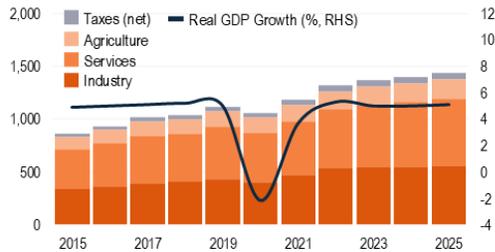


Indonesia's Economy Is Diversifying as Industrial Value Chains Expand

Steady growth, strong domestic demand and rising FDI are shifting Indonesia from a commodity-led model toward downstream industrialisation.

Indonesia GDP by Sector, USD bn (2015-2025)



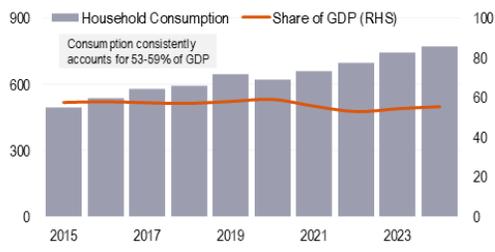
Indonesia: From Resource Exporter to Industrialising Growth Market

- ▶ Growth remains steady at 5.1%, with household consumption at 55% of GDP.
- ▶ Industry (40%) and services (45%) dominate output, alongside a smaller commodity base.
- ▶ Trade is gradually diversifying, with non-commodity exports rising.
- ▶ FDI stock reached USD 305 bn, supporting manufacturing and downstream processing.
- ▶ Nickel is being industrialised, with production value rising to USD 40 bn.

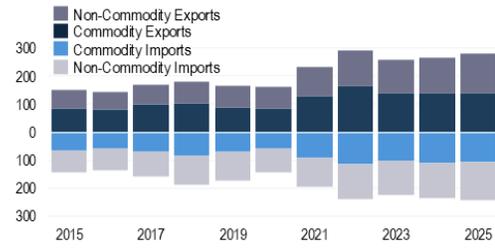
Indonesia FDI Inward Stock, USD bn (2015-2024)



Indonesia Household Consumption Expenditure, USD bn (2015-2024)



Indonesia Trade Structure: Commodity vs Non-Commodity, USD bn (2015-2025)



Source: World Bank, IMF, UN Comtrade, U.S. Geological Survey, UNCTAD, ANDAMAN PARTNERS Analysis

Indonesia's economy is entering a more balanced and industrialising phase, with growth holding steady at around 5% in 2025 and anchored by a large domestic market where household consumption accounts for roughly 55% of GDP. While commodities remain relevant, the economy's structure has shifted, with industry (40%) and services (45%) now dominating output.

At the same time, external trade is gradually diversifying as non-commodity exports expand, even as resource exports continue to underpin earnings. This transition is being reinforced by rising foreign investment, with inward FDI stock reaching around USD 305 billion and increasingly directed toward manufacturing, metals and downstream processing. Indonesia's resource base is also being leveraged more strategically, particularly in nickel, where rapid growth in production value reflects a broader push to move up the value chain.

Taken together, Indonesia is evolving from a commodity-dependent exporter into a more complex industrial growth market with expanding domestic demand and strengthening production capabilities.

Also by ANDAMAN PARTNERS:

- [Trade Crossroads of the World: The Strategic Rise of ASEAN's Exports](#)
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