



INDONESIA NATIONAL AIR CARRIERS ASSOCIATION

# TRANSFORMING **CONNECTIVITY** **AND GROWTH** IN INDONESIA'S AVIATION SECTOR

## **Denon Prawiraatmadja**

Chairman of INACA

Vice Chairman of Commerce for Transportation, Indonesian

Chamber of Commerce and Industry

Head of Transportation Infrastructure, APINDO

CEO of Whitesky Group

# Our Members

11 Scheduled Airlines

24 Non-Scheduled Airlines

2 Cargo Airlines



# Indonesia National Air Carriers Association (INACA)

**OUR MISSION: TO BUILD A ROBUST AND PROFITABLE AVIATION INDUSTRY TO SERVE OUR COUNTRY**

*“To foster a strong business environment in aviation to build a more efficient and effective aerospace industry that supports national growth.”*

## WHAT WE DO

### 01

**Upscaling people and system in Aviation Sector internally for out members through:**

- Training
- Manufactures Visit
- Networking
- Seminars

### 02

**Advocacy in the aviation sector for relevant regulations to related Ministries and Stakeholders:**

- Authorities
- Airports
- Air navigation services
- Fuel providers
- Other Ministerial

# INACA's Significant Milestones



Initiated the issuance of Trade Ministry Regulation No. 3 of 2024 on Import Policy



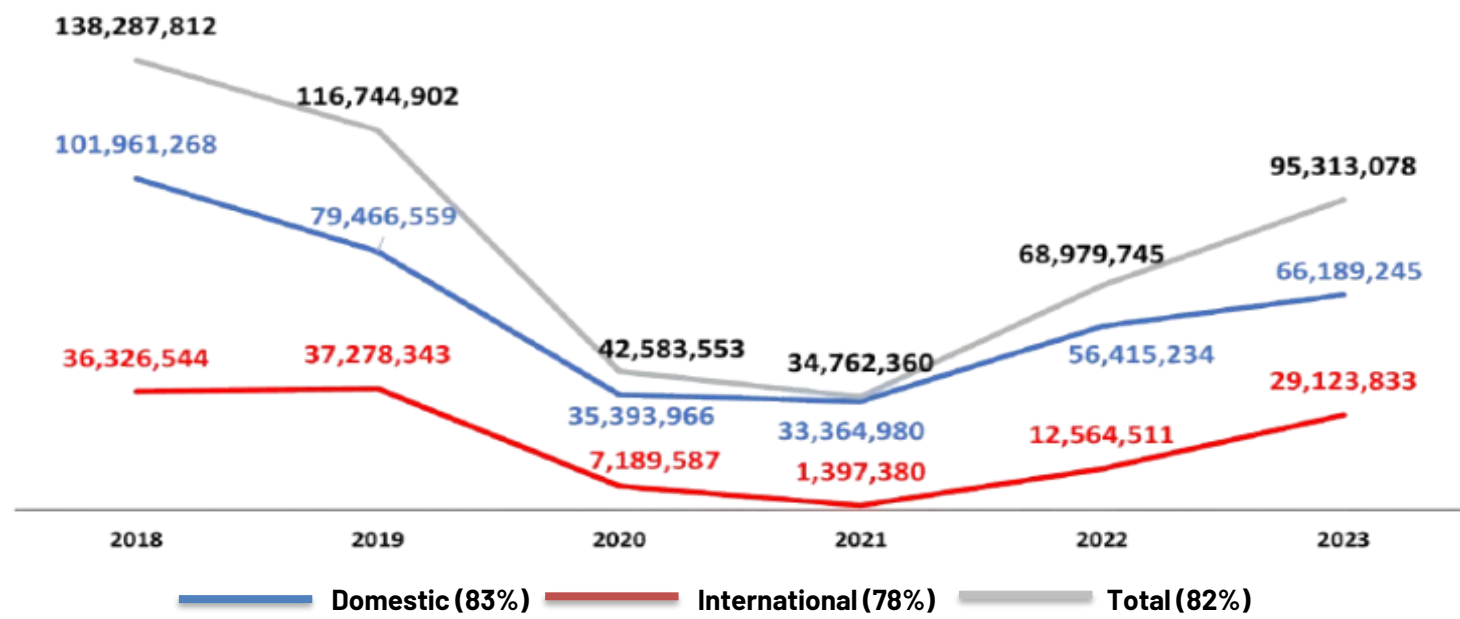
Advocating for National Bank of Indonesia to accept B2B contract in other currencies for contract-based business



Conducted a study and submitted a request to the Ministry of Finance for a zero percent import duty on aircraft spare parts.

## The Indonesian aviation industry is supposed to be rapidly growing and show strong signs of recovery.

Passenger recovery rate (2019-2023)



In 2023, domestic and international passenger numbers in Indonesia increased to 82% **but remained below pre-pandemic levels (2019).**

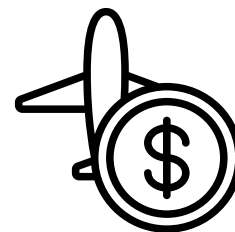
**82% → 100%**

Indonesia is lagging the nearly 100% global recovery rate.

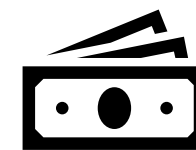
The industry faces challenges such as:

Main challenges:

**Indonesia lacks a long-term plan for its aviation industry.**



Flight operational costs remains high



Currency Fluctuations



Hub and Spoke Infrastructure Concept



Unexplored Each Provinces' Local Commodities

# How can INACA support the Golden Indonesia 2045 Vision?



In 2023, Indonesia has reached **GNI US\$1,352 billion** with a **GNI Per Capita of US\$4,870** growing to **6,3%** compared to the previous years.

**Indonesia is aiming for 8% growth.**

## Indonesia's Long-Term National Plan: Golden Indonesia 2045 Vision

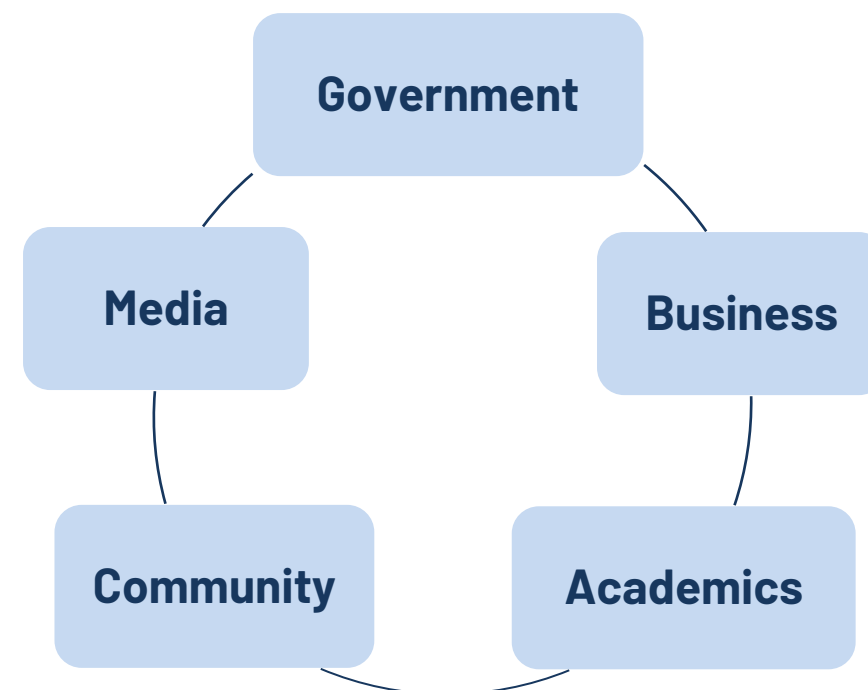
- 1** Aiming for **GNI Per Capita** reaching **US\$30,300 by 2045**
- 2** Aiming for an **8% GDP Growth** each year
- 3** Become the **4th largest economy** by 2045

# INACA Pentahelix Strategic Plan

The INACA Pentahelix Strategic Plan focuses on collaboration among five key sectors—**government, business, academics, community, and media**.



## 5 Institution Representatives:



This approach aims to drive **sustainable growth, enhance safety and efficiency, and address challenges** through coordinated efforts across these diverse sectors.

## Targets in the Long-Term

01

Re-design Hub and Spoke International and Domestic Connectivity

02

Increase the percentage of Indonesian population that uses air transport to more than 10 percent

03

The creation of more cross-sector policies that benefits all stakeholders

# Essential factors that could support Indonesia's aviation industry across 9 Ministerial levels



Ministry of Tourism and Creative Economy

The Ministry's efforts to develop new tourism hubs in Indonesia, **Success lies in prioritizing cultural heritage and leveraging each region's unique resources and strengths.**



Kementerian PPN/ Bappenas  
The National Development Planning Agency

The National Development Planning Agency should prioritize infrastructure development, including roads, tollways, and pedestrian-friendly sidewalks. **Enhanced accessibility will not only attract visitors but also promote equitable development in these emerging destinations.**

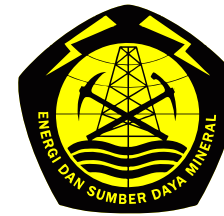


Ministry of Transportation



Ministry of Home Affairs

The Ministry of Transportation and the Ministry of Home Affairs should collaborate to develop and enhance the Hub and Spoke system for airports, **improving connectivity and efficiency to support seamless travel and boost regional economic growth.**



Ministry of Energy and Mineral Resources

The Ministry of Energy should be able to provide aviation fuel with a competitive price compared to neighboring countries, specifically, Singapore, Malaysia, Thailand, and the Philippines



KEMENTERIAN PERDAGANGAN REPUBLIK INDONESIA  
Ministry of Trade



Kementerian Perindustrian REPUBLIK INDONESIA  
Ministry of Industry

The Ministry of Trade and the Ministry of Industry should **prioritize manufacturing products that meet international standards, particularly for the aircraft sector**, while still supporting the growth of local products. This will ensure global competitiveness and open export opportunities.



BUMN UNTUK INDONESIA  
Ministry of State-Owned Enterprises

BUMN should act as **an agent of development by: "taking the lead in green field projects"** in remote regions. After laying the foundation for infrastructure and growth, **BUMN can then transition the development to the private sector for continued progress and sustainability.**



Ministry of Finance

The Ministry of Finance should **implement tax incentives and identify the potential multi taxation** that becomes the burden of the aviation sector development.





**Bali**

**Bali welcomed 15.14 million tourists in 2023, which includes 5.27 million international tourists and 9.87 million domestic tourists.**

**In the first four months of 2024, 1.8 million foreign tourists visited Bali, which is a 28.5% increase from the same period in 2023.**

### **Top 5 Contributors to Indonesia's Foreign Exchange Earnings (2024):**

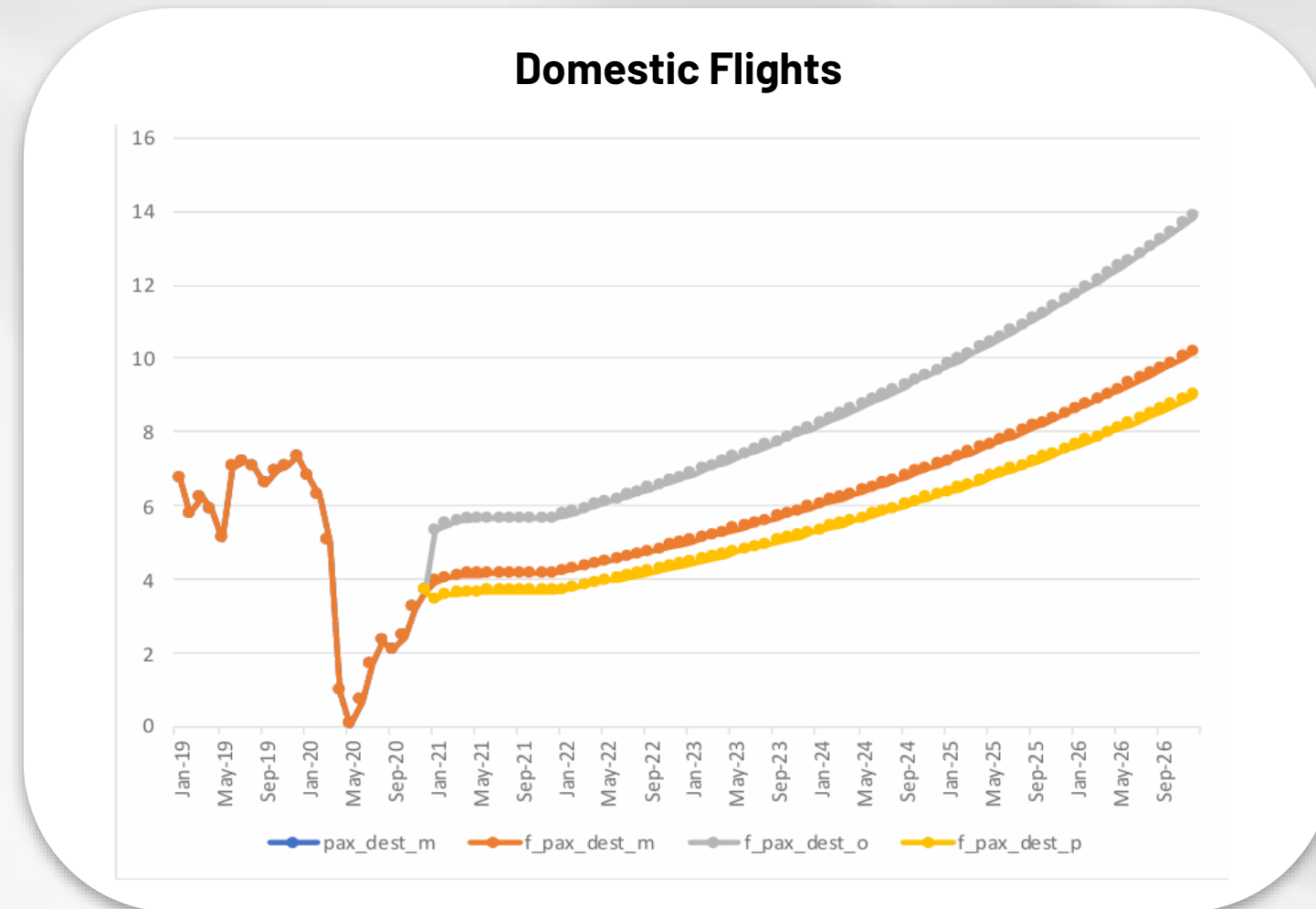
1. Palm oil exports: US\$31.49 billion
2. Oil and gas exports (including mineral fuels like coal): US\$59.493 billion
3. Indonesian migrant workers: US\$9.71 billion
4. Tourism sector: US\$7.03 billion
5. Textile industry exports: US\$3.38 billion



**Ministry of Tourism and Creative Economy**

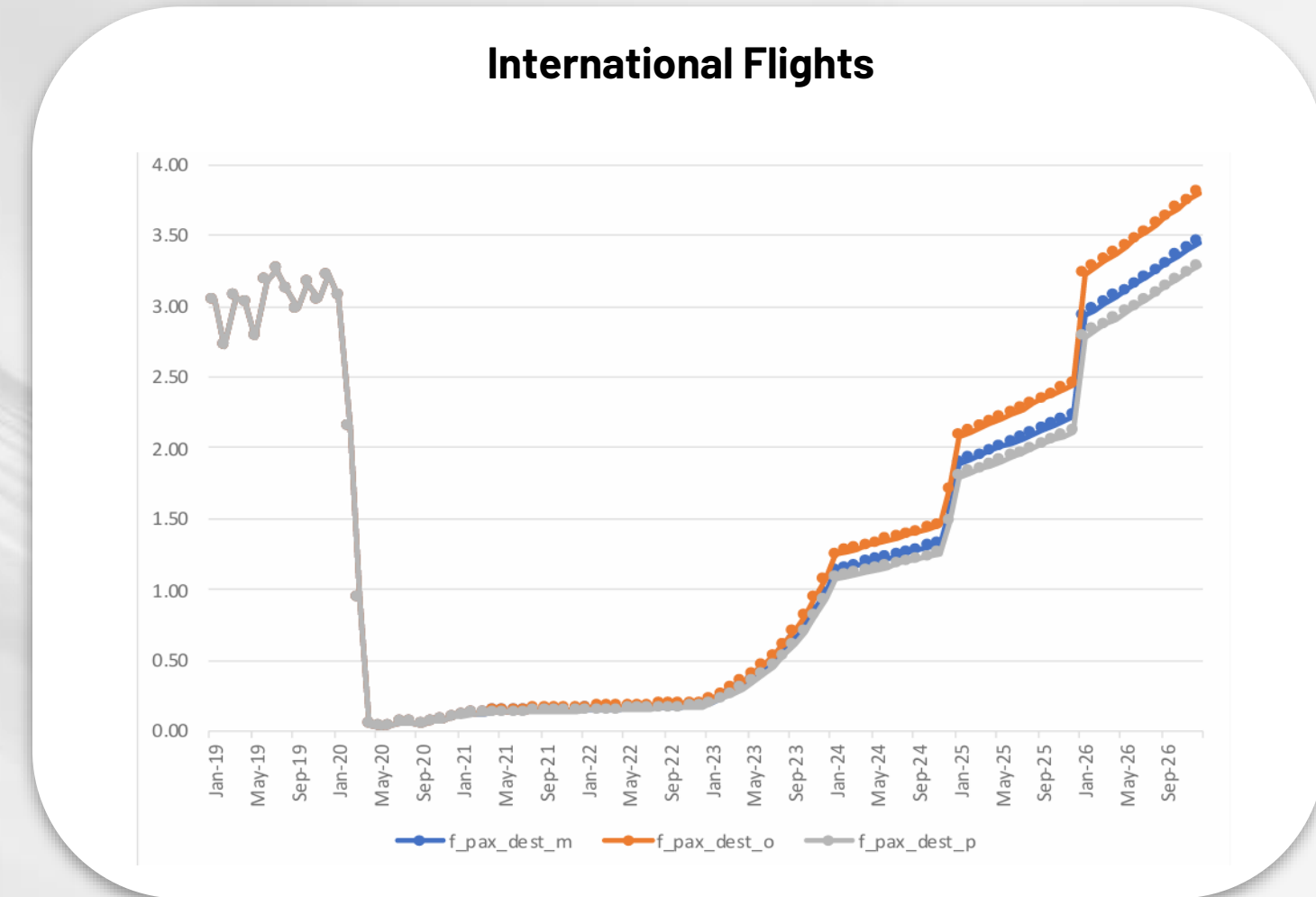
**If the "new Bali" tourist destinations prove successful by preserving each cultural heritage, we are optimistic that there will be a sevenfold increase in foreign tourist income. This significant growth could position tourism as the leading sector of revenue for Indonesia**

# INACA's White Paper Research with Padjajaran University



The figure shows monthly data focusing on total passengers in domestic flights.

- **December 2024:** 7.11 million passengers in December, with a total of 78.72 million passengers in 2024.
- **December 2025:** 8.50 million passengers in December, with a total of 94.11 million passengers in 2025.
- **December 2026:** 10.16 million passengers in December, with a **total of 112.52 million passengers in 2026.**

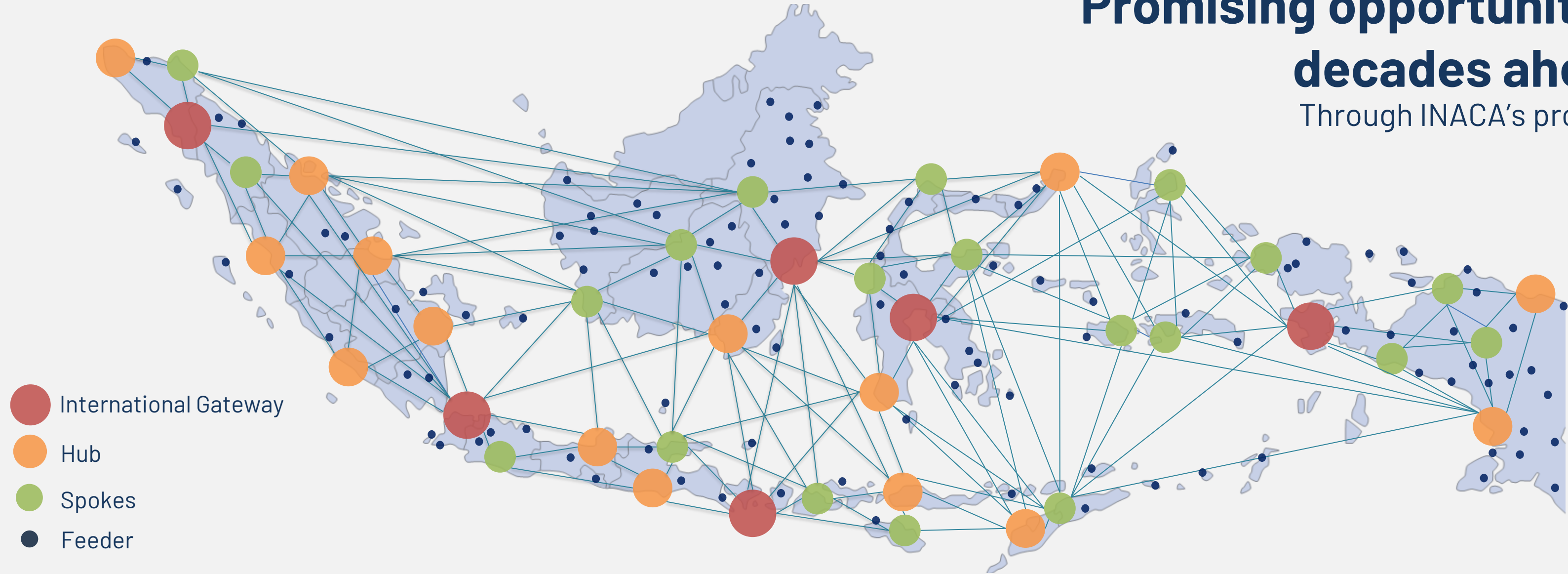


The figure shows monthly data focusing on total passengers in international flights.

- **December 2024:** 1.56 million passengers in December, with a total of 15.04 million passengers in 2024.
- **December 2025:** 2.23 million passengers in December, with a total of 24.67 million passengers in 2025.
- **December 2026:** 3.45 million passengers in December, with a **total of 38.21 million passengers in 2026.**

# Promising opportunities decades ahead

Through INACA's program



## 01 Airlines

Indonesia's archipelagic geography and **growing travel demand** create a substantial market for airlines and air charters.

## 02 Airports

Indonesia is planning for more **airport infrastructure development** with Bali Utara as one of the main priorities

## 03 Cargo ports

The **rise of e-commerce and logistics demands** in Indonesia makes air cargo services a valuable investment area.

## 04 Tourism & Hospitality

Indonesia promotes **new tourist destinations** to gain more international visitors to different parts of the country



INDONESIA NATIONAL AIR CARRIERS ASSOCIATION

***“ Together, through collaboration and shared vision, we can transform Indonesia’s aviation industry into a powerful engine for growth—paving the way for Indonesia’s Golden 2045 Vision. ”***

**THANK YOU**