

Indonesia Country Guide



Indonesia is the world's largest archipelago and is made up over 7,500 islands dotted over both sides of the equator. The name Indonesia derives from 'indus' which means India in Latin and 'nesos' the Greek word for island. The first Europeans in Indonesia were traders from Portugal who arrived in 1512 and were soon followed by the British and Dutch. In 1602 the Dutch became the main European power in Indonesia and their colonization spanned over 300 years. The Japanese occupation in World War II ended the Dutch rule and independence was declared at the end of the war in 1945. Indonesia is wonderfully diverse with some 300 ethnic groups and an abundance of cultural variations that were developed over the centuries encompassing Indian, Arabic, Malay, Chinese and European influence.



Jakarta is the largest city and the capital of Indonesia and is located on the island of Java. Jakarta dominates the economic activities of Indonesia and is a major commercial and transportation hub. Merdeka square with the National Monument in its centre dominates the city's

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central district. Just south of the square in Jalan Thamrin and Jenderal Sudir the international hotels, major financial institutions and multinational headquarters can be found.

Indonesia is an independent republic with political power organized around 3 main branches of government – executive, legislative and judicial. In 2004, Susilo Bambang Yudhoyono was elected to succeed Megawati and Indonesia's political climate is calmer than ever before and relations with the west have never been better. In the aftermath of the 1997-98 financial crisis, the government via debt restructuring took charge and later sold some private sector assets averaging a 29% return. Indonesia's recovery was also aided by recapitalizing its banking sector, improving capital markets, and taking steps to stimulate growth and investment, particularly in infrastructure. GDP has steadily risen this decade, achieving a growth of circa 6.2% in 2007.

Indonesia has a market based economy and is also blessed with many natural resources including oil, natural gas, coal and tin. The main agricultural products are rice, palm oil, coffee and tea. Indonesia's exports grew to a record \$100.7 billion in 2006, an increase of 17.5% from 2005

Tourism is also a major industry and Indonesia has many beautiful and unspoiled places to visit- Lombok is a favourite and the unique island of Bali is consistently voted one of the world's top island destinations. Indonesia is truly stunning. Political stability and positive economic indicators of a growing economy make this archipelago a seriously exciting investor location.

Capital: Jakarta

Land size: 1,919,440 km²

Population: 234,000,000

Climate: Mostly equatorial, 2 seasons per year (rainy / dry) temperatures range from 16 to 35 degrees Celsius

Economics: Average GDP rate for 2004 – 2006: 5.4%

Tenure for foreign property purchasers: Leasehold, nominee freehold

Availability of finance for foreign property purchasers: Vendor finance for select projects



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