

Research Horizon

Vol. 3, no. 4, (2023), 433-444

Website: <https://journal.lifescifi.com/index.php/RH/index>

The Role of Indonesian Government Policy in Shaping the Competitive Landscape of the Southeast Asian Beauty Industry

Trya B. Aprianti Hasrudin^{1,*}, Uni W. Sagena¹

¹ Universitas Mulawarman,
Samarinda, East Kalimantan
75119, Indonesia

* Corresponding author:

Email: tiyatiya133@gmail.com

Received : 2 July 2023

Revised : 25 July 2023

Accepted : 10 August 2023

Abstract

This research aims to elucidate the strategies implemented by the Indonesian Government to promote the expansion of the beauty industry in the Southeast Asian market. The Indonesian beauty industry has proven resilient in the face of pandemic conditions and has contributed significantly to the Indonesian economy. Consequently, the Indonesian Government is actively pursuing policies and providing assistance to facilitate the industry's expansion into the Southeast Asian market. The research employs an explanatory research methodology, utilizing both secondary data sources and primary data gathered from journals, theses, news articles, and interviews with officials from the Ministry of Industry. The fundamental theoretical framework employed in this study is based on Richard C. Snyder's decision-making model. Through this theoretical lens, the research findings reveal that the policies and assistance offered by the Indonesian Government are influenced by a combination of internal and external factors, both of which hold equal significance and influence one another during the decision-making process. Furthermore, social structure and behavior are interrelated and exert mutual influence within the realm of internal factors.

Keywords

Beauty Industry, Government Strategy, Indonesia, SouthEast Asian Market.

1. Introduction

Southeast Asia is a region with a large population in each country. Its population, exceeding 750 million people, has made Southeast Asia a focal point for financial experts and analysts over the last few years (Islam et al., 2021). With the formation of the ASEAN Economic Community (AEC) in 2015 and agreements related to free trade, which were also reached at the 9th ASEAN Summit, this region has become an attractive destination for foreign investors and multinational companies seeking to establish commercial relations (Diaconu, 2014). Southeast Asia is also a strategic region with significant market potential, so it is not surprising that many industries are developing in this area. One of the fastest-growing markets in this region is the beauty industry, where beauty serves as both a product and a commodity widely used.

The beauty market in Southeast Asia is projected to continue its growth, with estimated revenues of USD 30.04 billion in 2023, and it is expected to further increase by 3.57% from 2023 to 2027. One important point to remember is that the beauty phenomenon has been prevalent for a long time and has garnered the attention of various stakeholders. This interest extends beyond producers and consumers of beauty products; even governments and regional organizations, including the Association of Southeast Asian Nations (ASEAN), place significant emphasis on the beauty industry (Yip et al., 2019).

Indonesia, situated within the Southeast Asian region and boasting the largest economy in this area, has consistently experienced stable economic growth over the years. A significant contributor to Indonesia's economic improvement is the industrial sector, with the beauty industry emerging as a prominent player in recent years. Beauty products, once considered a luxury by many Indonesians just a few years ago, have now evolved into a lifestyle choice for a majority of the population. This shift reflects the increased emphasis placed by Indonesians on personal appearance (Elfreda, 2020).

The growth of the beauty industry in Indonesia encompasses not only increased numbers but also higher income levels. Recognizing the economic potential this sector holds for Indonesia, the government has devised a comprehensive strategy to support its sustained development and contribution to the national economy. This strategy includes placing the beauty industry as a cornerstone sector, as outlined in Master Plan for National Industrial Development (Rencana Induk Pembangunan Industri Nasional or RIPIN) 2015-2035, providing financial assistance for import duties on raw materials used in beauty product manufacturing, seeking international cooperation to enhance human resources in the industrial sector, and offering tax reductions to the beauty industry. Additionally, the government provides support through trade exhibitions as part of its overall strategy.

As a Southeast Asian nation, the government earnestly desires the expansion of the Indonesian beauty industry within the region while sustaining its presence in the broader Southeast Asian market. Given this context, the researcher aims to elucidate the reasons behind the Indonesian Government's issuance of policies and assistance designed to encourage the growth of the domestic beauty industry within the Southeast Asian market.

Data from the Food and Drug Supervisory Agency (Badan Pengawas Obat dan Makanan or BPOM) indicate that between 2021 and July 2022, the number of beauty industry businesses in Indonesia increased from 819 to 913. Globally, the growth of the Indonesian beauty and

pharmaceutical industry ranks 9th in the world. Even during the Covid-19 pandemic, when most businesses in Indonesia experienced declines, the beauty industry not only survived but thrived (Hasibuan, 2022). The increase in the number of individuals entering the beauty industry is predominantly driven by small and medium-sized enterprises, accounting for 83% of the growth. This underscores the significant potential and opportunities that the beauty industry holds in Indonesia (Bisnis, 2023).

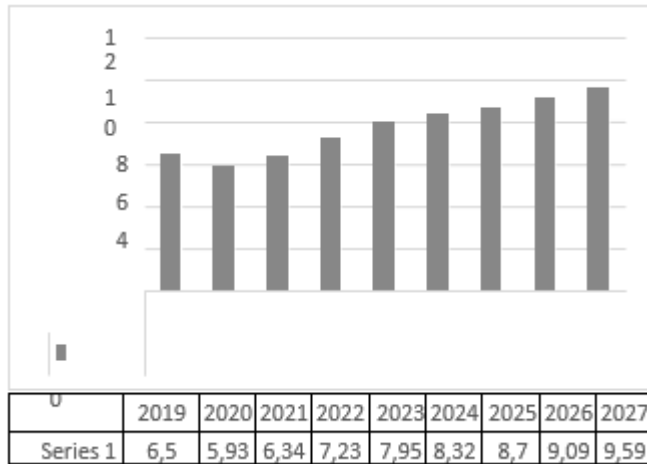


Figure 1. Estimated Personal Care and Beauty Product Revenue in Indonesia (2019-2027)

Based on Graph 1, income from personal care and beauty products in Indonesia from 2019 to 2027 is expected to exhibit significant fluctuations. It is evident that the growth of the beauty industry increased annually from 2019 to 2023, with a minor dip in 2020, followed by a resurgence in 2021. Moreover, the beauty industry in Indonesia is predicted to continue growing consistently each year until 2027. Additionally, the revenue in the beauty and personal care market in Indonesia is projected to reach \$7.3 billion in 2022, with an estimated annual growth rate of 5.81% from 2022 to 2027 (Mutia, 2022).

Furthermore, the beauty industry faces intense competition in Indonesia. Statista research indicates that the beauty and personal care segment in Indonesia is expected to grow by 6.46% annually (Nurhayati & Wollf, 2023). This growth is fueled by the significant contribution of online sales, which reached 25% in 2021. Indonesia, with a population exceeding 250 million people, represents a promising market for the beauty industry, aligning with the rising sales trends. The use of beauty products, such as skincare, has become essential because beauty remains a primary concern for individuals of all ages, both women and men (Chrisniyanti & Fah, 2022). Everyone desires to maintain a beautiful, clean, and well-groomed appearance, leading many to invest significantly in this pursuit. The proliferation of local brands in the market has made consumers more discerning in their choices of beauty products. Recognizing the immense potential in the beauty market, particularly within the Southeast Asia region, the Indonesian Government, as a public actor, has taken the initiative to encourage the Indonesian beauty industry to compete effectively in the Southeast Asian market.

2. Research Methods

This research uses an explanatory method with a qualitative approach. This research is used to build knowledge through discovery and understanding of the surrounding environment and the environment being tested. The explanatory method is used to explain why the Indonesian Government issued policies as a decision to encourage the expansion of the Indonesian beauty industry in the Southeast Asian market. A qualitative approach is used to obtain more in-depth information regarding this phenomenon so that a more comprehensive explanation is obtained.

This research was conducted in Indonesia because the Indonesian beauty industry has experienced an increase not only in terms of numbers but also in terms of income which has a positive impact on the national economy and Indonesia is also the largest market in the Southeast Asia region so that Indonesia not only has the opportunity as a consumer/target market but as a producer market.

There are two types of data in this research, namely secondary data and primary data. Secondary data was collected through library materials such as journals, theses and news related to the development of the Indonesian beauty industry. Meanwhile, primary data collection was carried out by interviews with the Ministry of Industry so that results were obtained in the form of the role of Government in the beauty industry.

Analysis was carried out simultaneously with the data collection process. This qualitative data analysis was carried out through the stages of data reduction, data presentation and drawing conclusions based on the data reduction and data presentation described in the previous stage. Data reduction is carried out to classify and remove unnecessary data during the analysis process so that conclusions can finally be drawn. Data presentation is used to develop the information obtained and the data that has been reduced to then draw conclusions and take action. Then, after the data has been developed, conclusions will be obtained from the research that has been carried out.

3. Results and Discussion

3.1 Policy Framework for the Beauty Industry

Rencana Induk Pembangunan Industri Nasional (RIPIN) 2015 – 2035** is regulated in Government Regulation No. 14 of 2015 and prepared as an implementation of the mandate of Law No. 3, Article 8, Paragraph (1) of 2014 concerning Industry. It serves as a guideline for the Government and industrial players in industrial planning and development. In RIPIN 2015 – 2035, the Government determines priority industries by considering national interests, such as increasing economic independence, ensuring strategic security and territorial unity, and distributing economic and industrial activities more evenly throughout Indonesia.

The Government also considers challenges related to economic growth, including the need to provide employment opportunities, address weaknesses in the industrial structure, and catch up with developed countries through increased productivity. Based on these considerations, priority industries are determined according to quantitative and qualitative criteria. Quantitative criteria include meeting domestic needs, increasing labor absorption, international competitiveness, progressive value addition, strengthening the industrial structure, and having comparative

advantages. Qualitative criteria include strengthening national economic connectivity, supporting food, health, and energy security, and promoting industry spread and equalization.

RIPIN 2015-2035 identifies the pharmaceutical industry, pharmaceutical ingredients, and cosmetic/beauty ingredients as the main sectors in national industrial development from 2015 to 2035. These sectors receive priority development and play a significant role as the main drivers of the future economy. The Ministry of Industry (Kemenperin) strives to encourage the domestic beauty industry to utilize local natural resources as raw materials, aiming to increase import substitution and competitiveness in the international market. Through the 2015-2035 National Industrial Development Master Plan, Indonesia aims to become a strong industrial country in the Southeast Asia region (Kemenperin, 2015).

Bea Masuk Ditanggung Pemerintah (BM DTP) is a facility provided by the Indonesian Government for the payment of import duties borne by the government in accordance with the funding allocation stipulated in the State Revenue and Expenditure Budget (APBN) or the Revised State Revenue and Expenditure Budget (APBN-P). Import duties are fees charged on behalf of individuals or entities that import goods or products from outside the country to the country where the tariff is applied.

With BM DTP, the government covers the costs that would otherwise be borne by the person or entity carrying out the import. This includes finished goods, semi-finished goods, or raw materials, including spare parts and components processed, installed, or assembled to produce goods, products, or services. The regulations for BM DTP have been outlined in Peraturan Menteri Keuangan (PMK) Nomor 14 Tahun 2018.

To encourage the beauty industry to compete internationally, the Government provides this incentive, considering that 90% of the raw materials for the beauty industry in Indonesia are still imported from abroad.

Kebijakan Industri Nasional Tahun 2015-2019 (Industrial Policy for the Year 2015-2019) was established for a five-year period based on Peraturan Presiden Republik Indonesia Nomor 2 Tahun 2018 (Presidential Regulation of the Republic of Indonesia No. 2 of 2018). This policy includes industrial development targets, a focus on industrial development, stages of industrial development achievements, development of industrial resources, development of industrial facilities and infrastructure, industrial empowerment, development of priority industries and small and medium industries, development of industrial areas, and fiscal and non-fiscal facilities.

This policy is part of the Government's efforts to strengthen the Indonesian industry both domestically and abroad. It focuses on improving industrial resources, human resources, natural resources, technology, creativity, innovation, and sources of financing to compete in the international market. The Indonesian Government also seeks international cooperation to protect national industry, increase access to global markets and resources, develop global supply chain networks, and promote investment in the industrial sector by prioritizing the use of local raw materials.

Minister of Industry Regulation provides tax allowance incentives to increase investment, economic growth, and balanced development in specific business fields or regions. Corporate taxpayers must fulfill certain conditions and criteria outlined in Peraturan Pemerintah Nomor 78 Tahun 2019 (Government Regulation No. 78 of 2019) and related derivative rules. The selection

of specific business fields and regions is based on sector development priorities, aiming to create a comprehensive economic ecosystem.

To support the potential of the beauty industry, the Indonesian Government provides Tax Allowance and incentives of IDR 50,000,000,000.00 (fifty billion rupiah) to the beauty industry which aims to improve the beauty industry for both the domestic and international markets. Cosmobeaute is the largest beauty exhibition in Indonesia and is recognized throughout Southeast Asia. It is organized by PT Pamerindo Indonesia in collaboration with the Ministry of Industry. This annual beauty exhibition attracts thousands of professionals working in the beauty sector. For approximately the last 15 years, Cosmobeaute Indonesia has served as a barometer in the beauty industry, bringing together over 600 brands and 200 companies from Indonesia, China, India, Korea, Malaysia, and Singapore.

As the largest beauty exhibition in the region, Cosmobeaute Indonesia symbolizes the growth of the beauty industry in Indonesia. Through this event, the public can witness technological advancements in the beauty sector on both a national and international scale. Cosmobeaute Indonesia serves as a bridge connecting foreign brands with potential distributors in Indonesia and introduces Indonesian beauty industry brands to potential overseas distributors attending the event. This is particularly significant considering the promising industrial prospects in Indonesia. For instance, domestic cosmetic products exhibit quality, innovation, and design that can compete in the global market. Cosmobeaute Indonesia provides opportunities for beauty businesses in Indonesia to gain market access for their products.

On the other hand, Beauty Professional Indonesia (BPI) is an international beauty trade exhibition that brings together beauty industry companies from Malaysia, Singapore, Taiwan, Korea, Thailand, and, of course, Indonesia. Originally organized by PT. Indonesia Trade Exposition (ITE) with support from the Ministry of Tourism, the Indonesian Association of Clinical Nutritionists (PDGKI), the Indonesian Anti-Aging, Wellness, Aesthetic, and Regenerative Doctors Association (PERDAWERI), and other organizations, BPI has been held in Indonesia since 2015. It marks PT. ITE's first beauty event in the country. ITE is part of the ASEAN Trade Exposition (ATE Sdn Bhd), headquartered in Malaysia.

In addition to being a beauty-focused event, BPI also caters to the needs of beauty industry professionals by providing a platform to find business partners. BPI aims to educate and enhance knowledge related to the industry and emerging beauty trends. Since its inception in 2015, BPI has played a crucial role in Indonesia's vision, led by PT. ITE, to elevate the Indonesian beauty industry's professionalism and global reputation.

3.2 Factors Influencing Indonesia's Beauty Industry Expansion

One factor in this internal factor is the non-human environment, which is a factor that does not originate from humans but the consequences that follow in the decision-making process are very real. Looking at the role of these factors, the author finds a role of non-humane environment in the Indonesian government's decision to encourage the expansion of the beauty industry in the Southeast Asian market, the first is that the Government sees the potential of Indonesia's beauty industry strong enough to generate revenue for the Indonesia economy.

Furthermore, the human environment as an internal parameter factor also influences decision-making and can be understood as the human condition as one of the parties that influence

decisions or policies made and also the parties who have the authority to make such policies. Human environment also emphasizes more on how socio-cultural and environmental factors can influence governmental or non-governmental parties in Indonesia and provoke such responses or reactions. In the Indonesian government's human environment decision-making to drive the expansion of the beauty industry in the Southeast Asian market, the author finds that such a role in the decision making process, that is, first, can be seen from the population of Indonesia, with the number of women's populations of more than 150 million and the young age population in Indonesia is also very large making Indonesia ahead of it will easily transform as a potential market in the field of beauty (Sofia, 2021).

Secondly, the human environment in the Indonesian public situation in relation to the beauty industry can be understood by using environmental or social cultural factors. In this case, the cultures that are flourishing in Indonesia like one of them are the culture of South Korea. The development of Korean Wave in Indonesia has succeeded in making South Korea a beauty kiblats in Indonesia over the last few years. With the interest of the Indonesian people in Korean wave culture in particular in the field of beauty, Indonesia can take advantage of the opportunity that the enthusiasm of Indonesians people for beauty increases regardless of the development and spread of culture. Then in this case, instead of being a target market for imports, Indonesia also has the opportunity to create or produce beauty products that are not competitive with products from Korea. This can be seen from the emergence of local brands whose quality is also comparable to the Korean brand.

Third, not only as an influential party in a country's decision making, the human environment also explains how humans, as governments, determine their own policies and in this case, the Indonesian Government. As a policy maker, the Indonesian Government certainly has a greater responsibility than other parties who can only influence policy. Therefore, even though it can be influenced by other parties, the Indonesian government as the party with authority must think rationally, that is, think more carefully in formulating policies based on non-government parties in the country. The Indonesian government's response in making this decision, in line with the continued increase in beauty industry income, in 2016 the export value of the beauty industry was \$470.30 million and increased to \$516.99 million in 2017 (Kementerian Perindustrian RI, 2018) and throughout the first quarter of 2019, the beauty, skin care and personal care industry grew 13% to IDR 21.9 trillion (Murargo, 2021).

In this case, the Indonesian Government through the Ministry of Industry said that Indonesia is a large beauty market, so beauty will be prospective and promising for producers who want to develop it domestically. The potential for this domestic market includes increasing the number of young people or the millennial generation. Another potential is the public trend in using natural products (back to nature), thus opening up opportunities for the emergence of beauty products with natural ingredients such as spa products originating from Bali.

3.3 Fostering Beauty Industry Expansion in Southeast Asia

This section is the part that covers the internal conditions of decision making associated with domestic actors including groups, organizations and public opinion. This section interacts with internal factors because it forms the internal setting for decision making for Indonesian

government policy. In using social structure and behavior to carry out the analysis here the author only uses a few factors that are relevant to the analysis of the research being carried out.

First, major common value orientation, namely looking at the shared value orientation held by most parties so that it influences decision making. In the Indonesian Government's strategy to encourage the expansion of the beauty industry in the Southeast Asian market, there is actually one common value between the Indonesian beauty market and the Southeast Asian beauty market, namely the similarity of climate, socio-culture and purchasing power which then gives rise to similar preferences in the types of beauty products available. marketed.

Second, role differentiation specialization which explains how there are differences in roles and role specialization in a country so that they can influence decision making in that country. In the Government's strategy to encourage the expansion of the beauty industry in the Southeast Asian market, the author can see that there are several parties whose roles are very dominant here, namely the Indonesian Government through the Ministry of Industry, the Ministry of Cooperatives and Small and Medium Enterprises and the Ministry of Finance. This is because Indonesia has natural resources that can support the ingredients needed by the Indonesian beauty industry so that it can expand in the Southeast Asian market.

Third, namely major institutional patterns related to how the main institutional patterns of a country can influence the decision-making process. In this case, major institutional patterns of course influence the actions of the Indonesian Government which has a big role in encouraging the expansion of the beauty industry in the Southeast Asian market. Even so, the policies or actions taken by the Indonesian Government are still not entirely made without consideration from within the country, so from these considerations the Indonesian Government has a strategy to continue to encourage the expansion of the Indonesian beauty industry.

The Indonesian government makes policies or takes actions that can encourage the beauty industry to continue to expand in the Southeast Asian market because it sees positive growth in the beauty industry and this can provide significant income for the Indonesian economy. Then, the fact that the beauty industry was able to survive during the Covid-19 pandemic experienced by Indonesia and the beauty industry was still able to contribute income to the Indonesian economy made the Indonesian government create these policies and actions.

Just like the internal setting, the external setting also includes non-human environmental factors, namely how non-human factors from outside the country or from other countries here can influence the decision-making process. First, the author in this section sees that globally, the development of the Indonesian beauty and pharmaceutical industry is ranked 9th in the world (MPR, 2022).

Even in the past Covid-19 pandemic, almost all of Indonesia's were in decline. On the contrary, the beauty industry is rising in the midst of a pandemic. With the condition of beauty industry that has been ranked quite high in the world and becoming one of the industries that can survive in the middle of a Pandemic, so the Indonesian Government has decided to take advantage of that condition by issuing policies that can help the beauty industries to excel not only domestically, but also internationally. Second, within the scope of the region, from the strategic market research according to Euromonitor that Indonesia is the largest market in Southeast Asia so Indonesia is potentially not only as a producer but also as a target market beauty in South-East

Asia. Then in this case Indonesia's focus is on beauty / cosmetics halal because of the growing Muslim population (Paramitha, 2022).

Apart from that, in the Southeast Asia region, the beauty industry in Indonesia can certainly continue to expand in this region because this is triggered by similar climate, socio-cultural and purchasing power factors, which Muhammad Khayam, General of the Chemical, Pharmaceutical and Textile Industry said, states that there are similar preferences. on the types of beauty products marketed in Indonesia, therefore exports of Indonesian beauty products in 2019 reached US\$600 million, higher than the achievement in 2018, namely US\$556.36 million. (Kementerian Perindustrian, 2020).

Furthermore, from the factors of societies organized and functioning as states and government action in the external context, it can be clearly seen the existence of the ASEAN Economic Community (AEC) as a non-state actor and as a form of response to the beauty industry. Apart from that, the societies organized and functioning as states and government actio discussed show that the presence of the AEC is one of the reasons the Indonesian government adopted a policy to promote the beauty industry in Southeast Asia. Another impetus for the Indonesian government to issue a policy for the beauty industry is that the issue of free trade, especially the AEC, means that countries in the Southeast Asia region or ASEAN member countries can easily carry out export and import activities of beauty products.

The presence of the AEC at that time was a progressive and comprehensive step towards the free trade agreement and the AEC component, namely the AEC Blueprint, mandated easier liberalization of trade in goods, which included a significant reduction and elimination of tariffs as well as the elimination of non-tariff barriers (Afandi, 2011). The beauty industry is an industry with tight competition within the AEC framework and according to Perkosmi Indonesia, the Indonesian beauty market is not only contested in Indonesia but also from Southeast Asian countries. (Ige, 2014).

For Indonesia itself, the presence of the AEC provides various opportunities and opportunities for Indonesia which must be used as well as possible considering that there will continue to be potential for population growth and an increase in people's purchasing power in the Southeast Asia region, especially in the beauty sector (Sekretariat Nasional ASEAN-Indonesia, 2022). Apart from that, the agreement in implementing the AEC in 2015 meant that ASEAN member countries, especially Indonesia, were required to prepare themselves and the quality of their countries to take advantage of the 2015 AEC era and increase their capabilities to be able to compete with ASEAN member countries so as not to be less competitive. Therefore, with this factor, the Government must carry out planned strategies and steps so that Indonesia will continue to be able to take advantage of the AEC momentum (Warsono, 2017).

3.4 Government Initiatives in Southeast Asian Markets

The Indonesian Government's decision to formulate a policy to support the Indonesians beauty industry to expand in the Southeast Asian market began in 2015. Where in the same year the Government as a plan and effort issued the Master Plan of National Industrial Development 2015-2035 (RIPIN 2015-2035). This is because the Indonesian Government saw the role of the beauty industry in Indonesia's economy in the previous year contributing a huge amount of income to the economy of Indonesia.

Then in 2017, the beauty industry continued to experience an increase in revenue, in 2016 the value of beauty industry exports amounted to \$470.30 million and rose to \$516.99 million in 2017. This led to the Government of Indonesia issuing the Presidential Decree of the Republic of Indonesia No. 2 of 2018 on the National Industrial Policy for 2015-2019.

The Indonesian Government continues its efforts to provide facilities and assistance to the beauty industry so that it can continue to contribute to Indonesia's economy. Therefore, the Government of Indonesia has issued Regulations of the Minister of Finance No. 14 of 2018 on Entry Duties to Government of Certain Industry Sectors and Regulation of the Ministry of Industry of the Republic of Indonesia No. 47 of 2019 on Kryetry and/or Requirements in order to obtain Income Tax Facilities for Capital Plantation in Certain Business Sector and / or In Certain Area in the Industry Sector.

Not only are fiscal-shaped policies to support the Indonesian beauty industry so that it can play a greater role in the Southeast Asian market, the government also supports the beauty industry through non-fiscal policies and also through strategies to introduce Indonesia's beauty industry. The strategy is implemented through beauty events initiated or followed by the Government of Indonesia such as Cosmobeaute Indonesia and Beauty Professional Indonesia.

Finally, in this section, the Indonesian Government has a strategy to encourage the Indonesian beauty industry to continue expanding in the Southeast Asian market. This step taken by the Indonesian Government is based on the 2015-2035 RIPIN that the beauty industry is included in the mainstay industry which is a priority for industrial sector development for the Indonesian Government because it is considered that the beauty industry will be a driver of the Indonesian economy in the future.

Then, to be able to realize the Indonesian Government's hopes that the Indonesian beauty industry will continue to expand in the Southeast Asia region, reliable, competent and creative human resources are needed to drive the existing beauty industry. So the Government hereby issues Perpres Nomor 2 Tahun 2018.

Bearing in mind that the raw materials for the beauty industry in Indonesia are still imported from outside even though Indonesia is rich in natural and biological resources, the Government responded to this by issuing PMK Nomor 14 Tahun 2018. During the Covid-19 pandemic which hit almost all countries in the world, including Indonesia, the government responded by issuing Permenperin Nomor 47 Tahun 2019 to help the industry continue its business in the beauty sector and to expand the reach of the beauty market.

Apart from what is stated in written regulations, the Indonesian Government in this section also provides assistance such as facilitating beauty trade exhibitions for the Indonesian beauty industry with the hope that the Indonesian beauty industries can build markets and distribute their products through these beauty events.

4. Conclusion

Policy as the Government's strategy to encourage the Indonesian beauty industry in Southeast Asia through the Ministry of Industry which is entrusted as the mandate holder as stated in Undang-Undang Nomor 3 Tahun 2014 dalam rumusan Pasal 8 Ayat (1) to resolve issues regarding Rencana Induk Pembangunan Industri Nasional 2015-2035 (RIPIN 2015-2035) stated

that the beauty industry will be one of the priorities and become a mainstay industry that will play a major role as a prime mover of the Indonesian economy in the future.

Apart from that, access to the Southeast Asian market is wide open for the beauty industry in Indonesia. This is supported by the issue of free trade which was agreed upon through the 9th ASEAN Summit or as stated in the Bali Concord II. In this free trade, goods can freely enter into and out of the country without any tariff or non-tariff barriers. It is important to remove this obstacle because without obstacles, it can encourage the flow of goods and services.

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