



**Business
in Cockburn**
CONNECT INVEST TRADE

Cockburn

Global



Digitalisation Opportunities Indonesia



Chamber of Commerce
and Industry WA



CONSULATE GENERAL OF VIETNAM
IN PERTH – AUSTRALIA



Overview

Lake Coogee Room Indonesia	
10.30am - 10.45	Trading with Indonesia Michael Carter
10.45am - 11am	Digitisation Opportunities Arnold Japutra
11-11.15am	Question and Answer



Michael Carter

Head of International Trade and Investment Centre

Chamber of Commerce and Industry WA

Discussing trading with Indonesia

Cockburn Global 2023

INDONESIA



GOING
GLOBAL



INDONESIA
ECONOMIC
SNAPSHOT



BUSINESS IN
INDONESIA



TRADE
WA-INDONESIA



FREE TRADE
AGREEMENTS



CONSUMER
TRENDS

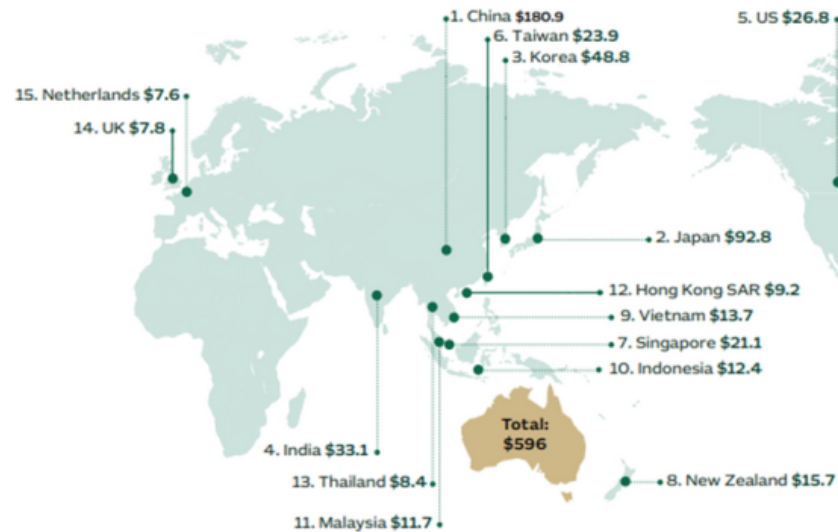


Content

Australia's top export markets

Australia's top 15 export markets, 2021–22

A\$ billion



Indonesia economic

Snapshot



US\$ 1.1

Largest economy in
Southeast Asia

16th

Economy in the world

largest



268

4th most populous
country in the world

million



Indonesia economic Snapshot

1 Services

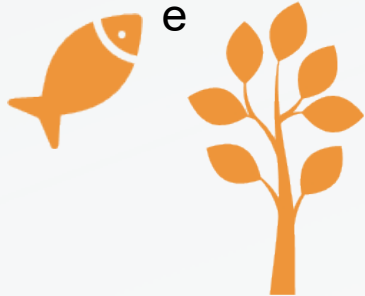


2

Industry and
construction



3 Agriculture



1

Services sector - biggest contributor to GDP. Including wholesale and retail; finance and banking.

2

Industry and construction sector - second biggest sector in Indonesia, which includes manufacturing.

3

Agriculture is the third largest contributor to the GDP.



Doing business in Indonesia

- Understand the local culture and build relationships.
- Legal and regulatory requirements.
- Consider partnerships with local businesses.
- Conduct thorough market research and adapt to local preferences.
- Network actively to expand your connections.
- Be patient and flexible due to potential delays and bureaucracy.
- Maintain ethical business practices and transparency.
- Plan for logistical challenges in a country of islands.
- Manage risk through insurance and contingency planning.
- Understand local payment methods and currency.
- Explore government incentives for foreign investment.
- Invest in training and developing local talent.

Why do business with Indonesia?

1

Rapidly growing middle class and the domestic consumption is strong.

2

The WA-East Java sister-state relationship boosts WA businesses in East Java with 40 million people.

3

99% of Australian exports enter duty free.

4

Labor-intensive manufacturing hub.

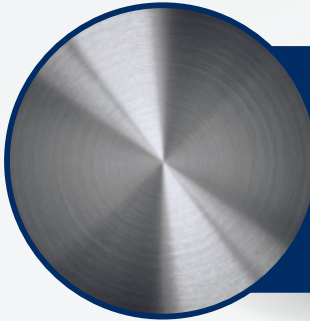


Chamber of Commerce
and Industry WA



Key opportunities for
WA

WA top exports to Indonesia - AUD \$3.8 billion



Iron ore

In 2021, Western Australia's exports to Indonesia of iron ore rose 57% to \$918 million.



Petroleum

Indonesia is Western Australia's 6th largest export market for petroleum, and petroleum is the biggest export category from WA to Indonesia by value.



Wheat

In 2021, wheat exports jumped from \$206 million to \$646 million which makes Indonesia Western Australia's largest export market for wheat.



Live cattle

Indonesia was Western Australia's largest export market for live cattle in 2021. Beef is an important food in Indonesian culture and traditional cuisine.



WA top imports from Indonesia - AUD \$0.7 billion



Manufactured goods

Manufactured goods is the largest category of imports to WA from Indonesia.



Non-monetary gold

This category account for 9 % of total imports from Indonesia.



Machinery and transport equipment

Machinery and transport equipment account for 17% of Western Australia's import from Indonesia.



Free Trade Agreements

- The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA).
- Almost all Australian goods (by value) enter Indonesia duty-free.
- Australia and Indonesia are also members of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).
- Regional Comprehensive Economic Partnership Agreement (RCEP).



Consumer

trends

1

Modern trade channels are the consumer preference.

2

E-commerce continue to increase,

3

Shift towards greater health-consciousness.

4

Recycled, sustainable or eco-friendly materials.

Issues causing greatest impact on shopping experience



Long delivery times.

52%

Large queues in-store.

48%



How CCIWA help you



Trade and Investment Consulting

Utilise our suite of trade consulting services:

- Market selection and channel entry strategies
- Business matching
- Export and import planning
- eCommerce support
- Understanding free trade agreements
- Seeking investment to grow your business on wainvestments.com.au



Trade Documentation Services

Rely on CCIWA to be your major authorised issuing body for export documents:

- ATA Carnets
- Certificates of Origin
- Certification of products to carry the Australian Made, Australian Grown logo trademark
- Certificates of Origin CoO and including stamping for CoO's to 22 Arab countries.
- Corporate Declaration Stamping (Non- certificate of Origin)



Registered TradeStart Partner

Tap into Austrade's worldwide resources through TradeStart:

- Support through Austrade's international network in 47 countries.
- Facilitation of business connections
- Export Grants
- Serving all industries in Western Australia



Investors

Discover Western Australian projects
currently seeking investment.



Seeking investments

Promote your investment-ready project
to national and global investors.



Why invest in WA

Western Australia - your natural choice
for investment and growth.



Thank you



Mike Carter
Head of International Trade and Investment



www.cciwa.com



michael.carter@cciwa.com



(08) 9365 7629





Arnold Japutra

**Senior lecturer at the University of Western
Australia & Digital Economy fellow at Australia-
Indonesia Centre**

Discussing digitalisation opportunities in
Indonesia

Digitalisation opportunities in the Indonesian market

Dr. Arnold Japutra

Senior Lecturer – University of Western Australia

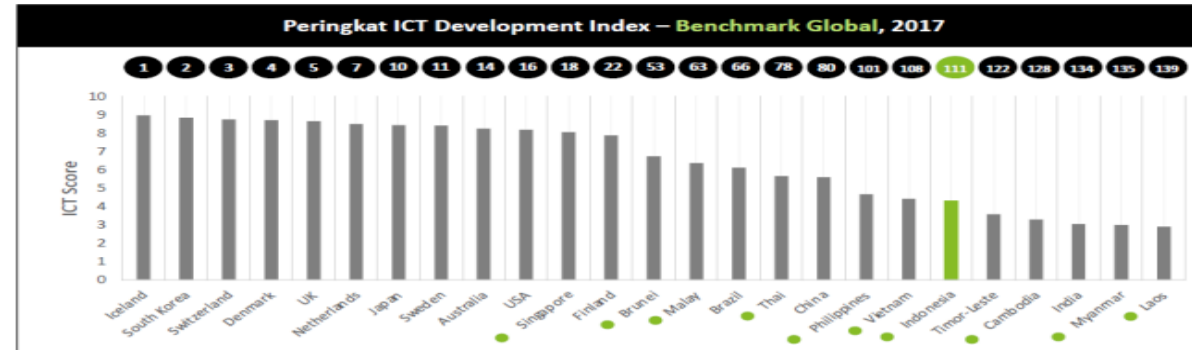
Digital Economy Fellow – The Australia-Indonesia Centre

Cockburn Global 2023

Cockburn City
Council

11 October 2023

Indonesia Digitalization Metrics



Source: ICT Development Index 2017



2022 IMD Digital Competitiveness
Indonesia #51 – in 2021 #53 & in 2020
#56



KIC – Digital Literacy Status 2021

Digitalization Parameters

ICT Development Index

- ICT Access
- ICT Skills
- ICT Use

IMD World Digital Competitiveness

- Knowledge
 - Talent
 - Training & Education
 - Scientific Concentration
- Technology
 - Regulatory Framework
 - Capital
 - Technological Framework
- Future Readiness
 - Adaptive attitudes
 - Business Agility
 - IT Integration

KIC Digital Literacy Index (Based on Digital Literacy Roadmap – Ministry of Communication and Information)

- Digital skills
- Digital ethics
- Digital safety
- Digital culture

Cyber-creation Class

Beginner

- Ethics in the Digital World
- Digital landscape
- Data privacy
- Identifying and verifying hoax

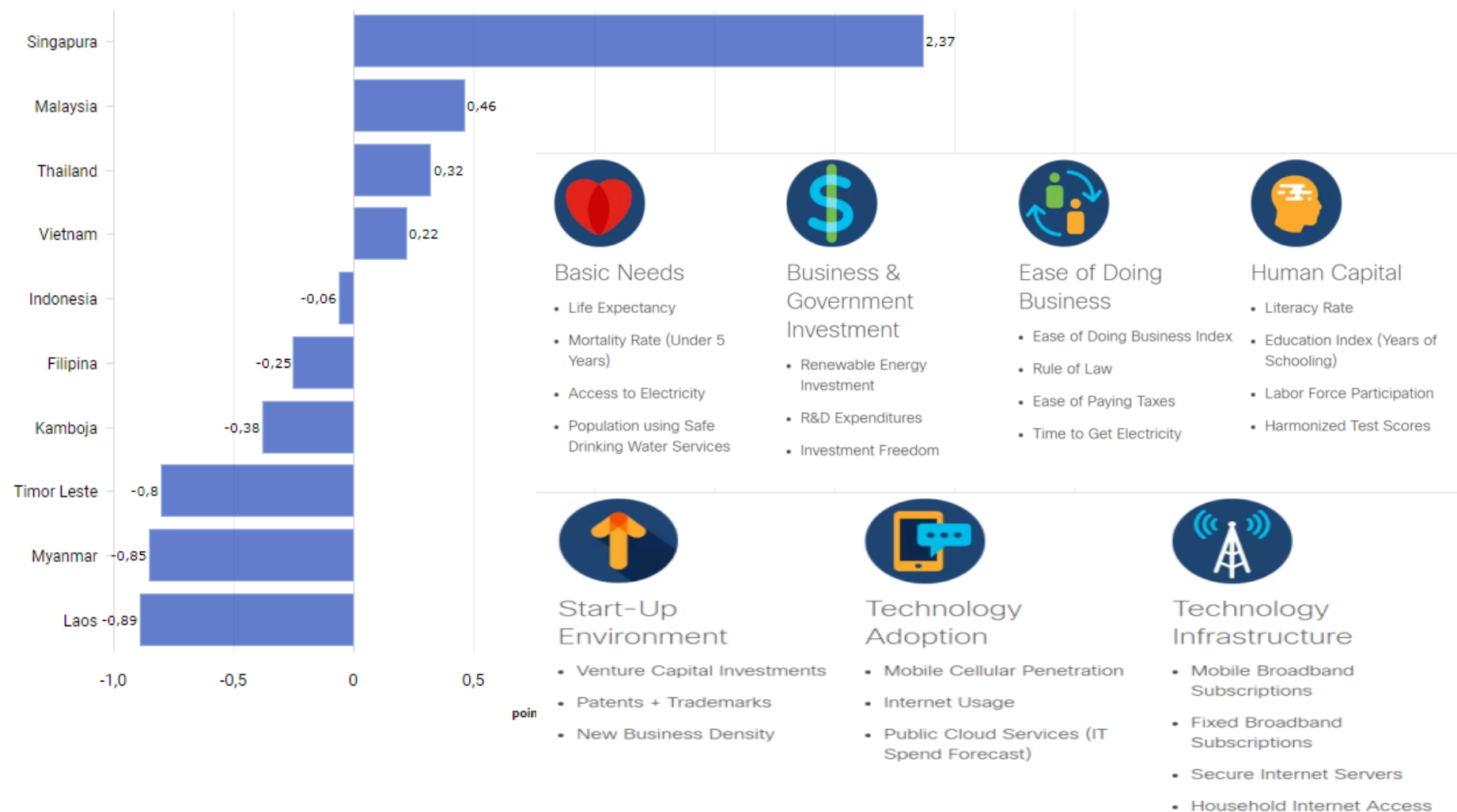
Intermediate

- Fact check
- Digital technology and digital media
- Children online protection
- Digital resilience
- Emerging technology

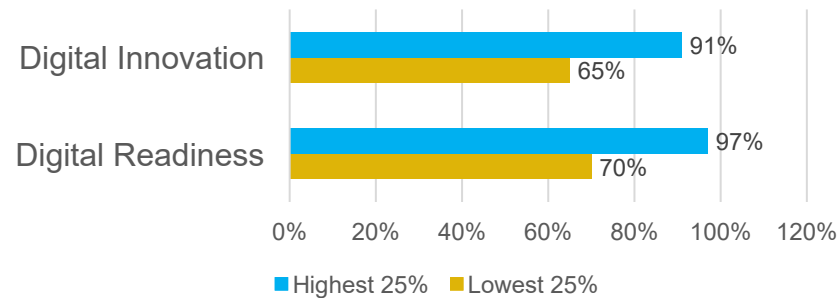
Advanced

- Video, photography, podcast
- Blogging, copywriting
- Digital marketing
- Communication and visual design
- Internet governance

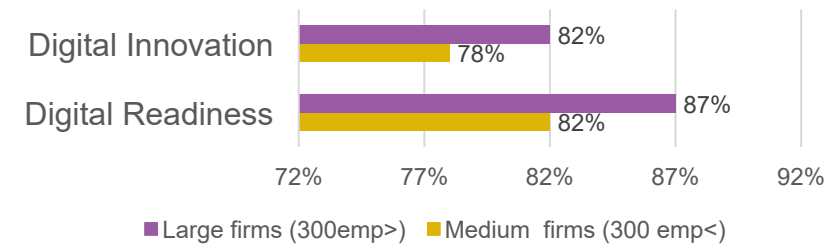
Cisco – Digital Readiness Index



Digital Profile of IDX Listed Firms 2020 (n=190)



Digital Profile of IDX Listed Firms 2020 (n=190)/Firm Size



White Paper on Digitalisation – Gernas BBI (Japutra et al., 2023)

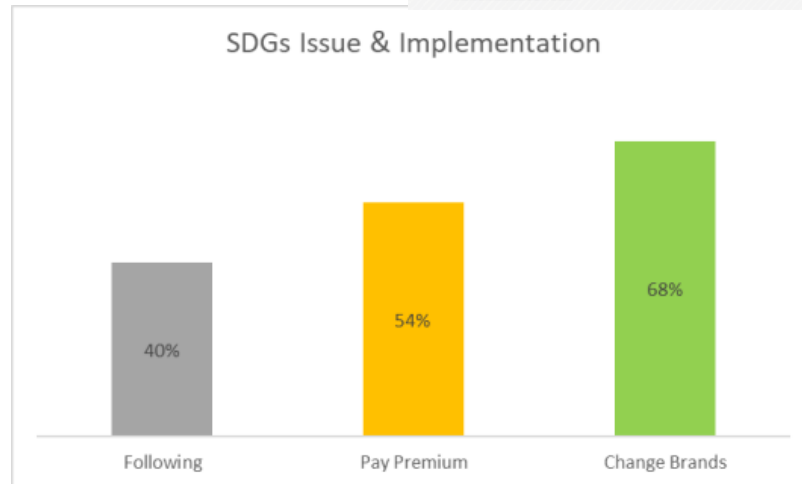
Challenges for MSMEs

- Generic approach from government
- Narrow collaboration between MSMEs, platforms, and government
- Limited financing access
- Competitiveness gap between Java and outside Java

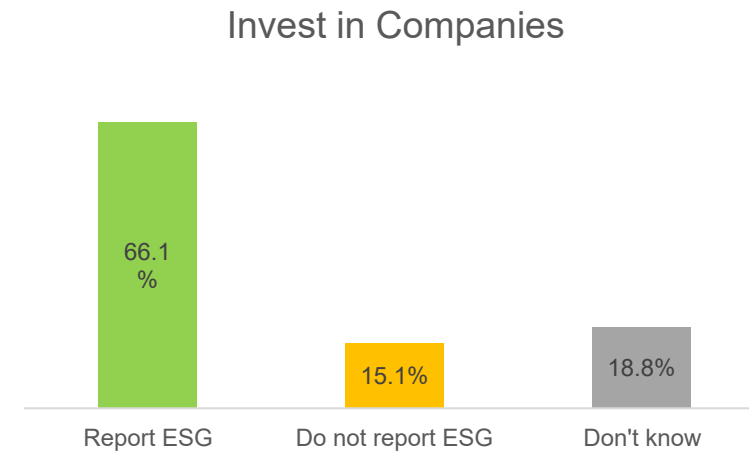
Challenges for Government

- Introduce the digital mindset to MSMEs
- Increase MSMEs awareness of the importance of digital transformation
- Induce MSMEs to invest on digital readiness
- Train novice MSMEs

ESG Studies in Indonesia

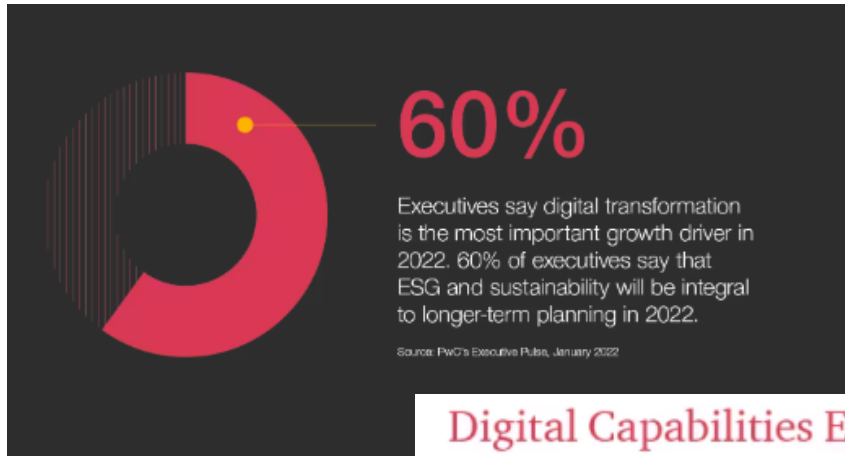


Source: KG Media Research 2023 (n = 5,620)



Source: KIC 2022 (n = 595)

Harmonising Digitalisation and ESG



BCG Global Transformation Survey 2021:

- Digital transformation can enable companies to focus on growth whilst sustainability can support cost reduction and growth.
- Digital transformation helps gather and analyse data, and that data can support sustainability initiatives, for example, the supply chain.
- Digital tools support decision making including in the complex area of sustainability.
- Digital transformation helps companies identify and react to risks.

Digital Capabilities Enable Sustainability Agendas

Companies that cited a link between digital transformations and ESG priorities (%)

When it comes to our digital transformation...



Companies that have prioritised each ESG area (%)



Source: BCG Global Transformation Survey, 2021; n= 640

IKN Project, Indonesia's new capital, applies ESG concept:

- ESG committee
- Net Zero Emission 2030 – Local Determined Commitment
- ESG Financing Instruments – Green and Blue Bonds
 - Blue bonds: finance marine and ocean-based projects
 - Green: climate and environment

End of Session

Any Questions?

What's next?

11.30am-12.15pm - Breakout Session 3