MILITARY

GLOBAL DEFENSE MARKET PROFILES

Market Profile
INDONESIA

Aviation Week Network

Defense Market Analyzer

August 2024

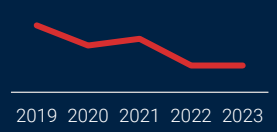
AVIATION WEEK NETWORK

Know. Predict. Connect.

Indonesia Key Indicators

POLITICAL

Corruption Score



2023 Rank 115 /180

Global Freedom Score



2024 Score 57 /100

Political Stability Rank



2022 Rank 29.25 /100

ECONOMIC

GDP per capita US$ (Real)



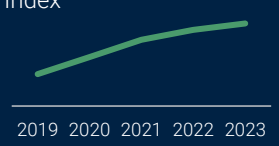
2024 US$ 37,790

Human Development Index



2022 Rank 112 /191

Sustainable Development Index



2024 Rank 78 /193

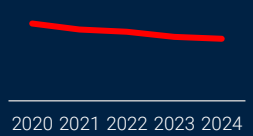
DEFENSE

Defense Spend US$ (Real 2022)



2024 $8.5 bn

Defense Spend as % GDP



2024 0.61 %

Global Fire Power Rank



2024 Rank 13 /145

OPERATIONAL

Global Peace Index



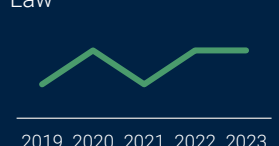
2024 Rank 48 /163

Anti-Money Laundering Index



2023 Score 86 /152

Adherence to Rule of Law



2022 Rank 66 /140

Sources: Transparency International, Freedom House, World Bank, Oxford Economics, Human Development Index, Sustainable development Index, AvWeek DMA, Global Fire Power, Global Peace Index, Basel AML Index, World Justice Project

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01 POLITICAL ENVIRONMENT

Political Summary

A new government headed by Indonesia's current defense minister will enter office by the end of October 2024.

SYSTEM OF GOVERNMENT

Presidential Republic

PARTY IN POWER

PDI-P (Indonesian Democratic Party of Struggle)

POLITICAL POSITION



DEFENSE PRIORITISATION



NEXT GENERAL ELECTION

2029

Sources: CIA World Fact Book, Freedom House, Indonesian Government

Indonesia is a presidential republic, where **the president is both the head of state and the head of the government** and has the authority to appoint the cabinet. The president can serve a maximum of two five-year terms and has a veto over legislation passed by the legislature.

The legislature is known as the **People's Consultative Assembly (MPR).** It is bicameral, being formed of the 136-seat **Regional Representative Council (DPD)** and the 575-seat **People's Representative Council (DPR).**

As a representative democracy, general elections are held to elect the president and members of the legislature every five years. Multiple parties contest these elections including three main **secular parties** – the PDI-P, Gerindra, and Golkar – and four **parties with an Islamic orientation**, the PPP, the PKB, the National Mandate Party (PAN), and the Prosperous Justice Party (PKS).

Despite having been ruled by Suharto's military dictatorship until 1998, **Indonesian elections are considered by Freedom House to be relatively free and fair**, and the judiciary is independent. However, there are concerns that this democratic progress is backsliding due to a vice-presidential candidate being allowed to run in the February 2024 elections despite being under the legal age and government efforts to weaken Indonesia's anti-corruption institutions.

Indonesia's government is in a transition period following a general election held on 14 February 2024. This election saw the two-term president **Joko Widodo** (popularly known as Jokowi) succeeded by his defence minister, **Prabowo Subianto**, who won 58.59% of the vote. The **PDI-P** narrowly maintained its leading position in the legislature with 16.72% of the vote, followed by **Golkar** with 15.29% and **Gerindra** with 13.22% of the vote.

Jokowi will remain president until Subianto is sworn in on **20 October 2024**, while the newly elected members of the MPR will take their seats on **1 October 2024**.



President
Joko 'Jokowi' Widodo



Minister of Defense
Prabowo Subianto

Election Timeline & Key Parties

The PDI-P has consistently been elected as the largest party in the MPR since 2014.

TIMELINE

2012
2013
2014 — **2014 Elections**
Jokowi elected president (53.15% of the vote) and PDI-P elected as largest party in the MPR (18.95%)
2015
2016
2017
2018
2019 — **2019 General Election**
Jokowi elected president (55.5% of the vote) and PDI-P elected as largest party in the MPR (19.33%)
2020
2021
2022
2023
2024 — **2024 General Election**
Prabowo elected president (58.59% of the vote) and PDI-P elected as largest party in the MPR (16.72%)
2025
2026
2027
2028
2029 — **Next General Election**
Date unknown
2030

Indonesian Democratic Party of Struggle (PDI-P)

Led By: Megawati Sukarnoputri

STATUS: Government Party
POSITION: Centre-left

PDI PERJUANGAN

The **PDI-P** is one of the three main **secular** political parties in Indonesia. It has been described as a centre and centre-left party.

Since 2014, the party has had the **largest share of seats in the MPR** and Jokowi, its presidential candidate, has served two terms in office, having won the 2014 and 2019 elections. However, while **the PDI-P will retain a slim majority in the MPR** following the 2024 elections, its presidential candidate, Ganjar Panowo, came in last place.

In terms of defense policy, the PDI-P has **criticised Prabowo Subianto for purchasing defense equipment from overseas** and thereby increasing Indonesia's debt during a cost-of-living crisis.

Ganjar instead called for **1% of GDP to be invested into national research and development** and wanted the Indonesian defense industry to be more competitive on the global market.

Gerindra

Led By: Prabowo Subianto (President elect)

STATUS: Government Party
POSITION: Right

GERINDRA
GERAKAN INDONESIA RAYA

The **Gerindra** party will become the **third largest party in the MPR** when the new members are sworn in on 1st October 2024 and its leader Prabowo Subianto will become president on 20th October 2024.

Gerindra is a **right-wing, populist party** that pursues a nationalist agenda and supports greater state involvement in the economy, while also being willing to compromise with certain Islamic political demands.

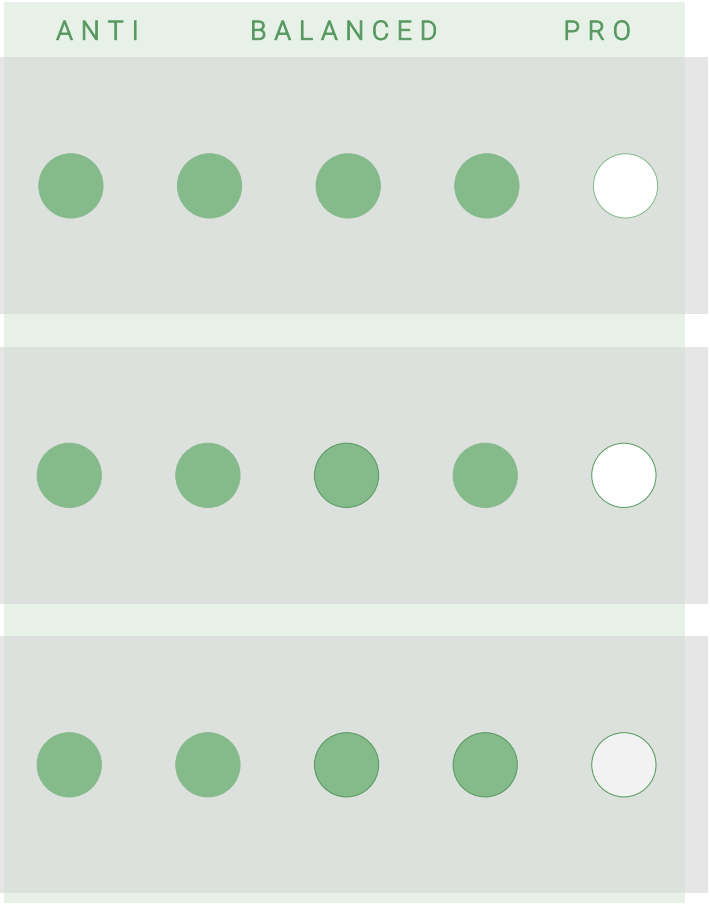
As the incumbent defense minister and Jokowi's preferred candidate, Prabowo's presidency is expected to uphold Indonesia's non-aligned foreign policy and **continue its existing procurement processes**.

Prabowo is also likely to support is the Jokowi administration's **National Long-Term Development Plan 2025-2045**. This aims to attain a "Golden Indonesia" with an economy based on services and advanced technology.

Sources: PDI-P, Gerindra, Jakarta Post, Indonesia 2045

Political Importance of Defense

Defense enjoys widespread public support and there appears to be broad consensus among the main political parties on the importance of boosting defense spending and supporting the domestic defense industry.





POPULATION

Since 2014, **the Indonesian public has consistently voted the Armed Forces as their most trusted institution** in opinion polls carried out by INDIKATOR. In another poll carried out by the Institute of Southeast Asian Studies, 84.6% of respondents believed that the armed forces acted in the public's best interest, while 62.3% of respondents to a Kompas poll carried out in 2021 were interested in joining the TNI.



CURRENT GOVERNMENT

In November 2023, the outgoing Jokowi administration approved a 20% increase in defence spending through to the end of 2024. Since the next administration will be headed by Prabowo Subianto, a former General in the armed forces and the current defense minister, this suggests that **increasing defense spending could be regarded as a higher priority after October 2024**, although this will be contingent on favourable economic and fiscal circumstances.



OPPOSITION VIEWS

During the 2024 general election, the top three presidential candidates broadly aligned on defense and foreign policy, with divergences between them mostly centered on investment priorities and how to manage the domestic defense industry. **The defense budget and Indonesia's non-aligned foreign policy did not appear to be contentious issues.**

Sources: Lowy Institute, Reuters, East Asia Forum

Competing Priorities & Challenges

Flagship initiatives in the fields of social welfare and infrastructure could negatively impact Indonesian defense spending, especially if they affect Indonesia's capacity to fund procurement via foreign loans.



The MPR during Jokowi's inauguration, 2014 via US State Department

INFRASTRUCTURE

Infrastructure investment as a means of economic development will form a key part of achieving the "Golden Indonesia" vision by 2045. A flagship project will be the construction of **Nusantara, a new capital city** on the island of Borneo. Scheduled for completion in 2045, it is projected cost **USD35 billion**.

As a prestige project, its construction could result in reduced funding for the defense budget. While Jokowi stated that only 20% of the project's value would be funded by the government, it had failed to secure any investment deals by the end of 2023.

SOCIAL WELFARE

In his presidential campaign, Prabowo pledged to provide **free meals for schoolchildren**. Aimed at improving the health of the Indonesian youth, this initiative was estimated to have an overall cost of **US$30 billion**.

The plan has been criticized for risking a substantial increase in the deficit and there are concerns among investors about how it will be funded. Should the plan damage Indonesia's credit rating, it could affect its ability to fund defense purchases with foreign loans.

2025 BUDGET

The outgoing Jokowi administration submitted proposals for the 2025 budget in August 2024. Devised in cooperation with Prabowo Subianto's team, it included funding to continue the construction of Nusantara and to begin the roll out of the free school meals program to Indonesia's poorest regions. Although there were concerns that Prabowo Subianto may have been willing to increase the annual deficit above the legal limit of 3% to hit GDP growth targets, the budget proposal plans for a deficit of 2.53%.

Sources: Financial Times, Reuters

Defense & Foreign Policy

Due to its strategic position between two oceans, maritime security is a key concern in Indonesia's defense policy.

Introduction

Since the mid-1950s, Indonesia has pursued an **independent, non-aligned foreign policy** in which it has avoided military alliances while fostering economic ties with a wide range of countries, including China, Russia, and the US.

At the same time, it has been an ardent supporter of the UN and a **regular contributor to multiple UN peacekeeping operations.**

This is unlikely to change when Prabowo Subianto ascends to the presidency. However, it is likely that the new government will issue an updated White Paper and an update or potential replacement for the Minimum Essential Force (MEF) policy that is due to conclude in 2024.

"Indonesia, located between two oceans and two continents has a unique geographical position."

Defense White Paper 2015

Indonesia's defense policy continues to be guided by a **White Paper** written almost ten years ago in 2015.

It defines the the main purpose of Indonesia's defense policy as to uphold Indonesia's sovereignty by defending its territory, enhance the welfare of its people, and contribute to a peaceful world order.

While **conventional war with its neighbours is deemed unlikely**, the White Paper anticipates future security challenges from being caught in the middle of a confrontation between the US and China, the possibility of territorial disputes over the waters north of the Natuna Islands, and increased competition over natural resources.

This is reflected in a particular emphasis on maritime security and the idea that Indonesia is a **"Global Maritime Fulcrum"** due to its position between the Atlantic and Pacific oceans.

To counter these threats, the White Paper proposes a policy of **active defence**, in which Indonesia will not initiate war with its neighbours but will modernise its forces so that they can **deter aggression and defend and retake Indonesian territory**.

In addition to conventional external threats, the White Paper identifies a range of other military and non-military threats. These include the continuing **internal threat** from armed insurgencies and terrorism, the threat from **transnational crime, piracy, and cyber-attacks**, and the problem posed by **climate change and natural disasters**. Although hybrid warfare is also mentioned as a threat, the White Paper does not articulate a strategy for dealing with this.

Although the White Paper reaffirms Indonesia's policy of eschewing military alliances, it does envision an **active role for the armed forces in global peacekeeping** operations and regional security. It also expresses a desire to build on existing bilateral defence partnerships and pursue new ones.



Apart from noting that Indonesia should **acquire satellite and unmanned capabilities** to enhance its maritime security, the White Paper gives few indications of procurement priorities.

However, it does express a desire for Indonesia to **build up its domestic industry** so that it can become more self-sufficient in defense procurement.

Sources: Indonesian MoD

Defense & Foreign Policy

The Indonesian MoD has failed to meet the procurement objectives outlined in its MEF policy, suggesting that it will need to secure more funding for continued modernization.

Minimum Essential Force (MEF)

The MEF concept was outlined in 2007 to provide a **long-term plan for the modernization of the Indonesian Armed Forces**.

It outlines the type and quantity of equipment needed for the active component of the armed forces to deter and counter conventional threats.

The MEF is split into **three phases**: the first took place between 2009 and 2014, the second between 2014 and 2019, and the third began in 2019 and will conclude in 2024. This phased approach was intended to **avoid long-term commitments** that could leave Indonesia's limited defense budget overstretched.

By the end of the MEF, 100% of the procurement targets should be fulfilled. However, as of early 2023, **the Air Force had only achieved 51% of its target, the Army 60%, and the Navy 76%.**

State Defense Policy 2020-2024

Indonesia's latest state defense policy notes that while **Indonesia's security situation is generally stable**, the risk of conventional conflict is not decreasing and there are an increasing number of threats to its domestic security, especially in the non-military domain.

Although **confrontation between the US and China** has not resulted in open war, competition between them has disrupted economic growth in Indonesia and increased their presence in the region, further undermining regional security.

The policy also highlights **the threat from emerging technologies** introduced by the Fourth Industrial Revolution, such as network-centric warfare and AI. This has expanded the realm of conflict into the space and cyber domains, requiring its armed forces to **act in a more joint, interconnected manner** if they are to remain capable of deterring attacks.

"The world is still faced with international security dynamics that have not shown signs of better security stability."

The policy recommends expanding, upgrading, or replacing combat aircraft, submarines, frigates, corvettes, fast missile boats and patrol boats, communications equipment, military transport equipment, military satellites, anti-air, anti-ship, and surface-to-surface missiles, and unmanned aircraft and naval platforms.

This should be **supported by domestic production,** particularly in the production and launching of satellites and the development of aircraft, submarines, medium tanks, UAVs, underwater sensing, electronic warfare, communications, and AI capabilities.

Recent proposals give some indication of future Indonesian defense planning.

In June 2021, the Indonesian presidential office published a draft document entitled Fulfilling the Defence and Security Equipment Needs of the Ministry of Defence and Indonesian Armed Forces 2020-24.

This proposed a new long-term procurement plan that would see US$124.9 billion invested into the armed forces between 2020 and 2044. Split into five five-year strategic plans, it would see US$79 billion spent on equipment procurement, US$32.5 billion on sustainment, and US$13.4 billion for servicing interest on foreign loans.

In June 2023, Prabowo Subianto introduced the Archipelagic Trident Shield vision. This envisaged the procurement of missile systems and other supporting equipment to build an anti-access/area denial (A2/AD) system capable of protecting Indonesia's three main sea lines of communication.

Sources: Indonesian MoD, IISS



02 ECONOMIC ENVIRONMENT

Economic & Fiscal Environment

Indonesia is expected to be the fourth fastest growing major global economy over the next decade achieving average annual GDP growth rates of around 5%.

Background

Indonesia is the fourth-largest country in the world by population at more than 260 million people in 2019. The economy remains underdeveloped compared with its Southeast Asian neighbours but retains strong growth potential due to its natural endowments and a large population working for highly competitive wages.

The Indonesian economy is projected to grow by around 5% a year between 2024-2033 with its pace of growth making Indonesia the fourth fastest growing major global economy over the next decade. By 2050 Indonesia is expected to become one of the top five global economies in purchasing power parity terms.

Fitch Ratings raised Indonesia's sovereign rating to BBB- in December 2011 and to BBB in December 2017 denoting a stabalized outlook and taking the country back to investment grade 14 years after it lost the status.

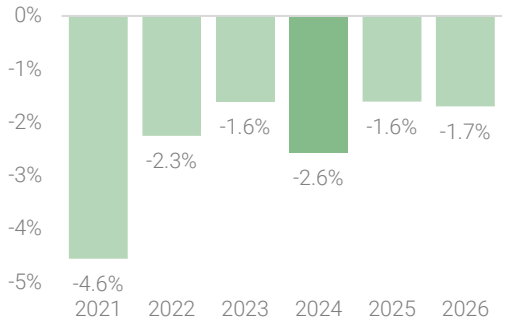
Government Debt

44.5% 2024 GDP

(35.4% 2019 GDP)

Fiscal Balance

-2.6% 2024 GDP



Recent Trends

Oxford Economics expect Indonesia's economic growth will slow to 4.8% this year from 5% in 2023 however growth will remain strong and continue at similar rates over the medium term with private consumption continuing to be the main driver of growth. Government spending is projected to continue to grow at a robust pace as a result.

The Indonesian economy is doing relatively well compared to its regional peers, supported by strong domestic demand. While Indonesia's rupiah had been one of the best-performing regional currencies in the early part of 2023, it recently experienced one of the sharpest depreciations in the region.

Favourable demographics are a key influence on the outlook. Indonesia's working-age population will grow robustly over the next two decades with the relatively young labour force continuing to aid long-term growth, albeit at a slower pace than in the past decade.

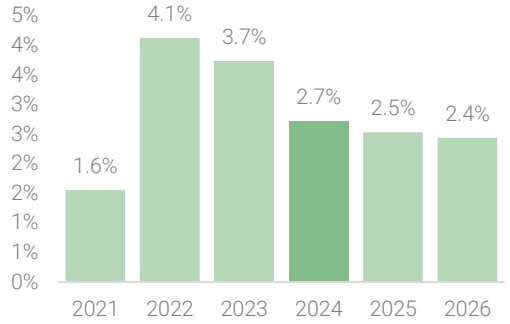
GDP Change (YoY)

+5.1% 2024

+4.9% Average 2024-2028

Inflation (CPI)

+2.7% 2024 YoY Change

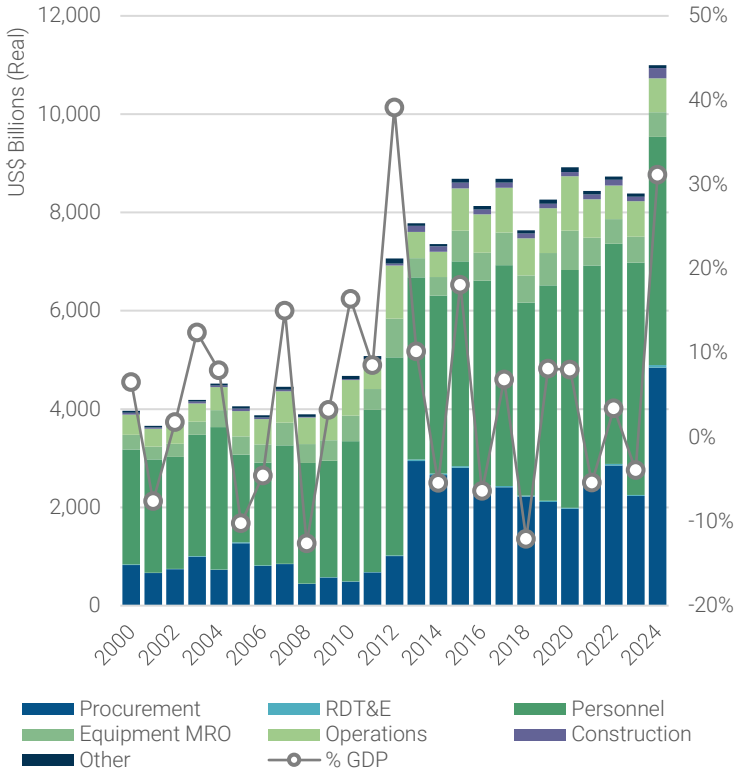


Sources: Aviation Week Defense Market Intelligence Center, Oxford Economics

Defense Budget Background & Recent Trends

Following a sustained period of underfunding Indonesia is now dedicating additional resources to defense, both through the core budget and through foreign loans.

Overall Defense Spend (Real Terms)

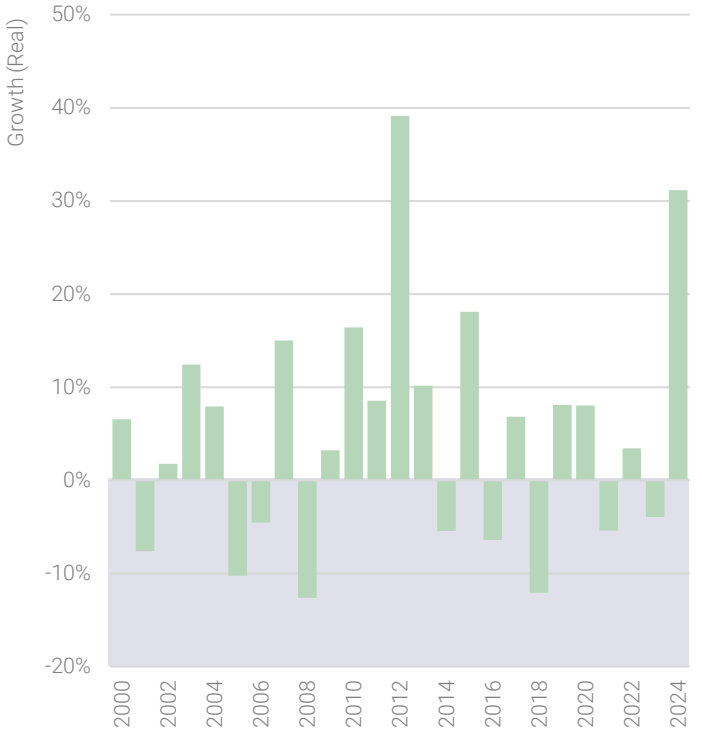


Following a decade of underfunding prior to 2009 the growth of the Indonesian economy has enabled defense spending to increase at a robust rate. Between 2010 and 2020 Indonesia's defence budget doubled in real terms with investment spending increasing by more than 300% over the period.

Despite this progress defense has generally not been viewed as a priority over recent years, particularly under President Joko Widodo, who has instead focused resources on social policies and economic development. As a result, despite the increases to military spending, the defense budget has gradually declined relative to both GDP (from 0.8% to 0.7%) and overall government spending (5.1% to 4.4%) since 2014. Ostensibly Indonesia aims to spend more than 1% of GDP on defense however there has been limited progress towards this goal since its introduction within the 2015 defense white paper.

In recent years the Ministry of Finance has allowed the Ministry of Defense to obtain bank loans from overseas in order to finance specific equipment requirements, augmenting the funding provided through the core defense budget. This mechanism has been used more regularly since 2020 and has enabled the military to pursue projects despite a relative lack of growth in defense spending over the last five years.

Year-on-Year Growth (Real Terms)



Sources: Aviation Week Defense Market Intelligence Center, Oxford Economics

Defense Budget By Function

Investment spending has expanded rapidly over the last decade and is increasingly augmented by extra-budgetary resources approved by the Ministry of Finance.

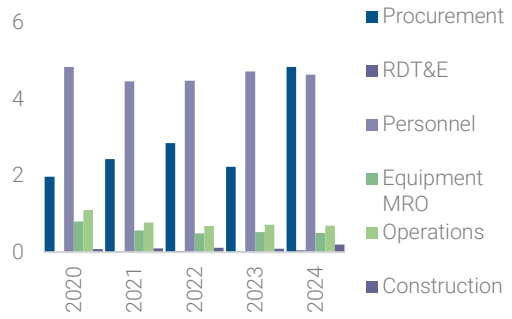
Budget by Function

Historically Indonesian military spending has been heavily weighted towards personnel costs as a result of the large size of the country's armed forces with around 400,000 active personnel. As a result between 60-70% of the military's budget has traditionally been allocated to cover the pay of the armed forces, occasionally surpassing these levels at times of significant budgetary constraints.

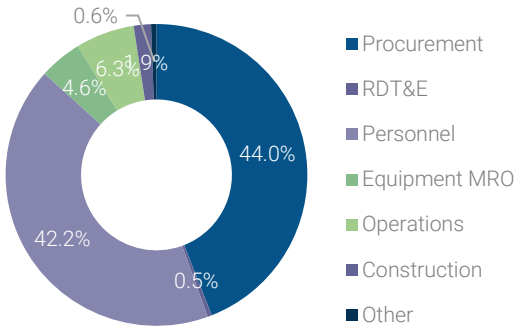
The military was starved of investment through the early 2000s but saw equipment spending increase by around 300% between 2010 and 2020 as economic growth enabled increases in the defense budget. Related spending subsequently rose from less than 10% of the overall military budget to more generally between 25-35% of spending through between 2013 and 2023.

Spending on operations and maintenance is comparatively low with readiness currently subordinate to pay and modernisation efforts. Increased tensions could cause elevated levels of spending in this area.

Spend by Function (Real US$ Billions)



Spend by Function 2024 (% Share)



Sources: Aviation Week Defense Market Intelligence Center, Oxford Economics

Investment Budget

Investment spending has become intrinsically linked with Indonesia's 'Minimum Essential Force' (MEF) concept which aims to modernise and expand the capabilities of the armed forces by 2024. The program consists of three phases: 2010-2014, 2015-2019 and 2020-2024 with emphasis gradually increasing on the third and final phase as funding growth slowed in the mid 2010s.

What will follow the MEF beyond 2024 is unclear however in 2021 a $125 billion modernisation plan for the period up to 2044 which included $79 billion for equipment acquisition was drafted (but appears not to have been approved) suggesting recognition that a number of goals remain unfulfilled. The MEF continued to be mentioned in the draft of the 2025 budget suggesting its goals may be retained. Regardless, the process of modernising the armed forces are likely to remain a key driver of future growth with investment spending likely to continue to account for more than 25% of the total defense budget.

Procurement Spend

$4.8bn 2024

($2.1b 2019)



Crucially the defense budget is only one of two sources of procurement spending with Indonesia using loans and export credits to supplement core spending in this area. Since the early 2000s this funding has been a key enabler of the modernisation process with new loans approved on an annual basis against requirements identified by the Ministry of Defense. Annual spending through this method frequently reaches into the billions of dollars sometimes representing the majority of procurement spending. (See 'Sources of Financing' section for additional detail)

Defense Budget Short Term Outlook (0-3 Years)

With economic growth accelerating and the budget deficit in decline, Indonesia's new government appears to be directing more resources towards defense.

The short-term outlook for Indonesian defense spending will be driven by three factors: economic growth, the budget deficit, and the defense policies adopted by the new government. The government remains focused on further narrowing the country's budget deficit with signs of an acceleration in the economy over the short term thereby improving prospects for defense budget growth.

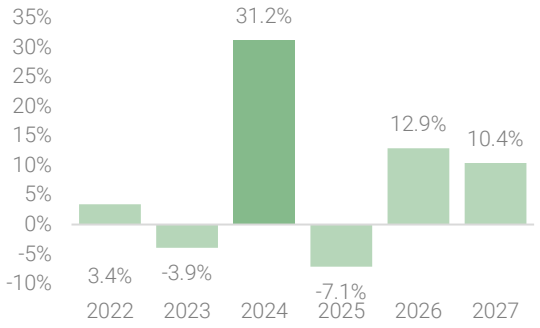
In February 2024 elections took place in Indonesia resulting in a landslide victory for former general Prabowo Subianto. Driven by Subianto's military background and former role as the country's defense minister his successful election campaign included a pledge to place more emphasis on defense and security matters. This has already begun to translate into the provision of additional resources for the armed forces. According to the 2025 draft budget the defense ministry will receive IDR165.2 trillion (US$10.7 billion) in funding for 2025, and increase of 21.9% compared to the draft budget in 2024.

Procurement Spend

$4.9bn 2027 2%

($4.8bn 2024)

Defense Budget Growth (Real)

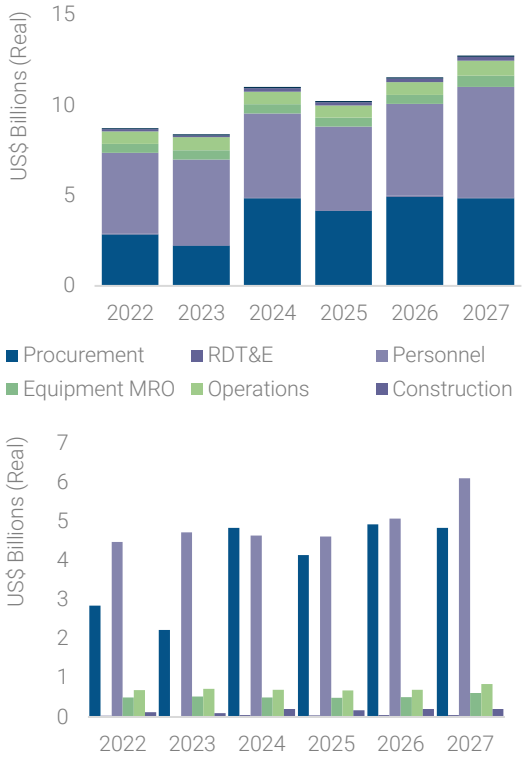


Furthermore budget documents show that the budget for 2024 has been revised upwards significantly since the start of the year rising from the IDR135.4 trillion initially approved to a projected level of IDR171.5 trillion.

While this means that the new 2025 budget would represent a small reduction in funding for the military compared to the current year, recent trends also suggest there remains a strong chance that this initial figure will also be revised upwards over the course of the next fiscal year. The recently revealed expectation that the 2024 budget will received a 29.2% increase was preceded by a 30.0% boost to spending in 2023 and a 12.3% adjustment in 2022.

This new funding is primarily being channelled towards military modernisation with the new draft budget revealing that 45.4% of total spending or around IDR79.5 trillion will be used for this purpose in 2024 and around 41.8% or IDR69.0 trillion in 2025.

Spend by Function (Real US$ Billions)



Sources: Aviation Week Defense Market Intelligence Center, Oxford Economics

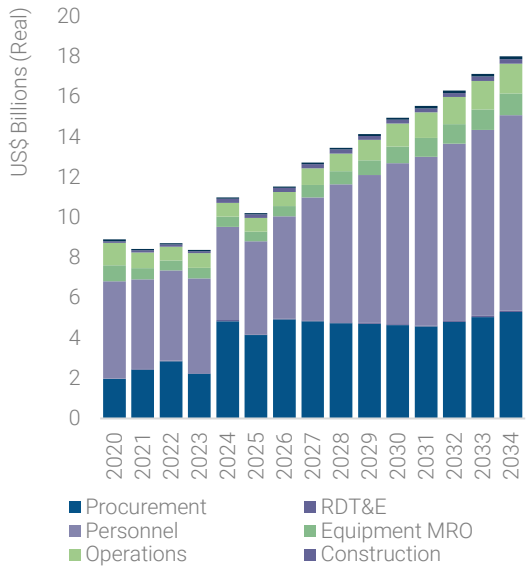
Defense Budget Long Term Outlook (4-10 Years)

Despite a lack of political focus on defense and security issues at present, economic growth is expected to drive annual increases of at least 5% in real terms over the next decade.

Defense Budget

$18.0bn 2034 63.6%

($11.0bn 2024)



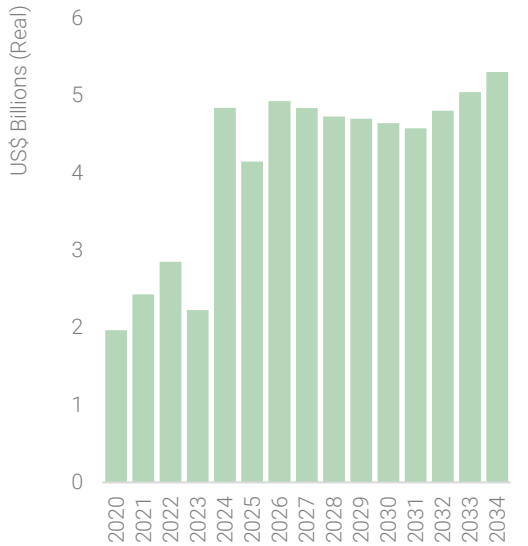
Under the 2015 Defense White Paper Indonesia outlined a modest aspiration to 'spend more than 1% of GDP on defense', apparently recognizing that the country currently underspends against this measure. Prior to the release of the White Paper various presidents and presidential candidates had identified 1.5% of GDP as a useful target for Indonesian defense spending. Despite these pledges there has been no sustained progress towards this goal with military spending fluctuating between 0.7-0.8% of GDP since that time.

There is scope for a renewed push towards this target over the medium term with defense becoming more of a priority under the new government. This would drive further double digit real terms growth. Loosening of fiscal constraints as a result of accelerating growth and lower budget deficits could help to motivate the Ministry of Finance to approve further loans on behalf of the defense ministry in order to accelerate the completion of the now overdue modernization goals of the MEF.

Procurement Budget

$5.3bn 2034 10.4%

($4.8bn 2024)



While external security concerns have increased – particularly in relation to Chinese encroachment around the Natuna Islands – spending has remained largely static in relation to GDP and overall government spend, with Indonesia balancing the protection of sovereign territory while ensuring not to antagonize China. Should this balance shift towards the former then growth potential would increase significantly given the low level of current expenditure and the rapid expansion of the Indonesian economy.

Regardless of the strategic environment, defense spending is projected to gradually increase as a result of economic expansion. Indonesia is expected to be the fourth fastest growing major global economy over the next decade achieving average annual GDP growth rates of around 5%. As a result defense spending is projected to grow at a minimum rate of 5% per year in real terms with potential for this rate to increase significantly should the political focus shift more towards defense and security issues.

Sources: Aviation Week Defense Market Intelligence Center, Oxford Economics

Defense Budget Sources of Financing

Indonesia augments investment spending from within the core defense budget with external loans and credit agreements used to finance major equipment acquisitions.

Alongside the core budget the Ministry of Finance allows the Ministry of Defense to obtain bank loans and export credit agreements from overseas in order to finance specific equipment requirements, augmenting the funding provided through the annual budget. This mechanism enabled the military to pursue projects despite a relative lack of growth in defense spending over the last five years. In late 2023 a US$2.16 billion loan was secured in order to finance the acquisition of Scorpène submarines. A US$3.9 billion loan was secured in 2022 to fund the procurement of additional Rafale fighters and upgrades to the existing Sukhoi fleet.

While the Ministry of Finance has ultimate authority over the approval process the list of projects to be funded through this mechanism is compiled by the Indonesian Ministry of National Development Planning (BAPPENAS) in conjunction with the Ministry of Defense. This process is used to develop a medium term 5-year plan referred to as the Blue Book and a short term one year priority list known as the Green Book. Loans relating to the Green Book are approved at the beginning of each fiscal year by the Ministry of Finance. While the approval of loans is necessary to enable the Ministry of Defense to obtain funds the approval of a loan does not guarantee a loan will be obtained with the Ministry of Finance retaining a final approval once the loan has been negotiated.

Funding provided through this external loan process is highly unpredictable both in terms of the ability to secure loans or export credit agreements from financial institutions or foreign governments and the granting of final approvals by the Ministry of Finance. Nevertheless, the ability to provide export credit in this way remains a significant advantage for any projects that are able to facilitate it. In the medium-term rising interest rates may reduce the use of loans as a result of the costs of servicing these loans in the longer term. Prior to recent increases in interest rates the $125 billion modernisation plan announced in 2021 assumed interest payments would account for US$13.4 billion or 10.7% of the total funding. Furthermore, rising defense spending has the potential to reduce the need for such loans in the long term.

Alongside these financial mechanisms Indonesia also continues to pursue potential barter arrangements utilising commodities to facilitate procurement projects. The now cancelled deal for Sukhoi Su-35 fighter aircraft was agreed on the basis of a partial barter arrangement for palm oil, coffee, and other Indonesian goods. While the use of such arrangements has become less prevalent the ability to provide such flexibility continue to offer a significant potential advantage to governments that are willing to enter into such agreements, such as Russia and China, particularly during periods of fiscal constraint.



The Indonesian Ministry of National Development Planning (BAPPENAS) and Ministry of Defense develop the Blue Book and Green Book of projects that are to be funded through external loans however not all projects appear in the annual reports released by the government (pictured above).

Source: Indonesian Government



03 STRATEGIC ENVIRONMENT

Global Threat Map

The global threats facing Indonesia are predominantly non-military.

Climate Change

Indonesia is highly vulnerable to the effects of climate change. With approximately **60% of its population living in lowland coastal areas**, sea level rises could prove extremely disruptive to its society. Moreover, rising temperatures, an increase in droughts and changing weather patterns could threaten its agriculture and fishing stocks. This in turn could contribute to societal unrest and leave affected communities more susceptible to Islamist radicalization.

Global Peacekeeping

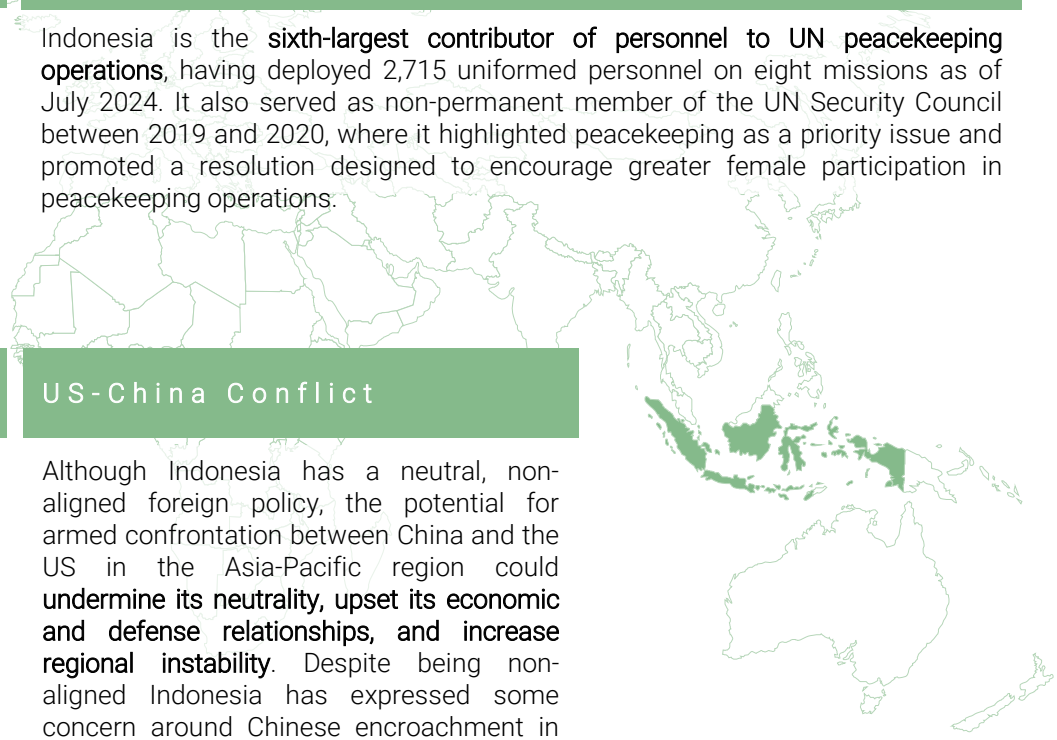
Indonesia is the **sixth-largest contributor of personnel to UN peacekeeping operations**, having deployed 2,715 uniformed personnel on eight missions as of July 2024. It also served as non-permanent member of the UN Security Council between 2019 and 2020, where it highlighted peacekeeping as a priority issue and promoted a resolution designed to encourage greater female participation in peacekeeping operations.

Cyber Attacks

All of Indonesia's defense policy documents highlight the risk posed by cyber attacks from adversaries and criminal groups, with the MEF document issued in 2012 stating that cyber has **transitioned from a potential to an actual threat**. The more recent **State Defense Policy** document published in 2022 predicts that the **risk will increase** as the world enters a fourth industrial revolution and war expands into the cyber domain. Indonesia's vulnerability to such attacks was shown in July 2024, when a ransomware attack stole data from more than 200 government agencies, many of which suffered from a lack of cyber awareness and an absence of proper backups.

US-China Conflict

Although Indonesia has a neutral, non-aligned foreign policy, the potential for armed confrontation between China and the US in the Asia-Pacific region could **undermine its neutrality, upset its economic and defense relationships, and increase regional instability**. Despite being non-aligned Indonesia has expressed some concern around Chinese encroachment in the vicinity of the Natuna Islands.



1,811,569
Sq km Land

2,958
Km Land Borders

54,716
Km Coastline

~282m
Population

Sources: CIA World Factbook, UN, Defence White Paper 2015, MEF

Local Threat Map

Indonesia is perceived to have a low risk of direct involvement in a conventional war, so it is focused on threats to its internal and maritime security.

Internal Security

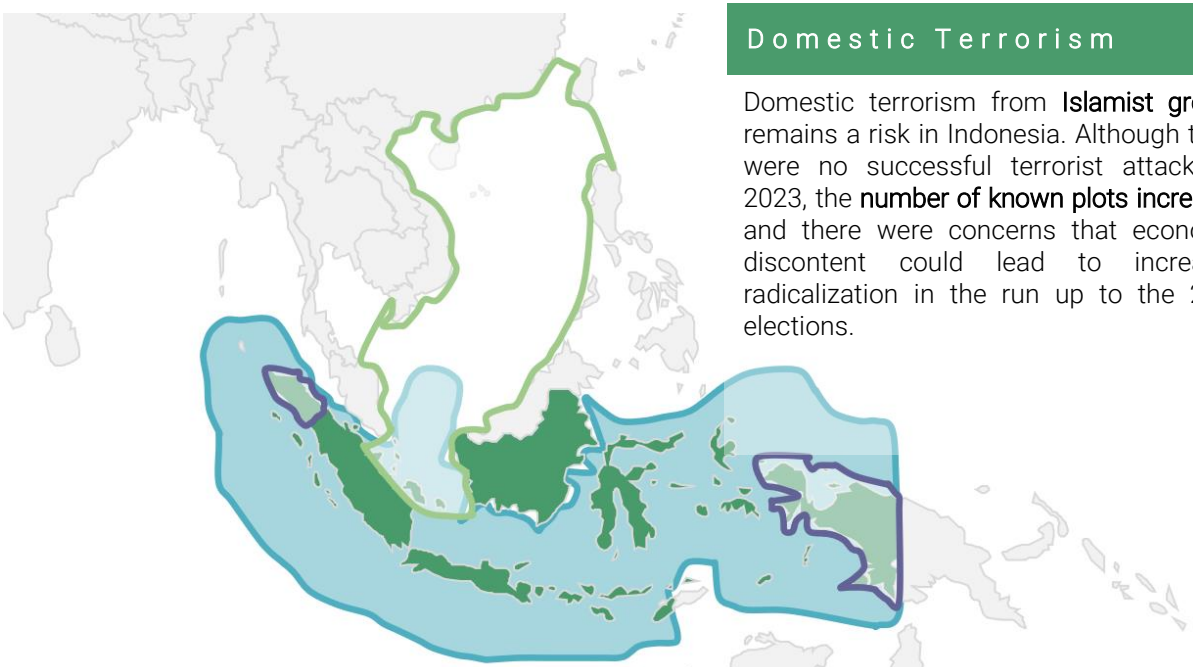
According to IISS, **70% of Indonesia's military operations since 1945 have been to counter internal threats**. While conflict in the **Aceh province** ended in 2005, the State Defense Policy issued in 2022 noted that there was a risk that conflict could reignite. The Indonesian Armed Forces also continue to deploy troops to counter a low-intensity conflict in the **West Papua region**.

Maritime Security

Local maritime threats are an important consideration in Indonesia's defense policy. These include **military threats**, such as territorial disputes with its neighbors, as well as **non-military threats** such as piracy and competition for natural resources, such as fishing grounds. **Transnational criminal operations** also exploit Indonesia's vast maritime territory to facilitate people trafficking and smuggling. Indonesian defense policy therefore emphasizes the **defence of its outlying island territories and countering incursions into its EEZ**.

South China Sea

The South China Sea is identified as a **regional flashpoint** in Indonesia's 2015 Defense White Paper. While Indonesia is not a claimant to territory within the South China Sea, China's nine-dash line overlaps with Indonesia's EEZ to the north of the **Natuna Islands**. In response to incursions into this EEZ by Chinese fishing and coastguard vessels, Indonesia has sought to bolster its claims by increasing its military presence in the Natuna Islands and holding military exercises in the surrounding waters. As noted by Indonesia's White Paper, the tendency to use military means to assert claims and the **lack of a multilateral institution to diplomatically resolve disputes increases tensions and the risk of conflict**. Furthermore, the fact that several members of ASEAN are among the disputing claimants to territory in the South China Sea can undermine this bloc's ability to form a unified approach to regional issues, particularly those concerning China.



Domestic Terrorism

Domestic terrorism from **Islamist groups** remains a risk in Indonesia. Although there were no successful terrorist attacks in 2023, the **number of known plots increased** and there were concerns that economic discontent could lead to increased radicalization in the run up to the 2024 elections.

Indonesia is **prone to natural disasters** including earthquakes, tsunamis, tropical storms, landslides, and volcanic eruptions. The Indonesian Armed Forces are frequently relied upon to provide humanitarian assistance and disaster relief in the wake of these disasters. Disaster response is complicated by Indonesia's geography with air and maritime capabilities often required to access affected areas.

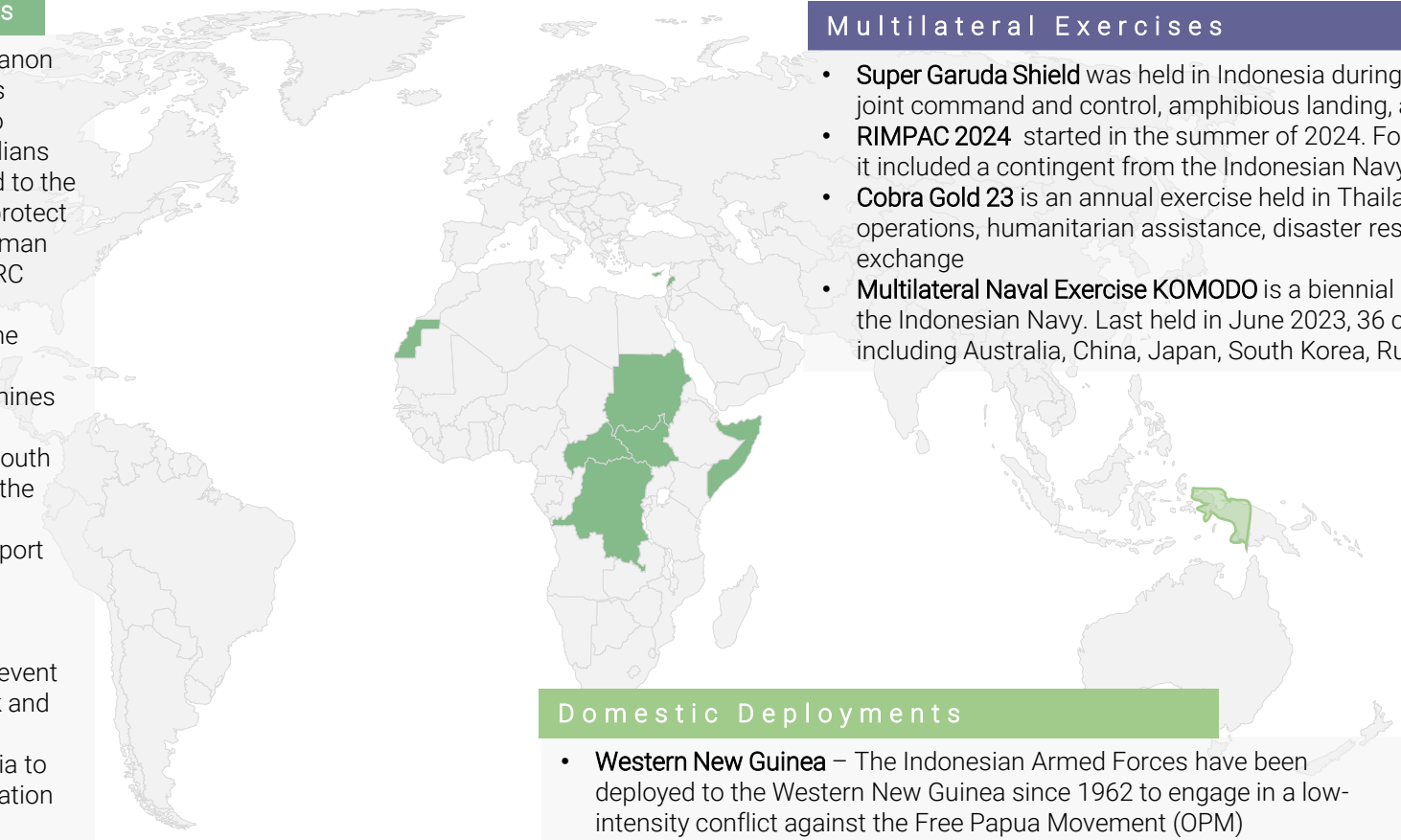
Sources: Defence White Paper 2015 , State Defense Policy 2022, IISS, RSIS

Current Operations & Exercises

Indonesia is the sixth-largest contributor to UN peacekeeping operations, with more than 2,000 personnel deployed to eight countries.

UN Peacekeeping Missions

- UNIFIL – 1,232 troops deployed to Lebanon to support the Lebanese Armed Forces
- MINUSCA – 386 personnel deployed to Central African Republic to protect civilians
- MONUSCO – 1,049 personnel deployed to the Democratic Republic of the Congo to protect civilians, humanitarian workers and human rights defenders, and to support the DRC government
- MINURSO – 4 personnel deployed to the Western Sahara region to monitor the ceasefire and support the removal of mines and unexploded ordnance
- UNIMISS – 37 personnel deployed to South Sudan to protect civilians and support the peace process
- UNISFA – 7 personnel deployed to support the Abyei police service, deliveries of humanitarian aid, and the removal of unexploded ordnance
- UNIFCYP – 4 personnel deployed to prevent an outbreak of violence between Greek and Turkish Cypriot communities
- UNSOM – 1 person deployed to Somalia to support peacekeeping and democratization efforts



Multilateral Exercises

- Super Garuda Shield was held in Indonesia during September 2023 to practice joint command and control, amphibious landing, and airborne operations
- RIMPAC 2024 started in the summer of 2024. Focused on maritime security, it included a contingent from the Indonesian Navy's Marine Corps
- Cobra Gold 23 is an annual exercise held in Thailand involving joint military operations, humanitarian assistance, disaster response, and cultural exchange
- Multilateral Naval Exercise KOMODO is a biennial naval exercise organized by the Indonesian Navy. Last held in June 2023, 36 countries participated, including Australia, China, Japan, South Korea, Russia, the UK and the US

Domestic Deployments

- Western New Guinea – The Indonesian Armed Forces have been deployed to the Western New Guinea since 1962 to engage in a low-intensity conflict against the Free Papua Movement (OPM)

Sources: UN, Indonesian Ministry of Foreign Affairs, US DoD

Armed Forces

Indonesia has the largest armed forces in Southeast Asia.

POSTURE

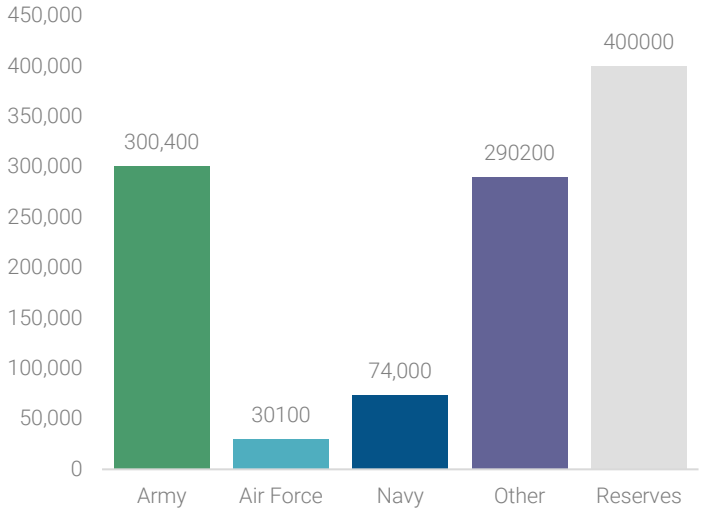
Indonesian defense is organized around the concept of the **Total People's Defense and Security System** that was adopted in the 1945 constitution. Under this system, the entirety of Indonesian government and society are responsible for defending the nation's sovereignty against all military and non-military threats.

The **Indonesian Armed Forces (TNI)** is composed of three branches: the **Indonesian Army (TNI-AD)**, which is the largest; the **Indonesian Navy (TNI-AL)**, which includes the Marine Corps; and the **Indonesian Air Force (TNI-AU)**.

The TNI is structured and equipped to provide **internal security and external deterrence** against potential adversaries looking to seize Indonesian territory, as well as to support **global peacekeeping** missions. Protecting Indonesia's **three main sea lanes of communication and securing its EEZ** are also priority missions.

While there have been moves to improve joint operational capacity between the three branches, such as the setting up of a **Joint Regional Defense Command** in 2019, capacity for tri-service operations is limited. As national defense is part of the remit of all government institutions, the TNI also deploys alongside non-military government agencies that have overlapping responsibilities for internal security.

Personnel Numbers 2024



The 'Other' column includes Indonesia's large **police force**, **Coast and Seward Defense Command**, and **Maritime Security Agency**, which can cooperate with the TNI during internal security operations.

Selective conscription for 24 months is authorized by Indonesian law, but it is not exercised.



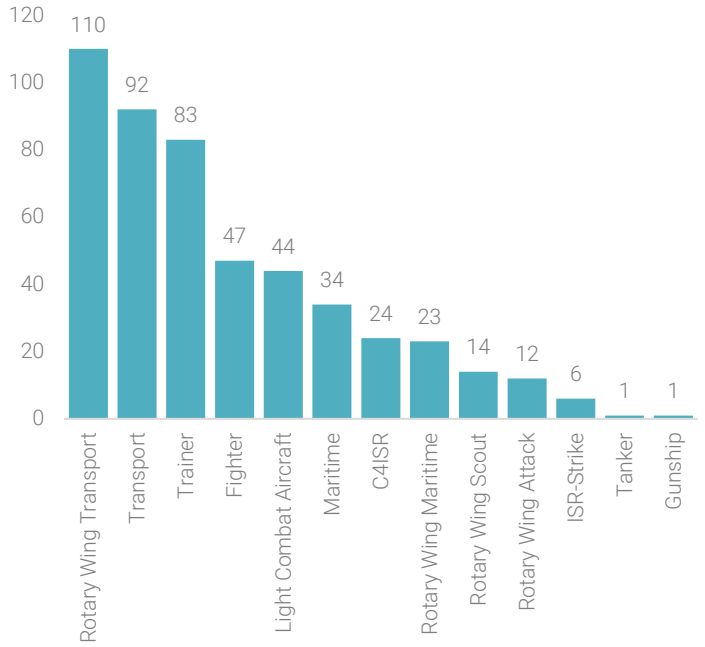
Indonesian Navy Marines on a training exercise via Twitter/X @_TNIAL_

Sources: CIA World Factbook, IISS, Economic Times

Armed Forces

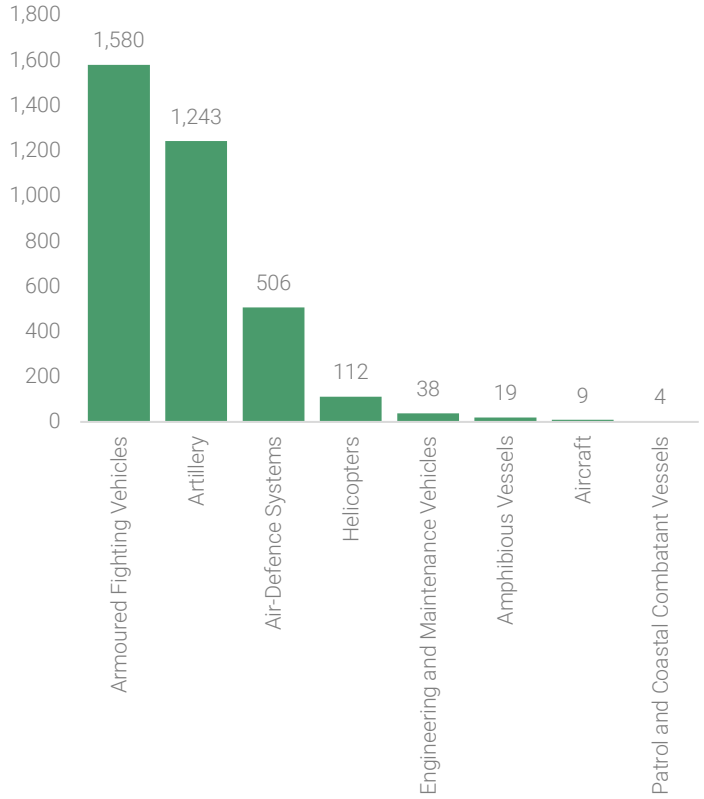
Indonesia's armed forces are equipped to be able to rapidly deploy forces in defence of its vast archipelagic territory.

Air Force Inventory
July 2024

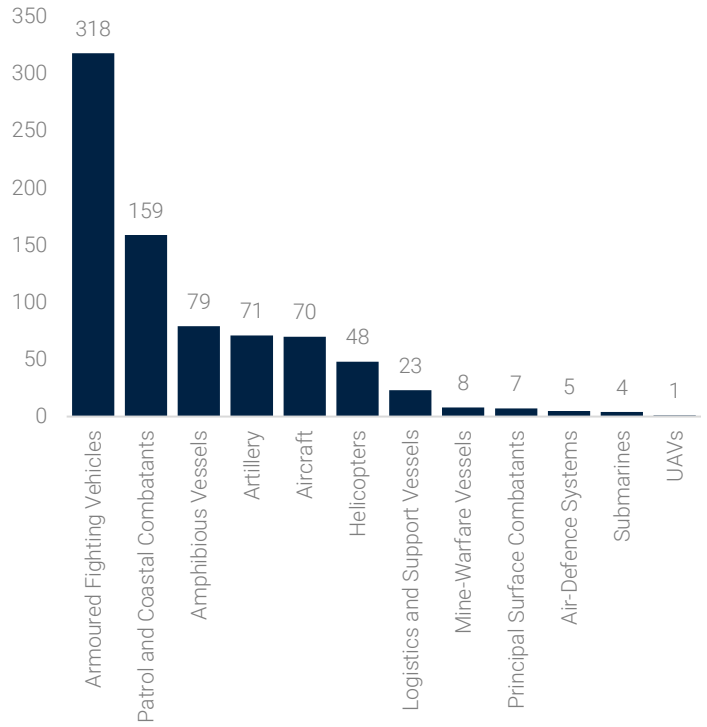


Note: The Indonesian Armed Forces also field a range of anti-tank, anti-infrastructure, and air-launched missiles, and other types of precision-guided munitions.

Army Inventory
2024



Navy and Marine Corps Inventory
2024



Sources: Air Force – Av Week Fleet Discovery, Navy and Army – IISS



04 PROGRAMS & REQUIREMENTS

Requirements Summary

Indonesia is not very transparent when it comes to disclosing its defense requirements.

Indonesia does not usually make detailed information on its defense programs public. This is due to **concerns regarding national security**, the nature of its defense procurement (which tends to be restricted to certain suppliers), and the effects of budgetary **uncertainty on long-term planning**.

Vague indications as to the type of equipment desired by the Indonesian Armed Forces are sometimes mentioned in defense policy documents such as the **White Paper, Minimum Essential Force, and General State Defense Policy**. However, these are rarely accompanied by information concerning timeframes for acquisition or the number of such equipment required. Other government documents, such as the so-called **'Green Book'** issued by the **Ministry of National Development Planning,** can show which programs the MoD wants to fund, but this only provides short-term notice.

Long-term requirements setting by the MoD is complicated by several factors.

Firstly, the allocation of defense budgets is done on a short-term basis and many programmes are **dependent on receiving approval for funding via foreign loans**, which may be vetoed by other ministries. Furthermore, Indonesia's **tendency to procure from multiple suppliers** means that its ability to translate requirements into procurement is highly contingent on geopolitical factors.

While Indonesia does have a public procurement portal that is run by the Government Goods/Services Procurement Policy Institute (LKPP), defense tenders are rarely published on this portal. Instead, defense procurement tends to take place via **single-source awards or restricted tenders**.

Therefore, concrete details of defense programs and potential business opportunities generally only become publicly known after the MoD has earmarked its preferred suppliers or after details have been reported in the media.



KRI Raden Eddy Martadinata (331) Frigate (foreground) during RIMPAC 2024 via Twitter/X @Kemhan_RI

Sources: Atlantis Press, IISS, Transparency International

Current Major Programs

Progress of Program — Requirement Definition | Procurement Process Underway | Under contract


Credit: DAPA

KF-21 Boromae

Value: US$450m
IOC: Late 2020s
Prime: KAI

Indonesia joined the South Korean KF-21 multi-role 4.5 generation fighter program in 2010. Indonesia was to fund 20% of the development costs and order 48 aircraft (designated IF-X). However, Indonesia is behind on its funding obligations and a new cost-sharing agreement in May 2024 will see its contribution reduced from KRW1.6 trillion to KRW600 billion.


Credit: Boeing

F-15IDN

Value: US$13.9b
IOC: Late 2020s
Prime: Boeing

The US State Department authorized the potential sale of 36 F-15IDN (a variant of the F-15EX) multirole fighters to Indonesia in February 2022. In August 2023, an MoU was signed between Boeing and the Indonesian MoD for 24 F-15IDs, 12 fewer than in the FMS case. Commercial negotiations were ongoing as of early 2024 and no firm contract has been signed.


Credit Dassault

Rafale

Value: US$8.1b
IOC: 2026
Prime: Dassault

Indonesia pledged to order 42 4.5 generation Rafale multirole fighters from the French government in February 2022. The order was to include a substantial offset for Indonesian industry. An initial contract for the first six aircraft was signed in September 2022, followed by a second batch of 18 in August 2023, and the final batch of 18 in January 2024.


Credit: Leonardo

PPA

Value: US$1.3b
IOC: 2025 (est)
Prime: Fincantieri

Indonesia signed a contract with Fincantieri for two PPA offshore patrol vessels in March 2024. These vessels were originally intended for the Italian Navy but will be delivered to Indonesia instead to ensure faster delivery. The vessels were undergoing construction and integration work at the time of the contract, suggesting there will be minimal work for Indonesian companies.


Credit: Naval Group

Scorpène Evolved

Value: US$2.2b
IOC: 2032 (est)
Prime: Naval Group

Indonesia has a requirement for eight submarines to reach 100% of its revised MEF target. Two Scorpène Evolved submarines were ordered from Naval Group in March 2024, three years after a defense cooperation agreement was signed with France in August 2021. The contract will involve a transfer of technology so PT PAL can build the submarines in Indonesia.

Sources: Company Websites, Defense Media

Additional Programs – Navy

FREMM Frigates
Indonesia signed a contract for six FREMM frigates and the modernization of two Maestrale-class frigates in June 2021. However, implementation of this contract has been delayed.

Program Value
Unknown
IOC
Unknown

Arrowhead 140 Frigates
A contract with Babcock International for two Arrowhead 140 frigates based on the Danish Iver Huitfeldt-class became effective in May 2021. These will be built under license by PT PAL.

Program Value
US$720 million
IOC
2026

S26T Submarine
Since January 2024, the China State Shipbuilding Corporation (CSSC) has reportedly offered to modify and then sell an S26T submarine originally built for Thailand to Indonesia at a discounted price.

Program Value
Unknown
IOC
Unknown

Special Mission Boats
At least nine more special mission boats and patrol ships are required for the navy's 3rd fleet. These are likely to be supplied by local shipyards, with PT Pindad Marine Batam having delivered previous vessels in 2023.

Program Value
Unknown
IOC
Unknown

Hydrographic Ship
Indonesian shipyard PT Palindo Marine received a contract for the construction of an ocean-going hydrographic research vessel in December 2022. It was supported by a transfer of technology from Germany's Abeking & Rasmussen.

Program Value
US$150 million
IOC
2024

Atmaca Anti-ship Missiles
Indonesia awarded PT Republik Defensindo a contract to procure the Roketsan Atmaca anti-ship missile for the Indonesian Navy in January 2025. This includes 45 missiles and their launcher units.

Program Value
Unknown
IOC
Unknown

Future Requirements
The Indonesian Navy Chief of Staff has outlined which procurement aspirations will be included in the upcoming 2025-2029 Indonesian Navy Strategic Plan and the 2025-2044 Indonesian Navy Strength Development Posture. They reportedly include destroyers, landing helicopter docks, maritime patrol and anti-submarine warfare aircraft, unmanned combat aerial vehicles, unmanned surface and underwater vessels, amphibious assault vehicles, coastal defense systems, and command and control equipment to support network-centric warfare.

Progress of Program: Requirement Definition | Procurement Process Underway | Under contract

Sources: Company Websites, Defence Media

Additional Programs – Army

S-70M Blackhawk

The MoD announced plans to procure 24 S-70M Blackhawk utility helicopters in December 2023, although these were reportedly downsized to 22 helicopters by early 2024. They will be manufactured by PZL with final assembly by PTDI.

Program Value
US$585 million
FOC
Unknown

Harimau Medium Tank

Indonesia ordered 18 Harimau tanks in April 2019. The first ten were manufactured in Turkey, but final assembly took place at PT Pindad ahead of delivery in February 2024. Pindad will manufacture and assemble the final eight.

Program Value
US$135 million
IOC
2024

Pandur II Armored Vehicle

Excalibur Army was reportedly contracted to deliver 22 Pandur IIs to Indonesia in December 2019. Final assembly and production of some components was carried out in Indonesia, with ten delivered in February 2024.

Program Value
US$82 million
IOC
2024

Air-Defense Systems

Indonesia is reported to a have signed contracts with Roketsan for medium- and long-range air-defense systems in November 2022. These will include components from Czech company Excalibur International.

Program Value
Unknown
FOC
Unknown



Harimau medium tank via FNSS

Progress of Program: Requirement Definition | Procurement Process Underway | Under contract

Sources: Company Websites, Defense Media

Additional Programs – Air Force

AEW&C Aircraft
The Air Force has a requirement for at least four AEW&C aircraft. The Indonesian finance ministry approved a foreign loan to procure two aircraft in 2023, although this request was reportedly cancelled in 2024 to fund other programs instead.

Program Value
US$800 million
IOC
Unknown

Bayraktar TB2 UAV
In August 2023, the Indonesian Air Force confirmed that it plans to acquire an undisclosed number of TB2 UAVs. Foreign loans worth up to US$238.1 million were approved for the air force to procure UAVs and munitions in early 2023.

Program Value
US$238.1 million
IOC
Unknown

Anka UAV
The MoD signed a contract for 12 Anka UAV systems in July 2023. These systems are to be used by all three services of the armed forces. Six will reportedly be produced in Turkey and six in Indonesia.

Program Value
US$300 million
IOC
2025

Aerial Tankers
The finance ministry authorized the use of foreign loans to procure two aerial tankers in 2021. It was reported that the A330 MRTT was selected for this program in September 2023, although a contract had not been finalized.

Program Value
US$700 million
IOC
Unknown

CN235-220
Three CN235-220s in the troop transport configuration were ordered from PTDI in November 2023. The first example is scheduled to be delivered to the air force by 2026.

Program Value
US$85 million
IOC
2026

GM403 Radars
Thales and PT Len announced they had partnered to deliver 13 GM403 air surveillance radars to Indonesia in May 2022. Thales transferred technology to PT Len to enable local production of certain components.

Program Value
Unknown
IOC
2028

A400M
Indonesia signed a contract for two A400M multirole tanker and transport aircraft in November 2021 and a letter of intent to procure an additional four aircraft. The contract came into effect by December 2022.

Program Value
Unknown
IOC
2026

Progress of Program: Requirement Definition | Procurement Process Underway | Under contract

Sources: Company Websites, Defense Media



05 PROCUREMENT EVIRONMENT

Procurement Process and Policy

Indonesia procures most of its defense equipment through single-source purchases or restricted tenders.

Indonesian Defense Procurement

Indonesian defense procurement is affected by three main regulations: the **2018 Presidential Regulation** Number 16 on Government Procurement of Goods/Services, the **2019 Regulation of the Minister of Defense** Number 16 on The Implementation of Procurement of Defense and Security Equipment in the Ministry of Defense and the Indonesian National Army, and the **2012 Law** Number 16 on **Defense Industry**.

In basic terms, Indonesian defense procurement is carried out according to the 2018 Presidential Regulation Number 16, which covers the process for procuring goods and services in general. However, this does not contain provisions for the **security and confidentiality**, which are set out in the 2019 Ministry of Defense Regulation Number 16.

Defense acquisitions typically follow five steps.

The Procurement Process

Step 1: At this initial stage, the documentation for procurement is drawn up by the MoD. This includes planning requirements, budget documents, and a Letter of Determination of Funding Sources that is submitted to the **Ministry of Finance** if the project is to be funded using foreign loans.

Step 2: This preparation stage determines how a provider will be selected. It involves creating procurement documents, estimating an expected price for the procurement, and setting the highest bid limit for the program. A working group will also select and reach out to suitable providers based on technical specifications and other procurement documentation that has been prepared.

Step 3: The selection stage consists of a pre-qualification assessment of cover bids to make sure it meets baseline technical and price stipulations. Bids that pass this stage will then be evaluated more thoroughly, and a provider selected by the MoD.

Step 4: The contract preparation stage largely conforms to the process for other non-defense related goods and services. This results in a contract in which the buyer will agree to pay the seller a specific amount for delivery of the product at an agreed timeframe. However, the contract is not brought into effect until the **Ministry of Finance** has confirmed that funding is available to support it.

Step 5: This is the implementation phase. It starts with acceptance testing. Once this deemed satisfactory by the buyer and the provider, deliveries can proceed.



An Indonesian Air Force F-16 is refueled during the Pitch Black exercise in July 2024 via X/Twitter @Kemhan_RI

Sources: Indonesian government, Atlantis Press

Procurement Process and Policy

Indonesian procurement should prioritize the development of domestic industry, but these aspirations have proven difficult to implement in practice.

Law on Defense Industry

The **2012 Law on the Defense Industry** stipulates that Indonesia should procure from its domestic defense industry wherever possible. This domestic defense industry refers to both Indonesian state-owned enterprises and privately-owned companies.

Where it is not possible for domestic industry to meet the requirements, the MoD can propose to the **Defense Industry Policy Committee** that a contract is awarded to foreign industry either through government-to-government or direct commercial sales. However, the law states that **major foreign acquisitions** should still include arrangements to support the domestic defense industry. This can include **joint production, technology transfer, offsets, or trade returns through bartering**.

The law also contains provisions that require defense procurement to consider national security and confidentiality concerns. Similarly, while Article 17 of the **2018 Law Number 14 on the Openness to Public Information** obliges public institutions to disclose information to the public, exemptions are made for any information that may endanger the security of the state. This **restricts oversight and transparency**, making the process susceptible to corruption.



A400M Atlas via X/Twitter @Kemhan_RI

Procurement in Practice

The implementation of the Law on Defense Industry has struggled to live up to its requirements because of a **lack of regulations to enforce its implementation**, budgetary constraints, and Indonesia's tendency to **procure defence equipment from multiple different sources** to reduce its dependency on any one single supplier.

In particular, the tendency to procure small batches of equipment from a range of different suppliers means that **supporting local industrial participation is not an attractive prospect for foreign suppliers**. It also leads to issues with interoperability, complicates training and maintenance, and leads to more complex supply chains.

Indonesian defense acquisitions can also suffer from their **protracted process**. According to the IISS, there are 51 different regulations concerning planning and budgeting that were passed between 1945 and 2020.

Furthermore, **six institutions have a veto** power over major procurements:

1. The MoD
2. The Indonesian Armed Forces
3. The National Development Planning Agency
4. The Ministry of Finance
5. The government legislature
6. The National Defense Industrial Committee

The upshot of this is that even after a contract is signed, it may not come into effect until it has been approved by other ministries.

Open tenders are also rare. Instead, a small number of selected bidders are evaluated in a closed tender, or a single source is selected without a competition.

Government and public scrutiny of this process is limited and laws on secrecy are alleged to have been used to shield controversial contracts from public debate.

Sources: Indonesian Government, Transparency International

Bid Evaluation Criteria

Indonesia's defense procurement is motivated more by its non-aligned foreign policy than by technological factors.

		MINOR		BALANCED		CRUCIAL
TECHNOLOGY/ CAPABILITY	Although a bid must meet the stipulated technical requirements to proceed beyond the evaluation phase, technological capability does not appear to be a deciding factor in and of itself. Instead, the manufacturer's willingness to **transfer the technology** to Indonesia is a more critical consideration.	●	●	●	○	○
TRANSFER OF TECHNOLOGY/ INDUSTRIAL ENGAGEMENT	Technology transfer, joint production, offsets, and local industrial involvement are supposed to be included in all of Indonesia's procurements from foreign suppliers. However, this is **not always adhered to in practice**, leading to some equipment being procured off the shelf.	●	●	●	◑	○
PRESTIGE	Bolstering national prestige is an important element in Indonesian defense procurement. **Achieving self-sufficiency in defense** is regarded as contributing to the idea of Indonesia as a developed country, while procurements can be motivated by **the need to match the capabilities** of Indonesia's neighbors and maintain a degree of technological parity with countries such as Singapore.	●	●	●	●	○
DIPLOMACY	Indonesia purchases defense equipment in a way that is designed to complement its non-aligned, neutral status. Instead of procuring from a single supplier, it **prefers to procure multiple types of similar equipment from a range of suppliers** to avoid dependency on one country, even if this **complicates interoperability and support**.	●	●	●	●	◑

Sources: Aviation Week Analysis

Bid Evaluation Criteria

Foreign loans are critical to funding most Indonesian defense programs.

		MINOR		BALANCED		CRUICIAL
SPEED	Speed does not appear to be a critical factor in Indonesian defense procurement. Timelines for defense programs are rarely disclosed and the protracted nature of the procurement process means that contracts can be slow to materialize. However, the **pressure to fulfil delayed procurement targets outlined in the MEF** could see speed become more important in the short-term future.	●	●	○	○	○
PRICE	Price is one of the key factors that is used to evaluate bids during the Indonesian procurement process. Fiscal constraints can also impact whether a program can progress, especially if it is not backed by **foreign loans**. While price is important Indonesia has generally pursued acquisitions which include support and ancillary equipment rather than pursuing the lowest cost possible.	●	●	●	○	○
FINANCIAL FLEXIBILITY/ AID	Indonesia is **heavily reliant on foreign loans** for funding its defense procurement. This is particularly the case with the most expensive acquisitions, which usually rely on long-term debt financing in the absence of long-term budgetary allocations. Indonesia has also sought to utilize barter trade in commodities such as palm oil and coffee to partially finance defense deals, however this has become less prevalent in recent years.	●	●	●	●	◑
INTER-OPERABILITY	Interoperability is a **low priority** for the Indonesian MoD, with at least 33 countries having supplied it with defence equipment since the end of the Cold War. However, it is possible that the desire to introduce network-centric warfare capabilities may force it to adopt a more standardized approach to procurement in the future.	●	○	○	○	○

Sources: Aviation Week Analysis

Procurement Case Study – KF-21 Boromae

Indonesia's participation in the KF-21 fighter program shows how funding difficulties can undermine its technological ambitions.

Indonesia and South Korea **signed an LOI to jointly develop the KF-X multirole fighter in March 2009**. Under the terms of the deal, Indonesia would **pay 20% of the development costs (KRW1.7 trillion) and order 48 aircraft**, which would be designated IF-X. In return, Indonesia would receive technology transfer and one of the prototypes.



2009

2017

The **Indonesian Finance Ministry** refused to authorise a US$124.5 million payment for the KF-21 development in **late 2017**.

2019

South Korea announced in **December 2019** that Indonesia had **requested a reduction in its share of the development costs from 20 to 15%** as well as more technology transfer. Its failure to maintain payments led South Korea to repatriate some of the subcomponent production.



2022

With Indonesia's future involvement in the programme in doubt, it **resumed payments** with a token sum of US$31 million in **November 2022**.

2023

Indonesia had committed to submit a **revised payment plan** for the period between 2024 and 2026 by **June 2023** but failed to do so.



2024

In **January 2024**, two Indonesian engineers connected to the KF-21 program were arrested in South Korea for allegedly attempting to steal sensitive documents related to the program. Negotiations to adjust Indonesia's share of the costs resulted in **South Korea agreeing to proposals for Indonesia to cut its payments to KRW600 billion by June 2024**, with South Korea shouldering the rest of the costs. Depending on the investigations into the alleged theft, technology related to the program could be transferred to Indonesia in 2026 after development is completed.

Indonesia's troubled involvement with the KF-21 development program is a good example of how the **different priorities in procurement can clash**. While Indonesia wants a technologically advanced platform **and** significant technology transfer, it is **struggling to pay for the cost**. With the Ministry of Finance exercising considerable power over MoD spending and limited leeway in its annual budgets, it is difficult for the MoD to commit to consistent payments.

Sources: AWIN, DAPA (images)



06 INDUSTRIAL EVIRONMENT

Defense Industry - Background

Indonesia's state-owned industry dominates the domestic defense sector.

As of 2023, Indonesia's defense industry consisted of **nine state-owned and 206 privately owned companies**, with many of the latter also involved in the civil sector.

Domestic defense development, manufacturing, and sustainment activity is **dominated by five main state-owned companies**:

- **PT Pindad** (developing and manufacturing small arms, armored fighting vehicles, and munitions)
- **PTDI** (manufacturing and maintaining fixed-and rotary wing aircraft)
- **PT PAL** (designing and manufacturing naval vessels)
- **PT Len** (manufacturing and maintaining C4ISR equipment)
- **PT Dahana** (manufacturing components for munitions such as propellants)

These companies were consolidated into the state-owned **Defend ID** holding company in April 2022.

This was intended to make the Indonesian defense industry **more competitive on the global market** by minimising overlap in their product lines and harmonising supply chains. On its formation, Jokowi wanted it to **become one of the world's top 50 defence companies by 2024**.

The **Law on Defense Industry** (see 5. Procurement Process) was passed in 2012 to encourage the MoD to procure from Indonesian industry whenever possible and direct offsets into increasing Indonesian defence industrial capability. However, the **law lacks legal enforcement mechanisms** and contains a loophole that allows the MoD to buy direct from foreign industry.

Indonesia's aversion to dependence on foreign industry stems from an historical fear of arms embargoes and its **non-aligned foreign policy**. This preference for domestic industry means that most foreign suppliers do not have a manufacturing presence in Indonesia; instead, they tend to transfer technology to Defend ID companies.

Foreign companies are also discouraged from establishing a long-term presence in Indonesia by the MoD's propensity to buy in **small volumes and from multiple suppliers**, which reduces follow-on manufacturing and sustainment opportunities.

The so-called **Omnibus Law of 2020**, which allows privately owned Indonesian companies (including those collaborating with foreign suppliers) to act as the lead integrators on major defense programs, could potentially see greater involvement from foreign industry in the near-future.



PT Eltran E-Tactical Motorbikes of the Indonesian Army via PT Len

Sources: Indonesian MoD, Defend ID, Semar Sentinel

Summary of Domestic Industrial Capability

1 2 3 4 5

Capability is scored on a scale of 1 to 5, with 5 being ability to design and build entire platforms and their sub-systems across the whole domain.

	OVERALL		DESIGN/ DEVELOP	BUILD	UPGRADE	SUPPORT
AIR	3	PTDI can produce and maintain fixed- and rotary-wing light **utility/transport aircraft** and manufacture components for commercial and military aircraft. However, these are **license produced** rather than developed domestically.	2	3	3	3
LAND	3	PT Pindad can manufacture, upgrade, and support armored fighting vehicles ranging from protected patrol vehicles to light tanks. However, it **relies on foreign suppliers for key components** such as powerpacks and to assist it with the development of new platforms.	2	3	3	3
MARITIME	3	PT PAL and a range of privately owned shipyards can design and manufacture some naval vessels including **patrol boats and LPDs**. More complex vessel, such as submarines, have been manufactured under licence by PT PAL, but **designs are usually provided by foreign suppliers**.	2	3	3	3
WEAPONS	3	PT Pindad can design and manufacture infantry weapons and a range of munitions, while PT Dahana is **capable of manufacturing components for munitions such as propellants**. However, neither has demonstrated a capability to design or manufacture more complex weapons.	2	3	3	3
CYBER/ C4ISR/SPACE	2	Indonesia's C4ISR manufacturing capabilities are concentrated in PT Len, which can produce and maintain tactical communications and radars. It **plans to develop a satellite constellation of 19 satellites**, but its **cyber capabilities are more limited**, particularly in the military domain.	2	2	3	3

Sources: Company websites, Aviation Week Analysis

Domestic Capability

PT Dirgantara Indonesia (PTDI) Website Link
Licensed production of fixed-wing aircraft and rotary-wing aircraft; component manufacturing; sustainment and support services; development of fixed-wing aircraft, UAVs, torpedoes, and rockets.

PT Nusantara Turbin dan Propulsi (NTP) Website Link
MRO of aircraft engines.

PT Bhinneka Dwi Persada Website Link
Development and production of UAVs and aerial target drones; MRO of military aircraft.

PT Indo Pacific Communication & Defence Website Link
Development and production of UAVs and their components.

PT Mandiri Mitra Muhibbah Website Link
Development and production of aerial target drones.

PT Indonesia Defence Services Website Link
MRO and avionics upgrades for aircraft; Supplying UAVs.



PT Pindad Website Link
Development and production/licensed production of small arms, munitions, and armored fighting vehicles including tactical vehicles, armored personnel carriers, and light tanks.

PT Jala Berikat Nusantara Perkasa (J-Forces) Website Link
Design and production of light tactical vehicles, field kitchens, and mobile generators; licensed production of remote weapon stations.

PT Sentra Surya Ekajaya (SSE Defense) Website Link
Development and production of special forces and light tactical armored vehicles.

PT Merpati Wahana Raya Website Link
Development and production of specialist military vehicles such as EOD and CBRN vehicles, and field kitchens.

PT Adityatama Perkasa Putra
MRO and upgrade of armored fighting vehicles.

PT Republik Defensindo Website Link
Production of AFVs, remote weapon stations, and components for multiple rocket launchers.



PT PAL Website Link
Development and production of naval vessels including patrol boats, missile boats, landing platform docks, hospital ships; licensed production of submarines; MRO for Indonesian Navy vessels.

PT Dok dan Perkapalan Kodja Bahari (Persero) Website Link
Development and production of naval vessels including landing craft, tugs, landing ship tanks, and tankers; MRO for naval vessels and vessel engines.

PT Palindo Marine Website Link
Development and production of patrol vessels, search and rescue craft, and landing ship tanks.

PT Citra Shipyard Website Link
Development and production of naval vessels including patrol boats, offshore patrol vessels, and rescue vessels; MRO for naval vessels.

PT Lundin Industry Invest (North Sea Boats) Website Link
Development, production, and MRO of RHIBs, patrol vessels, and fast attack craft.

Sources: Company websites, Defense Industry Policy Committee (KKIP)

Domestic Capability

PT Dahana Website Link

Development and production of munitions (air-dropped bombs), explosives, and propellants.

PT Pindad Website Link

Development and production of small arms and munitions.

BTI Defence Website Link

MRO services for medium- and large-caliber weapons; upgrading of weapons systems with digital capabilities, new optics, and programmable munitions.

PT Sari Bahari Website Link

Development and production of air-dropped bombs, smoke grenades, rocket pods, and warheads.

PT Len Industri Website Link

Development and production of radios, combat management systems, optics, radars, and training systems.

PT Infoglobal Website Link

Production of avionics upgrades, command and control systems, software, simulators.

BTI Defence Website Link

MRO services for radars, interfaces, and EW equipment; integration of digital systems, sensors, communications systems, and EW systems.

PT Inti Website Link

Production of radios and transponders; systems integration for command-and-control systems.

PT Hariff Daya Tunggal Engineering

Website Link

Development and production of components for C4ISR systems and integrated command-and-control systems.

PT Indoguardika Cipta Kreasi

Website Link

Development and production of applications and components for C4ISR equipment.

PT Sembada Karya Mandiri

Development and production of C4ISR components and electro-optical sensors.

The Indonesian government's **Defense Industry Policy Committee (KKIP)** published a catalogue of Indonesian companies involved in the defense sector in 2018. Several of the smaller- and medium-sized companies listed in the catalogue no longer appear to be operational.

Despite plans to launch 19 LEO satellites in 2025 and develop its own spaceport, **Indonesia does not have a significant space industry**. While some academic institutions can design satellites, it is reliant on foreign companies to manufacture them and launch them into orbit.

PT Len may develop satellite capabilities as part of a strategic partnership signed with **Thales** in April 2022. The Thales Alenia Space JV company manufactured the SATRIA satellite for Indonesia, which was launched in June 2023.

Sources: Company Websites, Defense Industry Policy Committee (KKIP)

Presence of International Suppliers

Indonesia's defense procurement policies have discouraged its many international suppliers from establishing an independent onshore presence in the country.

Company	Onshore Industrial Presence	Domain: Air	Land	Maritime	Weapons	Cyber /C4ISR	Space	Relationship and Products
AIRBUS	●	●	○	○	○	○	○	Approximately 150 rotary wing and 60 fixed-wing military aircraft in service Licensed production of Airbus products and components by PTDI A400M transport aircraft under contract
babcock™	●	○	○	●	○	○	○	Licensed production of Arrowhead 140 frigates by PT PAL
CSG Czechoslovak Group	●	○	●	○	○	○	○	Licensed production of Excalibur Army Pandur II armored vehicles by PT Pindad and RM-70 Vampir multiple rocket launchers by PT Republik Defensindo
DASSAULT AVIATION	●	●	○	○	○	○	○	Production of 42 Rafale multirole fighters
EDGE	●	○	○	○	●	○	○	Agreement to provide a small arms ammunition production line to PT Pindad MoU signed with PT Dahana proposing construction of TNT production facility
FINCANTIERI	●	○	○	●	○	○	○	Construction of two PPA offshore patrol vessels for the Indonesian Navy
FNSS	●	○	●	○	○	○	○	Licensed production of Harimau medium tanks by PT Pindad Cooperation agreement with PT Pindad for production of ZAHA amphibious assault vehicles

Sources: Company websites, Aviation Week Analysis

Presence of International Suppliers

Thales is one of the only foreign companies to have an onshore presence in Indonesia and to have proposed the development of a JV company with an Indonesian partner company.

Company	Onshore Industrial Presence	Domain: Air	Land	Maritime	Weapons	Cyber /C4ISR	Space	Relationship and Products
Hanwha Ocean	●	○	○	●	○	○	○	Construction of Batch 1 Nagapasa-class submarines and transfer of technology to PT PAL for licensed production
KAI 한국항공우주산업주식회사 KOREA AEROSPACE INDUSTRIES, LTD.	●	●	○	○	○	○	○	Production of 12 T-50i trainer/light attack aircraft for Indonesian Air Force Joint development of KF-21 Boromae multirole fighter with Indonesia
LOCKHEED MARTIN	●	●	○	○	○	○	○	Negotiations in process for PTDI to carry out final assembly of 22-24 S-70M Blackhawk transport helicopters for Indonesian Air Force
NAVAL GROUP	●	○	○	●	○	○	○	Construction of two Scorpène Evolved submarines including transfer of technology to PT PAL
ROKETSAN	●	○	○	○	●	○	○	Production of Khan surface-to-surface ballistic missile and Atmaca anti-ship missiles in cooperation with PT Republik Defensindo Development of air-defense systems for Indonesian Armed Forces
TURKISH AEROSPACE	●	●	○	○	○	○	○	Production of 12 Anka UAVs for Indonesian Armed Forces
THALES	●	○	○	○	○	●	●	Production of combat management systems, radars, air-defense systems, and EW equipment; Agreement to form JV company with PT Len for production of C4ISR, satellites, and EW equipment; Small onshore presence

Sources: Company websites, Aviation Week Analysis



07 PARTNERSHIPS & RELATIONSHIPS

Membership in Relevant Multi-Lateral Alliances, Organisations and International Institutions

Indonesia sees participation in regional and global institutions as key to achieving peaceful resolutions to conflict.

UN

Indonesia joined the **UN** in September 1950, becoming its 60th member. Among the issues that Indonesia has championed within the UN are decolonization, the fight against world poverty, and – more recently – climate change. Indonesia is also the **sixth largest contributor of personnel to UN peacekeeping operations**, with more than **2,700 personnel** deployed to **eight countries**.

ASEAN

Indonesia was a founding member of the **Association of Southeast Asian Nations (ASEAN)** and served as its **chair in 2023**. While the organization has had success in economic integration, devising a unified response to regional security issues such as China's nine-dash line and conflict in Myanmar has proven more challenging. Nevertheless, Indonesia sees ASEAN as a means to promote democracy and peaceful conflict resolution.

G20

Indonesia assumed the presidency of the **G20** in December 2021 and hosted its 17th summit at Bali in November 2022. Indonesian officials emphasized its role as an economic forum and focused on creating a fund for pandemic prevention and supporting the transition to green energy. However, its presidency was overshadowed by controversy over the group's response to **Russia's invasion of Ukraine.**

D-8

Indonesia was a founding member of the **Developing Eight (D-8)** group in 1997. It aims to improve the collective position of its members in the global economy, increase the standard of living of their populaces, and promote global peace. In the 2021 summit, the members advocated for equal access to COVID-19 vaccines and set targets for sustainable development between 2020 and 2030.

NAM

The **Non-Aligned Movement (NAM)** "occupies a **special position** in Indonesian foreign policy" as Indonesia was one of its founding members and it aligns with the principles of neutrality, independence, multilateralism, and anti-colonialism espoused by Indonesia's constitution and foreign policy. To ensure its relevance in the post-Cold War world, Indonesia wants the NAM to develop policies on terrorism, novel weapons, and other emerging issues.

APEC

Indonesia is one of 21 members of the **Asia-Pacific Economic Cooperation (APEC),** which aims to promote economic growth and free trade in the region. The main benefits of the organization to Indonesia are the opportunities to develop relationships with regional strategic partners, increase the competitiveness of its economy, and ensure overseas markets remain open to its exports.

OIC

Indonesia uses its membership of the **Organization of Islamic Cooperation (OIC)** to promote international peace, economic cooperation, Islamic solidarity, and support the cause of **Palestinian independence**. It is a member of the OIC's committee on Al-Quds (Jerusalem) and called a meeting to respond to alleged violence by Israeli settlers and security forces against Palestinians at the Al-Aqsa Mosque in 2022.

G77 + China

The **G77 + China** is a group of developing countries within the UN that was created to encourage the economic development of developing countries. Indonesia has used the organization to garner support for its proposals within the UN and to collaborate on economic recovery following the COVID-19 pandemic. It has also benefited from the Perez-Guerrero Trust Fund (PGTF) that provides research and development funding to members.

Sources: Indonesian Ministry of Foreign Affairs, UN

Bilateral Defense Relationships

In line with its non-aligned foreign policy, Indonesia maintains defense relationships with the US, China, Russia, and several European countries.



US

The US was categorised as a **strategic partner** by Indonesia's Defense White Paper of 2015. The two countries signed a **Joint Statement on Comprehensive Defense Cooperation in October 2015**, pledging deeper cooperation on maritime security, defense research and development, disaster relief, and tackling transnational threats. Since 2009, the Indonesian Army and the US Army have periodically engaged in the **Garuda Shield** bilateral military exercise. The scope of this exercise was enlarged in the multinational **Super Garuda Shield** of 2022. Indonesian contingents also regularly participation in other US-led regional military exercises such as **RIMPAC and Cobra Gold**.

China

Indonesia and China signed a **comprehensive strategic partnership in 2013**, which included defense and security cooperation in the form of joint training and exercises, defense industrial ties, and high-level meetings between defense officials. While Indonesia has procured some defense equipment from China and plans to conduct a joint exercise with it in 2025, **defense cooperation is less extensive compared with the US and Australia**. Chinese incursions into Indonesian waters around the **South China Sea** also remain a source of tension between the two countries.

Australia

Indonesia and Australia share the **world's longest maritime boundary**, which encourages close defense and security relationships between the two states. **Five official agreements** have been signed between them since 2005. The most recent defense cooperation between them was signed in **August 2024**, which uplifted their defense cooperation agreements to the level of a treaty. The contents of this treaty were not disclosed, but it is understood to include provisions to allow their militaries to operate from each other's countries.

Countries in green have bilateral defense/security related agreements with Indonesia.

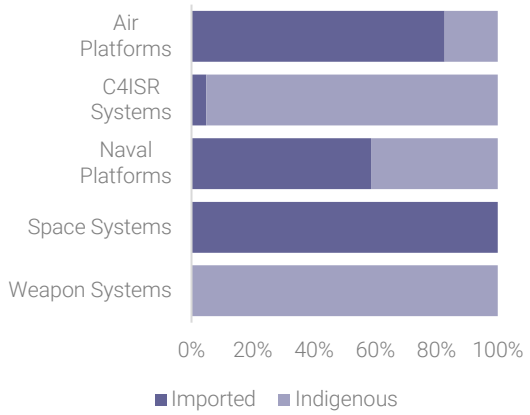
Sources: Indonesian MoD, US Government, Reuters

Trade Relationships

China is Indonesia's largest trading partner by a wide margin, although defense trade between the two countries is minimal.

DEFENSE TRADE

Imported vs Indigenous Contracts
Jan 2023 – Aug 2024 (US$m)



Exports
Q1 2024

- Feb 2024
  - PTDI sold four CN-235-220 transport aircraft to the Nigerian Armed Forces for an estimated cost of USD113 million.

Despite the government's ambitions to increase the presence of Indonesia's state-owned defense industry on the global market, **Indonesian industry is primarily geared towards meeting domestic requirements**. Even so, a considerable proportion of Indonesian defense contracts are still awarded to foreign suppliers, particularly in complex sectors such as air and naval platforms and space systems. The **primary exports** of the Indonesian defense industry are the **C-212 and CN-235 series** of transport aircraft, which have been mainly been supplied in small volumes to other countries in the Asia-Pacific region.

WIDER TRADE

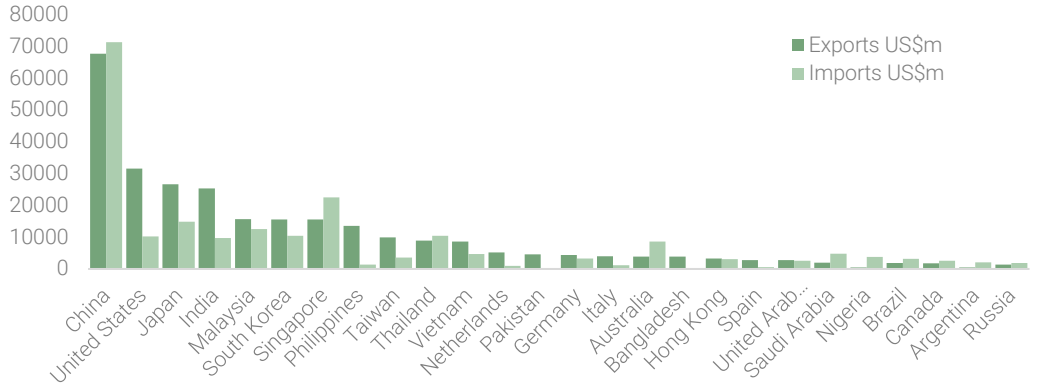
In 2022, Indonesia exported a total of US$320b worth of goods including:

- 24.4% Mineral fuels, mineral oils, and products of their distillation – US$78b
- 14.0% Animal or vegetable fats, oils, and waxes – US$44.7b
- 9.02% Iron and steel – US$28.8b
- 5.45% Electrical machinery and electronics – US$17.4b

In 2022, Indonesia imported a total of US$230b worth of goods including:

- 18.5% Mineral fuels, mineral oils, and products of their distillation – US$42.6b
- 12.9% Machinery, mechanical appliances, and parts – US$29.8b
- 11.2% Electrical machinery and electronics– US$25.7b
- 4.15% Commercial Vehicles – US$9.55b

Top 20 Destinations/Sources for Exports and Imports 2022
Source: Observatory of Economic Complexity



Sources: Aviation Week DMA, OEC

Key Partners & Suppliers

While Russia was historically a key supplier of arms to Indonesia, its presence has declined since its invasion of Ukraine in February 2022.

Country	Company	Product	Year	Notes
France	Airbus	H225M Caracal	2012-2019	Final assembly by PTDI; Two batches; Deliveries 2016-17, 2023
	Dassault	Rafale	2022-2024	Three batches ordered 2022, 2023, 2024; First Deliveries 2026
	Naval Group	Scorpene Evolved	2024	Includes transfer of technology to PT PAL
South Korea	Hanwha Ocean	Nagapasa-class	2011	2019 contract for second batch of three cancelled
	KAI	T-50i Golden Eagle	2011-2021	Deliveries of batch 1 in 2014
Italy	Fincantieri	Two PPA OPVs	2024	
	Leonardo	Black Shark Torpedoes	2013	Delivered between 2018 and 2019
	Leonardo	Super Rapid 76 mm Guns	2014-2017	Two orders; Delivered between 2014-2017
US	Bell	Bell 412EPI	2018	Produced under license by PTDI between 2018 and 2022
	Boeing	AH-64E Apache	2014 (est)	Delivered between 2017 and 2018
	Lockheed Martin	F-16C/D	2012 (est)	Upgraded to Block 52 standard; Delivered between 2014-2017
	Lockheed Martin	C-130J Hercules	2019	Delivered between 2023 and 2024
UK	Babcock	Arrowhead 140 Frigates	2021	
	BAE Systems	Bung Tomo-class Frigates	2013	Delivered 2014
	Thales	Forceshield SAM System	2014	Delivered between 2016 and 2023

Sources: SIPRI, Aviation Week DMA

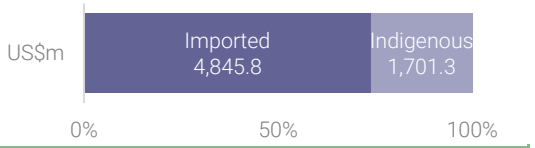
2023 and 2024 Trade – Procurement Contracts and Exports

These contracts are a snapshot of 2023 and 2024 contracts tracked in Aviation Week's Defense Market Analyzer – Global Defense Contracts

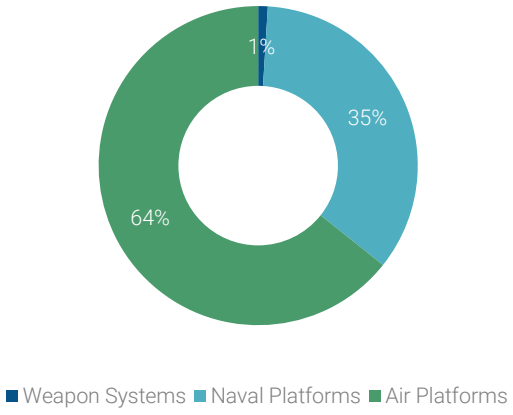
Major Indonesian Procurement Contracts
2023-24 Total Value

US$6.5b

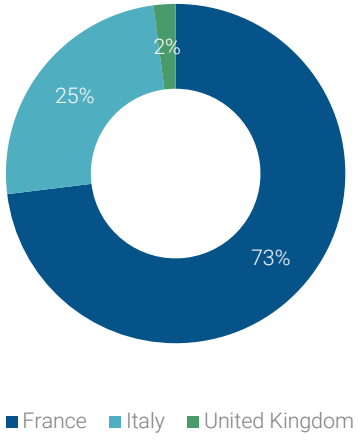
Indonesian Procurement Contracts by Source
2023-24 by Value



Major Indonesian Procurement Contracts
2023-24 by Market Segment



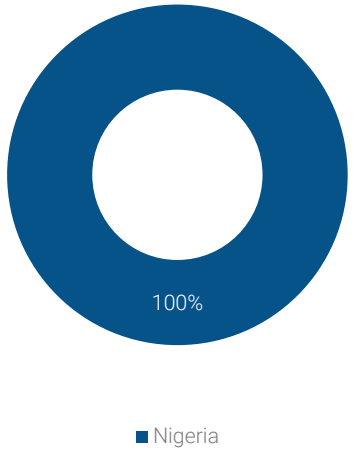
Major Procurement Import to Indonesia
2023-24 by Supplier



Indonesian Major Procurement Exports
2023-24 Total Value

US$133.3m

Major Procurement Exports from Indonesia
2023-24 by Customer



Top 8 Indonesian Procurement Contracts
2023-24 (US$ estimate)

1	Rafale Fighters	Dassault	3,471m
2	Thaon di Revel-Class Patrol Boats	Fincantieri	1,274m
3	Scorpene-Class Diesel Powered Submarines	PT PAL	900m
4	S-70M Transport Helicopters	PTDI	585m
5	SRV-F Mk3 Rescue Submersible	Submarine Manufacturing & Products	100m
6	CN235-220 Transport Aircraft	PTDI	85m
7	N219 Transport Aircraft	PTDI	68m
8	ATMACA Anti-Ship Missile	PT Republik	63m

Sources: Aviation Week DMA Global Defense Contracts

Export Controls

Indonesia is not a member of any multilateral export control regimes.

Key Global Export Control Regimes

Wassenaar Arrangement
NON-MEMBER

MTCR
NON-MEMBER

Nuclear Suppliers Group
NON-MEMBER

The Australia Group
NON-MEMBER

EU Export Controls
NON-MEMBER

Zangger Committee
NON-MEMBER

Indonesia is **not a member of any export control regimes.** Furthermore, although it does possess its own set of laws governing the import and export of goods, it **lacks a control list for most dual-use items**.

Indonesian opposition to these multilateral trade controls comes from concerns that these regimes have been devised outside of a UN framework and without consulting developing nations. Indonesia therefore fears that signing up to these controls would **prejudice its economic interests as a developing country** by hampering its freedom to import some dual-use technologies.

The vast size of Indonesia's maritime jurisdiction coupled to its limited budget for funding the personnel, infrastructure, and equipment necessary to enforce controls also discourages it from joining these regimes.

Instead, Indonesia regards existing **non-proliferation agreements as the best way to prevent the proliferation of WMDs**.

It also plays an **active role** in highlighting the threat of WMD proliferation in multilateral institutions and regularly attends international forums addressing the issue of proliferation.

For example, Indonesia has attempted to advance the **Nuclear Non-Proliferation Treaty** by coordinating a Working Group on Disarmament and Non-Proliferation within the **Non-Aligned Movement** since 1994.

Similarly, Indonesia supports the **Southwest Asian Nuclear-Weapons-Free-Zone (SEANWFZ),** which prohibits the development, production, testing, or transportation of nuclear weapons in the region.

Indonesia is also a member of a **UN programme to prevent the illicit trafficking of small arms and light weapons**.

Non-Proliferation Agreements

Biological and Toxin Weapons Convention (BTWC)
MEMBER

Chemical Weapons Convention (CWC)
MEMBER

Comprehensive Nuclear-Test-Ban Treaty (CTBT)
MEMBER

Convention on Cluster Weapons (CCM)
MEMBER

Convention on the Prohibition of Anti-Personnel Mines (Ottawa Convention)
MEMBER

Nuclear Non-Proliferation treaty (NPT)
MEMBER

Treaty on the Prohibition of Nuclear Weapons (TPNW)
MEMBER

Sources: UN, Indonesian Ministry of Foreign Affairs, Strategic Trade Research Institute

Useful Information – Trade Associations

Indo Defence Expo & Forum

Indo Defence is a **biennial defense exhibition** that has been held at the Jakarta International Expo (JIExpo) center since 2004. It is a **tri-service exhibition** that also incorporates the **Indo Aerospace Expo & Forum** and the **Indo Marine Expo & Forum**. A separate static aerial display and a naval display are held concurrently with the main exhibition at other locations in Jakarta.

According to official figures published for the 2022 edition of the exhibition, it received more than 36,800 visitors and hosted 905 participants from 59 countries, 32 international pavilions and 222 official delegations from 33 countries.

The next edition of the exhibition will be held between **6 and 9 November 2024**.

https://indodefence.com/
https://indoaerospace.com/
https://indomarine.co/
+6221 8650962
info@indodefence.com



KT-1 training aircraft of the Jupiter Aerobatic Team via Indonesian Air Force

Bali International Airshow

Indonesia will hold its first international airshow in 28 years when the Bali International Airshow opens on **18 September 2024**. Supported by the Indonesian government (including the MoD and Air Force), it will be held at Ngurah Rai International Airport. More than 100 companies in the aerospace industry are planned to attend, as well as more than 100 delegations from more than 35 countries.

https://www.baliairshow.com/

Trade Associations

Indonesian MRO providers in the aerospace industry can join the **Indonesia Aircraft Maintenance Services Association (IAMSA)** which is designed to increase domestic MRO capability and reduce the share of MRO work being performed by foreign MRO providers.

https://www.iamsa.or.id/

Sources: Organization websites

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