

# Regional Comprehensive Economic Partnership (RCEP)

## Issue 3: Indonesia

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Indonesia is the largest economy in Southeast Asia and the 16<sup>th</sup> largest economy in the world, according to IMF. The energetic economy is fueled by numerous young workers with a median age of under 30 years old.

Amid the COVID-19 pandemic, the economy showed its capability in maintaining investors' confidence by attracting US \$7.7 billion in foreign direct investment (FDI) in 2020, slightly down by 2.4% yoy. The mild decline in FDI in the country was far better than that of its counterparts in ASEAN, which saw a 31% plunge in total FDI, according to UNCTAD. Most of the FDI of Indonesia came from Singapore, followed by China and Hong Kong. And the FDI in the fourth quarter of 2020 mainly flowed into the sectors of transportation, utilities and base metal.

### GDP (2019)\*:

US\$1,119 billion

### Population (2019)\*:

270.6 million

### Median age (2020e)^:

29.7

### Real GDP growth (%)\*\*

2016

5.0%

2017

5.1%

2018

5.2%

2019

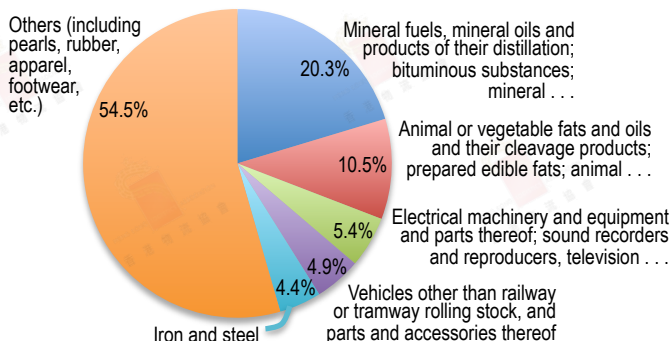
5.0%

2020e

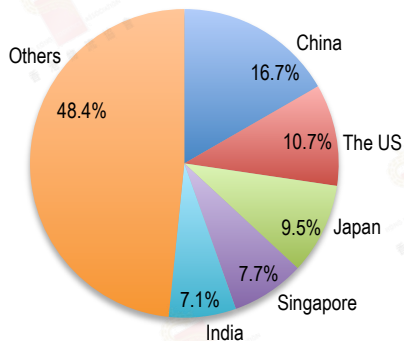
-2.1%

### Export value (2019)\*:

US\$167.7 billion



By types of exports



By trading partners (export)

### Interesting fact

- In 2019, Indonesia experienced a trade deficit with half of the RCEP partners, including China (US\$17 billion), Singapore (US\$4.7 billion), Thailand (US\$3.3 billion), Australia, South Korea, New Zealand and Lao.
- The economy also recorded a trade deficit with Hong Kong at US\$724 million in 2019. Over 30% of Indonesia's imports from Hong Kong were electrical machinery and equipment and parts thereof, while nearly 40% of Indonesia's exports to Hong Kong were pearls, precious stones, precious metal, etc.

Source: Worldbank\*, IMF\*\*, United Nations^, IMF#, ITC Trade Map\*, compiled by HKLA

For and on behalf of:  
Hong Kong Logistics Association  
R&D Committee  
Winnie Lo  
<https://www.hkla.org.hk/>

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