

Indonesia

Key indicators

Population (millions)	258.8
GDP (\$ billions)	941.0
GDP per capita (\$)	3635.8
Share of world GDP (PPP\$, %)	2.5
Current account surplus/deficit, share of GDP (%)	-2.3
Tariff preference margin (percentage points)	2.4
Imports and exports (goods and services), share of GDP (%)	40.2
Services exports, share of total exports (%)	12.7
Geographic region	Asia
Country group	
Income group	Lower-middle income

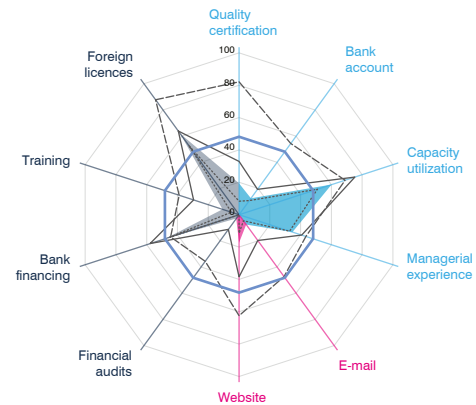
SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
FIRM CAPABILITIES			
Small	25.7	8.1	25.6
Medium	42.1	29.1	40.6
Large	62.2	54.9	51.7
All	31.7	12.4	30.8
BUSINESS ECOSYSTEM	58.7	71.2	61.0
NATIONAL ENVIRONMENT	63.9	40.7	45.0
Reference level: 48.2 (a function of GDP per capita)			
Weaknesses are scores below: 24.1		Strengths are scores above: 72.2	

SME Competitiveness Grid

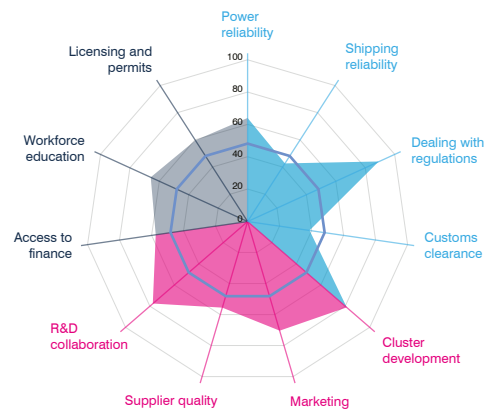
FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	8.3	32.9	82.1	19.4
Bank account	10.7	19.4	54.4	12.5
Capacity utilization	50.9	75.3	68.9	60.2
Managerial experience	32.8	40.8	43.5	34.7
Connect				
E-mail	4.7	19.7	47.3	7.5
Firm website	11.4	38.4	62.4	17.3
Change				
Audited financial statement	0.0	11.2	35.6	3.0
Investment financed by banks	44.9	57.8	44.4	47.8
Formal training programme	4.9	29.5	38.9	10.7
Foreign technology licences	52.6	63.9	87.8	62.0



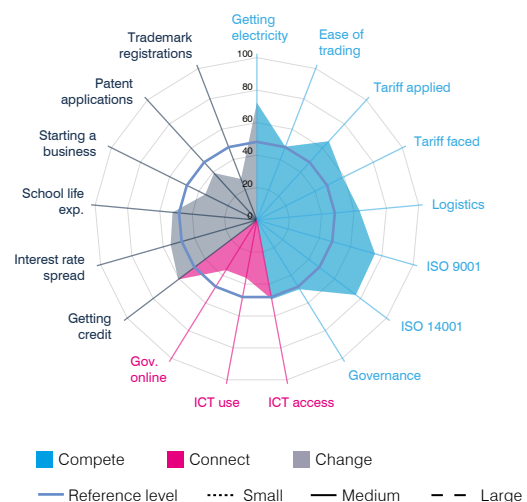
BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	64.0	60.9	81.5	64.0
Domestic shipping reliability	38.6	46.0	66.6	42.7
Dealing with regulations	89.2	94.1	84.0	89.2
Customs clearance efficiency	-	47.0	36.0	38.8
Connect				
State of cluster development				81.2
Extent of marketing				70.4
Local supplier quality				55.6
University-industry collaboration in R&D				77.6
Change				
Access to finance	60.2	46.6	54.7	57.4
Access to educated workforce	68.3	57.4	60.4	65.9
Business licensing and permits	61.8	53.2	48.6	59.7



NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	72.3
Ease of trading across borders	48.5
Applied tariff, trade-weighted average	65.7
Prevalence of technical regulations	-
Faced tariff, trade-weighted average	59.1
Logistics performance index	63.4
ISO 9001 quality certificates	75.6
ISO 14001 environmental certificates	76.3
Governance index	50.0
Connect	
ICT access	49.6
ICT use	36.2
Government's online service	36.3
Change	
Ease of getting credit	60.7
Interest rate spread	55.2
School life expectancy	52.1
Ease of starting a business	35.6
Patent applications	39.2
Trademark registrations	27.2



Note: Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

Source: World Bank Enterprise Survey (2015) for firm level data; for other sources and methodology see Annex.

SME Export Potential

Indonesia is a lower-middle income country with a total population of 258.8 million and GDP of \$941 billion. Goods and services account for 87.3% and 12.7% of exports, respectively.

The country's unrealized potential to increase existing exports lies within its home region and to Europe and the Americas (see table below). *Rubber* has an unrealized export potential of \$2.2 billion in the home region. Other products with unrealized export potential to these regions include *unwrought tin* and *sheets for veneering*.

Regarding new export products, Indonesia has diversification opportunities in machinery, textile, and rubber sectors with products such as *air conditioning machines*, *sheath contraceptives of vulcanised rubber*, and *woven fabrics*. The production of the latter products involves a relatively strong participation of SMEs and women. Other products identified for diversification include *shawls*, *scarves and similar articles of synthetic fibres* as well as *microwave ovens*.

Small firms in Indonesia perform well in dealing with regulations. They underperform, however, in owning international quality certificates, audited financial statements, and using e-mails or a website. The largest gap between small and large firms lies in owning international quality certificates. The country's national environment performs well in getting an electricity connection and attaining ISO certification related to quality and environment.

Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators					
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology		
			0 2500	0 2500	0 2500	0 2500	0 2500						
Palm oil and its fractions, whether or not refined (excluding chemically modified and crude)	151190	10406	■	■	■	■	■	■	■	■	■	■	■
Technically specified natural rubber "TSNR"	400122	6714			■	■			■	■	■	■	■
Crude palm oil	151110	6233			■	■			■	■	■	■	■
Paper and paperboard (excluding handmade; filter paper and paperboard; copying or transfer papers)...	48XXXa	3118			■	■			■	■	■	■	■
Unwrought tin, not alloyed	800110	2053			■	■			■	■	■	■	■
Sheets for veneering, incl. those obtained by slicing laminated wood, for plywood or for other similar...	44XXXX	1958			■	■			■	■	■	■	■
Miscellaneous chemical products	38XXXX	1161			■	■			■	■	■	■	■
Semi-bleached or bleached non-coniferous chemical wood pulp, soda or sulphate (excluding dissolving...	470329	1740				■			■	■	■	■	■
Motor cars and other motor vehicles principally designed for the transport of persons, incl. station...	870323	800			■	■			■	■	■	■	■
Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excluding gold in powder...	710812	1210			■	■			■	■	■	■	■

Notes: Unrealized potential table: Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

Source: ITC Export Potential Map, <http://exportpotential.intracen.org>