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Indonesia Life Science Snapshot

A market overview for Swedish companies: Healthcare, Medical Technology, Pharmaceuticals, Biotech, Digital Health

Introduction

Sweden and Indonesia share a long and constructive relationship, built on Swedish industry's reputation for quality, innovation, and responsible business. Yet within life science: healthcare, medical technology, pharmaceuticals, biotech, and digital health — considerable opportunities remain for Swedish companies to broaden their presence and contribute to Indonesia's rapidly evolving healthcare ecosystem.

This report aims to help bridge that gap by providing an overview of Indonesia's life science market and highlighting where Swedish expertise and capabilities may be relevant. It is deliberately practical. Indonesia is a complex market spanning 38 provinces across more than 17 000 islands, each with its own regulatory and commercial realities. And the way of doing business is not like in Sweden.

The Swedish chamber of commerce exists to help Swedish companies develop business in Indonesia. We are a connector: we open doors, convene the right people, and connect our members with partners and networks. We do not replace expert advice — we help companies find it. If this report encourages you to explore Indonesia more closely, we would welcome the conversation.

2. Executive Summary

Indonesia is one of the most consequential healthcare markets in Asia that Swedish life science companies have yet to prioritize. This report sets out why it merits attention now, and where the openings lie.

With around 290 million people, near-universal healthcare coverage through JKN (around 285 million registered participants, though roughly a fifth are inactive), and a disease burden shifting decisively toward non-communicable conditions, Indonesia generates large and growing healthcare demand. Yet it spends only about 3% of GDP on health and remains under-supplied in hospital capacity — a gap the government is actively working to close through infrastructure, diagnostics, domestic manufacturing, and digital health.

The three largest product markets are structured very differently. Pharmaceuticals are dominated by domestic producers — more than 90% of volume — competing hard on price in generics; the openings for foreign firms are in originator and specialty products, biologics, and active-ingredient supply.

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Consumer health — over-the-counter medicines, supplements, and herbal remedies — is a third market, paid out of pocket and sold through a fragmented retail channel rather than procured, and it carries a halal deadline three years ahead of prescription medicines. Medical technology, by contrast, remains heavily import-dependent at the high end — imaging, radiotherapy, ventilators, advanced diagnostics. At the same time, Indonesia is pursuing an active localization agenda. While imported high-end medical technologies remain essential, companies seeking long-term growth — especially in public healthcare procurement — should anticipate increasing expectations regarding local partnerships, assembly operations, and domestic content (TKDN). Market entry strategies are therefore gradually shifting from pure import models towards hybrid approaches combining imports, local partnerships, and selected manufacturing activities.

Biotechnology is a capability-building sector anchored by Bio Farma's globally significant vaccine production, where the opportunity is partnership and technology transfer rather than direct sales. Digital health has moved from a telemedicine market to an emerging national ecosystem built around the government's SatuSehat platform, with interoperability — not teleconsultation — now the growth story.

Taken together, the market needs what Swedish life science is known for: advanced diagnostics and imaging, connected care, high-quality devices and specialty therapeutics, and the systems to deliver them reliably across a dispersed geography. The openings are concentrated at the higher-value end, not in price competition, and the Indonesia–EU Comprehensive Economic Partnership Agreement — concluded in September 2025, with signature targeted for October 2026 and implementation for early 2027 — adds a trade tailwind.

Three caveats temper the case: Indonesia is not a single market but 38 provinces with wide regional variation; local presence, through a partner or an own entity, is effectively a precondition; and the public procurement channel is price-sensitive. SwedCham Indonesia's role is to help Swedish companies navigate these realities — as a connector to the partners, expertise, and networks that turn an opportunity into market entry.

Indicator	Detail
Population	Approx. 290 million (2026); JKN covers approx. 285 million registered participants, of whom around 80% are active
Pharmaceuticals	Approx. USD 10–12 billion (IDR 160–190 trillion, 2025–2026); around 90% produced domestically by volume
Medical technology	Approx. USD 2,78 billion (2025), import-dependent at the high end

Indicator	Detail
Digital health	Approx. USD 1,5–2,0 billion (2025), growing 15–25% a year
Trade	Indonesia–EU CEPA concluded September 2025; signature targeted October 2026, implementation targeted for early 2027

3. Indonesia at a Glance

The fundamentals that drive healthcare demand in Indonesia, and the geographic reality that shapes how the market is reached.

3.1 Macro and demographic fundamentals

Indonesia is the world's fourth-most populous country, with a population of approximately 290 million. GDP per capita reached approximately USD 5 083 in 2025 (up from USD 4 925 in 2024), placing Indonesia firmly in the middle-income band; the economy grew 5,11% in 2025, and about 60% of the population now lives in urban areas. Life expectancy is around 71 years.

The population is still relatively young, but aging is accelerating. People aged 60 and over already make up an estimated 12–13% of the population — roughly 35 million people — and the old-age dependency ratio is projected to more than double by 2050. This demographic shift is a structural driver of demand for chronic disease management, specialist services, and elderly care.

3.2 Disease burden

Indonesia has undergone a marked epidemiological transition. Infectious diseases remain significant, but non-communicable diseases (NCDs) now account for roughly three-quarters of all deaths — around 73–76%.

- Cardiovascular disease is the leading cause of death, responsible for approximately 35–36% of deaths. Hypertension, stroke, and ischemic heart disease are rising with aging, smoking, and lifestyle change.
- Diabetes is among the fastest-growing burdens, with adult prevalence estimated at 10–11% — placing Indonesia among the countries with the largest diabetic populations worldwide. Both prevalence and mortality are projected to keep rising toward 2045.
- Cancer accounts for around 12–13% of deaths, with breast, cervical, lung, colorectal, and liver cancers the most significant. Incidence continues to climb as life expectancy rises.

Smoking remains one of the most important risk factors, particularly among men. Taken together, these conditions shift the center of gravity of healthcare from acute, episodic treatment toward sustained diagnosis, monitoring, and long-term management.

3.3 Health expenditure

Indonesia spends comparatively little on health. Total health expenditure is around 2,9% of GDP on the most recent National Health Accounts basis (2023–2024), with other estimates placing it in the 3,0–3,7% range depending on method and year. Per capita spending is approximately IDR 2,3 million (around USD 145–150) in 2024.

The financing mix has shifted as JKN has expanded: public financing now accounts for roughly 58,5% of total health spending, while out-of-pocket spending has fallen to around 28%.

Country / group	Health spending (% of GDP)
Indonesia	~3%
Thailand	~5%
Malaysia	~4–5%
OECD average	~9–10%

Health expenditure as a share of GDP, indicative. Source: World Bank, WHO, OECD.

Indonesia's spending remains low by regional and OECD standards. This gap is itself a driver of policy: the government continues to prioritize healthcare infrastructure, hospital capacity, diagnostics, domestic pharmaceutical manufacturing, and digital health.

3.4 One country, many markets

Indonesia is not a single market. It comprises 38 provinces across roughly 17 000 islands, with healthcare access, infrastructure, and the highest-tier facilities concentrated in Java. Spending power and provider density vary widely between regions. This geography shapes distribution, pricing, and the largely provincial nature of procurement — a strategy calibrated to Jakarta or Java will not translate automatically to the rest of the country.

Section sources: World Bank, WHO, Indonesia Ministry of Health (Kemenkes) National Health Accounts, and related sources; latest available figures (2023–2024).

4. The Healthcare System

4.1 Stakeholder landscape

Authority over the Indonesian health system is divided among several bodies, each with a distinct remit:

- Ministry of Health (Kemenkes) sets policy, oversees the public system, and regulates medical devices.
- BPOM (National Agency of Drug and Food Control) is the regulatory authority that evaluates, approves, and registers medicines for the market.
- BPJS Kesehatan administers JKN, the national health insurance scheme.
- State-owned enterprises play a direct role in supply and provision — for example Biofarma in vaccines and the Pertamedika/IHC hospital group, whose majority stake is being taken over by Danantara (announced November 2025, with completion subject to regulatory approval).
- Provincial and district governments own and run much of the public hospital and primary-care network; procurement is substantially a regional matter.

For a foreign entrant the practical point is that authority is split — between Kemenkes and BPOM at the center, and between central and regional government in delivery and purchasing. Navigating both axes is part of any market-access plan.

4.2 JKN: the national health insurance scheme

JKN is now one of the largest single-payer health systems in the world, covering approximately 285 million participants as of mid-2026 — close to the whole population. Registration and active membership are not the same thing: BPJS Kesehatan reported an activation rate of around 80% at the end of 2025, with some 58 million members inactive in early 2026, mostly through unpaid contributions or lapsed subsidized enrollment. It is built on a gotong-royong (mutual contribution) principle and financed through three streams: employee and employer contributions; government-paid premiums for low-income households (PBI participants); and state budget transfers and subsidies.

Reimbursement runs on the INA-CBGs case-based tariff package, which sets standardized, economical payment rates. This is a structurally cost-focused model, and it shapes what suppliers can realistically charge into the public system. On scale, BPJS Kesehatan paid IDR 191,3 trillion in health service costs in 2025, up from IDR 164,9 trillion in 2024, and contracts with roughly 23 800 primary-care facilities and 3 200 referral hospitals.

Sustainability is the central policy question. Claim ratios have exceeded 100% every year since 2023, rising from 104,7% in 2023 to 107,7% in 2025, peaking at 111,9% in February 2026 and standing at 108,7% in April 2026. Reserves have thinned accordingly: net assets of the social security fund covered 1,88 months of estimated claims at the end of 2025 and 1,54 months by April 2026, against a policy floor of 1,5 months. The government has projected an annual deficit

of IDR 20–30 trillion if the trend continues, and a contribution increase is under discussion, though rates were left unchanged for 2026. For suppliers, the implication is twofold: a very large funded demand base, but a payer under cost pressure — which reinforces the price sensitivity of the public channel.

4.3 Hospitals and providers

Indonesia has slightly more than 3 200 hospitals, with private facilities forming the majority. Capacity remains low relative to regional peers: the bed ratio is around 1,4–1,5 per 1 000 people, below Malaysia, Thailand, Singapore, and OECD averages.

Indicator	Current direction
Hospitals (2017 → current)	2 776 → >3 200
Public hospitals	1 009 → growing slowly
Private hospitals	1 767 → growing faster
Beds	305 055 → est. >430 000

Hospital infrastructure trend. Source: Ministry of Health RS Online (SIRS); latest available.

Group	Hospitals	Beds	Notes
Hermina	52	8 252	
Siloam	41	~6 000–7 000	23 provinces
Mitra Keluarga	~31	~4 100	Java focus
Primaya	20	>3 000	

Major private hospital groups. Source: company annual reports, FY2024.

Foreign investment in hospitals is permitted and actively encouraged: class A and B hospitals may be up to 100% foreign-owned. Under-capacity, expanding universal coverage, and rapid private-sector growth explain most of the current investment opportunity in Indonesian healthcare.

4.4 Government health priorities

Several current administration priorities are shaping demand and policy:

- Free health screening (Cek Kesehatan Gratis / CKG) — the 2025 target of 70 million people was met and scaled up to 130 million (about 46% of the population) for 2026, with 100 million reached by May 2026, sharply expanding demand for diagnostics.
- Nutrition program (Makan Bergizi Gratis / MBG) targeting schoolchildren and stunting reduction.
- Health and pharmaceutical resilience — building domestic production capacity for medicines and devices.
- A shift toward promotive and preventive care, including expanded over-the-counter access through modern retail (Section 7).

Section sources: BPJS Kesehatan; Ministry of Health (RS Online / SIRS); company annual reports (Hermina, Siloam, Mitra Keluarga, Primaya); GPFI (November 2025).

5. Opportunities for Swedish Companies

Indonesia's life science market is opening at a point where several trends reinforce one another, and they converge on the higher-value segments where Swedish companies are strongest.

- Funded demand at scale. Near-universal coverage through JKN is turning latent need into funded demand across the country (Section 4).
- A shift to chronic care. The disease burden is moving toward non-communicable conditions — cardiovascular disease, diabetes, cancer — which require sustained diagnosis, monitoring, and treatment (Section 3).
- A prevention and screening agenda. Government priorities reinforce this shift, including a national free health-screening program targeting 130 million people in 2026 (Section 4).
- Import dependence at the high end. Advanced diagnostics, imaging, and specialty therapeutics remain import-dependent, because domestic producers concentrate on high-volume generics and basic devices (Sections 6 and 8).
- Improving trade conditions. Negotiations on the Indonesia–EU CEPA were concluded on 23 September 2025; the agreement still awaits signature, now targeted for October 2026, followed by ratification, with implementation targeted for early 2027. It will progressively reduce tariffs and ease access for European exporters, Sweden included (Section 11).

5.1 Where the openings are

Five areas stand out where Indonesian demand and Swedish capability meet most directly. Each is treated in more detail in the chapter indicated.

- Diagnostics and imaging. The rising chronic-disease burden and the national screening agenda are expanding demand for diagnostic and imaging capacity — a segment that remains heavily import-dependent. Reinforcing this, a national program to install CT scanners, cath labs, mammography, MRI, LINAC, PET and endoscopy equipment across all 514 districts and cities by 2027 is enlarging public-sector demand for advanced imaging and oncology systems.
- Digital health and connected care. With access uneven across 38 provinces and some 17 000 islands, and a national digital health platform (SatuSehat) being built out, technology is the practical route to extending care. Swedish strengths in e-health, medical imaging IT, and connected care are directly relevant (Section 10).
- Hospital infrastructure and equipment. Private hospital groups are expanding, foreign ownership of hospitals is permitted, and new facilities need equipping to international standards. The private channel is also where the strongest demand for innovative products and medical technology sits, and several large groups — Hermina, Siloam, Mitra Keluarga, Primaya, and the state-owned IHC (being taken over by Danantara) — are realistic partners to engage directly.
- Specialty therapeutics and upstream inputs. Domestic dominance in generics leaves originator and specialty products, biologics, and the supply of active ingredients and excipients as the realistic pharmaceutical openings (Section 6).
- Supply-chain and procurement resilience. Dependence on imported raw materials is a recognized vulnerability the sector is actively trying to address — an area where Swedish supply-chain, logistics, and quality-systems expertise can contribute (Sections 6 and 8).

5.2 Qualifying the opportunity

The opportunities are real, but they come with conditions that a serious entrant should weigh from the outset.

- Indonesia is not a single market. Conditions, procurement, and access vary across 38 provinces; a strategy calibrated to Java will not automatically translate to the rest of the country.
- Local presence is effectively a precondition. Most routes to market require a local partner or an established local entity (Section 12).
- Public procurement is price-sensitive. The INA-CBGs reimbursement model and BPJS cost pressures set a ceiling on what the public channel will pay. The strongest openings for foreign players are in the private and specialist segments.
- Registration takes time. Both pharmaceutical and medtech registration can take months; plan launch timelines accordingly.

5.3 Healthcare Investment Flows

Indonesia has become one of Southeast Asia's most attractive healthcare investment markets. Three themes currently drive the strongest government attention and investor interest.

Investment Theme	Attractiveness	Key Drivers
Healthcare Infrastructure	Very high	Private hospital growth, oncology and cardiac centers, diagnostics
Healthcare Industrialization	High	Pharmaceutical manufacturing, API localization, vaccines and biologics
Healthcare Digitalization	Very high	SatuSehat, EMR rollout, AI diagnostics, telemedicine integration

Notable recent transactions include the USD 157 million investment by Bain Capital into Mayapada Healthcare Group, supporting expansion from approximately 1 000 beds to more than 2 000 beds by 2027. FDI in the combined chemical and pharmaceutical industry reached approximately USD 4,1 billion in 2024. Medical devices — where Indonesia imports approximately 85–90% of its requirements — attracted interest from GE HealthCare, Philips, Siemens Healthineers, Fresenius Medical Care, B. Braun, and Medtronic, among others.

The government projects healthcare expenditure to grow from approximately USD 49 billion in 2024 to USD 78 billion by 2030. Foreign ownership restrictions have been significantly relaxed, with many pharmaceutical and hospital activities now allowing 100% foreign ownership.

Source: Ministry of Investment; company disclosures; BKPM; IQVIA; industry reports.

6. Prescription Pharmaceuticals

Indonesia is the largest pharmaceutical market in Southeast Asia, with total pharmaceutical sales estimated at approximately USD 10–12 billion (IDR 160–190 trillion) in 2025–2026. The figures in this chapter are for the pharmaceutical market as a whole and include over-the-counter products; the consumer health market is treated separately in Section 7, on a different and not directly comparable basis. Growth is typically estimated at 7–10% annually, driven by universal healthcare (JKN/BPJS), a population of approximately 290 million, rising chronic

disease burden, expansion of private hospitals, and growing use of biologics and specialty medicines.

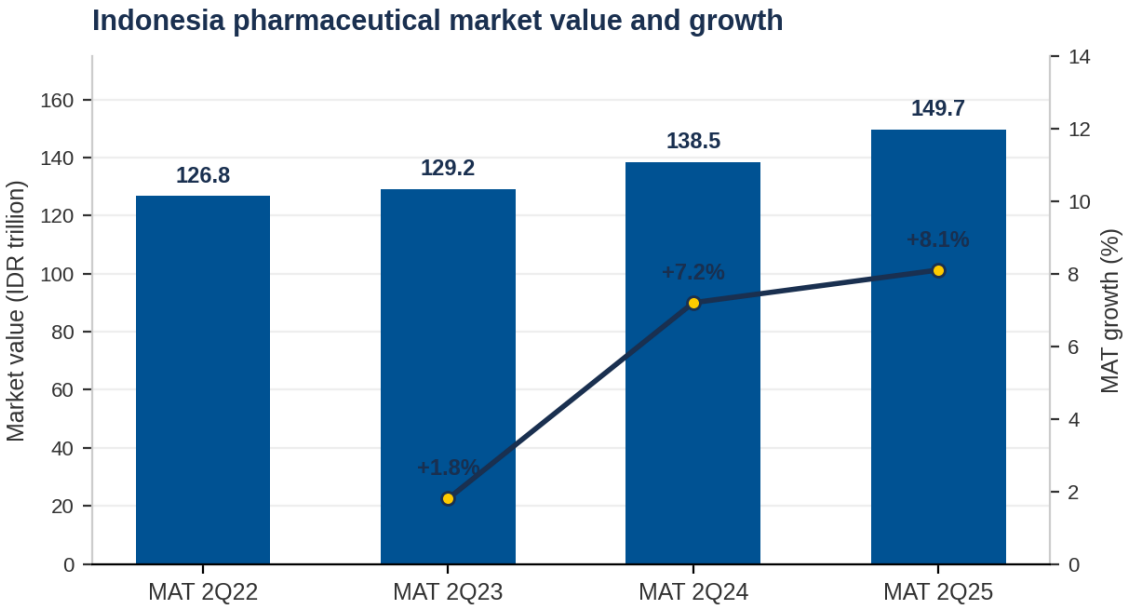

Figure 1. Total pharmaceutical market value (IDR trillion) and MAT growth. Source: IQVIA, Indonesia Total Market Q2 2025.

6.1 Market structure

The domestic industry has developed substantially over several decades and is now a significant component of the broader manufacturing sector. Around 245 active producers hold a combined portfolio of approximately 18,000 registered products, including roughly 70 APIs — a base that is a source of policy pride, though it represents only a fraction of the raw-material inputs the sector requires.

Ownership is mixed. The two largest players are state-owned: Kimia Farma (including the recently acquired IndoFarma) and Bio Farma. Together they dominate the public procurement channel, which is supplied primarily through the LKPP electronic catalog (eKatalog) under government pricing frameworks. The remaining market — including multinational subsidiaries, branded generics, and specialty products — sits largely in the private channel. Kimia Farma has also announced a biosimilar partnership — an IDR 500 billion investment targeting some IDR 1,2 trillion of annual output — illustrating the localization-through-partnership route open to foreign firms.

The production mix is dominated by finished-dose generics. Indonesia imports approximately 90–95% of its pharmaceutical raw materials (active pharmaceutical ingredients and excipients), which means the domestic production capability celebrated in official statistics rests on an

imported supply chain — a structural dependency that is also a structural opportunity for upstream suppliers.

Indonesia is also markedly more localized than most other Asian pharmaceutical markets: domestic producers account for roughly four-fifths of market value — about 81% on IQVIA's Q2 2025 basis — and close to 90% of volume. This has a direct bearing on entry. A pharmaceutical product cannot obtain a BPOM marketing authorization (NIE) unless it is manufactured at a CPOB/GMP-certified facility, and the registration must be held by a locally licensed entity. A company without GMP-compliant production therefore has no direct route to registration, which makes the right local partnership — for manufacturing, licensing, or technology transfer — a practical precondition for entry rather than merely one option among several.

Indicator	Detail
Total pharmaceutical sales (2025–2026)	~USD 10–12 billion (IDR 160–190 trillion)
Annual growth	~7–10%
Active producers	~245
Registered products	~18 000
Domestic production share (by volume)	~91%
API import dependence	~90–95%
Multinational market share	~18%

6.2 Therapeutic area breakdown

Although exact values vary by source, the ranking of therapeutic areas is generally consistent:

Rank	Therapeutic Area	Market Characteristics
1	Cardiovascular	USD 1,5–2,0 billion; largest therapy area; hypertension, heart disease, stroke prevention

Rank	Therapeutic Area	Market Characteristics
2	Anti-infectives	Antibiotics and infectious disease treatments
3	Diabetes & Metabolic Disorders	USD 900 million–1,3 billion; fast-growing due to obesity and aging; ~20 million patients
4	Respiratory	Asthma, COPD, respiratory infections
5	Oncology	USD 700 million–1,0 billion; smaller patient numbers but very high value; growing 12–15% annually
6	CNS	Neurology and psychiatry
7	Vaccines	USD 350–600 million; government-led immunization plus private vaccines; strong post-COVID growth

Sources: IQVIA, industry reports, company disclosures. Ranges are indicative.

Cardiovascular and diabetes therapies dominate prescription volumes, while oncology and biologics contribute disproportionately to market value. The oncology market is one of the fastest-growing segments, driven by rising cancer incidence, better diagnosis, expansion of cancer centers, and increasing reimbursement under BPJS. Key treatment centers include Dr. Cipto Mangunkusumo Hospital, Dharmais Cancer Hospital, Dr. Hasan Sadikin Hospital, and Dr. Soetomo Hospital.

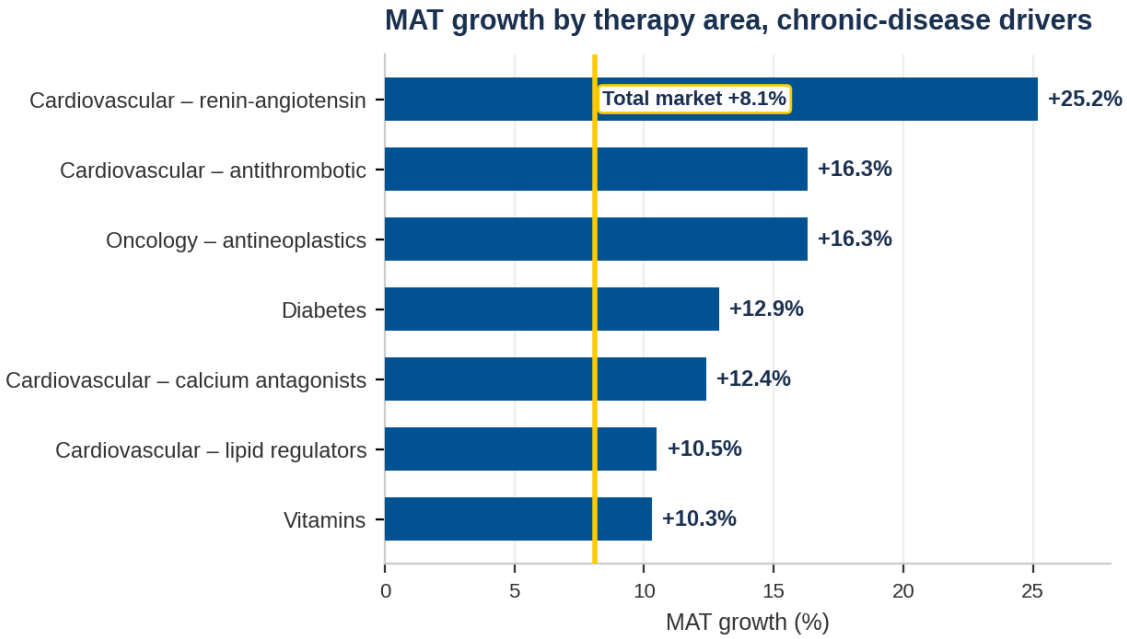

Figure 2. MAT growth by therapy area, the chronic-disease segments driving the market, against total market growth of +8.1%. Source: IQVIA, Indonesia Total Market Q2 2025 (Top 20 ATC2).

In diabetes, Indonesia has approximately 20 million people with the condition — among the world's top five diabetes populations — with significant under-diagnosis. The market is expected to grow faster than the overall pharmaceutical market due to urbanization, obesity, and aging. Key suppliers include Novo Nordisk, Sanofi, Eli Lilly, and Kalbe Farma.

6.3 Pricing

The pricing gap between originator and generic products is one of the most distinctive features of the market. Domestic generics are produced at very low margins under a cost-focused procurement model:

Molecule	Originator (USD/tab)	Generic / OGB (USD/tab)	Reduction
Candesartan 16 mg	0,90 (IDR 15,750)	0,021 (IDR 386)	−98%
Atorvastatin 20 mg	1,13 (IDR 20,000)	0,027 (IDR 475)	−98%
Clopidogrel 75 mg	1,57 (IDR 27,800)	0,034 (IDR 600)	−98%

Molecule	Originator (USD/tab)	Generic / OGB (USD/tab)	Reduction
Amlodipine 5 mg	0,46 (IDR 8,063)	0,006 (IDR 105)	−99%
Metformin 500 mg	0,15 (IDR 2,695)	0,009 (IDR 152)	−94%
Omeprazole 20 mg	0,74 (IDR 13,000)	0,011 (IDR 193)	−99%

Representative originator-versus-generic prices. Source: GPFI / IQVIA, 2024–2025; eKatalog LKPP. Figures are illustrative and not a comprehensive price list.

The industry frames its role around a four-part objective it calls '4K': availability (ketersediaan), affordability (keterjangkauan), quality (kualitas), and self-sufficiency (kemandirian). Quality standards are aligned to international norms: manufacturing follows CPOB/GMP under the Pharmaceutical Inspection Co-operation Scheme (PICS), products are registered with BPOM (NIE), and generics must demonstrate bioequivalence to the originator.

6.4 Where foreign players fit

Because domestic producers dominate high-volume generics on price, the realistic openings for foreign companies lie elsewhere. Competing on price in commoditized generics is not a viable entry strategy; the more promising routes are:

- Originator and specialty products. Patented and specialty therapeutics where local manufacturers do not yet compete, and where the roughly 18% multinational market share is concentrated.
- Biologics, vaccines, and complex formulations. Higher-complexity products, though domestic capability here is expanding (see Section 9).
- Active pharmaceutical ingredients and excipients. Indonesia remains dependent on imported raw materials — a structural import need and a recognized policy concern around supply-chain resilience.
- Technology transfer and partnership. Licensing, contract manufacturing, and technology transfer with established local producers, which can also address local-content expectations.

For Swedish companies, this points away from price competition and toward innovation, specialty therapeutics, and upstream inputs.

6.5 Reimbursement and formulary listing

A marketing authorization from BPOM allows a medicine to be sold in Indonesia. It does not oblige anyone to pay for it. For any company whose commercial case rests on the public

system, the decisive step is inclusion in the Formularium Nasional (Fornas), the national formulary that determines which medicines may be prescribed and reimbursed under JKN. A product registered but not listed is confined to the private and out-of-pocket channel.

Fornas is set by decree of the Minister of Health and compiled by the National Committee for Drug and Phytopharmaca Selection, drawing on clinicians, pharmacologists, pharmacists, and BPOM. Selection weighs clinical efficacy, safety, availability, and cost efficiency. The list is reviewed at least every two years, with out-of-cycle changes possible where a medicine is urgently needed or new evidence emerges. The edition preceding the current one covered 672 active substances in 1 132 dosage forms, extended by addendum to 677 substances in 1 143 forms — an indication of how incremental the process is. The current Fornas was established by Ministerial Decree No. HK.01.07/MENKES/1199/2025 of 31 December 2025 and took effect on 1 April 2026. The list is searchable at e-fornas.kemkes.go.id.

Listing and price are decided separately. Claim values for reimbursed medicines are set by a further decree — most recently No. HK.01.07/MENKES/730/2025 of 14 July 2025, covering some 505 items across seven regional price bands. A company should therefore model two outcomes, not one: whether the product is listed at all, and at what claim value.

Health technology assessment

Assessment is increasingly the gateway to listing. The Health Technology Assessment Committee (Komite Penilaian Teknologi Kesehatan) evaluates the effectiveness and efficiency of medicines, devices, and procedures for the JKN benefit package, and recommends to the Minister whether a technology should be included, excluded, or covered under conditions. Its mandate was reinforced by the 2023 Health Law, and topic proposals are submitted through a single digital platform. Priority is assessed against prevalence, clinical impact, cost, fit with policy priorities, potential savings, and public acceptability. Given the payer cost pressure described in Section 4.2, a specialty product without a credible cost-effectiveness case should not assume reimbursement.

For a Swedish company the practical sequence is registration, then listing, then price — and the second and third steps are slower and less predictable than the first. Companies whose products are unlikely to be listed in the near term should build their business case on the private hospital and out-of-pocket channels instead (Section 5.2).

6.6 Policy direction

Two structural forces and three shorter-term pressures shape how pharmaceutical policy is likely to develop, and each carries a different implication for a foreign entrant.

- Structural — self-sufficiency and localization. Policy consistently favors domestic production and local content. This raises the bar for pure-import models and rewards local partnership and technology transfer.

- Structural — input dependence. Despite finished-product self-sufficiency, the sector depends on imported APIs and excipients, leaving a durable upstream opening.
- Short-term — price pressure. The industry argues that procurement is too cost-focused and that very low prices now threaten supply security and quality. Public-sector pricing references Permenkes 98/2015. Entrants should expect a price-sensitive public channel and a freer private one.
- Short-term — supply-chain flexibility. Disruption to imported raw materials is a recognized risk; the industry is pressing BPOM for faster approval of supply-chain changes and dual or triple sourcing.
- Short-term — digital integration. The SatuSehat platform is being extended toward real-time visibility of national medicine stocks.

Section sources: Pharmaceutical market and pricing figures are drawn from GPFI materials (November 2025) and IQVIA (2024–2025). Consumer health and retail pharmacy data draw on L.E.K. Consulting, Euromonitor, GlobalData, and BPJPH. Where the industry advances a policy position, it is presented as the industry's view rather than as an independent assessment.

7. Consumer Health and Self-Medication

The preceding chapter concerns medicines that reach patients through prescription and, for the most part, through the public system. Consumer health — over-the-counter medicines, vitamins and supplements, herbal remedies, and medicated personal-care products — operates on a different logic. It is paid out of pocket rather than reimbursed, sold through retail rather than procured, and priced by the market rather than by the INA-CBGs tariff. For a Swedish company, this matters because the two features that make Indonesian pharmaceuticals difficult to enter — a price-capped public channel and entrenched domestic generics — apply differently here.

Self-medication in Indonesia is structural rather than a matter of consumer preference. The country has roughly six doctors and two pharmacists per 10 000 people, the latter among the lowest ratios in ASEAN, and while close to half the population lives in rural areas, only a small fraction of health facilities are located there. A further regulatory feature reinforces the pattern: prescriptions covered by BPJS cannot be dispensed at private pharmacies, and must be collected from designated public facilities. Private pharmacies are therefore not a reimbursement channel at all. They function as consumer-health retailers, and industry analysis indicates that more than 60% of purchases made in them occur without a prior physician visit.

7.1 Market size

Published figures vary widely because providers define the category differently, and the definitions should not be used interchangeably. Estimates for over-the-counter medicines narrowly defined have ranged from roughly USD 0,8 billion to USD 2,1 billion across recent studies. The broader consumer health aggregate used by Euromonitor adds vitamins and dietary supplements, sports nutrition, and weight management to that base, producing a

substantially larger figure. Category growth is more informative than the headline: vitamins, supplements, and herbal products are reported to be growing at above 12% annually, well ahead of the pharmaceutical market as a whole, while conventional OTC categories such as analgesics and cough and cold preparations grow more slowly on established volumes.

7.2 Channel structure

Indonesia has approximately 31 000 licensed pharmacies, but the five largest chains operate only around a tenth of them. The channel is dominated by independent single-site outlets, which limits shelf consistency and makes national distribution a genuine operational problem rather than a commercial formality. Consolidation is under way and is one of the more active healthcare investment themes in the market. Alongside pharmacies, modern convenience and health-and-beauty retail carries a growing share of the category, and the digital channel is significant: telehealth platforms report 30 to 35 million active users, and e-pharmacy fulfillment operates under a dedicated license regime (PSEF). A consumer-health entrant should expect to build both a physical and a digital route to market from the outset (Section 10 and Appendix 2).

7.3 Competitive structure

Domestic manufacturers hold the strongest positions. Kalbe Farma, Tempo Scan Pacific, Sido Muncul, and Darya-Varia Laboratoria between them own many of the best-known household brands, and they compete on price, distribution reach, and sustained consumer advertising rather than on clinical differentiation. Running alongside the conventional OTC market is a large herbal and traditional medicine sector built around jamu, which is culturally entrenched and commercially serious. The practical implication is that "natural" or Scandinavian-origin positioning is not by itself a differentiator in this market, because the ground it would occupy is already held.

7.4 Regulation

Consumer health products face the same structural constraint as prescription medicines: BPOM registration is required before sale, and only a locally licensed entity can hold it (Section 11.1). The halal timetable, however, differs by category, and this is the most time-sensitive point in the section. Health supplements, herbal medicines, and quasi-drugs fall due on 17 October 2026 — the same date as cosmetics, and three years ahead of over-the-counter medicines, which follow on 17 October 2029. A company selling a probiotic, a vitamin, or a botanical preparation is therefore on the near deadline, while a company selling an analgesic is not. Registration category determines the obligation, so the classification should be confirmed before any compliance timetable is set (Section 11.2).

Category	Character	Halal deadline
OTC medicines (obat bebas, obat bebas terbatas)	Volume-led, brand-marketing intensive; domestic incumbents strong	17 October 2029
Health supplements (suplemen kesehatan)	Fastest-growing segment; premium and specialist positioning viable	17 October 2026
Herbal medicines (obat bahan alam)	Large domestic jamu industry; entrenched brands and consumer trust	17 October 2026
Quasi-drugs (obat kuasi)	Topical and borderline products; classification often decides the route	17 October 2026
Class A medical devices sold at retail	Wound care, first aid, and related consumer goods	17 October 2026

Halal phasing under PP 42/2024 and Perpres 6/2023, as confirmed by BPJPH in 2026. Products without certification after the applicable date may still circulate but must carry a non-halal label under BPJPH Regulation No. 3/2026.

7.5 Where Swedish companies fit

Mass-market OTC is not a realistic target. Competing with Kalbe Farma or Sido Muncul on price and advertising weight in analgesics or cough and cold preparations is the same strategic mistake as competing with domestic producers in commoditized generics. The openings are narrower and more specific:

- Probiotics and specialist supplements, where clinical substantiation and documented strain or ingredient provenance carry a price premium and where Swedish and Nordic firms have established international positions.
- Medical consumer goods — wound care, first aid, hygiene, and incontinence products — which reach consumers through the same retail channel but compete on quality and clinical credibility rather than on advertising spend.

- Halal compliance and supply-chain traceability, where the October 2026 supplement deadline is forcing domestic manufacturers to document ingredient origin, and where a supplier able to demonstrate traceability from Sweden removes a documented compliance risk for its Indonesian customer.
- Ingredients and formulation inputs, supplying domestic consumer-health manufacturers rather than competing with them on finished product — the same upstream logic that applies in prescription pharmaceuticals (Section 6.4).

Sweden holds one structural advantage worth noting. SHC Sweden is accredited by BPJPH to issue halal certification recognized in Indonesia, which means a Swedish supplement or ingredient company can complete certification from Sweden rather than through a separate Indonesia-based process. Companies whose home country lacks a BPJPH-recognized certification body do not have that option.

Section sources: L.E.K. Consulting (retail pharmacy and physician density); Euromonitor and GlobalData (category definitions and market size); BPJPH and BPOM (halal phasing and registration). Market-size estimates vary by scope and provider and are presented as reported.

8. Medical Technology

8.1 Market size and trajectory

Indonesia's medical technology market is mid-sized and has been volatile. After peaking at around USD 3,59 billion in 2021 — a level lifted by pandemic-driven demand — it fell sharply in 2022, recovered to roughly USD 2,99 billion in 2024, and is estimated at about USD 2,78 billion in 2025. Imports accounted for an estimated USD 1,91 billion in 2025, underlining the market's continued reliance on foreign-made devices.

Year	Market size, USD
2021 (peak)	3,59 billion
2022	1,81 billion
2024	2,99 billion
2025 (est.)	2,78 billion
2025 imports (est.)	1,91 billion

Medical device market size. Source: U.S. International Trade Administration, using ASPAKI and Global Trade Atlas data.

8.2 Import dependence as the opportunity

Unlike pharmaceuticals, medtech is heavily import-dependent — and that dependence is precisely where the opportunity lies. Indonesia imports approximately 85–90% of its medical devices. Imports are led by China, the United States, Germany, South Korea, and Japan. Local production concentrates on basic items such as gloves, hospital beds, and simple diagnostic tools, while higher-value equipment is largely imported.

These high-value categories map closely onto established Swedish strengths in advanced imaging, radiotherapy and oncology systems, and ventilation and critical care. Demand is being amplified by a government program to install CT, cath-lab, mammography, MRI, LINAC, PET and endoscopy equipment across all 514 districts and cities, targeted for completion by 2027 — the single largest public-procurement opportunity now underway in advanced medical technology.

Segment	Leading Supplier Countries	Relevant HS Code
Diagnostic Imaging	United States, Germany, Japan	HS 9022
Ultrasound	China, United States, South Korea	HS 9018.12
Laboratory Diagnostics / IVD	United States, Germany, Japan	HS 3822 / 382200
Orthopedics and Implants	United States, Germany, Switzerland	HS 9021
ICU / Patient Monitoring	Germany, United States, Sweden	HS 9018.19
Respiratory Therapy	Germany, United States, Sweden	HS 9019.20
Surgical Equipment	United States, Germany	HS 9018
Consumables	China, Malaysia, Thailand	HS 3006

Leading medical-device import categories. Sources: U.S. International Trade Administration; Indonesian BPS; industry analysis.

For HS 9018 (medical and surgical instruments), China was the largest supplier in 2022 with USD 177,4 million, followed by the United States (USD 104,1 million) and Germany (USD 87,6 million). Note that Indonesia's import statistics often understate the role of countries such as Sweden, Germany, and the United States, because many products are shipped through regional distribution hubs in Singapore; the country of consignment does not always reflect the country of manufacture.

The strongest opportunities for Swedish MedTech companies are in higher-value segments rather than low-cost consumables: advanced imaging, digital health, intensive care, infection prevention, surgical solutions, hospital infrastructure, healthcare IT, diagnostics, and orthopedics. These are precisely the segments in which Swedish medical technology has built its international position.

8.3 Segment detail

Diagnostic Imaging

One of the most import-dependent segments in Indonesia. Covers MRI, CT scanners, X-ray systems, ultrasound, and nuclear medicine equipment.

In-Vitro Diagnostics (IVD)

Driven by hospital expansion, oncology, infectious disease testing, and growing healthcare spending. Covers clinical chemistry, immunoassays, PCR systems, molecular diagnostics, and laboratory reagents.

Patient Monitoring and Critical Care

ICU monitors, ventilators, ECG systems, and infusion pumps. Germany, the United States, and Sweden are leading suppliers.

Orthopedics and Implants

A fast-growing specialty segment. Joint replacement systems, trauma products, spine implants, and prosthetics.

Surgical Equipment

Endoscopy, electrosurgery, operating theatre equipment, and minimally invasive surgery systems.

Medical Consumables

Syringes, catheters, IV sets, and disposable surgical products. Although domestic production is increasing, imports remain significant.

8.4 Regulation

Medical devices must be registered before sale. Indonesia uses a risk-based classification aligned with the ASEAN Medical Device Directive, from Class A (low risk) to Class D (high risk). The current framework is Permenkes No. 11/2025, which came into force on 3 October 2025. Registration runs through the Regalkes and OSS online systems.

Class	Risk level	Indicative review	Authorization fee, USD
A	Low	20 days	85 (IDR 1,5m)
B	Low–medium	20 days	170 (IDR 3m)
C	Medium–high	20 days	170 (IDR 3m)
D	High	30 days	280 (IDR 5m)

Pre-registration adds about 7 days in each class. Indicative official service times. Fees under PP No. 64/2019. Source: Kemenkes / ITA. Verify in Regalkes/OSS for each submission.

Distribution must comply with CDAKB (good distribution practice for medical devices), which in practice requires a properly licensed local distributor.

8.5 Procurement and local content

Devices reach providers through the LKPP electronic catalog (eKatalog) and through national and hospital-level tenders, almost always via a local distributor. Since the 2022 local-content regulation, the imported share of government e-catalog purchases reportedly fell from 92% to 52%. The current TKDN certification framework is Permenperin No. 35/2025, effective 11 December 2025.

The practical conclusion for a Swedish entrant: imported advanced medtech remains viable — indeed it dominates the high-value segments — but success requires a strong local distributor, registration readiness in Regalkes/OSS, CDAKB-compliant distribution, and a TKDN strategy for any public-sector business. TKDN local-content requirements have become increasingly important in medical devices in particular, and companies anticipating sustained public-sector volume should weigh local assembly or production from the outset.

Practitioner perspective

Feedback from a long-established Swedish medical device supplier illustrates how local-content rules shape procurement in practice.

Public purchasing follows a tiering mechanism: products meeting the highest local-content threshold are considered first, then each successively lower tier, with fully imported products reachable only once no qualifying domestic option exists. Long market presence and established end-user preference offer limited protection, and the rules have widened the opening for lower-cost domestic producers of more basic equipment.

The principal remaining channel for fully imported product is private healthcare, development-aid and soft-loan financed projects, which fall outside the local-content requirements.

Section sources: U.S. International Trade Administration (ASPAKI, Global Trade Atlas); Kemenkes; Permenkes No. 11/2025; Permenperin No. 35/2025; PP No. 64/2019.

9. Biotech and Vaccines

Indonesia's biotech sector is still nascent, with one clear exception: vaccines. It is best described as vaccine-anchored, biologics-capable, but still dependent on partnerships and technology transfer for advanced platforms. For a foreign company, the opportunity lies less in selling into a broad biotech market than in partnership, technology transfer, clinical research, and specialist supply.

9.1 Domestic biomanufacturing capability

Bio Farma is the anchor of the sector. State-owned and based in Bandung, it is one of the largest vaccine producers among developing-country manufacturers: its vaccines are used in more than 150 countries, and 12 of its products have received WHO prequalification since 1997. Its range covers polio, measles, DTP, DT, Td, and related sera. Production capacity is cited at more than 3.2 billion doses a year. With support from CEPI, WHO, and the Medicines Patent Pool — including USD 15 million in funding — Bio Farma is also expanding mRNA and viral-vector capacity.

9.2 Biologics and biosimilars

Company	Role and products
Kalbio Global Medika (Kalbe group)	GMP biomanufacturing using mammalian cells; API, formulation, and fill-and-finish; capacity of around 10 million units.

Company	Role and products
Etana Biotechnologies	Focused on cancer, metabolic, and autoimmune disease; biosimilar plans including bevacizumab under license with Innovent.
Daewoong–Infion	Korea–Indonesia joint venture in East Java; end-to-end biopharmaceutical factory for biologics and biosimilars, with PIC/S and Korean GMP, halal, and ISO certifications.

The domestic industry claim that Indonesia can produce '100% of dosage forms, including biotechnology and vaccines' reflects real capability but is a capability statement rather than evidence of full self-sufficiency: advanced biologics, cell and gene platforms, raw materials, and many high-value products still depend on imports, licensing, and technology transfer.

9.3 Clinical research

Indonesia is increasingly viewed as an attractive emerging clinical research markets in Asia. With a population of approximately 290 million people, a large treatment-naïve patient pool, rising prevalence of non-communicable diseases, and growing healthcare infrastructure, the country offers significant opportunities for multinational pharmaceutical, biotechnology, and medical technology companies. However, Indonesia remains underrepresented in global clinical research compared with China, India, South Korea, Singapore, and Taiwan.

ClinicalTrials.gov currently contains well over 2,000 studies including Indonesian sites. Clinical trial activity is concentrated in oncology, diabetes, cardiovascular disease, infectious diseases, vaccines, and rare diseases. Study startup timelines have improved: prior to the pandemic, initiation could take nearly two years; more recently, timelines of approximately 6–9 months have become achievable.

Indonesia's clinical-trial base is weighted toward Phase III studies, where large patient populations are needed to confirm efficacy and safety, and Phase IV post-marketing studies. Phase I and first-in-human research remain relatively limited, with early-phase expertise concentrated in Singapore, South Korea, Taiwan, Japan, and Australia.

Trials require BPOM clinical-trial approval (PPUK) and must follow Indonesian good clinical practice (CUKB/GCP); the current core rule is BPOM Regulation No. 8/2024. A national registry (INA-CRR) records clinical research, and a national clinical-research center (INA-CRC), established in 2024, aims to strengthen capacity.

Major international CROs operate in Indonesia, either directly or through regional offices, including IQVIA, Parexel, Syneos Health, Tigermed, ICON plc, and Medpace.

Most international studies are concentrated in leading academic hospitals: Dr. Cipto Mangunkusumo Hospital, Dr. Sardjito Hospital, Dr. Soetomo Hospital, Dr. Hasan Sadikin Hospital, Dr. Kariadi Hospital, Prof. Ngoerah Hospital, and H. Adam Malik Hospital (see Appendix 1).

9.4 Policy and access

Two policy developments bear directly on how foreign companies can participate in the biotech sector.

- Biomedical and Genome Science Initiative (BGSi) — Indonesia's first national genomics program, collecting genomic data and whole-genome sequences to support disease detection and precision medicine. A clear opening for diagnostics, sequencing, and precision-medicine infrastructure.
- Halal requirements — relevant to biologics and vaccines whose inputs may include gelatin, enzymes, or culture media. Under PP 42/2024 the mandatory halal regime is phased by product category: herbal medicines, quasi-drugs, health supplements, and Class A devices fall due on 17 October 2026; over-the-counter medicines and Class B devices on 17 October 2029; and prescription medicines excluding psychotropics, with higher-risk device classes, on 17 October 2034. The category, not the general timetable, determines the deadline, so the regime should be checked product by product (Section 11.2).

National R&D spending remains low, at around 0.28% of GDP — a structural constraint on the research base.

For Swedish companies, the openings are in partnership and technology transfer, clinical research, fill-and-finish, biosimilars, vaccines, diagnostics, and precision-medicine infrastructure.

Section sources: Bio Farma; WHO prequalified vaccines list; Kemenkes / Farmalkes; BPOM (Regulation No. 8/2024); BRIN; World Bank; company materials (Kalbe/Kalbio, Etana, Daewoong-Infion); ClinicalTrials.gov; INA-CRR.

10. Digital Health

Indonesia has moved on from the pandemic-era telemedicine boom toward an emerging national digital-health ecosystem, with the government's SatuSehat platform at its center. For vendors, the story is shifting from consultation apps to interoperability, hospital digitalization, and data.

10.1 SatuSehat: the national health data platform

SatuSehat is the Ministry of Health's flagship digital-health initiative and one of the largest healthcare digitalization projects in Southeast Asia. It functions as the national health-information exchange, designed to let electronic medical records, e-prescriptions, laboratory data, imaging, vaccination records, and patient histories move across the system.

Indicator	Latest available
Healthcare facilities connected	>21 000
Hospitals connected	>3 000
Community health centers (Puskesmas)	>10,000
Healthcare workers registered	>1,7 million
Citizens with SatuSehat Mobile accounts	>20 million

SatuSehat adoption. Source: Ministry of Health, Digital Transformation Office; latest available.

Integration is increasingly mandatory — for hospitals and facilities seeking accreditation and participation in government programs. The practical implication for technology vendors: SatuSehat compatibility is becoming a prerequisite for market participation, and should be treated as a design requirement for any digital-health product entering Indonesia.

More than 96% of Indonesian hospitals had implemented EMR systems by October 2025 (3 138 of 3 239 hospitals). Indonesia mandated EMR adoption through Ministry of Health Regulation No. 24/2022. By 2026 roughly 92% of hospitals were connected to the SatuSehat platform itself. Integration quality nonetheless varies significantly between facilities; large private hospital groups are generally more advanced than public facilities and primary care centers.

Remaining challenges include interoperability between systems, legacy hospital IT infrastructure, limited digital skills among healthcare workers, data governance and cybersecurity concerns, variable connectivity outside Java and major cities, and integration with national databases and insurance systems (BPJS).

10.2 Telemedicine and the digital-health market

The market has matured well beyond the 2020–2021 pandemic surge. Estimates put the total digital-health market at USD 1,5–2,0 billion in 2025, growing 15–25% a year through 2030.

Segment	Estimated market size, 2025
Digital health (total)	USD 1,5–2,0 billion
Telemedicine	USD 400–600 million
Digital pharmacy	USD 500–700 million
Healthcare software & EMR	Early-stage, rapid growth

Segment	Maturity
Teleconsultation	Mature
E-pharmacy	Mature
Appointment booking	Mature
EMR / hospital information systems	Growing rapidly
Clinical decision support	Emerging
AI diagnostics	Early stage
Remote patient monitoring	Early stage
National health data exchange	Scaling via SatuSehat

Digital-health segment maturity. Source: market studies and Business Sweden assessment.

The leading consumer platforms — Halodoc, Alodokter, KlikDokter, and SehatQ — have evolved from standalone telemedicine toward integrated ecosystems combining consultations, pharmacy, diagnostics, insurance, and hospital services. The next phase of growth is driven less by teleconsultation than by hospital digitalization, interoperability, clinical-workflow software, data analytics, AI-enabled diagnostics, and chronic disease management.

10.3 Digital infrastructure

Indonesia has around 221 million internet users — roughly 79–80% of the population — and is a mobile-first market, with more than 350 million mobile subscriptions and an estimated 190–210 million smartphone users. 4G now reaches most populated areas, and fibre and 5G expansion continues. Connectivity remains stronger in Java and the major urban centers, but the urban–rural gap is narrowing.

10.4 Opportunities for Swedish companies

The strongest opportunities for Swedish companies are not in consumer-facing telemedicine, where local platforms dominate, but in the infrastructure and clinical layers now being built out:

Health Information Systems

EMR software, hospital information systems, interoperability solutions, and clinical workflow software — all of which must integrate with SatuSehat.

Medical Technology Integration

Connected diagnostics, imaging integration, and device data platforms. As hospitals expand and upgrade, equipment must connect to national data standards.

AI and Analytics

Clinical decision support, radiology AI, predictive analytics, and population health management. Hospitals are beginning to evaluate AI for radiology interpretation and pathology.

Digital Therapeutics

Diabetes management, cardiovascular care, and mental health applications integrated with the BPJS/JKN care pathway.

Cybersecurity

Healthcare cybersecurity, identity management, and data protection — a growing need as the national health data ecosystem scales.

Remote Monitoring

Connected chronic disease management and home healthcare solutions, particularly relevant given Indonesia's archipelago geography and uneven specialist distribution.

For Swedish companies active in medtech, digital health, diagnostics, and healthcare IT, Indonesia's combination of approximately 290 million people, universal health insurance, mandatory EMR adoption, and the SatuSehat national platform creates one of the largest digital health opportunities in ASEAN.

Section sources: Ministry of Health Digital Transformation Office (SatuSehat); APJII; recent digital-health market studies; Business Sweden; Permenkes No. 24/2022.

11. Regulatory and Market Access Essentials

This section brings together the cross-cutting regulatory and market-access essentials. The product-specific detail sits in the relevant chapters; the purpose here is to map what every entrant needs to plan for.

11.1 Product registration

Registration requirements differ by product class, and each runs through a different authority and system.

- Pharmaceuticals are registered with BPOM, which issues the marketing authorization (NIE) and requires manufacturing to CPOB/GMP standards, with bioequivalence data for generics (Section 6).
- Medical devices are registered through the Ministry of Health's Regalkes/OSS systems under the risk-based classification (Class A–D) aligned with the ASEAN Medical Device Directive; fees and timelines scale with risk class, under the framework now set by Permenkes No. 11/2025 (Section 8).
- Digital health products increasingly need SatuSehat compatibility as a practical condition of market participation (Section 10).

In every case, a locally licensed entity — a partner or the company's own establishment — must hold or apply for the registration.

11.2 Halal certification

Indonesia operates a mandatory halal regime, phased in over several years under PP 42/2024, relevant wherever products contain animal-derived or other regulated inputs. The phasing is by product category, and the categories matter more than the general timetable. Herbal medicines (obat bahan alam), quasi-drugs (obat kuasi), health supplements (suplemen kesehatan), and Class A medical devices fall due on 17 October 2026, alongside cosmetics and chemical products. Over-the-counter medicines (obat bebas and obat bebas terbatas) and Class B devices follow on 17 October 2029, and prescription medicines excluding psychotropics, together with higher-risk device classes, on 17 October 2034. BPJPH confirmed in June 2026 that there will be no postponement of the October 2026 tranche. Products without certification after the applicable date may still circulate but must carry a non-halal label under BPJPH Regulation No. 3/2026. For biologics and vaccines, inputs such as gelatin, enzymes, or culture media can bring a product within scope, so halal status should be assessed product by product (Section 9).

11.3 Trade framework and ASEAN context

Negotiations on the Indonesia–EU Comprehensive Economic Partnership Agreement (CEPA) were concluded on 23 September 2025. The agreement has not yet been signed. On 29 June

2026 the European Commission presented it to the Council for signature and conclusion; both governments are now targeting signature in October 2026, after which it requires European Parliament consent and ratification by Indonesia, with implementation targeted for early 2027. Jakarta has an incentive to keep to that timetable: Indonesia's access to the EU's Generalised Scheme of Preferences expires at the end of 2026, and the government has said publicly that it wants CEPA in force to close the gap. Companies should not assume preferential tariffs before implementation. Once in force, the agreement will progressively reduce tariffs and ease access for European, including Swedish, exporters, and is a meaningful tailwind for the medium term. Regionally, device regulation aligns with the ASEAN Medical Device Directive (AMDD), which underpins the risk-classification system and supports a degree of regulatory consistency across ASEAN markets.

11.4 Intellectual property

Indonesia grants patents for twenty years from filing and is party to the main international conventions, but two features differ from European practice and bear on the originator and specialty segments this report identifies as the principal pharmaceutical opening. The Patent Law carries a local working requirement: a patent holder is expected to make the product or use the process in Indonesia, with deferral available on application. And Indonesia does not operate a regulatory data exclusivity regime of the kind found in the EU, so protection rests on the patent itself rather than on a separate period of exclusivity over registration data. Companies whose European commercial model assumes data exclusivity should test that assumption early, with Indonesian counsel, rather than at launch.

11.5 Personal data protection

Law No. 27 of 2022 on Personal Data Protection is Indonesia’s first comprehensive data protection statute, modeled closely on the GDPR. Its two-year transition ended on 17 October 2024 and the law is now fully enforceable. Health, biometric, and genetic data are classified as specific personal data, attracting stricter consent and handling requirements — which places clinical research, digital health, diagnostics, and any hospital-facing software squarely within scope.

The compliance position is unusual and worth stating plainly: the law is in force, but the dedicated supervisory authority it mandates has not yet been established and the implementing government regulations have not been issued. Supervision currently sits with the Ministry of Communication and Digital Affairs. The practical consequence is that obligations are real while the detailed rules — particularly on cross-border transfer — remain unsettled. Companies transferring Indonesian health data abroad commonly rely on documented explicit consent together with processing agreements mirroring the statute, pending clearer rules. This is an area to take advice on rather than to infer from European practice, and it should be resolved before a system goes live, not after.

Section sources: BPOM; Ministry of Health; Permenkes No. 11/2025; BPJPH; European Commission and Indonesian Ministry of Trade. Verify current procedures at the time of application.

12. Market Entry Pathways

Across every product class, one rule holds: serving the Indonesian market requires local presence, whether through a partner or an established local entity. The choice of route shapes cost, control, and speed.

12.1 Distributor versus local establishment

The first decision is whether to appoint a partner or to establish in Indonesia directly. The two routes trade speed and cost against control.

- Appointing a local distributor or agent is faster and lower-cost to start, and the common entry route for medical devices and many products. The distributor typically holds the registration and handles regulatory, logistics, and customer relationships; the trade-off is less direct control and dependence on the partner's reach and performance.
- Establishing a foreign-owned company (PT PMA) gives greater control, direct customer and regulatory relationships, and a stronger base for scale — at the cost of higher set-up time, capital, and ongoing compliance. Foreign ownership is increasingly open, including up to 100% in hospitals at class A and B (Section 4).

Many companies begin with a distributor and move toward their own establishment as volumes justify it. The main national distributors and retail networks are listed in Appendix 2.

12.2 Local manufacturing and technology transfer

For products facing local-content expectations — notably in public procurement, where TKDN rules apply (Section 8) — local manufacturing, fill-and-finish, or technology-transfer arrangements can be decisive. In pharmaceuticals and biologics, partnership and technology transfer with established local producers is often the realistic route both to scale and to meeting localization policy (Sections 6 and 9).

12.3 People and work permits

Establishing an entity is not the same as being able to staff it. Employing a foreign national requires an approved manpower plan (RPTKA) before a work permit and limited-stay permit (KITAS) can be issued, and the plan must show the position is one an Indonesian could not readily fill and is paired with a local understudy for knowledge transfer. Some positions, notably in human resources, are closed to foreign nationals altogether. A monthly compensation levy applies per foreign worker.

Regulated roles add a second layer. A pharmaceutical or medical device distributor must appoint a licensed Indonesian pharmacist or qualified technical person as responsible officer,

and that appointment is a condition of the distribution license rather than an internal staffing choice. Companies planning a PT PMA should budget for this alongside entity setup; the recruitment market for experienced regulatory and quality staff in Jakarta is competitive, and the timeline is often underestimated.

12.4 Incentives and localization

The government actively courts foreign investment in healthcare and medical-device manufacturing, with streamlined licensing and a mix of fiscal and non-fiscal incentives. These matter most to companies considering local production or assembly, and should be weighed against the cost and complexity of establishing manufacturing.

12.5 Practical pitfalls

Four mistakes recur often enough among market entrants to be worth stating explicitly.

- Treat Indonesia as many markets, not one. Provincial variation in procurement, access, and demand means a single national plan rarely works (Section 3).
- Choose the partner carefully. Under the distributor model, the partner is effectively the company's market presence; diligence on reach, regulatory track record, and CDAKB-compliant distribution matters.
- Watch for false alignment. In a business culture where hierarchy and politeness can soften disagreement, apparent consensus in a meeting may not reflect genuine commitment. Confirming understanding and decisions explicitly avoids costly misreadings.
- Build in regulatory lead time. Registration and licensing take months; plan launch timelines accordingly.

12.6 Indicative entry timeline

The report warns repeatedly that registration and licensing take months. The table below sets out the usual sequence for a company entering through its own entity. Steps overlap in practice, and the ranges are indicative rather than commitments; a distributor route removes several of the early steps but transfers the corresponding control to the partner.

Step	Indicative duration	Notes
Market assessment and partner selection	2–6 months	Reference checks on distributor reach, regulatory track record, and compliant distribution

Step	Indicative duration	Notes
Entity establishment (PT PMA) or distributor appointment	2–4 months	Licensing through OSS; capital and shareholding requirements apply to a PT PMA
Appointment of responsible pharmacist or technical officer	1–3 months	A precondition of the distribution license; runs in parallel with setup (Section 12.3)
Product registration — medicines (BPOM NIE)	4–9 months end to end	Requires manufacture at a CPOB/GMP-certified facility and a locally licensed holder (Section 11.1)
Product registration — devices (Regalkes/OSS)	Weeks to months by risk class	Class A–D under Permenkes No. 11/2025; fees and review time scale with class
Halal certification, where applicable	Varies; audit-driven	Full supply-chain audit; deadline depends on product category (Section 11.2)
Fornas listing and claim price, where reimbursement is sought	Cycle-dependent	Fornas is reviewed at least every two years; listing and price are separate decisions (Section 6.5)
TKDN strategy for public procurement	Ongoing	Relevant to any sustained public-sector volume in medical technology (Section 8.5)

Durations reflect commonly reported ranges rather than official service standards. Official timelines exist for individual steps and are cited in the relevant chapters; total elapsed time is generally longer because steps depend on one another.

13. How SwedCham Indonesia Supports Market Entry

SwedCham Indonesia is the Swedish Chamber of Commerce in Indonesia — a member-driven, non-profit organization that strengthens business, trade, and professional ties between Sweden and Indonesia. For companies considering the market, SwedCham acts as a connector and

enabler: it opens doors, convenes the right people, and points members to the partners and networks they need.

SwedCham is not a consultancy. It does not provide regulatory guidance or market-entry advice directly. Its value lies in access — to a trusted network of advisors, to peer companies already operating in Indonesia, and to the wider Jakarta business and policy community. The distinction matters: SwedCham helps members find the right expertise rather than substituting for it.

13.1 What SwedCham offers

SwedCham's support to members takes five main forms.

- A vetted partner network. Introductions to legal, tax, regulatory, and advisory firms with established Indonesia practices, so members can assemble the right team quickly.
- Advocacy through EuroCham. SwedCham is integrated into Jakarta's advocacy ecosystem through EuroCham Indonesia and its working groups, giving Swedish industry a collective voice on regulatory and market-access issues.
- Peer access. A membership spanning manufacturing, mining, technology, and industrial sectors — companies that have navigated entry and operation in Indonesia and can share practical experience.
- Knowledge and insight. Regular publications and briefings, including the SwedCham Market Brief and the SwedCham Barometer business-sentiment survey, that track conditions on the ground.
- Events and convening. Seminars, networking formats, and executive engagements that connect members with each other, with Indonesian counterparts, and with government and industry stakeholders.

13.2 Industry associations

SwedCham is one part of a wider representation landscape, and members operating at scale usually join a sector association alongside it. The principal bodies are the International Pharmaceutical Manufacturers Group (IPMG) for research-based pharmaceutical companies, GP Farmasi for the pharmaceutical industry broadly, and Gakeslab and ASPAKI on the medical device and laboratory side. These associations carry sector-specific technical dialogue with Kemenkes, BPOM, and the Ministry of Industry that a general chamber does not. SwedCham can make introductions; membership decisions rest with the company.

13.3 Get in touch

Swedish companies exploring the Indonesian life science market are welcome to contact SwedCham Indonesia to discuss their plans and be connected to the relevant parts of the network.

Our web site: www.swedcham.id
By email: info@swedcham.id
Call or message on WhatsApp: +46 73 641 08 84

Sources and disclosure

Pharmaceutical figures: GPFI (November 2025) and IQVIA 2024–2025. Healthcare and demographic data: World Bank, WHO, Kemenkes. Medtech: U.S. International Trade Administration. Digital health: Kemenkes Digital Transformation Office, APJII. Per-section sources are noted at the foot of each section. Where partner organizations appear as sources, a disclosure note applies.

Appendix 1 – Indonesia's Key Healthcare Institutions

Indonesia's healthcare market consists of more than 3,200 hospitals, but only a relatively small number play a leading role in clinical practice, technology adoption, research, and procurement. For international life science companies, understanding which institutions influence the wider healthcare ecosystem is often more important than understanding the market as a whole.

Tier 1: Academic and Opinion-Leader Hospitals

These institutions form the intellectual and clinical leadership of Indonesian healthcare. They are typically affiliated with leading universities, serve as national or regional referral centers, conduct clinical research, train specialist physicians, and are often among the first adopters of advanced technologies.

Hospital	Affiliated University	Location
Dr. Cipto Mangunkusumo Hospital (RSCM)	University of Indonesia	Jakarta
University of Indonesia Hospital (RSUI)	University of Indonesia	Depok
Dr. Sardjito Hospital	Universitas Gadjah Mada	Yogyakarta
Dr. Soetomo Hospital	Airlangga University	Surabaya
Dr. Hasan Sadikin Hospital	Padjadjaran University	Bandung
Dr. Kariadi Hospital	Diponegoro University	Semarang
Prof. Ngoerah Hospital	Udayana University	Bali
H. Adam Malik Hospital	Universitas Sumatera Utara	Medan
Dr. Mohammad Hoesin Hospital	Sriwijaya University	Palembang

Hospital	Affiliated University	Location
Wahidin Sudirohusodo Hospital	Hasanuddin University	Makassar

Tier 2: National Specialist Centers

These hospitals act as national centers of excellence within specific therapeutic areas and are among the most important customers for advanced medical technology, diagnostics, specialist pharmaceuticals, and clinical research.

Hospital	Focus Area
Dharmais Cancer Hospital	Oncology
Harapan Kita National Heart Center	Cardiology
National Brain Center Hospital	Neurology and Stroke
Persahabatan Hospital	Pulmonology and Respiratory Disease
National Eye Center Cicendo	Ophthalmology
Harapan Kita Mother and Child Hospital	Maternal and Pediatric Care

Tier 3: National Referral and Government Centers

These hospitals form the backbone of Indonesia's tertiary-care system. They receive complex referrals from across the country and are important purchasers of advanced medical technology. Key institutions include RSUP Fatmawati (Jakarta), RSPAD Gatot Soebroto (Jakarta), RSPI Sulianti Saroso (Jakarta), and RSUP Dr. Johannes Leimena (Ambon).

Tier 4: Major Private Hospital Groups

Group	Strategic Position
Siloam Hospitals	National premium network with strong specialist capabilities
Hermina	Largest hospital network by hospital count
Mitra Keluarga	Strong urban and middle-class positioning
Primaya / Awal Bros	Rapid regional expansion
Mayapada Healthcare	Premium healthcare and international partnerships
IHC / Pertamedika	State-owned hospital network; majority stake acquired by Danantara (2025)
Mandaya Hospital Group	High-end specialist care
Pondok Indah Hospital Group	Premium Jakarta market
Eka Hospital	Advanced private care
EMC Healthcare	Urban specialist network

Emerging operators include HMI Medical (supporting Bali International Hospital), Bethsaida Healthcare (advanced diagnostics and specialist services), and Bunda Group (women's health, fertility, and specialist care).

National Diagnostics and Laboratory Networks

Organization	Relevance
Prodia	Indonesia's leading private diagnostics and laboratory network

Organization	Relevance
Kimia Farma Diagnostika	National diagnostic and laboratory network
Parahita Diagnostic Center	Major regional diagnostics provider
Prodia Research Institute	Clinical research and laboratory partnerships

Emerging Healthcare Investment Hubs

Several projects are likely to shape healthcare investment over the coming decade:

- Bali International Hospital (Sanur) — positioned as Indonesia's leading international-standard medical tourism and specialist-care hub, supported by HMI Medical and international clinical partnerships.
- New Ministry of Health Vertical Hospital, Surabaya
- New Ministry of Health Vertical Hospital, Makassar
- New Ministry of Health Vertical Hospital, IKN
- New Ministry of Health Vertical Hospital, Jayapura
- Expansion projects by Mayapada, Hermina, and other major private operators.

Priority Public and National Referral Hospitals

The following hospitals are essential contacts for companies in advanced equipment, oncology, cardiology, respiratory, neurology, teaching, clinical trials, and specialist pharmaceuticals.

Hospital	City	Likely relevance
RSCM / Dr. Cipto Mangunkusumo	Jakarta	National referral, teaching, complex care
RS Kanker Dharmais	Jakarta	Oncology, radiotherapy, diagnostics
RS Jantung Harapan Kita	Jakarta	Cardiology, cath lab, imaging
RSAB Harapan Kita	Jakarta	Maternal, pediatric, specialist care

Hospital	City	Likely relevance
RSUP Fatmawati	Jakarta	Referral hospital, orthopedics, rehab
RSUP Persahabatan	Jakarta	Respiratory, infectious disease, pulmonology
RSPAD Gatot Soebroto	Jakarta	Military / tertiary care
RS Pusat Otak Nasional	Jakarta	Stroke, neurology, imaging
RSPI Sulianti Saroso	Jakarta	Infectious disease
RSUP Dr. Hasan Sadikin	Bandung	West Java referral / teaching
RS Mata Cicendo	Bandung	Eye care, ophthalmology
RSUP Dr. Kariadi	Semarang	Central Java referral
RSUP Dr. Sardjito	Yogyakarta	Teaching / referral, oncology
RSUD Dr. Soetomo	Surabaya	East Java referral / teaching
RSUP Prof. Ngoerah / Sanglah	Bali	Bali–eastern Indonesia referral
RSUP H. Adam Malik	Medan	North Sumatra referral
RSUP Dr. M. Djamil	Padang	West Sumatra referral
RSUP Dr. Mohammad Hoesin	Palembang	South Sumatra referral
RSUP Wahidin Sudirohusodo	Makassar	Eastern Indonesia referral
RSUP Dr. Johannes Leimena	Ambon	Eastern Indonesia referral

Appendix 2 – Distribution and Retail Channels

Reaching Indonesian patients and consumers is not a single channel but three, and they do not overlap as much as the term "pharmacy" suggests. Prescriptions reimbursed under JKN are dispensed at designated public facilities and hospital pharmacies, not at private retail. Private-pay prescriptions run through retail pharmacy. Consumer health reaches buyers through retail pharmacy, modern trade, and e-commerce in parallel. A company planning market entry should establish which of the three its product actually depends on before selecting partners.

A second distinction matters more than it first appears. For most foreign entrants the commercial counterparty is the distributor rather than the retailer. The distributor holds or supports the registration, imports, warehouses to CDOB standards, and places product with retailers and hospitals. Choosing a distributor is therefore the more consequential decision, and the harder one to reverse (Section 12.1).

National distributors

Indonesia has several hundred licensed pharmaceutical wholesalers (PBF), but national coverage is concentrated among a much smaller group. Most are affiliated with a domestic pharmaceutical manufacturer or a regional healthcare group, which shapes both their portfolio and their willingness to carry a competing principal. The table below lists those with national reach; it is a starting point for diligence, not a recommendation.

Distributor	Group or ownership	Position and focus
Enseval Putera Megatrading Tbk	Kalbe Group; listed	Describes itself as the largest pharmaceutical and medical device distributor in Indonesia; integrated logistics and healthcare services
Anugerah Pharmindo Lestari (APL)	Zuellig Pharma	Operating since 1985; reports coverage of more than 60 000 medical facilities across 434 cities and around 25 pharma-grade warehouses; works with many of the largest multinational principals
Anugrah Argon Medica (AAM)	Dexa Group	National ethical and consumer health distribution; affiliated with a major domestic manufacturer

Distributor	Group or ownership	Position and focus
Bina San Prima	Sanbe Farma group	Broad coverage of pharmacies, hospitals, and general trade; strong consumer health presence
Parit Padang Global	Soho Global Health	Pharmaceutical, consumer health, and natural products distribution
Millennium Pharmacon International Tbk (MPI)	Pharmaniaga (Malaysia); listed	Around 35 branches; prescription medicines, OTC, supplements, and medical disposables for some 30 principals
Kimia Farma Trading & Distribution	State-owned (Kimia Farma)	Distribution arm of the state pharmaceutical group; significant in public-sector supply
Rajawali Nusindo	State-owned (RNI / ID FOOD)	National network with a long-standing public-sector and regional footprint
Dos Ni Roha, Mensa Bina Sukses, Merapi Utama Pharma, Penta Valent, Marga Nusantara Jaya, Antarmitra Sembada	Independent or group-affiliated	Further national and multi-regional distributors; portfolio mix and regional strength vary considerably

Distributors handling medical devices require a separate CDAKB-compliant license, and a pharmaceutical distributor is not automatically qualified to carry devices (Section 8.5).

Retail pharmacy chains

Around 31 000 licensed pharmacies operate in Indonesia and the five largest chains account for roughly a tenth of them, and a similar share of revenue. National shelf presence therefore cannot be achieved through the chains alone; it requires a distributor with reach into independent outlets, or a deliberate decision to concentrate on urban modern trade. Store counts below are as publicly reported and move quickly, since the sector is consolidating.

Chain	Scale	Positioning
Kimia Farma Apotek	Approx. 1 200–1 300 outlets	State-owned; the largest network, widely distributed including outside Java; often located near hospitals and clinics; operates associated clinics and diagnostic laboratories
Century Healthcare / Apotek Century	Several hundred outlets	Modern mall-based format concentrated in large cities; reported to sit within the MAP retail group; reaches the urban premium consumer
Apotek K-24	Approx. 350–400 outlets	Franchise model built on 24-hour opening and product authenticity; broad provincial spread
Guardian	Approx. 367 stores (2025)	Health-and-beauty format within DFI Retail Nusantara; dermocosmetics and science-led skin care alongside OTC
Watsons	Approx. 204–219 stores	Health-and-beauty format; mass and masstige supplements, personal care, and wellness
Apotek Roxy, Viva Health and other regional chains	Regional	Strong local positions — Roxy in Greater Jakarta, Viva Health in East Java — relevant for a regionally phased launch

Modern trade and e-commerce

Supplements, vitamins, and medicated personal-care products also sell through channels that are not pharmacies at all. Convenience and minimarket networks carry a limited but very widely distributed range. Health-and-beauty retail and beauty specialists carry supplements alongside cosmetics, and the marketplace platforms — where beauty and personal care already transact at scale — are significant for consumer health as well. Companies whose portfolio spans both categories should expect to negotiate with the same buyers.

E-pharmacy and telehealth

Telehealth platforms report 30 to 35 million active users and have evolved from consultation apps into integrated ecosystems combining consultation, pharmacy fulfillment, diagnostics, and insurance. The principal consumer platforms are Halodoc, Alodokter, KlikDokter, and SehatQ, with GoApotik and K24Klik operating as e-pharmacy storefronts. Online dispensing requires a

dedicated electronic pharmacy system license (PSEF), which a licensed pharmacy holds and which allows it to fulfill orders both through its own channels and on behalf of third-party platforms. A brand cannot sell medicines online in Indonesia without a licensed pharmacy partner in the chain (Section 10).

Appendix sources: company disclosures and websites (Kimia Farma, Kimia Farma Apotek, Enseval, Anugerah Pharmindo Lestari, Millennium Pharmacon International, Pharmaniaga); L.E.K. Consulting; Ken Research; DFI Retail Nusantara. Store counts and network figures are as publicly reported in 2025–2026 and are subject to change; ownership and group affiliations should be verified before commercial discussions. Inclusion in this appendix is descriptive and does not constitute a recommendation or endorsement by SwedCham Indonesia.