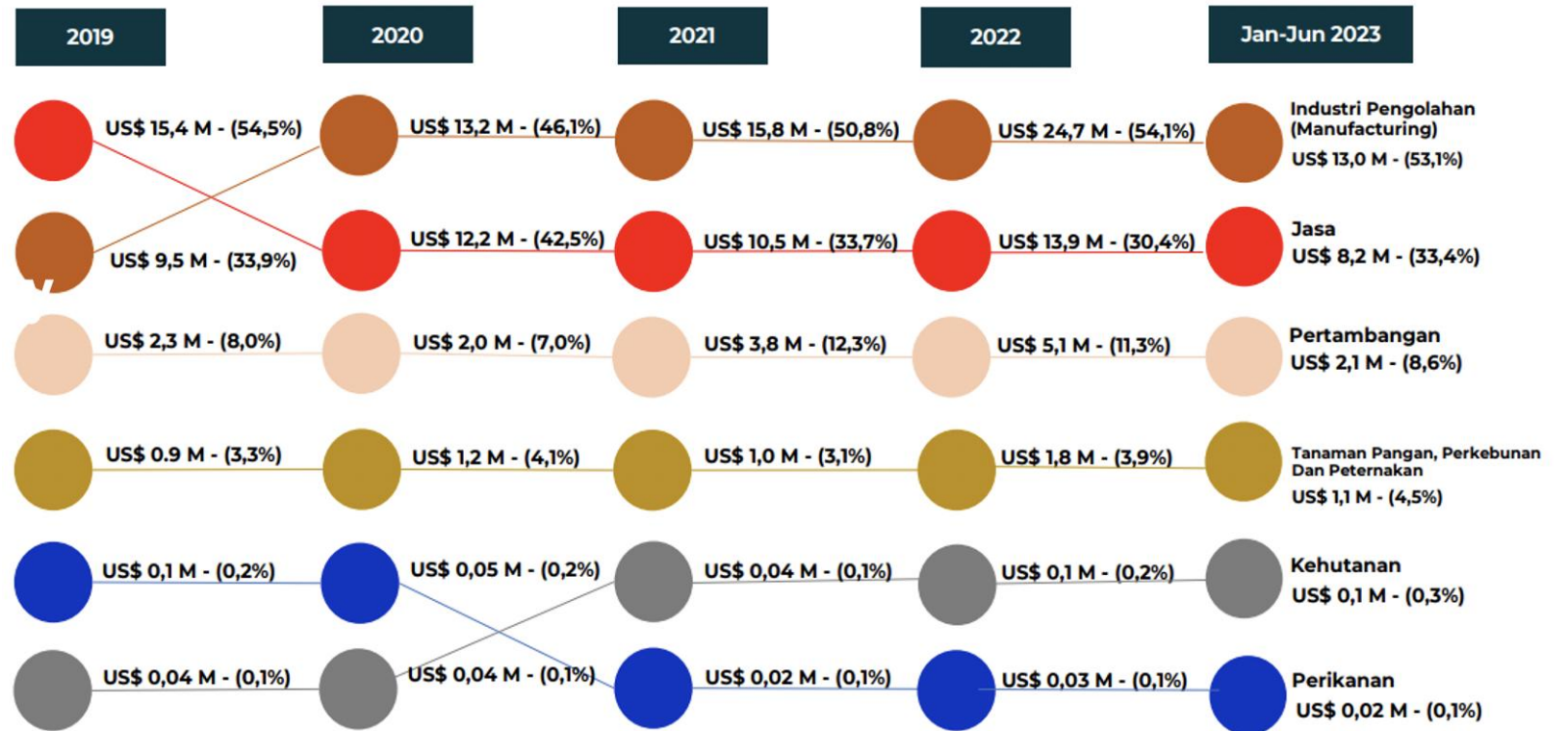
Investment by Sectors in 2023

Investment value realizations based on Sectors:



FDI Trend by Sectors

Investment value realizations trend based on sectors during past 7 years:

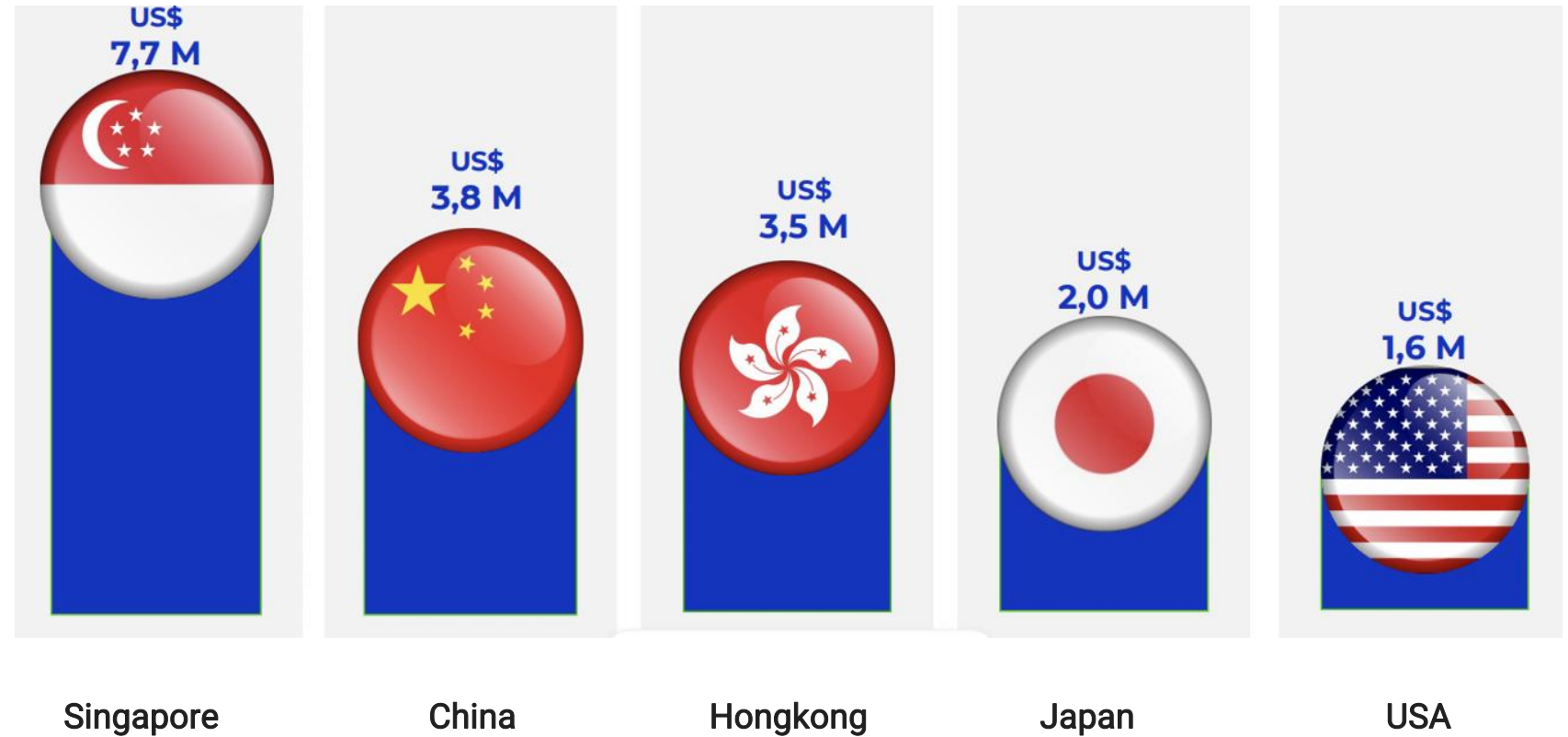


Keterangan:

M: Miliar

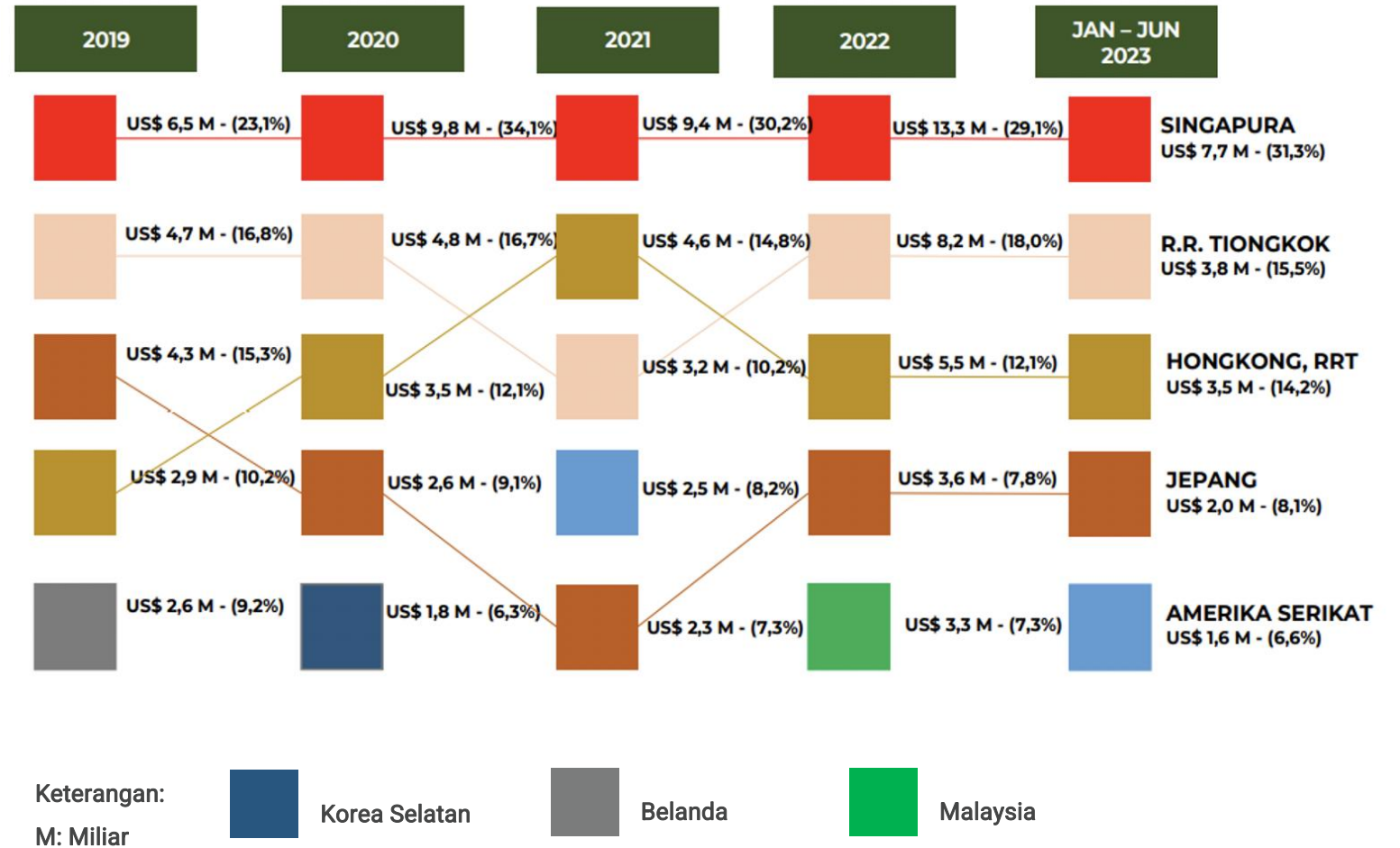
Top 5
Investment
2023 by
Countries

Investment value realizations based on investor countries:



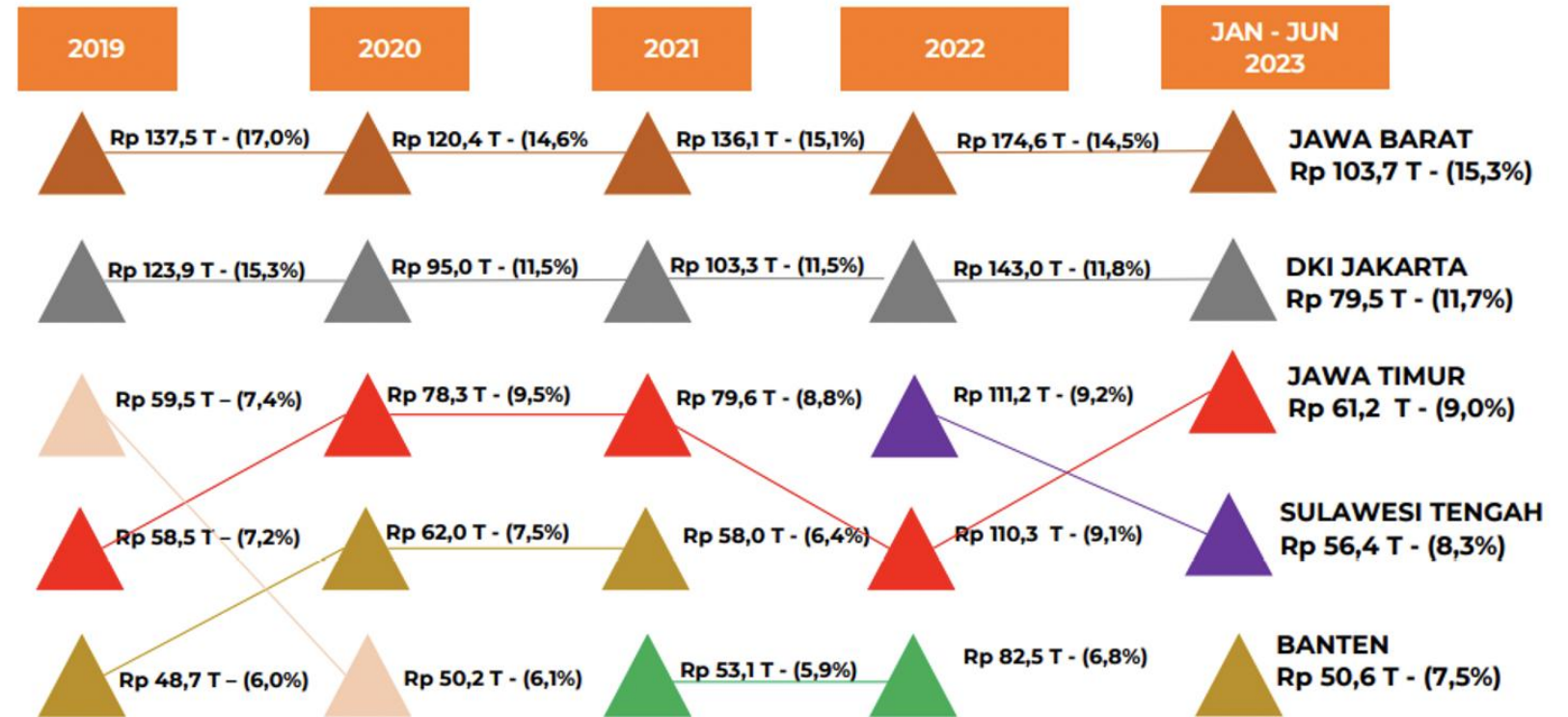
FDI Trend by Country of Origins

Investment value realizations trend based on investor countries during past 7 years:



FDI Trend by Locations

Investment value realizations trend based on Locations in the past 7 years:



Keterangan:

T: triliun



Riau



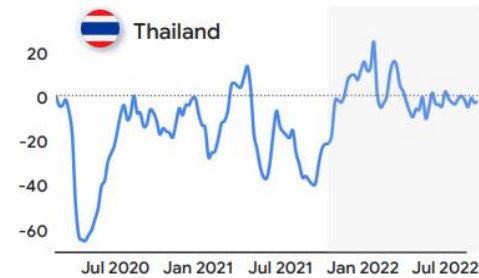
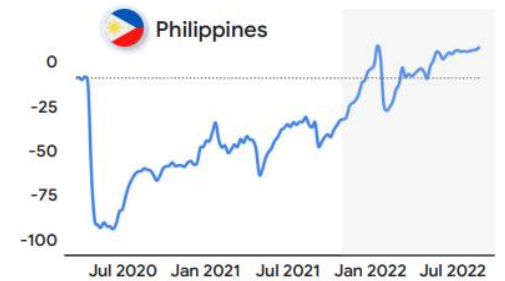
Jawa tengah

Why Invest In Indonesia

Increasing trend of people's activity leads to increase of consumptions.

With COVID restrictions lifted, people are now heading out more than before the pandemic

Google Retail Mobility Data, by country and indexed to pre-pandemic baselines



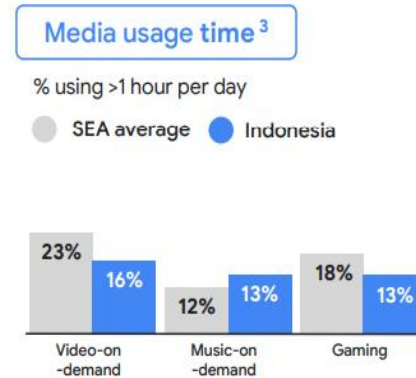
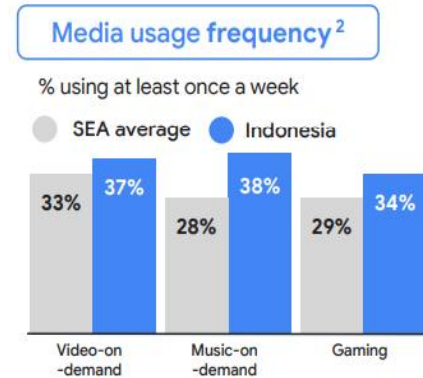
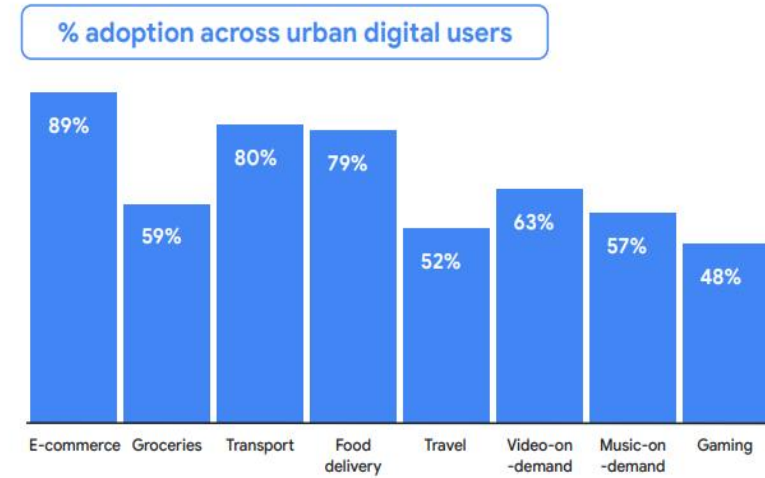
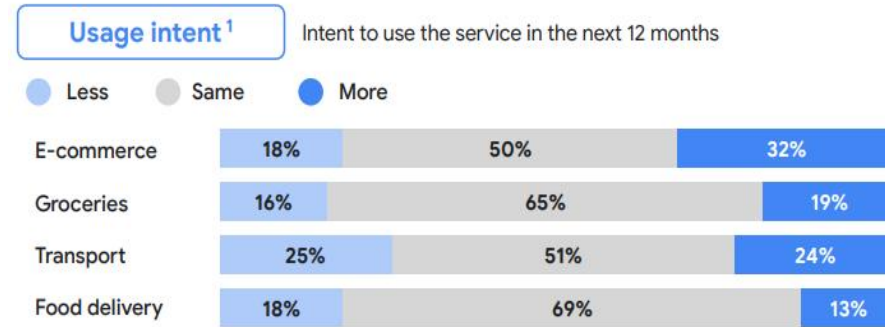
Notes: Retail Mobility Trends tracks data related to places such as shopping centres, restaurants, cafes, theme parks, museums, libraries, and movie theatres. The pre-pandemic baselines are the median value for the respective corresponding day of the week, during the 5-week period of January 3 - February 6, 2020.

Google TEMASEK BAIN & COMPANY

Digital Consumers: New Indonesia's Economic Powerhouse

One of the key recipe's of Indonesia's strength towards past and recent global economic crises is Consumptions.

Indonesia: Digital consumers in numbers



Declared willingness to **pay more** for a sustainable product or service⁴



Questions: 1 - X10. How would you describe your intent to use [e-commerce, online groceries, transport, food delivery] in the next 12 months?; 2, 3 - 'Usage' derived from adoption of X usage frequency/time (among paying users in the past three months); 4 - On average, how much more would you be willing to pay for products/services that are more sustainable (e.g. reducing fuel/carbon emissions, etc)?
 Base: 11 core horizontal in Indonesia n=248



How In.Corp contribute to Indonesia FDI?

ASSISTING FDI TO INVEST IN INDONESIA



During 2022, InCorp ID assisted more than 100 Foreign company to set up their investment in Indonesia.



That means we help brought more than Rp. 1 Trillion in Investment value.



In 2022, we assisted more than 800 application of work permit for foreign workers into Indonesia.



Since 2019 InCorp ID has been Supporting Indonesian Start-up enterprises to expand outside Indonesia leveraging our Asia-Pacific presence.

BUSINESS PROCESS OUTSOURCING



How In.Corp ID support FDI Operations



1. High Quality Service



2. Experience Accounting Staff and Tax Specialists



3. Complete Package



4. Time and Cost Savings

INDONESIA SERVICE PORTFOLIO



INCORPORATION

- Company Registration
- Virtual & Serviced Office
- Closing of Company (Dissolution)
- Corporate Recovery & Insolvency
- Mergers & Acquisitions
- Land and Property Ownership

PRODUCT REGISTRATION & IMPORT

- Medical Devices
- Cosmetics
- Food & Beverage
- Health Supplements
- Household Products
- Trademark Registration
- Import & Export Licenses
- Halal Certification
- SNI License
- Importer of Records

BUSINESS SUPPORT SERVICES

- Accounting & Tax Reporting
- Payroll Processing
- Recruitment & HR Establishment
- Audit & Review
- Financial & Operational Resilience
- Employer of Records

SECRETARIAL & COMPLIANCE

- Legal Consultation
- Legal Agreement Services
- Due Diligence & Background Check
- Employment Services
- Business Document Revision

TRANSFER PRICING SERVICES

- Transfer Pricing Compliance
- Transfer Pricing Advisory

IMMIGRATION

- Investor KITAS
- Business Visa
- Work Permit & KITAS
- Spouse Visa
- Dependent Visa
- Permanent Stay Permit (KITAP)
- Social Visa
- Tourist Visa
- Retirement Visa
- Overseas Visa
- Visa on Arrival

BUSINESS ADVISORY

- Internal Audit
- ESG Advisory
- Risk Management

OTHER SERVICES

- Bank Account
- Buying Agent
- Local Partner Selection
- Local Distributor & Partner
- Mystery Shopping
- Driving License
- IMEI Registration

NATIONWIDE PRESENCE



Jakarta



Bali



Semarang



Batam



Surabaya



Lombok



All Locations

In.Corp Indonesia is committed to support and assist FDI throughout Indonesia archipelago, with presence in the Investment hot-spot cities and will keep expanding.

This allow foreign investment to choose their investment location preferences according to their Industry/business activities.



QUESTION & ANSWER

THANK

YOU



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