

# Indonesia Investments

---

## GDP Growth of Indonesia

- Economy of Indonesia Expands by 5.17% (Y/Y) in Q2-2023; Beating Expectations
- Strong Household Consumption Thanks to Ramadan and Idul Fitri Celebrations
- Exports & Imports Have Reached Their Tipping Point; Contraction in Q2-2023
- Private Direct Investment in Indonesia in Q2-2023 Slightly Disappointing
- Java Island Remains the Engine of Growth for the Indonesian Economy

14 AUGUST 2023

Van Der Schaar Investments B.V.  
CV Indonesia Investments

# Indonesia Investments

Update – 14 August 2023

## **‘Analysis of Indonesia’s Q2-2023 Gross Domestic Product Data’**



# Preface

In addition to our reports, Indonesia Investments sends updates on key economic, political or social developments to our subscribers to make sure that our subscribers do not miss out on vital information. Topics in these updates will often be discussed in more detail (and in an updated form) in forthcoming monthly reports.

Content in these updates is copyright of Van Der Schaar Investments B.V. (all rights reserved), except when indicated otherwise (the majority of pictures were obtained from Pixabay). Our permission is required by those who seek to publish or distribute (parts of) the content in this update (Dutch law applies).<sup>1</sup>

## Disclaimer

Lastly, we would like to emphasize that – although we strive to present accurate, up-to-date, and objective information in our updates – Indonesia Investments cannot guarantee the accuracy of all data and information that is included in this update. We also do not intend to provide legal, investment, tax, or accounting advice through the contents of this update, and therefore the reader should not perceive this update as such. In short: Indonesia Investments cannot be held responsible for decisions made based on the content of this update.

---

<sup>1</sup> CV Indonesia Investments owns the exclusive right to sell and distribute reports/updates of Indonesia Investments on the markets in the Asia-Pacific (including Indonesia).

## - Economy -

# Economic Update Indonesia: Indonesian Economy Expands at a Rate of 5.17% (Y/Y) in Q2-2023

Indonesia's Statistical Office (*Badan Pusat Statistik*, or BPS) shared some great news on 7 August 2023. The agency announced that Indonesia's gross domestic product (GDP) expanded by 5.17 percent year-on-year (y/y) in the second quarter of 2023. This was better than most forecasts, including our projection of 4.9 percent (y/y).

A quick look at the data shows that household consumption was particularly strong in Indonesia in Q2-2023. Meanwhile, government consumption also grew strongly, albeit its contribution to the whole national economy is quite modest.

**Table 1; Gross Domestic Product Growth Indonesia per Quarter (annual % change):**

Quarter	2017	2018	2019	2020	2021	2022	2023
Q1	5.01	5.06	5.06	2.97	-0.69	5.02	5.04
Q2	5.01	5.27	5.05	-5.32	7.08	5.46	5.17
Q3	5.06	5.17	5.01	-3.49	3.53	5.73	
Q4	5.19	5.18	4.96	-2.17	5.03	5.01	
Full-Year	5.07	5.17	5.02	-2.07	3.70	5.31	

Source: Badan Pusat Statistik (BPS)

Indeed, table 1 shows that the growth rate in Q2-2023 was not as impressive as the rate of 5.46 percent (y/y) in the same quarter one year earlier. However, we need to realize that economic growth has normalized to a great extent after the heavy shake-up brought about by the COVID-19 crisis (as well as the impressive rebound from the crisis), and so we are now seeing growth rates that are very close to ‘normal’ (if they’re not normal already) as the low and high base effects wane.

Meanwhile, we also like to point out at the start of this article that our projection for full-year 2023 economic growth of Indonesia remains at 5.0 percent (y/y). After the Q2-2023 data we have in fact become even more convinced about this projection.

**Table 2; Indonesia Investments’ Outlook for Indonesia’s Economic Growth in 2023:**

	Full-Year 2023
Projection (annual % change)	5.0

[...]

This the introduction of the article. The article (30 pages) can be ordered by sending an email to [info@indonesia-investments.com](mailto:info@indonesia-investments.com) or a message to +62.882.9875.1125 (including WhatsApp).