

Indonesia

Indonesia-based CEOs

No of responses: 75 | 87% male, | 12% female

31% CEO of a single or multi-entropy parent company

49% CEO of a country subsidiary within a multi-entropy parent company

15% CEO of a product-oriented subsidiary within a multi-entropy company

The reinvention imperative

An enduring imperative to reinvent

32% of Indonesia-based CEOs believe the global economy will improve over the next 12 months, lower than the Asia Pacific average (40%).

Indonesia-based CEOs consider China and the US as critical for their growth prospects in 2024 but their relative attractiveness has declined.

Territories that are most important for their company's prospects for revenue

	2023	2024
China	70%	60%
US	57%	40%
Japan	23%	23%
Singapore	20%	23%
Vietnam	17%	19%
Malaysia	17%	19%
Thailand	10%	19%
India	23%	15%
Germany	20%	15%

Note: This question only takes into account companies that operate internationally

56% believe their companies will not be economically viable in the next decade, if they continue on their current path. This is lower than the Asia Pacific average (63%).

	Indonesia 2023	Indonesia 2024	Asia Pacific 2024
10 years or less	55%	56%	63%
More than 10 years	39%	41%	34%

93% of surveyed Indonesia-based CEOs have taken at least some steps to change how they create, deliver, and capture value over the past five years.

Over that timeframe, 69% took at least one action that had a large or very large impact on their company's business model.

Pressures and threats

In the next 12 months, Indonesia-based CEOs identify the same key threats as 2023, but feel less exposed.

Threat	Indonesia 2023	Indonesia 2024
Macroeconomic volatility	29%	23%
Inflation	50%	21%
Geopolitical conflict	16%	16%
Climate change	18%	16%
Cyber risk	16%	12%
Health risk	18%	12%
Social inequality	3%	5%

Note: Only showing 'Highly and extremely exposed'

On average, Indonesia-based CEOs identified slightly different barriers to reinvention when compared to their Asia Pacific counterparts. Top three barriers (at least to a moderate extent) for them are:

No.	Indonesia	Asia Pacific
1	Regulatory environment (74%)	Regulatory environment (66%)
2	Lack of technological capabilities in my company (63%)	Lack of workforce skills (60%)
3	Competing operational priorities (61%)	Supply chain instability (57%)
4	Lack of workforce skills (61%)	

Looming existential change

Climate change a work in progress

- More than half of Indonesian-based CEOs have made progress/have completed some actions to mitigate climate change.
- Most progress has been made in decarbonisation: 84% are in progress/have improved energy efficiency, and 72% are in progress or have completed innovating new, climate-friendly products, services or technologies respectively.
- However, 24-29% don't plan to pursue other types of action related to climate adaptation, just transition and nature.
- Indonesia-based CEOs cite the barriers to decarbonisation (at least to a moderate extent):
 - Regulatory complexity (56% vs. 63% in Asia Pacific)
 - Lack of climate-friendly technologies for my sector (48% vs. 59% in Asia Pacific)
 - Lack of demand from external stakeholders (45% vs. 51% in Asia Pacific)
- When evaluating climate-friendly investments, 32% have accepted rates of return that were lower than for other investments (vs. 51% in Asia Pacific).

The Generative Artificial Intelligence (GenAI) opportunity and challenge

- At least 56% of Indonesia-based anticipate impacts within three years – including impacts to the workforce (vs. at least 57% in Asia Pacific).
- 69% agree GenAI will require most of their workforce to learn new skills in the next three years (vs. 76% in Asia Pacific).
- However, 53% report that they have not yet adopted GenAI across their companies (vs. 41% in Asia Pacific).
- At least 57% believe GenAI will increase efficiency for both themselves and their employees (vs. at least 65% in Asia Pacific).
- At least 47% believe GenAI will help increase revenue and profitability (vs. 49% in Asia Pacific).
- However, 21% predict a reduction in headcount due to GenAI (vs. 26% in Asia Pacific).
- They agree that GenAI will increase cybersecurity risk (73% vs. 49% in Asia Pacific) and spread misinformation (53% vs. 44% in Asia Pacific).

Additional data on surveyed companies

Ownership

57% privately-owned company

43% public company

Revenue

37% Less than US\$100 million

25% US\$100 million - Less than \$1 billion

13% US\$1 billion - Less than \$10 billion

4% US\$10 billion - Less than \$25 billion

1% US\$25 billion or more

Employees

44% fewer than 500

12% 500–999

17% 1,000–4,999

8% 5,000–9,999

7% 10,000–24,999

7% 25,000–49,999

4% 50,000 or more

Industry

31% financial services

7% technology, media and telecommunications

31% consumer markets

15% industrial, manufacturing and automotive

3% health industries (including pharma)

15% energy, utilities and resources

Note: Throughout this snapshot, not all figures will add up to 100% as a result of rounding percentages and the decision in certain cases to exclude the display of 'neither/nor', 'other', 'none of the above', 'don't know' and 'prefer not to say' responses.



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