

Indonesia Used Car Sales to Benefit from Soaring Inflation: Makreo Research



Jakarta, Indonesia Aug 19, 2022 ([Issuewire.com](https://www.issuewire.com)) - Makreo Research & Consulting Firm published Indonesia used car market has shown growth even before the pandemic hit the pockets or inflation mounted. In terms of technology and the overall volume of cars produced, the Indonesian auto sector has advanced greatly. Currently, Indonesia is experiencing a low car ownership ratio as compared to the total households and this can be treated as an opportunity for the used car market in Indonesia. COVID-19 has given a further boost with a gap in demand and supply of new vehicles and a rise in cost at the same time.

Indonesia Economy

Indonesia, a diversified archipelago nation with more than 300 ethnic groups, has the largest economy in Southeast Asia and has experienced exceptional economic development since emerging from the Asian financial crisis in the late 1990s.

In terms of purchasing power parity, Indonesia has the fourth-highest population in the world and the tenth-largest economy overall. Even if the number of COVID Delta variant cases spiked in the middle of the year in 2021, the country's GDP kept growing. Forecasts indicate that the GDP will grow by 3.7% in 2021 and 5.0% in 2022. Additionally, between 2020 and 2021, the COVID-19 fiscal response package was enhanced from 3.8 to 4.5% of GDP.

Automobile Market in Indonesia - Contribution to GDP

The automobile market in Indonesia contributed 4% to the GDP of Indonesia in 2021. There has been constant research and Developments in the auto sector of the nation as it is the major contributor to the growth of the economy.

Impact of Covid-19

Demand-supply Imbalances of New Cars: The worldwide supply chain disruptions by year's end had a greater impact on the new car market's sales volume than the shutdown of manufacturing facilities during the height of mobility restrictions in April/May 2020. Along with other factors, the global microprocessor shortage was one of the main causes of the decline in the supply of new cars in the second half of 2022. The country's desire for used cars was fueled by this imbalance in supply and demand, which resulted in price increases and a lack of new cars at dealerships.

Further Key Findings

- **Value-added Services Provisions:** The market share of used automobiles is growing, thus dealers are attempting to draw more and more customers to it by registering as dealers and establishing themselves on different e-commerce dealing platforms. Along with selling old automobiles, they also offer value-added services.
- **Rising Fuel Prices:** As a result of the post-pandemic economic slowdown, fewer new cars have been sold in recent years across the country. Contrarily, used automobile markets have seen growth due to the expansion in the middle class and the desire for personal vehicles as a result of social distance norms. Another factor driving up the selling of used cars is the rising cost of fuel. By lowering the loan amount for used cars and consequently lowering the monthly installment, buyers are more likely to reduce their overall car ownership costs.
- **More portals that are automatically categorised:** With the introduction of online auto classified portals and the severe, stringent quality and inspection checks carried out by these portals, consumer confidence in online transactions will increase, leading to more used car purchases online portals.
- **High Inflation Rate:** In comparison to the prior year, the average annual inflation rate was 1.56%. Indonesia is experiencing a high rate of inflation as a result of supply chain interruptions and demand-supply mismatches brought on by the Ukraine-Russian war in 2022. The country's annual inflation rate increased from 3.55% in May to 4.35% in June 2022, which is driving up the cost of new cars and driving up demand for used cars.

Makreo Research has published a study on the Used car industry in Indonesia, report titled "Indonesia Used Car Market Revenue and Forecast to 2027" which is a detailed study that offers the reader review of the industry's past, present, and future expected performance. The report discusses Indonesia used car sales growth and discusses in detail Indonesia used car market size. In presence of both organized and unorganized channels, it is vital to understand the market from all possible areas including the economy of the country, average spending power, demographic distribution, government initiatives, and the impact of external factors such as inflation, COVID-19, and others. The study helps the readers to gain insights into the used car market forecast in Indonesia.

The used car industry in Indonesia report examines Indonesia Used Car Market in terms of various parameters such as the surging internet penetration, an increasing number of organized players, inflation across the nation, and other macroeconomic parameters. We have covered Indonesia used car market size and forecast with detailed assessments of the market in terms of volume sales of used vehicles, demand, and supply of passenger vehicles, the demand for used cars by type of cars, and other parameters have been evaluated. The report also discusses Used car dealers in Indonesia on

both offline and online platforms.

Key Topics Covered

Indonesia used car market past and present performance.

Indonesia used car sales growth.

The used car industry in Indonesia from the prospect of demand and supply.

Major variables impacting Indonesia Used car industry growth.

Indonesia economy performance after the virus outburst?

The automobile market in Indonesia despite of global economy slump.

Indonesia automotive market size.

Was COVID-19 an opportunity for the Indonesian used car industry?

What are the key segments of the used car market in Indonesia?

Vehicle type gaining demand in Indonesia used car market?

Who are the leading players in the market and what is the investment scenario?

What opportunities are expected to support Indonesia used car market revenue in the future?

Used car market forecast in Indonesia.

To know more about the publication and coverage, please refer to the link

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