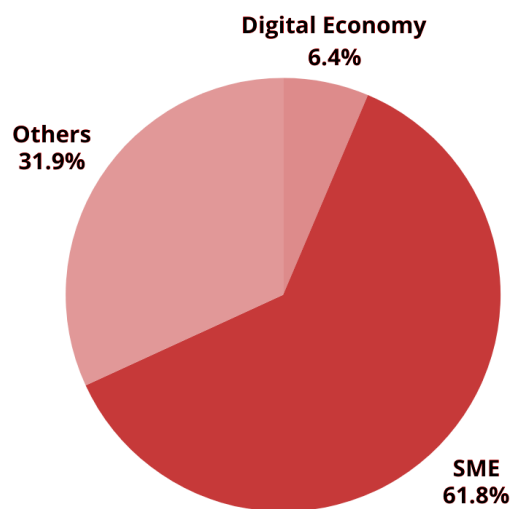


Indonesia's Startup Ecosystem

Indonesia's startup ecosystem reached a milestone in 2024, with over 2,000+ active startups, marking a 10% growth from the previous year, according to the Indonesia Startup Report 2024

Over the past decade, Indonesia's startup ecosystem has become a key player in Southeast Asia's digital economy. The rise of unicorns fueled the ecosystem's rapid development, which was driven by increasing investor interest, the widespread adoption of digital services, and the expansion of internet access across the country.

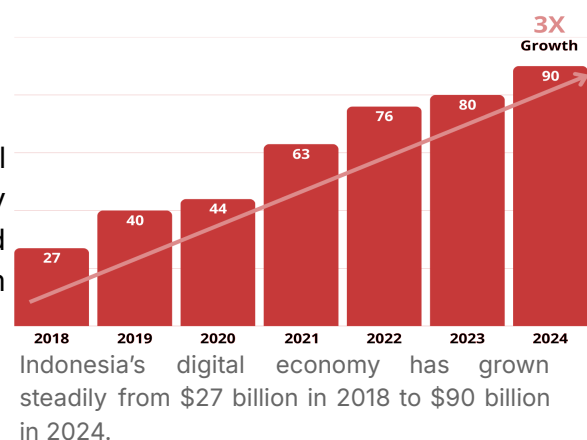


The total percentage of contribution towards Indonesia's Gross Domestic Product (GDP) Contribution.

Government initiatives like incubators and accelerators have strengthened the ecosystem further. Despite challenges, Indonesia continues to nurture a thriving startup landscape, contributing significantly to the nation's economic transformation.

Things to Consider (Market Overview)

- **Growth & Projection:** Indonesia's digital economy expanded dramatically by 414% from 2017 to 2021. It is projected that it'll grow by an additional 62% from 2021 to 2025



- **Sector Dominance & Innovation:** Indonesia's digital economy remains dominated by e-commerce and fintech, with QRIS digital payments driving adoption, particularly among micro and small enterprises.
- **Strategic Market Position:** Indonesia is a gateway to the larger South East Asia Market, being the 4th largest country in the world — having an estimated population of 280 million.
- **Market Potential:** Indonesia has strong and growing macro-economic credentials, being the largest economy contributor in Southeast Asia, G20.

What should I consider in Advance (Next steps to opening a business in Indonesia)

- Are there any policies and incentives for foreign investment and collaboration in the startups sector?
- What are the key legal and regulatory frameworks that impact startups in Indonesia?
- How does Indonesian law regulate foreign direct investments in tech startups?
- What legal pitfalls do tech startups often overlook when scaling their businesses in Indonesia?
- Are there any special visas or requirements to take notice when establishing a business in Indonesia?
- What are some ways to find and connect with reliable local communities? (partners, mentors, advisors, etc.)
- What are the key considerations when seeking to establish long-term relationships with investors?
- What are the key legal considerations that foreign investors should be aware of when entering the Indonesian market?

PROMISING SECTORS IN INDONESIA

- **FinTech**
 - Ranked 2nd in Southeast Asia's FinTech Market, with \$242M in funding in 2024. Indonesia's FinTech Market holds the second largest startup exit value, amounting to \$3.64B of \$14B.

- **B2C E-commerce**
 - Indonesia's e-commerce market represents 15% of national startup exit value (\$1.97B), fueled by surging demand for D2C solutions, quick commerce, live shopping, and community-driven business models.
- **D2C (Retail & Consumer)**
 - Retail & Consumer accounts for 14% of Indonesia's exit value (\$1.96B), with investors focusing on AI-powered personalization, tech-driven logistics, and blockchain-based loyalty programs.
- **Logistic**
 - Logistics holds 10% of the total exit value (\$1.4B). Investors are continuing to expand their interests towards innovation in EV-based logistics and AI-powered supply chain solutions.
- **Energy**
 - With the government pushing for renewable energy, global ESG trends and Indonesia's net-zero commitments, it opens many opportunities for investors — key opportunities include, EV ecosystem development (charging stations, battery swap tech), carbon credit platforms, and solar & wind energy solutions.
- **Healthcare**
 - Due to regulatory mandates and digital transformation, SaaS for Clinics are becoming an essential. With the Ministry of Health enforcing the implementation of electronic medical records (RME) and ensuring health data interoperability, the adoption of digital solutions in the healthcare sector is a key factor.
- **Artificial Intelligence (AI)**
 - Top sectors embracing AI in Indonesia include:

<i>Healthcare</i>	<i>Finance</i>	<i>Logistics</i>	<i>Education</i>
Halodoc Alodokter	Akulaku Xendit	Waresix McEasy	Ruangguru Pahamify
- **Cybersecurity**
 - As Indonesia's digital economy accelerates, so does the growing demand for advanced cybersecurity solutions across financial services, government systems, and e-commerce platforms.

Who do I need to know (Our Stakeholders)

Government Initiatives, Ministries & Agencies	Accelerators, Incubators & Youth Entrepreneurship Communities
- Ministry of Communication and Digital Affairs - Ministry of Creative Economy - Indonesia Investment Coordinating Board - Ministry of National Development Planning - Ministry of Trade	- KUMPUL - Block 71 - Endeavour - Impact Hub Jakarta - ERIA
Venture Capital Firms	Market Access Support
- BRI Ventures - East Ventures - Trihill Capital - Grab Venture Velocity - Alpha JWC Ventures	- Indonesian Chamber of Commerce and Industry (KADIN) - SMESCO Indonesia - vInternational Chamber of Commerce (ICC) Indonesia
Blogs & Media	
- Tech in Asia - DailySocial.id - E27 - Fortune Indonesia	

Events I should attend

- KUMPUL Connect for Change (C4C) Summit
- Tech in Asia Conference
- Asia Economic Summit