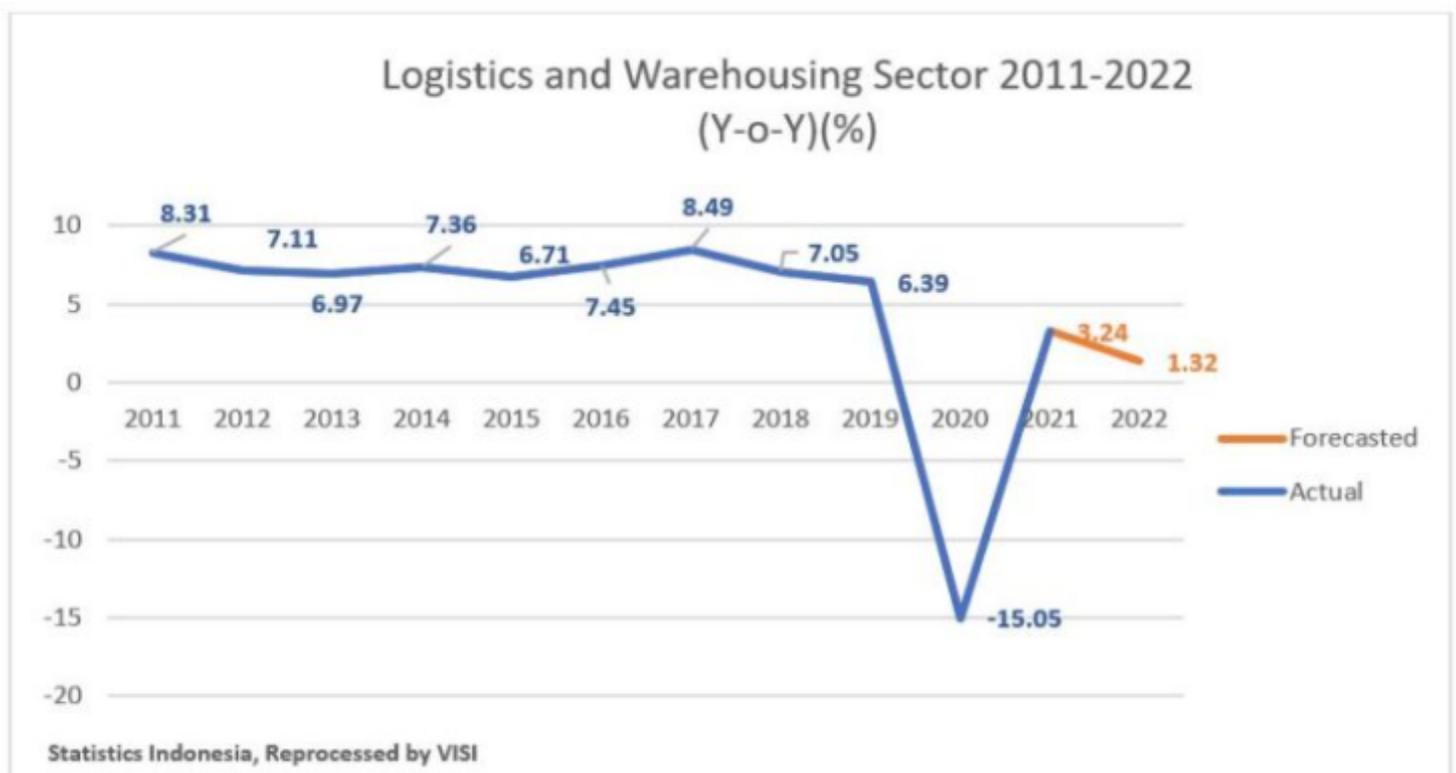


# PT CRIF STUDY: THE LOGISTICS AND WAREHOUSING SECTOR IN INDONESIA WILL MAKE A COMEBACK IN 2022



The Statistics Indonesia (BPS) noted that in 2021, the logistics and warehousing sector experienced an increase in growth of 3.24% (YoY), or an increase of 18.29 points compared to 2020. Although not as good as in 2019, the growth reached 6.39 %, but the sector has started to recover and is back on track after experiencing a drastic decrease in 2021 caused by Social Restrictions during the Covid-19 pandemic.

The rise of investment activities in Indonesia in 2021 is also one of the causes for the recovery of logistics services. The Investment Coordinating Board (BKPM) noted that the realization of investment in the sector in 2021 totaled IDR 901.02 trillion.



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This figure has exceeded the target of the President of the Republic of Indonesia, which is IDR 900 trillion. With investment activities, the operations and movement of people, goods, and money will return. It is recorded that investment in 2021 absorbed 1.2 million Indonesian workers from 133,258 projects.

In 2022, VISI predicts that the logistics and warehousing sector will experience growth, reaching 1.32% (y-o-y). This growth was driven by performance growth in the manufacturing sector, especially non-oil and gas, followed by the agriculture, forestry, and fishery sectors; trade sector; construction sector; and mining sector. Logistics and warehousing sector performance was also driven by export-import performance, which continued to improve during 2021. In November 2021, BPS data stated that there was an increase in the value of exports by 49.70% (y-on-y) and an increase in the value of imports by 52.62% (y-on-y).

However, because the prediction for growth in 2022 is relatively thin, logistics service providers need to carry out business planning in 2022. Strengthening and expanding market segmentation can be carried out on several sectors and groups of products or commodities with good volumes and growth rates. In addition, it is necessary to pay more attention to social changes and business patterns that affect logistics operations such as the sharing economy, logistics marketplaces, omnichannel logistics, and from a technology perspective.

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The challenge that will be faced by businesses in the logistics and warehousing sector is the increase in operational costs. The increase in energy costs, the continued increase in sea freight rates, and the increased wages for labor will become a paradox that businesses must face along with the increasing market value of the logistics industry, which has the potential to actually erode business margins if the operations management is not carried out properly by businesses.

The implementation of efficient logistics operations management, as well as increasing throughput capacity and logistics service capacity, more effectively will play an important role in taking advantage of the momentum of Indonesia's economic revival in 2022 so that it can be maximized.