

Katalis Market Insight

Meeting Demand for Business Skills and Training in Indonesia

November 2022

IA-CEPA ECP
KATALIS
Indonesia-Australia Growing Together



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Acknowledgment

This report has been prepared by Katalis in partnership with:



EQUITY ECONOMICS

Katalis acknowledges the input of Indonesian employers and Australian TVET providers who contributed through a series of interviews and survey of Australian TVET.

IA-CEPA ECP Katalis (Katalis) is a unique, five-year (2020-25) government-backed business development program unlocking the vast potential of economic partnership between Australia and Indonesia.

Executive Summary

Indonesia's economic recovery is generating increased demand for the broad set of skills that support the growth and operations of successful businesses. On the job and remote training programs present an enormous potential opportunity for Australian Technical, Vocational Education and Training (TVET) providers.

Business growth is driving demand for contemporary business skills in Indonesia. An analysis of a full year of job advertisements revealed that business skills are among the top five most cited capabilities required by employers across almost all industries. The business skills most sought after by employers include sales, marketing, customer service, negotiation, digital marketing, and accounting. A full list of the most in-demand roles and skills is at Annex 1.

Indonesian employers frequently cited a need to upskill their existing staff to meet the demands of middle and senior management positions, as their businesses grow and adapt to new opportunities. Employers are seeking skills which are tailored to their workplace, industry, and the Indonesian business environment.

Training in business skills is a major opportunity for Australian providers in the Indonesian market. The most in-demand business skills in Indonesia align well to the capabilities of Australian TVET providers, with high-quality business courses already available to Indonesian trainees. In a recent survey of Australian TVET providers, 83 per cent of survey respondents, including all major participating TAFEs indicated having courses and training available in business skills, 42 per cent had sales and marketing courses, and 25 per cent had digital marketing courses suited to delivery

in Indonesia. Australia's TVET capability in Indonesia is discussed in a separate Katalis Market Insight.

Australian TVET providers can tailor courses to meet the specific needs of Indonesian businesses and industry. 60 per cent of Australian TVET providers, in responding to a survey conducted by Katalis, noted their institution had experience in delivering customised, bespoke training to businesses.

The Australian TVET sector is ready to design and deliver timely, relevant courses in suitable modalities and formats for the Indonesian market. Over 80 per cent of TVET providers who responded to the survey have either an existing presence in the Indonesian market or an interest in entering the market in the future. Business skills can be taught using a range of delivery models, including remote learning, blended learning, and short courses that can facilitate price points competitive with the local market. Details of course options are at Annex 2.

This Market Insight was developed drawing on several sources of proprietary data including real-time job advertisement data from Indonesia developed by the Data Analytics Unit of Prospera Australia Indonesia Partnership for Economic Development. An original survey of Australian TVET providers developed and conducted by Katalis in partnership with Equity Economics and conducted in May 2022 with responses received from 20 per cent of all Australian TAFEs and a small number from more than 4,000 Australian registered training organisations (RTOs). Finally, a series of focused interviews with Australian TVET providers and Indonesian employers were also conducted.

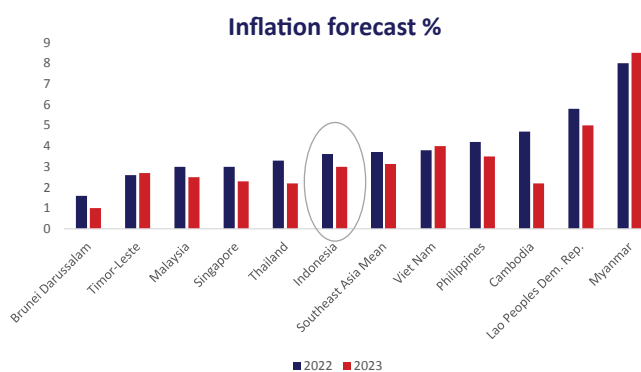
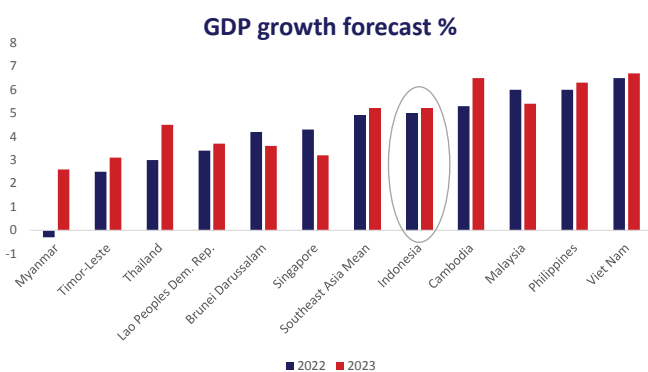
Economic recovery in Indonesia

Indonesia's economy continues to recover from the pandemic, with above average growth compared to the region. After a 2.1 per cent contraction in 2020, the economy rebounded in 2021, growing by 3.7 per cent and is expected to grow by 5 per cent in 2022. Inflation is expected to rise in 2022 but at 3.6 per cent remains below the mean for Southeast Asia, making it one of the better performing economies in the region.¹

Trade and investment are driving the recovery.

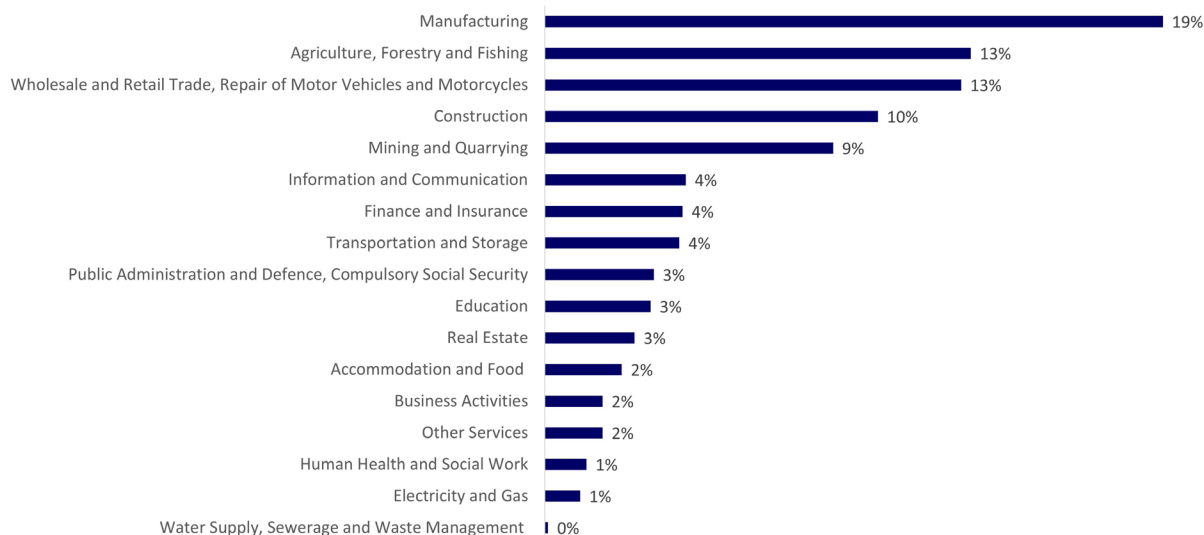
Healthy demand and rising credit are stimulating private investment while pandemic-related

government spending is winding down. Higher commodity prices for coal, palm oil, and nickel are generating windfall earnings, which more than offset higher fiscal subsidies for fuel, electricity, and food.³ Manufacturing, wholesale and retail trade, ICT, and financial services are making strong contributions to GDP growth, along with construction, agriculture and forestry, and mining. Domestic consumption grew by 4.4 per cent, with retail trade increasing by 8.6 per cent, highlighting a strong demand for consumer goods.⁴



Source: ADB²

Contribution to GDP by industry (2021)



Source: Indonesia Bureau of Statistics, BPS⁵

1 ADB: <https://www.adb.org/news/indonesia-economic-growth-strengthen-2022-2023-adb>
 2 ADB: <https://www.adb.org/news/developing-asia-economies-set-grow-5-2-year-amid-global-uncertainty>
 3 ADB: <https://www.adb.org/sites/default/files/publication/811076/ado-supplement-july-2022.pdf>

4 World Bank: <https://openknowledge.worldbank.org/bitstream/handle/10986/37584/IDU087850cba0b204043f608dea019acef5f2be1.pdf?sequence=5>
 5 BPS: <https://www.bps.go.id/indicator/11/106/2/-2010-version-quarterly-distribution-of-gdp-2010-version-at-current-market-prices.html>

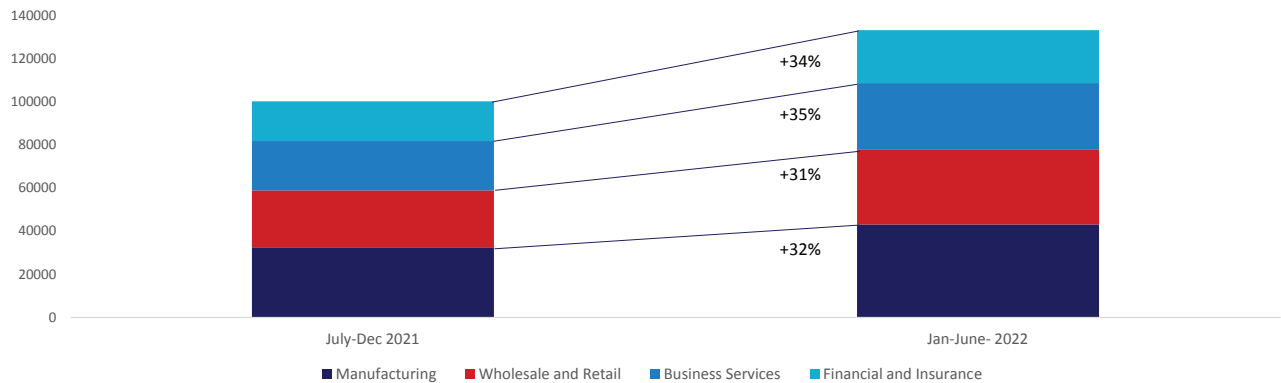
Key Insights

Business skills are the most in-demand skills in Indonesia

In the 12 months between 1 July 2021 and 30 June 2022:

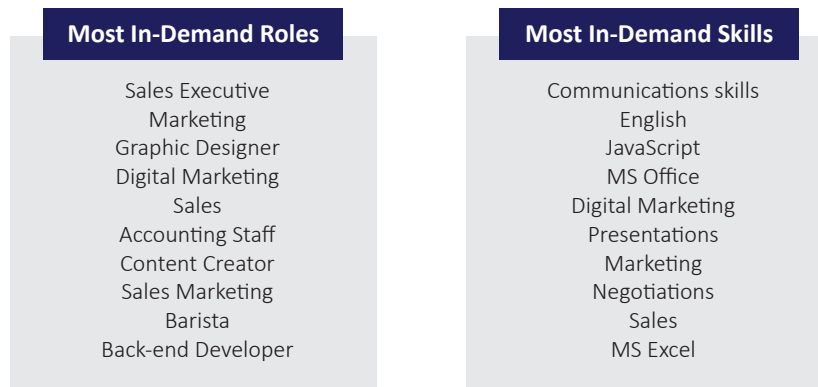
- **Job advertisements grew by an average of 31 per cent** with 546,731 new roles advertised across all sectors. Many required skills for which there are major skills gaps in the Indonesian labour market.
- **Jobs in sales and marketing were the most in-demand roles advertised**, followed by accounting and account managers, and customer service roles.
- **Business skills were the most highly sought skills across all sectors**, appearing in at least 5 per cent of job advertisements. Marketing, business communications, presentation, negotiation, sales, MS Office and Excel skills were among the top ten most requested skills.

New roles advertised July 2021-June 2022, top 4 business sectors



Source: Prospera Labour Market Dashboard

Most advertised roles and skills, July 2021-June 2022 - all sectors

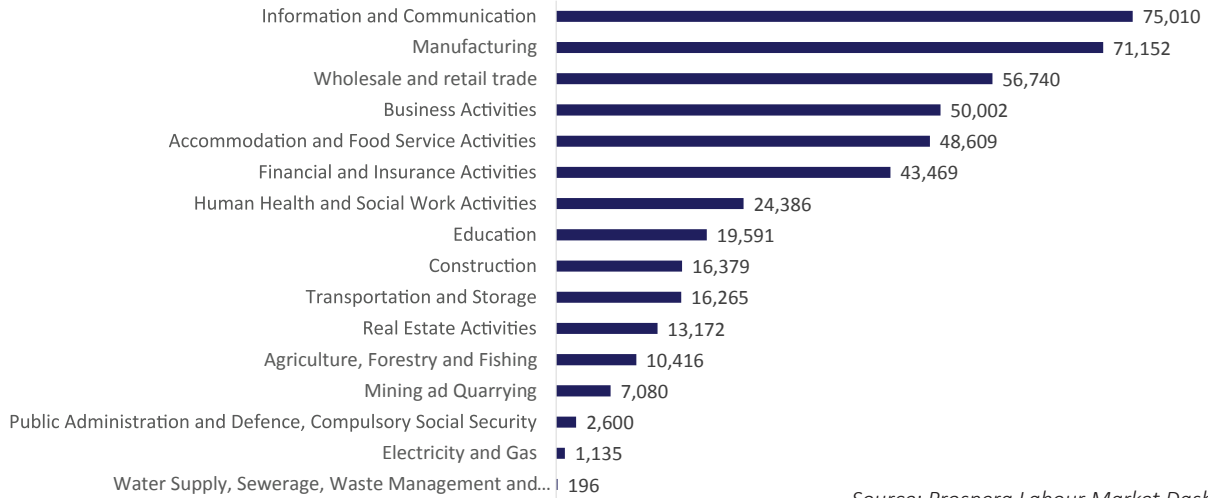


Source: Prospera Labour Market Dashboard

For further detail on the most in-demand roles and skills by sector see Annex 1.

The surge of new roles being advertised reflects the increase in size and growth of economic subsectors, with the top three sectors being information and communication technology, manufacturing, and wholesale and retail trade as outlined in the graph below.

Advertised roles by industry subsector, July 2021-June 2022



Source: Prospera Labour Market Dashboard

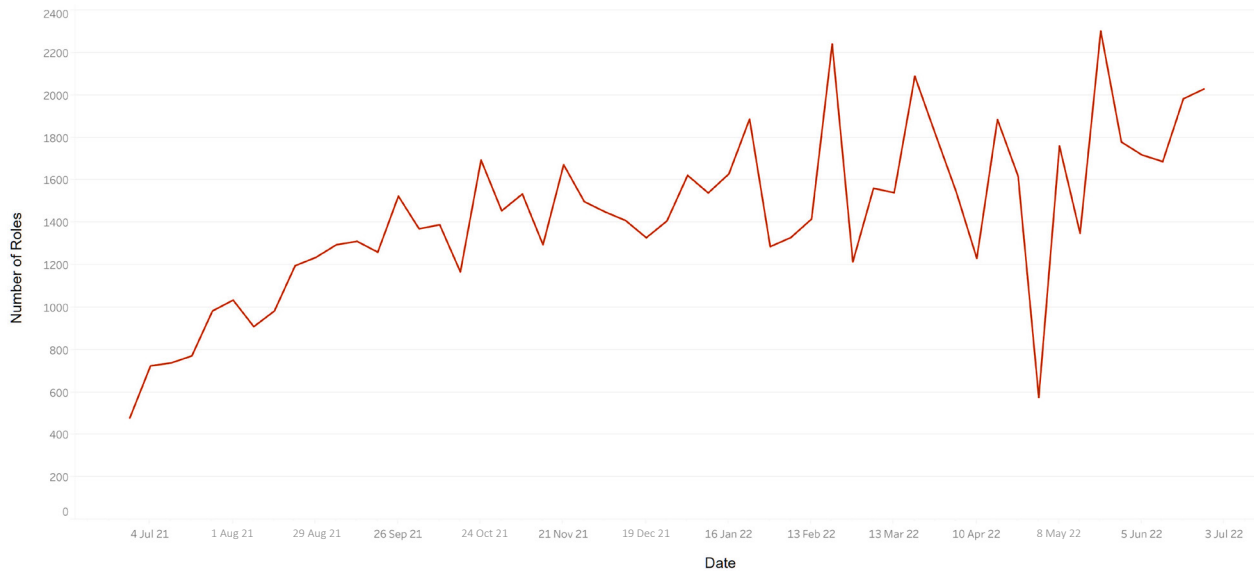
Manufacturing sector focus

At 19 per cent, the manufacturing sector is still the number one contributor to Indonesia’s GDP.⁶ Digitisation and automation are expected to contribute to greater transformation and growth in the sector in the coming years.⁷ Accordingly, Indonesian’s manufacturing sector has significant demand for skills, including in overarching business skills.

In the 12 months between 1 July 2021 and 30 June 2022:

- 90,384 new manufacturing roles were advertised, making this sector the largest source of new jobs (surpassing Information and Communications Technology at 82,000). This represented 32 per cent growth in new roles.

Manufacturing roles advertised, July 2021 - June 2022



Source: Prospera Labour Market Dashboard

⁶ World Bank: <https://data.worldbank.org/indicator/NV.IND.MANF.ZS?locations=ID>

⁷ McKinsey: <https://www.mckinsey.com/featured-insights/future-of-asia/countries-and-regions/southeast-asia/southeast-asia-perspectives/the-technology-trends-that-could-turbocharge-indonesias-economy>

With 87.1 per cent of new roles advertised in manufacturing based in Java, Java remains the manufacturing centre of Indonesia. Sumatra is the second largest, with 7 per cent of new roles.

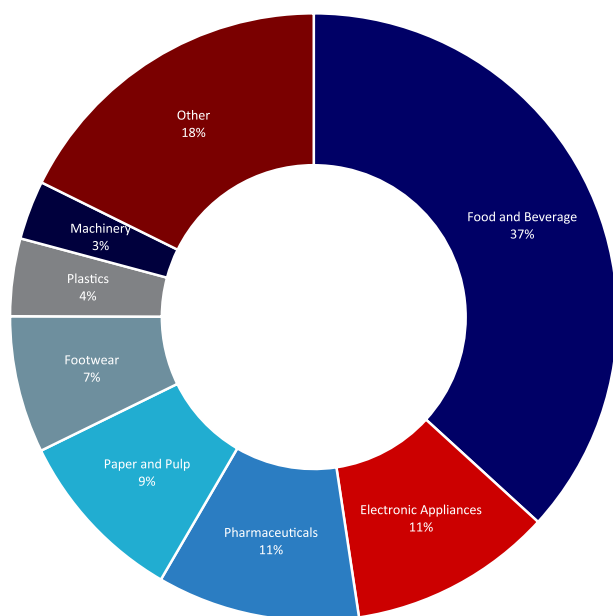
Geographic distribution of manufacturing roles, July 2021-June 2022

Island	Share of New Jobs
Java	87.1%
Sumatra	7.2%
Bali and NTT	2.0%
Kalimantan	1.9%
Sulawesi	1.6%
Maluku and Papua	0.3%

Source: Prospera Labour Market Dashboard

Within the manufacturing sector the largest recruiting segments were food and beverage manufacturers, followed by electronics and appliances, pharmaceuticals, pulp and paper, and apparel and footwear with consistent demand across all these sectors for staff with skills in marketing, sales, and accounting.

Top 30 recruiters in manufacturing by segment, July 2021-June 2022



Source: Prospera Labour Market Dashboard

Across manufacturing, the top three most in-demand roles were in sales, accounting, and marketing, with the top three most in demand skills being communications, negotiation and MS Office. The table below also outlines the top ten recruiters in the manufacturing sector during the given 12-month period. Overall, these ten employers represented 4.8 per cent of all roles advertised in manufacturing.

Most advertised jobs and largest recruiters in manufacturing, July 2021 – June 2022

Most in demand skills	Most in demand roles	Top 10 recruiters (July 2021-June 2022)
Communications skills	Sales Executive	Orang Tua Group (consumer goods)
Negotiations	Accounting Staff	Asia Pulp and Paper (pulp and paper)
MS Office	Marketing	Yakult (food and beverage)
Presentations	Sales Marketing	Porto Indonesia Sejatera (footwear)
Sales	Digital Marketing	Dexa Group (pharmaceutical)
MS Excel	Sales Engineer	Wook Global Technology (electronics)
English	Purchasing Staff	FKS Group (food and beverage)
Sales Marketing	Graphic Designer	Triputra InvestIndo (agribusiness)
Administration	Content Creator	Fastrata Buana (food and beverage)
Marketing	Operator (Production)	Panca Budi Pratama (food and beverage)

Source: Prospera Labour Market Dashboard

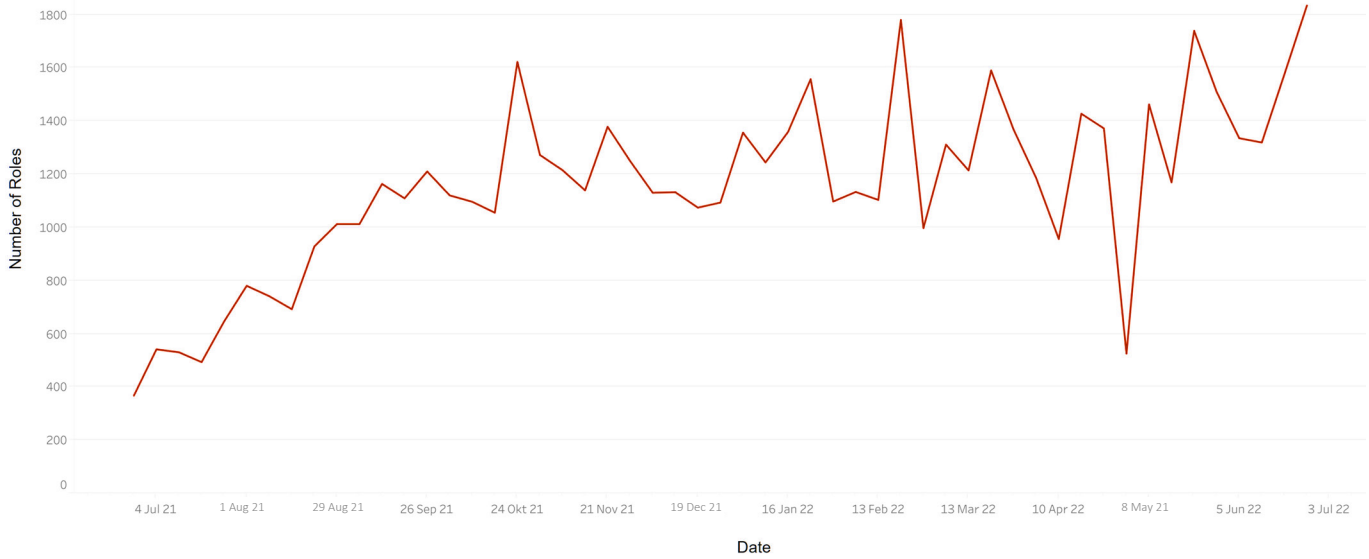
Wholesale and retail trade focus

At 13 per cent of GDP, wholesale and retail trade is the third largest sector of the Indonesian economy after manufacturing and agriculture. As with manufacturing, wholesale and retail trade is bouncing back due to strong consumer demand as well as a significant shift to online retail, pointing to major opportunities for skills and training.

In the 12 months between 1 July 2021 and 30 June 2022:

- 64,000 new jobs were advertised in the wholesale and retail trade sector. The e-commerce sector was a major recruiter. This represented a 29 per cent growth in new roles.

Wholesale and retail roles advertised, July 2021 - June 2022



Source: Prospera Labour Market Dashboard

Recruitment for new roles in wholesale and retail is slightly more concentrated in Java. Sumatra has a lower share of new jobs than for manufacturing, while Bali, NTT and Kalimantan also contribute.

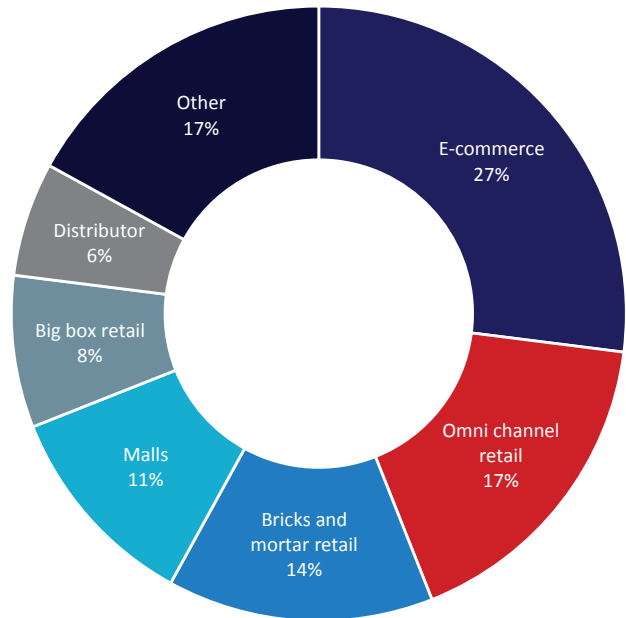
Geographic distribution of wholesale and retail roles, July 2021-June 2022

Island	Share of New Jobs
Java	89.0%
Sumatra	4.3%
Bali and NTT	2.3%
Kalimantan	2.3%
Sulawesi	1.7%
Maluku and Papua	0.3%

Source: Prospera Labour Market Dashboard

Within the wholesale and retail sector, e-commerce was by far the largest market recruiter, followed by omni-channel retail and malls – demonstrating the transformational impact of the move to online retail.

Top 30 recruiters in wholesale and retail by segment, July 2021-June 2022



Source: Prospera Labour Market Dashboard

The top three most in-demand roles in wholesale and retail trade were sales, digital marketing, and sales engineer. The top three most in-demand skills were communications skills, negotiation skills, and MS Office. The table below also outlines the top ten recruiters the wholesale and retail sector during the given 12-month period. These ten employers represented 6.4 per cent of all new roles advertised in wholesale and retail.

Most advertised jobs and top recruiters in wholesale and retail, July 2021-June 2022

Most in demand skills	Most in demand roles	Top 10 recruiters (July 2021-June 2022)
Communications skills	Sales Executive	Erajaya Group (Erafone)
Negotiations	Digital Marketing	Jingdong Indonesia Pertama (JD.ID)
MS Office	Sales Engineer	Central Mega Kencana
Presentations	Sales Marketing	Ecart Webportal (Lazada)
Digital Marketing	Content Creator	Shopee International (Shopee)
Adobe Photoshop	Graphic Designer	Lippo Malls
Sales Marketing	Accounting Staff	Krakatau Karya Abadi (Super)
Teamwork	Admin	Kurnia Ciptamoda Gemilang (KCG)
MS Excel	Online Shop Admin	Lion Super Indo (Super Indo)
Social Media Marketing	Customer Service	Ikea Indonesia

Source: Prospera Labour Market Dashboard

The role of business skills in promoting social inclusion

Business and management roles can provide an excellent career pathway for women and people with disability across a range of industries, including traditionally male-dominated industries. These roles can present a flexible, accessible option for work, across a range of business formats (in-person, online or hybrid) and for a range of different types of business from social enterprises to large businesses creating employment opportunities for workers in broad geographical areas. This flexible working model can improve participation amongst women with care responsibilities, and people with disability.

Very few Indonesian employers (just 0.4 per cent) include a gender requirement in the roles they advertise. Of these, transportation, and storage (1.0 per cent of roles) and mining and quarrying (0.7 per cent of roles) were most likely to specify a male candidate.

Despite this, Indonesian business has a long way to go to provide equal opportunities for women. For example, just 4 per cent of Indonesian businesses have women CEOs⁸ and women make up just 15 per

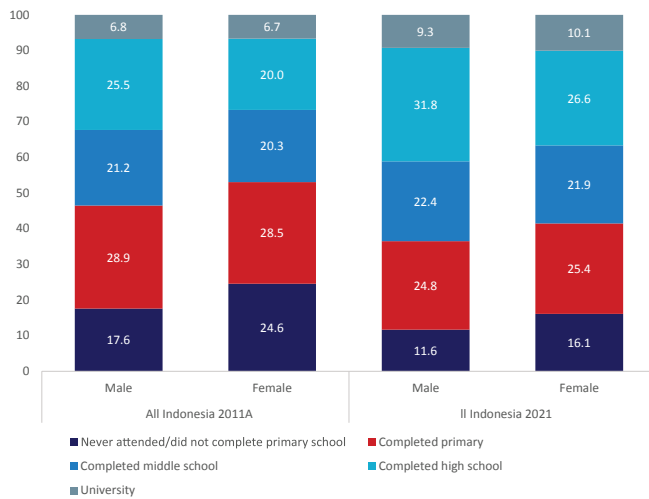
cent of executive leadership roles in financial services and real estate while fewer than 10 per cent of leadership team roles in materials or infrastructure are held by women.

Industry	% Male only	% Female only
Transportation and storage	1.00%	0.20%
Mining and quarrying	0.70%	0.20%
Manufacturing	0.50%	0.20%
Wholesale and retail	0.50%	0.30%
Finance and insurance	0.50%	0.90%
Construction	0.50%	0.20%
ICT	0.30%	0.10%
Accommodation and food	0.30%	0.20%
Agriculture	0.20%	0.10%
Business services	0.20%	0.20%
Health and social services	0.10%	0.10%
Education	0.00%	0.10%
Public administration	0.00%	0.00%

Source: Prospera Labour Market Dashboard

8 Investing in Women Asia: https://investinginwomen.asia/wp-content/uploads/2022/06/IBCWE-Census-on-women-in-ELTs-report-v1.3-Final_ENG.pdf

Educational achievement, 15 years and over 2011 to 2021



Source: Indonesia Bureau of Statistics, BPS

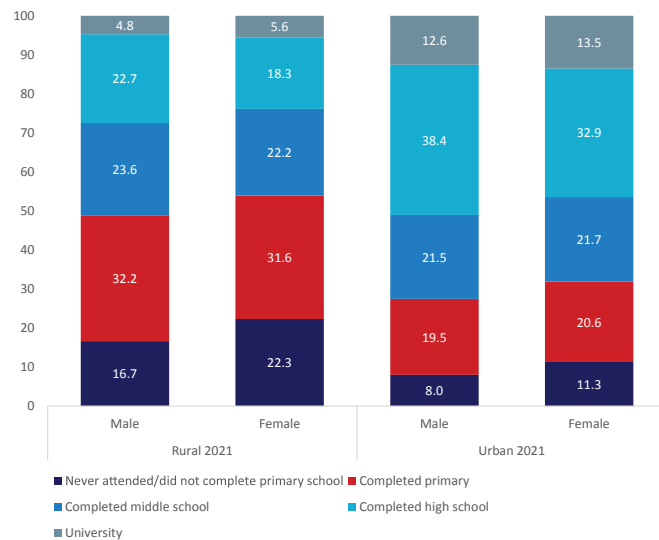
Within the education system, the situation is changing. Women remain at a disadvantage compared to men with respect to access to education, with 16 per cent of women in Indonesia not having attended or completed primary school, however, those with an education are catching up quickly. In 2021, over 10.1 per cent of women (compared to 9.3 per cent men) had completed a university degree. This emerging cohort of highly educated Indonesian women represents an opportunity for businesses to invest in the skills needed to prepare a new generation of women for leadership in business, an investment that is expected to yield profound economic impacts in terms of increased business output and productivity.

Geographic focus

Successful TVET delivery requires the identification of significant cohorts of potential students. In 2022, most formal employment opportunities in Indonesia remain located in Java, representing 87 per cent of manufacturing and 89 per cent of wholesale and retail roles. In addition, Indonesians living in urban areas are nearly twice as likely as their rural counterparts to have completed high school, making them good candidates for further education. This highlights the strategic value of Java as a location for TVET providers interested in providing face-to-face and blended learning formats. Developing online learning and training models from a central location also presents

an opportunity to extend skills and training to other geographies, providing for more inclusive growth across the country.

Educational achievement, 15 years and over Rural vs Urban



Source: Indonesia Bureau of Statistics, BPS

Opportunities for Australian TVET

Australian TVET continues to be an extremely popular choice for Indonesians looking for quality training.

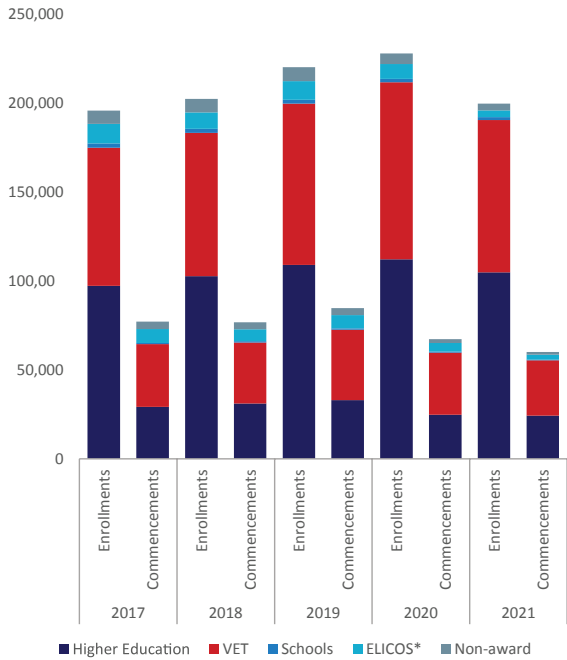
According to the Australian Department of Education, more than half of Indonesian students currently in Australia are studying at a TVET institution.⁹

Country of citizenship	April 2019		April 2020		April 2021	
	Outside	Inside	Outside	Inside	Outside	Inside
China		197,300	79,100	100,700	102,600	58,700
India		97,200	6,900	108,700	21,800	80,600
Nepal		49,600	1,500	54,600	4,500	43,800
Vietnam		23,400	3,100	21,800	5,300	15,400
Brazil		25,300	3,100	21,100	1,000	15,300
Colombia		18,200	2,100	19,600	900	15,900
Philippines		12,600	1,100	17,500	3,300	12,800
Malaysia		23,200	3,300	17,700	3,500	12,300
Indonesia		16,400	3,000	14,600	4,700	10,300
Sri Lanka		11,800	700	12,700	2,000	9,600

Source: Australia Department of Education via Deloitte Access Economic 2021

9 Australian Department of Education

Indonesian Students in Australia

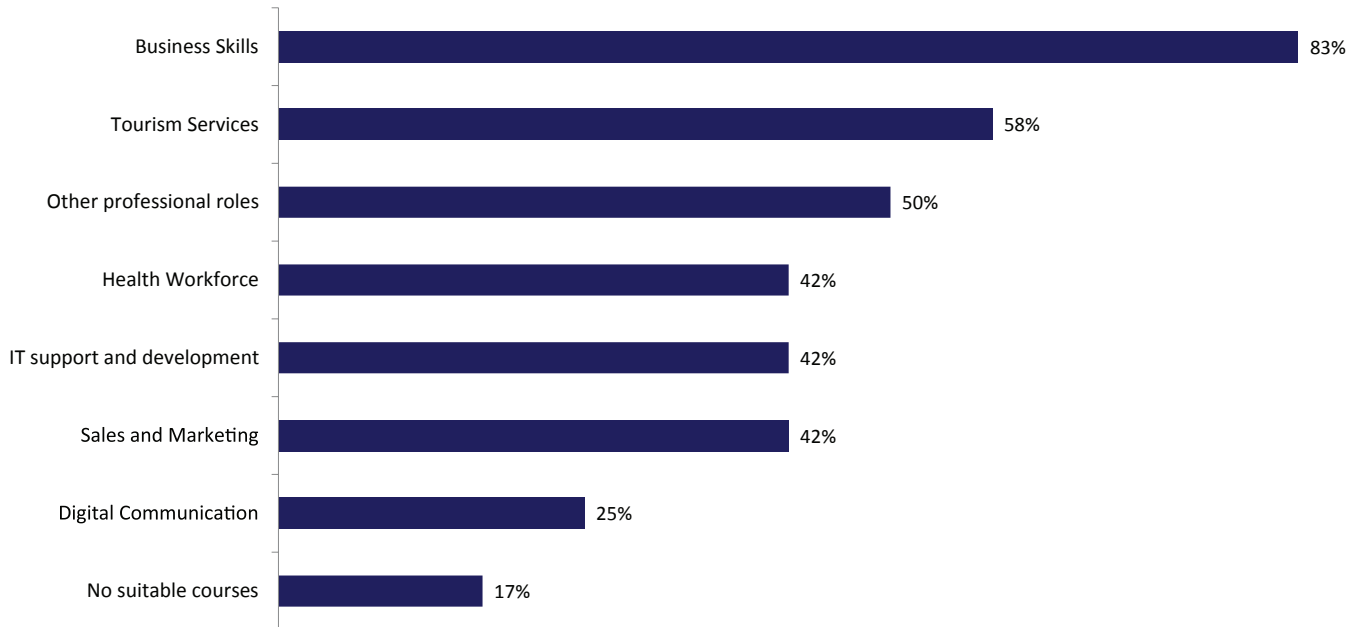


* Stands for English Language Intensive Courses for Overseas Students
 Source: Australia Department of Education, Skills, and Employment

Indonesian employers frequently cite a need to upskill their existing entry-level staff to meet the needs of businesses, especially as staff move to middle and senior management. Employers are particularly keen on relevant workplace training that can help employees improve their productivity and effectiveness within the Indonesian market context.

Australian TVET providers are well positioned to respond to these training needs. Of the Australian TVET providers surveyed, 83 per cent of survey respondents indicated having courses and training available in business skills, 42 per cent had sales and marketing courses and 25 per cent had digital marketing courses suited to delivery in Indonesia. 60 per cent of providers also had experience delivering skills training to specific businesses. Furthermore, Australian TVET providers are increasingly experienced in providing online and distance learning with 80 per cent of TVET institutions indicating that 30 per cent or more of their teachers were delivering courses online. For further detail see Annex 2.

Do you have existing courses suited to offshore delivery in the following areas?



Source: Katalis TVET survey, 2022

Key Takeaways

- The most in-demand skills and training in Indonesia are business management skills, including marketing skills, business communication, presentation skills, negotiation, sales, MS Office and Excel skills.
- Indonesian businesses across a range of sectors have a growing demand for applied skills to help them grow and succeed in the next decade. Australian TVET providers are well positioned to help them meet their skills needs.
- Australian TVET providers can draw on deep experience in providing students with the knowledge and skills to prepare them for the workplace, drawing on diverse business-related disciplines to provide training tailored to the needs of specific businesses and industries.
- Business skills training is well suited to blended learning formats, such as distance, online, and hybrid models. These maximise flexibility and accessibility, allowing businesses to provide staff with critical skills in a format that meets their needs. As a result, business skills training presents a unique opportunity for Australian TVET providers to enter and build their presence in the Indonesian market.
- With the support of the Indonesian and Australian governments, Katalis is establishing a bilateral Skills Exchange platform to connect Indonesian employers with high-quality Australian TVET providers that can meet their specific training needs.
- **Katalis can help you connect.** If you are an Indonesian business looking to deliver training to your employees, contractors or clients, or an Australian TVET providerable to deliver skills and training in the Indonesian market, contact Clarice Campbell, clarice.campbell@iacepa-katalis.org to discuss opportunities.

Annex 1: Most in-demand roles and skills in Indonesian businesses, July 2021-June 2022

Most in-demand skills, July 2021-June 2022

All business	Manufacturing	Wholesale and Retail	Financial Services
Communications skills	Communications skills	Communications skills	Communications skills
English	Negotiations	Negotiations	MS Office
JavaScript	MS Office	MS Office	JavaScript/Java
MS Office	Presentations	Presentations	Sales and Marketing
Digital Marketing	Sales	Digital Marketing	Negotiations
Presentations	MS Excel	Adobe Photoshop	Marketing
Marketing	English	Sales Marketing	Analytics
Negotiations	Sales Marketing	Teamwork	Presentations
Sales	Administration	MS Excel	MS Excel
MS Excel	Marketing	Social Media Marketing	SQL

Most in-demand roles, July 2021-June 2022

All business	Manufacturing	Wholesale and Retail	Financial Services
Sales Executive	Sales Executive	Sales Executive	Account Officer
Marketing	Accounting Staff	Digital Marketing	Marketing
Graphic Designer	Marketing	Sales Engineer	Back End Developer
Digital Marketing	Sales Marketing	Sales Marketing	Customer Service
Sales	Digital Marketing	Content Creator	Product Manager
Accounting Staff	Sales Engineer	Graphic Designer	Back End Engineer
Content Creator	Purchasing Staff	Accounting Staff	DevOps Engineer
Sales Marketing	Graphic Designer	Admin	Data Analyst
Barista	Content Creator	Online Shop Admin	Desk Collection
Back-end developer	Operator (Production)	Customer Service	Telemarketing

Annex 2: Business related TVET courses suitable for delivery in Indonesia

Course Area	Globally recognised certification	Delivery mode	Full Course International Fee (AUD)	Course duration
<i>Holmesglen</i>				
Sales and Marketing	Yes	Blended learning	5001-10000	12 months
Digital Communications	Yes	Blended learning	5001-10000	12 months
Business	Yes	Blended learning	5001-10000	12 months
<i>TAFE Queensland</i>				
Sales and Marketing	No	Blended learning	15001-20000	12 months
Sales and Marketing	No	Online	5001-10000	6 months
Business	No	Blended learning	2001-5000	6 months
<i>TAFE NSW</i>				
Sales and Marketing	No	Blended learning	1001-2000	12 months
Business	No	Blended learning	1001-2000	12 months
<i>The Gordon</i>				
Business	Yes	Online	5001-10000	12 months
Business	No	Blended learning	2001-5000	6 months
<i>Australia Institute of Advanced Studies</i>				
Business	Yes	Online	5001-10000	6 months
Tourism	Yes	Blended learning	10001-15000	12 months
<i>Melbourne Polytechnic</i>				
Sales and Marketing	Yes	Blended learning	2001-5000	2 years
Digital Communications	No	Blended learning	201-500	2 years
Business	Yes	Blended learning	5001-10000	12 months
<i>Box Hill Institute</i>				
Sales and Marketing	Yes	Online	5001-10000	18 months
<i>Outsource Institute</i>				
Business	No	Online	5001-10000	12 months
Business	Yes	Online	501-1000	2-5 days
Business	Yes	Online	501-1000	2-5 days
Business	No	Online	5001-10000	12 months