

Investing in Creative and Social Enterprise in Indonesia

A burst of reforms in Indonesia over the past few years, along with liberalisation in foreign direct investment has paved the way for stable growth, enhanced investor confidence and renewed capital inflows in the country.

The continuous growth of new enterprises has attracted more investment to Indonesia.

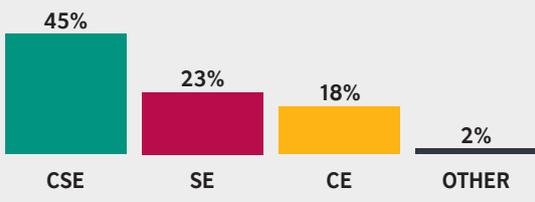
There has been a significant increase in investment in start-ups in Indonesia over the last

10 YEARS

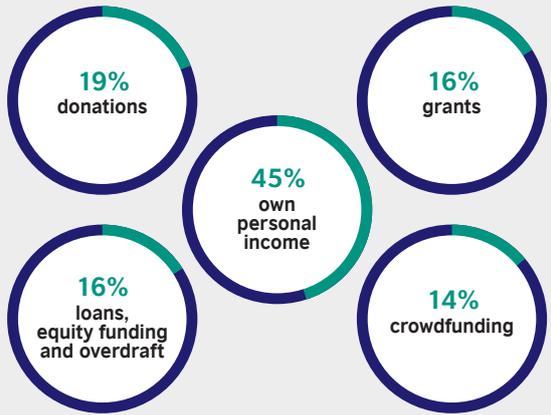


The tourism, fashion, culinary, craft and digital technology sectors show the biggest potential for equity investment in Indonesia.

At the same time, **the concepts of social finance, social investment and impact investment have caught the imagination of people around the world.** These are as a means gaining significant attention as a means to unlock more private capital to do good.



Many creative and social enterprises (CSEs) rely largely on funding from their own personal resources. **45% of CSEs have used their personal incomes to finance their enterprises.**



Actors in the ecosystem of investment in creative and social enterprises:



FINANCIALLY MOTIVATED INVESTORS

including private investors and venture capitalists



GOVERNMENT

including policymakers and the development of an enabling environment



INVESTORS WITH 'BLENDED' MOTIVATIONS

including social or impact investors



START-UP SUPPORT

including incubators and accelerators



GRANTMAKERS

(e.g. not looking for a financial return) including donors (bilateral and multilateral) and venture philanthropists



NETWORKS

including ANDE, ANGIN, AVPN and GSG

While investing in social and creative enterprises, most funders and financiers in Indonesia do not specifically target CSEs.

Most seek a balance between financial, environmental and social return.

CSEs can benefit from access to other support, such as mentoring, coaching and training.



Social and impact investors, can more clearly define and communicate their approach to balancing social, environmental and financial returns and take practical steps to collaborate towards the development of more consistent frameworks and tools.