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Indonesia:

Country Private Sector Diagnostic

EXECUTIVE SUMMARY



OCTOBER 2026

About the Country Private Sector Diagnostic

The private sector is an engine of long-term economic growth and a catalyst for global social and economic development. When functioning well, it promotes innovation and entrepreneurship, improves access to and the quality of economic opportunities, and supports the sustainable use of natural resources. In developing economies, the private sector creates the vast majority of jobs, generates tax revenue, and accounts for significant investment.

The Country Private Sector Diagnostic (CPSD) reports seek to unlock private investment and job creation through policy action to remove impediments to private investment. Prepared jointly by the institutions of the World Bank Group, each report analyzes specific sectors of the economy in which increased private investment could accelerate growth if appropriate policy and regulatory issues are addressed.

Designed from the perspective of an investor or entrepreneur, CPSDs seek to identify untapped private investment opportunities and the barriers that stand in their way (earlier reports can be found [here](#)). Subsectors of the economy are chosen based on their potential to attract private investment, create more and better jobs, generate domestic revenue, and foster sustainable, inclusive growth in response to targeted policy action. The report aims to help policy makers prioritize impactful actions that can be taken in the near term to remove disincentives to private investment, while delivering on broader development goals.

The CPSD is a core country diagnostic of the World Bank Group produced to guide the design and implementation of country strategies, public and private investment projects, budget support operations, advisory services, and other analytical work. It is intended to be of interest to domestic and foreign investors, government officials, Bank Group staff and management, civil society, and other development partners.

CPSDs are a central instrument of the World Bank Group's jobs agenda as articulated in the 2025 Development Committee (DC) Paper on [Jobs: The Path to Prosperity](#), which emphasizes translating private sector development into large-scale employment opportunities. CPSDs support this agenda by providing country-level, sector-specific diagnostics that help identify systemic barriers to private investment critical to job creation. They also align with the DC's three-part approach to private sector development and job creation: investing in human capital and infrastructure to establish the basic preconditions for job, supporting business-enabling policies, and mobilizing private capital at scale to help firms create more and better jobs.

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Executive Summary

Indonesia has achieved rapid economic growth and substantial poverty reduction over the past five decades, driven significantly by the private sector.

However, growth has slowed as investment in higher-productivity, higher-paying sectors has been hampered by restrictions that insulate dominant firms and state-owned enterprises from competition. Unlocking high-quality private investment through targeted policy actions that remove such restrictions will be pivotal to boosting growth and creating more jobs.

The private sector is the engine of long-term economic growth and a catalyst for social and economic development. The Indonesia Country Private Sector Diagnostic (CPSD) identifies untapped private investment opportunities and the barriers that stand in their way, and presents concrete, actionable policy recommendations.

The report identifies three sectors where concrete policy actions can generate significant and commercially viable opportunities for private investors: commercial and industrial solar photovoltaic distributed power generation, or business solar; data centers; and temperature-controlled logistics (TCL). Table ES.1 offers an overview of the three sectors, the potential impact of policy actions on private investment and job creation, and the likelihood of removing the identified constraints.

Table ES.1

Summary Evaluation of Selected Sectors

	Investment opportunities assuming concrete reforms are undertaken	Development impact	Feasibility of removing constraints
Commercial and industrial solar photovoltaic distributed generation—business solar	HIGH	MEDIUM	MEDIUM
Temperature-controlled logistics	HIGH	HIGH	MEDIUM
Data centers	HIGH	HIGH	HIGH

Country Context

Indonesia's aspiration of reaching high-income status by 2045 depends on the country's ability to address market restrictions that insulate dominant firms and state-owned enterprises from competition. After regaining upper-middle-income status in 2023, economic growth stabilized at around 5 percent, below the pace required to reach high-income status by 2045. The fundamental constraint is a pattern of market inefficiencies that impede the reallocation of resources toward higher-productivity, higher-paying activities. Foreign direct investment (FDI) is concentrated in commodity-linked sectors rather than in the competitive, high-productivity industries that drive structural transformation. Creative destruction—the entry of productive firms and exit of unproductive ones—has also slowed. Such inefficiencies weaken incentives for private investors and limit the economy's capacity to generate more jobs.

Inefficient markets have discouraged private investment and slowed growth.

Low-productivity firms hold a large share of capital, labor, and market access, while firms with higher growth potential often face barriers to entry and scale. Such resource misallocation reduces aggregate productivity and steers private investment away from higher-productivity activities. Private investment as a share of gross domestic product (GDP) has declined slightly over the last decade, and FDI has shifted away from export-oriented sectors toward domestic markets and natural resources, limiting the scope for productivity gains and higher-paying jobs.

Restrictions that shield dominant firms and state-owned enterprises (SOEs) from competition discourage private investors. SOEs operate across a large share of the economy and are particularly prominent in services and network sectors—such as finance, energy, transport, and infrastructure—that provide critical inputs to private economic activity. In many cases, SOEs operate in markets that are formally open to competition but benefit from preferential access to finance, regulatory protections, and implicit guarantees. The absence of *competitive neutrality*—a level playing field in which public and private businesses compete on equal terms—crowds out private investment and allows less productive firms to persist. The establishment of the sovereign wealth fund “Danantara” reflects the government’s intent to mobilize SOE assets to support development and strategic priorities. However, without strong governance, transparency, and clear commercial discipline, state-led investment can discourage private participation in commercially viable sectors and deepen existing misallocation. Indonesia’s Organisation for Economic Co-operation and Development accession process and its recently concluded Comprehensive Economic Partnership Agreement with the European Union (EU) both include explicit commitments to improve competition policy and competitive neutrality.

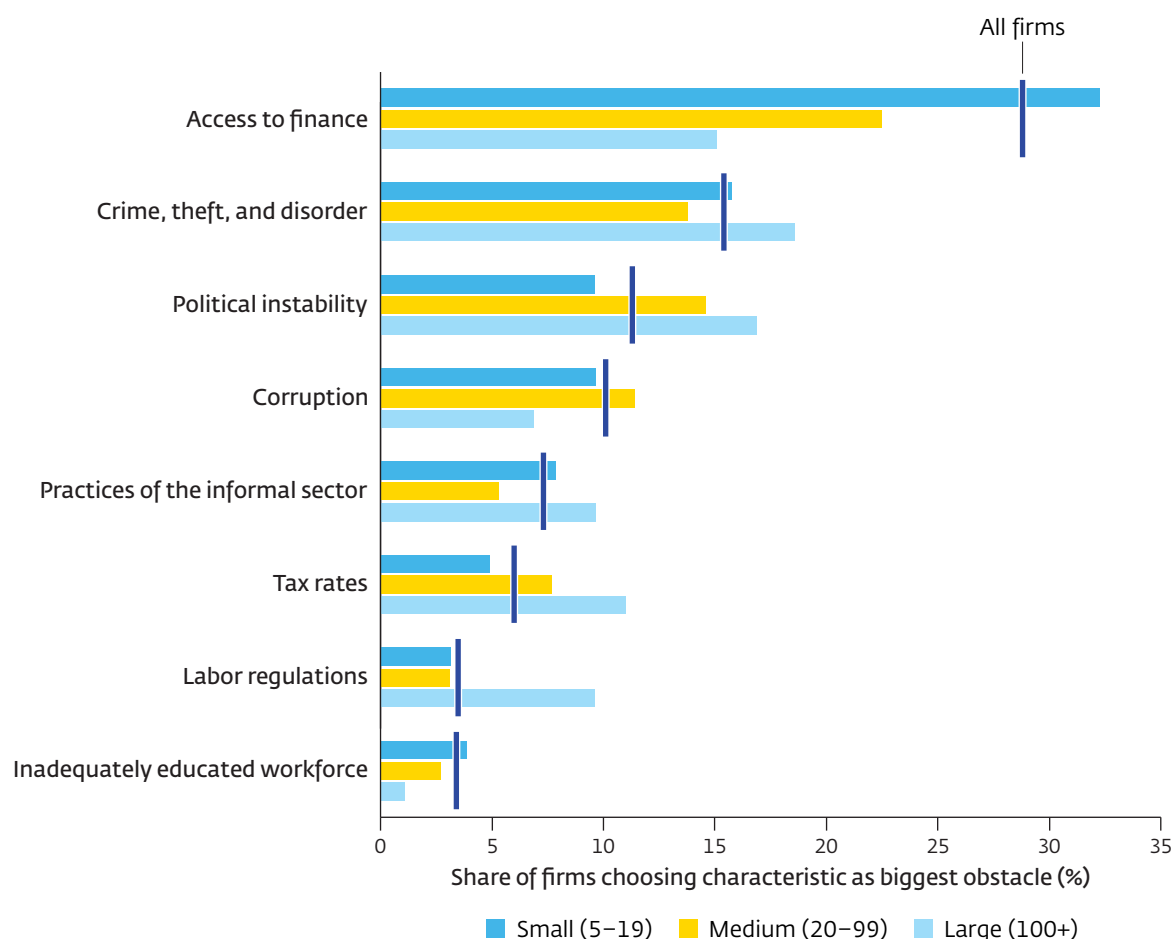
Weaknesses in the design of laws and regulations that govern key input markets, such as energy and telecoms, constrain high-quality private investment across the economy. In sectors where incumbent SOEs benefit from regulatory protections, restricted third-party access, and the absence of vertical separation, the result is higher economic costs, lower reliability, and limited opportunities for private entry. The electricity sector illustrates this challenge: the regulatory framework limits competition in generation and restricts access to and investment in transmission and distribution networks, raising costs and reducing reliability for downstream firms. Heavy reliance on coal-fired power limits access to clean energy, constraining investment in higher-value, export-oriented activities, such as advanced manufacturing, data centers, and electric vehicle value chains. As a result, Indonesia’s competitiveness in the global economy is weakened.

While Indonesia’s macroeconomic fundamentals remain broadly sound, recent turbulence in equity markets signals investor uncertainty about the direction of economic policy and the durability of the reform agenda. This uncertainty has been driven in part by concerns about fiscal management and the pace of structural reform. A protracted conflict in the Middle East could further affect investor behavior.

A weak and unpredictable business environment reinforces barriers to private investment and firm growth. Constraints to firm performance include limited access to finance, crime, political instability, corruption, and unfair competition from informal firms (figure ES.1). Small and medium enterprises (SMEs) face a financing gap driven by insufficient collateral mechanisms and limited credit information, while larger private firms are disadvantaged by state-owned banks’ preference for lending to SOEs and by thin capital

Figure ES.1

Finance, Crime, and Political Instability Are the Top Business Obstacles, Especially for SMEs, 2023



Source: Calculations based on World Bank Enterprise Surveys data.

markets. Despite recent reforms aimed at improving the business climate, including the 2020 Omnibus Law on Job Creation, regulatory complexity, policy uncertainty, and uneven implementation across levels of government continue to raise the cost of doing business. Entry and licensing processes are slow and discretionary, particularly for foreign investors and higher-risk activities. These frictions disproportionately affect new and expanding firms, limiting competitive pressure on incumbents.

Limited effectiveness of competition policy allows anticompetitive behavior to persist. Weak investigative powers, modest sanctions, and lengthy merger review processes reduce deterrence, especially in sectors with strong SOE presence. Close relationships between large incumbents and public institutions can influence market

outcomes, reinforcing rent-seeking behavior and discouraging innovation. Together, these factors sustain market structures that favor dominant firms over more dynamic entrants.

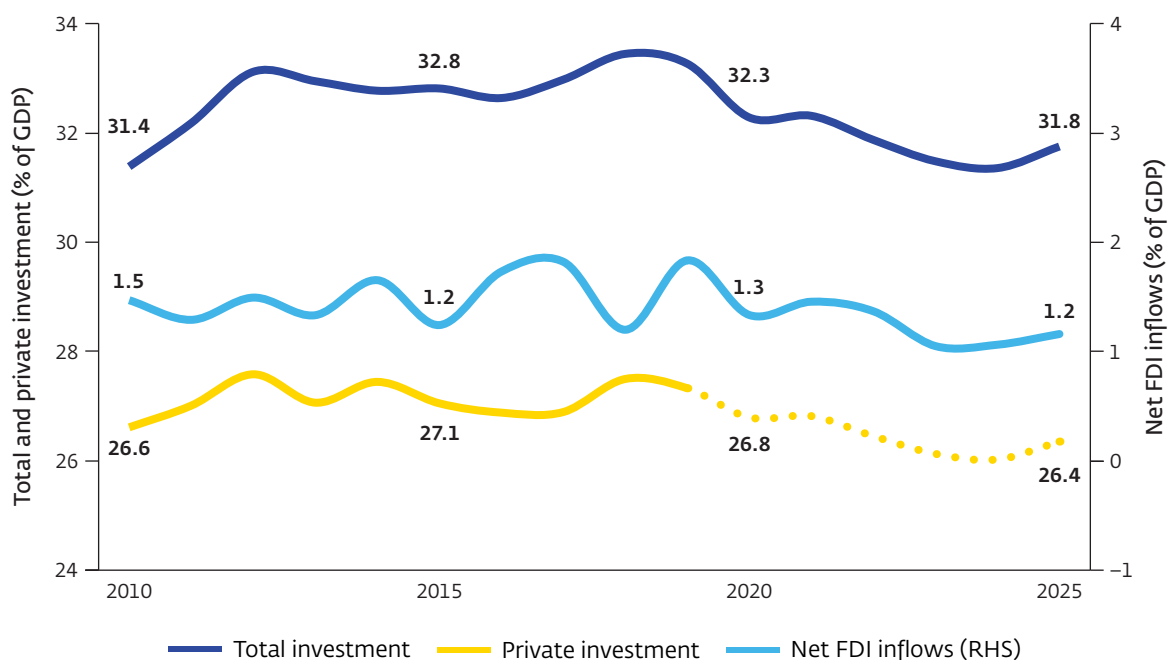
Trade, investment, and financial sector policies divert private capital from higher-productivity activities that create better jobs. Protectionist trade measures, foreign equity restrictions, and local content requirements raise production and input costs and reduce exposure to global competition. At the same time, distortions in the financial sector, which is dominated by state-owned banks and characterized by high lending margins and limited long-term finance, restrict access to capital for young and high-growth firms.

Overall gross fixed-capital formation as a share of GDP has decreased slightly over the last decade; private investment has followed a similar trend and is estimated to have reached around 26.4 percent of GDP in 2025 (figure ES.2). Net foreign direct investment inflows are estimated at 1.2 percent of GDP in 2025, essentially unchanged from 2015.

Employment growth has been concentrated in low-productivity and informal activities, while the share of middle-class jobs has declined. Informal employment is high compared with peers in the same income group. Youth unemployment is elevated, skills

Figure ES.2

Following a Growth Spurt, Private Investment Declined over the past Decade



Source: Based on World Bank Macro-Poverty Outlook Database and data on private investment from IMF Investment and Capital Stock Database, available through 2019.

mismatches are widening, and female labor force participation is low, signaling missed opportunities to translate investment into inclusive growth.

Attracting high-quality private investment is pivotal to restoring growth and creating better jobs. Indonesia's constraints to attracting private investment stem from market inefficiencies that shield less productive firms and SOEs from competition, distorting incentives for private investment. Despite these hurdles, existing private investors have strong interest in deepening their presence in Indonesia, according to a survey of multinational corporations conducted for this report. Among multinational corporations not currently investing in Indonesia, addressing identified obstacles could encourage market entry by 55 percent of those surveyed.

The selection of three sectors for this CPSD follows a rigorous, systematic process that includes analysis of quantitative and qualitative indicators and stakeholder consultations, including interviews with private investors, companies, technical experts, policy makers, and development partners. Sectors were selected based on their potential to attract significant private investment over the medium term if well-identified constraints can feasibly be addressed by the public sector in the near term. Based on the CPSD impact estimation methodology, implementing the recommended policy actions (see the section “Summary of Recommendations” later in this executive summary) could help enable as much as US\$15 billion in private investment and create as many as 300,000 jobs over the medium term.

Commercial and Industrial Solar Photovoltaic Distributed Generation—Business Solar

Indonesia is in the early stages of a transition to a cleaner energy mix. The power sector is still anchored in coal subsidies, artificially low electricity tariffs, and a centralized, state-owned power system. The policy and regulatory framework constrains the nationwide expansion of commercial and industrial (C&I) solar photovoltaic (PV) distributed generation, referred to as *business solar* in this report, reducing its attractiveness to private investors.

Despite this generally unfavorable environment, a market niche for business solar has emerged. This niche includes export-oriented firms seeking to reduce their carbon footprint to comply with international market requirements, notably in the EU.

This segment is small but is driven by sustainability mandates and constrained by regulatory barriers. Installed capacity expanded rapidly over the 2018–25 period as firms

sought lower electricity costs, more reliable power, and compliance with initiatives such as the EU Carbon Border Adjustment Mechanism. Equity investors and banks view business solar as an opportunity to meet sustainability mandates and to deploy dedicated financing programs. For many C&I companies, business solar is commercially viable because the cost of solar PV electricity can be lower than public grid tariffs (figure ES.3), making private investment bankable. Yet despite 1.4 gigawatts (GW) of business solar capacity committed in 2022 and 2.4 GW announced in 2024, only 7 percent of planned capacity was realized in each subsequent year in both cases due to regulatory barriers linked to the state-owned utility Perusahaan Listrik Negara (PLN).

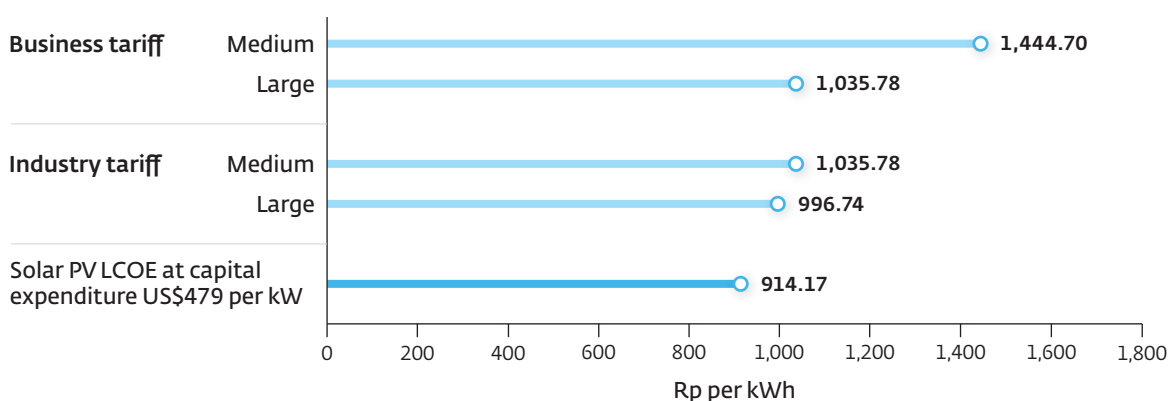
While comprehensive reform of the laws and regulations governing Indonesia’s electricity market is beyond the scope of this report, the business solar recommendations presented here can serve as near-term steps on a longer-term reform pathway.

Near-term policy actions to remove constraints on private investment in business solar include (1) publishing the distributed energy resources hosting capacity assessment; (2) introducing a “first-ready, first-served” approach to rooftop solar PV quota allocation; (3) revising the rooftop solar PV project timelines using evidence-based methods; (4) regulating all forms of business solar; and (5) updating the distribution code to enable greater integration of distributed energy sources. Addressing the identified constraints could unlock significant private investment, support the transition to a cleaner energy mix, and strengthen the broader business environment for investors. Under scenarios in which the

Figure ES.3

Rooftop Solar PV Costs Less Than PLN Electricity Tariffs for C&I Customers

Average cost of electricity, real 2025 prices



Source: World Bank Group estimates.

Note: C&I = commercial and industrial; kWh = kilowatt-hour; LCOE = levelized cost of electricity; PLN = Perusahaan Listrik Negara; PV = photovoltaic; Rp = Indonesian rupiah. The average cost reflects the LCOE of solar PV. PLN charges shown reflect the energy component of tariffs.

cost of business solar electricity remains below the applicable grid tariff, the recommended reforms could help mobilize US\$610 million–US\$780 million in private investment and generate 73,000–94,400 direct, indirect, and induced jobs over the medium term.

Data Centers

Data centers have considerable potential to attract private investment, driven by the rapid expansion of Indonesia’s digital economy and growing demand for secure digital infrastructure to support e-commerce, cloud services, artificial intelligence and other data-intensive applications, and digital payments.

Investor interest in data centers is fueled by Indonesia’s more than 180 million internet users—around 73 percent of the population ages five and older—and the growing uptake of e-commerce, social media, and digital payments. Proximity to Singapore and other regional markets is an additional driver.

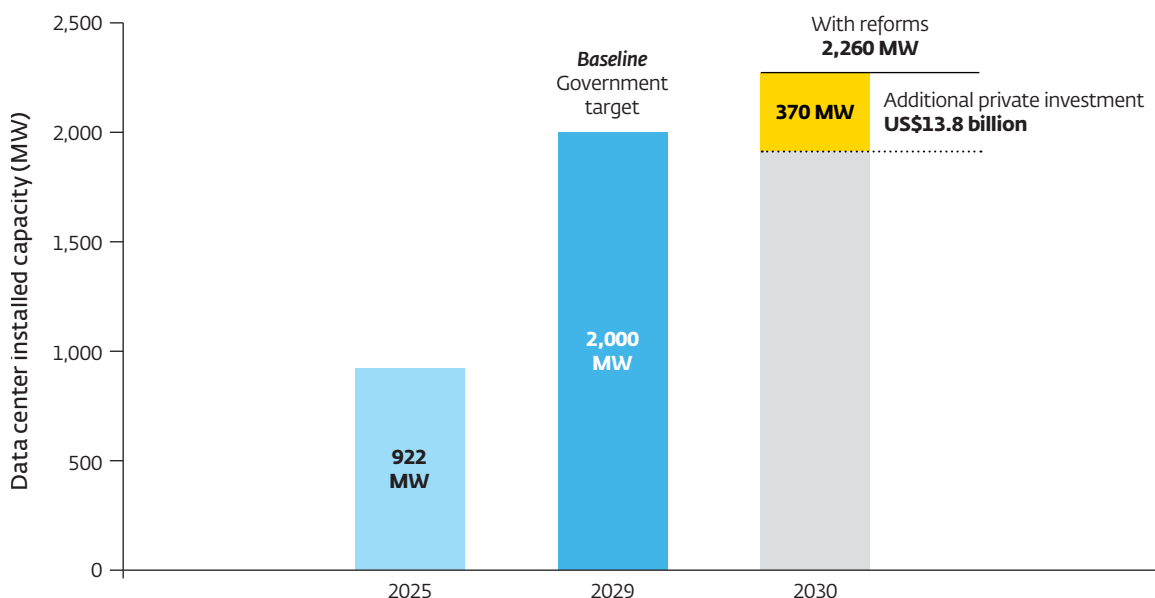
Regulatory complexity, permitting delays, and uneven digital adoption among micro, small, and medium enterprises and public sector agencies discourage private investment. Despite strong demand drivers, achieving the government’s target of 2,000 megawatts of installed capacity by 2029 will require addressing several challenges. Indonesia’s market remains focused primarily on domestic demand, while regional peers such as Malaysia, Singapore, and Thailand are capturing a growing share of hyperscale and cross-border private investment. To meet surging demand and compete regionally, Indonesia must accelerate the conversion of its private investment pipeline into operational capacity, particularly because data center construction is complex and speed to market is critical.

Removing barriers to private investment could position Indonesia as a competitive regional hub for data center development. Concrete actions include establishing expedited permitting approval processes; facilitating imports of data center equipment; officially recognizing green data center standards; issuing implementing regulations on personal data protection and clearer rules to enable cross-border data flows; adopting a risk-based approach to the use of cloud services by government agencies; and improving access to international submarine cables. Targeted policy reforms could attract as much as US\$13.8 billion in additional private investment relative to the no-reform baseline to install 370 megawatts of additional data center capacity (figure ES.4), and create as many as 143,000 direct and indirect jobs in the medium term.

Figure ES.4

Data Center Reforms Could Catalyze Sizable Private Investment

Data center installed capacity



Source: World Bank Group estimates.

Note: The reform scenario considers allowing the public sector to use commercial cloud platforms, removing barriers to critical equipment imports, and reducing permitting complexity.

Temperature-Controlled Logistics

The TCL market is expanding rapidly and offers substantial potential for private investment, driven by rising demand, urbanization, e-commerce growth, and increasing consumption of temperature-sensitive goods. However, shortages of TCL services and infrastructure persist and vary widely by region, including limited national warehousing capacity, insufficient TCL trucks, and inadequate availability of reefer containers and reefer plugs. Private investors are further deterred by unreliable electricity supply, weak interisland transport and logistics infrastructure, complex and fragmented regulations, high minimum investment requirements for foreign firms, and high tariffs and nontariff measures on imported cold chain equipment. Skills shortages, restrictions on foreign workers, and the absence of a national coordinating agency further constrain private investment.

Policy and operational reforms to unlock private investment include establishing a digital marketplace platform to reduce regional logistics imbalances, expanding reefer plug capacity, streamlining and integrating business regulations, lowering minimum capital requirements for foreign investors, enabling firms to hire specialized professionals, including foreign workers, and removing nontariff restrictions on imports of critical TCL equipment.

Targeted actions could mobilize considerable private investment in TCL services, potentially increasing investment by US\$244 million–US\$489 million over the medium term, creating 17,500–70,000 direct and indirect jobs.

Summary of Recommendations

Commercial and Industrial Solar Photovoltaic Distributed Generation—Business Solar

Rationale: Addressing existing constraints could unlock significant private investment, support Indonesia's transition to clean energy, and strengthen the overall business environment for private investors.

Table ES.2

Priority Policy Actions to Remove Impediments to Private Investment in Business Solar

Constraint	Recommended actions
1. PLN's rooftop solar PV quota allocation process lacks transparency and is subject to unexpected changes, creating uncertainty for investors and developers.	1. Amend Ministry of Energy and Mineral Resources (MEMR) Regulation No. 2/2024 to require MEMR and PLN to publish distributed energy resources hosting capacity assessments approved by PLN. <i>Responsible government entity:</i> Lead—MEMR
2. The “first-come, first-served” allocation of rooftop solar PV quotas favors speculative or unprepared applicants over projects that are ready to proceed.	2. Amend MEMR Regulation No. 2/2024 to replace the “first-come, first-served” approach to quota allocation with a “first-ready, first-served” approach. <i>Responsible government entity:</i> Lead—MEMR
3. Under MEMR Regulation No. 2/2024, short deadlines to obtain operational feasibility certificates (SLO) or registration numbers have led to a significant number of revoked rooftop solar PV quota allocations, complicating investment and business planning for solar PV project developers and C&I firms.	3. Revise the deadlines under MEMR regulation 2/2024 for rooftop solar PV projects to obtain an SLO or registration number, based on realistic project timelines that reflect system size and technical specifications. <i>Responsible government entity:</i> Lead—MEMR
4. Private investment in business solar is restricted to rooftop installations.	4. Revise MEMR Regulation No. 2/2024 to permit behind-the-meter business solar PV generation across all forms of distributed solar PV generations. <i>Responsible government entity:</i> Lead—MEMR
5. The Distribution Code under MEMR Regulation No. 4/2009 lacks the technical specifications needed to support business solar integration, limiting private investment opportunities.	5. Revise the Distribution Code under MEMR Regulation No. 4/2009 to support the integration of distributed energy resources, including solar PV, while strengthening cybersecurity and data privacy. <i>Responsible government entity:</i> Lead—MEMR

Note: C&I = commercial and industrial; MEMR = Ministry of Energy and Mineral Resources; PLN = Perusahaan Listrik Negara; PV = photovoltaic; SLO = sertifikat laik operasi (operational feasibility certificates).

Rationale: Fueled by the rapid expansion of the country's digital economy and growing demand for secure infrastructure to support e-commerce, cloud services, artificial intelligence applications, and digital payments, this sector has considerable potential to attract private investment.

Table ES.3

Priority Policy Actions to Remove Impediments to Private Investment in Data Centers

Constraint	Recommended actions
1. Complex and time-consuming permitting processes, resulting from inadequate business classification of data centers, increase costs and reduce predictability for investors.	1. Integrate all data center permitting and approval processes under the new risk-based licensing framework, Government Regulation No. 28/2025, by mapping, simplifying, and sequencing all relevant permits into a unified process within the OSS system. <i>Responsible government entities:</i> Lead—Komdigi, Ministry of Investment/BKPM, and Central Statistics Agency (BPS); others—CMEA
2. Nontariff measures and local content requirements, especially for specialized and proprietary equipment, increase operating costs.	2. Issue a government regulation on data centers, coordinated by CMEA, to (i) establish a fast-track mechanism for importing specialized data center equipment through simplified import and customs procedures; (ii) remove TKDN requirements for specialized data center equipment not available domestically; and (iii) accelerate Masterlist approvals and customs clearance. <i>Responsible government entities:</i> Lead—CMEA; supporting—Ministry of Finance (Kemenkeu), Ministry of Industry/Kemenperin (TKDN), BKPM (facilitation), and Komdigi.
3. The absence of green standards discourages sustainable data center investment.	3. Officially recognize industry-led green data center standards aligned with international benchmarks, such as ISO/IEC 30134, including power usage effectiveness and water usage effectiveness; ISO 50001; ISO 14001; LEED; and the Uptime Institute's sustainability rating. <i>Responsible government entities:</i> Lead—MEMR and Komdigi; others—PLN, Ministry of Environment and Forestry/KLHK (standards/environment), Ministry of Investment/BKPM (permits) and IDPRO (green DC standards).

(Table continues next page)

Table ES.3

Priority Policy Actions to Remove Impediments to Private Investment in Data Centers *(continued)*

Constraint	Recommended actions
4. Overlapping and incomplete data localization rules and the absence of a clear cross-border data transfer framework create legal uncertainty and raise compliance costs.	4. Issue implementing regulations for Personal Data Protection Law No. 27/2022 to establish an independent data protection authority and adopt a risk-based framework to enable cross-border data flows, including the use of standard contractual clauses and binding corporate rules. <i>Responsible government entities:</i> Lead—Komdigi; others—Ministry of Investment /BKPM, Coordinating Ministry for Economic Affairs (CMEA), Ministry of Law and Human Rights, and future data protection authority.
5. Restrictions on the use of commercial cloud and colocation services limit the public sector's ability to pool data infrastructure needs into predictable demand that can anchor private investment in data centers.	5. Issue a presidential regulation to operationalize a risk-based cloud policy that enables government agencies to store and process nonsensitive and limited-classification data on certified commercial cloud platforms. <i>Responsible government entities:</i> Lead—Komdigi; others—Coordinating Ministry for Economic Affairs (CMEA), and Ministry of Law.
6. Excluding Greater Jakarta from new international submarine cable landings raises connectivity costs, weakens network resilience, and constrains the scalability of data center investment.	6. Amend Kepmen KP No. 14/2021 to expand designated submarine cable landing sites to include Jakarta and Surabaya. <i>Responsible government entities:</i> Lead—Ministry of Marine Affairs and Fisheries (KKP) and Ministry of Transportation (Kemenhub); others—Komdigi and CMEA
7. Restrictions on the use of foreign-flagged vessels for submarine cable installation and repair increase downtime risk and deter data center investment.	7. Grant exemptions under the cabotage provision in Shipping Law No. 17/2008 to allow foreign-flagged vessels to undertake submarine cable repair and maintenance. <i>Responsible government entities:</i> Lead—Ministry of Marine Affairs and Fisheries (KKP) and Ministry of Transportation (Kemenhub); others—Komdigi and CMEA

Note: BKPM = Ministry of Investment/Investment Coordinating Board; BPS = Central Statistics Agency; CMEA = Coordinating Ministry for Economic Affairs; IDPRO = Indonesia Data Center Provider Organization; ISO = International Organization for Standardization; Komdigi = Ministry of Communication and Digital Affairs; KP = Marine Affairs and Fisheries; LEED = Leadership in Energy and Environmental Design; OSS = online single submission; PLN = Perusahaan Listrik Negara; TKDN = tingkat komponen dalam negeri (local content requirement).

Temperature-Controlled Logistics

Rationale: Supported by rising demand from a large population, urbanization, e-commerce growth, and increasing consumption of temperature-sensitive goods, this market is growing quickly and offers substantial private investment potential.

Table ES.4

Priority Policy Actions to Remove Impediments to Private Investment in TCL

Constraints	Recommended actions
1. Reefer container imbalances between the western and eastern parts of Indonesia, for both outbound and return shipments, raise logistics costs in eastern Indonesia relative to other areas.	1. Create a digital marketplace platform under a national logistics agency as a designated national aggregator to enable “buy-and-bid” mechanisms. <i>Responsible government entities:</i> Ministry of National Development Planning, Ministry of Marine Affairs and Fisheries, Ministry of Transportation, Directorate General of Customs and Excise.
2. Access to reefer container plugs is inadequate in container ports.	2. Update the National Logistics Dashboard, including INSW and Inaportnet, to provide real-time data on reefer container plug capacity, availability, and occupancy. <i>Responsible government entities:</i> Ministry of Transportation, Coordinating Ministry of Infrastructure and Regional Development, National Single Window Agency (LNSW) of Ministry of Finance.
3. Single-purpose regulation prevents freight forwarding companies from expanding into related logistics business lines.	3. Establish an “integrated logistics” category within the online single submission system, encompassing storage, transportation, freight forwarding, and handling under a single business activity classification (KBLI). <i>Responsible government entities:</i> Coordinating Ministry for Economic Affairs, Ministry of Investment and Downstream Industry (BKPM), Ministry of National Development Planning.
4. High minimum investment requirements for foreign direct investment are a costly entry barrier for foreign firms seeking to operate integrated logistics operations.	4. Amend Presidential Decree No. 49/2021 and BKPM Regulation No. 5/2025 to streamline the minimum capital requirement for foreign investment in the TCL sector by adopting a “single-sector” approach. <i>Responsible government entities:</i> Coordinating Ministry for Economic Affairs, Ministry of Investment (BKPM), Ministry of National Development Planning.

(Table continues next page)

Table ES.4

Priority Policy Actions to Remove Impediments to Private Investment in TCL (*continued*)

Constraints	Recommended actions
5. Indonesia faces a shortage of professionals with the skills required to operate modern TCL technologies.	5. Amend Government Regulation No. 34/2021 to extend the duration of work permits by five years for specialized foreign professionals in the TCL sector, in line with international practices. <i>Responsible government entities:</i> Ministry of Manpower, Ministry of Law and Human Rights, Ministry of Transportation.
6. Indonesia imposes restrictive nontariff measures on imports of critical TCL equipment, such as advanced refrigerating appliances and automated cold storage machinery.	6a. Amend Ministry of Trade and Ministry of Industry import policies to establish a specialized “green lane” or Masterlist exemption for advanced TCL equipment and essential cold chain components. 6b. Expand mutual recognition agreements through the National Standardization Agency (BSN) to allow international safety and energy testing standards, such as IEC certificates for commercial refrigeration, to be accepted in lieu of redundant SNI domestic laboratory testing. <i>Responsible government entities:</i> Ministry of Trade and Ministry of Industry.

Note: BKPM = Badan Koordinasi Penanaman Modal (Ministry of Investment); BSN = Badan Standardisasi Nasional; IEC = International Electrotechnical Committee; INSW = Indonesia National Single Window; LNSW = Lembaga Nasional Single Window; KBLI = Klasifikasi Baku Lapangan Usaha Indonesia; SNI = Standar Nasional Indonesia (Indonesia National Standard); TCL = temperature-controlled logistics.

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