

**bajak**

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# Was verbindet die Schweiz mit Indonesien?

January 2021, Switzerland,

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# bajak GmbH

bajak GmbH is named after the word “bajak” which has two meanings.

1. bajak GmbH(**B**asel-**J**akarta). It is founded in Basel, Switzerland. The founder, Jesse Ng, is an Indonesian citizen from Jakarta city. The capital of Indonesia.
2. “bajak” in Indonesian also means “plow” which represents our philosophy to help you preparing the groundworks for your investment.

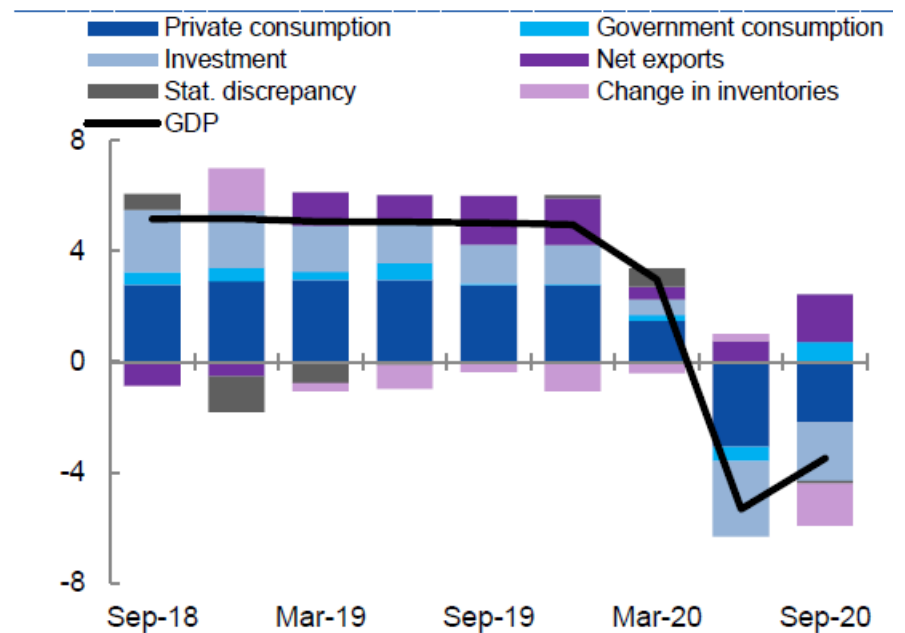
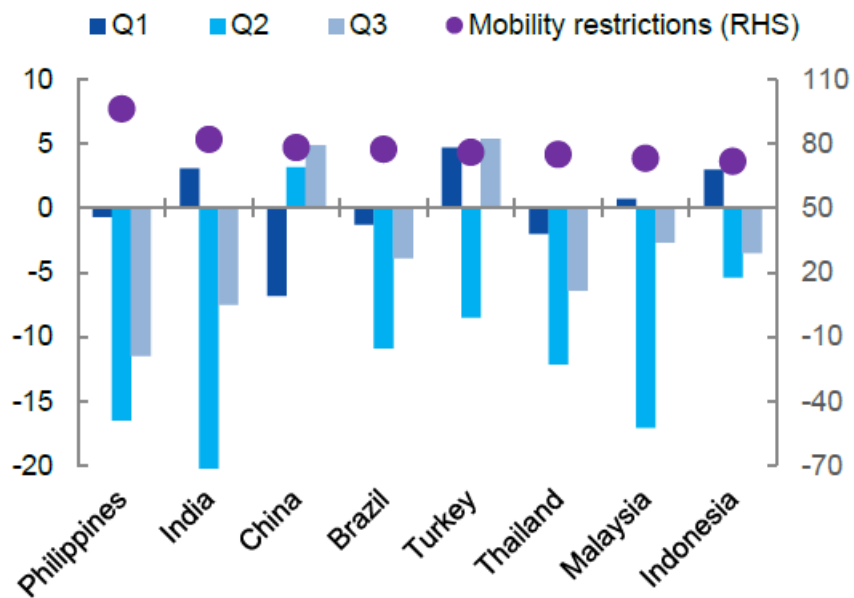


# Covid 19 – The impact to Indonesia

- The Indonesian economy is **slowly recovering** following the partial reopening of the domestic and global economies
- But the pace of recovery is **uneven** across sectors
- Several labor market indicators **are significantly weaker** than before the crisis
- The **fiscal response to save lives and livelihoods** and stimulate the recovery has been decisive. Albeit relatively low compared to peer countries, public debt is rising, and the fiscal space risks tightening in the absence of reforms
- Notwithstanding the policy response, the current pace of recovery indicates that Indonesia will finish this year in recession, **the first time in two decades**

Source: Worldbank

# Indonesia is turning around

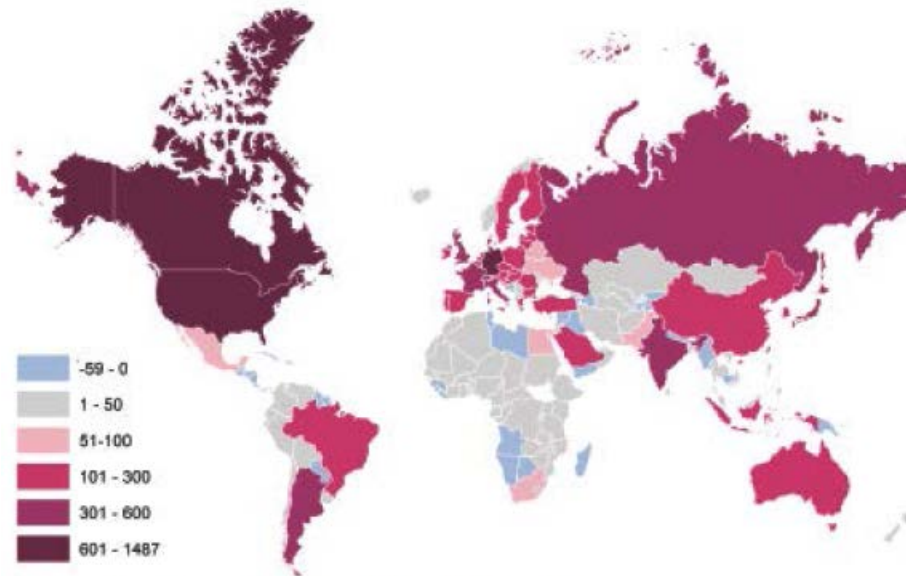


Source: Worldbank and OECD

# Protectionism is on the Rise

## USA, Kanada und Deutschland als Haupttäter

Saldo zwischen Anzahl handelsverzerrender und -liberalisierender Interventionen, die ein Staat zwischen 2009 und Mai 2019 implementiert hat



Quelle: Global Trade Alert (Stand: Mai 2019), Credit Suisse  
Zu den nicht eingefärbten Ländern sind keine Angaben vorhanden.

Source: Credit Suisse

Freihandelsabkommen mit Indonesien - Weichenstellung für die Schweizer Aussenwirtschaft?

# Indonesia has a strong positive trade relationship with China

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Economics

## China's \$1.5 Billion Indonesia Coal Deal May Hit Australia

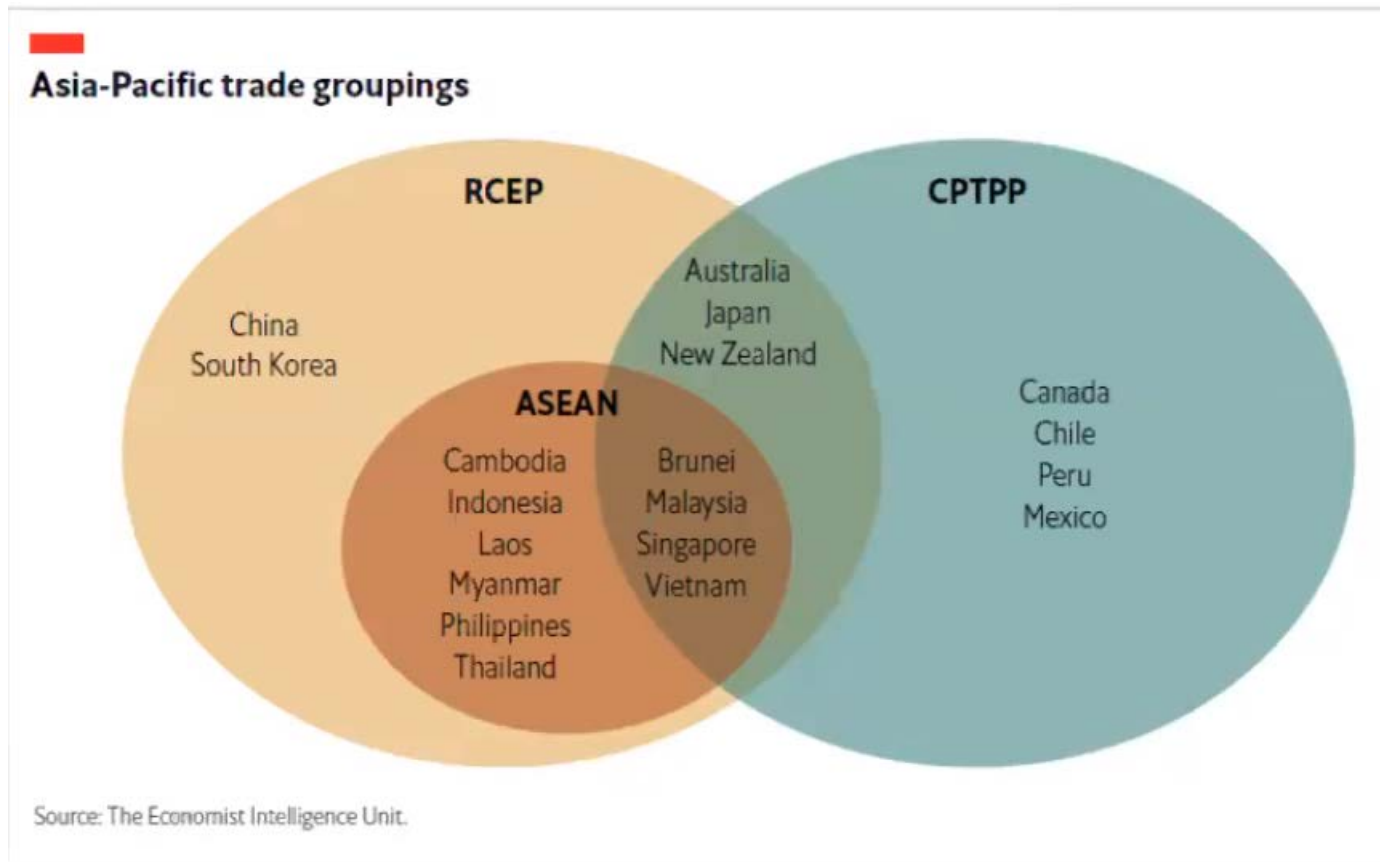
By [Aaron Clark](#) and [David Stringer](#)  
November 27, 2020, 3:51 AM GMT+1 *Updated on November 27, 2020, 8:09 AM GMT+1*

- ▶ Indonesia aims to lift coal exports to China, win investment
- ▶ Pact comes amid tensions with rival coal supplier Australia

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# EFTA and RCEP

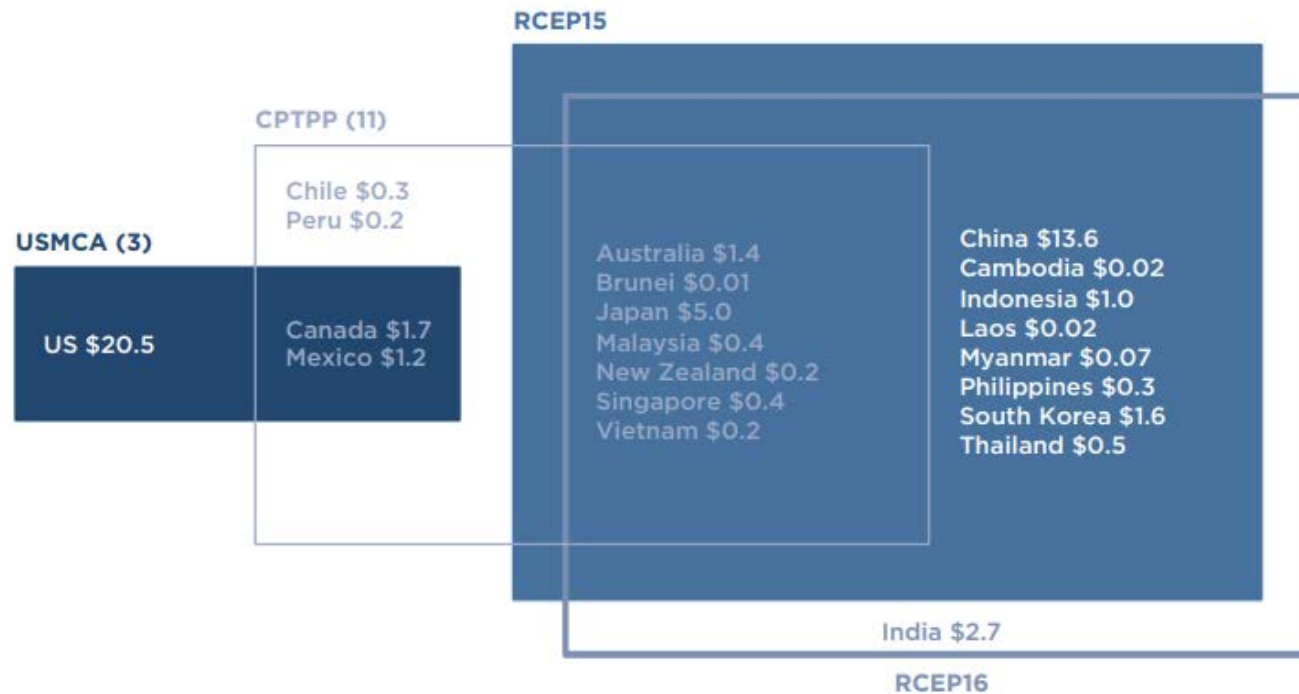


Source: The EIU

Freihandelsabkommen mit Indonesien - Weichenstellung für die Schweizer Aussenwirtschaft?

# EFTA and RCEP

**Regional trade groups involving the United States, Asia, and the Pacific and 2018 GDP**  
(trillions of US dollars)



CPTPP = Comprehensive and Progressive Agreement for Trans-Pacific Partnership  
RCEP = Regional Comprehensive Economic Partnership  
USMCA = United States-Mexico-Canada Agreement

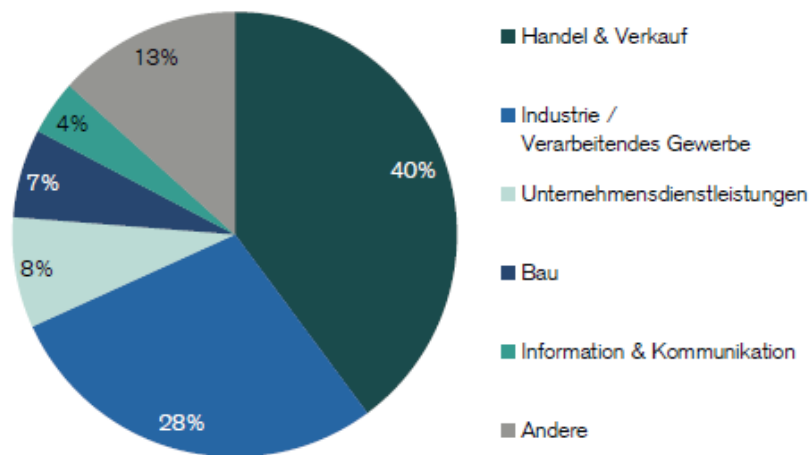
Source: Peterson Institute for International Economic



# Swiss KMU & Export Role

## Die meisten exportierenden KMU kommen aus dem Handel

Anteil exportierender KMU nach Branche, 2016



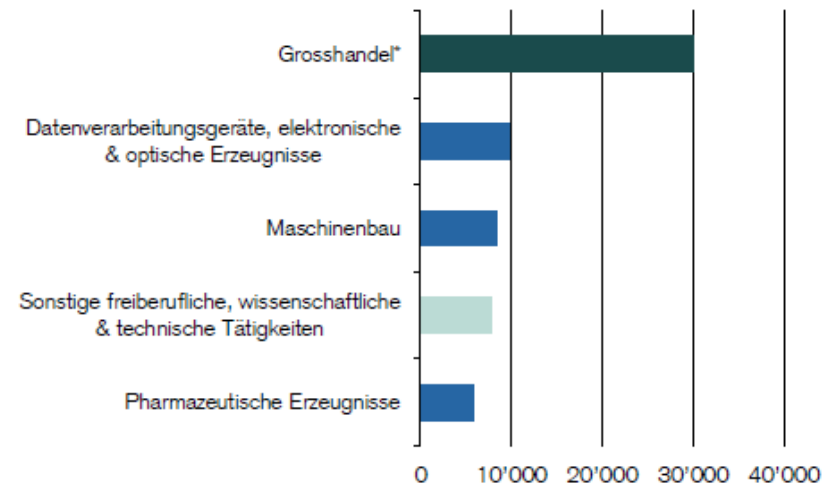
45% of total export (2016)

Quelle: Eidgenössische Zollverwaltung, Credit Suisse

Source: Credit Suisse

## Höchste Exportumsätze im Grosshandel

Exporte der KMU in Mio. CHF, fünf grösste Branchen, 2016



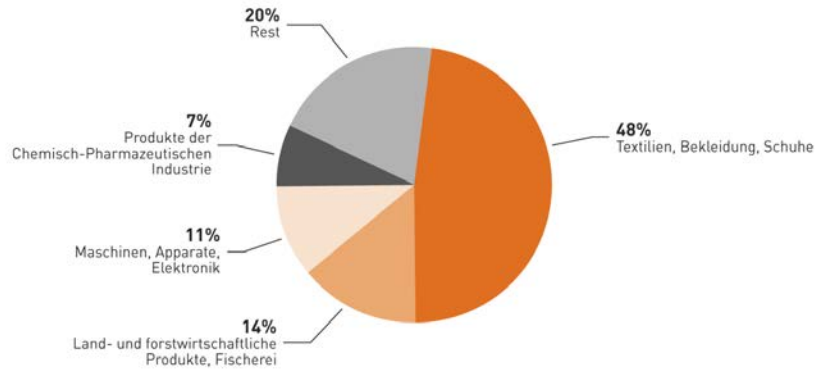
Quelle: Eidgenössische Zollverwaltung, Credit Suisse; \* ohne Handel mit Motorfahrzeugen

Schweizer KMU-Wirtschaft | August 2019

# Traded products between Switzerland and Indonesia

## Schweizer Warenimporte aus Indonesien 2019

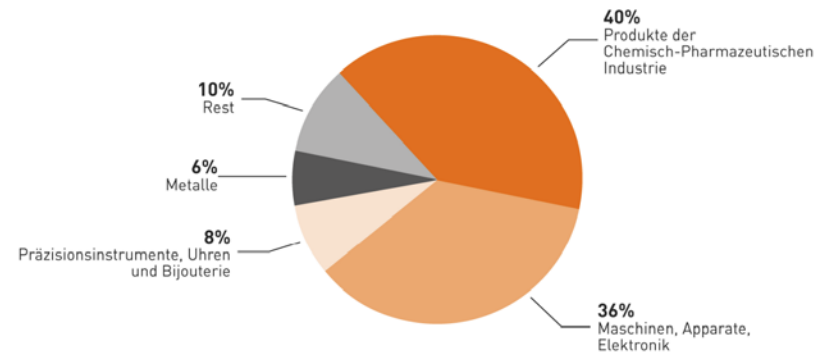
► Gesamtwert: 366 Mio. CHF (ohne Gold und Edelmetalle)



Quelle: eigene Darstellung, in Anlehnung an die Eidgenössische Zollverwaltung EZV (2020)  
www.economiesuisse.ch

## Schweizer Warenexporte nach Indonesien 2019

► Gesamtwert: 488 Mio. CHF (ohne Gold und Edelmetalle)



Quelle: eigene Darstellung, in Anlehnung an die Eidgenössische Zollverwaltung EZV (2020)  
www.economiesuisse.ch

Source: economiesuisse

Freihandelsabkommen mit Indonesien - Weichenstellung für die Schweizer Aussenwirtschaft?

# Benefits of EFTA for Swiss business

- Zugang zu ausländischen Märkten ist wichtig für die Exportnation Schweiz
- **Ein Vorteil für Schweizer Unternehmen im Wachstumsmarkt Indonesien**
- **Keine Gefahr für die Schweizer Landwirtschaft**
- Das Abkommen fördert den Handel, schützt aber auch die Umwelt und die Arbeitnehmerrechte
- Eine ausgewogene Lösung für Palmölimporte aus Indonesien
- Das Abkommen ist ausgewogen und nützt beiden Seiten Ein Nein wäre eine verpasste Chance

Source: <https://www.seco.admin.ch/seco/de/home/seco/Abstimmungen/abkommen-efta-indonesien.html#accordion1611045521618>

# Samples of traded products



# From cow to cheese, cooperation potential for Swiss business



The USDA-sponsored “U.S.–Indonesia Dairy Roundtable” event, held in Jakarta on September 30, 2019, has delivered record results for U.S. dairy exports. In the year since the seminal event concluded, U.S. exports of dairy products to Indonesia surged to more than 160,000 metric tons, valued at more than \$346 million. Moreover, U.S. market share of Indonesia’s nearly \$1.4 billion dairy import market dramatically increased from 14 percent to 25 percent. In calendar year 2020, as of September, the U.S. had already exported a record volume of dairy products to Indonesia and is on track to reach a record value by the end of the year. The event was an excellent example of FAS collaboration with host government officials, local importers, and U.S. industry stakeholders to increase U.S. exports.

[Indonesia: USDA Dairy Roundtable Delivers Record Exports](#)

Source: USDA

# However, CH & ID has more than just trade, the 28%

Indonesian manufacturing still contributes 20% of GDP

Bring value added to primary business

Labor and land input cost is still considered competitive

## Main check list:

Negative list industry

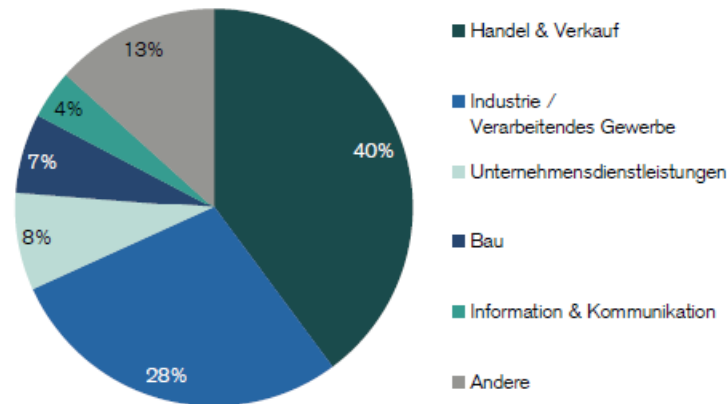
Location

Labor

Trustworthy partner

## Die meisten exportierenden KMU kommen aus dem Handel

Anteil exportierender KMU nach Branche, 2016



Quelle: Eidgenössische Zollverwaltung, Credit Suisse

Soft commodities (Plantation, Farm, Forestry)

Hard commodities (Mining)

Finish /manufactured product

## Main check list

Quality supplier

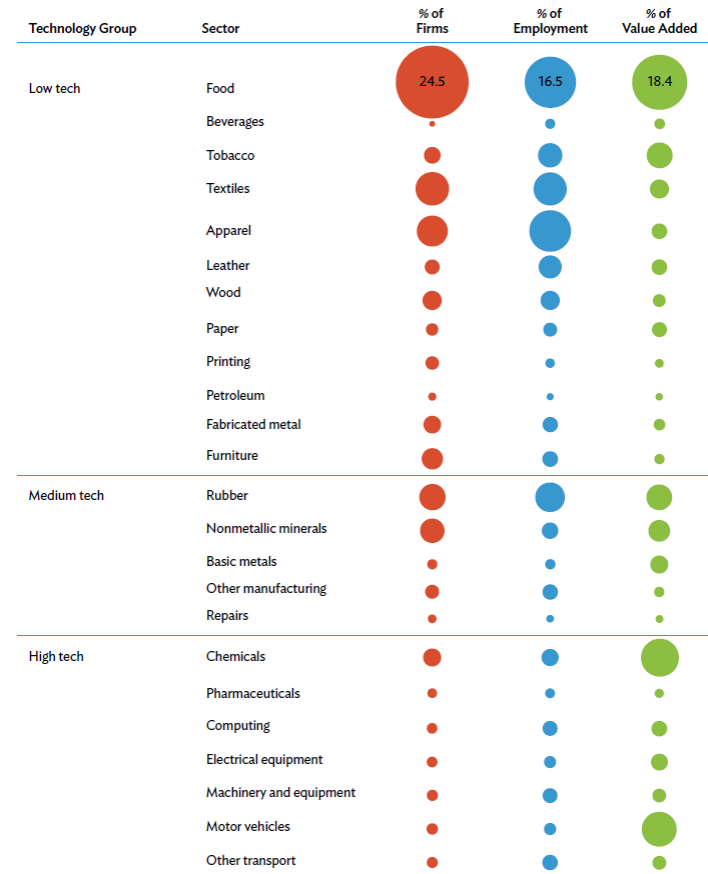
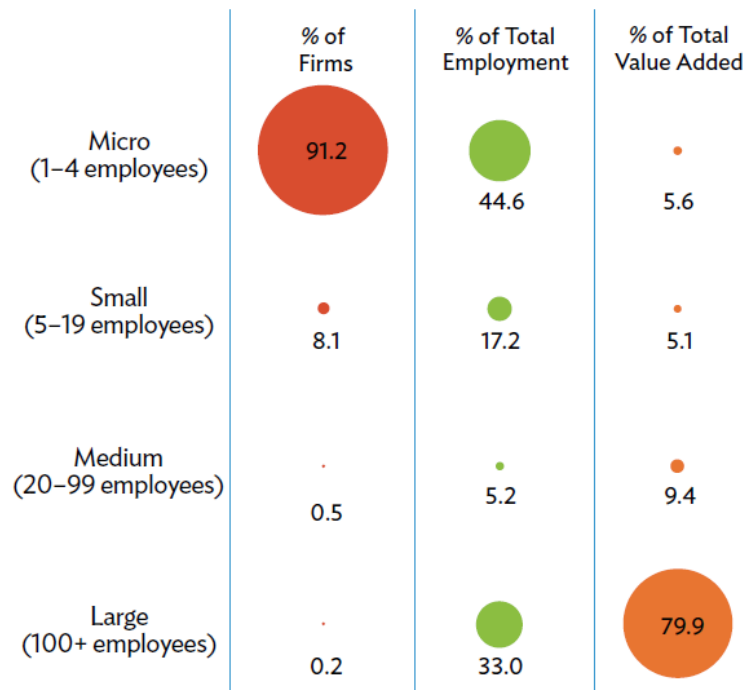
LT. relationship

Sustainable producer

Trustworthy partner

# Indonesian manufacturing

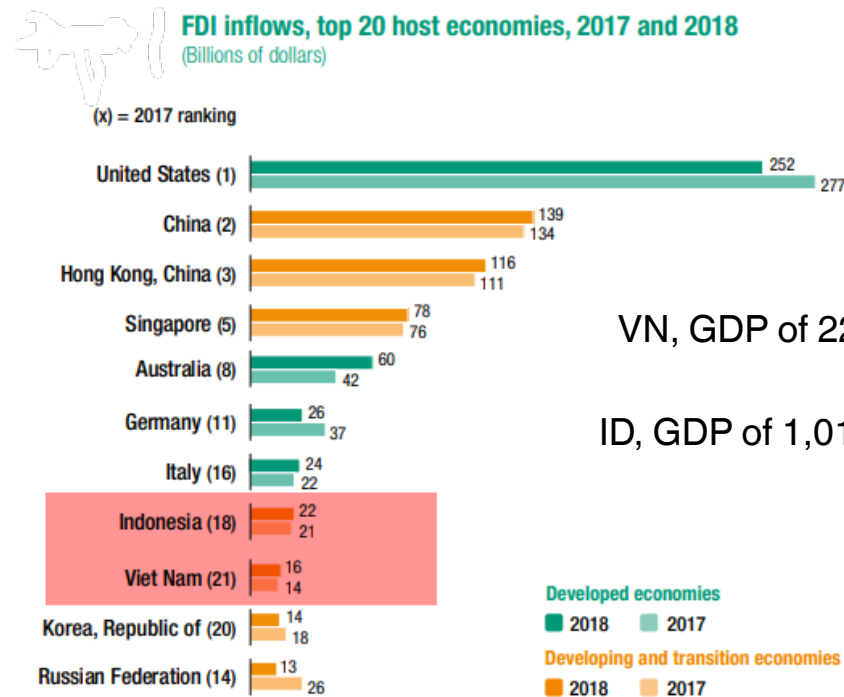
Firm Distribution by Size, Employment, and Value Added, 2014



Source: ADB-Bappenas

Freihandelsabkommen mit Indonesien - Weichenstellung für die Schweizer Aussenwirtschaft?

# Indonesia is lagged behind but catching up



VN, GDP of 224 billion USD (2017)

ID, GDP of 1,016 billion USD (2017)

Source: UNCTAD.



# Initiatives to increase business between Switzerland and Indonesia

- EFTA-CEPA is designed to be more impactful as the agreement contain provisions that go beyond GATS (General Agreement on Trade in Services).
- What go beyond:

## Services

financial services, telecommunication services, tourist services, certificates of competency and training of maritime crew members. The financial services provisions are particularly ambitious and are in line with Swiss standards.

## Investment

Swiss investors can found or acquire a company in the non-services sector under the same conditions as Indonesian investors.

Indonesia has agreed a broad range of commitments. The manufacturing sector, which is particularly important for Switzerland, is now largely open to Swiss investors, although there are minimum capital requirements and in some cases partnership requirements.

- Omnibus law (Indonesia) particularly that is more employer friendly in term of firing and hiring
- Investment protection is under bilateral agreement (being negotiated)

# Manufacturing in Indonesia - practical information for investors

- The hubs are in the provinces of West Java, Central Java province, East Java, and Banten. Java island accounts for 60 percent of the population and 58 percent of GDP.
- **West Java:** investments in livestock, plantations, and agriculture since the province's fertile volcanic soil produces 70 percent of national tea production and around 20 percent of total rice production. The government has developed and operated a new port (Patimban) to sustain the economic growth.
- **Central Java:** The manufacturing sector contributes to 30 percent of the GDP of Central Java province. Strong in textiles and garment manufacturing with 56 percent of inward textile investment going into the province. It is a textile or garment industry cluster. Other sectors include food and wood processing, and the non-metallic mineral industry.
- **East Java:** East Java province has a number of large industries, which includes the largest shipbuilding yard in Indonesia. Moreover, the province contains the largest cement factory in the country.
- **Banten:** The province is rich in mineral sources, such as gold, coal, phosphate, and opals, among others. State-owned steel manufacturer PT Krakatau Posco produces some three million tons of steel with other major industries in the province covering chemicals, automotive, and F&B.

# Tourism perform under the potential

- 10 New Balis
- The “10 New Balis” project is 10 destinations in Indonesia that are assigned to be “the next Bali”. These destinations are projected to attract many visitors, just like Bali, which successfully attracts 4 million visitors.
- The “10 New Balis” includes Borobudur Temple (Central Java), Belitung (Sumatra), Mount Bromo (East Java), Labuan Bajo (East Nusa Tenggara), Lake Toba (North Sumatra), Thousand Islands (Jakarta), **Mandalika (West Nusa Tenggara)**, Wakatobi (Southeast Sulawesi), Tanjung Lesung (Banten), and Morotai (North Maluku).

# Tourism-Lombok

## LOMBOK



**BASELINE DEMAND & SUPPLY, MARKET DEMAND FORECASTS,  
AND INVESTMENT NEEDS**

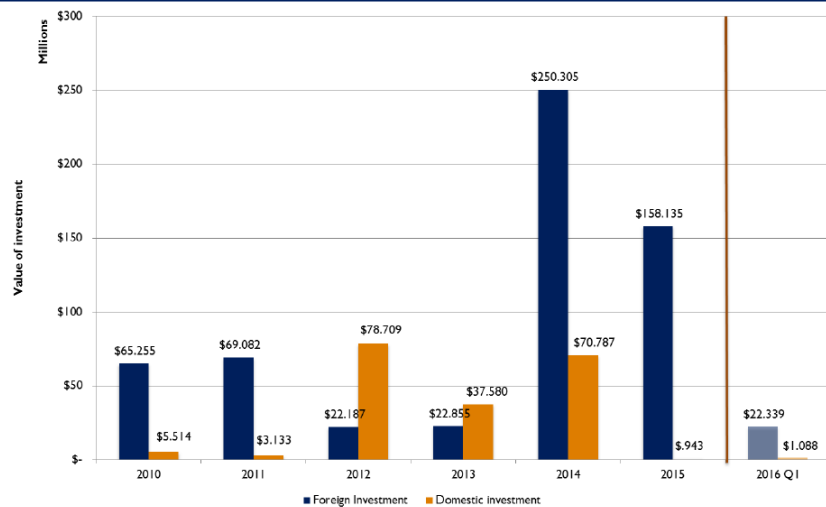
**MARKET ANALYSIS AND DEMAND ASSESSMENTS TO SUPPORT  
THE DEVELOPMENT OF INTEGRATED TOURISM DESTINATIONS  
ACROSS INDONESIA**



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# Tourism-Lombok

FIGURE 30 – DIRECT INVESTMENT IN LOMBOK, 2010 – YTD 2016 (MILLION USD)



Source: BKPM-PT NTB.

## Skills Gaps:

- Service, systems (reservations, cashier, etc.), **culinary and language skills**.
- Basic service excellence training (**beneficiaries to include non-star hotel owners, taxi drivers, boat captains, etc.**).
- **Environmental** understanding and conservation skills.
- Access to market training, particularly for **homestay** providers.

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