BUSINESS · INDONESIA

Business in Indonesia for foreigners: how the company route works and where they invest beyond villas

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Foreign investors put Rp 900.9 trillion into Indonesia in 2025, and most of it went into factories and mines, not Bali. Private investors play a different game on the island: businesses that serve 6.95 million foreign visitors a year and the expats who stay.

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IN SHORT

Foreigners do business in Indonesia through a PT PMA, a foreign-owned company registered in OSS with at least Rp 2.5 bn paid in under rules in force since October 2025. Most sectors allow 100% foreign ownership. On Bali, private money beyond villas goes into hospitality, services and sport. Nationwide, padel courts nearly quadrupled in 2025.

Rp 1,931.2 tn
total investment in Indonesia in 2025, up 12.7% (Ministry of Investment)

46.6%
foreign share of that total, Rp 900.9 tn

Rp 2.5 bn
minimum paid-up capital for a PT PMA since October 2025

6.95 m
foreign arrivals in Bali in 2025 (BPS Bali)

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How much foreign money goes into Indonesia?

Realized investment in Indonesia reached Rp 1,931.2 trillion in 2025, up 12.7% on 2024, according to the Ministry of Investment's January 2026 release. Foreign direct investment came to Rp 900.9 trillion, 46.6% of the total. Domestic investors put in Rp 1,030.3 trillion.

The mix flipped that year. In 2024 foreign money made up 52.5% of the Rp 1,714.2 trillion total. In 2025 it stayed flat while domestic investment grew by more than a quarter. The first half of 2026 brought Rp 1,010.6 trillion, 7.2% more than a year earlier, with foreign and domestic money roughly level.

The biggest money goes into metals processing, transport, mining and industrial estates. In 2024 the top provinces were West Java, Jakarta and East Java. Bali's economy runs on visitors instead. That's where a private investor with a few billion rupiah can find a niche.

Realized investment in Indonesia, trillion rupiah

PERIOD	TOTAL	FOREIGN (PMA)	DOMESTIC (PMDN)
2024	1,714.2	900.2 (52.5%)	814.0
2025	1,931.2	900.9 (46.6%)	1,030.3
January–June 2026	1,010.6	507.6	502.9

Source: Ministry of Investment (BKPM), 2024 results, January 31, 2025; 2025 results, January 15, 2026; first-half 2026 results, July 16, 2026; reported by ANTARA, Bisnis.com and DDTC

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How does a foreigner open a business in Indonesia?

You set up a foreign-owned company, a PT PMA. It registers online through OSS, the government licensing system, and gets a business identification number (NIB). You choose its permitted activities from the five-digit KBLI business codes, and each code carries its own rules.

BKPM Regulation 5/2025 lowered the capital floor in October 2025. A company now pays in Rp 2.5 bn instead of Rp 10 bn. The old Rp 10 bn figure survives as the minimum investment plan for each activity code at each site, with land and buildings left out. For 12 months the capital can't go back to shareholders, but the company may spend it on assets, building work and day-to-day costs.

Then come the running costs. The company keeps monthly books, files tax returns and sends a quarterly investment report (LKPM) through OSS. Corporate income tax is 22%. When profit leaves as a dividend to a shareholder abroad, 20% is withheld at source (PPh 26) unless your home country's treaty with Indonesia sets a lower rate. Our PT PMA guide goes through each obligation.

01 **Pick the KBLI codes**

The code sets what the company may do and its risk level. The risk level decides which licenses follow.

02 **Register in OSS**

The company gets its NIB online. Low-risk activities can often start on the NIB alone, while medium-risk ones add a standards certificate.

03 **Pay in the capital**

At least Rp 2.5 bn goes into the company's Indonesian bank account after it's opened, backed by a declared plan worth over Rp 10 bn for each code.

Source: BKPM Regulation 5/2025, via BP Lawyers and SW Indonesia, October 2025; Law 7/2021 on tax harmonization; PwC Worldwide Tax Summaries, Indonesia, 2026

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Which businesses can foreigners own in Indonesia?

Indonesia runs a positive investment list, set by Presidential Regulation 10/2021 as amended by 49/2021. The default is open: a sector takes up to 100% foreign ownership unless the list says otherwise.

Six sectors are closed outright, including narcotics, gambling and chemical weapons. The list names 246 priority sectors with incentives, and 106 set aside for cooperatives and small local businesses or open to foreigners only in partnership with them. A decree issued in late 2025 schedules a rewrite of the list, so confirm the current rules for your KBLI code before you register.

For a private investor on Bali, sport, services and hospitality are usually open through your own company. The details sit at code level, and one code can differ from its neighbor.

Usually open to a PT PMA

- Sports facilities, padel included, under KBLI 93114
- Services for tourists and the expats who live here year-round
- Rental management and accommodation
- Most manufacturing, with a few capped exceptions listed by code

Closed or restricted

- Gambling and narcotics
- Sectors the list reserves for cooperatives and small local businesses
- Codes that require a local partner
- Anything capped below 100% foreign ownership at KBLI level

Source: Presidential Regulation 10/2021 as amended by 49/2021, via ASEAN Briefing, June 2024; Keppres 38/2025 on the review of the list, via DDTC, February 2026

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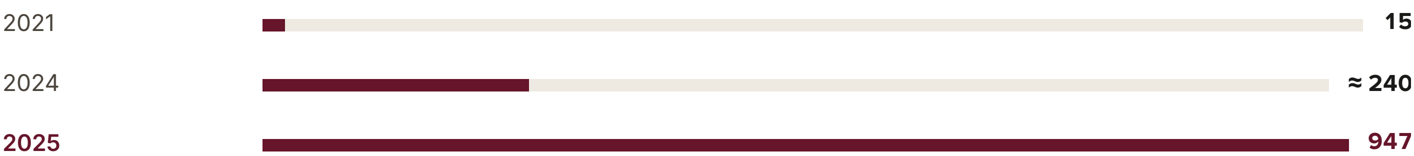
Where is the demand on Bali beyond villas?

Visitors drive the island's economy. BPS Bali counted 6,948,754 foreign visitors in 2025, up 9.72% on 2024. In 2026 the count is holding at about that record level rather than climbing. Add the expats who live here for months and a growing local middle class, and you have a market for everything people use daily.

Padel is the fastest example. Indonesia had 15 padel courts in 2021 and 947 by 2025, according to the Indonesia Padel Report by Core & Court and Growell. Bali charges the highest court rate in the country, at Rp 430,875 an hour. Our breakdown of what a padel club costs and earns runs the numbers for a three-court club.

The pattern repeats in other niches. People who stay for months want somewhere to train and somewhere to work, so gyms and coworking spaces keep opening next to the cafes.

Padel courts in Indonesia



Core & Court and Growell, Indonesia Padel Report 2025. The 2024 figure follows from the report's 295% growth rate.

Source: BPS Bali, foreign arrivals 2025, February 2, 2026; Core & Court and Growell, Indonesia Padel Report 2025

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Can you invest in a Bali business without your own company?

A PT PMA means capital, bookkeeping, reports and a director on the ground. If you want income rather than a second job, you can buy a stake in a business that's already operating.

That's how padel investment worked in the Jungle Padel network, which Rise Real Bali sold under an exclusive mandate. The entry ticket was a 0.5% package for Rp 1.37 bn. It bought into the holding company, and through it into every club the network opens. The network ran eight clubs and planned seven more for 2026, according to company materials.

A stake needs the same checks as buying a whole company. Find out who owns the assets, how profit is calculated and paid, and which documents stand behind the numbers in the deck. Dividends to a foreign shareholder still carry withholding tax, so check your treaty rate.

- ✓ Company structure and who holds the assets
- ✓ Audited accounts for two or three years
- ✓ How the stake is registered and how profit is paid out
- ✓ Licenses under KBLI codes that match what the business actually does
- ✓ Building approvals: PBG and SLF
- ✓ The expansion plan, and where the money for it comes from

Source: Jungle Padel company materials, 2025; Rise Real Bali deal practice

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Property, your own business or a stake: how they compare

A villa is the easiest asset to understand. You can visit it, rent it out and sell it. Income depends on occupancy and the manager, and a leasehold runs for a fixed term. Every card in our property listings states how long the lease runs and what the villa nets after costs.

Your own company gives you the most control and the most work. It needs a PT PMA, a team and someone present. If you plan to live here while running it, the E28A investor permit applies to directors and commissioners holding at least Rp 10 bn in shares, as our long-stay visa guide explains.

A stake in an operating company sits in between. You're less involved than an owner-operator, and you carry a different risk than a property holder. Most of our clients start with a villa, then add a business stake once they know the island. The area pages are a good first step.

Three ways to put money into Indonesia

ROUTE	ENTRY POINT	YOUR INVOLVEMENT	MAIN RISK
Villa or apartment	Listing price, leasehold or Hak Pakai	Low, a manager runs it	Occupancy and lease term
Your own PT PMA	Rp 2.5 bn paid-up capital	Full	Team, licenses, execution
Stake in a network	From Rp 1.37 bn (Jungle Padel, 0.5%)	Minimal	The operator's management

Source: BKPM Regulation 5/2025; Jungle Padel company materials, 2025; Rise Real Bali listings

What this means for buyers

01 Foreign investment in Indonesia held at Rp 900.9 trillion in 2025, while domestic money overtook it.

02 A foreigner does business through a PT PMA: Rp 2.5 bn paid-up capital and a Rp 10 bn+ investment plan per code.

03 Most sectors are open to 100% foreign ownership. Check your KBLI code before registering, because the list is under review.

04 On Bali, demand beyond villas sits in services, hospitality and sport, and a stake in an operating business skips the setup entirely.

FAQ

How can a foreigner start a business in Indonesia?

Through a PT PMA, a foreign-owned company registered in the OSS system. It gets an NIB and chooses KBLI codes for its activities. Since October 2025 it must pay in Rp 2.5 bn and declare more than Rp 10 bn of planned investment for each code, land and buildings aside.

Which businesses are open to foreigners in Indonesia?

Most sectors allow 100% foreign ownership under the positive investment list, Presidential Regulation 10/2021 as amended by 49/2021. Six sectors are closed, including gambling and narcotics. Others are capped, reserved for small local firms or need a local partner.

How much do foreigners invest in Indonesia?

Rp 900.9 trillion in 2025, 46.6% of the Rp 1,931.2 trillion total, per the Ministry of Investment. Foreign investment was flat on 2024, while domestic investment grew by more than a quarter.

What businesses are growing in Bali besides real estate?

Businesses serving visitors and expats: hospitality, services and sport. Padel is the clearest case. Indonesia went from 15 courts in 2021 to 947 in 2025, and Bali charges the highest court rate in the country.

Can I invest in a Bali business without setting up a company?

Yes, by buying a stake in a business that's already operating. In the Jungle Padel network, a 0.5% package cost Rp 1.37 bn and covered every club. Check the company structure, the audited accounts and how profit is paid before you sign.

How we know this

Investment totals come from the Ministry of Investment's releases for 2024, 2025 and the first half of 2026, cross-checked with ANTARA, Bisnis.com and DDTC. PT PMA rules follow BKPM Regulation 5/2025 as summarized by two law firms. The sector list is Presidential Regulation 10/2021 as amended. Visitor numbers are BPS Bali, padel data the Indonesia Padel Report 2025. Jungle Padel packages come from the company's own documents. None of this is legal or tax advice for your situation.

— Ministry of Investment (BKPM), realized investment 2024, January 31, 2025; 2025, January 15, 2026; January–June 2026, July 16, 2026

— ANTARA, Bisnis.com and DDTC coverage of the BKPM releases, 2025–2026

— BKPM Regulation No. 5 of 2025, via BP Lawyers and SW Indonesia, October 2025

— Presidential Regulation No. 10 of 2021 as amended by No. 49 of 2021, via ASEAN Briefing, June 2024; Keppres 38/2025, via DDTC, February 2026

— BPS Bali, foreign tourist arrivals 2025, February 2, 2026

— Core & Court and Growell, Indonesia Padel Report 2025

— PwC Worldwide Tax Summaries, Indonesia: corporate tax and withholding tax, 2026

— Jungle Padel company materials, 2025

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Questions about this guide?

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