

# **SOCIAL MEDIA INSIGHTS: THE IMPACT OF U.S. TARIFF IN INDONESIA**

**Tariff Tensions Spark Anxiety in Purchasing Power; while also enabling Indonesians to Embrace Local Pride**

21<sup>st</sup> April 2025

# Social Conversations: Explores US-China Tariff Trade War Implications for Indonesia

**31%**

## Economic Impact On Indonesia

- Impact on decline in stock market and Rupiah Exchange Rate
- Consumer seek safer investments : Leading to a rise in gold investment
- Pressure on Indonesian Exports

**41%**

## Government & Policy Actions

- Government Diplomatic Negotiations
- Raises Concerns over Indonesia's Payment Systems
- Counterfeit Goods in Mangga Dua, A Challenge for US-Indonesia Trade Relations

**15%**

## Trade Strategies and Responses

- Exposing The Secrets Of Western Fashion Manufacturing
- Growing Interest in Supporting Local Products
- Audience reveal Indonesia's hidden role in lux brand production

# I. Economic Impact on Indonesia

## Financial Market Volatility

### Impact on the Stock Market Decline and Rupiah Exchange Rate

Trade tensions have contributed to the weakening of the Indonesian Rupiah against the USD, putting pressure on foreign exchange reserves and triggering economic uncertainty, marked by sharp declines in the stock market.

*"It's very disappointing to see the IHSG drop so drastically. Rest in peace to my portfolio"*

*"1 Thai Baht = 500 rupiah. Usually it's only 450, at best 460. Never reaches 500 rupiah. Thailand is also affected by Trump's tariffs, and was hit by an earthquake yesterday. But their economic condition is still safe. What's wrong with Indonesia?"*

### Consumer seek safer investments : Leading to a rise in gold investment

More consumers investors are shifting their funds into gold and low-risk investments due to waning confidence in stocks, leading to a rise in gold savings and purchase investment.

*"Indonesians are now buying gold for several reasons. First, economic uncertainty due to US tariffs has weakened the rupiah to 16,970 per dollar, making gold a safe investment."*

*"Yesterday I went to Gallery 24. I wanted to buy, but the staff said I had to place a pre-order. Oh my God—on top of that, the price keeps going up every day!"*

*"Can you give an advice on safe stock investments right now for beginners or those who still rely on salaries (employees)? Since this tariff trade war happened."*

### Pressure on Indonesian Exports – 53,600

High tariffs have put pressure on Indonesian exports, particularly affecting industries such as palm oil and automotive components, raising concerns about competitiveness in the global market.

*"Our exports to US are being squeezed thin by Trump's tariffs. Our imports are being opened up completely by the President."*

*"Trump's tariffs could be influential because Indonesia's export value is almost 10% to the US. Countries all over the world also export to the US, so everything is affected globally and will influence each other in a negative circle."*

## II. Government & Policy

### Indonesia Bilateral Talks on Import Tariffs with US

Since the United States imposed an increased import tariff as a consequence of the ongoing trade war, Indonesia has actively pursued diplomatic dialog with US to have engage in trade negotiations with some key points established as of 18<sup>th</sup> April 2025:

#### Government Diplomatic Negotiations

Indonesia proposed increased imports products from US, from energy import to textiles, electronics, to agricultural goods, such as wheat, soybeans, etc.

*"It says it's **an agricultural country but why import basic commodities**, are we not able to meet our own needs with our own results?"*

*"**Indonesia is not yet independent** on its own, there will be friction from external factors and **definitely have an effect**. We are different from China."*

#### Raises Concerns over Indonesia's Payment Systems

The U.S. has highlighted Indonesia's National Payment Gateway (GPN) and Quick Response Code Indonesian Standard (QRIS) as key points in ongoing trade and financial negotiations, citing concerns about market access and interoperability for foreign service providers.

*"QRIS and GPN must be non-negotiable. **Domestic transactions should not involve foreign payments**. The transactions are in Indonesia, the accounts are Indonesian, the users are Indonesian, the money is rupiah, no need to pay a percentage abroad"*

*"This is clearly a **silencing of Indonesian MSMEs, especially Qris**. If this is restricted, it will be our own citizens who will suffer. Here, America's position is really looking for a fight."*

#### Counterfeit Goods in Mangga Dua, A Challenge for US-Indonesia Trade Relations

The U.S. has raised concerns about **Mangga Dua Market in Jakarta** being used to sell fake goods. They've asked Indonesia to strengthen its intellectual property protection and take more effective action against counterfeiting.

*"It's the public that's being urged, while the pirates aren't being dealt with. Take **firm action against those pirates** who are harming the country!"*

# III. Trade Strategies and Responses

## Trade Strategies and Responses

### Exposing The Secrets Of Western Fashion Manufacturing

The tariff war has sparked a viral content on social media, spotlighting the fact that many high-end Western fashion brands are actually manufactured in China at low cost.



"FYI guys, I live in the USA. **Many of Coach, Michael Kors, Tory Burch, Gucci bag brands are made in China and Vietnam.** Because US there are **no factories in the US** to make branded bags. Even Nike shoes too."

### Growing Interest in Supporting Local Products

Industry groups and trade associations in Indonesia advocate for government support and protective measures in response to the trade war, involving lobbying efforts and public statements.

"Let's **normalize shopping for local products** to help our own country's economy."

"Because of content like this, I'm actually **more interested in buying local products now.**"

### Audience reveal Indonesia's hidden role in lux brand production

This revelation has triggered mixed reactions—some dismissing them as knock-offs, while others highlight that Indonesia also plays a significant role as a global manufacturing hub for branded items such as shoes, bags, and apparel.

"Why don't you believe it? It's a fact 🤔  
The iPhone is made in China, **Adidas soccer jerseys worn by world-class players are made in Indonesia, and plenty of luxury brands are also produced here.**"

"I once found out there was a **Gucci factory in Indonesia, in Boyolali** 😄 Ever since then, I **don't feel like buying expensive branded stuff anymore** "

"Bro, **the ones made in Indonesia are top quality.** They get **shipped to major countries** because the quality is seriously the best."



# Key Insights based on Social Conversations

## There is a growing anxiety for speculations on Price increases

It is essential to note how Indonesians discuss potential economic repercussions stemming from the tariff tensions. This suggests a **high level of awareness and concern** from many stakeholders and Indonesian citizen about effects on Indonesia's economy, owing to changes in trade routes, supply chains, or investment flows.

Indonesians are quite **vocal on their anxieties for potential increases in goods prices, shifts in trade partnerships, and the impact on domestic industries reliant on global supplier networks**. Such insights can guide policymakers and businesses in planning and risk mitigation strategies.

## There is strong support for embracing the Nationalistic Pride on locally manufactured items

A **strong wave of support for local brands and innovations** is growing among Indonesian netizens. **Social conversations reflect collective pride and increasing appreciation for locally made products**, especially those that blend cultural relevance with modern innovation.

This movement signals a **paradigm shift** in consumer identity—where value is no longer just about product quality or price, but about **meaning and contribution to national progress**

# THANK YOU

For **more info**, please reach out to:

**Pryscilla Conny**

[IpsosCommunicationsID@ipsos.com](mailto:IpsosCommunicationsID@ipsos.com)