

# Indonesia Used Car Market Growth - Grew by IDR 440 Trillion Revenue during 2019 - 2023

*Indonesia's Used Car Market crossed IDR 900 Trillion in 2023, driven by cost-effective choices amid economic uncertainty*

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[/EINPresswire.com/](https://EINPresswire.com/) -- Indonesia Used Car Market Growth

The Indonesia used car market has shown impressive resilience and growth, even amid the global disruptions caused by the COVID-19 pandemic. A significant trend observed is the increasing preference among

consumers for used cars over new ones. This shift can be attributed to economic uncertainty, where consumers opt for more cost-effective options. The depreciation rate of vehicles, which typically stands at around 50% after five years, makes used cars an attractive proposition for budget-conscious buyers. In 2019, this shift translated into over 2.5 million used cars being sold, generating revenues of IDR 570 trillion (USD 40.32 billion).

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Over 2.5 million used cars were sold in Indonesia in 2019, generating IDR 570 trillion, showcasing the market's robust growth and consumer demand.”

*Omkar Manjrekar*

In 2023, the Indonesia used car market continued its upward trajectory, achieving a remarkable revenue growth of 15.08%, reaching IDR 984 trillion (USD 64.58 billion). This growth highlights the sustained demand and the increasing acceptance of used cars among Indonesian consumers. The Indonesia used car market growth

underscores the market's robustness. However, looking ahead to 2024, there are indications that this demand might decelerate, suggesting a possible stabilization of the market.

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[Indonesia Used Car Market Analysis and Forecast \(2019-2030\) - by Brand, Car Type, Body Type,](#)



## Fuel Type, Cities and Age Group

### Jakarta Car Sales: Balancing New and Used Market Trends

In Jakarta, the capital city, a unique trend is emerging where the sales of new and used cars are nearing parity. This balance indicates a mature market where consumers consider both new and used car options equally. In contrast, other major cities in Indonesia still display a disproportionate ratio, with new car sales dominating. This disparity underscores the varying economic conditions and consumer preferences across different regions, particularly within the Indonesia Used Car Market and the Jakarta Used Car Market, reflecting broader trends within the Indonesia automobile industry and the Jakarta automotive market.



Indonesia's used car market surged by 15%, highlighting rising demand for pre-owned vehicles. Jakarta's near-equilibrium of new and used car sales reflects a mature, vibrant market.

### [New Indonesian Regulation Affects Used Car Market Taxation](#)

The Indonesian government has introduced a new regulation to streamline the taxation of used vehicle sales, effective from April 1, 2022. Under the Ministry of Finance Regulation Number 65/2022, a value-added tax (VAT) of 1.1 percent is levied on each unit sold, replacing the previous policy PMK 79/2010. This rate is set to increase to 1.2 percent in 2025, aligning with broader VAT law changes. This regulatory adjustment aims to standardize the tax structure and ensure consistent revenue from used car sales in the Indonesia Used Car Market.

### Electric Vehicles: Emerging Opportunities and Threats

Electric vehicles (EVs) currently make up less than 1% of the cars on Indonesian roads, largely due to the high initial cost of EVs, limited charging infrastructure, and consumer hesitation towards adopting new technology and unfamiliar brands. This situation presents an opportunity for used car companies to attract consumers who are not yet ready to switch to EVs. In the Indonesia Used Car Market, the slow adoption rate of EVs contrasts with the growing interest in traditional vehicles. However, as awareness increases and Indonesia's EV infrastructure develops, there may be shifts in consumer preferences within the Indonesia Electric Vehicles Market. Used car companies in Indonesia could capitalize on this evolving landscape by offering a diverse range of options to cater to varying consumer needs and preferences.

## Key Player's Business Developments:

- Carsome Group secured approximately USD 200 million in its latest fundraising round on June 26, 2023.
- Carsome Group acquired a 51% stake in CarTimes Automobile on March 18, 2022, to deepen its presence in the Singapore auto market.
- PT Astra Digital Mobil launched a new used-car marketplace named Mobbi in December 2022, aiming to provide a wide selection of used cars with clear information for customers.
- Astra completed the acquisition of OLX Indonesia on August 11, 2023.
- CarDekho's Southeast Asia business closed a USD 60 million maiden funding round on October 4, 2023.

## Urbanization and Its Impact on Vehicle Demand

Indonesia, among the fastest urbanizing nations in Southeast Asia, saw its urban population increase from 57% in 2020 to 59.7% by March 2024. This growth trend, rising steadily from 58% in 2022 and 59.1% in 2023, is propelling demand for personal vehicles. The burgeoning urban populace seeks convenient and reliable transportation, likely fueling further expansion in the used car market as urbanites opt for affordable options.

Indonesia's used car market is thriving due to changing consumer preferences, regulatory shifts, and urbanization. Despite strong potential from urban population growth and EV incentives, challenges like balancing new and used car sales, regulatory impacts, and potential EV disruption will influence its future trajectory.

## Scope of the Study

Makreo Research has released a detailed analysis titled "Indonesia Used Car Market Analysis and Forecast (2019-2030)," offering insights into the country's used car market. The report examines trade impacts, demand and supply dynamics, competitor analysis, historical and current performance, pricing trends, popular models, fuel types, city-wise preferences, and comparisons between new and old cars. It also highlights key players in the market, including their mergers and acquisitions, funding sources, and profiles. This comprehensive analysis provides valuable information for stakeholders and industry experts to understand the evolving dynamics within the sector.

## Period of Study

- 2018 - 2023: Past and Present Scenario
- 2023 – Base year of study
- 2024 - 2030: Future Outlook of the industry

## Companies Covered

- Carsome
- mobil88
- OLX Indonesia (Prosus)
- Toyota Trust (PT Astra Auto Trust)
- PT Tunas Ridean Tbk
- Oto.com (PT. Carbay Services Indonesia)
- iCarAsia
- PT Serasi Autoraya (SERA)
- Carro

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