

BUSWORLD organises successful first edition of BW SEA 2024: Webinar SERIES

HIGHLIGHTS:

- Indonesia's retail bus sales grew 130% YOY during the first half of the year. The trend is likely to continue during the second half too.
- General elections are scheduled in Indonesia next year. After the elections, a massive public spending programme is likely to unveiled.
- Around 45,000 buses are expected to be inducted into the Indonesia public transport fleet by 2030, of which a large number is likely to be electric including 10,000 for Jakarta.
- Given the ambitious road building programme, the demand for high quality buses is increasing, especially among the young, upwardly mobile population. In many cases, Indonesian buses match European buses when it comes to quality, appearance and safety standards.
- Indonesia has stringent safety standards for buses including those for rollover and electrical load capability.
- But along with rising demand, there is a shortage of imported chassis for large buses.
- The government is lowering import duties on fully-built buses. This will increase competitive pressures on Indonesian body builders.
- Indonesia is a predominantly rear-engine bus market spanning light, medium and heavy-duty buses. Local body builders have the capacity to develop monocoque buses by assembling aggregates.
- There is also a shortage of locally made components. Importing components is no longer a viable solution since the Indonesian government is insisting on approximately 40 percent local content in buses to secure incentives.
- The government imposes import duties ranging from 2.5-40 percent on chassis and components. Import of certain components are restricted without a special permit. Further details of import duties may be obtained from (<https://insw.go.id/>)
- Therefore, the solution is for foreign companies to collaborate with local suppliers and start local manufacture of chassis and components. Towards this end, Turkish and European companies are entering Indonesia to compete with existing Chinese suppliers. There is thus a good opportunity for Indian suppliers.
- The following component types could be interesting for Indian suppliers from a demand-supply match perspective:

- ✚ Tyres
- ✚ HVAC
- ✚ Seats
- ✚ Wheels
- ✚ Air Suspensions
- ✚ Lamps
- ✚ Aftermarket Parts
- ✚ Aftermarket Service Equipment
- ✚ Instrument Panel / Dashboard
- ✚ Infotainment
- ✚ Cables & Connectors
- ✚ Floorings
- ✚ Tubings and Panels
- ✚ Testing and simulation tools and software

- The entry of foreign companies localizing components and chassis in Indonesia is expected to result in cost-optimized, light-weight and safe buses.
- Light-weighting is a major concern for electric buses which carry huge batteries in order to meet Indonesian government GVW standards. So light-weight yet safety-compliant materials are required as well as simulation software to develop such buses.
- Despite numerous challenges with financing and creation of charging infrastructure, the Indonesian government is seen to be committed to the electrification of the public transport fleet.