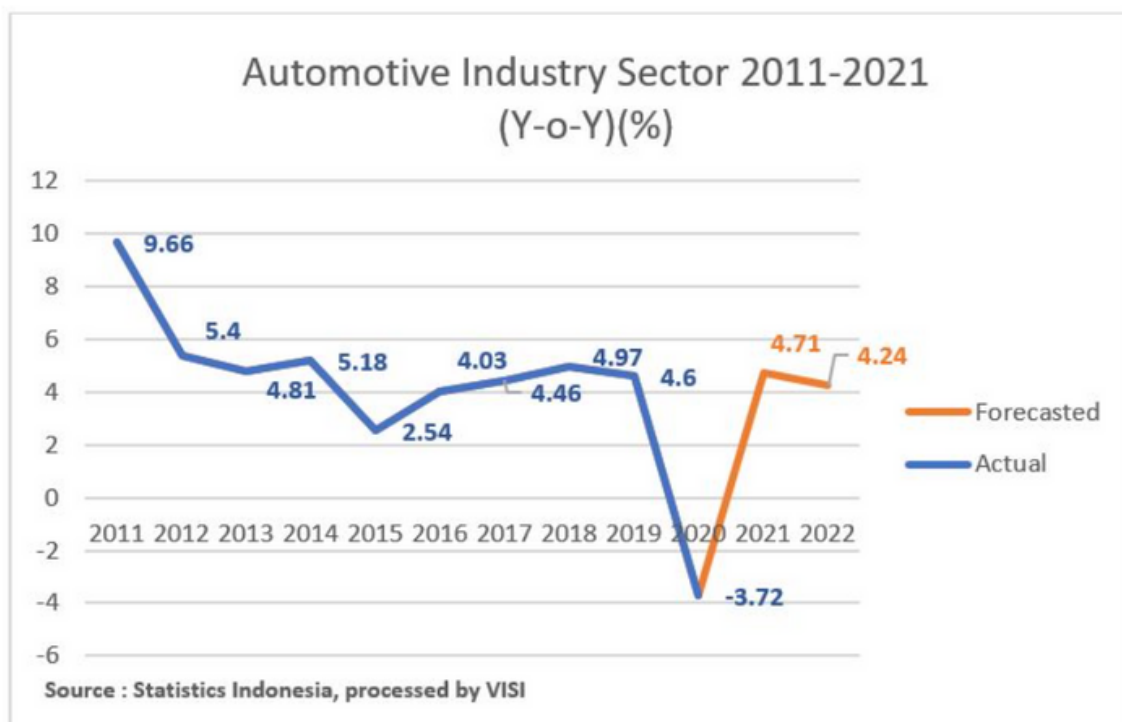


PT CRIF STUDY: AUTOMOTIVE INDUSTRY AMID ECONOMIC RECOVERY IN INDONESIA



The positive growth in the number of Indonesia's middle class over the past decade has made growth in the automotive sector relatively attractive. Even though in 2020, the corona pandemic caused industrial instability and the national economy, the potential is still considered good.

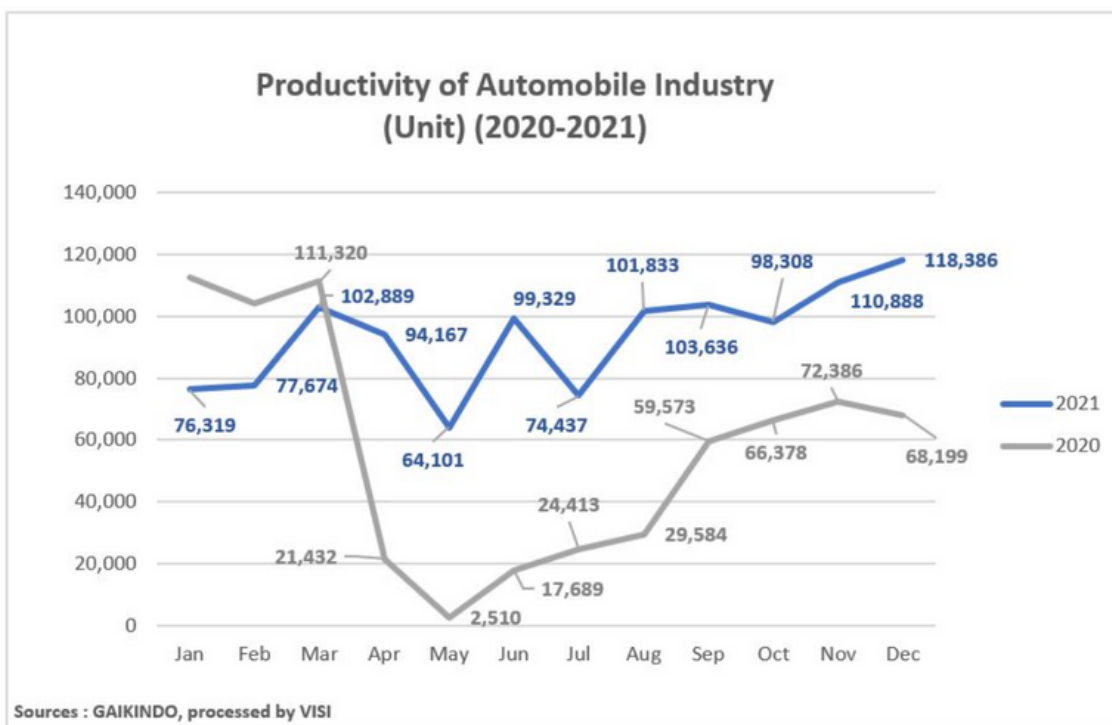
Based on data from the Statistics Indonesia (BPS), the growth of the automotive industry sector moved steadily at 4-6% from year to year. Although there was a very significant decline in 2020 caused by the paralysis of business in Indonesia caused by the Covid-19 pandemic, in 2021 the growth will gradually improve and in 2022 it is predicted to experience growth of 4.24% in line with the prediction of national economic growth. which is expected to grow by 5%.



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Based on the productivity data, it can be seen that automobile sales in 2021 were much more stable than in 2020, where growth tends to decline which even experienced a very drastic decline in mid-2020.



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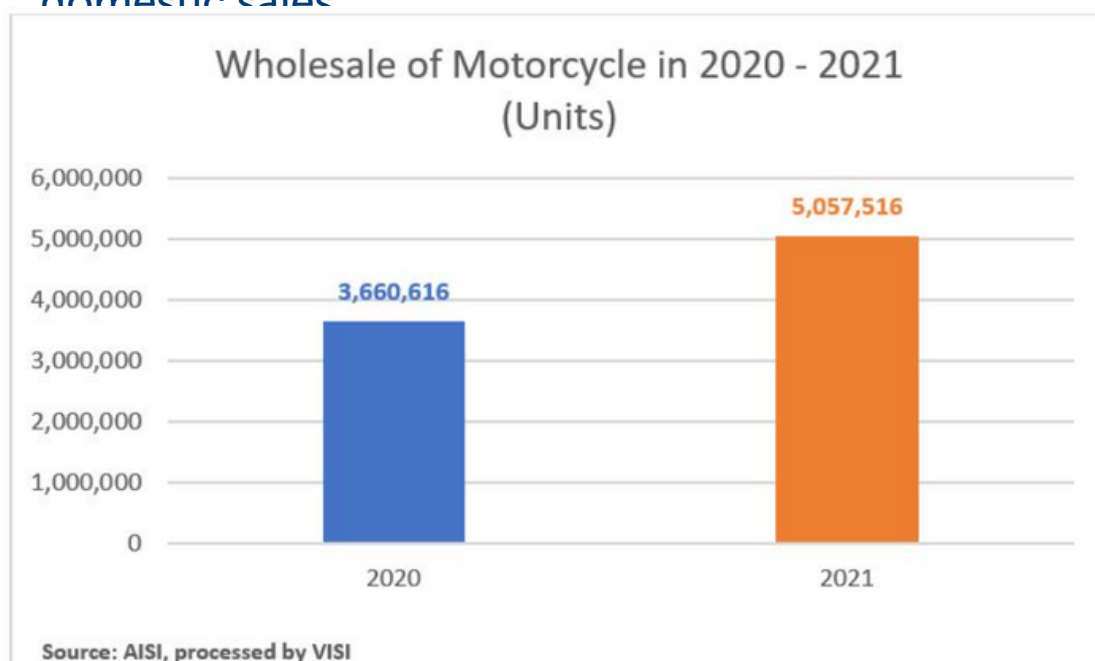
MOTOR VEHICLE SALES IN INDONESIA

1. Automobile

Based on data from the Association of Indonesia Automotive Industries (GAIKINDO), in 2021 there was a wholesale sales growth of 62.48% compared to 2020, from 532,027 units to 864,442 units. The increase was due to the Stimulus for exemption of Sales Tax on Luxury Goods (PpnBM) borne by the Government.

1. Motorcycle

Likewise with motorcycle sales, based on data from the Indonesian Motorcycle Industry Association (AISI) in 2021, an increase of 38.16% compared to the previous year, from 3,660,616 units rose to 5,057,516 units. The sales were dominated by scooter sales of 87.58% of total domestic sales



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EXPORT AND IMPORT GROWTH

Looking at the growth of exports and imports, the automobile sector in 2021 experienced export growth of 40% and imports of 49% compared to the previous year. With each increase of 24,603,682 units for exports and 46,533,810 units for imports.

As for motorcycles, it is known that there was an increase in the number of exports by 14.78%, from 700,392 units to 803,931 units.

Growth of Export and Import Automobile in 2020-2021

	2020	2021
Export	61,462,530	86,066,212
Import	95,263,501	141,797,311
Growth of Export (%)	40	-
Growth of Import (%)	49	

Source: AISI, processed by VISI

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SOME OBSTACLES IN THE AUTOMOTIVE INDUSTRY

As for the obstacles in the automotive industry sector that are still slowing down its growth rate in 2021, such as:

- The impact of the Covid-19 pandemic, which has not yet ended, is still the main obstacle in business development in the automotive industry sector at this time, both for domestic and global markets.
- The impact of global component supply disruptions. Supply chain problems impact prices for consumers and slow the global economic recovery. US-based research and analytics firm for global capital markets Moody's Analytics warns supply chain disruptions will get worse before they get better.
- There is a production shortage problem or a situation where the demand for a product or service exceeds the available supply. The Association of Indonesia Automotive Industries (Gaikindo) said that the government's policies for the motor vehicle industry as stated in PMK No 20/PMK 010/2021 and Minister of Industry Decree No. 169 of 2021 concerning Sales Tax on Luxury Goods (PPnBM) proved to be right on target. However, it is necessary to adjust the production capacity which is hampered because it must comply with the applicable health protocols. In addition, the limited supply of semi-conductors is also one of the reasons for the delay in the acceleration of automotive production in Indonesia.