

# Indonesia Cities (Jakarta, Bali, Makassar, Bandung)

## 1. Jakarta

### Introduction

Jakarta officially the special capital region of Jakarta, is the capital of Indonesia. Located on the northwest coast of the world's most populous island of Java, Jakarta is the center of economics, culture and politics of Indonesia. The city has the largest population in Indonesia,

The city is currently the seat of the ASEAN Secretariat as well as an important financial institutions such as the Bank of Indonesia, the Indonesia Stock Exchange, and the corporate headquarters of numerous Indonesian companies and multinational corporations.

As of 2017, six of Forbes Global 2000 companies have headquarters in the city. The city is also home for two Fortune 500 companies in 2016. Jakarta is listed as an Alpha Global City in the 2016 report of Globalization and World Cities Research Network (GaWC).

Jakarta Information	
Government Type	Special administrative area
Governor	Djarot Saiful Hidayat
Population (2010 census)	9,607,787
GDP PPP (2016)	USD438.7 billion
HDI	0.792 (High) Rank 1st (2016)
Metro Area	6,392 km <sup>2</sup> (2,468 sq mi)
Demographics	16% of the city's population are Javanese, 27.65% Betawi, 15.27% Sundanese, 5.53% Chinese, 3.61% Batak, 3.18% Minangkabau and 1.62% Malays

Source: Various sources, 2017

### Economy

Indonesia is the largest economy of the ASEAN block and is the economic nerve center of Indonesian archipelago. The nominal GDP of Jakarta was USD483.8 billion in 2016, which is about 17.5% of the nominal GDP of Indonesia. Jakarta was ranked 67th in Global Financial Centres Index 21 published by Z/Yen and ranks higher at 62 in Global Financial Centres Index 22, published in September, 2017. The Wealth Report 2015 by Knight Frank reported that there were 24 individuals in Indonesia in 2014 with wealth of at least one billion US Dollar and 18 of them live in the capital Jakarta.

**Sectors:** Jakarta's economy depends highly on the service sectors, banking, trading, financial, and manufacturing. Most of industries in Jakarta include electronics, automotive, chemicals, mechanical engineering and biomedical sciences manufacturing. The largest contributions to GDP were finance, ownership and business services (29%); trade, hotel and restaurant sector (20%), and manufacturing industry sector (16%) (2010).

Jakarta has a bustling luxury property market. The investment in the property sector, including offices, commercial buildings, new town development, and high rise apartments and hotels grew substantially. Knight Frank, a global real estate consultancy based in London, reported in 2014 that Jakarta offered the highest return on high-end property investment in the world in 2013, citing supply shortage and a sharply depreciated currency as reasons.

**Companies:** Jakarta is the head office of the Bank of Indonesia and Indonesia Stock Exchange located in the city. Most of the SOE like Pertamina, PLN, PGN, Angkasa Pura, BULOG, Telkomsel, Waskita operate from their head offices in the city. Also major Indonesian conglomerates maintain their head office in Jakarta. Important conglomerates which have corporate office in the city are, Salim Group, Sinar Mas Group, Astra International, Lippo Group, Bakrie Group, Ciputra Group, Agung Podomoro Group, Unilever Indonesia, Djarum, Gudang Garam, Kompas Gramedia, Lion Air, Sriwijaya Air, MedcoEnergi, MNC, Trans Corp and many more.

As shown in the table below Jakarta is the largest city in Indonesia.

Top 10 largest cities or towns in Indonesia (2010 Census)		
Rank	City	Population
1	Jakarta	9,607,787
2	Surabaya	2,765,487
3	Bandung	2,394,873
4	Bekasi	2,334,871
5	Medan	2,097,610
6	Tangerang	1,798,601
7	Depok	1,738,570
8	Semarang	1,555,984
9	Palembang	1,455,284
10	Makassar	1,338,663

Source: Various sources, 2017

Jakarta is the largest investing city from Indonesia for outward FDI (Green field), accounting for 68.5% of all outward FDI from Indonesia between 2003 and 2016.

Data for Cities from Indonesia for outward FDI between January 2003 and December 2016.			
Source City	Projects	Capex	Companies
Jakarta	98	163 235.0	54
Bandung	9	3 456.1	3
Tangerang	7	8 199.5	4
Bekasi	5	1 906.8	3
Gresik	2	2 802.6	2
Pangkal Pinang	2	344.4	1
Bali	1	11.8	1
Bogor	1	483.2	1
Central Jakarta	1	237.0	1
Denpasar	1	11.8	1
Kisaran	1	548.7	1
Lhoknga	1	915.4	1
Surakarta	1	497.7	1
West Jakarta	1	85.1	1
Not Specified	12	47 300.5	10
Total	143	230 035.6	84

Source: FDI Intelligence, 2017

The table below shows the top companies for outward FDI (Green field) from Jakarta between 2014 to 2016.

Jakarta's Top Investors By FDI (Capex), 2014-2016					
Rank	Date	Investing Company	Destination Country	Sector	Capex (ZARm)
1	Dec 2015	Pertamina Lubricants	China	Coal, Oil and Natural Gas	5 777
2	Oct 2014	Wijaya Karya Beton	Myanmar (Burma)	Building & Construction Materials	1 573
3	Nov 2015	XL Axiata	UK	Communications	842

Jakarta's Top Investors By FDI (Capex), 2014-2016					
Rank	Date	Investing Company	Destination Country	Sector	Capex (ZARm)
4	Oct 2014	Mayora Indah	China	Food & Tobacco	723
5	Oct 2016	Mandiri Sekuritas	Singapore	Financial Services	623
6	Mar 2015	Pertamina	Singapore	Coal, Oil and Natural Gas	609
7	Jul 2014	Asia Pulp & Paper	Belgium	Paper, Printing & Packaging	478
8	Feb 2014	MAXPOWER (Thaketa)	Myanmar (Burma)	Coal, Oil and Natural Gas	458
9	Sep 2015	Bank Rakyat Indonesia	Timor-Leste	Financial Services	456
10	Jul 2015	Bank Negara Indonesia (BNI)	Vietnam	Financial Services	456
11	Jul 2015	Bank Rakyat Indonesia	Singapore	Financial Services	456
12	Sep 2014	Bank Negara Indonesia (BNI)	South Korea	Financial Services	456
13	Mar 2014	Bank Mandiri	Singapore	Financial Services	456
14	Aug 2014	Wijaya Karya (Wika)	Saudi Arabia	Real Estate	371
15	Mar 2014	Batik Air	Australia	Transportation	348
16	Feb 2016	GO-JEK	India	Software & IT services	300
17	Apr 2015	Sinar Mas Group	China	Food & Tobacco	280
18	Dec 2016	Snapcart	Philippines	Software & IT services	208
19	Apr 2015	Bank Negara Indonesia (BNI)	UAE	Financial Services	198
20	Jun 2014	Anabatic Technologies	India	Software & IT services	195
21	Jun 2014	Anabatic Technologies	India	Software & IT services	161
22	Mar 2016	Dermozone International	India	Consumer Products	135
23	Nov 2015	Dermozone International	India	Consumer Products	135
24	Mar 2016	Dwi Samapersada (Masterpiece Auction)	Hong Kong	Business Services	127
25	Aug 2016	Seven Sunday Films	Singapore	Communications	115
26	Aug 2016	Seven Sunday Films	Thailand	Communications	115
27	Mar 2016	HappyFresh	Philippines	Software & IT services	84
28	Mar 2015	HappyFresh	Thailand	Software & IT services	84
29	Jun 2014	Anabatic Technologies	Philippines	Software & IT services	68
30	Jan 2015	HappyFresh	Malaysia	Software & IT services	42
31	Feb 2016	Wijaya Karya (Wika)	Saudi Arabia	Real Estate	35
32	Feb 2016	Wijaya Karya (Wika)	Saudi Arabia	Real Estate	35
33	Feb 2016	Wijaya Karya (Wika)	Saudi Arabia	Real Estate	35
34	Apr 2015	Indopoly Swakarsa Industry	United States	Plastics	26
35	Aug 2014	Asia Pulp & Paper	Germany	Paper, Printing & Packaging	25
36	Aug 2015	Bank Rakyat Indonesia	Malaysia	Financial Services	9
Total FDI 2003-2016					16 493

Source: FDI Intelligence, 2017

## 2. Bali

Bali is an island and province of Indonesia. The province includes the island of Bali and a few smaller neighbouring islands, notably Nusa Penida, Nusa Lembongan, and Nusa Ceningan. It is located at the westernmost end of the Lesser Sunda Islands, between Jav to the west and Lombok to the east. Its capital, Denpasar, is located in the southern part of the island.

Bali is a popular tourist destination, which has seen a significant rise in tourists since the 1980s. Tourism-related business makes up 80% of its economy. Bali is part of the Coral Triangle, the area with the highest biodiversity of marine species. In this area alone over 500 reef building coral species can be found. For comparison, this is about 7 times as many as in the entire Caribbean.

Bali Information	
Governor	Made Mangku Pastika (PD)
Population (2014)	4,225,384
GDP PPP (2016)	0.724 (High)
Religion	Hindu (83.5%), Muslim (13.4%), Christian (2.5%), Buddhist (0.5%)
Language	Indonesian (official), Balinese, Balinese Malay
Total Area	5,780 km2 (2,230 sq mi)

Demographics	83.5% of Bali's population adhered to Balinese Hinduism,[3] followed by 13.4% Muslim, Christianity at 2.5%, and Buddhism 0.5%
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Source: Various sources, 2017

## Economy

Tourism is now the largest single industry in terms of income, and as a result, Bali is one of Indonesia's wealthiest regions. In 2003, around 80% of Bali's economy was tourism related. The tourism industry is primarily focused in the south, while significant in the other parts of the island as well. Bali reported that it welcomed 2.88 million foreign tourists and 5 million domestic tourists in 2012.

Although tourism produces the GDP's largest output, agriculture is still the island's biggest employer. Fishing also provides a significant number of jobs. Bali is also famous for its artisans who produce a vast array of handicrafts, including batik and ikat cloth and clothing, wooden carvings, stone carvings, painted art and silverware. The Arabica coffee production region is the highland region of Kintamani near Mount Batur.

## Denpasar

Denpasar is the capital of Bali, and is the main gateway to the island. The city is also a hub for other cities in the Lesser Sunda Islands. With the rapid growth of the tourism industry in Bali, Denpasar has encouraged and promoted business activities and ventures, contributing to it having the highest growth rate in Bali Province. The population of Denpasar was 834,881 in 2012, up from 788,445 at the 2010 Census. The surrounding metropolitan area has roughly 2 million residents.

The development of tourism and structural changes in the economy have had a strong impact on Denpasar. Trade, hotels, and restaurants dominate the city's gross regional domestic product. Also boosting the economy of Denpasar is the production of craft items such as souvenir carvings and sculpture.

Denpasar Information	
Governor	I.B. Rai Dharmawijaya Mantra
Population (2015)	879,098
Ethnic group	Balinese, Javanese, Batak, Chinese, European
Religion	Hinduism 63.30%, Islam 28.65%, Christian 4.40% Catholic 2.05%, Buddhism 1.47%, Confucianism 0.07%, Others 0.10%
Language	Indonesian (official), Balinese, Javanese
Total Area	123.98 km <sup>2</sup>

Source: Various sources, 2017

## 3. Makassar

Makassar is the provincial capital of South Sulawesi, Indonesia. It is the largest city on Sulawesi Island in terms of population, and the fifth largest city in Indonesia after Jakarta, Surabaya, Bandung, and Medan. The city is southern Sulawesi's primary port, with regular domestic and international shipping connections. It is nationally famous as an important port of call for the pinisi boats, sailing ships which are among the last in use for regular long-distance trade.

Makassar Information	
Mayor	Ir. H. Mohammad Ramdhan Pomanto
Deputy Mayor	Syamsu Rizal
Population (metro)	2,107,196
Religion	Islam (87.19%), Protestantism (8.17%), Catholicism (2.82%), Buddhism (1.26%), Hinduism (0.14%), Confucianism and others (0.42%)
Metro Area	2,473 km <sup>2</sup>

Source: Various sources, 2017

As the largest city in Sulawesi Island and Eastern Indonesia, the city's economy depends highly on the service sector, which makes up approximately 70% of activity. Restaurant and hotel services are the largest contributor (29.14%), followed by transportation and communication (14.86%), trading (14.86), and finance (10.58%). Industrial activity is next most important after the service sector, with 21.34% of overall activity.

#### 4. Bandung

Bandung is the capital of West Java province in Indonesia and Greater Bandung made up of 2 municipalities and 38 districts, making it Indonesia's 2<sup>nd</sup> largest metropolitan area with 8,495,928 inhabitants. It is the nation's third most populous city, with over 2.6 million (2015). Located 768 metres (2,520 feet) above sea level, approximately 140 kilometres (87 miles) south east of Jakarta.

Bandung Information	
Mayor	Ridwan Kamil
Vice Mayor	Oded M. Danial
Population (2010 census)	2,575,478 (3rd)
HDI	0.801 (Very High)
Religion	Islam 91.70%, Protestantism 5.36%, Catholicism 1.95%, Buddhism 0.49%, Hinduism 0.09%, Confucianism 0.03%, Others 0.02%
Area	167.67 km <sup>2</sup> (64.74 sq mi)
Ethnic Groups	Sundanese, Javanese, Chinese, Arab

Source: Various sources, 2017

**Economy:** The Bandung economy is mainly built upon tourism, business, creative industry, hi-tech & manufacturing industries, educational institutions, technology, retail services, financial services, pharmaceutical companies, and food production. Bandung has nearly 50 higher educational institutions and is among the most popular destination for education in Indonesia. Creative culture has shaped some of the Bandung economy. Small businesses known as "distro" sell non-trademarked products made by local designers. Books, indie label records, magazines, fashion products and other accessories are typical distro products.

The Bandung city administration has agreed to substantially develop seven industrial and trade areas, for Bandung specialty products: Binongjati Knitting Industrial and Trade Center, Cigondewah Textile Trade Center, Cihampelas Jeans Trade Center, Suci (T and Oblong) Shirt Industrial Center, Cibaduyut Shoes Industrial Center, Cibuntu Tofu and Tempeh Industrial Center and Sukamulya Sukajadi Doll Industrial Center.

The table below shows companies for outward FDI (Green field) from Bandung between 2003 to 2016.

Bandung's Outward Investors By FDI (Capex), 2003-2016					
Rank	Date	Investing Company	Destination Country	Sector	Capex (ZARm)
1	Dec 2014	Telin Singapore	Singapore	Communications	812
2	Feb 2014	PT Telekomunikasi Indonesia (Telkom Indonesia)	Taiwan	Communications	115
3	Feb 2014	PT Telekomunikasi Indonesia (Telkom Indonesia)	Macau	Communications	115
4	Feb 2014	PT Telekomunikasi Indonesia (Telkom Indonesia)	Australia	Communications	115
5	Feb 2014	PT Telekomunikasi Indonesia (Telkom Indonesia)	Saudi Arabia	Communications	98
6	Jan 2013	PT Telekomunikasi Indonesia (Telkom Indonesia)	Myanmar (Burma)	Communications	115
7	Oct 2012	Beton Elemenindo Putra	Singapore	Building & Construction Materials	7
8	Aug 2005	PT Telekomunikasi Indonesia (Telkom Indonesia)	Gambia	Communications	1 964
9	May 2004	PT Telekomunikasi Indonesia (Telkom Indonesia)	Malaysia	Communications	114
Total					3 456

*Source: FDI Intelligence, 2017*

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