

October 2026

The Road Ahead of Indonesia's Local EV Market

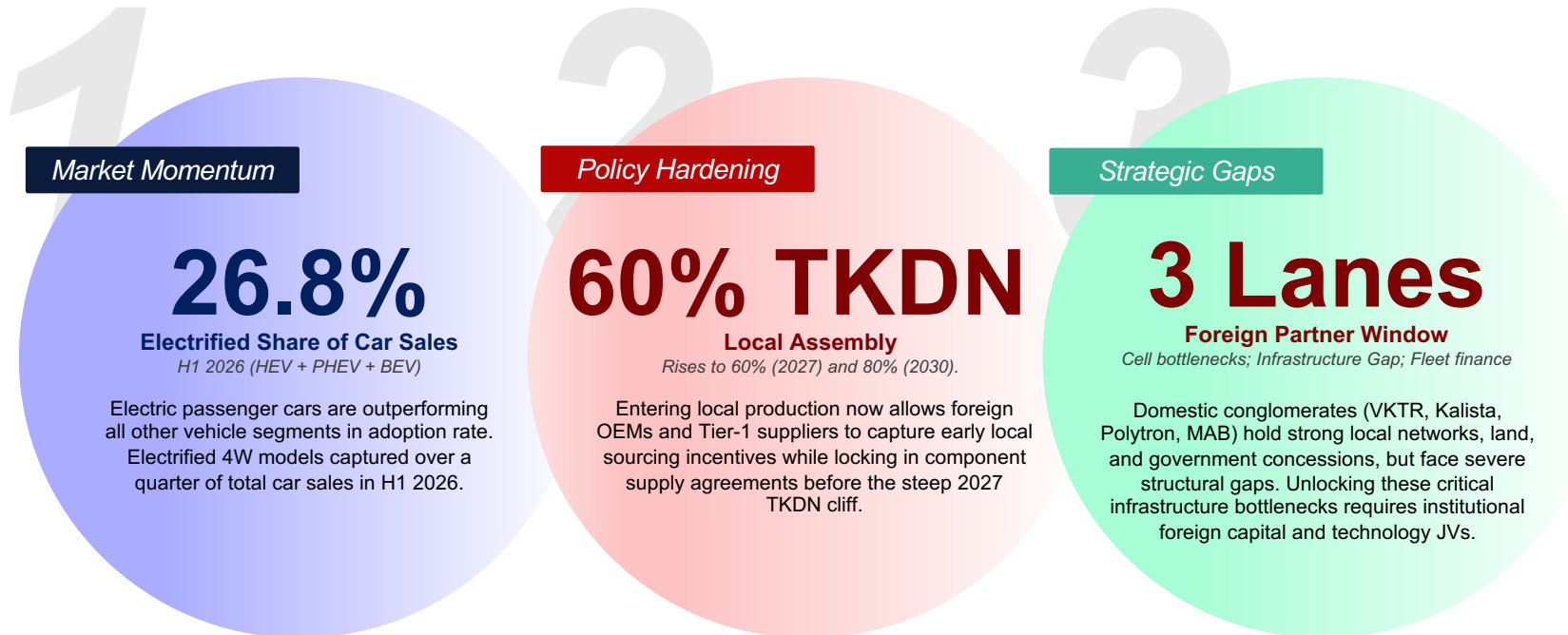
Strategic Context · Industry · Local Players

Regulatory Landscape · Opportunities · Entry Models



Indonesia's EV story at a glance

Fast demand, a hard pivot to local production, and clear gaps where foreign partners fit.



Macro Fleet Reality: Current Adoption Gap vs. Target Ambitions

While 4W passenger cars surge, two-wheelers and commercial fleets remain virtually unpenetrated, creating a multi-billion dollar industrial awakening for localizing supply chains, swapping, and charging.

INDONESIA'S VEHICLE FLEET

| Ministry of Industry (Apr '26)

 ~140M

 (passenger car only, excluding heavy commercial trucks and buses) ~17M

 ~1% new sales penetration ~243K

 ~25% new sales penetration ~223K

1 in 4 new cars
is now electrified

- **4W Passenger Cars (The Adoption Standard):**
1 in 4 new passenger cars sold in H1 2026 is electrified (26.8% market share, up from 18.3% YoY). High buyer enthusiasm and competitive Chinese OEM pricing are driving rapid turnover in the 4W space.
- **2W Two-Wheelers (The Volume Lag):**
Despite constituting ~89% of Indonesia's physical fleet (~140M units), e-motorcycles sit at <1% market share. Annual e-2W sales (~60k–70k/yr) represent a fraction of the 6–7 million annual ICE 2W market.
- **Commercial Heavy Fleets (The Untapped Sector):**
Buses and trucks remain heavily dependent on subsidized Biosolar diesel, leaving commercial transport almost entirely un-electrified.

NATIONAL 2030 TARGETS

Vehicle Segment	Government 2030 Target	Target Penetration Gap
Two-Wheelers (2W)	13 Million	12.75M units (98.1% unfulfilled)
Four-Wheelers (4W)	2 Million	1.77M units (88.8% unfulfilled)

The "Industry Awakening"



Mass 2W Electrification & Battery Swapping (The Scale Play):

Opportunity: Transitioning from ~243k on-road e-motorcycles to the government's 13M target requires standardized battery-swapping networks, local assembly, and aggressive installment financing.

Target Fit: Early movers in standardized swap stations (e.g., Electrum, Polytron) and battery-as-a-service (BaaS) providers.



Supply Chain Localization for 4W (The TKDN Mandate):

Opportunity: 4W EV adoption is growing fast, but import tax breaks ended in Dec 2025. OEMs must rapidly increase local content (TKDN) from 40% (2026) to 60% (2027).

Target Fit: Tier-1 component suppliers, local pack assemblers, and cell manufacturers (e.g., HLI, CATIB).



Commercial Fleet Decarbonization & Depot Charging:

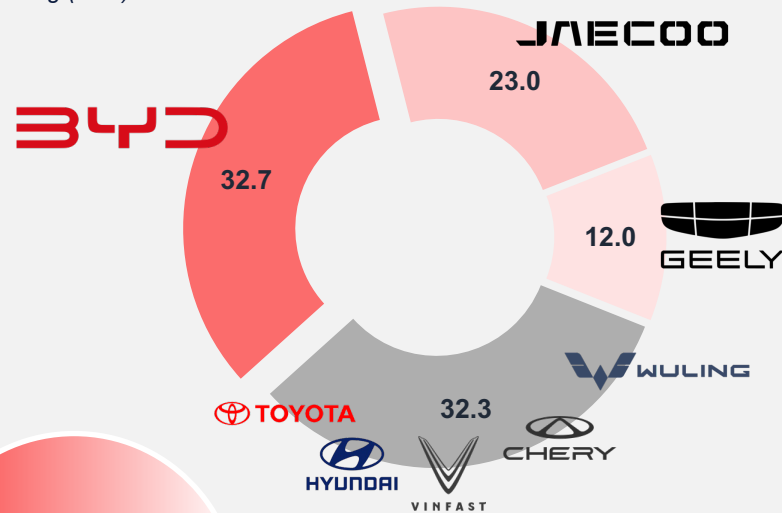
Opportunity: Urban transit (e.g., TransJakarta) and remote mining haulage fleets represent high-consumption corridors where localized assembly (e.g., VKTR, MAB) and high-power depot infrastructure are urgently required.

Chinese OEMs consolidate dominance

Passenger BEVs represent the fastest-growing automotive segment in Indonesia (+89% YoY growth). Chinese players have capitalized on aggressive pricing and SUV styling to displace legacy incumbents, while Plug-In Hybrids (PHEVs) rapidly expand as a critical transition bridge for regions outside Java.

BEV VEHICLE SHARE

| Jan-Aug (in %)



101,715 BEV
Wholesales

(Jan - Aug 2026)

- Total BEV wholesale volume crossed six figures through August 2026, building on H1 momentum (Jan-Jul recorded 83,758 units vs. 44,404 a year earlier, representing an 89% surge).
- Total electrified passenger cars (HEV + PHEV + BEV) accounted for over a quarter of total H1 2026 car sales (up from 18.3% in H1 2025) or 26.8% market share.

- **BYD - Portfolio Dominance**
Maintains overall market leadership through vertical integration and a broad multi-segment fleet (Atto 1, Sealion, M6).
- **Jaecoo / Chery Group - Single-Model Breakout**
Jaecoo's J5 EV emerged as the single best-selling BEV model in H1 2026, capitalizing on SUV styling and sub-Rp400M competitive pricing.
- **Geely - Emerging Scale**
Rapidly expanding market share via local contract assembly at Handal (Purwakarta) with the EX2 and EX5 platforms.
- **Legacy Incumbent Displacement**
Japanese OEMs and legacy players (e.g., Hyundai) face shrinking BEV market share as price wars intensify, pushing traditional brands to lean on standard Hybrids (HEV) while evaluating localized BEV supply chains.
- **416% PHEV Surge**
Wholesale sales of Plug-In Hybrid Electric Vehicles (PHEVs) grew by 416% in early 2026.
- **Geographic Infrastructure Disparity:** While BEVs dominate Tier-1 metropolitan Java (Jakarta, Surabaya), PHEVs and HEVs provide essential range security across outer islands (Sumatra, Kalimantan, Sulawesi) where public charging networks remain thin.

STRATEGIC IMPLICATIONS

First-Mover Consolidation: The top three Chinese brand groups command over two-thirds (~67.7%) of all BEV sales in Indonesia.

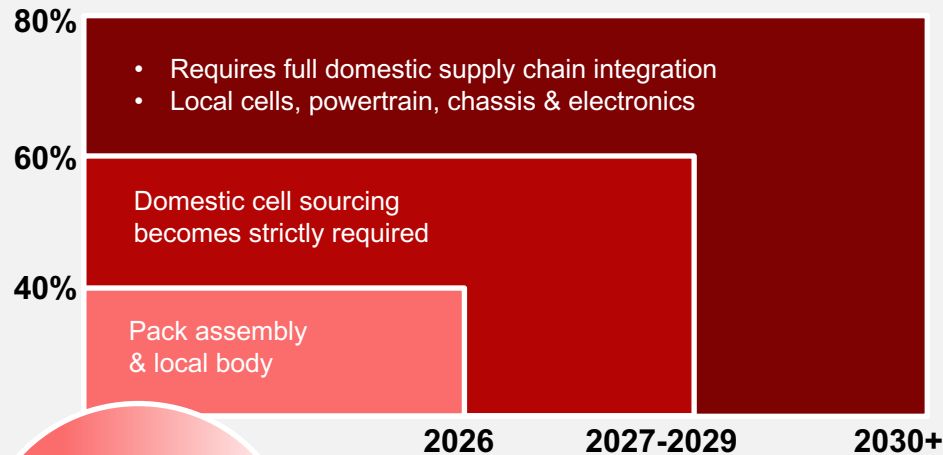
Urgency for Supplier Localization: With CBU import breaks expired as of Dec 2025, market leaders (BYD, Jaecoo/Chery, Geely) are actively seeking local Tier-1 and Tier-2 component partners to meet mandatory local-content floors (TKDN) before 2027.

Policy has flipped from imports to build-local

The expiration of CBU tax breaks turns domestic manufacturing into an imperative—entering local assembly now unlocks primary fiscal benefits and shields foreign OEMs from bank guarantee clawbacks.

LOCAL CONTENT FLOOR (TKDN), 4W EVs

| Masterplan 2026-2030



CBU Expiration & 1:1 Build-Back Commitment

- The expiration of 0% import duties and Luxury Tax (PPnBM) exemptions for Completely Built-Up (CBU) EVs on December 31, 2025, places severe margin pressure on pure imports, forcing OEMs to pivot to localized Completely Knocked Down (CKD) manufacturing to stay price-competitive.
- Importers that utilized pre-2026 CBU tax breaks are legally bound to produce an equivalent unit volume locally between 2026 and 2027, with failure to meet localized production targets resulting in the immediate forfeiture of corporate bank guarantees posted with the Ministry of Industry.

WINDOW OF OPPORTUNITY



Unlocking fiscal benefits

Meeting local content thresholds opens key government incentives. The 2025 scheme cut effective VAT from 11% to 1% for ≥40% TKDN; the proposed 2026 scheme offers 40–100% VAT-DTP depending on battery chemistry (full relief for nickel/NMC cells), plus preferential treatment in government/SOE fleet tenders.



Early-Mover Efficiency

Sourcing local components and establishing assembly operations now creates supply chain efficiency before the steep **60% TKDN jump in 2027**—a threshold that cannot be met without domestically sourced battery cells.

STRATEGIC IMPLICATIONS

Foreign entrants should form localized supply-chain alliances immediately to secure compliant local components ahead of the 2027 regulatory step-up.

OEM localization & industrial capacity scaling ahead of policy deadlines

Chinese and Vietnamese OEMs are leading an aggressive manufacturing pivot to fulfill "build-back" commitments, while cell producers build out domestic battery capacity to meet the 2027 local-content cliff.

Company	Plant / Facility Location	Planned Scale	Operational Status	Strategic Focus
	Subang, West Java	150,000 units/year	Opened Sep 3, 2026	Local CKD base; preparing for 60% TKDN by Jan 2027.
	Subang, West Java	50,000 units/year	Opened Dec 15, 2025	Right-hand drive assembly base for VF series & 2W models.
	Purwakarta (Handal)	Ramping scale	Ramping production	Contract assembly scaling up for EX2 & EX5 platforms.
	Karawang, West Java	10 GWh cell output	Operational (Jul 2024)	Cell manufacturing JV (Hyundai Motor & LG Energy Solution).
	Karawang, West Java	6.915 GWh (targeting 15 GWh by 2028)	Operational (Jul 2026)	Integrated \$5.9B cell initiative supporting Chinese OEM partners.

6 EV Importers /Automakers*

BYD, VinFast, Geely (via PT Handal Indonesia Motor), GAC AION, Citroën (via PT National Assemblers), and Maxus.

...pledged a combined investment of **IDR15.52 trillion** (~\$950M USD) to build local production capacity totaling **305,000 units/year**.

Having localized cell capacity (e.g., HLI and CATIB) provides a major competitive advantage, allowing OEMs to easily clear the 60% local content requirement while qualifying for preferential government tax incentives.

Conglomerates in local EV

Domestic champions hold government relations, fleet concessions, and local manufacturing facilities, but lack cell production, fast-charging hardware, and low-cost capital—creating natural Joint Venture (JV) and supply openings for foreign entrants.

Conglomerate Anchor	Primary Target Segment	Core Business Model	Operational Scale & Capabilities	Strategic Gap & Foreign Entry Fit
VKTR (Bakrie Group)	Commercial e-Buses & e-Trucks	Local assembly & OEM sales, leveraging BYD technology	- Magelang assembly plant (>80% localized) - Supplied 152+ e-buses to TransJakarta operators - H1 2026 sales: IDR646.6B	Needs localized heavy-chassis assembly, high-capacity battery packs, and long-term fleet financing
KALISTA (Indika Energy Group)	Commercial Fleets & Public Transit	Fleet-as-a-Service (FaaS) & full EV leasing	- Operating 60+ TransJakarta-DAMRI e-buses - May 2026 MoU targeting 10,000 TransJakarta e-buses by 2030	Requires high-voltage depot chargers, long-range heavy commercial platforms, and fleet underwriting
ALVA (Indika Energy / Illectra)	Premium 2-Wheelers (E-Motorcycles)	Direct-to-Consumer & B2B fleet delivery sales	100,000 units/year Cikarang facility 20,000+ cumulative production units - Supplying N3 units to Dash Electric fleet	Needs standardized battery-swap integration, localized motor controllers, and lower-cost cell chemistries
POLYTRON (Djarum / Hartono Group)	Mass-Market 2W & Passenger Cars	Low-cost e-2W sales + OEM passenger-car JV	- Claims ~60% market share in low-cost 2W segment - Building G3 electric SUV through Skyworth (China) JV	Lacks proprietary battery-cell technology and high-power DC fast-charging networks
ELECTRUM (GoTo / TBS Energi)	Ride-Hailing 2W Fleets	Battery-as-a-Service (BaaS) & swap ecosystem	- Integrated with Gojek's driver network - Rapid expansion of urban battery-swap stations	Requires standardized high-cycle-life swap batteries and scaling capital for cabinet infrastructure
MAB (Mobil Anak Bangsa / Moeldoko Group)	State / Commercial Buses, Vans & 2W	SOE fleet assembly & multi-modal sales	- Assembles e-buses, e-vans, and Electro 2W in Demak - Operates integrated charging and operator arms	Seeks advanced commercial-chassis technology and cell-supply security

Comprehensive statutory framework for Indonesian EV sector

A structured summary of active laws, tax schemes, and local content compliance rules governing four-wheelers, two-wheelers, charging infrastructure, and foreign direct investment.

EV Pillar	Active Regulation & Key References	Current Legal Status & Key Requirements	Strategic Impact & Executive Note
Passenger Cars (4W)	- PP 74/2021 amending PP 73/2019 - Perpres 79/2023 amending Perpres 55/2019 - PMK 12/2025 - Permendagri 11/2026	0% PPnBM: In effect until 2031 for qualifying BEVs under PP 74/2021 - CBU Import Waivers: 0% import duty and PPnBM-DTP incentives ended 31 Dec 2025 under Perpres 79/2023 - PPN-DTP: 10% VAT-DTP for ≥40% TKDN BEVs under PMK 12/2025 expired end-2025; proposed 2026 scheme of 40–100% VAT-DTP by battery type pending implementing PMK - Regional Taxes: PKB / BBNKB exemption and reduction framework delegated to regional governments	Local assembly is increasingly critical: Pure CBU imports face normalized taxation, while local production enables continued access to fiscal incentives.
Two-Wheelers (2W)	- Perpres 55/2019 - Perpres 79/2023	- TKDN: 40% threshold through 2026, rising to 60% in 2027–2029 and 80% from 2030 - Purchase & Conversion Support: Framework established for EV purchase subsidies and ICE-to-EV conversions - Purchase Incentive: Proposed Rp3 million subsidy requires implementing MoF regulation before disbursement	Localization is critical: Motor controllers, battery systems and swap infrastructure will need increasing domestic content to meet future TKDN thresholds.
Commercial Vehicles (Buses & Trucks)	- PMK 12/2025 - Perpres 55/2019 - Perpres 79/2023	- E-Bus VAT-DTP: 10% (TKDN ≥40%) / 5% (TKDN 20–40%) under PMK 12/2025, expired end-2025; 2026 renewal unconfirmed - Heavy Commercial TKDN: 60% threshold from 2027 broadly applies to 4W+ platforms - E-Trucks: Governed under the broader EV development framework under Perpres 79/2023	TCO depends on utilization and localization: High fleet utilization, localized chassis / battery-pack assembly and financing are key to commercial EV economics.
Charging & Battery-Swapping Infrastructure	Permen ESDM 1/2023	- SPKLU: Public charging infrastructure operates under PLN assignment and partnership models - SPBKLU: Private operators permitted subject to technical and safety standards - Service Fee Caps: Up to Rp25,000/session for fast charging and Rp57,000/session for ultrafast charging	Economics favor efficiency and scale: Regulated charging fees place pressure on utilization and operating efficiency, while localized charger manufacturing may benefit from industrial incentives.
Upstream Battery & Nickel	- UU 2/2025 amending the Mineral Mining Law - PP 18/2025 - PP 19/2025	- Nickel Ore Export Ban: Raw nickel ore exports remain prohibited - RKAB: 2026 nickel production quota reduced to approximately 260–270Mt, from 379Mt - Downstream Royalties: Revised PNBP rates apply across processed mineral products under PP 18/19 2025	Downstream integration gains importance: Tighter ore quotas and revised royalties increase the strategic value of integrated domestic refining and battery-cell production.
Foreign Direct Investment (FDI)	- PMK 69/2024 on Tax Holiday - Perpres 79/2023	- Foreign Ownership: EV-related activities are generally open to 100% foreign ownership through PT PMA, subject to applicable KBLI / licensing requirements - Build-Back Requirement: Certain pre-2026 CBU importers must match imported units with local production during 2026–2027 or risk forfeiting bank guarantees - Tax Holiday: Available under PMK 69/2024, subject to applicable Global Minimum Tax / Pillar Two rules	Entry strategy should prioritize localization: Failure to meet local-production or TKDN requirements can reduce access to incentives and expose investors to guarantee / compliance risks.

Batteries decide who wins on local content

Domestic cell production through HLI Green Power and CATIB establishes Indonesia's local battery foundation, aligning upstream high-pressure acid leach (HPAL) nickel processing with OEM compliance requirements for 2027.

Joint Venture / Manufacturer	Location	Primary Partners / Shareholders	Current Active Capacity (2024–2026)	Near-Term Projected Capacity (Phase 2 / 2028)	Full Long-Term Projected Capacity	Primary Applications & OEM Supply
	Karawang New Industry City (KNIC), West Java	Hyundai Motor Group & LG Energy Solution	10.0 GWh Operational since Jul. 2024	20.0 GWh Phase 2 expansion	30.0 GWh Full plant masterplan	High-density NMC cells: Hyundai Kona EV, IONIQ 5 platforms, and ASEAN exports
	Karawang, West Java	Ningbo CBL / CATL (70%) & Indonesia Battery Corporation / IBC (30%)	6.915 GWh Operational since Jul. 2026	15.0 GWh Targeted expansion by 2028	15.0 GWh Phase 1 + Phase 2 combined	NMC & LFP cells: Chinese OEM assembly partners, including BYD, Geely and Chery; 2W battery-swap systems; BESS
Combined National Cell Output	Karawang Battery Hub	State-linked / FDI consortia	~16.9 GWh	~35.0 GWh	~45.0 GWh	Supports Indonesia's 60% TKDN step-up for 2027–2029

STRATEGIC IMPLICATIONS



Sourcing cells locally from HLI or CATIB allows OEMs to hit the mandatory **60% TKDN requirement** by 2027 without needing fully localized powertrain production.



HLI focuses on high-density Nickel-Manganese-Cobalt (NMC) cells, while CATIB provides flexible cell architectures supporting both NMC and Lithium Iron Phosphate (LFP) platforms for cost-sensitive commercial and 2W applications.



Joint ventures under the CATL-IBC consortium include a **20,000-ton/year battery recycling plant** in Halmahera Timur to ensure closed-loop material recovery by 2031.

Two-wheelers are the volume play

With over 140 million ICE two-wheelers in circulation, domestic brands and fleet aggregators are driving adoption through Battery-as-a-Service (BaaS) and swapping networks ahead of the 60% TKDN step-up in 2027.

Brand / Manufacturer	Corporate Parent / Strategic Backers	Core Business Model	Production & Fleet Scale	Advantage & Technology Fit
	PT Hartono Istana Teknologi (Djarum / Hartono Group)	Direct sales + low-cost battery subscription (Fox Series)	~60% mass-market 2W share; expanding Cikarang assembly lines	Low upfront vehicle cost through battery rental; strong nationwide consumer-electronics service network
	PT Ilectra Motor Group (Indika Energy Group)	Premium B2C sales + B2B commercial fleet supply	100,000 units/year Cikarang plant; Molinas national project host	Mid-drive motor technology, smart-app connectivity, and fleet partnership with Dash Electric
	PT Electrum Ecosystem Utama (GoTo & TBS Energi Utama JV)	Battery swapping (BaaS) + ride-hailing fleet integration (H5 Series)	Integrated across Gojek driver network; dedicated Cikarang factory	Rapid battery-swap deployment, high-cycle battery technology, and predictable ride-hailing demand
	PT WIKA Industri Manufaktur (State-Owned Enterprise / SOE)	Direct B2C sales + government / SOE fleet contracts	Demak manufacturing plant (G1 & Raya series)	Strong government procurement channels and early integration with PLN charging / swapping infrastructure
	PT Astra Honda Motor (Astra International & Honda JV)	Direct B2C sales + proprietary Honda Mobile Power Pack e:	Local assembly of EM1 e:, CUV e: and Icon e:	Massive distribution footprint and dominant legacy ICE position, with ~75% share of Indonesia's overall motorcycle market (ICE)

Regulatory Escalation & Battery Infrastructure Roadmap

Battery-as-a-Service (BaaS)

Battery-as-a-Service is gaining traction in Indonesia's 2W EV market, using subscription and battery-swapping models to reduce upfront costs and improve fleet utilization (e.g., Polytron's battery rental from IDR125,000/month or Electrum's swap network).

National "Molinas" Initiative

President Prabowo launched the national electric motorcycle (*Molinas*), targets 1M annual production by 2028, scaling to 2M capacity and 11M units on the road by 2037, backed by IDR3T in subsidies and projected to generate IDR150T in economic value while saving IDR82.2T in fuel subsidies.

Interoperability & Swap Standardization Gap

Diverse battery chemistries and swap-cabinet standards across brands, including Electrum, Volta and Honda MPP, create fragmentation, while Permen ESDM 1/2023 provides a regulatory framework for standardizing SPBKLU swapping infrastructure.

Buses and trucks: biggest gap, hardest economics

TransJakarta mandates drive early e-bus volumes, while Fleet-as-a-Service (FaaS) leasing and fleet financing models are key to unlocking large-scale e-truck adoption ahead of 2027 local-content rules.

Player / Assembler	Operating Model & Partnerships	Vehicle Platform & Scale	Active Fleet Deployments	Advantage & Technology Fit
	Local assembly at Magelang factory (>80% localized) with BYD technology transfer	12m & 8m e-bus platforms; e-truck platforms	152+ e-buses deployed across TransJakarta routes; IDR646.6B H1 2026 revenue	Focuses on heavy-duty powertrains and high-occupancy buses built to absorb continuous, 24/7 urban transit cycles.
 KALISTA Member of Indika Energy Group	Fleet-as-a-Service (FaaS) & full-EV leasing aggregator	Heavy commercial e-buses & logistics trucks	26 e-buses in TransJakarta and 60 in Medan (Trans Metro Deli); 2026 partnership with three TJ operators, targeting ~25% of TJ's ~4,000 large/medium e-buses by 2030	Private-equity & group balance-sheet underwriting, including vehicle residual-value financing
	Domestic SOE fleet supplier & coachbuilder	Demak assembly lines for e-buses, e-vans & Electro 2W	Mining-site shuttle buses, SOE corporate fleets & regional transit operators	Research, develop, and construct rolling chassis entirely customized for Indonesia's unique, demanding environments.
 FOTON  FAW  SANY	Import / CKD distribution for mining & heavy logistics	Heavy-duty e-dump trucks & tractor heads	Active site trials across Morowali & Halmahera nickel-processing hubs	Fast-paced last-mile urban cargo and city distribution hub logistics.

Structural Drivers & Growth Catalyst

Municipal Transit as the Anchor Volume Driver

TransJakarta's commitment to electrify its entire fleet by 2030 (10,000 units) provides predictable long-term order books for localized coachbuilders.

Commercial Trucking & Mining Site Adoption

High daily mileage in closed-loop industrial zones (e.g., nickel smelters and ports) creates compelling total cost of ownership (TCO) savings against diesel, driving demand for heavy e-dump trucks and logistics vans.

Tax Relief & FaaS Lease Structuring

E-buses received 10% VAT-DTP (≥40% TKDN) under PMK 12/2025, which lapsed end-2025. The 2026 EV incentive package announced so far covers cars and e-motorcycles; e-bus relief is unconfirmed, making FaaS leasing and fleet financing more important to close the capex gap.

Charging is the bottleneck and the open door

PLN anchors high-voltage highway corridors while private Operators and OEMs build venue-based fast-charging and Battery-as-a-Service (BaaS) swapping hubs under capped tariff frameworks.

5,030

Public chargers currently operated

57,888

Additional chargers needed by 2030

Gap to ESDM's 62,918 target (Kepmen ESDM 24.K/2025)

Planned
Charger
Composition

55%
(30,796 unit)
**Medium
Chargers**

28%
(19,538 unit)
**Fast
Chargers**

17%
(12,584 unit)
**Ultra-Fast
Chargers**



PLN

PT PLN operates under a statutory mandate (*Permen ESDM 1/2023*) to provide grid access for public chargers, offering **Franchise / Partnership Models** to private CPOs (Charge Point Operators) to co-invest in land and hardware.

100%

Foreign ownership is possible
in public charging by BKPM

*Paid-Up Capital IDR2.5Bn (USD140,260)
& Total Investment Commitment IDR10Bn
(USD561,040) (PP No. 28/2025)*

*50-day avg exchange rate ≈ 17,824 IDR



**KEMENTERIAN
ESDM**

Indonesia's Ministry of Energy and Mineral Resources (ESDM) officially targets the construction of **62,918 public electric vehicle charging station (SPKLU) units by 2030**. (Ministerial Decree No. 24.K/2025)

Where foreign partners can plug in

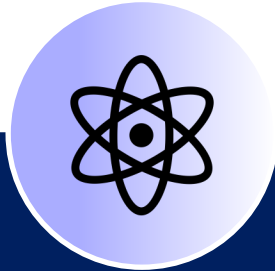
Three lanes match gaps above: supply chain, energy infrastructure, and fleet finance.



Supply chain and localization

Components, cells and pack technology to lift OEMs past the 2027 step.

Partners: tier-1 suppliers, LFP and cell technology, recyclers



Energy and charging

Public and fleet charging, megawatt truck charging, battery swapping.

Partners: charging operators, utilities, swap networks



Fleets, e-bikes and finance

Bus and truck leasing, MaaS, Molinas ecosystem, instalment financing.

Partners: lessors, DFIs, OEMs with commercial EV ranges

Three routes to market, each with a local anchor

Foreign entrants must evaluate three entry archetypes based on control, capital commitment, and speed to meet the 60% TKDN requirement by 2027.

Wholly Owned /Majority Foreign (PT PMA)

Capital & Ops Footprint	High construct proprietary plant (e.g. BYD Subang or VinFast)
Local Content (TKDN) Compliance Path	Direct control over assembly, cell sourcing and supply-chain localization to achieve 60% TKDN
Time-to-Market	Slow: 18–24 months
Key Advantages	Maximum strategic control, brand protection and long-term tax-holiday eligibility under PMK 69/2024
Primary Operational Risks	High upfront land / capex requirements; exposure to 1:1 build-back bank-guarantee forfeiture risks

Strategic Joint Venture (JV)

Shared capex partner with local establishment (e.g. BYD-VKTR)
Leverages partner's supply connections, chassis assembly and cell off-take agreements
Medium: 9–12 months
Immediate access to land, government fleet contracts and established local distribution
Partner-alignment friction, shared margins and IP / technology-transfer management

Contract Manufacturing (CKD/SKD) via Local Assembler

Asset-light, supply and services with local assembler facilities
Dependent on contract partner's local sourcing network and assembly certification
Fast: 3–6 months
Minimal upfront capex and rapid market entry to test local demand
Higher per-unit operating costs; potential capacity bottlenecks at contract plants

Three risks to underwrite before committing

Policy timing, the cost of local content, and the economics of commercial fleets.

POLICY

Incentive timing

Car and e-motorcycle support has slipped from June to at least September, so buyers are pausing. A 2026 interior-ministry rule also no longer lists BEVs as exempt from regional vehicle taxes.

SUPPLY

Local-content step

Floors rise to 60% in 2027. Batteries are 40–50% of an EV's value, so this is hard to reach without local cells.

ECONOMICS

Fleet cost case

There is no resale market for used e-trucks (a diesel truck resells at IDR150–200M after five years), diesel is subsidized, and Kalimantan grid access is limited.

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