



Indonesia



Country Overview:

Location: Southeastern Asia, archipelago between the Indian Ocean and the Pacific Ocean

Size: 1,904,569 sq. km

Population: 251,160,124 (July 2013 est.)

Capital: Jakarta

Export-commodities: Oil and gas, electrical appliances, plywood, textiles, rubber

Import-commodities: Machinery and equipment, chemicals, fuels, foodstuffs

Currency: Indonesian Rupiah (IRD)

Ethnic groups: Javanese 40.6%, Sundanese 15%, Madurese 3.3%, Minangkabau 2.7%, Betawi 2.4%, Bugis 2.4%, Banten 2%, Banjar 1.7%, other or unspecified 29.9% (2000 census)

Religion: Muslim 86.1%, Protestant 5.7%, Roman Catholic 3%, Hindu 1.8%, other or unspecified 3.4%

Language: Bahasa Indonesia (official, modified form of Malay), English, Dutch, local dialects (the most widely spoken of which is Javanese)

Government type: republic

Chief of State and Head of Government: President Susilo Bambang YUDHOYONO (since Oct. 2004) Vice President BOEDIONO (since Oct. 2009)



Republic of Indonesia/Republik Indonesia

Meetings and Negotiations

- Be **punctual** for business appointments. Indonesians tend to be more flexible regarding time.
- Greet with a slight **nod** of the head and shaking hands (not too firm). **Wait** for an Indonesia woman to initiate a handshake. Sometimes women will put their hands in front of their chest in a prayer position instead. In this case, it is wise to mirror this action.

- **Titles are very important.** Address your Indonesian counterpart by stating their **title** or Mr./ Mrs. and their last name.

- Indonesians enforce **business hierarchy** when negotiating, within seating, and when entering a room. Acknowledge the most senior person first (the person leading or in the front, or the eldest).

Business Attire

- Dress conservatively. Women should cover knees, elbows and chest. Limit your use of accessories.

Behavior

- "Saving face" is an important

concept to understand. Causing embarrassment or loss of composure, even unintentionally, can be **disastrous** for business negotiations.

- Indonesians may smile and nod even if they don't understand something in order to save face.

- Always **have** multiple business cards on hand.

- The traditional way of presenting your business card is to use two hands. When receiving a card, take a **few moments** to read it and then **place** it on the table or in your card case (not in your pocket!). **Never** scribble on a business card.

- Indonesians prefer **indirect** eye contact. Direct eye contact may be seen as suspicious and threatening.

- Use your right hand to pass or receive an object; the left is considered unclean.

- **Avoid** winking, touching anyone's head, pointing, or touching your feet.

Gift Giving

- Use discretion when giving a gift; select a gift that is **modest**.

- It is customary when giving the gift to use **two hands** or your right hand.

- Gift giving etiquette heavily depends on the **ethnicity** of the receiver.

- For the ethnic Chinese, it is polite to **refuse** a gift before accepting it. Elaborate wrapping is expected, red and gold are preferable. Gifts will be opened in private.

- For ethnic Malays/Muslims, gifts should be given with the **right hand**. Gifts will **not** be opened when received and alcohol and pork products should be avoided.

- For ethnic Indians gifts should be given with the right hand and wrapped in **bright** colors for good fortune. Avoid leather products and alcohol.

Appropriate Gifts:

- something shared such as food, flowers, a gift specific to your own culture, something with your company logo

Gifts to Avoid:

- alcohol, pork products, toy dogs or pictures of dogs, sharp objects

Business Tips continued

Conversation

- Indonesian international businessmen/women are likely to speak English.

- You may be asked intrusive questions about your marital status, age, and income. Do not respond with irritation, just be **nonspecific**.

- Do not feel the need to speak during a period of silence and avoid interrupting during conversation.

- Indonesians greatly value building **personal** relationships among the people they do business with.

- Speak in a quiet, gentle tone; moreover, remain **calm**.

Topics to Discuss: - current events, family, weather, tourism/travel, sports, success or future plans of your group organization

Topics to Avoid: - Indonesia's human rights record, bureaucracy, corruption, military influence, religion, personal success

