

BUSWORLD FOUNDATION ASEAN F&S MARKET PERSPECTIVES



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KEY TRENDS IN INDONESIAN BUS MARKET



**Local Manufacturing & EV
Ecosystem Development**



**Rapid Electrification of Public
Bus Fleets**



**Government Push for Public
Transport Modernization**



**Expansion of Urban Mobility &
BRT Networks**



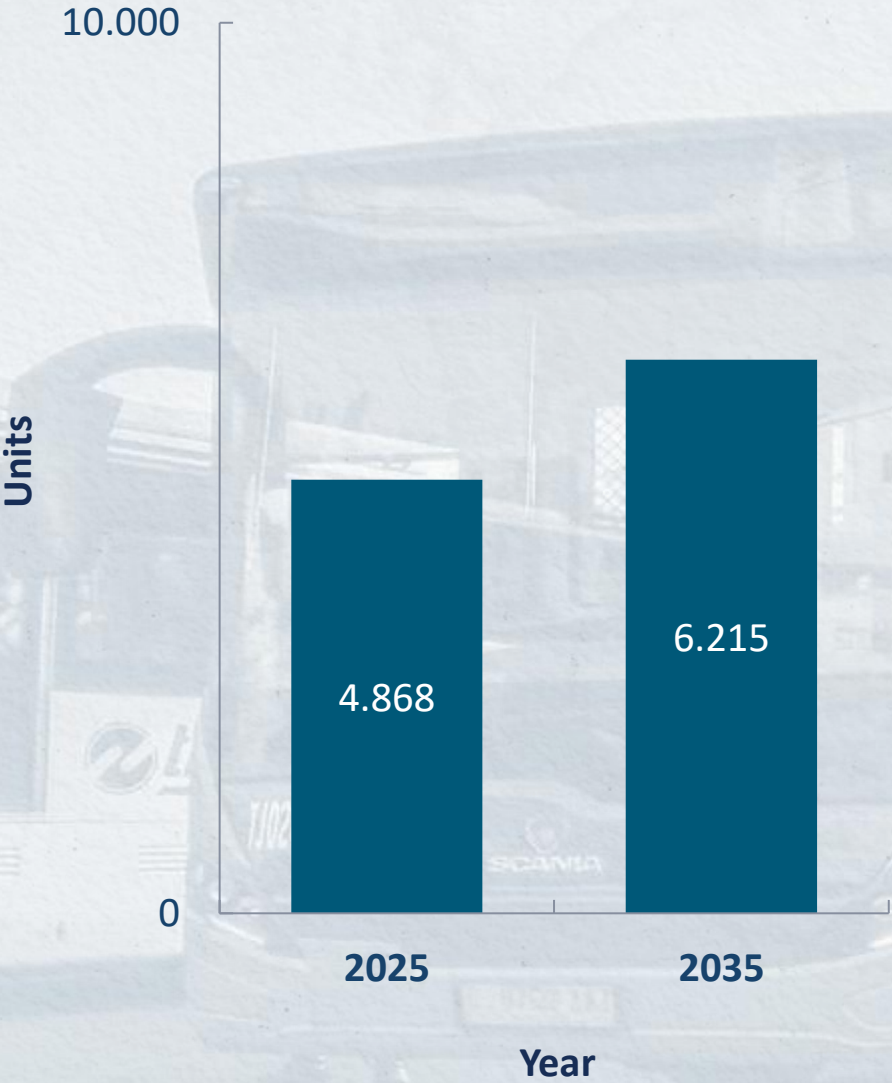
**Expansion of Charging & Depot
Infrastructure**

INDONESIA – GREEN VEHICLE INCENTIVES

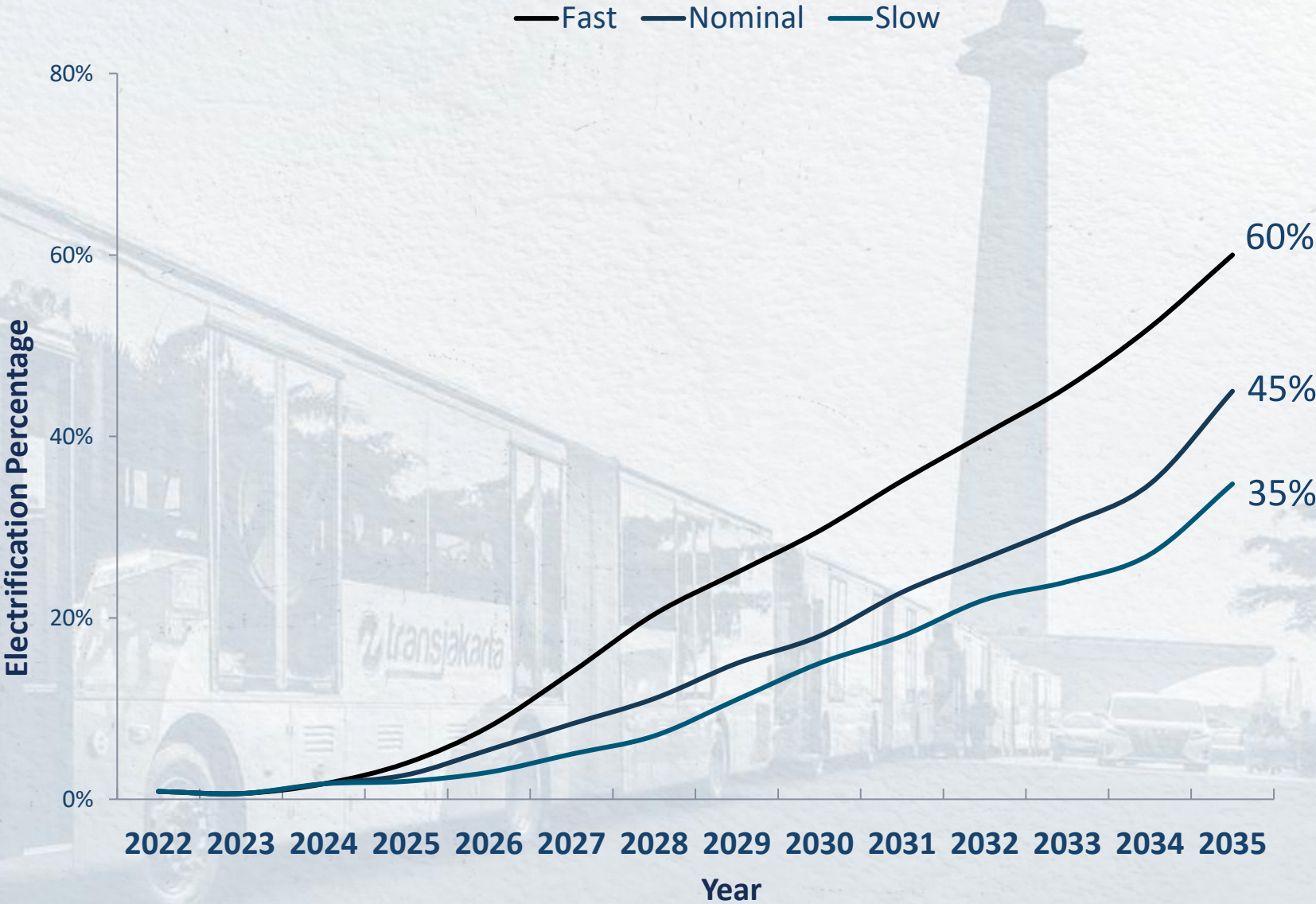
Policy	Remarks
Tax Holiday	Corporate tax holidays of up to <u>100% corporate income tax reduction</u> are available for <u>5–20 years</u> for strategic EV, battery, and component manufacturing investments. <u>Additional 50% tax reduction</u> may be granted for the subsequent 2 years depending on investment scale.
Tax Allowance	A tax allowance of up to 30% of investment value and a reduction of corporate net income tax for the following 6 years, amounting to 5% each year.
Import duty exemptions	2 years for machinery (with possible extension) and 2–4 years for production raw materials, subject to at least 30% local machinery utilization.
Super Tax Deduction	R&D: Reduction of gross income max 300% and Vocational: Reduction of gross income max 200%
Charging Infrastructure Support (SPKLU)	Indonesia continues supporting deployment of public EV charging stations (SPKLU) through PT PLN (Persero) - led expansion, <u>simplified licensing, electricity tariff support, and private-sector partnership schemes</u> under ESDM Regulation No. 1/2023.
VAT reduction	While the PMK No. 12/2025 incentive is no longer in effect, the <u>2026 incentive is expected to roll out in June</u> following positive signals from the Ministry of Finance. Bus inclusion remains a key expectation.

BUS MARKET—ELECTRIFICATION FORECAST, INDONESIA

Bus Forecast of Indonesia, 2025 & 2035



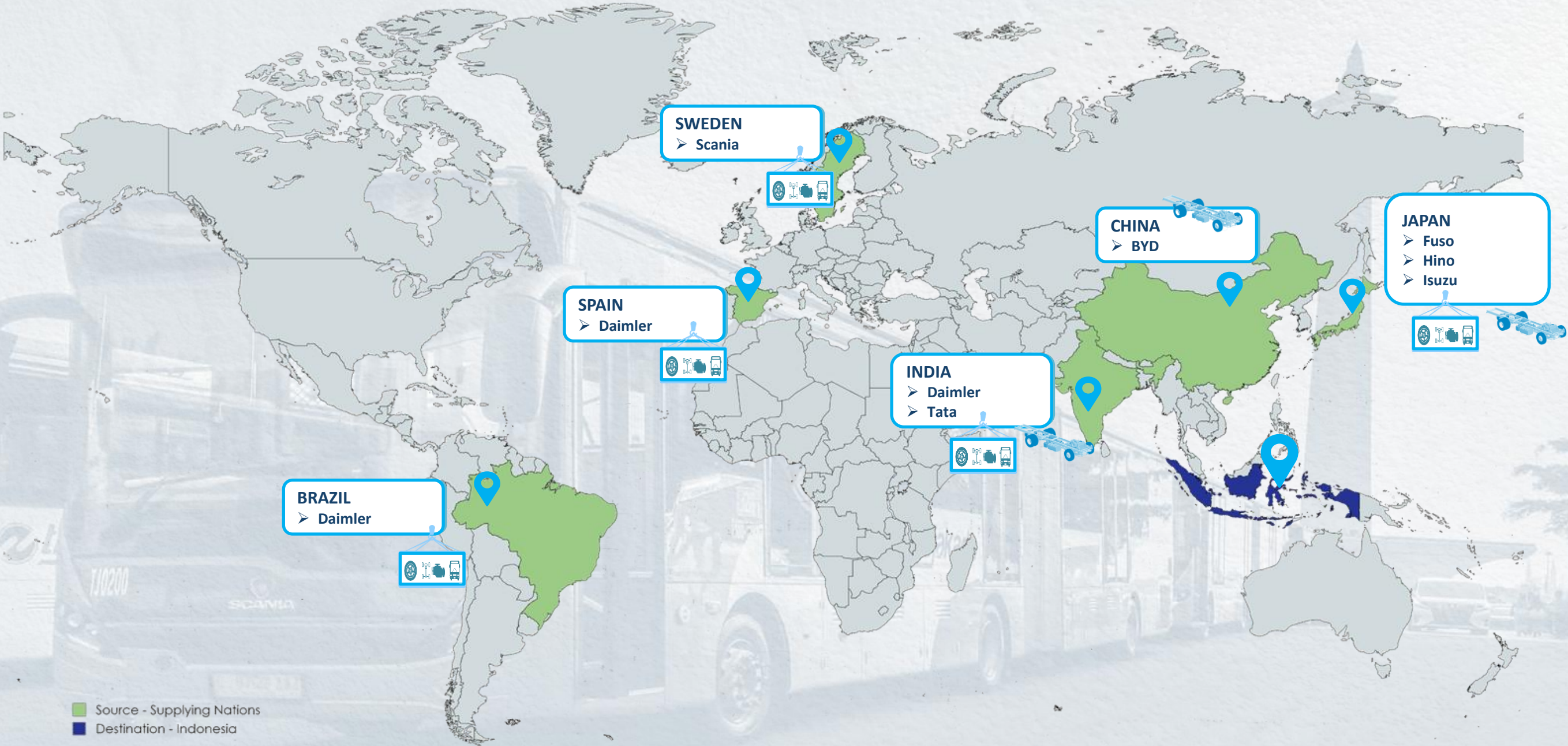
Electrification Penetration in Indonesia Buses



INDONESIA – ELECTRIC BUS ECOSYSTEM



BUS PRODUCTION & SUPPLY CHAIN



CURRENT MIDDLE EAST CRISIS IMPACT ON INDONESIA BUS MARKET



ALUMINIUM AND STEEL

- Because **Indonesia is a net importer of Aluminium** and specialized steel sheets, global commodity price increases compel bus bodybuilders (Karoseri) to raise their body-building rates, which in turn drives up prices for fully built buses.
- Indonesia intends to expand its bauxite production and Aluminium processing through State and Chinese investments.



FUEL PRICING

- Approximately 20–25% of its crude oil and about 30% of its LPG imports transit the Strait of Hormuz. **Disruption is making increase the landed cost of imported CKD kits** due to high freight rates.
- Subsidized Diesel (Biosolar) can't be used in premium Euro 4/6 engines, **which need non-subsidized diesel** (Pertamina Dex) affecting TCO for fleet operators.



POLYMERS

- Price and supply of **Molded fiberglass, polyurethanes usage** is affected by on-going conflict.
- Indonesia imports naphtha requirement to manufacture polymers. Since naphtha prices has spiked, **the cost of raw fiberglass and resin have risen affecting margins of Karoseri.**



B50 BIODIESEL MANDATE

- With high import cost of Diesel from Singapore and Middle East, increased palm oil blending is actively considered. **B40 Biodiesel is in effect in Indonesia from 2025.**
- Indonesia plans to **rollout of a 50% biodiesel blend (B50)** tentatively from July 1 which is upward revision from B40.



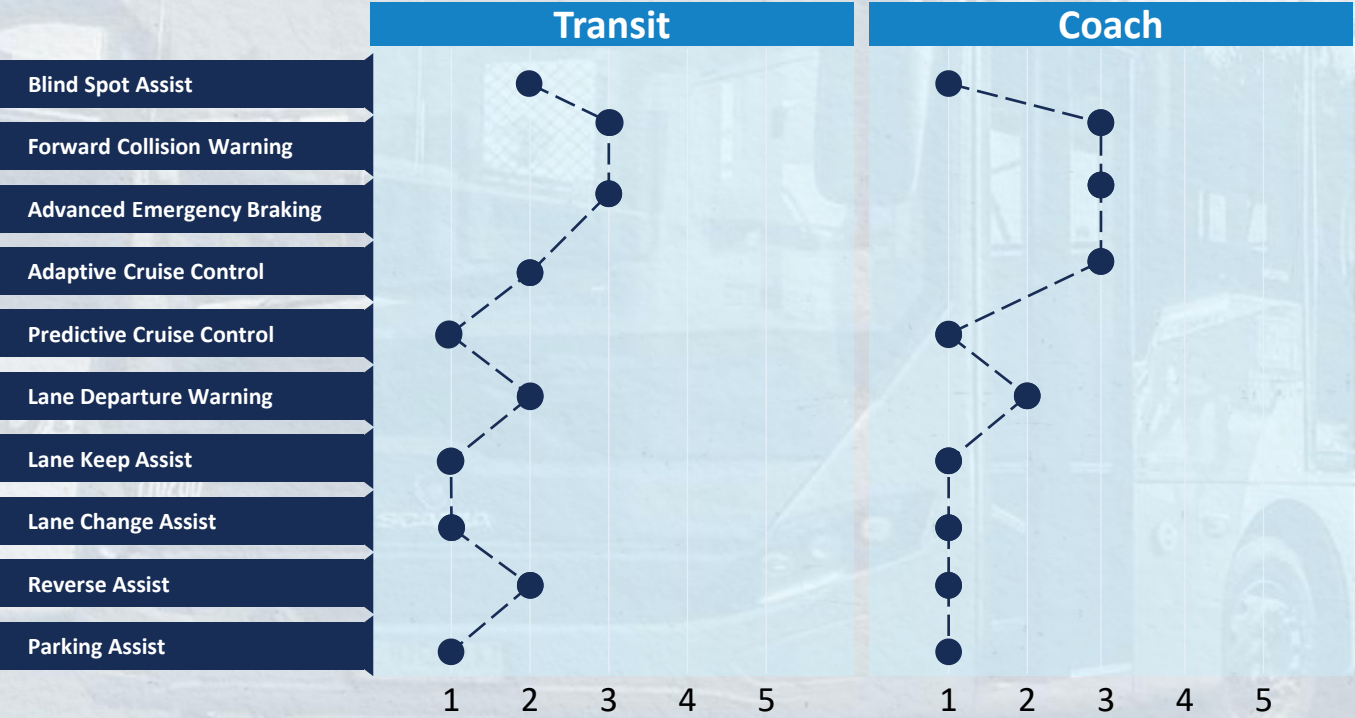
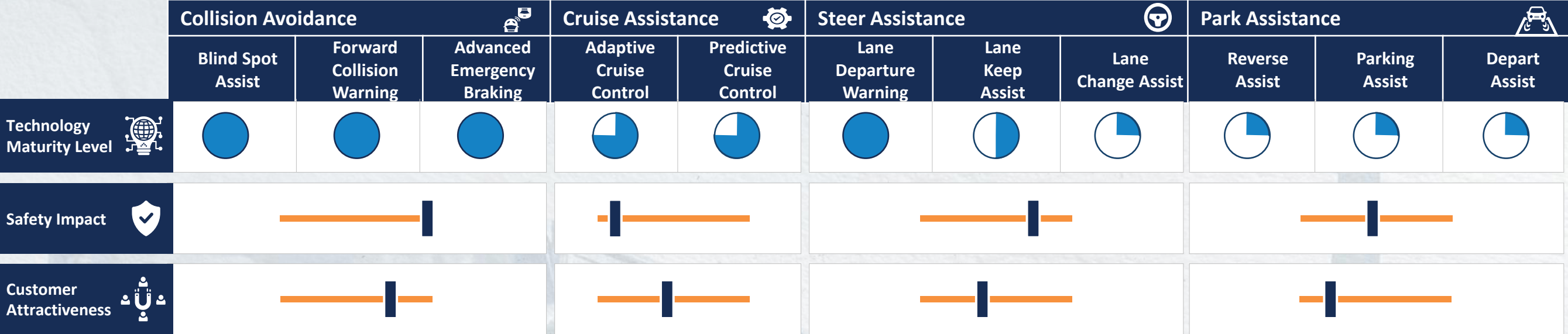
PUSH FOR ELECTRIFICATION

- Indonesian Government aims to electrify public transportation mainly buses to reduce diesel reliance.
- **TransJakarta aims for 50% electric buses by 2028 and a 10,000-bus fleet by 2030**, the plan is ambitious and coincides with a surge in diesel prices.
- Other cities in Indonesia plan to electric their fleet through government incentives.

ADAS AND CONNECTED

The image features a glowing cyan wireframe car, resembling a Tesla Model S, positioned on a dark blue background with a perspective grid. The car is surrounded by concentric dashed circles and arcs, representing sensor ranges like radar or lidar. A bright horizontal line of light passes through the car's center. The overall aesthetic is high-tech and digital.

OVERVIEW OF BUS ADAS – INDONESIA



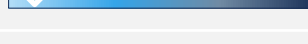
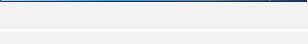
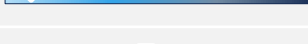
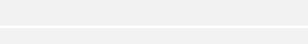
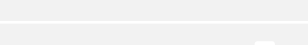
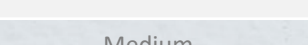
- **Low ADAS penetration in Indonesia will likely persist short-term** due to price sensitivity, few mid/entry models with sensors, low consumer awareness, weak aftersales/calibration networks, and limited regulatory/NCAP incentives.
- European OEMs (e.g., Daimler) began adding key features in 2024/2025 Blind Spot Warning and AEB indicating initial trickle-down.
- **Short-term enablers:** Low-cost Chinese ADAS-ready platforms entering the market and insurer/regulatory incentives.
- **Frost Perspective:** Offer cost-efficient AEB+BSW bundles for volume models by bodybuilders and pursue reduced insurance costs due to additional ADAS safety features and policy/regulatory incentives to spur uptake.

ELECTRIC BUS LIGHTWEIGHTING - ARCC – BUS BOLTED DESIGN

Company Profile	Frame Lightweighting—Partnerships and Strategy		
- Aluminium Revolutionary Chassis Company (ARCC) was founded in 2016 in Australia as primary manufacturer of bus chassis with zero emission. ARCC uses a bolted chassis design with aluminum as the primary material as part of their lightweighting strategy. It is incorporated for zero-emission powertrain, including battery electric and hydrogen fuel cell	Component	Partnership	Lightweighting Description
	Bolted Frame Architecture	ARCC	Modular 3-piece structure of front, middle, and rear aluminum portions of buses is bolted together along with the aluminum body, which can be used for both battery electric as well as fuel cell buses.
	Powertrain	Scania	ARCC is collaborating with Scania on axles and other running gear items that are common in the Australian bus market., this is primarily used in 18-ton model.



BUS TELEMATICS MARKET OVERVIEW – INDONESIA

	Brand	Parent Company	Market Favourability	Cost Barrier
BASIC	Track & trace	Real-time GPS location monitoring of each bus in the fleet		
	Geo-fencing	Alerts triggered when a vehicle enters or exits a defined zone		
	Idle time monitoring	Tracks engine-on but stationary periods to reduce fuel waste		
	Door sensor	Monitors bus door open/close events for safety and passenger data		
MEDIUM	Turn-by-turn navigation	Live route guidance integrated with traffic to optimize driver paths		
	Maintenance scheduling	Predictive alerts based on mileage or engine health to prevent breakdowns		
	Real-time ETA	Provides passengers and operators with live arrival time predictions		
	Fuel management	Tracks fuel consumption per vehicle to detect waste, theft, or inefficiency		
	Routing & scheduling	Algorithm-driven optimization of routes and timetables across the fleet		
ADVANCED	Back-office integration	Connects telematics data to ERP, payroll, or billing systems		
	Third-party integration	APIs linking telematics to insurance, maps, or logistics platforms		
	Driver behavior analytics	Deep scoring of speeding, harsh braking, and cornering for risk management		
	Live video surveillance	Onboard cameras streaming or recording interior/exterior footage continuously		

A close-up of two hands shaking in a firm grip, symbolizing agreement or partnership. The hands are positioned in the center-left of the frame. The background is a composite image: the lower half shows a bright, hazy city skyline with many lit-up buildings, while the upper half is a dark blue sky with a few clouds. A large, curved blue graphic element sweeps across the right side of the image, separating the handshake from the 'THANK YOU' text.

THANK YOU

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