

# EU-Indonesia Business Dialogue 2013

## *“Automotive Industry Development in Indonesia”*

Jakarta, October 22th, 2013

# Outline of Content



Current Condition of Automotive Industry

Initiative on Green Car Development Facilitation

Concluding Remarks

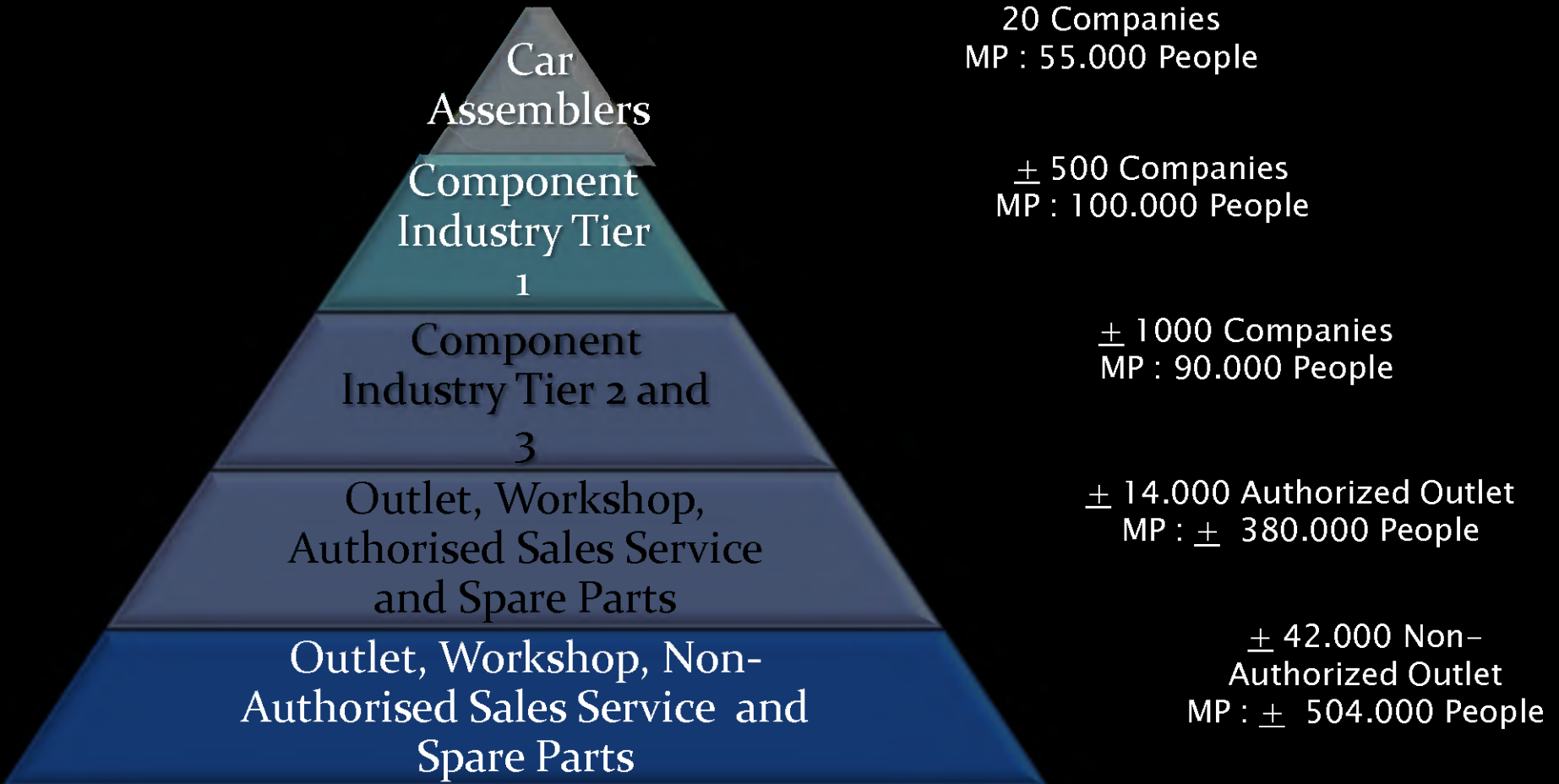


# Current Status of Automotive Industry

# Auto Industry Structure

**TOTAL Man Power (MP) = 1.129.000 People**

## Four-Wheelers



# WHOLESALES & EXIM BY CATEGORY 2012

## WHOLESALES

CATEGORY		MONTH												SALES 2012	SHARE %	
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
1.	SEDAN TYPE	CC < 1.500 (G/D)	692	1.117	1.425	1.272	1.827	2.146	1.822	1.824	2.228	1.564	1.621	1.460	18.998	1,7%
		1.501 < CC ≤ 3.000 (G)/2.500 (D)	579	1.044	769	1.093	1.012	1.905	2.005	1.466	1.282	1.084	1.166	1.349	14.754	1,3%
		CC > 3.001 (G)/2.501 (D)	20	33	32	43	10	30	40	20	31	33	32	33	408	0,0%
	SUB TOTAL	1.297	2.216	2.246	2.408	2.855	4.107	3.867	3.318	3.561	2.683	2.819	2.844	34.221	3,1%	
2.	4X2 TYPE	CC < 1.500 (G/D)	38.515	45.444	46.137	43.993	49.571	53.421	53.733	41.903	54.038	55.225	54.378	46.749	583.107	52,2%
		1.501 < CC ≤ 2.500 (G/D)	10.675	11.003	12.084	13.222	13.416	14.108	13.886	8.420	13.625	15.748	13.566	12.529	152.282	13,6%
		2.501 < CC ≤ 3.000 (G)	218	182	232	338	284	188	281	188	219	248	440	312	3.130	0,3%
	CC > 3.001 (G)/2.501 (D)	22	23	20	126	87	60	66	77	16	52	28	13	640	0,4%	
SUB TOTAL	49.430	56.662	58.482	57.679	63.358	67.777	67.966	50.588	67.928	71.273	68.422	59.603	739.168	66,2%		
3.	4X4 TYPE	CC < 1.500 (G/D)	-	-	-	-	-	-	-	-	-	-	-	-	-	0,0%
		1.501 < CC ≤ 3.000 (G)/2.500 (D)	311	454	508	481	520	606	526	486	698	397	434	232	5.653	0,5%
		CC > 3.001 (G)/2.500 (D)	58	87	95	181	146	144	209	196	192	178	214	43	1.743	0,2%
	SUB TOTAL	369	541	603	662	666	750	735	682	890	575	648	275	7.396	0,7%	
4.	BUS	GVW 5 - 10 Ton (G/D)	186	229	185	227	340	247	201	123	106	112	137	98	2.191	0,2%
		GVW 10 - 24 Ton (G/D)	89	148	103	246	341	145	106	117	185	221	207	373	2.281	0,2%
		GVW > 24 Ton (G/D)	-	-	-	-	-	-	-	-	-	-	-	-	-	0,0%
	SUB TOTAL	275	377	288	473	681	392	307	240	291	333	344	471	4.472	0,4%	
5.	PICK UP / TRUCK	GVW < 5 Ton (G/D)	11.893	13.615	13.024	12.701	15.360	13.843	15.355	10.489	14.684	17.636	17.144	12.610	168.354	15,1%
		GVW 5 - 10 Ton (G/D)	9.146	9.417	8.699	8.487	8.707	9.308	9.057	7.317	9.418	9.781	10.505	9.891	109.733	9,8%
		GVW 10 - 24 Ton (G/D)	1.048	782	936	906	833	1.386	1.209	899	1.359	1.414	1.178	806	12.756	1,1%
	GVW > 24 Ton (G/D)	2.096	2.160	2.147	2.400	1.726	1.860	1.534	1.208	1.566	1.482	1.272	1.315	20.766	1,9%	
SUB TOTAL	24.183	25.974	24.806	24.494	26.626	26.397	27.155	19.913	27.027	30.313	30.099	24.622	311.609	27,9%		
6.	DOUBLE CABIN 4X2 / 4X4	GVW < 5 Ton (G/D) For all CC	873	716	1.492	1.428	1.355	2.323	2.481	1.704	2.403	1.577	1.371	1.641	19.364	1,7%
		SUB TOTAL	873	716	1.492	1.428	1.355	2.323	2.481	1.704	2.403	1.577	1.371	1.641	19.364	1,7%
MARKET TOTAL		76.427	86.486	87.917	87.144	95.541	101.746	102.511	76.445	102.100	106.754	103.703	89.456	1.116.230	100%	
CUMMULATIVE		76.427	162.913	250.830	337.974	433.515	535.261	637.772	714.217	816.317	923.071	1.026.774	1.116.230			

## EXPORTS

CBU (UNIT)	14.477	14.583	14.980	15.759	13.007	14.097	13.225	11.652	17.432	17.283	14.067	12.806	173.368
CKD (SET)	8.575	9.872	8.369	9.723	7.046	7.870	9.640	6.635	9.550	8.610	7.368	6.864	100.122
COMPONENTS (PIECES)	3.534.198	4.785.330	3.596.964	4.754.883	4.801.620	4.715.340	5.933.608	4.313.008	5.331.737	4.720.392	3.996.114	5.021.564	55.504.758

## IMPORTS

CBU (UNIT)	5.425	8.992	9.503	7.900	10.561	12.563	11.307	9.573	14.179	14.511	14.254	7.105	125.873
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## Production, Sales and Export-Import 2013

	Jan.	Feb.	Mar	Apr	May	June	Total
<u>Production (Unit)</u>	97.736	100.410	88.984	101.754	99.496	98.136	<b>686.479</b>
<u>Sales (Unit)</u>	96.705	103.269	95.936	102.199	99.568	104.266	<b>601.952</b>
<u>Export</u>							
- CBU (Unit)	14.272	14.307	14.361	13.914	14.986	12.464	<b>84.304</b>
- CKD (Unit)	6.010	8.219	9.653	9.708	8.667	9.180	<b>91.437</b>
Components (pieces)	4.319.190	4.235.236	5.278.446	278.463	321.190	327.352	<b>15.609.885</b>
- Imports (unit)	9.377	12.753	14.926	11.297	8.940	8.130	<b>65.423</b>

Note : Import figure only by Gaikindo members

Source: Gaikindo

# Roadmap

2010



- Production Base : MPV, Light Commercial Truck and environmental friendly vehicle.
- 50% motor cycle design.

- Manufacture of engine, MPV transmission and Light Commercial Truck.
- Component supplier for MPV and Light Commercial Truck.

2015



- MPV, Commercial Truck up to 24 tons, SUV and small sedan energy saving and environmental friendly.
- 80% design of MPV and Light commercial truck.

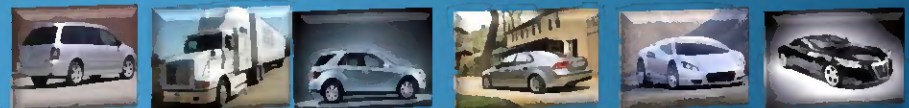
- Manufacture of engine, transmission of Commercial Truck up to 24 tons, SUV and small economical small sedan .
- Component supplier of Commercial Truck up to 24 tons, SUV and small sedan.

2020

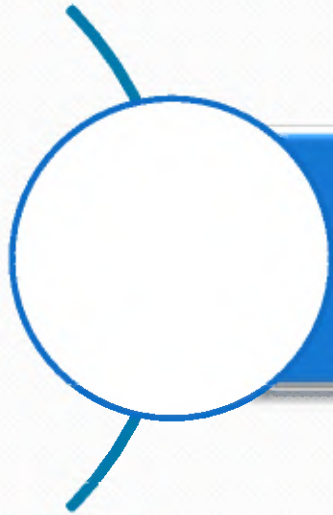


- MPV, SUV, Small sedan energy saving environmental friendly, Commercial truck > 24 tons, Medium sedan, Hybrid car.
- 80% design of small sedan and SUV.
- Hybrid engine, integrated ECU system.
- Component commercial truck > 24 tons, Medium sedan, Hybrid car.

2025



- MPV, SUV, Small economical sedan, Commercial truck > 24 tons, Medium sedan, Hybrid car and Luxury car.
- 80% design of medium sedan.
- Manufacture of luxury car.
- Supplier of luxury car component.



# Initiative on Green Car Development Facilitation



# Why Green Car?

## Purpose

- Expanding middle-class market :
  - Indonesian economic development, 5.9% in 2013 (World Bank)
  - Increasing income per capita (US\$ 4000).
  - Currently there are about 60 million population (motorcycle users), potential to shift from motorcycles owners to vehicle owners.
- Reducing fuel subsidy
- Mitigating global warming
- strengthening the automotive component industry and building the national autonomy in automotive technology,



- Government Regulation No.41/2013 : Luxury Taxes on Vehicles.
- Minister of Industry Decree No. 33 / 2013 : Production Development of Low Cost and Green Car.

# What is Green Car Program

Item	LCGC Plan (LCGC: Low Cost Green Car)	LCEP (Low Carbon Emission Project)
Fuel economy	20 km/L and more (NEDC: New European Driving Cycle)	
Target vehicle type	GV: 1.0 -1.2 L ; DV: 1.0 -1.5 L	Passenger cars (GV, DV, HV, EV, alternative fuel vehicles)
Tax break (PPnBM)	0% (currently 10%)	<ul style="list-style-type: none"> <li>• Small cars: 0% (currently 10%)</li> <li>• FE 20-28 km/L: 25% reduction (currently 20-75%)</li> <li>• FE 28 km/L and more: 50% reduction (currently 20-75%)</li> <li>• Electric vehicles: 0%</li> </ul>
Price	off the road price is IDR 95 Million (excluding ownership transfer fee, vehicle tax, and local taxes).	

Mol' Decree No.33/2013

Government Regulation No.41/2013






# Who is LCGC Program Participants ?

Participant

Any brand/car makers/ who fulfills the LCGC requirements



Several car makers have been committed to joint the LCGC Program

No	Makers	Production Capacity Up	Realization
1	 TOYOTA	110 K to 240 K	2013
2	 DAIHATSU	330 K to 430 K	2013
3	 NISSAN	100 K to 250 K	2014
4	 HONDA	60 K to 180 K	2014
5		110 K to 180 K	2013



- Investment commitment about 3.0 billion US\$ from automotive industries, 3.5 billion US\$ from near 100 new automotive component industries.
- Absorb man power (approximately 30.000 new man power.
- Production capacity : 300.000-600.000 cars per years



# Concluding Remarks

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- ❖ National automotive industry to develop an efficient production base in order to be competitive in facing the regional and international market
- ❖ Indonesia has a great potential resources and market demand for automotive industry development in the future
- ❖ Policy direction of automotive industry development in the future :
  - Developing of component industry supported by the capability of local R&D
  - Developing an environment friendly vehicles