Indonesia Transportation Sector Report 2025-2026

An EMIS Insights Industry Report

Executive Summary

Sector Overview

The development of transport infrastructure is a vital driver of Indonesia's economic growth, particularly given its geographical complexity as the world's largest archipelagic nation, comprising more than 17,000 islands. In 2024, the transportation sector contributed 6.1% to Indonesia's gross domestic product (GDP), up from 4.2% in 2021. A key enabler of this growth has been the government's liberalisation policy introduced in 2021, which allowed full foreign ownership in select transport segments. Transport infrastructure development was a central government priority under the administration of former president Joko Widodo, and the sector will continue to be high on the agenda of his successor Prabowo Subianto, who took office in October 2024. Unlike his predecessor, however, who relied mainly on state companies to boost his infrastructure agenda, the new president wants the private sector to take a bigger role in a move that is expected to drive efficiency, innovation and cost-effectiveness in infrastructure development. The focus of the new government will be on projects that directly impact public welfare, including food, energy and water security, while private companies will be more involved in the construction of toll roads, ports and airports. This shift could lead to more public-private partnerships (PPP) and a more market-driven infrastructure landscape in the future.

Entry Modes

In March 2021, the Indonesian government enacted new regulations permitting full foreign ownership in select segments of the transportation sector. This regulatory shift opens up strategic pathways for international investors, with the most viable entry route being the acquisition of existing local companies. As part of broader efforts to revitalise the sector, the government is also exploring the privatisation of Garuda Indonesia, the national airline, to ensure its operational sustainability amid ongoing financial challenges. However, despite these regulatory openings, substantial barriers remain. Sectors such as aviation and maritime transport demand significant upfront capital investment, which may deter new entrants. Furthermore, the railway sector presents limited entry potential due to the dominant presence of the state-owned operator Kereta Api Indonesia, which effectively maintains a near-monopoly. To navigate the complex regulatory environment, foreign investors are strongly advised to engage experienced third-party consultants or legal advisors. These professionals can assist with the intricate administrative procedures—ranging from securing permits and licences to ensuring compliance with labour regulations—thus facilitating smoother market entry and operations.

Segment Opportunities

As Indonesia's tourism sector rebounds, a renewed influx of both domestic and international travellers is set to bolster demand across multiple passenger transport modes, including air travel, ferry services, intercity buses and rail. This is especially true in key tourist destinations and gateway cities. In urban centres, the demand for efficient public transport remains persistent. The expansion of mass rapid transit (MRT), light rail transit (LRT) and bus rapid transit (BRT) systems is geared towards accommodating both population growth and tourism surges. In terms of cargo, although global economic stabilisation may dampen overall freight volumes, opportunities remain. Logistics operators can capitalise on efficiency gains by investing in modern warehousing and supply chain technologies. Additionally, shifting the cargo mix to focus on high-demand categories—such as essential consumer goods, pharmaceuticals and e-commerce parcels—can help mitigate the impact of declining volumes in other sectors. Strengthening regional trade agreements and enhancing supply chain resilience are also expected to create new demand streams for freight services.

Government Policy

The Indonesian government continues to pursue liberalisation in the transportation sector with the clear intent of attracting foreign capital and improving sectoral performance. The 2021 reform allowing 100% foreign ownership in certain transport segments reflects this strategic direction. At the same time, the transportation sector benefits indirectly from the government's comprehensive infrastructure development programme. This initiative, which earmarked IDR 6,000tn of investments from 2020 to 2024, is aimed at modernising Indonesia's transport network, spanning roads, ports, airports and urban transit systems. This substantial commitment not only supports broader economic development, but also enhances the investment attractiveness of the transport sector by improving connectivity and reducing logistics costs. Since coming to power in October 2024, president Prabowo Subianto has emphasised that strengthening the country's transport infrastructure will be a top priority for his government.

Sector Snapshot

In 2024, Indonesia's transportation sector demonstrated a dynamic performance, supported by macroeconomic recovery, demographic momentum, policy reforms and sectoral changes - particularly in retail, manufacturing and digital commerce. The gross value added (GVA) of the transport and warehousing sector at current prices surged to IDR 1,358tn, representing a 10% increase over 2023. This growth was largely driven by resurgent industrial activity, the expansion of digital platforms requiring robust logistics support and greater investment in regional trade and supply chain networks. Additionally, increased consumer mobility after the pandemic reinforced the sector's contributions to GDP.

Household expenditure on transport and communication rose by 8% y/y to IDR 2,673tn in 2024. This escalation reflects heightened mobility as COVID-related restrictions subsided, coupled with a surge in online connectivity needs. With more Indonesians engaging in commuting, leisure travel and e-commerce, transport and communication expenditures climbed to 22% of total household consumption, second only to food and beverages. The sustained prominence of this expenditure category highlights the evolving nature of household needs in a digitally integrated, mobile society.

Rail transport trends revealed varied regional dynamics. In Java, railway passenger traffic climbed by 15% y/y to 417.8mn passengers, nearly reaching pre-pandemic levels. This growth was spurred by the resumption of in-person activities, improved rail services and heavy urbanisation, particularly in Greater Jakarta and Central Java. In contrast, passenger traffic in Sumatra fell by 6% y/y to 6.3mn passengers. This decline may be attributed to an under-developed infrastructure, less dense urban corridors, and competition from road and air travel, especially given Sumatra's more dispersed population centres.

Rail freight transport grew by 9.4% y/y to 73.5mn tonnes, recovering significantly from the pandemic years. The increased volume was propelled by rising demand from the energy and manufacturing sectors, particularly coal and steel, with Sumatra playing a leading role due to its mining-based economy. Infrastructure upgrades and modernised rolling stock also helped improve logistics efficiency.

The air transport sector exhibited two trends. Domestic air passenger numbers declined slightly by 0.8% y/y to 70.6mn, which can be attributed to elevated ticket prices, capacity constraints and competition from alternative transport modes such as high-speed rail. However, international air travel surged by 25% y/y to 35.9mn passengers, surpassing pre-pandemic levels. This dramatic rebound was supported by the reopening of borders and pent-up demand for overseas travel, particularly to and from Bali, Jakarta and Yogyakarta, highlighting the revival in tourism.

Domestic air cargo volumes rose by 13% y/y, to reach 334,861 tonnes. This rise correlates with Indonesia's expanding e-commerce sector, which saw increased demand for expedited parcel delivery services. International air cargo also increased by 4.7% y/y, driven by recovering global trade routes and heightened export activity of perishable and high-value goods, such as seafood and electronics.

Water transport saw significant gains in cargo traffic. Domestic maritime cargo surged by 35% y/y to 35.4mn tonnes, fuelled by government investment in the inter-island shipping infrastructure, including expanded sea toll routes and port facilities. The push to integrate outer islands into national logistics chains helped reduce price disparities and stimulated regional trade. International maritime cargo volumes also rose by 4.7% y/y to 64.9mn tonnes, reflecting a recovery in exports and imports, despite global shipping disruptions such as those in the Red Sea. These figures underscore Indonesia's reliance on sea freight for the movement of bulk commodities and its strategic role in global maritime routes.

Altogether, these metrics reflect a transport sector in transition - recovering, modernising and adapting to structural shifts in consumption, trade and digital engagement. The robust growth across most indicators signals strong underlying demand and highlights areas where infrastructure and regulatory improvements are beginning to yield tangible economic benefits.

The state-owned company Jasa Marga is the dominant player in the toll road market, claiming ownership of slightly more than half of all operational toll roads. Lion Air is the largest airline in Indonesia, with more than a 50% market share when all the group's subsidiaries are considered, namely Lion Air, Batik Air, Wings Air and the new start-up Super Air Jet. Kareta Api, a railway company, monopolises the railway segment. Samudera, which is privately owned, is the largest shipping company in Indonesia, while Blue Bird is the largest taxi company.

Sector Outlook

Indonesia's transportation sector is entering a dynamic growth phase, driven by its favourable demographic profile and the rapid expansion of its retail and e-commerce markets. The rise of digital shopping platforms, coupled with an increasingly tech-savvy and sizeable population, is generating heightened demand for advanced, wide-ranging transport and logistics solutions.

According to projections by Supply Chain Indonesia (SCI), the transport and warehousing sector is expected to contribute IDR 1,624tn to national GDP in 2025, marking a robust annual growth rate of 12.5% y/y. This reflects the sector's strengthening role as a key pillar of economic activity.

Breaking down this figure, SCI estimates that the transport sub-sector will account for IDR 1,277tn, growing by 11.1% y/y, while the warehousing subsector will contribute IDR 346.99tn, with an impressive growth rate of 18.3% y/y. The transport sub-sector, which includes both passenger and freight services, is witnessing especially strong momentum in logistics. This surge is a continuation of the positive trajectory observed between 2022 and 2024, reflecting the sector's rising importance in Indonesia's evolving economy.

The anticipated growth in goods transport and warehousing will be largely fuelled by key industrial sectors, including manufacturing, trade, agriculture, forestry and fisheries. Within the non-oil and gas manufacturing segment, logistics demand in 2025 is projected to be led by the food and beverage industry, followed by chemicals and pharmaceuticals, metals and electronics, transport equipment, basic metals, and textiles and apparel (clothing).

In parallel, the Indonesian Chamber of Commerce and Industry (Kadin) forecasts that the transport and warehousing sector will maintain an annual growth rate exceeding 6%, supported by the booming digital economy. Nevertheless, Indonesia's logistics industry still faces the persistent challenge of high logistics costs, which remain above regional averages and affect overall competitiveness.

To address these challenges and meet rising demand, the Ministry of Transportation is advancing innovative financing models. By actively promoting public private partnerships (PPPs), the government aims to leverage private sector expertise and capital to support the expansion of the transport infrastructure. These partnerships are expected to bolster both domestic and international connectivity, alleviate pressure on public finances and foster collaborative development in critical logistics corridors.

Government-led reforms are also laying the foundation for future growth. Efforts to enhance logistical systems and liberalise foreign ownership restrictions in domestic transport enterprises are expected to attract foreign capital and stimulate competition. These measures are likely to result in improved service quality and expanded infrastructure capacity.

Indonesia's digital commerce ecosystem is also emerging as a powerful growth driver. With improving internet penetration and a steadily digitising society, the country is becoming a key player in the Asia-Pacific e-commerce landscape. The COVID-19 pandemic accelerated this transformation, pushing online sales to new heights as consumers increasingly adopted digital platforms for their purchasing needs. This shift has placed additional demand on the transport sector to adapt and innovate in last-mile delivery, inventory management and cross-border logistics.

Drivers and Constraints

Drivers

Economic recovery and growth. As both global and domestic economies continue to recover from the disruptions caused by the COVID-19 pandemic, the demand for transport services is expected to rise. Indonesia's expanding middle class and growing consumer base are poised to drive additional demand for both domestic and international transport services, reinforcing the sector's strategic role in supporting economic activity.

Massive infrastructure investment. The Indonesian government has heavily invested in infrastructure development to boost connectivity across land, sea, air and digital platforms. These investments are essential for improving economic efficiency by lowering logistics costs—a key determinant of competitiveness. During his term in office in 2014-2024, the administration of former president Joko Widodo committed around USD 450bn to infrastructure, resulting in the construction of thousands of kilometres of roads, seaports and airports. This ambitious push has significantly reshaped Indonesia's transport ecosystem.

Liberalisation policies. The Indonesian government has adopted a progressive stance toward liberalising the transport sector. As of 2021, 100% foreign ownership is allowed in several transport segments, which is expected to attract greater foreign investment and technological expertise. These reforms are complemented by the National Logistic Ecosystem initiative, which seeks to streamline business procedures, digitalise port and route management, and improve efficiency in state revenue collection.

Demographic advantages. Indonesia's position as the fourth most populous country, with a young and economically active population, creates strong and sustained demand for diverse transport services. This demographic structure is expected to continuously fuel growth in the transport sector as the population becomes increasingly mobile and consumption-driven.

Tourism-driven demand. As one of the world's top tourist destinations, Indonesia is expected to see substantial demand for transport services related to both international and domestic tourism. This demand extends beyond passenger transport to include the ancillary services that support the broader tourism industry.

Strategic geographic location. Located between the Indian and Pacific Oceans, Indonesia enjoys a prime strategic position for regional and global shipping. This geographic advantage provides the country with significant potential to become a leading logistics and maritime hub in Southeast Asia and beyond.

Natural resources and exports. Indonesia's rich natural resource base necessitates an efficient transport infrastructure to facilitate the export of minerals and other commodities. Rail and maritime transport are especially crucial for moving bulk resources from inland extraction sites to international markets.

Shift to e-commerce. The COVID-19 pandemic has accelerated the shift towards e-commerce, leading to a decline in traditional retail and a surge in demand for home delivery services. This shift has increased cargo traffic and placed new demands on transport providers to adapt to e-commerce logistics, including last-mile delivery solutions.

Government focus. The transport sector remains a focal point for government policy as a key enabler of economic development. Large-scale infrastructure initiatives reflect a broader strategic commitment to using the transport sector as a foundation for inclusive growth and enhanced national competitiveness.

Constraints

Bureaucratic red tape. Persistent bureaucracy in Indonesia can hamper investment and slow the execution of transport projects. Inefficiencies in the regulatory environment often lead to prolonged project approvals, inflated costs and delays in implementation.

Under-developed infrastructure. Despite significant progress, infrastructure development remains inadequate relative to Indonesia's geographic scale and economic size. The complexity of providing equitable infrastructure across more than 17,000 islands presents ongoing logistical and financial challenges, contributing to higher transport and logistics costs.

Congestion in urban areas. Severe traffic congestion in major urban centres disrupts the efficient movement of people and goods. These delays translate into higher operational costs and reduced productivity for businesses reliant on timely deliveries.

Bottlenecks at ports and airports. Infrastructure constraints at key logistics hubs—particularly seaports and airports—create bottlenecks that slow freight handling and raise transaction costs. These inefficiencies diminish the competitiveness of Indonesian exporters and increase lead times for critical imports.

SOEs dominance. State-owned enterprises dominate several segments of the transport sector, such as railways. This dominance often restricts competition, limiting opportunities for private investment and innovation, and reducing the potential for improvements in service delivery.

High transport costs. Transport costs form a substantial share of Indonesia's overall logistics expenses. Inadequate infrastructure, combined with operational inefficiencies, drives up these costs. According to the Indonesian Chamber of Commerce and Industry (Kadin), logistics costs in Indonesia reach 23% of GDP —substantially higher than Thailand's 15% and Malaysia's 13%.

Operational issues in shipping. Shipping companies face a range of operational challenges, including port inefficiencies that prolong ship turnaround times. Labour disputes and administrative delays can also lead to service interruptions, adding to operational costs and uncertainty.

Lack of competition in railways. The absence of competition in the railway sector discourages investment and innovation. Without multiple operators, the pace of improvements in infrastructure, efficiency and service quality remains limited, which constrains the sector's ability to meet rising demand.

Natural disasters. Indonesia's exposure to natural hazards—such as earthquakes, tsunamis and volcanic eruptions—poses ongoing risks to the transport infrastructure. These events can cause significant damage, disrupt services and result in substantial recovery costs.

Long port waiting times. Extended cargo waiting times at Indonesian ports contribute to congestion and increase shipping costs. These delays undermine the competitiveness of maritime transport and push logistics providers to consider faster, albeit more expensive alternatives, such as air or road freight.

Sources

BKPM, CEIC, Central Bank, EMIS Insights, International Air Transport Association, Ministry of Transportation, Statistics Office, Supply Chain Indonesia, The Indonesian Chamber of Commerce and Industry

Sector in Focus

Main Economic Indicators

Name	2021	2022	2023	2024
GDP, Current Prices, IDR tn	16,976.8	19,588.5	20,892.3	22,139.0
Real GDP Growth, %	3.7	5.3	5.0	5.0
Transportation and Storage GVA, IDR tn	719.6	983.5	1,231.2	1,358.1
Transportation and Storage GVA, % of Nominal GDP	4.2	5.0	5.9	6.1
Population, mn people	272.7	275.7	278.7	281.6
Unemployment Rate, %	6.5	5.9	5.3	4.9
CPI, y/y change, %	1.6	4.2	3.7	2.3
Transportation CPI, y/y change, %	0.7	8.1	8.2	-
PPI, y/y change, %	6.3	10.0	2.2	0.0
Monetary Policy Rate (Seven-Day Repo Rate), period-end, %	3.5	5.5	6.0	6.0
USD/IDR Exchange Rate, period-average	14,278.0	15,592.0	15,439.0	16,157.0
Total Exports, USD mn	231,522.5	291,904.3	258,785.2	264,703.4
Total Imports, USD mn	196,190.0	237,447.1	221,886.2	233,659.6
Foreign Trade Balance, USD mn	35,332.5	54,457.3	36,899.0	31,043.7
Transportation Services Exports, USD bn	3.3	4.7	4.3	5.5
Transportation Services Imports, USD bn	-9.6	-12.9	-13.0	-14.3
Current Account Balance, % of Nominal GDP	0.3	1.0	-0.1	-0.6
FDI, USD mn	21,213.1	24,702.0	21,543.4	23,666.8
FDI, % of Nominal GDP	1.8	1.9	1.6	1.7
Implemented Investments in Transport, Storage & Communication, USD bn	3.2	4.1	5.6	4.7
Government Debt, % of Nominal GDP	40.7	39.5	39.0	39.2

Sources: CEIC, BPS, BI, BKPM

Economic Overview

Indonesia’s economy recorded a growth rate of 5.03% in 2024, maintaining a steady trajectory in line with the previous year, according to data released by the national statistics agency in February 2025. This growth was largely underpinned by elevated political spending linked to election activities and a notable surge in investment, which helped offset a contraction in net exports. Investment rose by 4.61% y/y in 2024, marking its strongest performance in six years - a clear sign of recovering investor confidence in the domestic market.

During the final quarter of 2024, the economy expanded by 5.02% y/y, slightly outpacing the 4.95% y/y growth observed in the third quarter. Household consumption, which contributes over half of Indonesia’s GDP, grew by 4.98% y/y during what was the holiday season, showing a modest improvement from 4.91% y/y in the previous quarter. Investment remained resilient, increasing by 5.03% y/y in Q4 2024, although this was a slight deceleration from the 5.15% y/y growth recorded in Q3. These trends reflect the continued importance of domestic demand and capital formation in maintaining economic momentum.

Nonetheless, external headwinds are becoming increasingly pronounced. In January 2025, Bank Indonesia (BI, the central bank) expressed concerns about the resurgence of global trade tensions, including the potential introduction of US tariffs, which could undermine trade flows and dampen global demand. Consequently, BI adjusted its 2025 growth forecast to a range of 4.7%–5.5%, slightly below its previous projection of 4.8%–5.6%. Such uncertainties may exert pressure on business confidence and trade performance, creating challenges for Indonesia's economic trajectory.

In response to these challenges, president Prabowo's administration launched several policy initiatives aimed at stimulating economic activity and bolstering household purchasing power. These include subsidies on electricity tariffs to ease cost-of-living pressures and an affordable housing programme designed to meet critical social needs, while supporting the construction industry. However, these policy moves coincide with a substantial reduction in the infrastructure budget for 2025, indicating a shift in fiscal priorities. This marks a clear departure from the development-driven agenda pursued by former president Joko Widodo, who had fast-tracked major infrastructure undertakings—including toll roads and dams—throughout 2024 ahead of the leadership transition.

The cutback in infrastructure spending gives rise to a mixed economic outlook. While reallocating funds to social programmes could yield long-term benefits in human capital and welfare, it also risks slowing momentum in infrastructure-related sectors such as construction and logistics, which have been key contributors to GDP in recent years. The ability of the Prabowo administration to strike a balance between fiscal prudence and investment in growth-critical sectors will be crucial to navigating the complex global and domestic economic landscape in 2025 and beyond.

In January 2025, the government also launched a major USD 28bn programme to address malnutrition, providing free nutritious meals to nearly 90mn children and pregnant women. As president Prabowo's signature initiative, the programme is expected to stimulate economic activity by strengthening human capital and boosting consumption. However, financing this ambitious project required a USD 19bn cost-cutting campaign, which affected allocations for education, healthcare, infrastructure and public services, according to the Jakarta Globe. This trade-off illustrates the fiscal balancing act the administration faces in advancing its social agenda while maintaining macroeconomic stability.

Main Sector Indicators

Name	2021	2022	2023	2024
Household Expenditure on Transportation and Communication, IDR tn	1,861.3	2,165.4	2,469.0	2,673.4
Household Expenditure on Transportation and Communication, y/y change, %	3.6	16.3	14.0	8.3
Government Infrastructure Budget, IDR tn	418.3	365.8	399.6	423.4
Government Infrastructure Budget, y/y change, %	36.1	-12.6	9.3	6.0
Road Network Length, km	546,624.0	546,983.0	541,365.0	543,324.0
Number of Registered Motor Vehicles, mn units	142.3	152.0	159.1	166.5
Railway Passengers Carried, mn persons	149.8	277.1	371.5	504.6
Railway Freight Carried, mn tonnes	53.6	61.9	67.2	73.5
Domestic Air Passenger Traffic, Arrivals and Departures, mn people	48.2	85.2	71.2	100.5
International Air Passenger Traffic, Arrivals and Departures, mn people	1.3	13.4	28.7	35.9
Domestic Cargo Loaded at Four Main Ports, mn tonnes	21.3	22.6	24.4	37.1
International Cargo Loaded at Four Main Ports, mn tonnes	25.3	27.4	43.8	42.2
International Passengers Arrivals at Commercial Ports, thou persons	318.5	1,623.5	2,905.2	-
Employment in Transportation and Storage, mn	5.4	5.8	6.1	6.2

Sources: CEIC, BPS, DJ ANGGARAN

Transportation Services

In the aftermath of the COVID-19 pandemic, Indonesian households have increasingly prioritised spending on transport and communication, signalling a strong recovery in sectors closely tied to mobility and digital connectivity. According to Statistics Indonesia, expenditure on transport and communication services reached IDR 2,673tn in 2024, marking an 8% y/y increase. This sustained growth trend over recent years highlights a broader shift in consumer behaviour as economic activity normalises and daily routines return to pre-pandemic patterns.

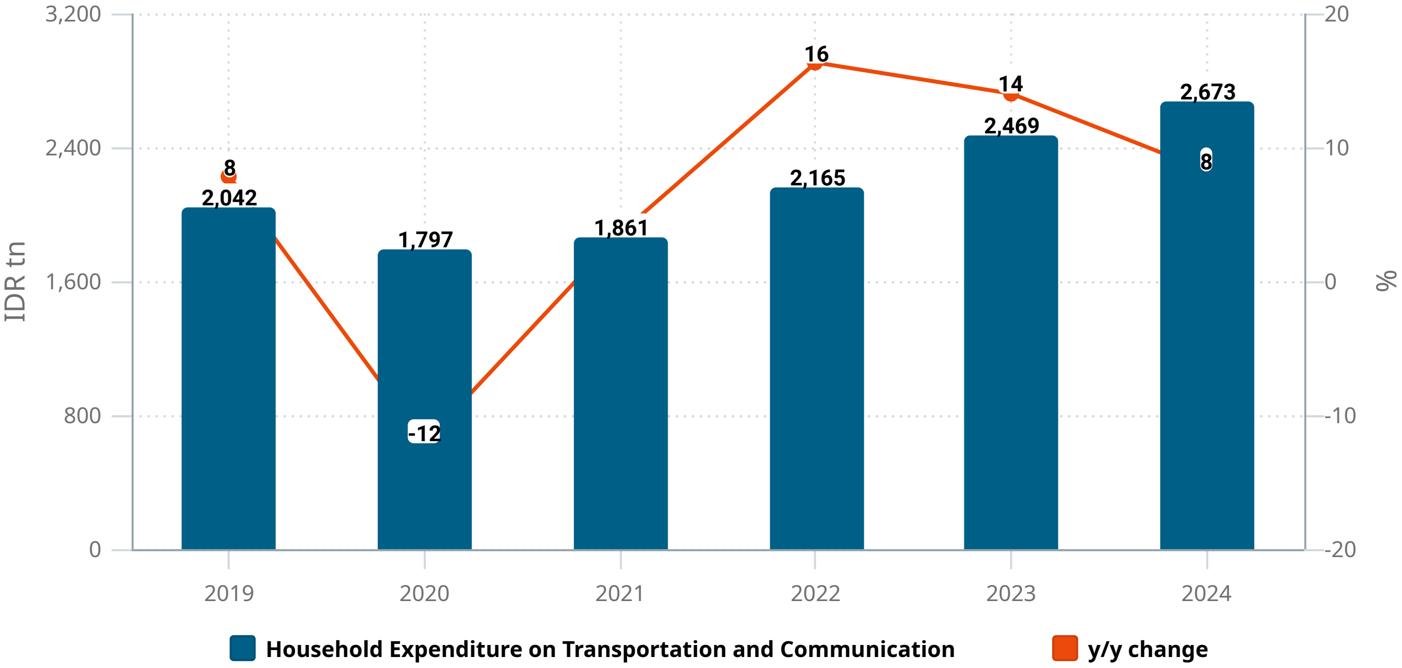
Transport and communication have now become the second-largest component of household consumption, accounting for over 22% of total expenditures. This positions this group just behind food and beverages, which continues to dominate household budgets with a 41% share. The sharp rise in transport and communication spending reflects the growing importance of both physical mobility and digital access in Indonesian society.

The resurgence in transport spending can be attributed to a rebound in travel and commuting, fuelled by increased economic activity, the easing of movement restrictions, and the resumption of in-person work and education. The rise in communication-related expenditure, meanwhile, mirrors the deepening integration of digital technologies into daily life. Mobile data, internet services and digital communication tools have become essential for work, education, commerce and social interaction—trends that were accelerated by the pandemic and are now firmly embedded in household routines.

This shift also illustrates the broader economic transformation occurring in Indonesia. As the middle class expands and urbanisation continues, households are allocating a greater share of their budgets to services that facilitate mobility, connectivity and access to information. These changes underscore the critical role of infrastructure development—in transport, telecommunications and digital services—in supporting evolving consumer needs.

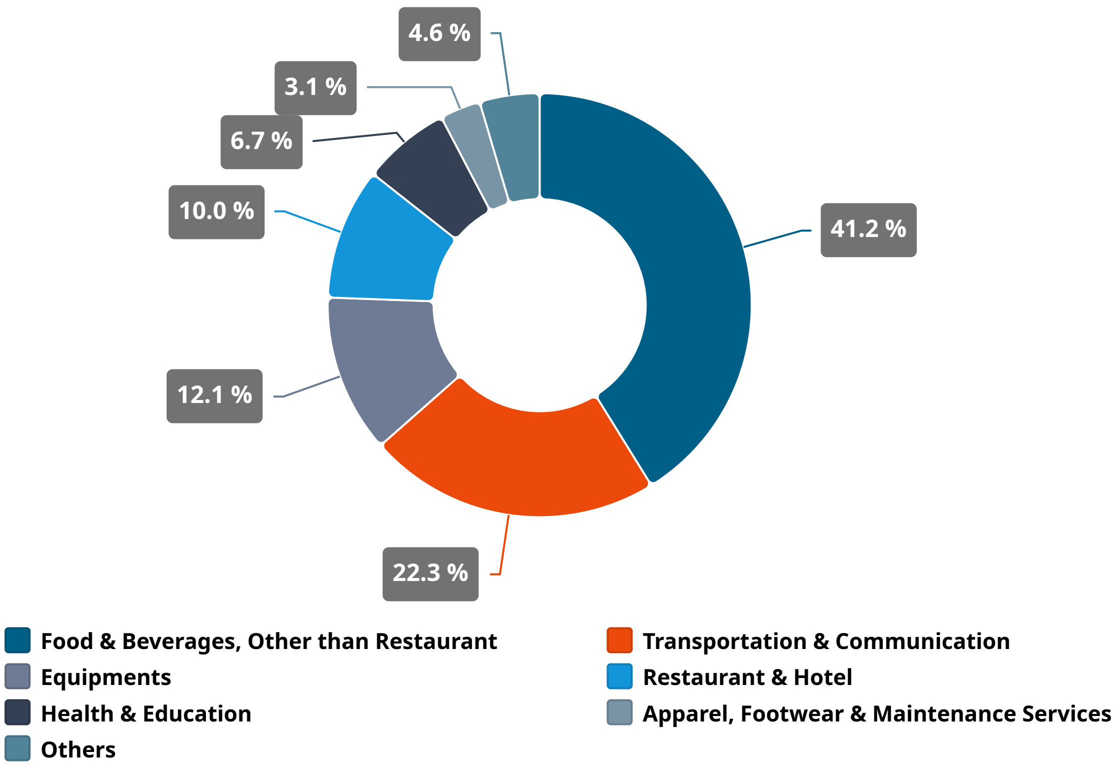
In essence, the growing expenditure on transport and communication marks a significant realignment in household priorities, indicating a recovery phase characterised by increased social and economic engagement. As these sectors continue to evolve, they are likely to remain central to both household spending patterns and broader national development strategies in the years ahead.

Household Expenditure on Transportation and Communication



Sources: CEIC, BPS

Household Consumption Expenditure, 2024



Sources: CEIC, BPS

Government Spending on Infrastructure

The Indonesian government has earmarked IDR 400tn for infrastructure spending in the 2025 state budget, marking a decrease from the IDR 423tn allocated in 2024. This reduction is a significant shift under the administration of president Prabowo Subianto and signals a broader re-orientation of fiscal priorities.

One of the most notable cuts has been in the budget of the Ministry of Public Works and Housing (PUPR), which has seen its allocation fall sharply from IDR 110.95tn to just IDR 29.6tn in 2025, a steep 73% reduction. This downsizing aligns with Presidential Instruction Number 1 of 2025, which directs all ministries and agencies to implement budgetary efficiency measures in response to evolving fiscal constraints and shifting national priorities.

The consequences of these cuts are already being felt. At least 21 infrastructure projects have been delayed, including the construction of 14 new dams, the development of 9,550 hectares of irrigation systems, the rehabilitation of 29,000 hectares of existing irrigation infrastructure, and essential maintenance on roads and bridges across the country. These delays are likely to impact sectors such as agriculture, transport and water management, potentially slowing momentum in rural development and infrastructure-driven economic growth.

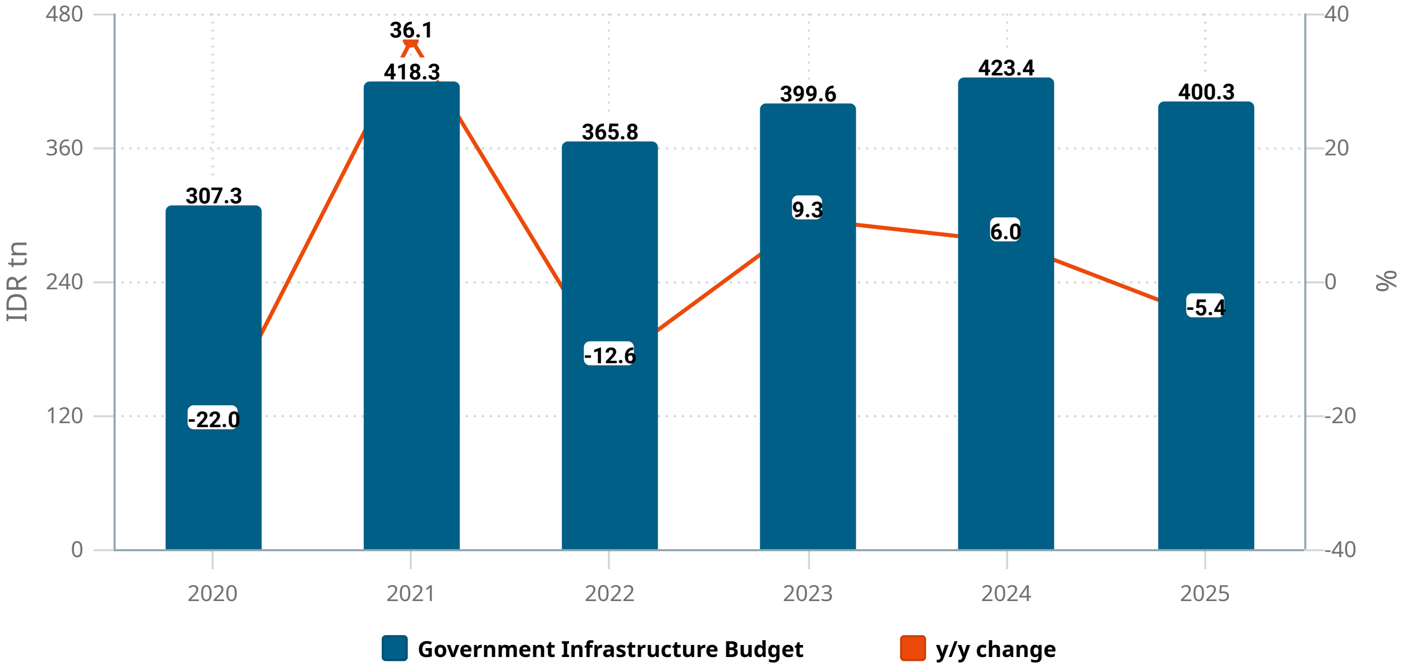
The budget reduction has also affected the high-profile Nusantara Capital City (IKN) project in East Kalimantan. Although the project remains a central pillar of the national development strategy, reduced funding has raised concerns over delays in its timeline and overall progress. Given its symbolic and strategic importance, the government is exploring ways to sustain momentum, including pursuing alternative financing models.

In light of the budgetary constraints, the government is actively promoting public private partnerships (PPPs) as a key mechanism to bridge the infrastructure financing gap. The Ministry of Public Works and Housing is aiming to mobilise up to IDR 544tn in private sector investment over the next five years. These partnerships are expected to support a range of infrastructure initiatives, including roads, housing, water supply and energy systems, while also ensuring that critical projects remain on track despite the reduced fiscal space.

The reallocation of resources reflects a deliberate shift in national priorities. The 2025 budget places greater emphasis on social welfare programmes, most notably president Prabowo's flagship "Free Nutritious Meals" initiative, which has been allocated IDR 71tn. This programme aims to combat malnutrition by providing free meals to nearly 90mn schoolchildren and pregnant women, underscoring a broader policy focus on human capital development and social equity.

While the reduction in infrastructure spending may pose challenges for Indonesia's long-term development goals, the government's commitment to exploring alternative financing and enhancing the role of the private sector suggests a pragmatic approach to maintaining infrastructure momentum. The key to success will lie in balancing immediate social needs with sustained investment in physical infrastructure that underpins productivity and economic resilience.

Government Spending on Infrastructure



Sources: CEIC, DJ ANGGARAN

Infrastructure Plan 2020-2024

Indonesia's infrastructure strategy beyond 2024 reflects a recalibration of priorities under president Prabowo Subianto's administration. While fiscal constraints have led to a reduction in the overall infrastructure budget, the government remains committed to advancing key projects that align with national development goals:

National Strategic Projects (PSN) 2025–2029

The administration has streamlined its focus onto 77 National Strategic Projects (PSN) for the 2025–2029 period, a significant reduction from the previous 228 projects. This refined list emphasises initiatives that directly contribute to economic growth and social welfare, including:

- The "Free Nutritious Meals" programme aimed at improving child health and education outcomes;
- Construction of three million affordable housing units to address urban housing shortages;
- Revitalisation of educational facilities to enhance learning environments across the country.

Nusantara Capital City Development

Despite budgetary adjustments, the development of Nusantara, Indonesia's planned new capital in East Kalimantan, remains a priority. An allocation of approximately IDR 48.8tn has been designated for Phase 2 of the project, focusing on essential infrastructure such as government buildings, transport networks and public services. The government aims for Nusantara to become fully operational by 2028, serving as the nation's administrative and political centre.

Key Transport Infrastructure Projects

Several major infrastructure projects are underway or planned, the biggest being the Jakarta MRT East–West Line. Its construction commenced in 2025 and with its 84 km length it aims to enhance urban mobility across the capital.

Transport Equipment Production

Indonesia is the largest market for both two- and four-wheel vehicles in the ASEAN region and it ranks as the second-largest motor vehicle producer in the region. The automotive industry is a critical pillar of Indonesia's economy, recognised as a priority sector in the "Making Indonesia 4.0" roadmap - a strategic blueprint to accelerate industrial modernisation. In 2024, the sector contributed 7.4% to the gross value added (GVA) of the manufacturing industry and 1.4% to the national GDP. Furthermore, the automotive industry is a valuable source of foreign exchange, highlighting its importance not only for domestic consumption, but also for global trade.

Indonesia has evolved into a major automotive manufacturing hub in Southeast Asia, attracting significant investment from global car manufacturers. The government has actively fostered this development by offering tax incentives, improving supporting infrastructure and simplifying investment procedures. Today, Indonesia hosts major players such as Toyota, Honda, Mitsubishi, Suzuki, Nissan and Daihatsu - all of which operate large-scale manufacturing facilities across key industrial regions, including Karawang, Bekasi, Purwakarta and Sunter.

Production capacities at these facilities are extensive. Astra Daihatsu Motor, for instance, operates two production plants - one in Karawang and another in Sunter - with a combined annual capacity of 530,000 units. Mitsubishi Motors Corporation's plant in Bekasi produces up to 160,000 units annually, while Suzuki Indomobil Motor has a capacity of 270,000 units at its Bekasi site. Toyota Motor Manufacturing Indonesia contributes 250,000 units per year from its Karawang facility.

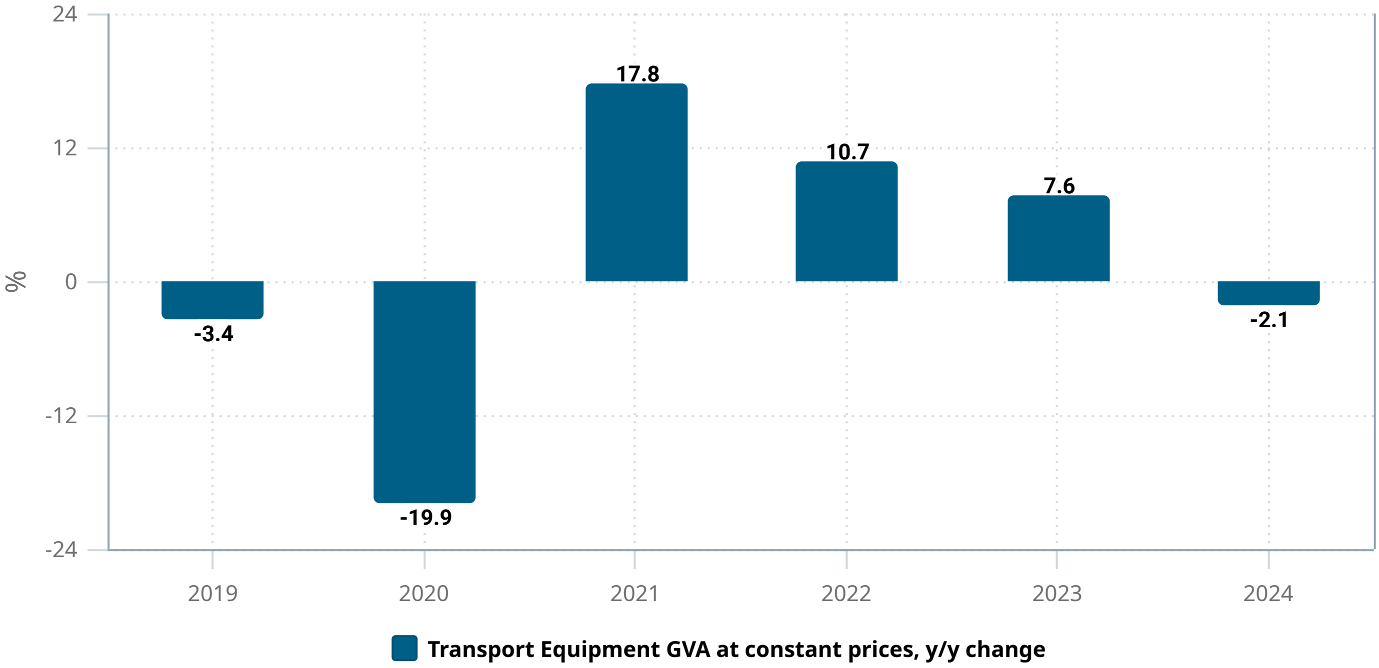
Other prominent automotive producers include Fuso-Mitsubishi (150,000 units per year in Pulo Gadung), Hino Motor Manufacturing Indonesia (75,000 units in Purwakarta) and Wuling (120,000 units in Bekasi). Premium and niche players are also present, with Mercedes-Benz Indonesia operating a smaller-scale plant in Gunung Putri producing 20,000 units per year and Gaya Motor in Sunter producing 40,000 units annually.

The government's ambitions to position Indonesia as a regional hub for electric vehicles (EVs) are beginning to yield results. Global EV leaders have announced major investment plans, signalling growing confidence in Indonesia's EV ecosystem. China's BYD, which surpassed Tesla as the world's top EV seller in 2023, is building a USD 1.3bn EV manufacturing facility in Indonesia. Set to become BYD's sixth overseas plant, it will have an annual production capacity of 150,000 vehicles and is due to be completed by the end of 2025, according to Reuters (in January 2025). Meanwhile, the Vietnamese EV maker VinFast is investing USD 200mn in an Indonesian facility that is expected to begin operations in October 2025, with an initial capacity of 30,000 to 50,000 units per year. This forms part of a broader USD 1.2bn long-term investment strategy in Indonesia.

These developments are taking place as the automotive sector continues to recover from the economic disruption caused by the COVID-19 pandemic. By 2022, both production and sales had rebounded strongly, surpassing pre-pandemic levels, thanks to improving global economic conditions, resilient domestic demand and continued support through government incentives.

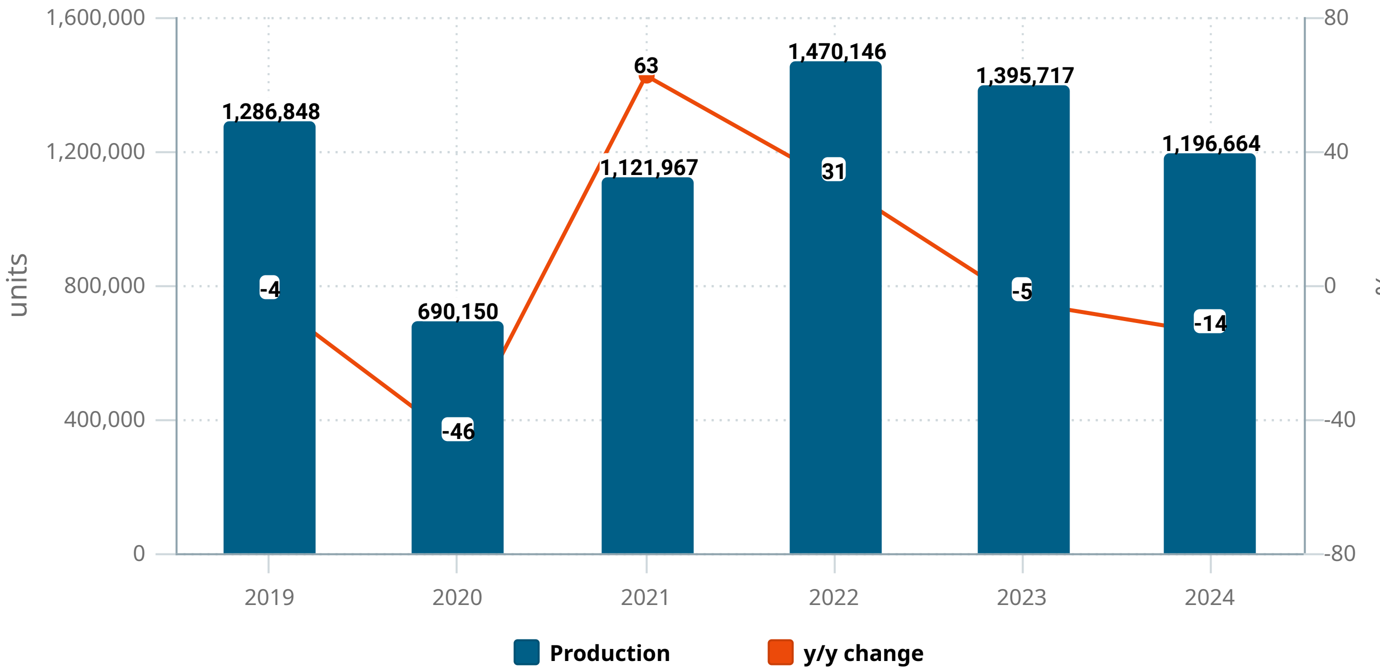
However, recent trends indicate a moderation of this momentum. In 2024, Indonesia's automotive factories produced approximately 1.2mn passenger and commercial vehicles, a decline from 1.4mn units produced in 2023. This dip reflects a combination of factors, including global supply chain challenges, shifting consumer preferences and market saturation in certain segments.

Transport Equipment GVA Real Growth



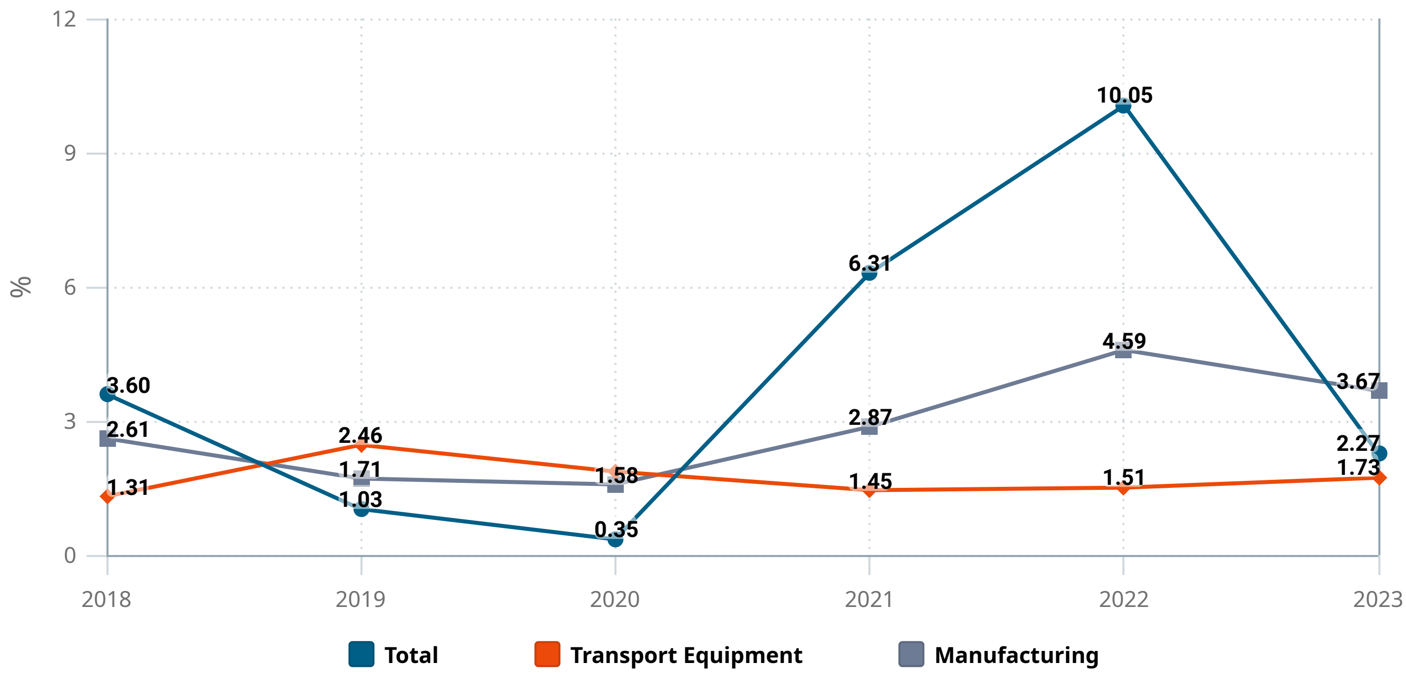
Sources: CEIC, BPS

Motor Vehicle Production



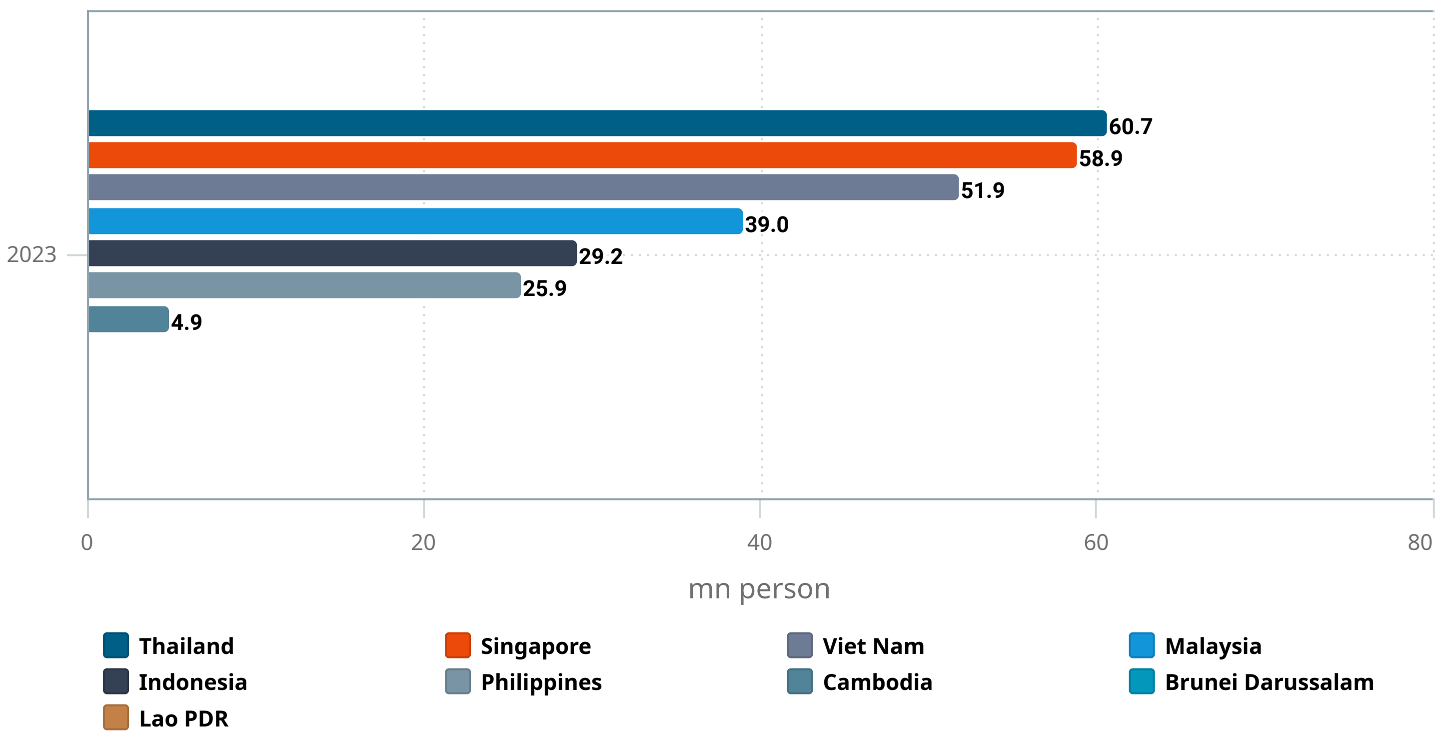
Sources: CEIC, GAIKINDO

PPI, y/y change



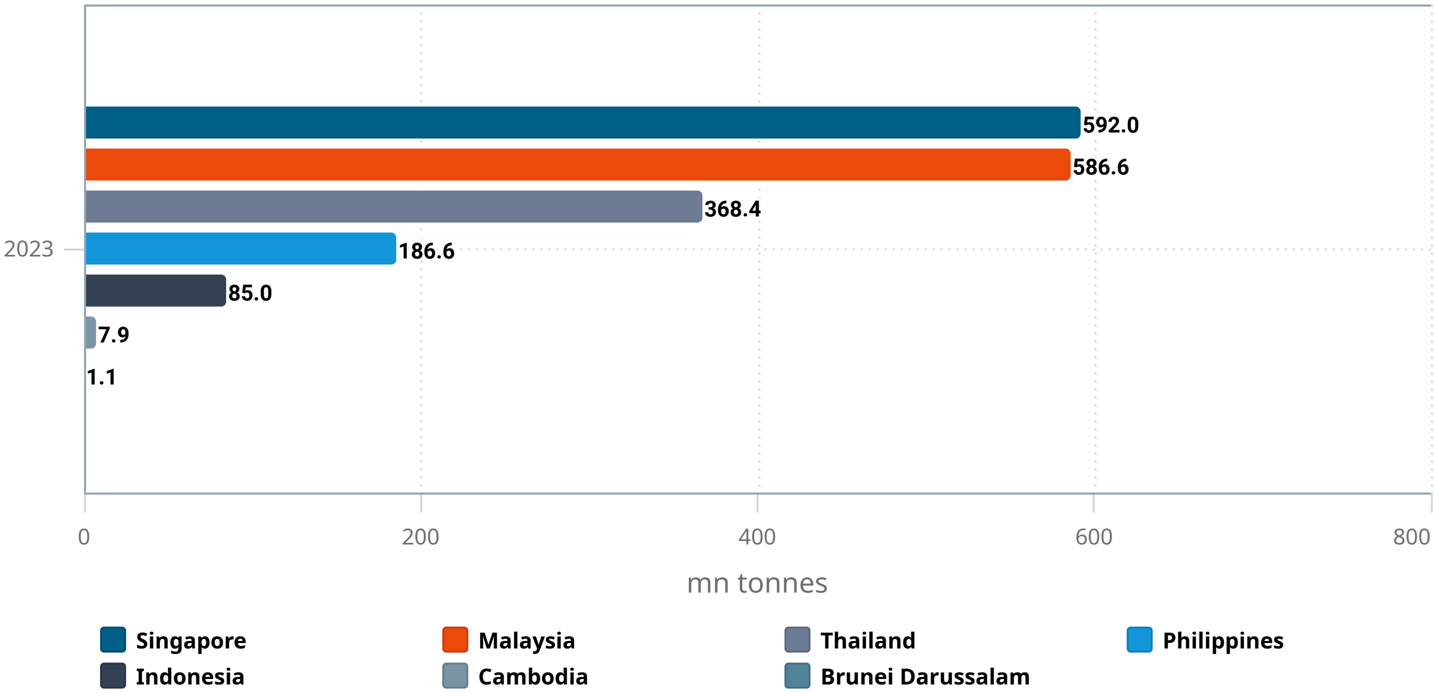
Sources: CEIC, BPS

International Air Passenger Traffic by ASEAN Country



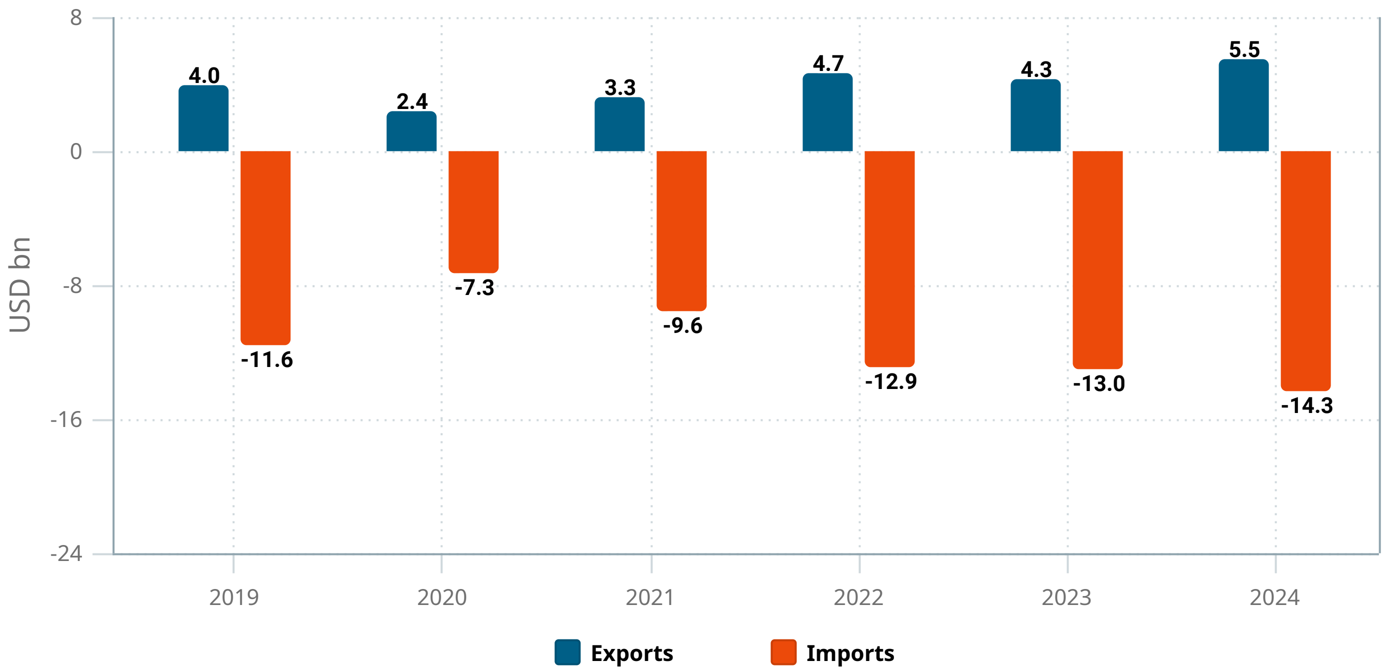
Sources: CEIC, ASEANStatsDataPortal

International Sea Cargo Throughput by ASEAN Country



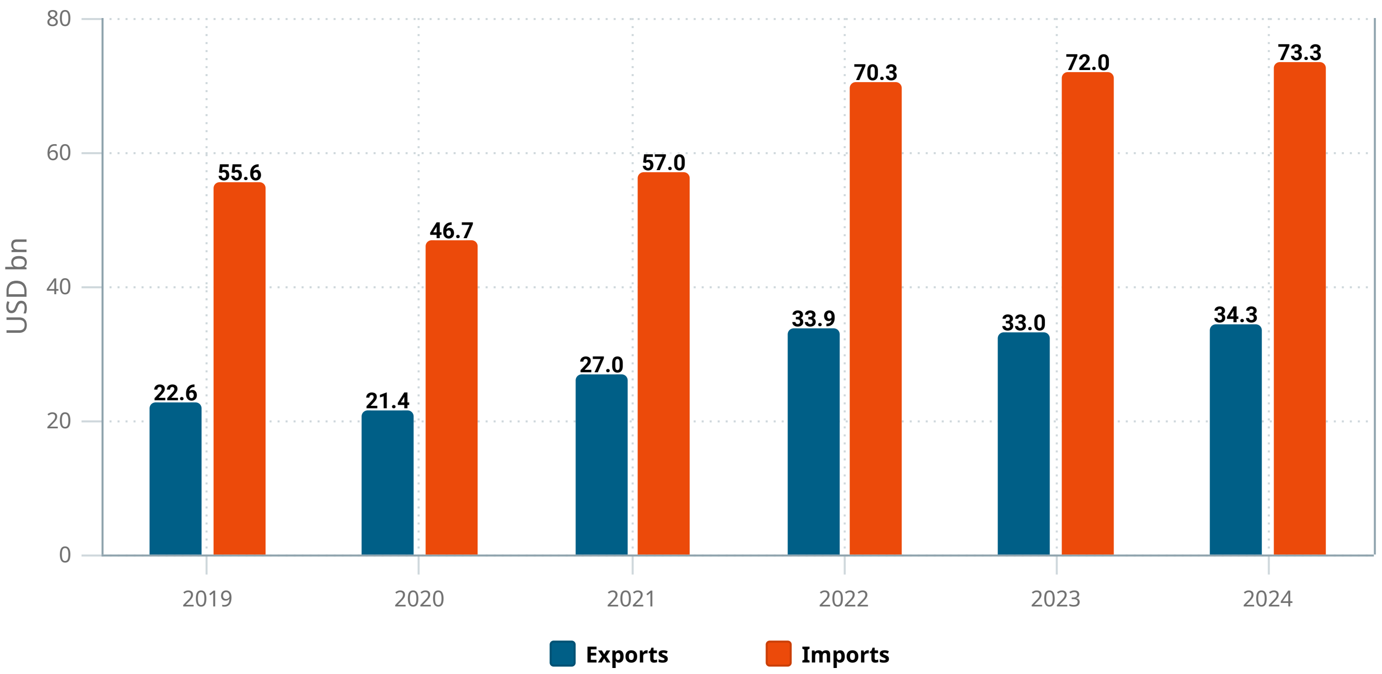
Sources: CEIC, ASEANStatsDataPortal

Transportation Services Foreign Trade



Sources: CEIC, BI

Machinery and Transport Equipment Foreign Trade



Sources: CEIC

Foreign Direct Investment

Indonesia has positioned the infrastructure sector as a national priority, qualifying it for a comprehensive package of fiscal and non-fiscal incentives that are designed to attract and facilitate investment. These incentives include various tax benefits and exemptions, such as tax holidays and allowances, along with reductions in tariffs and duties. Furthermore, administrative processes for setting up and operating businesses in this sector have been streamlined to reduce bureaucracy and improve the ease of doing business. As part of the broader investment framework, companies operating in priority sectors, including infrastructure, are also required to comply with a baseline capital requirement when registering as a Limited Liability Company, or Perseroan Terbatas (PT).

One of the most significant regulatory changes has been the liberalisation of foreign investment rules in critical infrastructure areas, such as airports and seaports. Under the 2016 Negative Investment List, foreign ownership in these sectors was capped at 49%. However, the most recent revisions under the Positive Investment List framework now allow 100% foreign ownership in both airport and seaport facility operations. Similarly, services related to airport and seaport terminals—previously limited to 67% foreign ownership—can now also be fully foreign-owned. These changes have not only opened up the market to international investors, but have also eliminated earlier capital-specific thresholds. Instead, a standard minimum capital requirement of IDR 10bn (approximately USD 650,000) now applies to all foreign investments in these areas, creating a more uniform and accessible investment landscape.

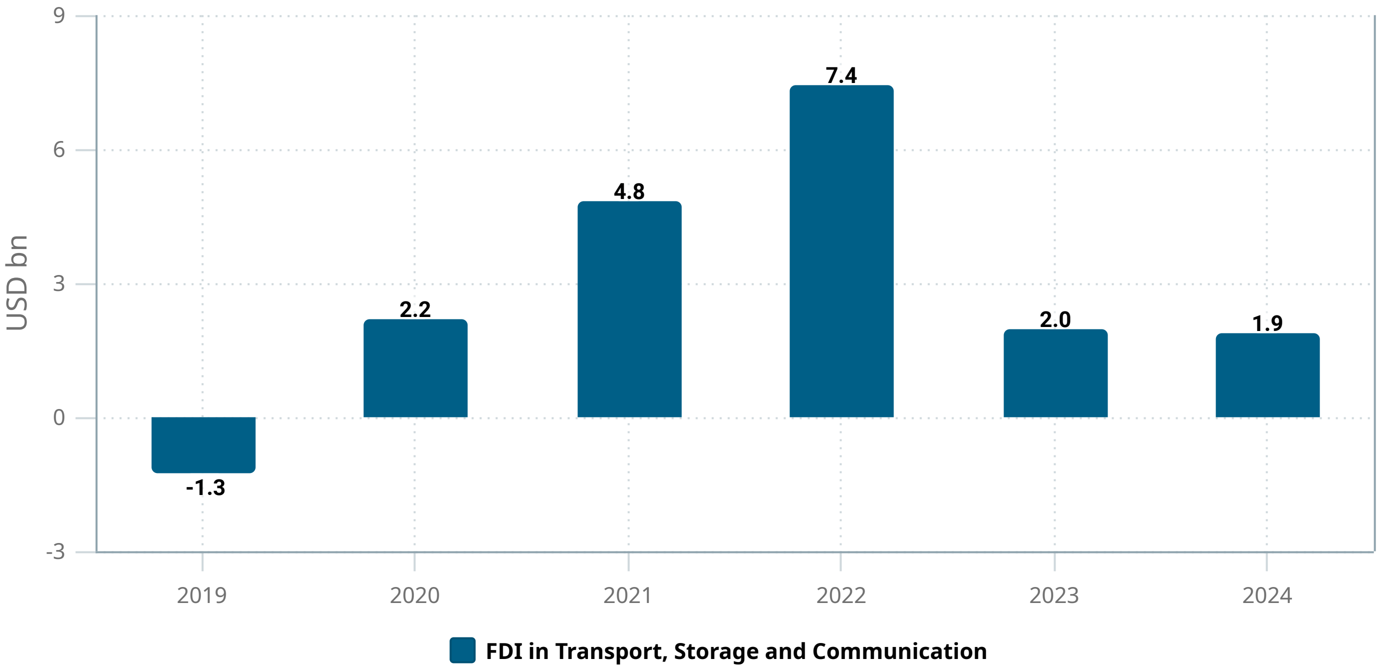
Despite these liberalisations, some restrictions remain in the air and sea passenger and cargo transport sectors. Foreign ownership is still capped at 49% in a wide range of domestic and international transport services. These include domestic scheduled and unscheduled air transport, air freight activities, various domestic passenger and cargo sea transport services (including liner and tramp shipping), sea transport for tourism, and international sea freight for both passengers and goods. These limitations are in place to preserve national interests and ensure a level of domestic control in sectors that are considered strategic to national security and connectivity.

A further tightening of foreign investment occurred with the enactment of the Third Amendment to Law No. 17 of 2008 on Shipping in October 2024. This legal revision introduced more stringent criteria for joint ventures in the maritime sector. Notably, joint ventures are now required to own vessels with a minimum capacity of 50,000 Gross Tonnage (GT), a sharp increase from the previous 5,000 GT requirement. Moreover, the majority of shares in such companies must be held by a domestic sea transport company that holds a valid operational licence. These regulatory changes aim to strengthen Indonesia's sovereignty over its maritime industry and stimulate greater participation and competitiveness among domestic operators.

Despite these regulatory changes and ownership restrictions in specific segments, the transport and communication sector remains a significant magnet for foreign direct investment (FDI). In 2024, the sector ranked as the third-largest recipient of net FDI flows, following manufacturing and retail trade. Data from Bank Indonesia (the central bank) reveals that the transport and communication sector attracted USD 1.9bn of foreign direct investment in 2024, a slight decrease from USD 2bn in 2023. This decline may reflect broader global investment trends and increasing caution among investors amid regulatory tightening and global economic uncertainties.

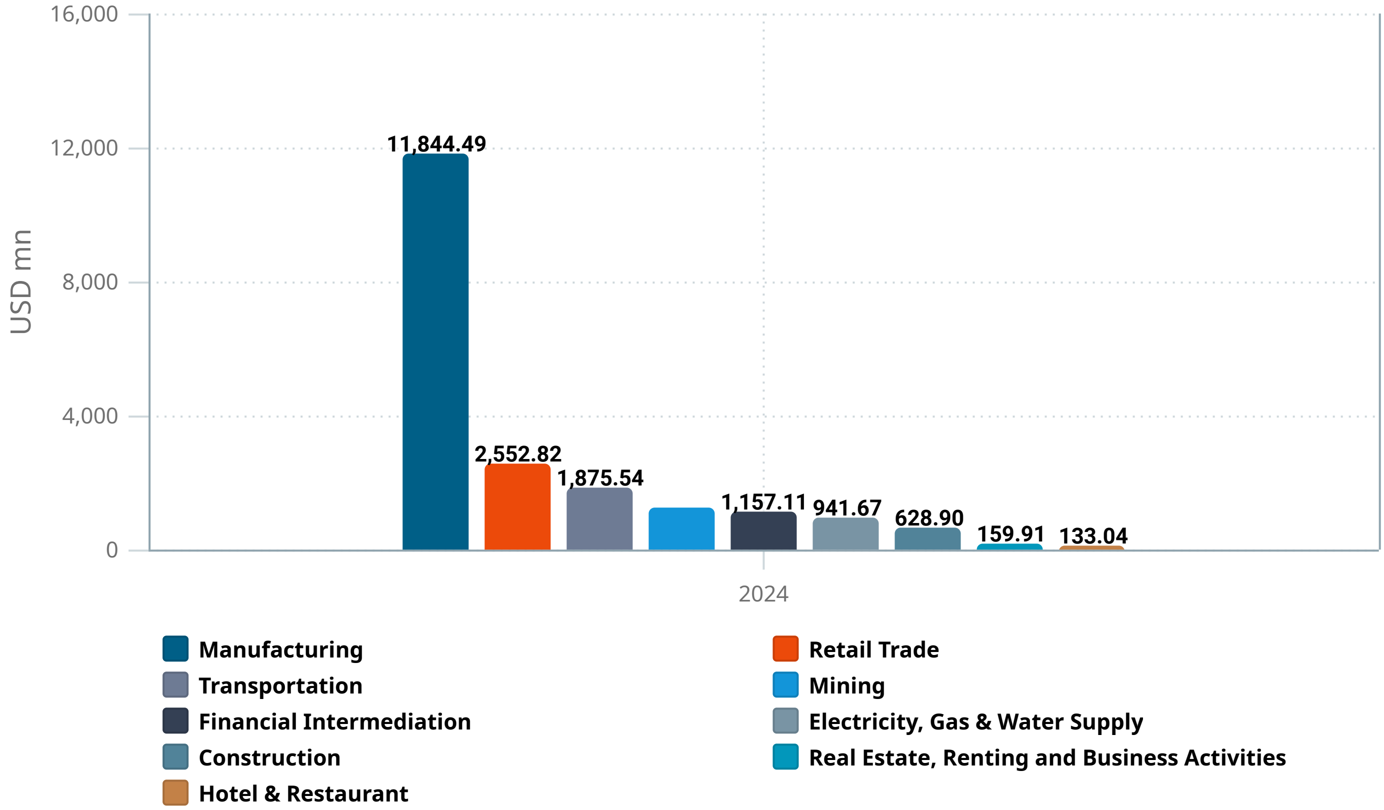
Nonetheless, Indonesia continues to offer substantial opportunities for infrastructure and transport investment. With ongoing liberalisation in key segments, combined with strategic policies to encourage public-private partnerships and enhanced regulatory clarity, the sector remains well-positioned to support long-term national development objectives and regional integration.

FDI in Transport, Storage and Communication



Sources: CEIC, BI

FDI by Sector



Sources: CEIC, BI

Private Investment in Infrastructure

Between 2015 and 2022, private entities invested a total of USD 38.4bn in infrastructure projects across Indonesia, according to the World Bank's Private Participation in Infrastructure (PPI) database. This substantial inflow of capital was largely driven by the expansive infrastructure agenda introduced by former president Joko Widodo. During the period from 2015 to 2021 alone, 37 infrastructure projects valued at USD 37.6bn successfully reached financial closure, underscoring the effectiveness of policies aimed at stimulating private investment.

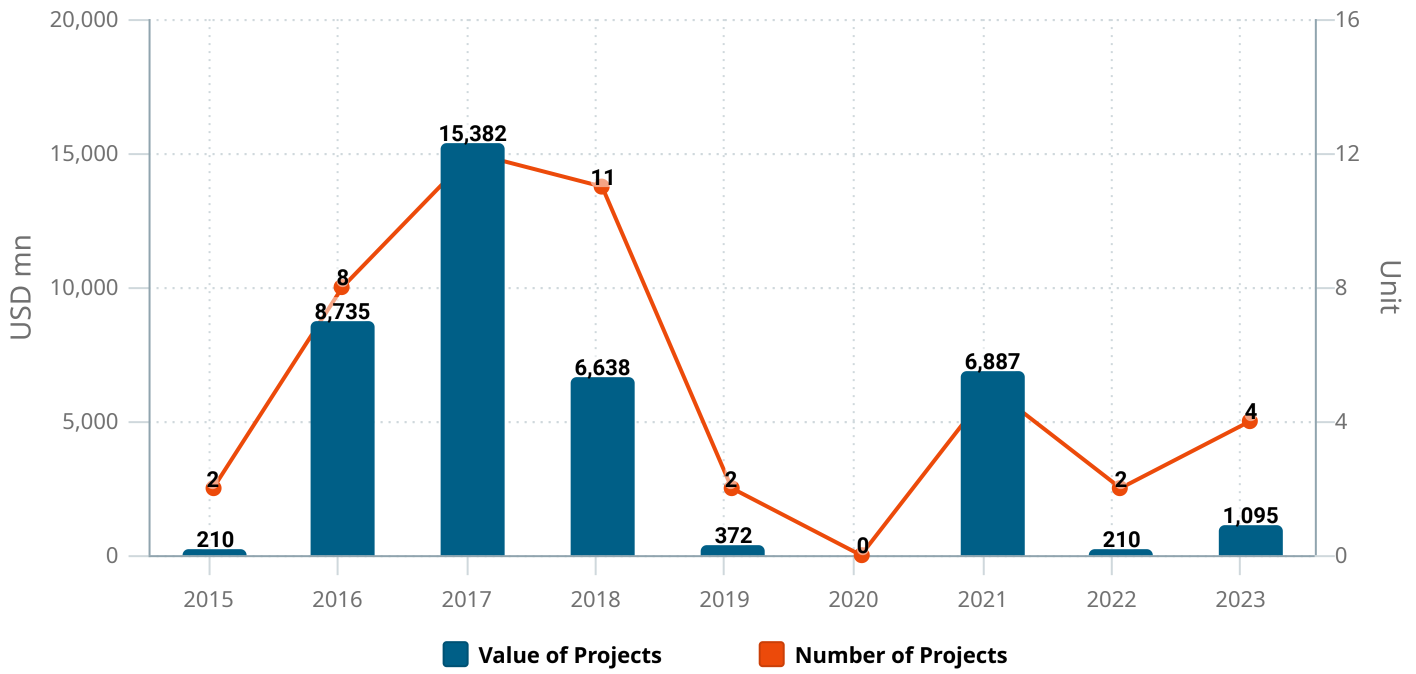
Indonesia has also made significant strides in enhancing its regulatory environment to facilitate private sector involvement in infrastructure. The foundation for public private partnerships (PPPs) was laid in 2005, and the framework has been progressively strengthened. A key milestone came in 2014 with the establishment of the Committee for the Acceleration of Priority Infrastructure. This body was created to function as a central coordinating platform, helping to resolve inter-agency issues and streamline engagement between government institutions, investors and financial sponsors.

Further liberalisation occurred in March 2021 when the government amended its foreign direct investment (FDI) policies to allow full or majority foreign ownership in several critical infrastructure sectors. These include airports, seaports, power generation facilities and construction services—areas that were previously subject to restrictive ownership limits. This reform signalled a clear intent to open up Indonesia's infrastructure landscape to broader international participation.

A large share of private investment during this period was channelled into energy infrastructure, particularly in renewable energy projects. Solar and geothermal power developments dominated the investment landscape as Indonesia pursued a more sustainable and diversified energy mix. This aligns with the country's broader transition towards cleaner energy sources and reduced reliance on fossil fuels.

The most recent data from the World Bank's PPI report shows that the trend of private participation continues. In the first half of 2023 alone, four infrastructure projects backed by private investment were announced, with a combined value of USD 1.1bn. This indicates ongoing investor interest and it reflects Indonesia's growing appeal as a destination for infrastructure development, particularly in sectors aligned with global sustainability and energy transition goals.

Number and Value of Private Investment Projects in Infrastructure



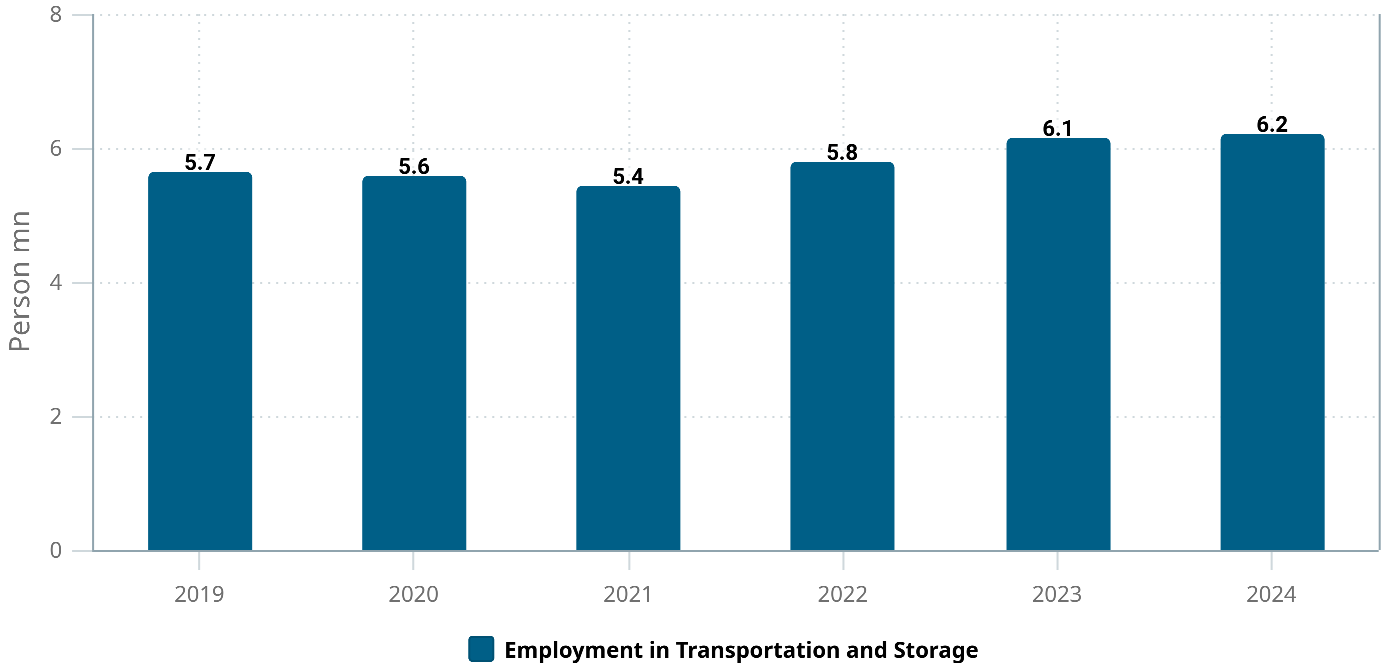
Sources: CEIC, World Bank

Employment and Wages

In 2024, the transport and storage sector experienced significant growth in employment, fuelled by the overall economic recovery, the easing of social distancing restrictions and a strong revival in tourism activity. By year-end, approximately 6.2mn individuals were employed in the sector, accounting for approximately 4% of the national workforce.

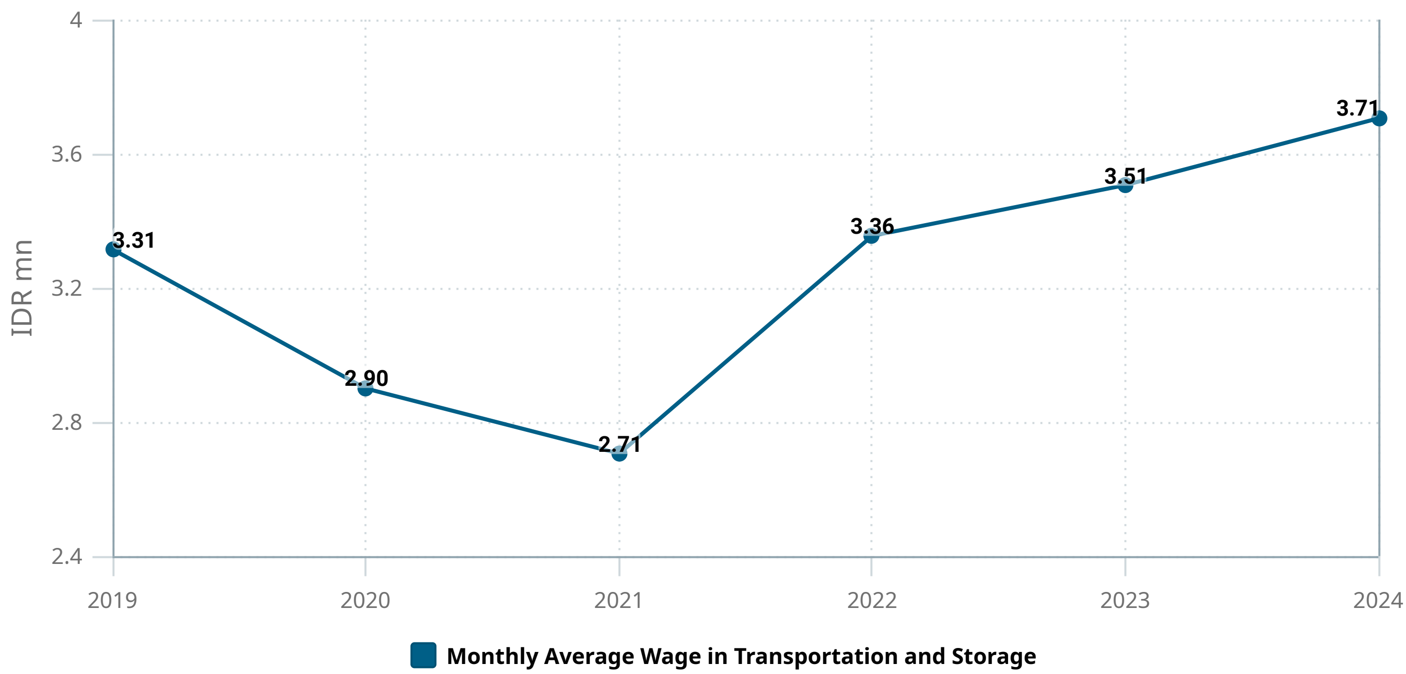
The sector has maintained its appeal in the labour market, largely due to its comparatively higher compensation levels. In 2024, the average monthly wage in the transport and storage sector stood at IDR 3.71mn, or IDR 750,000 above the national average, underscoring its role as a relatively high-paying employment sector within the broader economy.

Employment in Transportation and Storage



Sources: CEIC, BPS

Monthly Average Wage in Transportation and Storage



Sources: CEIC, BPS

Sources

ASEAN Stats Data Portal, Bank Indonesia, BKPM, CEIC, Company Data, EMIS Insights, GAIKINDO, Jakarta Globe, Reuters, Statistics Office

Competitive Landscape

Highlights

Overview

The Indonesian transport industry remains largely dominated by state-owned enterprises (SOEs), with government influence especially pronounced in key sub-sectors such as air, rail and maritime infrastructure. Historically, stringent restrictions limited foreign investment in various areas of the sector. However, a major policy shift occurred in March 2021 when new investment regulations came into force, easing some of these constraints. Notably, the revised rules eliminated foreign ownership limits in critical infrastructure sectors, including airports and seaports. Despite these liberalisations, restrictions persist in passenger and cargo transport by air and sea, where foreign ownership is still capped at 49%.

Government investment in transport infrastructure continues to be a strategic priority aimed at spurring economic growth. This commitment, alongside regulatory reforms, creates a more conducive environment for expansion. The evolving landscape offers substantial opportunities for existing operators to scale their operations and for new investors seeking to capitalise on Indonesia’s expanding transport market.

Main Players

In terms of market players, the competitive dynamics vary across sub-sectors. According to the Asia Pacific Academy of Science, as of 2024, Lion Air maintained its position as Indonesia's largest domestic airline, holding a market share of approximately 40%. This dominance is attributed to its extensive domestic route network and competitive pricing strategy, catering to the country's vast archipelagic geography. The broader Lion Air Group, which includes subsidiaries such as Wings Air, Batik Air and Super Air Jet, collectively commanded a significant share of the domestic market. In 2023, the group held a combined market share of 64.6%, underscoring its substantial influence in Indonesia's aviation sector.

In the toll road segment, the state-owned Jasa Marga is the leading operator, managing 47% of Indonesia’s commercial toll road network as of September 2023. The railway sector is led by Kereta Api Indonesia (KAI), also state-owned, which operates a substantial fleet including 440 locomotives, 129 diesel trains, 1,060 electric trains, 1,622 additional train units and nearly 7,000 freight wagons.

Blue Bird is Indonesia’s largest taxi company, operating a fleet of over 19,800 vehicles as of 2021. In the aviation and maritime sectors, major airports and ports are predominantly managed by SOEs, while private participation is generally limited to smaller regional facilities and niche terminals. This distribution reinforces the central role that state enterprises continue to play in shaping Indonesia’s transport infrastructure and services.

Entry Modes

In an effort to attract more investment, the government removed the minimum capital requirement for maritime ventures in 2020. This move has lowered entry barriers, particularly for small and medium-sized enterprises (SMEs), paving the way for a more inclusive and diversified maritime industry. Conversely, the road transport sector remains relatively easy to enter, with individuals able to operate independently as owner-drivers, often with just a single vehicle.

However, high entry barriers persist in other segments—particularly in rail, air and marine transport—due to substantial capital requirements and complex regulatory frameworks. For example, in the air transport sector, new entrants face significant difficulties in securing take-off and landing slots at major airports. These challenges are compounded by the entrenched dominance of well-established carriers, which limits space for new competition. Consequently, success in these sectors requires not only considerable investment, but also the capacity to navigate a competitive and highly regulated environment.

Leading Players

Garuda Indonesia is the national flag carrier and the government owns 64.55% of the company. Since 2011, the airline has been listed on the Indonesia Stock Exchange. Garuda Indonesia group currently operates 202 aircraft with an average age of less than five years. Garuda Indonesia accommodates this amount as a main brand with 144 aircraft, and Citilink as a Low-Cost Carrier Airline, which operates 58 fleet aircraft. In December 2021, Garuda Indonesia entered a court-supervised restructuring process to avoid bankruptcy. In January 2023, the company completed a debt restructuring process, allowing the company to turn around to profit. The airline reported a total revenue of USD 3.42bn for 2024, marking a 16.3% y/y rise. This growth was primarily driven by a resurgence in passenger demand, particularly on scheduled flights, which contributed USD 599mn in the first quarter alone, an increase of 18.2% y/y. Non-scheduled flights and other income streams also saw significant growth, with increases of 53.6% y/y and 11.9% y/y, respectively.

Jasa Marga was founded in 1978 to construct and operate the Indonesian toll road network. The government owns 70% of the business. In the late 1980s, the Indonesian government initiated the Build, Operate and Transfer (BOT) mechanism for developing toll roads. During the 1990s, Jasa Marga began assisting private investors, most of whom failed to realise their projects. JORR and Cipularang were among the acquired toll roads. Jasa Marga, as the operator and developer of a toll road, was required by 2004 to obtain a concession licence from the government. As of 2024, Jasa Marga had 36 road concessions totalling 1,736 km in length. The company has a 47% market share in terms of the length of commercially operated toll roads. Jasa Marga has been actively expanding its toll road network across Java. Notably, the company is constructing five new toll roads in regions including Jabodetabek, Yogyakarta, Patimban and Probolinggo, with completion targeted for 2024 and 2025.

PT Samudera Indonesia Tbk is one of Indonesia's leading integrated logistics companies. Samudera employs 4,000 people and it has more than 41 subsidiaries and offices in diverse Indonesian and Asian regions. Container ship operations, liquefied petroleum gas and chemical tankers, liner shipping, logistics, terminal handling and agency services are the primary operations of Samudera. The company operates four ports and terminals. One is in Palaran, Samarinda, East Kalimantan, and three are in the port of Tanjung Priok, Jakarta. The company also operates a multi-purpose terminal, Dermaga Serbaguna Nusantara (DSN), which provides ship docking and loading facilities under a Build Operate Transfer (BOT) scheme. The company's operational container shipping fleet comprises 24 vessels with a total capacity of 32,183 TEUs. Samudera Shipping offers bulk cargo transport services for both liquid and dry cargo, as well as offshore support services. It possesses two ships with a total capacity of 22,522 DWT.

Blue Bird Group is a holding company that operates in the taxi, container, heavy equipment and logistics industries. In 2014, the company debuted on the Indonesian Stock Exchange. Blue Bird also offers executive taxis (Silver Bird), limousines and car rentals (Golden Bird), bus charters (Big Bird) and logistics services (Big Bird, Iron Bird Logistic). The company's subsidiary, Restu Ibu Pusaka, manufactures bus bodies. The division of Blue Bird Group that manufactures heavy equipment is consolidated in Pusaka Andalan Perkasa and Pusaka Bumi Transportasi. Hermis Consulting, a division of the Blue Bird Group, provides strategic and IT-based services to medium and large businesses in Asia Pacific. The company has taxi services in Jakarta, Surabaya, Bandung, Bali, Lombok, Semarang, Medan, Pekanbaru, Palembang, Bangka Belitung, Batam, Banten, Manado, Makasar and Yogyakarta, as well as in the centre of business and tourism spots across the nation.

PT Kereta Api Indonesia (KAI) is the government-owned railroad company. The Indonesian government wholly owns it and employs over 26,897 people. In 2017, the company debuted on the Indonesia Stock Exchange. Services at train stations include passenger transport, freight transport, leasing and business operations. Its operations span the islands of Sumatra and Java, where significant passenger and commercial hubs are located. As of 2021, the organisation owns and operates 444 locomotives, 129 diesel trains, 1,060 electric trains, 1,622 trains and 6,970 carriages.

Financial Performance of Leading Players, Jan-Sep 2024

Company	Revenues	Net Profit	Total Assets	Equity	EBITDA Margin
Garuda Indonesia	USD 2.6bn	USD -129.6mn	USD 6.5bn	USD -1.4bn	30%
Jasa Marga	IDR 20.7tn	IDR 4tn	IDR 151.8tn	IDR 56tn	44%
Samudera Indonesia	IDR 8,444bn	IDR 983bn	IDR 19,408bn	IDR 10,933bn	26%
Blue Bird Group	IDR 3,664bn	IDR 442bn	IDR 7,857bn	IDR 5,842bn	n/a
Kereta Api Indonesia (KAI)	IDR 16,584bn (June 2024)	IDR 1,100bn (June 2024)	IDR 58,346bn (June 2024)	IDR 31,978bn (June 2024)	n/a

Source: EMIS Company Database, Company Database

Recent Events

In December 2024, Garuda Indonesia announced plans to expand its fleet by adding 15 to 20 aircraft in 2025. This initiative aims to meet the growing demand across various market segments and enhance the airline's operational capacity. The expansion includes the addition of new aircraft to serve both domestic and international routes, with the airline expecting to receive two aircraft before the end of 2024 and another two in January 2025.

Garuda Indonesia has strengthened its international presence by launching a joint business partnership with Japan Airlines in April 2025. This collaboration focuses on commercial cooperation on flights between Indonesia and Japan, offering enhanced flight services through integrated schedules and expanded codeshare networks covering over 34 routes. Additionally, in February 2025, Garuda Indonesia and Emirates signed an agreement to expand their partnership, providing reciprocal loyalty benefits and broader flight network coverage for members of both airlines' loyalty programmes.

In July 2024 Reuters reported that Metro Pacific Tollways Corp (MPTC) and Singapore's GIC invested USD 1bn to acquire a 35% stake in Jasamarga Transjawa Tol, encompassing 13 toll roads across Java. This investment aims to support further expansion, while allowing Jasa Marga to maintain strategic control over its assets.

Samudera Indonesia has been proactive in expanding its fleet. In H1 2024, the company reported that it had added eight new ships, aiming to reach a total of 12 new vessels by year-end. These additions include container ships from China and Japan, tugboats from Semarang, barges from Madura and tankers delivered in Singapore. The fleet expansion is part of a broader capital expenditure plan of USD 280mn, allocated for acquiring ships, trucks, trailers, warehouses, logistics facilities and port equipment. In February 2025, Samudera Indonesia entered into a partnership with MSC's Asia Global Logistics (AGL) and

Toyota to operate the Patimban Container Terminal. This collaboration aims to enhance the terminal's operational efficiency and service offerings. Additionally, the company is cautiously exploring opportunities to re-enter Indonesia's bulk market, indicating a strategic move to diversify its business portfolio.

Blue Bird reported a net profit of IDR 585.2bn in 2024, a 29% y/y increase. This growth was driven by a 13% y/y revenue increase, reaching IDR 5.04tn, supported by a 20% rise in net profit to IDR 442bn in Q3 2024. The company's digital initiatives, including the MyBluebird app, have significantly contributed to this performance, with app usage increasing over fourfold since 2020. In terms of fleet modernisation, Blue Bird announced plans to add 600 electric vehicles (EVs) in 2025, aiming to expand its electric fleet to 1,000 units by year-end. This initiative aligns with the company's goal for EVs to comprise 20% of its fleet by 2030. The anticipated establishment of a BYD manufacturing plant in Indonesia is expected to reduce EV costs, facilitating this transition.

Atara News reported in February 2025 that KAI had added 54 trains to accommodate increased demand during the 2025 Eid al-Fitr period, resulting in 1,080 additional trips over 22 days. This expansion provided a total of 4.57mn seats, covering long-distance, local and tourist trains. Additionally, KAI introduced new inter-city train services, including the Pangandaran (Gambir–Banjar), Papandayan (Gambir–Garut), and Malabar (Bandung–Malang) routes.

In February 2024, KAI signed a contract with Progress Rail for 54 additional GT38ACe locomotives, scheduled for delivery between April 2025 and April 2026. These locomotives are intended to enhance freight services, particularly in South Sumatra.

KAI has faced financial challenges related to the Jakarta–Bandung high-speed rail project, known as "Whoosh." In 2023, the project incurred a net loss of USD 30.5mn. To address cost overruns, the China Development Bank extended loan facilities worth nearly USD 543mn to KAI, adding over USD 500mn in new foreign currency-denominated debt. KAI has sought government assistance to alleviate this debt burden, proposing measures such as increased state capital injections, tax waivers and exemptions from track access charges.

In Q1 2025, Tempo reported that KAI's North Sumatra division transported 228,810 tonnes of goods, indicating robust freight activity in the region. During the 2025 Eid al-Fitr period, the Yogyakarta–Solo route experienced a significant increase in passenger numbers, reaching 1mn travellers, highlighting the growing demand for rail services during peak travel times.

M&A Deals in Indonesia's Transportation and Warehouse Sector, 2023-2024

Date	Target Company	Deal Type	Buyer	Location of Buyer	Deal Value, USDmn	Deal Stake %
Nov-2024	Dash Electric	Minority stake	Private investor(s); Bali Investment Club (BIC); Antler Innovation Pte Ltd; Schneider Electric Energy Access Asia; The Radical Fund; Aksara Ventures	Indonesia; Singapore; Thailand		n/a
Oct-2024	PT Eximku Technology Indonesia (Andalin)	Minority stake	Undisclosed investor(s)	n/a	1.5	n/a

Jul-2024	PT Jasamarga Transjawa Tol	Minority stake	First Pacific Co Ltd	Hong Kong SAR of China	673.2	24.5
Jul-2024	Pt. Jasamarga Transjawa Tol	Minority stake	Pt. Metro Pacific Tollways Indonesia; PT Margautama Nusantara; Metro Pacific Tollways Corp; GIC Pvt Ltd	Indonesia; Philippines; Singapore	1000	35
May-2024	Prathita Titiannusantara (PTN)	Acquisition	Celebi Aviation Holding	Turkiye	8.15	100
Mar-2024	PT Indoexpress Logistics	Acquisition	PT Trans Infra Nusantara; Asdion Bhd	Indonesia; Malaysia	1.27	51
Feb-2024	Komerce	Minority stake	500 Global; Achmad Zaky - private investor	US; Indonesia	n/a	n/a
Feb-2024	Pt Ancara Logistics Indonesia Tbk	IPO	Public investor(s)	n/a	54.65	20
Jan-2024	PT ICTSI Jasa Prima Tbk	Minority stake	PT Sarana Kelola Investa	Indonesia	2	80.19
Jan-2024	Trans Java Toll Road sections of Kanci-Pejagan and Pejagan-Pemalan	Minority stake	Abu Dhabi Investment Authority; APG Asset Management N.V.	United Arab Emirates; Netherlands	n/a	n/a
Nov-2023	Fr8Labs	Minority stake	Seedstars International Ventures; Venturra Capital; East Ventures ; Kaya Founders; FEBE Ventures; Angel investors	Switzerland; Indonesia; Japan; Singapore; Philippines	1.5	n/a
Nov-2023	PT Margautama Nusantara	Minority stake	GIC Pvt Ltd	Singapore	209.9	33
Nov-2023	PT Margautama Nusantara	Minority stake	Pt. Metro Pacific Tollways Indonesia; Metro Pacific Tollways Corp	Indonesia; Philippines	65.4	10.3

Oct-2023	Pt Logisticsplus International Tbk	IPO	Public investor(s)	n/a	1.91	27.27
Oct-2023	PT GoTo Gojek Tokopedia Tbk	Minority stake	International Finance Corporation (IFC)	US	150	n/a
Aug-2023	Pt Humpuss Maritim Internasional Tbk	IPO	Public investor(s)	n/a	17.78	15
Jul-2023	Pt Mandiri Herindo Adiperkasa Tbk	IPO	Public investor(s)	n/a	32.7	25
Jun-2023	Pt Pelayaran Kurnia Lautan Semesta Tbk	IPO	Public investor(s)	n/a	5.29	24.94
May-2023	Pt Mpx Logistics International Tbk	IPO	Public investor(s)	n/a	2.93	20
Apr-2023	PT Gudang Segar Indonesia	Minority stake	East Ventures; Trihill Capital; SBI Ven Capital Pte Ltd	Indonesia; Japan; Singapore	4.14	n/a
Mar-2023	Pt Grahaprima Suksesmandiri Tbk	IPO	Public investor(s)	n/a	3.75	20
Feb-2023	Pt Vastland Indonesia Tbk	IPO	Public investor(s)	n/a	4.63	21.27
Feb-2023	EdenFarm	Minority stake	Telkomsel Innovation Partners (TMI); PT Telekomunikasi Selular (Telkomsel); Decart Ventures; AC Ventures LP; Trihill Capital; Nakhla VC; OCBC Capital; Fubon Financial Holding Co Ltd; AppWorks; Capria Ventures	Indonesia; Cyprus; Singapore; Saudi Arabia; China; US	13.5	n/a
Jan-2023	Pt Jasa Berdikari Logistics Tbk	IPO	Public investor(s)	n/a	4.68	32.56

Jan-2023	Pt. Swift Logistics Solutions	Minority stake	PT GoTo Gojek Tokopedia Tbk	Indonesia	37.47	33.1
Jan-2023	Pt Cakra Buana Resources Energi Tbk	IPO	Public investor(s)	n/a	5.2	16.26

Source: EMIS DealWatch

Sources

Company Data, EMIS Company Database, EMIS DealWatch, Reuters, The Business Times, The Star

Regulatory Environment

Main Regulatory Authorities

The Ministry of Transportation serves as the principal regulatory authority for Indonesia's transport sector. It is tasked with issuing business licences, overseeing the development of transport infrastructure and managing traffic planning. Within the Ministry, several specialised departments govern specific sub-sectors: the Marine Department, the Department of Land Transportation, the Department of Civil Aviation and the Railway Department. Beyond regulatory functions, the Ministry also engages in research and development, statistical data collection and the execution of national transport policies.

Despite Indonesia's archipelagic geography and the varying socio-economic development across its regions, governance remains highly centralised. The Office of the President directly supervises the National Development Planning Agency (BAPPENAS), which is responsible for formulating national development strategies. BAPPENAS works in close coordination with the Ministry of Transportation, particularly on infrastructure-related initiatives. In special cases—such as land acquisition for infrastructure projects—the Ministry of Public Works and Housing may also be consulted.

Infrastructure Development

Infrastructure Development Programmes

The administration of former president Joko Widodo established the National Strategic Project (PSN) in 2014 as a list of priority infrastructure projects that will have a significant impact on economic growth, development equality and social welfare. The KPPIP acts as the main body of the PSN, responsible for the whole process from appraisal to the monitoring stage. Public and private sector companies can submit their projects to the KPPIP and the agency evaluates them and selects those that meet the necessary criteria, such as linkages to the economy, the rate of return, etc. A project can only be included in the PSN if it has a value above IDR 100bn. Similarly, an existing project can be removed from the PSN if there is no meaningful progress. Therefore, the Indonesian government updates the PSN each year through a Ministerial Regulation.

Infrastructure projects in the PSN are given extra facilities from the government to speed up their completion. Government Regulation No. 21 of 2021 outlined the details of the facility in each stage from licensing to operation and maintenance. For example, the government will incur some of the land acquisition costs and provide guarantees via a guarantor agency. Projects in the PSN are also allowed to use direct appointments for goods and services procurement under less strict criteria.

In December 2024, the KPPIP's general secretary Suroto stated that approximately 225 projects within the PSN were complete and fully operational with a total investment of IDR 1,990tn, as reported by the business news agency Kontan. The Coordinating Minister of Infrastructure and Regional Development, Agus Harimurti Yudhoyono, as quoted by online news agency Bisniscom, stated that the Prabowo administration will evaluate all existing projects under the PSN in the near future to ensure that the selected projects have great socio-economic impact on the general public. On a separate occasion, the news agency Tribunnews reported that the Toll Road Regulatory Agency (Badan Pengatur Jalan Tol or BPJT) had received a direct order from president Prabowo to postpone all toll roads projects that remain in the feasibility study phase. One of the reasons is to reassess the capability of the state budget to finance those projects.

Abbreviations

List of Abbreviations

ASEAN	Association of Southeast Asian Nations
BAPPENAS	National Development Planning Agency
BKPM	Indonesia Investment Coordinating Board
BI	Bank Indonesia
BOT	Build, Operate and Transfer
BPS	Indonesia's Statistics Office (Badan Pusat Statistik)
BRT	Bus Rapid Transit System
CAGR	Compound Annual Growth Rate
COVID-19	Coronavirus Disease 2019
DJ ANGGARAN	Directorate General of Budget
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GVA	Gross Value Added
IATA	International Air Transport Association
IDR	Indonesian Rupiah
IDX	Indonesian Stock Exchange
IICB	Indonesia Investment Coordinating Board
IMF	International Monetary Fund
INACA	Indonesia National Air Carrier Association
PPI	Private Participation in Infrastructure
PSN	Proyek Strategis Nasional (National Strategic Project)
SOE	State-Owned Enterprises
T&C	Transport and Communication

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Automotive	+	+	+	+		+			+	+	+	+	+	+	+	
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Consumer Electronics		+		+			+	+								
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Food and Beverages	+	+	+	+	+	+	+		+	+	+		+		+	
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