

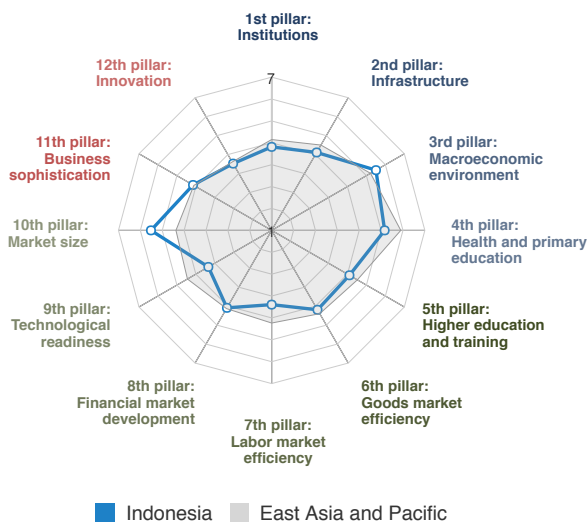
Key indicators, 2016

Source: International Monetary Fund; World Economic Outlook Database (April 2017)

Population millions	258.7	GDP per capita US\$	3,604.3
GDP US\$ billions	932.4	GDP (PPP) % world GDP	2.53

Performance overview

Index Component	Rank/137	Score (1-7)	Trend	Distance from best	Edition	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Global Competitiveness Index	36	4.7			Rank	50 / 144	38 / 148	34 / 144	37 / 140	41 / 138	36 / 137
Subindex A: Basic requirements	46	5.0			Score	4.4	4.5	4.6	4.5	4.5	4.7
1st pillar: Institutions	47	4.3									
2nd pillar: Infrastructure	52	4.5									
3rd pillar: Macroeconomic environment	26	5.7									
4th pillar: Health and primary education	94	5.4									
Subindex B: Efficiency enhancers	41	4.5									
5th pillar: Higher education and training	64	4.5									
6th pillar: Goods market efficiency	43	4.6									
7th pillar: Labor market efficiency	96	3.9									
8th pillar: Financial market development	37	4.5									
9th pillar: Technological readiness	80	3.9									
10th pillar: Market size	9	5.7									
Subindex C: Innovation and sophistication factors	31	4.3									
11th pillar: Business sophistication	32	4.6									
12th pillar: Innovation	31	4.0									

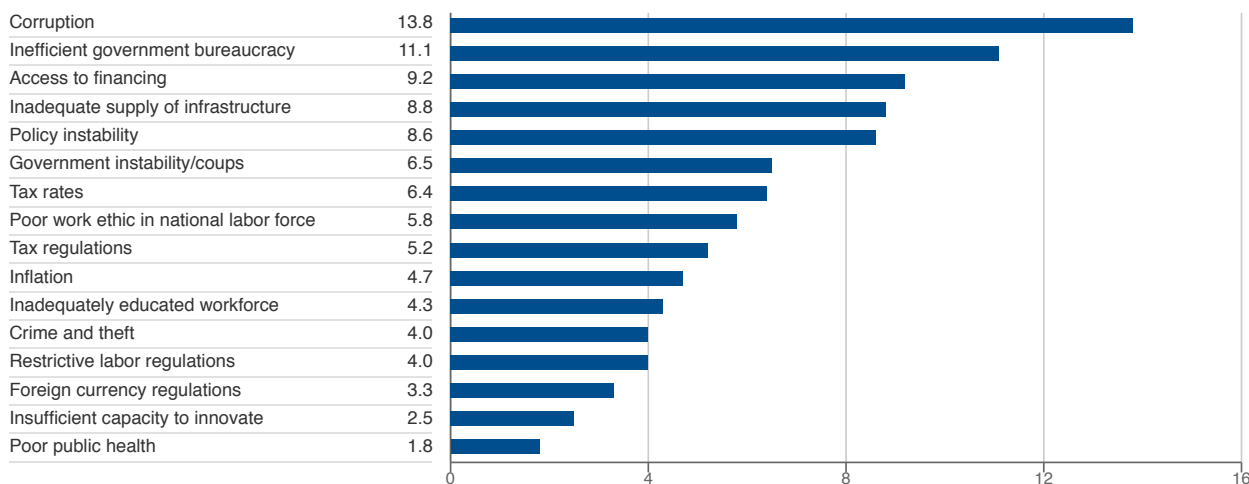


Indonesia (36th) is inching its way up the competitiveness ladder, moving ahead five places since last year. Similar to Korea, Indonesia has improved its performance across all of its pillars. Its position in the rankings is driven mainly by its large market size (9th) and a relatively robust macroeconomic environment (26th). Ranking 31st and 32nd in innovation and business sophistication respectively, Indonesia is one of the top innovators among the emerging economies. In contrast, the

country is lagging quite far behind in terms of technological readiness (80th) despite having made steady progress on that front over the last decade. Significant advances are also needed in the labor market efficiency pillar (96th), which is dragged down by excessive redundancy costs, limited flexibility of wage determination, and a limited representation of women in the labor force.

Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2017



Note: From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

Index Component	Rank/137	Value	Trend	Index Component	Rank/137	Value	Trend
1st pillar: Institutions	47	4.3		6th pillar: Goods market efficiency	43	4.6	
1.01 Property rights	50	4.6		6.01 Intensity of local competition	39	5.4	
1.02 Intellectual property protection	46	4.5		6.02 Extent of market dominance	34	4.2	
1.03 Diversion of public funds	41	4.2		6.03 Effectiveness of anti-monopoly policy	36	4.3	
1.04 Public trust in politicians	42	3.7		6.04 Effect of taxation on incentives to invest	38	4.2	
1.05 Irregular payments and bribes	75	3.8		6.05 Total tax rate % profits	40	30.6	
1.06 Judicial independence	52	4.4		6.06 No. of procedures to start a business	121	11	
1.07 Favoritism in decisions of government officials	32	4.0		6.07 Time to start a business days	105	24.9	
1.08 Efficiency of government spending	25	4.3		6.08 Agricultural policy costs	37	4.2	
1.09 Burden of government regulation	27	4.1		6.09 Prevalence of non-tariff barriers	79	4.3	
1.10 Efficiency of legal framework in settling disputes	44	4.1		6.10 Trade tariffs % duty	67	4.8	
1.11 Efficiency of legal framework in challenging regulations	40	3.8		6.11 Prevalence of foreign ownership	61	4.6	
1.12 Transparency of government policymaking	51	4.4		6.12 Business impact of rules on FDI	87	4.3	
1.13 Business costs of terrorism	112	4.3		6.13 Burden of customs procedures	63	4.2	
1.14 Business costs of crime and violence	88	4.2		6.14 Imports % GDP	129	17.8	
1.15 Organized crime	101	4.2		6.15 Degree of customer orientation	44	5.0	
1.16 Reliability of police services	77	4.3		6.16 Buyer sophistication	36	3.9	
1.17 Ethical behavior of firms	42	4.3		7th pillar: Labor market efficiency	96	3.9	
1.18 Strength of auditing and reporting standards	67	4.6		7.01 Cooperation in labor-employer relations	41	4.7	
1.19 Efficacy of corporate boards	56	5.0		7.02 Flexibility of wage determination	99	4.5	
1.20 Protection of minority shareholders' interests	40	4.5		7.03 Hiring and firing practices	25	4.5	
1.21 Strength of investor protection 0-10 (best)	66	5.7		7.04 Redundancy costs weeks of salary	133	57.8	
2nd pillar: Infrastructure	52	4.5		7.05 Effect of taxation on incentives to work	28	4.5	
2.01 Quality of overall infrastructure	68	4.1		7.06 Pay and productivity	22	4.7	
2.02 Quality of roads	64	4.1		7.07 Reliance on professional management	34	4.8	
2.03 Quality of railroad infrastructure	30	4.2		7.08 Country capacity to retain talent	32	4.3	
2.04 Quality of port infrastructure	72	4.0		7.09 Country capacity to attract talent	25	4.5	
2.05 Quality of air transport infrastructure	51	4.8		7.10 Female participation in the labor force ratio to men	113	0.62	
2.06 Available airline seat kilometers millions/week	14	3,299.0		8th pillar: Financial market development	37	4.5	
2.07 Quality of electricity supply	86	4.4		8.01 Availability of financial services	33	5.0	
2.08 Mobile-cellular telephone subscriptions /100 pop.	18	149.1		8.02 Affordability of financial services	33	4.5	
2.09 Fixed-telephone lines /100 pop.	104	4.0		8.03 Financing through local equity market	30	4.5	
3rd pillar: Macroeconomic environment	26	5.7		8.04 Ease of access to loans	33	4.5	
3.01 Government budget balance % GDP	63	-2.5		8.05 Venture capital availability	19	4.0	
3.02 Gross national savings % GDP	19	32.5		8.06 Soundness of banks	68	4.9	
3.03 Inflation annual % change	64	3.5		8.07 Regulation of securities exchanges	51	4.7	
3.04 Government debt % GDP	21	27.9		8.08 Legal rights index 0-10 (best)	49	6	
3.05 Country credit rating 0-100 (best)	56	57.0		9th pillar: Technological readiness	80	3.9	
4th pillar: Health and primary education	94	5.4		9.01 Availability of latest technologies	67	4.8	
4.01 Malaria incidence cases/100,000 pop.	41	498.8		9.02 Firm-level technology absorption	39	5.0	
4.02 Business impact of malaria	32	4.7		9.03 FDI and technology transfer	44	4.7	
4.03 Tuberculosis incidence cases/100,000 pop.	131	395.0		9.04 Internet users % pop.	109	25.4	
4.04 Business impact of tuberculosis	101	4.6		9.05 Fixed-broadband Internet subscriptions /100 pop.	103	1.9	
4.05 HIV prevalence % adult pop.	73	0.4		9.06 Internet bandwidth kb/s/user	90	24.9	
4.06 Business impact of HIV/AIDS	102	4.6		9.07 Mobile-broadband subscriptions /100 pop.	56	67.3	
4.07 Infant mortality deaths/1,000 live births	94	22.8		10th pillar: Market size	9	5.7	
4.08 Life expectancy years	101	69.1		10.01 Domestic market size index	8	5.7	
4.09 Quality of primary education	47	4.5		10.02 Foreign market size index	23	5.8	
4.10 Primary education enrollment rate net %	106	89.7		10.03 GDP (PPP) PPP \$ billions	8	3,032.1	
5th pillar: Higher education and training	64	4.5		10.04 Exports % GDP	114	18.0	
5.01 Secondary education enrollment rate gross %	85	85.8		11th pillar: Business sophistication	32	4.6	
5.02 Tertiary education enrollment rate gross %	91	24.3		11.01 Local supplier quantity	42	4.8	
5.03 Quality of the education system	33	4.4		11.02 Local supplier quality	54	4.6	
5.04 Quality of math and science education	40	4.6		11.03 State of cluster development	26	4.6	
5.05 Quality of management schools	42	4.6		11.04 Nature of competitive advantage	47	4.0	
5.06 Internet access in schools	45	4.8		11.05 Value chain breadth	28	4.6	
5.07 Local availability of specialized training services	45	4.7		11.06 Control of international distribution	33	4.3	
5.08 Extent of staff training	30	4.6		11.07 Production process sophistication	48	4.3	
				11.08 Extent of marketing	33	4.9	
				11.09 Willingness to delegate authority	26	5.0	
				12th pillar: Innovation	31	4.0	
				12.01 Capacity for innovation	31	4.8	
				12.02 Quality of scientific research institutions	40	4.4	
				12.03 Company spending on R&D	29	4.4	
				12.04 University-industry collaboration in R&D	30	4.3	
				12.05 Gov't procurement of advanced technology products	12	4.4	
				12.06 Availability of scientists and engineers	35	4.5	
				12.07 PCT patents applications/million pop.	97	0.1	

Note: Values are on a 1-to-7 scale unless indicated otherwise. Trend lines depict evolution in values since the 2012-2013 edition (or earliest edition available). For detailed definitions, sources, and periods, consult the interactive Economy Profiles and Rankings at <http://gcr.weforum.org/>