

New YCP Report Identifies Growth Levers for Indonesia's USD 40B Chemical Industry

YCP highlights strategies to reduce import reliance, unlock natural gas potential, and attract sustainable investment.

JAKARTA, INDONESIA, October 1, 2025 /EINPresswire.com/ -- YCP, an Asia-focused professional consulting firm, has released its latest white paper, ["Indonesia's Petrochemical Future: The Next Growth Frontier."](#) The report examines how Indonesia's chemical industry can address import reliance, underutilized natural gas reserves, and infrastructure gaps, while positioning the sector as a competitive player in global markets.



Indonesia's chemical industry contributes significantly to the national economy, accounting for over 10.5% of GDP and generating USD 40 billion in exports in 2022. However, growth is

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constrained by heavy import reliance, particularly in petrochemicals, resulting in a USD 1 billion trade deficit. With domestic demand for essential products like polyethylene (PE) and polypropylene (PP) set to rise in the coming years, boosting local capacity has become a priority. At the same time, global trends toward low-carbon, bio-based chemicals provide opportunities for Indonesia to attract investment and build a sustainable industry.

The white paper examines how Indonesia can leverage untapped gas reserves, develop blue ammonia plants, and

integrate sustainable aviation fuel (SAF) production into petrochemical production. By pairing these initiatives with infrastructure development and supportive policy frameworks, the sector can reduce import dependence, create jobs, and align with circular economy principles.

“This inherent resource wealth, when combined with a strategic focus on sustainability, can propel Indonesia into a position of global leadership in the low-carbon chemical economy,” said Septian Waluyan, Partner at YCP.

Key insights from the report include:

- Reducing import dependence: Strategies must be set in place for expanding domestic production of polyethylene, polypropylene, blue ammonia, and other key chemicals to close the trade deficit and encourage self-sufficiency.
- Leveraging domestic resources: Gas reserves in Western and Eastern Indonesia, as well as SAF feedstocks, can be harnessed to enhance sustainability and create new export opportunities.
- Strengthening infrastructure: Developing robust infrastructure and streamlining processes can lower production costs and drive broader economic development.
- Policy and regulatory enablement: Fast-track permitting, stable energy pricing, and green finance platforms can attract investment and expedite industrial transformation.

Prepared by YCP’s expert partners, this white paper is an essential resource for investors, industry leaders, policymakers, and financial institutions seeking to understand and act on Indonesia’s chemical industry transformation.

[The full white paper is now available for download here.](#)

[About YCP](#)

Founded in 2011, YCP is an Asia-focused consulting firm with presence in over 20+ offices across the globe. We provide advisory services that enable both multinational and local companies to succeed in Asia Pacific and beyond.

YCP has developed strong expertise in the Chemicals sector, supporting clients across Southeast Asia, India, Greater China, and beyond. Our dedicated practice combines deep industry knowledge, including chemical engineering and regulatory insight, with strategic consulting capabilities. We help clients navigate market entry, optimize operations, pursue M&A, and implement sustainability and digital transformation initiatives.

Through our integrated and localized approach, we enable chemical companies to unlock growth, improve efficiency, and build long-term competitiveness in the region. From plant optimization and Chemical 4.0 strategies to ESG and circular economy transitions, YCP delivers practical solutions tailored to the unique needs of the chemicals industry in Asia.

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