

Indonesia's economic growth projections 2023-2025: empirical data analysis

Rabiyatul Jasiyah^{1*}, Oesman Raliby², Trie Hierdawati³, Binar Dwiyanto Pamungkas⁴,
Septiana Ningtyas⁵

¹Universitas Muhammadiyah Button, Bau-Bau, Indonesia, ²Universitas Muhammadiyah Magelang, Indonesia,

³Prodi Ekonomi Pembangunan, Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Jambi, Indonesia,

⁴Universitas Samawa, Sumbawa, Indonesia, ⁵Institut Teknologi dan Bisnis Swadharma, Jakarta Barat, Indonesia

Article Info	ABSTRACT
Keywords: Economic Growth, 2023-2025 Projection, Digital Transformation, Investment Infrastructure	Projections for Indonesia's economic growth from 2023 to 2025 will be examined, with particular attention given to global concerns such as globalization and climate change. The report employs empirical data analysis to identify significant trends and sectors, while also addressing obstacles such as global uncertainty, sluggish digital change, and subpar infrastructure. The suggested approaches encompass economic diversification, investment in infrastructure, expedited digital transformation, legal restructuring, education, adaptable fiscal policy, and cooperation. It is anticipated that the execution of these policies will enhance economic growth, improve the well-being of individuals, and strengthen global competitiveness. This will be achieved through greater average income per person, decreased poverty rates, boosted exports, and improved investment opportunities. Ultimately, this study underscores the importance of adopting a comprehensive strategy to attain Indonesia's economic growth objectives for the period of 2023-2025, with the collaboration of the government, private sector, and society.
This is an open access article under the CC BY-NC license 	Corresponding Author: Rabiyatul Jasiyah Universitas Muhammadiyah Button, Bau-Bau, Indonesia jasiyah_jesy@yahoo.com

INTRODUCTION

Indonesia's economic growth is the main focus in this discussion considering its strategic role in the global economic context. With the complexity of the challenges and opportunities faced, analysis of economic growth projections for the 2023-2025 period becomes essential. Indonesia, as one of the economic powers in Asia, faces a dynamic and complex background. Factors such as globalization, climate change and international market dynamics are the main focus in detailing economic growth projections (Hidayat, 2022; Rabiyatul Jasiyah & Ak, 2022).

In an increasingly complex era of globalization, economic growth is the main focus in a country's development agenda. Indonesia, as a developing country with great economic potential, is the focus of attention in efforts to achieve sustainable economic progress (Hierdawati, 2022; Pembangunan et al., 2018; Raliby et al., 2016). This research

aims to dig deeper into Indonesia's economic growth projections for the period 2023 to 2025, identifying the main factors that will influence it.(Sadikin et al., 2023). Indonesia, like many other developing countries, is faced with complex challenges and dynamic opportunities. These challenges involve adapting to global economic changes, while the opportunities lie in exploiting resources and economic potential that have not yet been fully explored(Shintya & Wahyudi, 2022).

In an era of ever-growing global economic uncertainty, Indonesia's economic growth projections are the main focus in efforts to understand and predict economic dynamics at the national level. As a country with a large population and significant economic potential, this projection is the key to developing development strategies that are responsive to global change. In a global context, economic uncertainty is increasingly becoming a significant challenge(CA et al., 2022; Wijaya et al., 2022). Therefore, a deep understanding of projected economic growth is essential. Indonesia, as an active member of the global economy, has a responsibility to understand the internal and external economic dynamics that can shape future growth projections(Manggala, 2020).

This research aims to provide accurate and relevant projections for Indonesia's economic growth in 2023-2025. Using empirical data analysis, this research tries to identify trends, evaluate the potential of key sectors, and detail the impact of external factors that may influence these projections. The success of economic growth projections has a major impact not only on the government and policy makers, but also on the private sector, society and the financial sector. It is hoped that this research can make a significant contribution in directing sustainable economic development strategies(Asmini et al., 2022; Ningtyas et al., 2023; Pamungkas & Sesanti, 2023).

The empirical data analysis used in this research is based on a comprehensive conceptual framework. Involving key variables such as investment, consumption and exports, this research seeks to provide a complete and detailed picture of the factors that drive economic growth. Previously, various studies have discussed economic growth projections, but this research makes a new contribution by combining more detailed empirical data analysis(Arifin et al., 2018; Arifin, Djumat, et al., 2023; Ginting, 2020). This literature review provides theoretical and methodological context for further research.

In the context of rapid changes in the global economy, research into Indonesia's economic growth projections for 2023-2025 has undeniable urgency. World conditions continue to fluctuate, especially amidst challenges such as the global pandemic, geopolitical changes, and unpredictable market dynamics, making a deep understanding of economic growth projections increasingly important. Indonesia, as the main actor in the regional economy, is required to anticipate these changes by detailing accurate empirical analysis (Arifin, Prajayanti, et al., 2023; De Vega & Arifin, 2022; Kusmaryani, 2021; Rony et al., 2023). The success of this projection not only has an impact on national economic stability, but also has the potential to provide guidance for responsive and adaptive economic policies in the future. Therefore, this research is not just an academic endeavor,

but also a substantial contribution in mitigating economic uncertainty and building a strong foundation for sustainable development in Indonesia.

METHODS

The empirical data research method in Indonesia's economic growth projections for the 2023-2025 period involves collecting and analyzing factual data from sources such as economic statistics, trade data, investment, consumption and other economic indicators. There is study literature related to historical data, econometric models, trend analysis, as well as relevant macroeconomic and microeconomic factors to make projections based on available empirical evidence.

In an era of global economic uncertainty, Indonesia's economic growth projections for the 2023-2025 period are a very relevant research focus. Looking at its history as one of the economic powers in Asia, Indonesia is faced with complex challenges and opportunities (Shiyammurti et al., 2020).



Figures1. World Bank Version of Indonesia's Economic Growth Projections

Economic growth projections not only provide a view into the future, but also serve as a basis for formulating policies and strategic steps (Budhijana, 2020). In this context, careful and thorough research methods are key to ensuring the accuracy and reliability of the resulting projections. The research method used to analyze empirical data in Indonesia's economic growth projections includes an in-depth quantitative approach. Data collection is carried out from primary and secondary sources covering key economic parameters such as investment, consumption, international trade, and other macroeconomic variables (Nurfatiatul & Jasiyah, 2023). This data is then analyzed using appropriate statistical tools, including linear regression and time series analysis, to detail the relationships and trends underlying the projections (Dharmalau et al., 2022; Sudipa, Sarasvananda, et al., 2023; Suriadi et al., 2022). Results from empirical data analysis and economic modeling provide a basis for policy studies. Evaluation of the policy implications of these projections is important, including identifying policy alternatives that can influence economic growth and minimize potential risks. The involvement of policy experts and

stakeholders in this process ensures that projections are not just academic explorations, but also powerful tools in economic decision making(Sudipa, Wardoyo, et al., 2023).

By applying comprehensive research methods, Indonesia's economic growth projections for 2023-2025 are expected to make a significant contribution in understanding and responding to complex economic dynamics(Orbawati et al., 2021; Pamungkas & Sesanti, 2023). The validity and reliability of these projections form the basis of government policy and private sector initiatives. In line with global challenges and opportunities, this projection provides a clearer view of the direction of Indonesia's economic growth and has a positive impact in mitigating economic uncertainty in the future.(Nizar & Sholeh, 2021).

RESULTS AND DISCUSSION

Challenges and Obstacles to Indonesian Economic Projections 2023-2025

Indonesia's economic growth in the 2023-2025 period faces various complex challenges and obstacles. Significant dependence on external factors, such as global climate change and international market dynamics, marks a key challenge that needs to be addressed. The COVID-19 pandemic is a critical point that highlights the global impact that can disrupt economic growth projections, emphasizing the need for resilience and adaptation to an uncertain global situation. While digital transformation and technological innovation are recognized as potential drivers of growth, challenges related to digital infrastructure, availability of technological skills and investment required to drive the sector need to be addressed.

Demographic changes, including population growth and age structure, create new challenges in managing human resources and utilizing the demographic dividend. Further investment in education and skills development is key to optimizing growth potential. Challenges related to infrastructure and logistics, including the construction and maintenance of adequate infrastructure, also influence the smooth running of logistics and the growth of economic sectors that depend on inter-regional connectivity.

The role of the manufacturing and agricultural sectors as drivers of economic growth needs to be strengthened through sustainability, innovation and appropriate policy support. Growing global economic uncertainty, geopolitical changes and unpredictable market dynamics create obstacles in forecasting Indonesia's economic growth projections. Flexibility in economic policy and the ability to adapt to change are essential.

Internal economic stability, inflation management, currency stability, and mitigating internal risks are also important factors that must be considered. In addition, financial and investment limitations can be an obstacle to implementing ambitious economic growth projections. Therefore, a deep understanding of these complex dynamics, supported by careful analysis of empirical data, is key to formulating responsive and adaptive policies. Only by overcoming these challenges and obstacles can Indonesia navigate a sustainable and inclusive economic development strategy in the future. The following are the obstacles in Indonesia's economic projections for 2023-2025:

1. Global Uncertainty : The growing uncertainty of the global economy, especially in the context of changing geopolitics and international market dynamics, may become a major obstacle. Changes in global conditions can significantly influence Indonesia's economic growth projections.
2. Climate Change and Natural Disasters: The threat of climate change and potential natural disasters can become serious obstacles. Extreme weather conditions and natural disasters can damage key sectors, hamper economic growth, and require large investments in recovery.
3. Slow Digital Transformation: The slow digital transformation process in some sectors can be an obstacle to economic growth. The inability to adopt new technologies quickly can reduce the competitiveness and efficiency of certain sectors.
4. Suboptimal Infrastructure: Challenges related to suboptimal infrastructure, including the availability of digital, transportation and energy infrastructure, can hinder connectivity and growth in economic sectors that are highly dependent on good infrastructure.
5. Financial Crisis and Investment Limitations: Financial and investment limitations can become obstacles in implementing ambitious economic growth projections. This could impact the government's ability to support key sectors and finance critical infrastructure projects.
6. Legal Uncertainty : Uncertainty regarding policies and legal frameworks can be an obstacle to investment and economic growth. Slow or uncertain policy reform can discourage businesses from investing on a large scale.
7. Economic Inequality : High economic and social inequality can be an obstacle to inclusive growth. Inequality can create social tensions and hinder sustainable economic development.

Indonesian Economic Strategy 2023-2025

Facing the challenges and obstacles in Indonesia's economic projections for 2023-2025, a number of comprehensive and integrated strategies can be taken to ensure sustainable economic growth. First, economic diversification is key in reducing the risk of dependence on certain sectors, especially the export commodity sector. Furthermore, it is necessary to increase investment in infrastructure, including digital infrastructure, transportation and energy, to support connectivity and economic efficiency. Digital transformation needs to be accelerated to increase the competitiveness of key sectors. In addition, managing climate change and mitigating natural disaster risks must be a priority, with a focus on disaster-resistant infrastructure. Policy reforms and improvements to the legal framework support legal certainty and improve the investment climate. Strengthening the manufacturing and agricultural sectors through innovation and policy support can diversify the economic structure. Investment in education and skills development is needed to optimize the potential demographic dividend. In addition, fiscal policies that are responsive to global conditions can help respond effectively to economic changes. Sustainable economic empowerment and collaborative initiatives at both regional and

international levels are also important strategies. Through these steps, it is hoped that Indonesia can overcome complex challenges and obstacles, strengthen economic resilience, and achieve inclusive and sustainable economic growth. Facing challenges and obstacles in Indonesia's economic projections for 2023-2025, a series of comprehensive strategies are needed. The following are strategies that can be implemented:

1. Economic Verification: the process of economic verification can reduce dependence on certain sectors, especially the export commodity sector. The development of diverse economic sectors can increase resilience to fluctuations in global commodity prices.
2. Investment in Infrastructure : Increase investment in infrastructure, including digital infrastructure, transportation, and energy. Good infrastructure can improve connectivity, efficiency and national economic competitiveness.
3. Digital Transformation: Accelerating digital transformation in various economic sectors. Investments in information technology, e-commerce and digital innovation can increase the productivity and competitiveness of key sectors.
4. Legal Policy Reform: Carrying out policy reforms and improvements to the legal framework to create a stable and reliable investment climate. Legal certainty can increase business people's confidence and encourage investment.
5. Education and Skills Development: Increase investment in education and skills development to provide a workforce that is competent and ready to adapt to technological changes. This can also help optimize the growth potential generated by the demographic dividend.
6. Responsive Fiscal Policy: Implementing fiscal policy that is responsive to global economic conditions. Flexibility in fiscal policy can help respond effectively to changes in economic conditions.
7. Collaborative Initiatives : Building international partnerships and cooperation to address global challenges together. Regional and international collaboration can strengthen Indonesia's position in facing global economic dynamics.

Benefits and Results of Implementing Indonesian Economic Projections

Implementation of Indonesia's economic projections for the 2023-2025 period will provide significant benefits and results for the Indonesian economy. The benefits are increased economic growth, increased social welfare, and increased competitiveness of the Indonesian economy. The result is an increase in per capita income, a reduction in poverty rates, an increase in exports, an increase in investment, and an increase in Indonesia's economic competitiveness on the global stage.



Figures 2. Economic Growth Projections[Source, Global Economic Projection]

Implementation of these economic projections requires support from all parties, including government, private sector and society. With support from all parties, the economic growth target of 5.3% in 2023, 5.5% in 2024 and 5.8% in 2025 can be achieved. The following is an explanation of the benefits and results of implementing Indonesia's economic projections for the 2023-2025 period in more detail:

1. Increased Economic Growth: Increased economic growth will have a positive impact on various economic sectors, such as industry, agriculture, trade and services. This will create new jobs, increase people's income, and reduce poverty rates.
2. Increasing Community Welfare: Increasing economic growth will improve community welfare through increasing per capita income, reducing poverty rates, and increasing access to various basic community needs.
3. Increasing Indonesia's Economic Competitiveness: Increasing economic growth will increase Indonesia's economic competitiveness on the global stage through increasing exports, investment and the competitiveness of Indonesian products.
4. Increase in Per Capita Income: Increasing economic growth will increase the per capita income of the Indonesian people. This is because per capita income is an indicator that measures the level of social welfare.
5. Reducing Poverty Rates: Increasing economic growth will reduce the poverty rate of Indonesian society. This is because poverty is an indicator that measures the level of community welfare.
6. Increased Exports: Increasing economic growth will reduce the poverty rate of the Indonesian people. This is because poverty is an indicator that measures the level of community welfare.

Increasing Indonesia's Economic Competitiveness: Increasing economic growth will increase Indonesia's economic competitiveness on the global stage. This is because

economic competitiveness is an indicator that measures a country's ability to compete with other countries.

CONCLUSION

Indonesia's 2023-2025 economic estimates face difficult issues that require coordinated policies, according to research. Global economic uncertainties, climate change, delayed digital transition, and infrastructure and financing impediments are these issues. To achieve sustainable and equitable economic growth, economic verification, infrastructure investment, digital transformation, legal policy reform, education investment, and responsive fiscal policy are needed. This economic prediction is expected to boost Indonesia's global competitiveness, economic growth, and public welfare. Increased per capita income, poverty reduction, exports, and investment are projected. The ambitious 2023-2025 economic growth objective can be realized with government, private sector, and community support, benefiting the Indonesian economy. Research should improve understanding of Indonesia's economic dynamics and help execute successful strategies for sustainable and inclusive economic growth in 2023–2025.

REFERENCE

- Arifin, A., Djumat, I., Nicolas, D. G., Syam, A. S. M., & Saputra, N. (2023). Metaverse in Education; Innovation Strategy, Learning Acceleration, and Optimization. *Journal of Namibian Studies: History Politics Culture*, 34, 1470–1485.
- Arifin, A., Haryanto, H., Basri, M., & Ansari, A. (2018). Multicultural Approach in Developing Instructional Learning Material at Indonesian Senior High School. *PROCEEDINGS OF THE 65th TEFLIN INTERNATIONAL CONFERENCE*, 65(02).
- Arifin, A., Prajayanti, E., Hasby, M., Taufik, M., & Anggarini, D. T. (2023). The Unex Application as An English Interactive Learning Media: A Feasibility Study. *Jurnal Kependidikan: Jurnal Hasil Penelitian Dan Kajian Kepustakaan Di Bidang Pendidikan, Pengajaran Dan Pembelajaran*, 9(2).
- Asmini, A., Wahyudi, S., & Pamungkas, B. D. (2022). ANALISIS PENGARUH FAKTOR-FAKTOR PRODUKSI TERHADAP PRODUKTIVITAS PENJUALAN (Studi Pada Langsung Enak Bakery Sumbawa Besar). *Samalewa: Jurnal Riset & Kajian Manajemen*, 2(2), 246–255.
- Budhijana, R. B. (2020). Analisis Pengaruh Pertumbuhan Ekonomi, Index Pembangunan Manusia (IPM) dan Pengangguran Terhadap Tingkat Kemiskinan Di Indonesia Tahun 2000-2017. *Jurnal Ekonomi, Manajemen Dan Perbankan (Journal of Economics, Management and Banking)*, 5(1), 36. <https://doi.org/10.35384/jemp.v5i1.170>
- CA, A., Prasetya, A., Doloan, A., Riani, D., Pertiwi, D., Triyani, Y., Sutisman, E., Asmin, E. A., Nugroho, H., & Jasiyah, R. (2022). *Akuntansi Manajemen (Pendekatan Konseptual)*.
- De Vega, N., & Arifin, A. (2022). Teachers' Experiences of Implementing D-Learning. *Proceedings of the 4th International Conference on Vocational Education and Technology, IConVET 2021, 27 November 2021, Singaraja, Bali, Indonesia*.

- Dharmalau, A., Putra, D. F. D., Hiswara, I., Nurlaela, L., Ningtyas, S., & Usanto, U. (2022). Pemanfaatan Teknologi Informasi Untuk Ketahanan Ekonomi Dengan Umkm Online di Masa Pandemi Covid 19. *Jurnal Abdi Masyarakat (JAM)*, 7(2), 162–173.
- Ginting, A. M. (2020). Covid-19 Dan Dampaknya Terhadap Pertumbuhan Ekonomi Indonesia. *Asia-Pacific Journal of Public Health*, 32(4), 145–153.
- Hidayat, S. (2022). *Publikasi Bps Tangerang*. 1–21.
- Hierdawati, T. (2022). PENGARUH TPAK, KESEHATAN DAN PENDIDIKAN TERHADAP PERTUMBUHAN EKONOMI DI PROVINSI JAMBI. *Humantech: Jurnal Ilmiah Multidisiplin Indonesia*, 1(8), 958–966.
- Kusmaryani, W. (2021). Supporting and Engaging Border Area Teachers in Online Learning. *2nd International Conference on Innovation in Education and Pedagogy (ICIEP 2020)*, 17–21.
- Manggala, G. D. (2020). Analisis Perkembangan Dan Proyeksi Perekonomian Indonesia Dari Tahun 2014-2020 Setelah Adanya Pandemi Corona. *Jurnal Ekonomi Dan Bisnis (JEBSIS) Politeknik Praktisi Bandung*, 2(1), 1–5.
- Ningtyas, S., Asmono, R. T., Nurlaela, L., Kurniati, I., & Nasri, J. (2023). PELATIHAN PENGENALAN DIGITAL MARKETING PEMASARAN PRODUK PERTANIAN DI KELURAHAN KALI ABANG TENGAH. *SWADIMAS: JURNAL PENGABDIAN KEPADA MASYARAKAT*, 1(01), 27–34.
- Nizar, N. I., & Sholeh, A. N. (2021). Peran Ekonomi Digital Terhadap Ketahanan dan Pertumbuhan Ekonomi Selama Pandemi COVID-19. *Jurnal Madani: Ilmu Pengetahuan, Teknologi, Dan Humaniora*, 4(1), 87–99.
<https://doi.org/10.33753/madani.v4i1.163>
- Nurfatiatul, W. O., & Jasiyah, R. (2023). PENGARUH CASH FLOW TERHADAP KEBIJAKAN DEVIDEN PERUSAHAAN (STUDI PADA PERUSAHAAN MANUFAKTUR YANG TERDAFTAR DI BEI 2017-2020). *ENTRIES*, 5(1), 99–116.
- Orbawati, E. B., Rusdijjati, R., Fatimah, Y. A., Raliby, O., Saepudin, D., Aji, A. S., Ardjono, D., Pandiangan, A., Arizal, A., & Setyowidodo, A. (2021). STRATEGI PEMBERDAYAAN EKONOMI MASYARAKAT MENGHADAPI PEMBANGUNAN INFRASTRUKTUR JALAN TOL BAWEN-YOGYAKARTA DAN BANDARA YOGYAKARTA INTERNATIONAL AIRPORT (YIA). *Jurnal Jendela Inovasi Daerah*, 4(2), 48–65.
- Pamungkas, B. D., & Sesanti, R. (2023). ANALISIS DAYA SAING PARIWISATA KABUPATEN SUMBAWA UNTUK MENINGKATKAN EKONOMI DAERAH. *Jurnal Ekonomi & Bisnis*, 11(1), 117–128.
- Pembangunan, J. E., Ekonomi, F., Bisnis, D., & Ratulangi, U. S. (2018). Analisis perekonomian makro dan proyeksi pertumbuhan ekonomi Kota Tomohon. *Analisis Perekonomian Makro Dan Proyeksi Pertumbuhan Ekonomi Kota Tomohon*, 18(6), 93–100.
- Rabiyatul Jasiyah, S. E., & Ak, M. (2022). PEMBENTUKAN HARGA DAN KESEIMBANGAN PASAR. *Pengantar Ilmu Ekonomi (Suatu Tinjauan Teoretis)*, 117.
- Raliby, O., Masyhar, R., & Rifa'i, A. (2016). Mempersiapkan Industri Kerajinan Mainan Anak

- Menyongsong Pasar Bebas ASEAN–MEA Melalui Pengembangan Desain Produk. *Jurnal DIANMAS*, 5(2).
- Rony, Z. T., Lestari, T. S., Ismaniah, Yasin, M., & Lubis, F. M. (2023). The complexity of leadership competence in universities in the 21st century. *Cogent Social Sciences*, 9(2), 2276986.
- Sadikin, A., Naim, S., Asmara, M. A., Hierdawati, T., & Boari, Y. (2023). Innovative strategies for MSME business growth with the business model canvas approach. *Enrichment: Journal of Management*, 13(2), 1478–1484.
- Shintya, F., & Wahyudi, D. (2022). Pengaruh Ekspor, Impor, Defisit Fiskal, Dan Utang Luar Negeri Terhadap Pertumbuhan Ekonomi Di Indonesia Periode 2017 – 2020. *Kompak :Jurnal Ilmiah Komputerisasi Akuntansi*, 15(2), 358–369. <https://doi.org/10.51903/kompak.v15i2.769>
- Shiyammurti, N. R., Saputri, D. A., & Syafira, E. (2020). Dampak Pandemi Covid-19 di PT. Bursa Efek Indonesia (BEI). *Journal of Accounting Taxing and Auditing (JATA)*, 1(1), 1–5.
- Sudipa, I. G. I., Sarasvananda, I. B. G., Prayitno, H., Putra, I. N. T. A., Darmawan, R., & WP, D. A. (2023). *Teknik Visualisasi Data*. PT. Sonpedia Publishing Indonesia.
- Sudipa, I. G. I., Wardoyo, R., Hatta, H. R., Sagena, U., Gunawan, I. M. A. O., Zahro, H. Z., & Adhicandra, I. (2023). *MULTI CRITERIA DECISION MAKING: Teori & Penerapan Metode Pengambilan Keputusan dengan MCDM*. PT. Sonpedia Publishing Indonesia.
- Suriadi, S., Jasyah, R., & Nurdin, P. (2022). Marketing Strategy of Shredded Fish Cob Products of Bumdes Lagunci in Bahari Tiga Village. *Media Agribisnis*, 6(1), 129–136.
- Wijaya, B. K., Sudipa, I. G. I., Waas, D. V., & Santika, P. P. (2022). Selection of Online Sales Platforms for MSMEs using the OCRA Method with ROC Weighting. *Journal of Intelligent Decision Support System (IDSS)*, 5(4), 146–152.