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## TOYOTA INDONESIA REACHES CUMULATIVE EXPORT OF 2 MILLION UNITS



Karawang - The President of the Republic of Indonesia Joko Widodo today (Tuesday, 02/15/2022) observes the production activities of PT. Toyota Motor Manufacturing Indonesia (TMMIN) in Karawang, West Java. This visit is special because Toyota Indonesia has succeeded in recording cumulative export volume of 2 million units as well as the first export of the Toyota Fortuner to Australia.

On the occasion, President Joko Widodo accompanied by Minister of Industry Agus Gumiwang Kartasasmita, Minister of Investment/Head of the Indonesian Investment Coordinating Board Bahliil Lahadalia, Regional Operating Officer - TDEM & TMAP S. Matsuda, and President Director of TMMIN Warih Andang Tjahjono.

The cumulative achievement of Toyota's total vehicle exports from Indonesia, which reached 2 million units is achieved through consistency and a long process to continuously improve competitiveness and gain trust from the global market. In addition, Toyota Indonesia's export activities were also made possible by the development of the Indonesia automotive industry, which moved from imports until the

early 1970s, followed by production with local components, which then became a production and export base and is now entering the stage of export development. Previously, Toyota Indonesia celebrated the achievement of more than 1 million cumulative export units in 2018.

Meanwhile, the inaugural export of Toyota Indonesia vehicles to Australia, is a new milestone for the performance of the national automotive manufacturing. Export shipment of the Toyota Fortuner made in Karawang to Australia will begin in March 2022.

"The cumulative export achievement volume of 2 million units and the first export of Toyota vehicles to Australia are part of our efforts to contribute to the development of Indonesia's national automotive industry, including in maintaining a positive trade balance. We always strive to continuously improve our competitiveness and gain the trust of the global market in our export activities. We express our gratitude for the support of the Indonesian government, which include bilateral and multilateral agreement such as with Australia through the IA-CEPA, so that we are able to reach this milestone. We see this achievement is a reminder for us to continue our best efforts in strengthening the automotive industry and expanding export performance," said Warih Andang Tjahjono.

### **The History of Toyota Indonesia Export**

In line with efforts to continuously improve competitiveness, Toyota Indonesia export activities started in 1987 with the shipment of 3rd generation Kijang, called Kijang Super, to Brunei Darussalam with a volume of 50 units per month.

The best momentum of export emerged with the trust given to Toyota Indonesia to execute International Innovative Multi-purpose Vehicle (IMV) project in 2004. Toyota Indonesia's strategic role as a production and export base of Kijang Innova created enormous opportunities to further penetrate the global market, apart from meeting the domestic demand, and at the same time bring forth an enormous challenge for Toyota Indonesia to prove our capability. Since then, the company's export rose to 7,000 units annually to include countries in Asia, Pacific, and the Middle East.

Toyota's efforts to gain the trust of the export market move along with the growth of the Indonesian automotive industry so that Toyota's export activities are growing for both volume and destination countries. Starting from market development to several countries in the Middle East and Latin America, currently, Kijang Innova, Fortuner, Vios, Sienta, Veloz, Avanza, Rush, Lite Ace/Town Ace, Agya, and Raize as well as knock-down vehicles, gasoline engines, components, and production tools have been exported to more than 80 countries in Asia, the Pacific, Africa, Latin America, and the Middle East. Meanwhile, the annual export volume increased sharply to more than 100,000 units per year since 2012 and even broke the 200,000 units per year barrier in 2018 and 2019, before the COVID-19 pandemic hit the global economy.

After being corrected by up to 30% in 2020 due to the pandemic, the export of Toyota-branded vehicles from Indonesia in 2021 once again reached a very impressive 188,000 units. This achievement shows that T-Brand's export performance has recovered to the level of 90% compared to the situation before the pandemic. Later this year, Toyota Indonesia is planning to locally produce a Hybrid Electric Vehicle model that is also targeted for the export market.

### **The Role of the Automotive Industry**

The automotive industry has an important role in economic growth, especially during this pandemic period. As of now, Indonesia automotive industry already has a deep supply chain to the level of Small and Medium Industry and absorbs 1.5 million workers in addition to having a role in import substitution.

The high level of domestic content for automotive products, which currently exceeds 80% for some models, indicates the continued development of Indonesia's local component industry in supporting national automotive manufacturing.

The highly competitive automotive industry also has a strategic role in strengthening Indonesia's position in the global economic arena, through its role as a creator of export opportunities. Automotive exports are exports of high-technology products with added value because each stage of their manufacture contributes to employment and tax revenues. (\*)