Industrials and Services Quarterly Update

Insights for automotive, industrial manufacturing, aerospace and defence, and business service



November 2026

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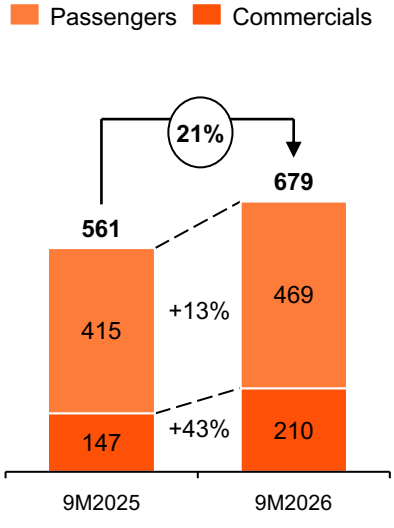
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Market updates: automotive

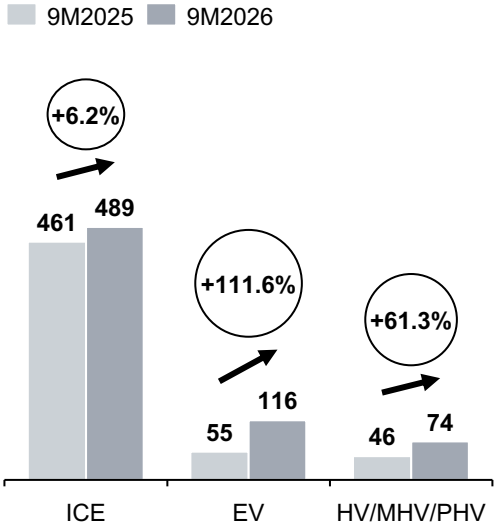
4-wheeler wholesales up 21% year-on-year (YoY) to 679k units in 9M2026

Sales reached 80% of Gaikindo's 850k full-year target. Government truck procurement for rural logistics lifted commercial sales 43%. Passenger car sales grew 13% despite Bank Indonesia (BI)'s 100bp rate hike and no incentives for consumers in place as of September 2026. Electric vehicles (EVs) sales more than doubled as cheaper models and higher energy costs improved EV economics; new hybrid model launches lifted hybrid vehicle (HV)/mild hybrid vehicle (MHV)/plug-in hybrid vehicle (PHV) 61.3%.

Sales by segment ('000 units)



Sales by powertrain ('000 units)

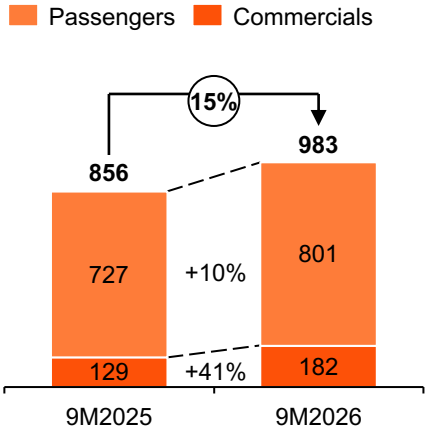


Source: MarkLines, compiled by PwC

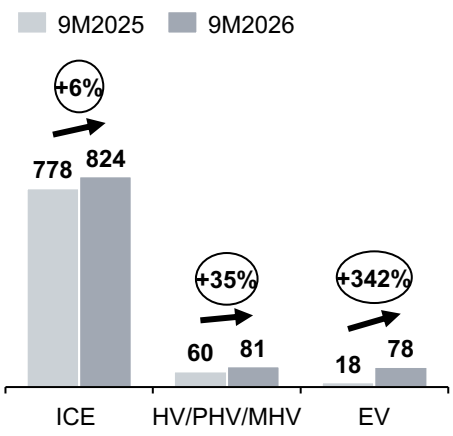
4-wheeler production up 15% YoY to 983k units in 9M2026

Output followed domestic demand, with commercial production up 41% to fill rural-logistics truck orders. EV output jumped 342% after duty-free completely built up (CBU) EV imports ended in December 2025, prompting manufacturers to produce EVs domestically: BYD and VinFast shifted to local assembly to comply with the 40% local-content (TKDN) rule.

Production by segment ('000 units)



Production by powertrain ('000 units)

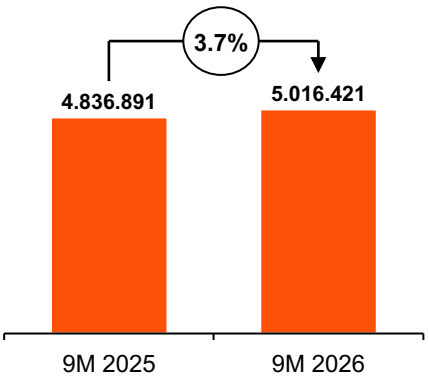


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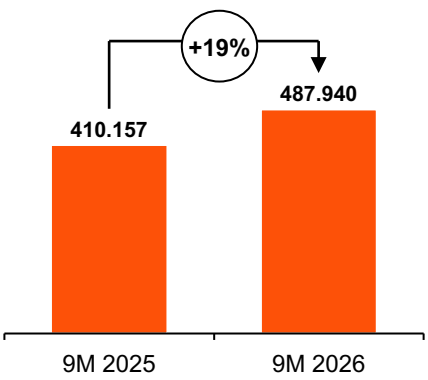
2-wheeler wholesales up 3.7% YoY to 5.02m units in 9M2026

Domestic sales rose 3.7% to 5.02m units, keeping the market on track for Association of Indonesian Motorcycle Industry (AISI)'s full-year target of 6.4–6.7m units, with demand strengthening through the year. CBU exports grew faster (+19% to 488k), which AISI attributes to the scale of the domestic market, the world's third largest, lowering production costs and making Indonesian motorcycles more price-competitive abroad.

Domestic sales



Export sales



Source: Asosiasi Industri Sepedamotor Indonesia (AISI)

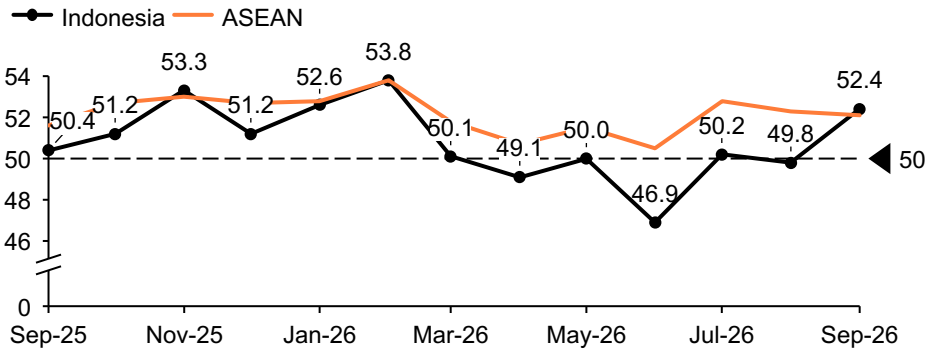
Market updates: manufacturing

Indonesia's manufacturing PMI returned to expansion in September following recent fluctuations

The S&P Global Indonesia Manufacturing Purchasing Managers' Index (PMI) rebounded to 52.4 in September from 49.8 in August, returning to expansion at its strongest pace since February and marginally exceeding ASEAN's 52.1. The improvement was broad-based, supported by stronger orders, output and exports, alongside easing cost pressures.

Over the past 12 months, however, Indonesia's PMI has fluctuated between expansion and contraction, while ASEAN manufacturing remained consistently above the 50 expansion threshold.

Manufacturing PMI (>50 = expansive)



Source: S&P Global Market Intelligence – Capital IQ
The Indonesia Manufacturing PMI is a monthly indicator of manufacturing activity compiled by S&P Global based on responses from around 400 manufacturers.

Indonesia PMI components, September 2026

Component (PMI weight)	September 2026	Drivers
New orders (30%)	Fastest rise since February	Rising demand and the start of new projects; exports grew for a second month, at the strongest rate since May 2022
Output (25%)	Fastest rise since February, rebounding from July's slight decline	Customer demand, new projects, improved purchasing power, and expanded product ranges
Employment (20%)	Fastest job creation since February 2025	Hiring was increased to support rising workloads; only the third rise in 2026, yet backlogs still grew at the strongest rate in five years
Suppliers' delivery times (15%)	Lead times lengthened only slightly	Supply chains remained broadly stable
Stocks of purchases (10%)	Strongest rise since March 2024	Input-price inflation at a six-month low encouraged firms to buy more and rebuild stocks, after declines from April to July

Market updates: business services

Business services activity remained stable in Q3, with a seasonal pick-up expected in Q4

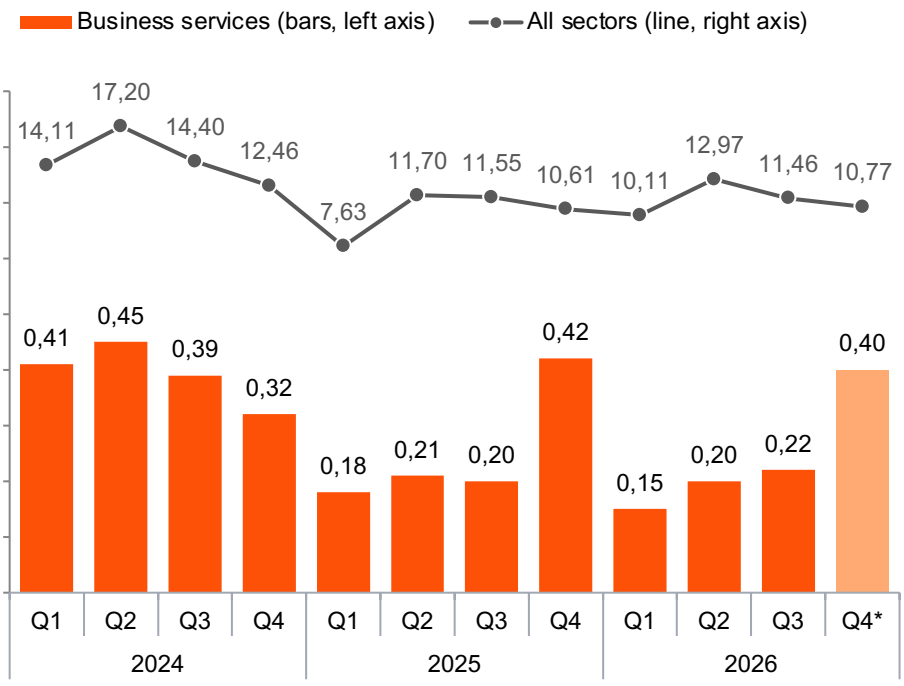
Business services activity **remained broadly stable in Q3 2026**, with SBT edging up to **0.22% from 0.20% in Q2**. Selling-price pressures increased slightly, while employment was broadly flat. At the same time, respondents reported lower wage growth in H2 2026 compared with H1, alongside an expected business margin of **20.69%**, among the highest across sectors surveyed.

Looking ahead, respondents expect **business services activity to strengthen in Q4**, with SBT rising to **0.40%**, supported by higher activity around Christmas and the year-end period. Employment is expected to remain broadly unchanged, suggesting businesses expect to manage the additional activity largely with their existing workforce.

In comparison, overall business activity is expected to moderate in Q4, with SBT declining from **11.46% in Q3 to 10.77%**, while remaining positive. This contrasts with the expected pick-up in business services activity.

Business services activity is expected to strengthen in Q4, while overall business activity moderates

Business services SBT vs. total SBT across all sectors, Q1 2024 – Q4 2026; * forecast.



Source: Bank Indonesia, SKDU Business Survey (±3,300 firms).
SBT (Weighted Net Balance/*Saldo Bersih Terimbang*) = share of respondents reporting an increase minus those reporting a decrease, adjusted for the sector/subsector's weight. Positive SBT indicates more respondents reported an increase than a decrease. SBT is not a growth rate.

Indicator	Latest	Previous	Takeaways
Business activity	**0.22%** Q3'26 SBT	**0.20%** Q2'26	Activity edged up; expected to almost double to 0.40% in Q4 2026 on Christmas and year-end demand
Margin trend	**20.69%** H2'26	**18.54%** H1'26	Expected margin recovers, above H2 2025 (18.88%) and H2 2024 (20.24%); second-highest sector after accommodation and food and beverage (F&B) (22.22%)
Employment	**0.02%** Q3'26 SBT	**0.11%** Q2'26	Headcount growth slowed to near flat and is expected to stay at 0.02% in Q4 (all sectors: 0.97%)
Selling prices	**0.15%** Q3'26 SBT	**0.11%** Q2'26	Price increases picked up slightly; expected to ease to 0.13% in Q4 2026
Inflation expectation	**2.93%** Q3'26 survey	**2.88%** Q2'26 survey	Sector firms expect 2026 inflation of 2.93%, within BI's 2.5±1% target
Wage development	**8.96%** H2'26 SB	**44.93%** H1'26 SB	85.07% of firms expect wages unchanged, 11.94% a rise. Average wage Rp5.69mn (supervisor) and Rp3.69mn (below supervisor)
Business margin	**15.01%** H2'26 minimum	**14.04%** H1'26 minimum	Minimum margin needed to sustain operations rose; expected margin (20.69%) keeps a ~5.7pp buffer above it

Source: Bank Indonesia, Business Survey (SKDU) Q3 2026, business services sector. SBT = weighted net balance (sector contribution to total); * forecast.

Industrials and services M&A

Indonesian groups were buyers, not targets, deploying capital outward and across sectors

Indonesia-linked deal flow in Q3 2026 centred on two major transactions, all with local groups as acquirers or investors. PT Chandra Asri Pacific completed a US$232m carve-out of Jardine Cycle & Carriage automotive business in Singapore and Malaysia, while PT Duta Laserindo Metal backed Japanese agricultural-robotics firm Kisui. Together they signal diversification and regional expansion by Indonesian corporates.

US$232m	**PT Chandra Asri Pacific acquires Cycle & Carriage** Industrials; completed 15 October 2026 Chandra Asri bought Jardine Cycle & Carriage's automotive business in Singapore and Malaysia for S$295m, of which S$265m was paid in cash and S$ 30m as an earnout.
Undisclosed	**PT Duta Laserindo Metal invests in Kisui Co Ltd** Industrials; funding round completed 7 July 2026 Duta Laserindo Metal joined Mitsubishi UFJ Capital, Shinnichi Kogyo, and Japan Green Investment Corp in a funding round for Kisui, a Japanese maker of agricultural robots.

Deals shown: Indonesia-linked Industrials & Services transactions, Jul–Sep 2026. Values as reported; USD conversions per deal announcements.
Source: News reports, compiled by PwC



Regulation updates

Standards enforcement dominates the regulatory agenda for industrial deals

Regulation	Effective	What it does
Industry Minister Regulation No. 24/2026	18 Sep 2026	Updates mandatory Indonesian National Standard (SNI) rules for tyres, covering manufacturers, importers, official representatives, and document legalisation
Presidential Regulation No. 41/2026	16 Jul 2026	Sets a 2026–2029 action plan to strengthen national logistics via digital connectivity, data integration, and performance key performance indicators (KPIs)
Industry Minister Regulation No. 22/2026	31 Jul 2026	Requires SNI certification (SPPT-SNI) for building safety glass and panels
Industry Minister Regulation No. 15/2026	23 Jun 2026	Sets the agro-industry machinery restructuring programme, with incentives for upgrading equipment

Source: PwC Indonesia Tax Flash Vol. 08/2026

Pillar Two GloBE Rules

Administrative implementation

PER-6/PJ/2026
Issued by DGT, 4 May 2026

On 4 May 2026, the Directorate General of Taxes (DGT) issued Regulation No. **PER-6/PJ/2026 (PER-6)** to provide detailed administrative guidance for the implementation of the Global Anti-Base Erosion (GloBE) (Pillar Two Top-up Tax framework), following Minister of Finance (MoF) Regulation No. 136 Year 2024.

For further details, please refer to **TaxFlash No. 08/2026** on PER-6.

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