

## **Indonesia Facility Management Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)**

Market Report | 2023-01-23 | 120 pages | Mordor Intelligence

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### **Report description:**

The Indonesia Facility Management Market is expected to grow by registering a CAGR of 8.5% during the forecast period (2022-2027). The growth of the studied market in the country is primarily led by the growth of the construction sector, as in the past few years, the sector has seen continuous growth, owing to increased investment across public and private sectors.

#### Key Highlights

According to Statistics Indonesia, the GDP growth rate for the construction sector in the country was estimated to be around 2.81% in 2021. Additionally, as per the data provided by Statistics Indonesia and BKPM, a government agency, the FDI in the construction sector of the country amounted to approximately USD 93 million in 2021.

Driven by the growing domestic consumption, the industrial sector in the country has also witnessed steady growth over the last few years. This entry of global players across various sectors has also boosted the growth of the local industries. For instance, in January 2022, LS Cable & System announced the completion of the construction of a 64,000 square meter power cable plant in Indonesia.

Furthermore, the entry of global tech companies such as Microsoft, IBM, Google, and Amazon into the country is also driving the growth of the data center sector to support their digital infrastructure, which in turn is driving the demand for facility management services in the country. For instance, in November 2021, DCI Indonesia announced the opening of the first phase of its second data center campus outside Jakarta.

Although, the growth of the above-mentioned sector has been driving the demand for facility management services. However, the penetration of these services is still low as compared to other countries such as China. The Integrated FM services are still in their nascent stage, which are expected to gain traction during the forecast period.

A significant impact of COVID-19 has been observed in the country, as the reported COVID cases till May 6, 2022, accounted for 6,047,986. Owing to the imposition of stringent movement restrictions & widespread lockdown to curb the spread of the virus, the

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market witnessed a sudden slowdown in its value chain during the initial phase of the pandemic. However, with the widespread vaccination and slow down in the spread of the virus, the market is expected to gain traction and provide ample opportunities for the growth of the studied market.

## Indonesia Facility Management Market Trends

### Manufacturing Sector to Become a Major Demand Driver

The manufacturing sector in Indonesia has witnessed significant growth over the past decade and has become a major contributor to the country's economy. According to the Ministry of Industry, in the second quarter of 2021, the manufacturing sector's contribution to the national GDP amounted to 17.34%. Furthermore, major contributors from the sector were the food and beverage industry (6.66%) and pharmaceutical, traditional medicine, and chemical industries (1.96%).

As facility management services help the manufacturing companies in minimizing the operational cost while maintaining a high level of service, an increasing number of companies have started adopting such solutions to streamline their manufacturing plants. Furthermore, the growing demand is also encouraging the facility management service providers to come up with innovative solutions.

For instance, ISS Indonesia offers both strategic advice and operational know-how to keep the manufacturing plants compliant and safe to ensure production runs at its most optimal levels, without interruptions.

Moreover, through the Ministry of Industry's Making Indonesia 4.0 roadmap, the Indonesian government plans to implement industry 4.0 to further accelerate the growth of the manufacturing sector. The roadmap includes establishing Indonesia's Digital Industry Center 4.0 in a smart building that will be home to Indonesia 4.0 showcase, artificial intelligence research and development, engineering, and supporting ecosystem for Industry 4.0. Such trends are expected to create further opportunities for the studied market during the forecast period.

### Growth of Construction activities in Commercial and Industrial Sector to Drive the Growth

The past decade has witnessed significant growth in the demand for commercial infrastructure in Indonesia as an increased number of MNCs have set up their offices in the country. Some of the leading technology companies such as IBM, Microsoft, Oracle, Nielsen, Amazon, and Google have their offices in the country. According to International Finance Corporation (IFC), over 90 percent of all jobs in Indonesia are attributed to the private sector.

Furthermore, increasing investment made by the Indonesian government to modernize their public infrastructure is further driving the growth of the construction sector in the country. For instance, the Indonesian government is building a new capital city in the country, which covers about 56,180 hectares in East Kalimantan province.

As facility management services facilitate highly economical construction of the assets, helps to manage the workers efficiently as well as ensure that the required resources are in proper places and in working condition, the demand has been steady in the last few years.

Furthermore, the country has also been witnessing increased construction of data centers which is a major driver for the facility management services. For instance, in April 2022, NTT launched a new data center in Indonesia. The new Jakarta 3 Data Center is located in Bekasi and includes a purpose-built four-story building with a 15.2 MW capacity and 18,000 sqm of IT space.

## Indonesia Facility Management Market Competitor Analysis

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The Indonesian Facility Management Market is moderately competitive and is expected to grow in competition during the forecast period owing to the entry of several MNCs. The vendors are focusing on developing customized solution portfolios to fulfill local requirements. Some of the major players operating in the market include SGS Indonesia, PT Colliers International Indonesia, Cushman & Wakefield, Inc., and Atalian Group.

March 2022 - Patra Jasa, a provider of facility management services in Indonesia, announced the development of a business unit in the city of Yogyakarta. The decision was taken by the company, considering the opportunities the city offers. Apart from being a Student City, this city is also a major tourist destination for local and international tourists.

December 2021 - DCI Indonesia, a data center provider in the country, announced that it had received two awards at the W.Media Cloud and Data Center Awards, which included Data Center Service & Maintenance Team and Hyperscale Innovation Power & Cooling Award.

Additional Benefits:

The market estimate (ME) sheet in Excel format  
3 months of analyst support

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