

# Indonesia Investments

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## Downstreaming & Greening

- Indonesia Imposes Bauxite Ore Export Ban. What Are the Consequences?
- The Future of Coal within Indonesia's Push for Renewable Energy Sources
- Assessing the Indonesian Economy by Analysing Various Macroeconomic Data
- Digital Economy; How Do Indonesians Adjust to Digital Payments?
- Update on Indonesia's 2024 Elections
- Indonesian Inflation Eases Further; Concern over Indonesian Exports

JUNE 2023

Van Der Schaar Investments B.V.  
CV Indonesia Investments

# Indonesia Investments

Monthly Report – June 2023

## ‘Downstreaming and Greening of Indonesia’s Mining Sector’



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## Preface

The monthly report of Indonesia Investments is written and published by business consultancy CV Indonesia Investments, headquartered in Yogyakarta (in Indonesia), with the assistance of investment company Van Der Schaar Investments B.V. (based in Delft, the Netherlands). This report aims to inform the reader of the latest, most relevant, political, economic and social developments in Indonesia as well as those crucial international developments that (may) impact on the economy of Indonesia or on its politics.

Our reports are intended for a diverse audience, including individual and corporate investors, financial market participants, diplomats, policymakers, decision-makers, academics, journalists, and analysts.



The website [www.indonesia-investments.com](http://www.indonesia-investments.com) is the key reference and access point for gaining knowledge about the markets, economy, business sectors, politics, and

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## Introduction – June 2023 Report

In line with developments across the world, Indonesian President Joko Widodo said the COVID-19 virus doesn't pose a health emergency to Indonesia anymore. Widodo said this in a speech on 21 June 2023. Earlier, the World Health Organization (WHO) announced on 5 May 2023 that COVID-19 is no global health emergency anymore.

Meanwhile, on 9 June 2023, the Indonesian government released [Circular Letter No. 1 of Year 2023 on Health Protocols during the Transitional Period of the COVID-19 Endemic](#). In this document it is stated that COVID-19 vaccines, facemasks and hand sanitizers are still recommended in international and domestic travel (including air travel) but are no longer mandatory. And therefore, all COVID-19-related social and business restrictions now seem to have been retracted in Indonesia.

This is great news, indeed. Ever since September 2021 the COVID-19 virus was not able to derail Indonesian society (reflected in few COVID-19-related hospitalizations and deaths since that time), but it still took almost two years to scrap all restrictions.

The COVID-19 crisis remains among the strangest chapters in modern history as for most people this pandemic was something they saw or read about in media only; but they did not experience it in their daily lives (apart from, perhaps, a runny nose or a positive test result tops). All social and business restrictions, on the other hand, were

felt heavily throughout society. Moreover, particularly in the West there were many voices (ranging from virologists, medical experts, research journalists to academics) that were silenced through censorship because their opinions criticized the political narrative that was based on the WHO guidelines. In the end, though, many of those dissenting opinions turned out to be correct. So, there certainly are many lessons to be learned from the COVID-19 crisis, and it is in the best interest of society at large that we do learn from this crisis.



With all social and business restrictions now being scrapped, there should be room for an increase in economic activity in Indonesia. And while most Indonesians had already been ignoring these restrictions for the past two years, recovery can now be taken up a notch in Indonesia's tourism industry because Indonesia has re-opened its borders for the unvaccinated. Also in our network we had foreign businesspeople who had to avoid visits to Indonesia over the past two years because they did not want to get any COVID-19 jobs. We assume that there were also quite some foreign tourists who had to avoid Indonesia because of their vaccination status. So, perhaps

they now feel more willing to take a holiday in Indonesia this year, which would be good for the foreign exchange earnings of Indonesia.

Based on the latest data from Indonesia's Statistical Agency (*Badan Pusat Statistik*, or BPS), Indonesia is already seeing a solid recovery in terms of foreign visitors. In May 2023 a total of 945,590 foreign visitors were counted, which is a 166.4 percent increase from the 354,920 foreign visitors who arrived in the same month one year earlier. However, compared to May 2019 (before the COVID-19 crisis struck) we still see a big difference. In May 2019 Indonesia welcomed a total of 1,256,325 foreign visitors, and so there still is a gap that needs to be closed. Perhaps 2025 is the year when we can expect to see tourist arrivals near, or at, pre-COVID-19-crisis levels.

In the remainder of the June 2023 edition of our monthly report we won't touch the COVID-19 topic. Instead, we focus on other relevant matters, such as the bauxite ore export ban that was imposed in June 2023, efforts to turn coal into a cleaner energy source, digital payments, the 2024 elections, economic growth, inflation, and trade.

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## Indonesia Investments

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