

**sandmaster**

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## INDONESIA – a Manufacturing & Distribution Hub



## **INDONESIA a Manufacturing & Distribution Hub**

1. First Steps into Indonesia
  2. Options to enter Indonesia
  3. Opportunities with own company
  4. PT Sandmaster Asia
  5. Advantages for Sandmaster
  6. Swiss Centre Indonesia
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# **1. First Steps into Indonesia**

- Make use of Swiss Eco-system
  - S-GE
  - Swiss Business Hub
  - SwissCham Indonesia
  - Swiss Centre Indonesia
  - Existing local Swiss companies > 90

## 2. Options to enter the Market

### Sales Representative

- Pros:
  - Simple entry
  - First contact with local customers
  - Maybe necessary due to regulations
- Cons:
  - Probably not very effective if wide potential base (other tenants)
  - No direct control over efforts
  - Not that cheap, calculate own costs

## Own Sales Representative Office

- Pros:
  - Directly managed
  - Reporting to HQ only
  - Building up own market knowledge
  - Direct Access to big market with limited investment
- Cons:
  - Running fix costs (Est. CHF 30'000.- /year.)
  - Need to be managed from HQ

## Own Company PT (AG)

- Pros:
  - Most business can be 100% foreign owned (passive local partner can be arranged, where necessary)
  - Building up own market knowledge
- Cons:
  - Start-up costs
  - High fix costs
  - Need mid- long-term commitment

## 3. Opportunities with own company

- **Regional Sales / Service / Manufacturing Hub**
  - Trade Agreement with Switzerland
  - ASEAN Member
  - Easy access local supplier
  - Not one of many others with external sales rep.
- **Advantage of young, low cost labour force**
  - Young Indonesians are eager to learn and loyal
  - Build up your own local engineering, IT or digital marketing support team
  - Foreign companies are regarded as positive employers
  - Cost of labour in Indonesian is between 5 and 10 times lower than in Switzerland

## **4. Sandmaster in Indonesia**

- Founded 2010 / operational 2011
- 2019 est. CHF 2,5 Mio Sales / 80% Export
- Yearly double digit growth over last years
- 25 Employees
  - 5 Engineering / Design
  - 11 Production
  - 3 Sales
  - 6 Support / Admin / Manager



## 5. Advantages for Sandmaster

- Lower labour costs
  - Mechanic assy CHF 600.- x 13
  - Qualified Engineer, IT, Electric, CHF 1000 x 13
- Access to young, motivated and loyal Workforce
- First manufacturer of Sandblasting equipment
- Products highly competitive, local and internat.
- Flexible in supporting Swiss parent company
- Supporting hub for Asia

## 6. Swiss Centre Indonesia SCI

- Private initiative, supported by
  - Business-Hub / SwissCham
- Providing all Services to start and run an Indonesian business
  - Market research / establ. company / accounting, tax
  - Non hired employees / Office space
- Easy landing for Swiss SME
- Highly customizable and developable approach

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Thank you for your attention



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