

## Vital tips for doing business with Indonesia

Earlier this year the government relaunched negotiations for a new trade agreement with Indonesia.

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) will open new markets and opportunities for Australian businesses, primary producers and service providers.

Indonesia has a population of more than 255 million – including a middle class of more than 45 million. This is forecast to grow to 135 million by 2020.

Two-way trade between Indonesia and Australia was valued at \$14.8 billion in 2014-15, making it the nation's 12th-largest trading partner and 11th-largest export market. About 250 Australian companies operate there.

Patricia Butera, Cultural Awareness & Cross-Border Business Protocol Specialist, says exporters who are considering this market should be aware of the cultural differences when doing business.

“Being aware that we may in fact have a different approach to business than people from other cultures is a first step towards building and sustaining productive cross-border business relationships,” Ms Butera says.


Exporters focusing on Indonesia should take the following into consideration:

- When pitching or making presentations, observe the hierarchy in the room and address the room accordingly. Beware that unless you have well-established connections present, you may not get feedback or questions. This is not a sign of disinterest.
- Communication style is indirect and high-context. Gestures and non-verbal cues should all be taken into consideration as verbal communication will be less explicit
- Avoid aggressive sales pitches and allow for breaks in long presentations to encourage those present to approach you directly with questions.
- As with many Asian countries, saving face is important in Indonesia. Maintaining harmonious interactions is a priority. To point out any mistakes in a group meeting would surely cause offense. Communicate criticism in private and reconfirm any agreements which were made in an open forum in one-to-one meetings.
- The structure of presentations given you may be less top-line and more detailed than you would expect.
- Be careful to misinterpret a ‘yes’ for a ‘no’ answer. The indirect nature of their communication style means that there is often a hesitation to saying ‘no’. Look out for non-verbal cues such as body language in order to better interpret the intent.
- Don't be alarmed by long periods of silence either in conversation or in meetings. Indonesians are comfortable with silence and consider it a sign of respect to pause before responding. Allowing time for considered opinions will reflect positively on you.

Indonesia is one of the most culturally diverse nations in the world, Ms Butera says.

“Whilst Bahasa Indonesian is the main language, you'll find people in the major business centres do speak English.

“With many of Indonesian's rural areas being populated by people with vastly different languages and cultures, take care to research your audience in order to be effective in your dealings.”

To learn more about cultural awareness and cross-border business skills visit: [www.business-cultures.com](http://www.business-cultures.com) or call 02 9199 4529  02 9199 4529