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State Secretariat for Economic Affairs SECO

Indonesia

Cooperation Programme 2025 – 2028



Supporting Indonesia's Transformation to a Sustainable, Resilient and Competitive Economy

Indonesia is a priority country for SECO's economic cooperation and development. As the largest economy in Southeast Asia and a member of the G20 and ASEAN, Indonesia has ambitious goals to transform its economy, as outlined in the Golden Vision Indonesia 2045 and the National Medium-Term Development Plan 2025-2029.

SECO's Cooperation Programme 2025-2028 supports Indonesia in building a more sustainable, resilient and competitive economy. This includes supporting policies and frameworks that drive prosperity, fostering competitive and inclusive human capital development, and promoting sustainable infrastructure and urban growth.

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Opportunities and Challenges

Indonesia, the largest economy in Southeast Asia and the fourth most populous nation, has bounced back impressively since the 1998 Asian financial crisis. It has transitioned from being a lower-middle-income to an emerging upper-middle-income economy. This growth is driven by strong domestic consumption, rich natural resources, and its strategic location in ASEAN. As the world's seventh-largest economy in terms of purchasing power and a member of the G20, Indonesia is increasing its global political and economic influence. Its ongoing discussions to joining the OECD show its commitment to meeting international standards. Indonesia's long-term vision, Golden Indonesia 2045, aims to transform the country into a high-income nation by the time of its centenary. It focuses on improving education and skills, making the economy more competitive and building sustainable infrastructure.

Despite its impressive achievements, Indonesia still faces challenges such as poverty, income inequality, weak institutions, and environmental issues linked to its dependence on natural resources. To achieve its ambitious goals, the country will need significant reforms, a more business-friendly environment, and a focus on training its workforce to compete in the global economy, especially as the Fourth Industrial Revolution unfolds. With a young and growing population and the demographic bonus* projected to peak around 2030, Indonesia has the potential to build a prosperous and inclusive future.

* A condition in which the productive age population is larger than the non-productive population.



Vision and Priorities

In line with Indonesia's Golden Vision 2045, and in particular with President Prabowo's 8% economic growth agenda, SECO's Cooperation Programme 2025–2028 aims to support Indonesia's transition towards a more sustainable, resilient and competitive economy.

Through targeted efforts, Switzerland is committed to supporting Indonesia to build a strong economic foundation that addresses environmental and natural resource challenges, promotes inclusive growth, and capitalises on opportunities such as its young and growing workforce.



To realise this vision, SECO will prioritise the following areas



Policies and Frameworks for Prosperity

Indonesia needs sound economic policies to attract investment and access global markets. Switzerland is working with the Indonesian government to develop policies that build business confidence and attract local and foreign investment. It also supports initiatives that promote market access for SMEs and the sustainable management of natural resources.



Competitive and Inclusive Human Capital Development

A skilled workforce is fundamental to Indonesia's goal of becoming a competitive economy with robust private sector growth. SECO's support focuses on initiatives that help Indonesia develop and maintain a well-trained workforce capable of meeting evolving market demands.



Sustainable Infrastructure and Resilient Urban Development

Indonesia's cities are growing quickly and need infrastructure that can handle this growth while being environmentally sustainable, resilient and capable of delivering essential public services. SECO assists the Government of Indonesia to improve its urban planning and governance to manage infrastructure needs and public service delivery effectively. This includes supporting cities in managing population growth while focusing on sustainability and environmental protection.

Location of SECO Projects

- Few projects
- Several projects
- City or Metropolitan Area



Past Achievements

- **2** major laws were passed to improve fiscal management and implement financial sector reforms at both the national and municipal levels with SECO's support.
- Financial solutions were identified for urban infrastructure projects in **30** municipalities, while technical assistance was provided for 6 cities to develop and finance Bus Rapid Transit (BRT) systems.
- Over **2,000** farmers and **47** local banks and financial service providers were supported in digitising operations and enhancing access to financing in three key industries such as dairy, seaweed and palm oil.
- Skills training was provided to **2,590** graduates, **2,280** young trainees and 520 trainers, and links were established with over 500 companies in the manufacturing, renewable energy and sustainable tourism.

These are some highlights from the Cooperation Programme 2021–2024.



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