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Economic Situation of Indonesia- A Synoptic View

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Economic Situation of Indonesia- A Synoptic View

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Abstract

Indonesia is a mixed economy where there is the participation of public and private sector play an important role in transforming the economy. As per the statistics of 2019, emerging economies like Indonesia puts their place in the 16th position in terms of the economy. Over time passes the structure of the economy has changed considerably. But the traditional methodology of the practicing act in agriculture reflected the stage of the economic development and the Government policies since 1950. A gradual process of the industrialization phase can be seen in the late 1950s which make the Indonesian economy to another height. Indonesia has endowed with natural resources like oil and natural gas, coal, tin, copper, gold, nickel etc. While on the other hand agriculture producers must concentrate on rice, palm, oil, tea, coffee, medicinal plant, species, and rubber.

Keywords: Aquaculture, Natural resources, Infrastructure projects, Trade markets, Public-Private Partnership.

Introduction

This paper signifies the seafood sector; natural resources, Infrastructure capital and last not least special emphasis on the research related areas to boost productivity, increase foreign income, and creation of employment for the people of Indonesia. With the help of marine affairs (2000) and the Indonesian government, one can able to create an economic zone. As we know Indonesia ranks fourth in the most productive country in the world. Is there a lack of Governance? Everyone knew that there are several social and environmental challenges including the loss of mangrove and wetland eco-system and the pollution of the edible fish into

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the fish meal creating tension and the subject of concern for the researcher to do in-depth strategy for the positive vibes of the farmers.

Case Study 1- (Ecological Mangrove) Post 1980.

Putting nature first and bringing nature back

Low intervention and high intervention (Community Based Ecological Mangrove).

1. Helping Nature
2. Ecological Engineering
3. Support People
4. Building with Nature.

(Mangrove Afforestation (Eco-System Design Future) and silviculture after 1980)

(Source: Cebr).

CASE STUDY 2- **Target market and the potential growth market for Indonesia.**

Key findings- (Export potential).

The market with the greatest potential for Indonesia's export of Fish and shell Fish are China, Japan, and the United States of America. China shows the largest absolute difference between potential and the export value terms with a realization of additional exports worth a dollar 1.1 billion.

Potential export (world) analysis:

Key findings –

The product with the greatest export potential from Indonesia to the world is Palm oil (excl crude) and the fraction crude palm oil, technically specified natural rubber. Palm oil and the fraction shows the largest absolute difference between potential and actual export in value term worth dollar 7.7 billion.

ANALYSIS OF EXPORT POTENTIAL WITH INDIA:

The products with the greatest export potential from Indonesia to India are crude palm oil and Fraction along with technically specified natural rubber. Palm oil and the fraction shows the largest absolute difference between potential and actual export in value term with additional export worth dollar 886.5 million.

Export potential- Dollar 3.3 billion

Actual exports – Dollar 2.4 billion

Untapped potential remaining – 874.4 million (crude palm oil).

Palm oil (exclude crude) and fraction.

Export Potential- Dollar 2.0 billion

Actual export - dollar 1.1 billion

Untapped potential remaining – dollar 886.5 million.

ANALYSE EXPORT POTENTIAL WITH INDONESIA:

The products with the greatest export potential from India to Indonesia are the semi-finished product of iron and steel, Groundnuts and the part of the accessories of the motor vehicle. Semi-finished product of Iron and steels shows the largest absolute difference between potential and actual export in value worth of dollar 184.1 million.

NATURAL RESOURCES:

Ministry of Energy predicts that in 2009 Indonesia produced oil, coal and natural gas. Renewable energy has the potential in solar, Hydro, and Geothermal energy. The study emphasizes the potential trade with India.

CASE STUDY 1: (current exports from India to Indonesia) –

India has the best options for export diversification in Indonesia are Pears and Quinces, Data processing machines, parts of telephone sets, and other transmission apparatus. Parts of the telephone sets and other transmission apparatus are the product that faces the strongest demand potential in Indonesia.

CASE STUDY 2: (Exports Potential from Indonesia to India)

1. Ferro Nickel – 45%
2. Unwrought Tin, Not alloyed – 44%
3. Wire of refined copper – 54%
4. Natural rubber and Latex- 67%

INFRASTRUCTURE PROJECTS:

Indonesia has experienced the main infrastructure projects in recent decades. The majority of the projects goes underway. But in the analysis of the project completion, there seems a delaying process. Important projects of Indonesia given below:

1.Jakarta – Bandung and Jakarta – Surabaya High-speed train.
2.Jakarta mass rapid transit.
3.Jakarta LRT and Greater Jakarta LRT.
4.Sunda Strait.

Jakarta – Bandung- Surabaya region:

1. Bandung is of prime importance for the tourism sector. To encourage the tourism sector policymaker have to think about the policy created with the support of the government. Encouragement of the International think tank consensus might be the concern for the Government.
2. Strong trade relation with the key player in the textile counterparts. Research must be ascertained by the researcher to create more employment in the textile sector by creating a manufacturing hub in this region.
3. Potential export research lab must be ascertained to serve the best service for the counterpart.
4. Concentration more on the local value chain to the global value chain.

TRADE DETAILS:

The following data presents the trade details of various products with export potential, actual export, and untapped potential remaining in US dollar.

INDIA **(crude palm oil)**
Export Potential - Dollar 3.3 billion
Actual Export - Dollar 2.4 billion
Untapped Potential Remaining - Dollar 874.4 million.

INDIA **(exclude crude).**
Export Potential - Dollar 2.0 billion
Actual Export - Dollar 1.1 billion
Untapped Potential Remaining - Dollar 886.5 million

INDIA **(fatty acids, industrial monocarboxylic acid oil)**
Export Potential - Dollar 341.7 million
Actual Export - Dollar 203.7 million
Untapped Potential
Remaining - Dollar 138.0 million
INDIA **(anhydrous ammonia)**
Export Potential - Dollar 244.6 million
Actual Export - Dollar 68.7 million
Untapped potential
Remaining - Dollar 175.9 million
INDIA **(unwrought tin not allowed)**
Export Potential - Dollar 303.0 million
Actual Export - Dollar 133.7 million
Untapped Potential
Remaining - Dollar 169.3 million.
INDIA **(wire of refined copper)**
Export Potential - Dollar 173.9 million
Actual export - Dollar 93.6 million
Untapped Potential
Remaining - Dollar 80.3million
INDIA **(technically specified natural rubber)**
Export Potential - Dollar 485.9 million
Actual Export - Dollar 327.5 million
Untapped Potential
Remaining - Dollar 158.4 million
INDIA **(fatty alcohol, industrial)**
Export Potential - Dollar 93.8 million
Actual Export - Dollar 31.7 million
Untapped Potential
Remaining - Dollar 62.1 million
INDIA **(saturated acrylic monocarboxylic acid)**
Export Potential - Dollar 69.0 million
Actual export - Dollar 34.0 million
Untapped Potential
Remaining - Dollar 35.0 million
INDIA **(miscellaneous chemical products)**
Export Potential - Dollar 56.0 million
Actual export- Dollar 5.0 million
Untapped Potential
Remaining - Dollar 51.0 million
INDIA **(vinyl chloride chlorothylene)**
Export Potential - Dollar 50.4 million
Actual export - Dollar 17.9 million
Untapped Potential
Remaining - Dollar 32.5 million

INDIA **(turpentine oil)**
Export Potential - Dollar 87.0 million
Actual Exports - Dollar 46.8 million
Untapped Potential
Remaining - Dollar 40.2 million
INDIA **(tanning extracts of vegetable origin)**
Export Potential - Dollar 60.3 million
Actual Exports - Dollar 50.0 million
Untapped Potential
Remaining - Dollar 10.3 million
INDIA **(aluminium oxide)**
Export Potential - Dollar 47.2 million
Actual Exports- Dollar 90.6 million
Untapped Potential
Remaining -
INDIA **(stearic acid)**
Export Potential - Dollar 37.9 million
Actual Exports - Dollar 26.7 million
Untapped Potential
Remaining - Dollar 11.2 million
INDIA **(rosin and resin acids)**
Export Potential - Dollar 33.1million
Actual Exports - Dollar 20.2 million
Untapped Potential
Remaining - Dollar 12.9 million
INDIA **(Ferronickel)**
Export Potential - Dollar 320.7million
Actual Exports - Dollar 144.9 million
Untapped Potential
Remaining - Dollar 165.8 million
INDIA **(technically specified natural rubber)**
Export Potential - Dollar 485.9 million
Actual Exports - Dollar 327.5 million
Untapped Potential
Remaining - Dollar 158.4 million
INDIA **(preparation and charges for fire extinguisher)**
Export Potential - Dollar 88.7 million
Actual Exports - Dollar 1.2 million
Untapped Potential
Remaining - Dollar 87.5 million
INDIA **(newsprint and uncoated paper)**
Export Potential - Dollar 455.3 million
Actual Export - Dollar 142.1 million
Untapped Potential
Remaining - Dollar 313.2 million.

PUBLIC-PRIVATE PARTNERSHIP:

The continuous study of the Indonesian economy front the process of the procurement lies on the subject of the discussion on the traditional and the modern PPP. Here the study reveals the fact about how the modern PPP different from the traditional PPP towards the completion of the projects.

Case1-The client department defines the service where the working department will produce a design. In the modern approach of the PPP, there is room for the private player to initiate innovation in the projects.

Case2-Emergence in the engagement of the participation of civil servants along with the engagement of the field experts related projects must be ascertained in the PPP steering committee.

Case 3- After the consultation, now the phase to make speedy progress of the projects committee must emphasize the financial transaction. Regarding this factor stringent law as per as accounting standard is required.

CONCLUSION

The government, civil servants and academicians must enthrall on the topic towards the risks in procurement and finance regarding the following topics which could be undertaken for research by the academics.

(a)Investment environment
(b)Procurement
(c)Economic viability
(d)Financial Package
(e)Risk Management
(f)Governance issue
(g)Integration

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