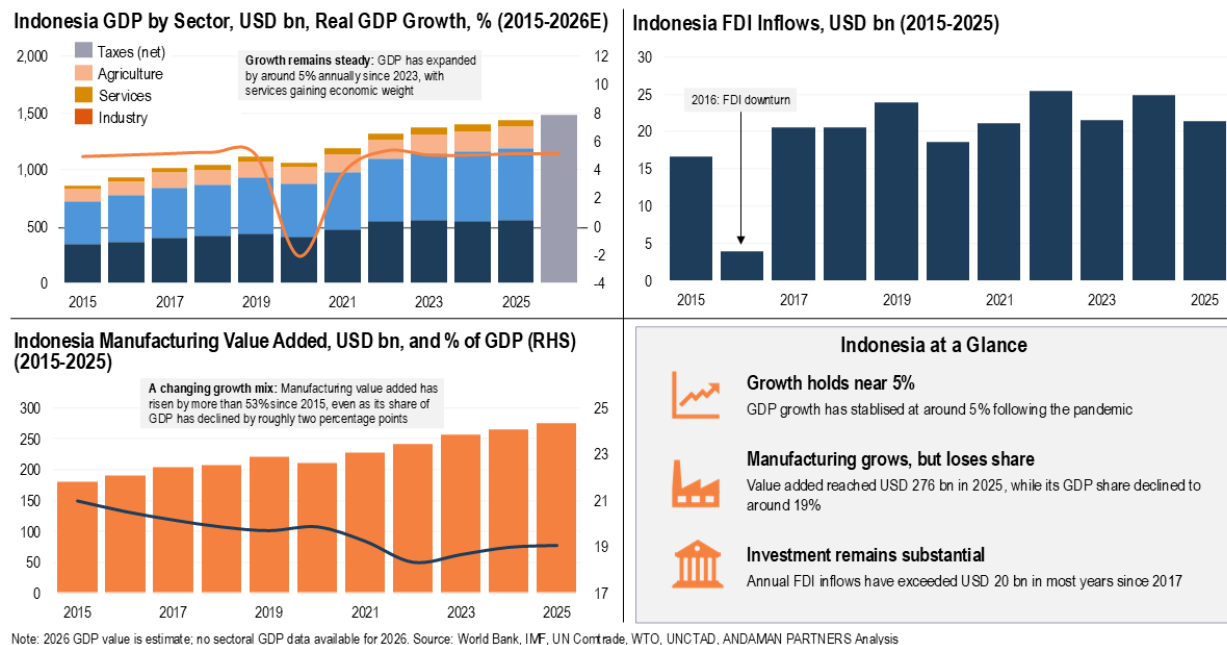


Indonesia's Growth Remains Resilient, But the Economy Behind It Is Changing

Services are gaining ground as manufacturing expands but loses GDP share, while sustained foreign investment supports industrial development



Indonesia's economy continues to demonstrate remarkable consistency, with GDP growth holding near 5% even as the composition of economic activity gradually changes. Services are gaining ground, reflecting the growing importance of domestic consumption and service industries in Southeast Asia's largest economy.

Manufacturing remains a substantial contributor, but its relative position has shifted. Manufacturing value added increased by more than 50% between 2015 and 2025, reaching USD 276 billion, yet its share of GDP declined from around 21% to 19%. This is not a story of industrial contraction, but of an economy in which other sectors are expanding faster.

Foreign investment remains an important part of the picture. Despite fluctuations, annual FDI inflows have exceeded USD 20 billion in most years since 2017, supporting Indonesia's industrial development and broader economic transformation.

For businesses and investors, Indonesia offers a combination of steady growth, a substantial manufacturing base and an evolving domestic market. The opportunity lies increasingly in understanding how these different engines of growth are developing alongside one another.

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