



# The Role of Valuer In Strengthening the Economy of Indonesia

*The 24th AVA Congress 2022 - Indonesia Country Report*

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Citra Wulan Ratri, Dinar Sutopo Sidig, Molita Nainggolan



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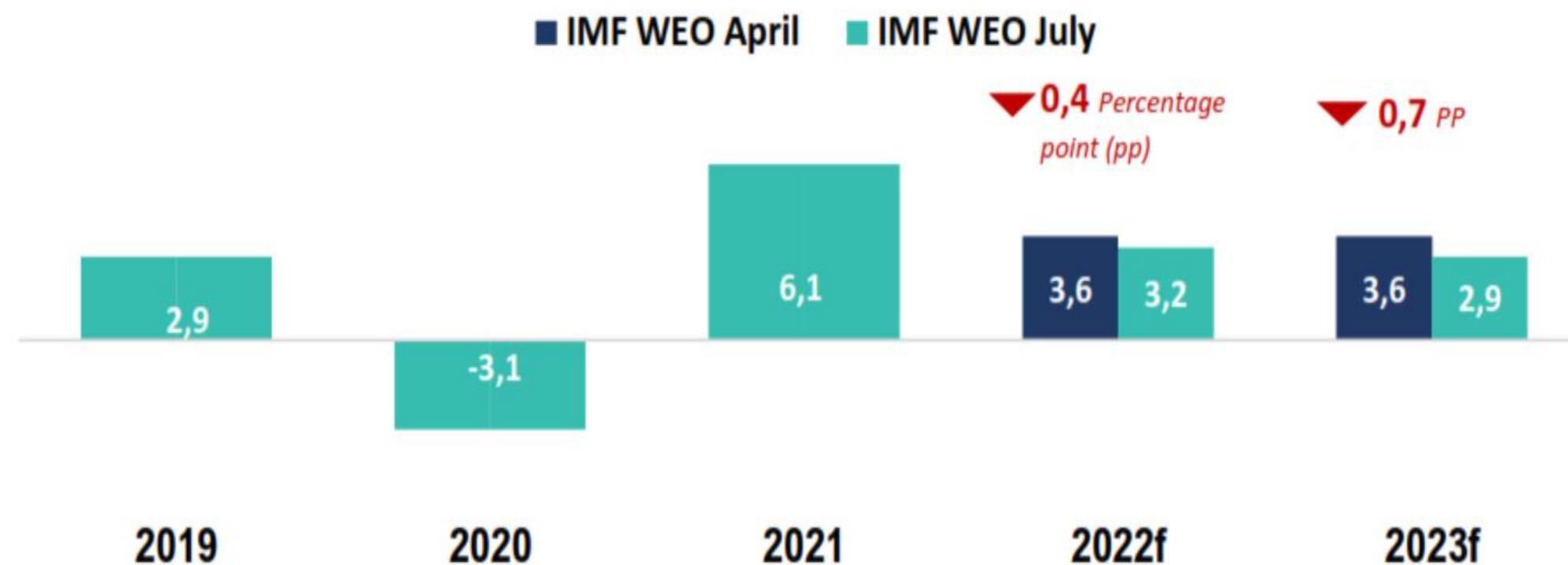
# 01. GLOBAL ECONOMIC UPDATE

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# Global Economic Growth

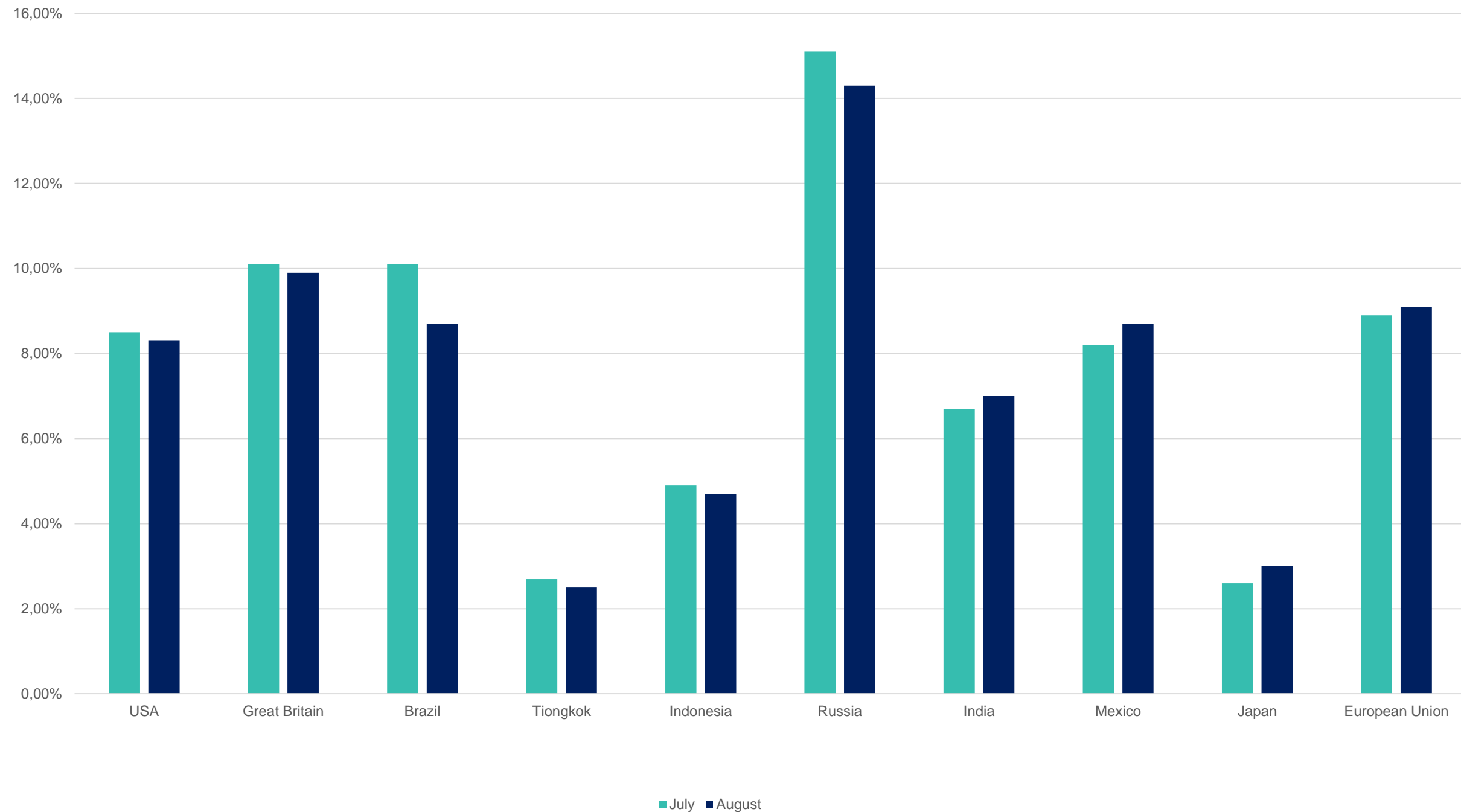
Global Economic Growth Forecast, IMF



Source: IMF, July 2022

- The United States recorded a diminishing economic growth from 3.6% YoY in Q1 to 1.6% in Q2
- Eurozone economic growth also slowed as the Ukraine war, supply chain disruptions, and the energy crisis continued
- China's economic growth performance in Q2 2022 (0.4% YoY) has fallen to the lowest level since Q1 2020 (-6.8%)

# Global Inflation Trend



Source: Bloomberg, 2022

*Slowdown in inflation due to falling fuel prices, despite rising price of food, housing, and health*

**the 24 AVA Congress**  
**"Emerging Stronger: Valuation for Strong Recovery and Sustainable Future"**



# 02. INDONESIA ECONOMIC UPDATE

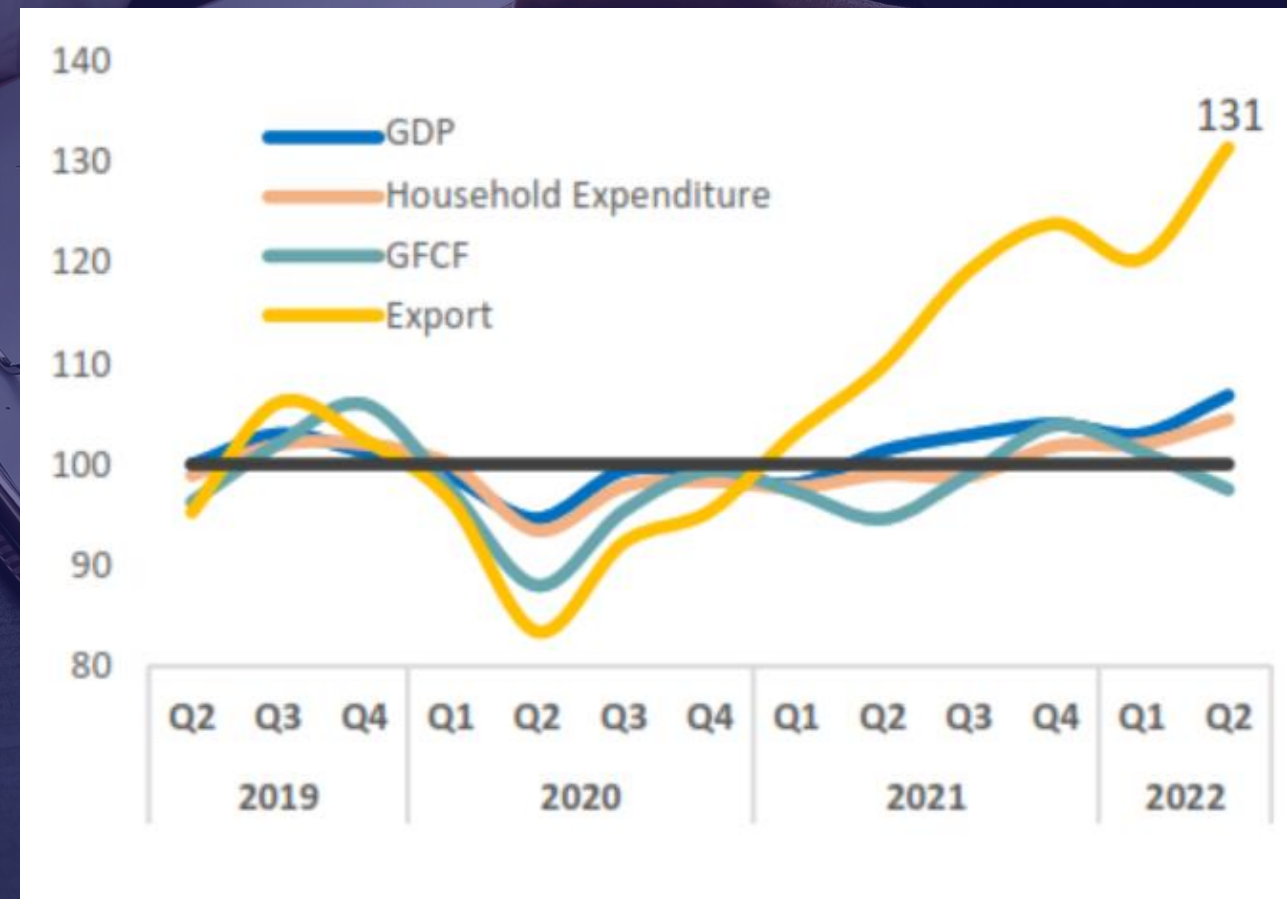
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# Indonesia's Economic Growth

Indonesian Economic Growth Trend



Indonesian Real GDP Index



Source: Ministry of Finance, 2022

- Household consumption grew by 5.5% (YoY) in the second quarter after stalling due to the spread of the Omicron variant.
- Exports grew 19.7% (YoY) in the second quarter of 2022, reaching 131% of their figure in 2019, before the pandemic.

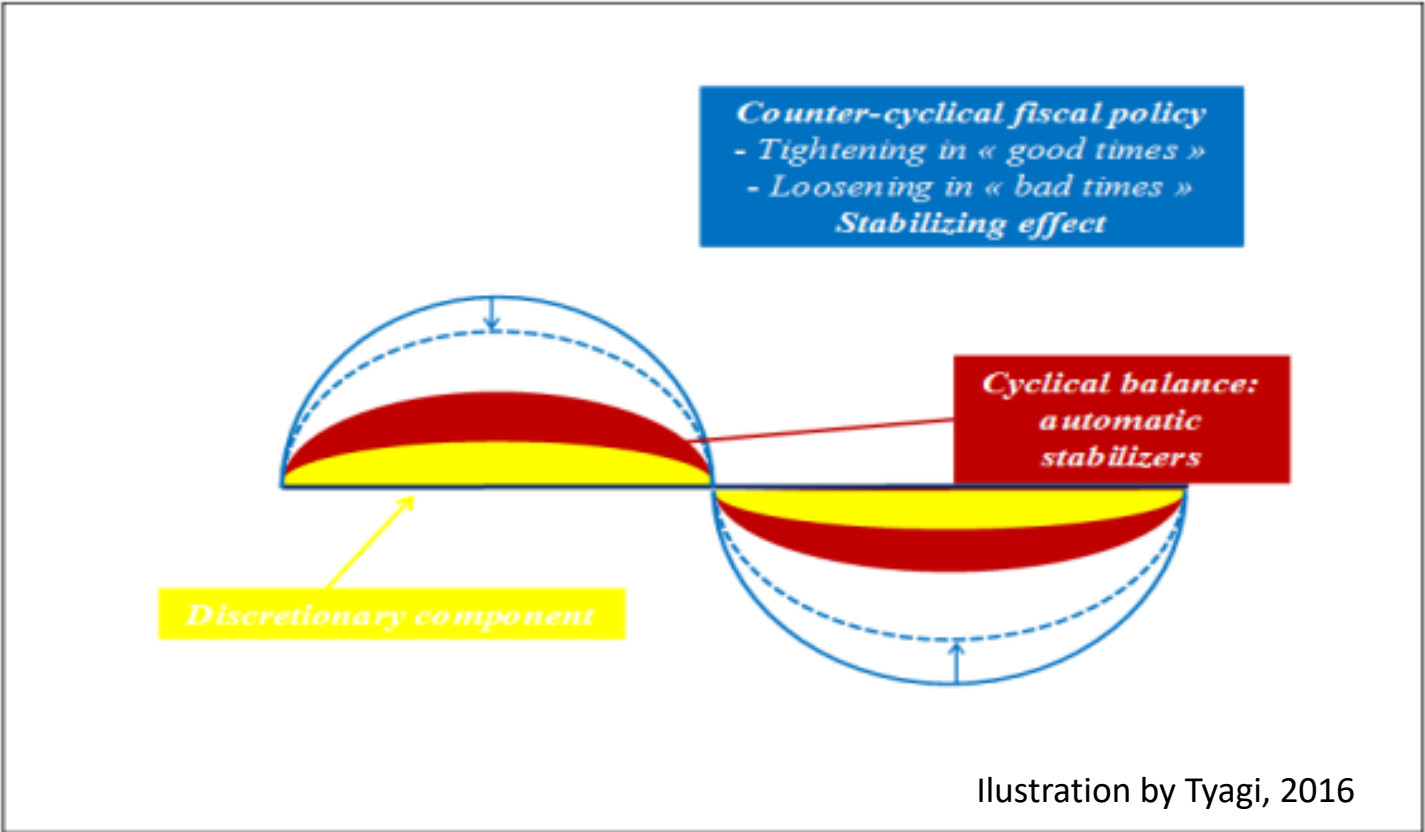
# 03. COUNTERCYCLICAL FISCAL POLICY FOR ECONOMIC RECOVERY

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# Indonesia Fiscal Policy: Countercyclical

“During positive economic growth, it is maintained to be not crowding out, while during negative economic growth, it must be countercyclical”



Indonesia’s Expenditures Growth by Components, 2020 (% YoY)

	Q1	Q2	Q3	Q4
Consumption	2.65	-5.58	-4.00	-3.58
Government	3.80	-6.92	9.79	1.79
Investment	1.70	-8.61	-6.52	-6.17
Export	0.17	-12.43	-13.04	-6.89
Import	-5.44	-20.74	-24.49	-15.83
Total GDP	2.97	-5.32	-3.49	-2.17

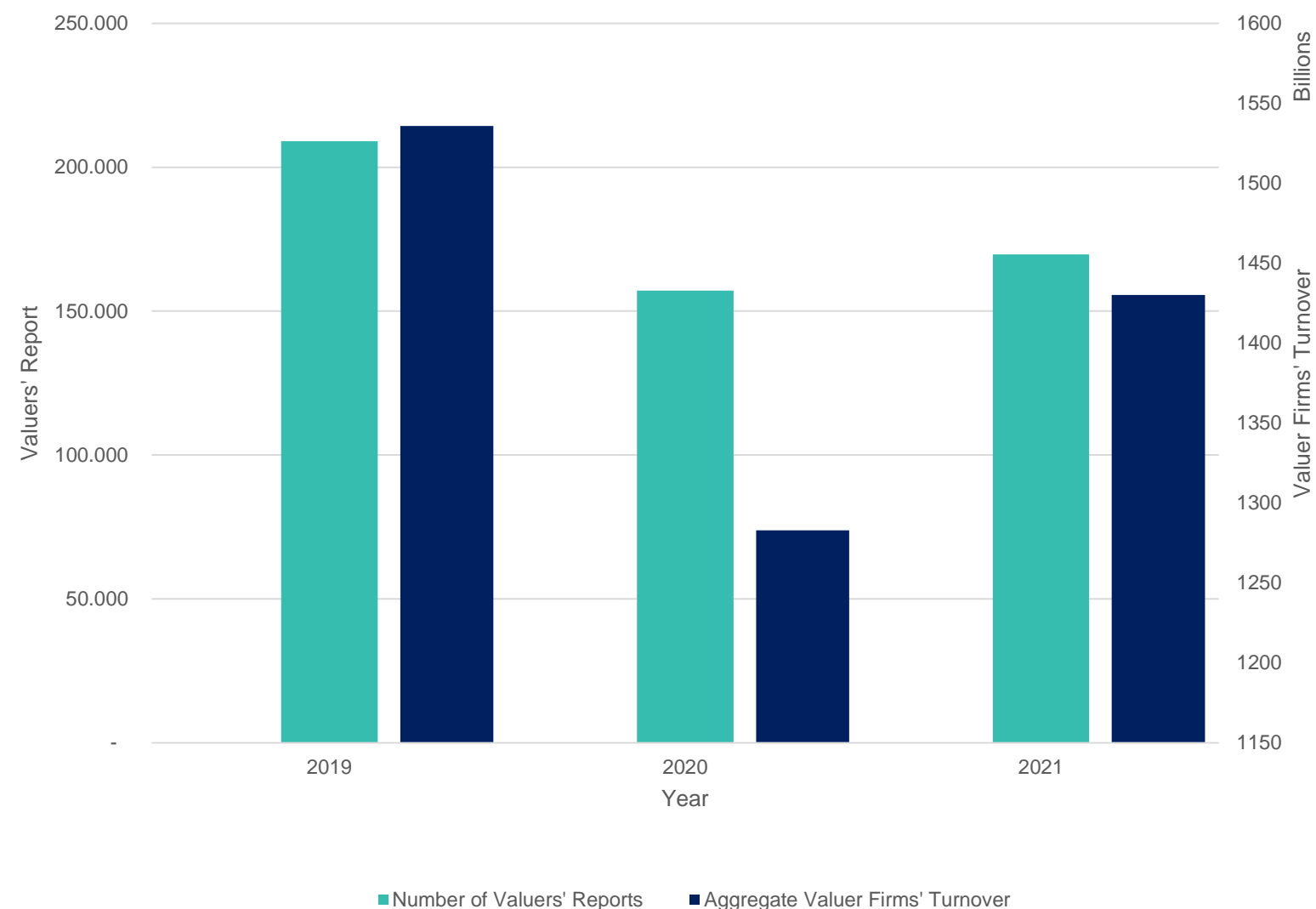
Source: Ministry of Finance, 2021

# 04. NATIONAL ECONOMY AND THE VALUATION INDUSTRY

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# National Economy Positive Impact on the Valuation Industry

## Valuers' Reports and Valuer Firms' Turnover Trend



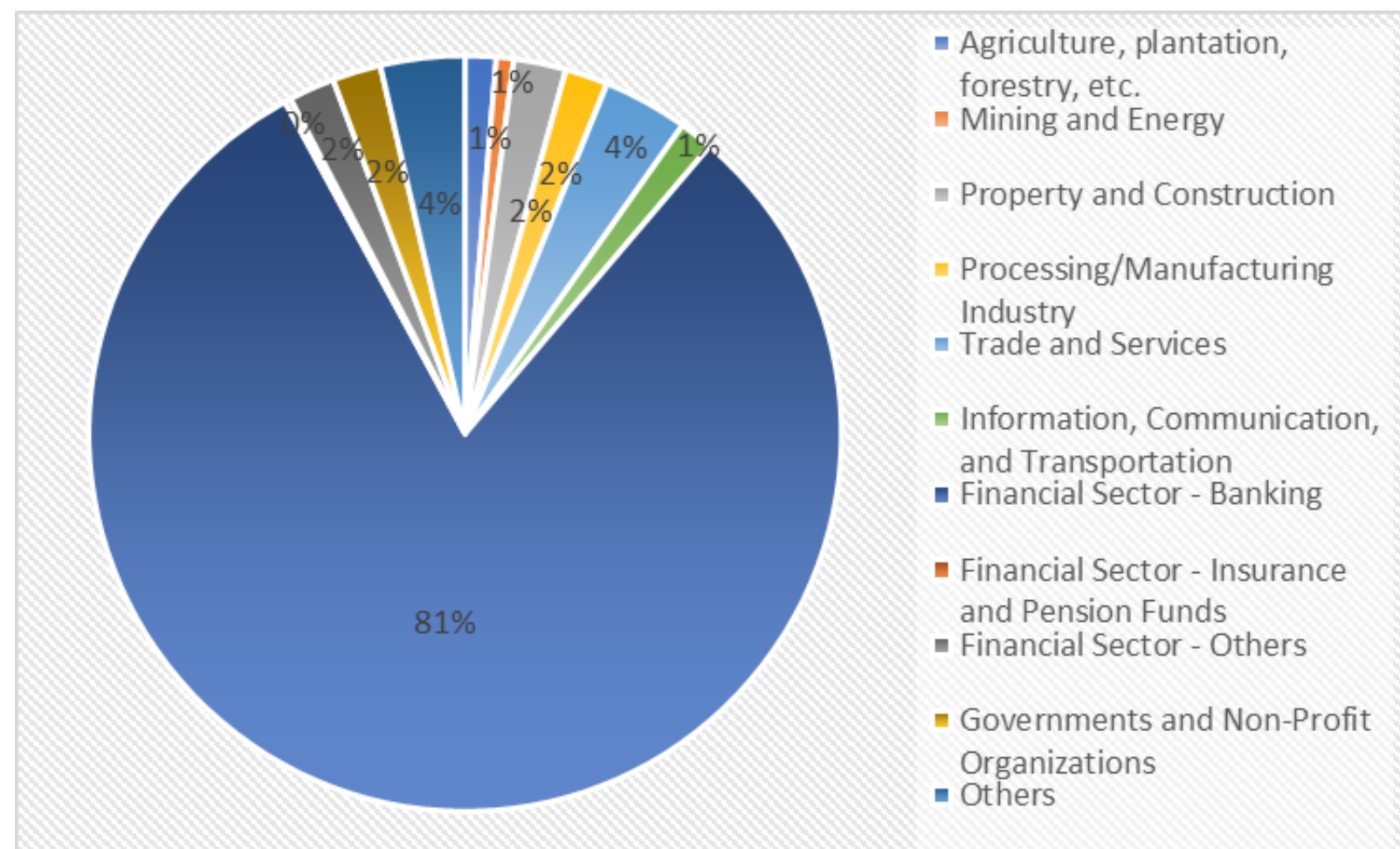
Source: Ministry of Finance, 2022

- The strong recovery of the national economy has positively impacted the Indonesian valuation industry.
- In 2020, the contraction of the national economy led to the declining number of valuation reports and the aggregate valuer firms' turnover.
- In 2021, the national economic revival resulted an increase in the valuers' report and aggregate valuer firms' turnover



# Valuation Industry's Contribution to The National Economic Development

The Number of 2021 Valuer Reports Across National Industries



Source: Ministry of Finance, 2022

## National Strategic Projects

Covering 15 sectors at the project level and 2 sectors at the program level



Source: The Committee for Acceleration of Priority Infrastructure Delivery, 2016



## National Strategic Projects 2021



Source: The Committee for Acceleration of Priority Infrastructure Delivery, 2021

## Valuation for Land Acquisition

- Valuers have a vital role in succeeding national strategic projects due to their role in land acquisition.
- Throughout 2021, there were over 1,532 valuation reports assigned by the Government for land acquisition.
- “Fair Replacement Value” formulated by combining the concept of Market Value and specific components to meet the landowners’ interests.

# 05. THE FUTURE OF THE INDONESIAN VALUATION INDUSTRY

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# The Future of The Indonesian Valuation Industry:

## *An Empirical Study involving 227 Valuers*



This study tries to empirically observe the sentiment of valuation professional amid the uncertainty and unpredictable challenge ahead.

Study discover Valuer optimism in facing the future.

This notion is based on various scientific literature and empirical evidence from:

- Diversity
- work-life balance
- technology, and
- current issues, such as ESG.



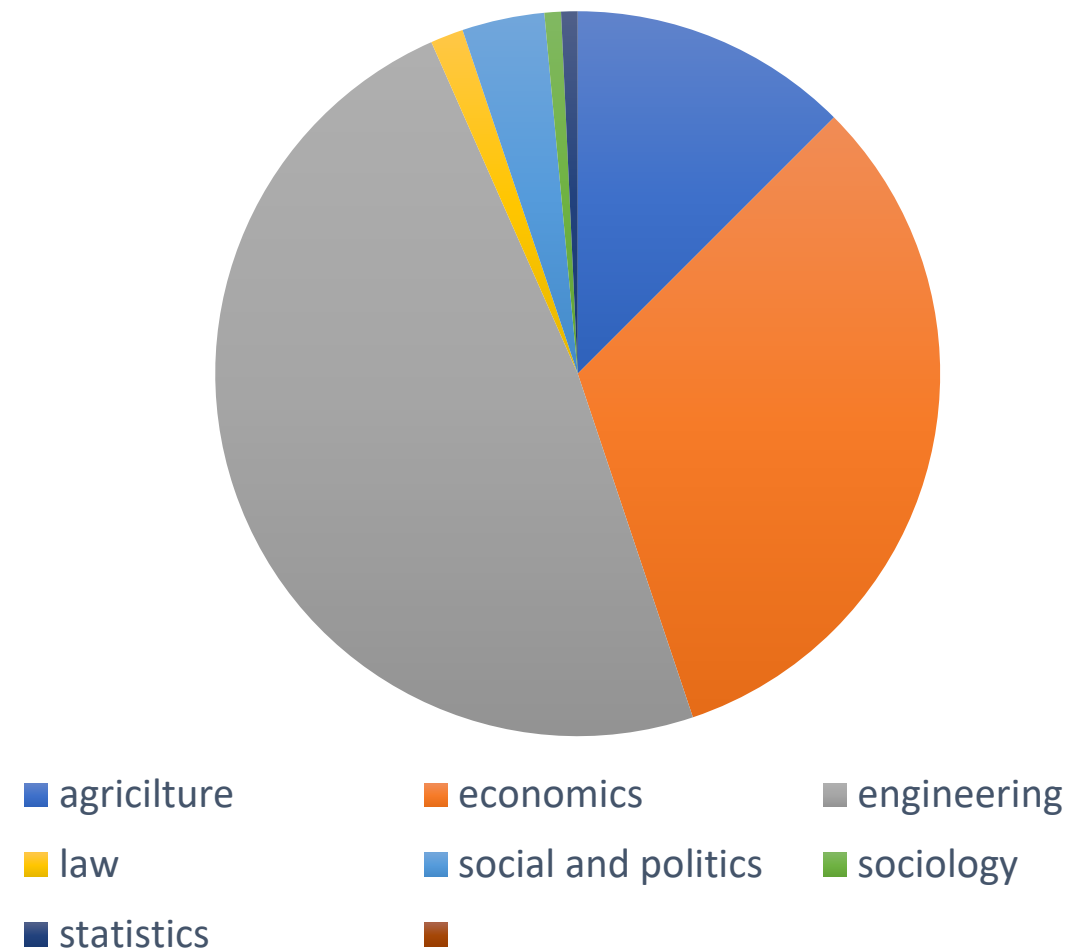
# Diversity

### Indonesian Valuers' Culture Diversity based on Domicile



Source: Ministry of Finance, 2022

### Indonesian Valuers' Diversity based on Education



Source: Ministry of Finance, 2022

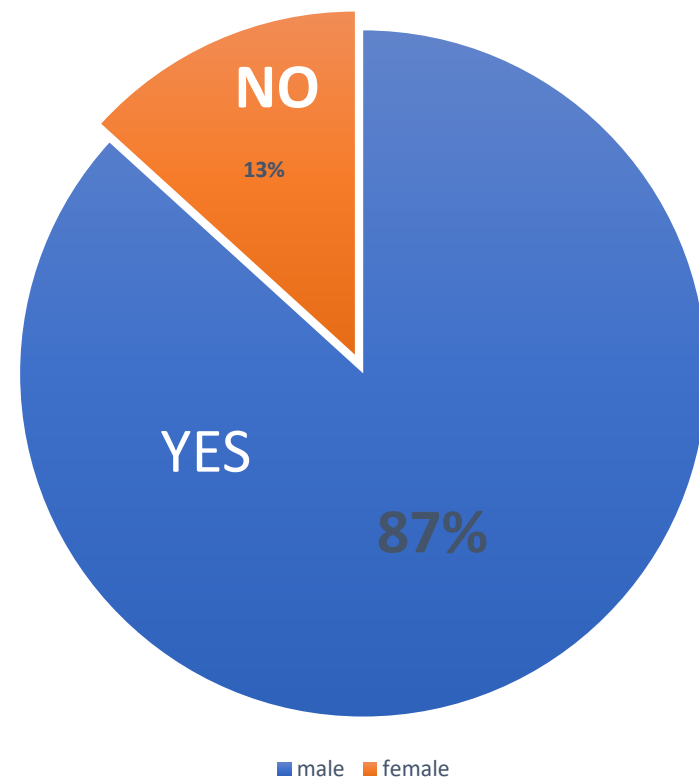
- An industry rich with different backgrounds, cultures, and beliefs is a progressive industry that promotes and fosters fresh ideas, opinions, and attitudes.





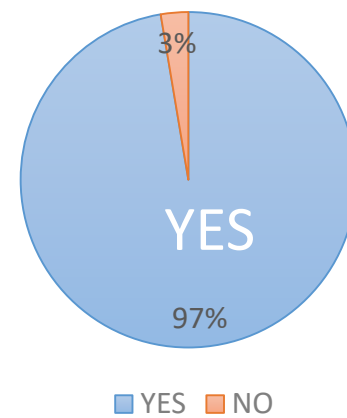
# Diversity: Gender

Number of Valuer by Gender

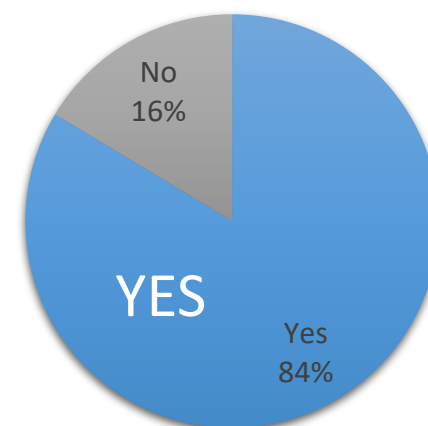


Source: Ministry of Finance RI, 2022

Equal career opportunity

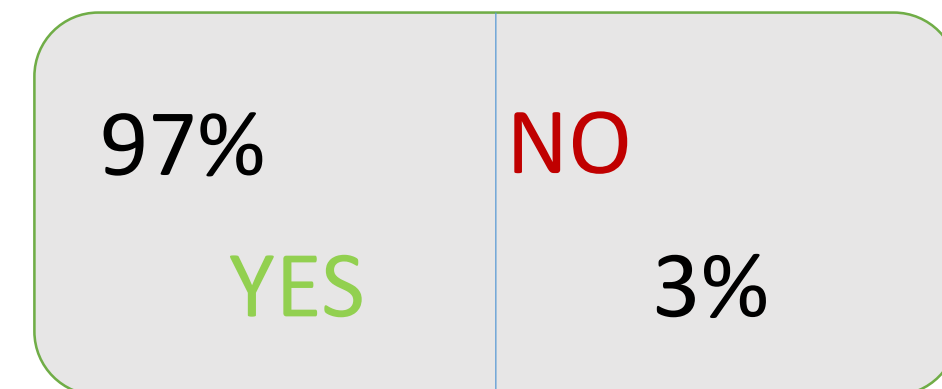


Equality to speak



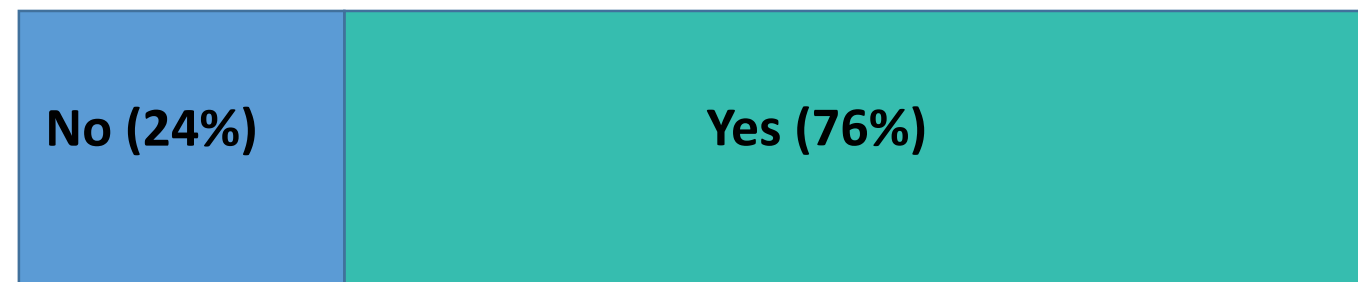
- There are gender gap within valuation industry
- Our study shows that there are no gender discrimination issues despite male valuers majority within the industry

Do you believe gender equality within the industry could be improved?



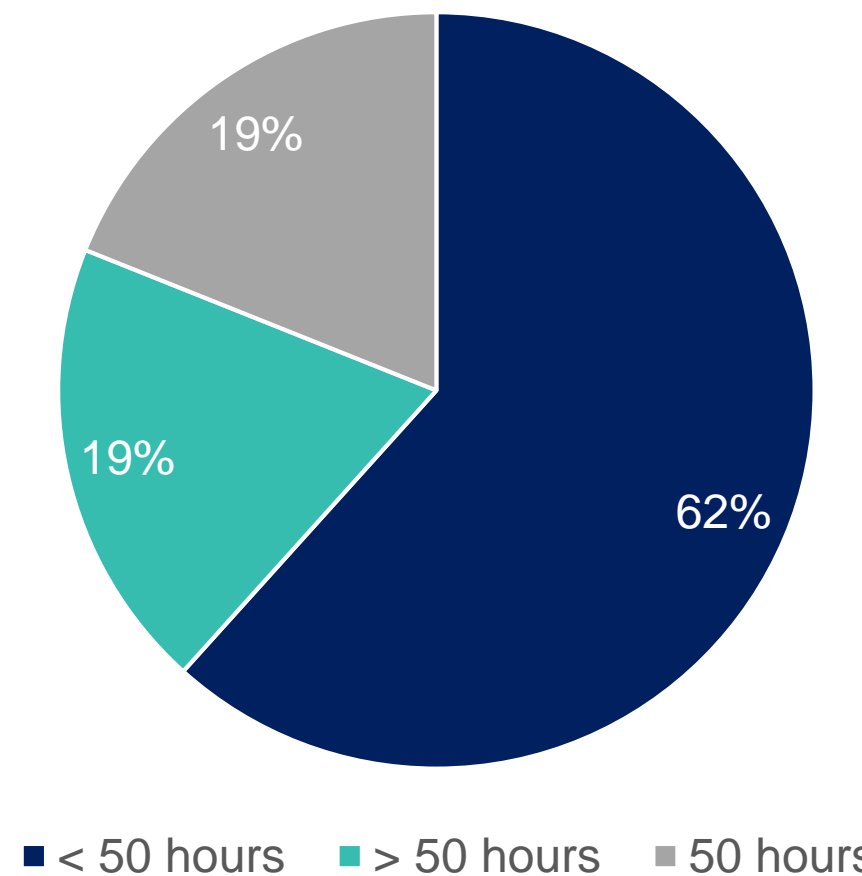
# Work-Life Balance

Do you believe you currently have a healthy work-life balance?



Work-life balance is undoubtedly one of the most prominent influences on job satisfaction, absenteeism, commitment, and work ethic.

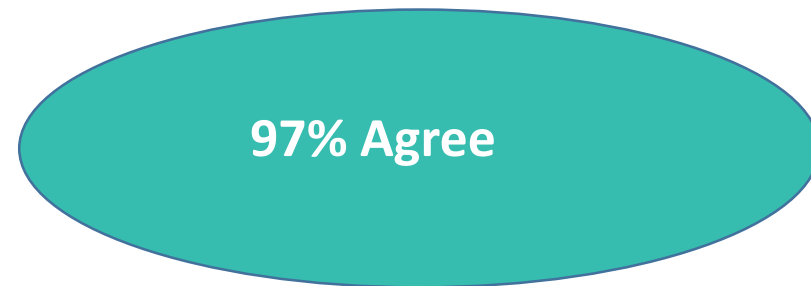
Valuers' Average Weekly Working Hours



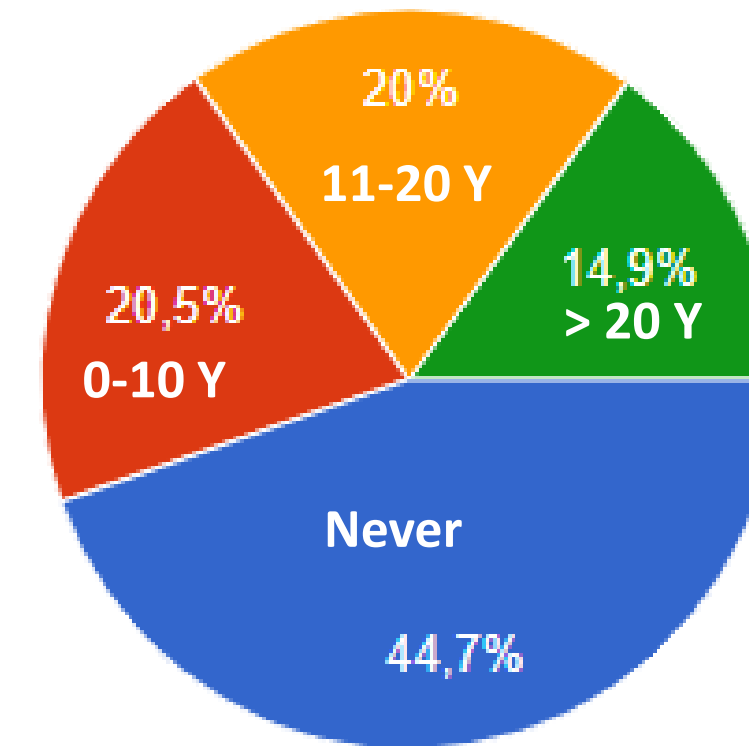
Source: Ministry of Finance, 2022

# Forward Thinking: Technology

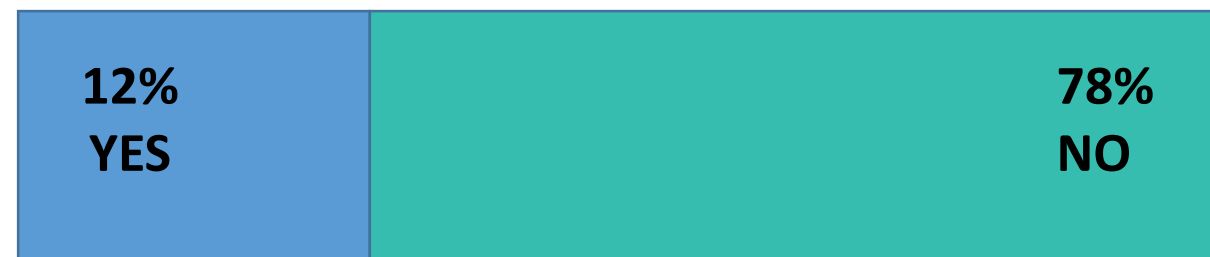
Do you agree or disagree that technology (as a whole) is having a positive impact on the industry?



How many years (if any) do you think it would take for your role to become automated?



Do you fear automation taking over your role?



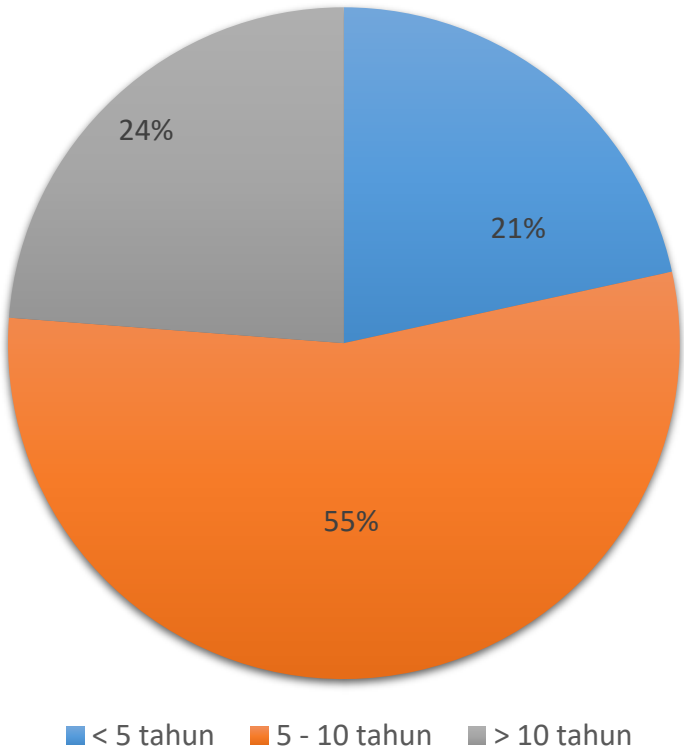
Source: Ministry of Finance, 2022

# Forward Thinking: ESG

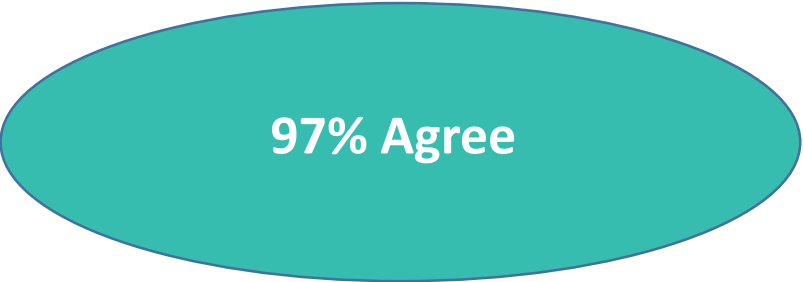
Do you update on ESG issue?



How many years do you think it ESG affecting Indonesia property market?



Do you believe Valuer will have significant role on supporting Sustainable Economic Development?



Source: Ministry of Finance, 2022

Based on all these facts, we are increasingly confident that in the future, Indonesian Valuer will grow, progress, and contribute on strengthening the national economy.





THANK YOU

