

## Business in Indonesia

### Introduction

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Indonesia is one of UK Trade & Investment's 17 High Growth Markets and trade relations between the UK and Indonesia are healthy.

The 4th most populous country (240m) with a growing affluent and inspirational middle-class of around 45 million, Indonesia is the largest economy in South East Asia. Many opportunities exist for UK business across a range of sectors.

Exports of UK goods to Indonesia in 2010 were worth £438.9 million, an increase of 25% over the previous year, whilst imports of goods to the UK from Indonesia saw an increase of 13% to £1.3 billion.

### Opportunities

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Principal UK exports are:

- Pulp and waste paper
- Metal ores & metal scrap
- Power generating machinery and equipment
- Industrial machinery and equipment
- Organic chemicals
- Essential oils and perfume materials

There has also been considerable growth and investment in the following sectors:

- Ports
- Airports
- Railways
- Life Sciences
- Infrastructure
- Financial Services
- Oil & Gas
- Power Generation
- Renewable energies
- Mining

## Life Science Sector in Indonesia

**As the world's fourth most populous country with a middle class expected to reach 74 million by 2013, Indonesia offers large market for the healthcare sector.**

### Market overview

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Rising incomes are leading to increasing demand for quality healthcare, which supports the growth of private hospitals in the country. These hospitals are trying to keep up with developments in high-tech medical equipment.

Indonesia's medical device market was recorded as being worth US\$780 million in 2012, predicted to continue growing at about 15 percent per year. 95 percent of this total value came through imports and foreign manufacturers accounted for 90 percent of all medical device registrations in 2012. There is continuous demand for high-tech medical equipment and devices from private hospitals.

In the pharmaceutical sector, Indonesia registered an average double-digit growth of 13–14% between 2009–2011. Over the counter (OTC) medication is growing steadily, supported by the launch of retail outlets. There is also stable growth in generic medication, supported by the lower middle class and below.

## Key opportunities

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Demand for quality healthcare in Indonesia is expected to steadily increase, particularly in terms of:

- Therapies and treatment equipment for cancer
- Clinical laboratory equipment for circulatory problems, infections, parasites and respiratory problems
- Dental equipment
- Diagnostic and surgical equipment, including for plastic surgery
- Dermatology sector
- Health food supplements, vitamins and over the counter drugs
- Healthcare IT systems

## Getting into the market

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Finding a local partner is a mandatory requirement and a key to market entry. To take advantage of the opportunities available, it is crucial that companies:

- Appoint the right business partner who has an Import Identifier Number (API – Angka Pengenal Import)
- Visit the market on a regular basis (face-to-face contact and the development of relationships is critical to business success)
- Prepare comprehensive information packs profiling your company, product specifications, pricing and terms of payment
- Participate in major trade exhibitions to showcase products/ services to relevant audience/ buyers

The sheer size of Indonesia means that more than one distributor is often needed if a company is seeking to penetrate second tier cities and rural areas. All healthcare supplies and equipment must be registered with the Department of Health, a process that may be carried out by the manufacturer, packaging company, or importer.

Source: UK Trade & Investment (<http://www.ukti.gov.uk>)  
View content at: <http://bit.ly/coxecG>, <http://bit.ly/16VRNR5>

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