

Indonesia:

New Cabinet and Prospect of Economic Openness

Inauguration of Prabowo and Formation of the New Cabinet

October 20, 2024, was a historic day, as Prabowo Subianto took an oath as the 8th President of the Republic of Indonesia after the 10-year leadership of former President Joko Widodo. Prabowo Subianto and Gibran Rakabuming Raka were inaugurated as President and Vice President of Indonesia, and a ceremony was held at the parliament compound of Indonesia at Senayan, Central Jakarta. The inauguration ceremony was attended by then President Joko Widodo and the 6th President, Susilo Bambang Yudhoyono, former Vice Presidents Jusuf Kalla, Boediono, and Try Sutrisno, and also many VIPs who were heads of political parties, high-ranking government officials, and politicians.

There are also some Heads of States of Foreign Countries, some of which are Sultan Hassanal Bolkiah from Brunei Darussalam, President Ferdinand Marcos Jr. from the Philippines, Prime Minister Anwar Ibrahim from Malaysia, and Prime Minister Lawrence Wong from Singapore (Liputan 6, 2024). Nearly all ASEAN leaders attended the inauguration ceremony, which shows the support from Indonesia's neighborhood for the new leadership in the largest and most populous ASEAN country. The presence of foreign heads of state and government officials who represented their country is also needed for Prabowo Subianto to implement his policy and open a window of opportunities for foreign countries to enhance their investment and trade with Indonesia.

On the night of October 20th, 2024, President Prabowo Subianto announced the full list of the new cabinet, named the Red and White Cabinet, which was named after the color of the flag of Indonesia. The cabinet comprises 48 ministers, 5 ministerial-level officials, and 59 vice ministers (Cabinet Secretariat, 2024). This cabinet is the largest since the New Order era and the largest in the Southeast Asia region. Regarding the size of the red and white cabinet, during the first cabinet meeting, Prabowo stated that Indonesia is a large country in terms of the size of the area, which is equivalent to West Europe, which consists of 27 countries (Tempo, 2024). Although there is an increase in the number of ministries, Prabowo emphasizes the urgency of working efficiently and effectively using the state budget, which is perceived to stimulate economic activity and increase private sector participation.



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PT Perkasa Permata Asia Abadi
Gedung Menara Astra 37/F
Jl. Jendral Sudirman Kav 5-6,
Jakarta Pusat 10220

+6221 3115 4532



SINGAPORE

30 Cecil Street,
19-08 Prudential Tower,
Singapore 049712

Phone: +65 68121611 | Fax: +65 68121601
www.ppaa.com.sg



VIETNAM

11th floor, B1 Building No.10,
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Tel: (+84) 912361978

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Following is the complete list of ministries/institutions, ministers/heads of institutions, and vice ministers/vice heads of institutions of the new Red and White Cabinet of Indonesia, including existing ministries and institutions:

Table 1. List of Ministries and State Institutions of Red and White Cabinet

	Ministry/State Institution	Minister/Head of Institution	Vice Minister/Vice Head of Institution
1	Coordinating Ministry for Political and Security Affairs	Budi Gunawan	Lodewijk F. Paulus
2	Ministry of Home Affairs	M.Tito Karnavian	Bima Arya Sugiarto Ribka Haluk
3	Ministry of Foreign Affairs	Sugiono	M.Anis Matta Armanatha K. Nasir Arief H. Oegroseno
4	Ministry of Defence	Sjafrie Sjamsoeddin	Doni E. Taufanto
5	Ministry of Communication and Digital Affairs	Meutya Viada Hafid	Angga R. Prabowo Nezar Patria
6	Attorney General's Office	Sanitiar Burhanuddin	-
7	Indonesian Armed Force	Agus Subiyanto	-
8	Indonesian Police	Listyo S. Prabowo	-
9	Coordinating Ministry for Legal, Human Rights, Immigration, and Penitentiary Affairs	Yusril Ihza Mahendra	Otto Hasibuan
10	Ministry of Law	Supratman A.Agtas	Edward O.S. Hiariej
11	Ministry of Human Rights	Natalius Pigai	Mugianto
12	Ministry of Immigration	Agus Andrianto	Silmy Karim
13	Coordinating Ministry for Economic Affairs	Airlangga Hartarto	-
14	Ministry of Manpower	Yassierli	Immanuel E. Gerungan
15	Ministry of Industry	Agus G. Kartasasmita	Faisol Reza
16	Ministry of Trade	Budi Santoso	Diah Roro Esti
17	Ministry of Energy and Mineral Resources	Bahlil Lahadalia	Yuliot
18	Ministry of State-Owned Enterprises	Erick Thohir	Kartika Wirjoatmodjo Aminuddin Ma'ruf Donny Oskaria



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	Ministry/State Institution	Minister/Head of Institution	Vice Minister/Vice Head of Institution
19	Ministry of Investment/Investment Coordinating Board	Rosan P. Roeslani	Todo Tua Pasaribu
20	Ministry of Tourism	Widiyanti Putri	Ni Luh E. Ernawati
21	Coordinating Ministry for Human Development and Cultural Affairs	Pratikno	-
22	Ministry of Religious	Nasaruddin Umar	Syafii
23	Ministry of Primary and Secondary Education	Abdul Mu'ti	Fajar Riza UI Haq Atip Latipulhayat
24	Ministry of Higher Education	Satryo S.Brodjonegoro	Fauzan Stella Christie
25	Ministry of Culture	Fadli Zon	Giring G. Djumaryo
26	Ministry of Health	Budi G.Sadikin	Dante S. Harbuwono
27	Ministry of Women Empowerment and Child Protection	Arifatul C. Fauzi	Veronica Tan
28	Ministry of Population and Family Development/Head of National Population and Family Planning Agency	Wihaji	Ratu A. Isyana Bagus Oka
29	Ministry of Youth and Sports	Ario Bimo N. Ariotedjo	Taufik Hidayat
30	Coordinating Ministry for Infrastructure and Regional Development	Agus Harimurti Yudhoyono	-
31	Ministry of Agrarian Affairs and Spatial Planning/Head of National Land Agency	Nusron Wahid	Ossy Darmawan
32	Ministry of Public Works	Doni Hanggodo	Diana Kusmuastuti
33	Ministry of Housing and Settlement	Maruarar Sirait	Fahri Hamzah
34	Ministry of Transmigration	Iftitah Suryanegara	Viva Y. Mauladi
35	Ministry of Transportation	Dudy Purwagandhi	Suntana
36	Coordinating Ministry for People's Empowerment	Abdul Muhaimin Iskandar	-
37	Ministry of Social Affairs	Saifullah Yusuf	Agus Jabo Priyono
38	Ministry of Migrant Workers Protection/Head of Indonesian Migrant Workers Protection Agency	Abdul Kadir Karding	Christina Aryani
39	Minister of Villages and Underdeveloped Regions Development	Yandri Susanto	Ahmad Riza Patria
40	Ministry of Cooperatives	Budi Arie Setiadi	Ferry Joko Juliantono



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Ministry/State Institution		Minister/Head of Institution	Vice Minister/Vice Head of Institution
41	Ministry of Micro, Small, and Medium Enterprises	Maman Abdurrahman	Helvy Yuni Moraza
42	Ministry of Creative Economy/Head of Creative Economy Agency	Teuku Riefky Harsya	Irene Umar
43	Coordinating Ministry for Food Affairs	Zulkifli Hasan	-
44	Ministry of Agriculture	Andi Amran Sulaiman	Sudaryono
46	Ministry of Forestry	Raja Juli Antoni	Sulaiman Umar
47	Ministry of Maritime Affairs and Fisheries	Sakti Wahyu Trenggono	Didit Herdiawan
48	Ministry of Environment/Head of Environmental Control Agency	Hanif Faisol Nurofiq	Diaz Faisal Malik Hendropriyono
49	National Food Agency	Arief Prasetyo Adi	-
50	National Nutrition Agency	Dadan Hindayana	-
Ministries and Institutions under Direct Supervision of President			
51	Ministry of State Secretary	Prasetyo Hadi	Bambang Eko Suharyanto
			Juri Ardiantoro
52	Ministry of Finance	Sri Mulyani Indrawati	Thomas Djiwandono
			Suahasil Nazara
			Anggito Abimanyu
53	Minister of National Development Planning/Head of National Development Planning Agency	Rachmat Pambudy	Febrian Alfianto Ruddyard
54	Minister of State Apparatus Empowerment and Bureaucratic Reform	Rini Widiantini	Purwadi Aryanto
55	State of Intelligence Agency	Muhammad Herindra	-
56	The Executive Office of the President	A.M. Putranto	-
57	The Presidential Communication Office	Hasan Nasbi	-
58	Cabinet Secretary	Teddy Indra Wijaya	-

Source: Cabinet Secretariat (2024)

Although the official announcement from the Cabinet Secretariat stated the cabinet consists of 48 ministers, if the calculation of ministries and state institutions is extended to other positions that had been appointed during the end of the Joko Widodo period, the positions of ministers and heads of institutions may be able to reach about 58. The position and arrangement of Coordinating Ministries and all Ministries had been regulated by Presidential Decree Number 139 2024 about the Duties and Functions of State Ministries of the



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Red and White Cabinet for the period of 2024-2029. The positions do not include another list of advisors and envoys appointed by Prabowo Subianto 2 days after his inauguration and cabinet formation.

The data from Table 1 shows that the private sector needs to understand the new pattern of government in Indonesia, as the organizational structure of the new government has undergone a major change compared to the previous cabinet. The new administration had separated duties and functions and the diffusion of responsibilities and functions of some ministries and state institutions. For example, the Ministry of Law in the era of former President Joko Widodo comprised the functions of law and immigration, but the current condition shows that the government has split the Ministry of Law into two ministries, which have the functions of law and immigration, respectively. In another case, Presidential Decree Number 139/2024 also regulated that the Ministry of Cabinet Secretariat had been combined with the Ministry of State Secretary, and the position of Cabinet Secretary is not equivalent to the position of Minister.

The Future of Economic Openness in Indonesia

To assess the opportunities for the private sector and the development of Indonesia's leading economic sector, it is necessary to examine the backgrounds of Prabowo Subianto, Gibran Rakabuming Raka, and their ministers. Prabowo was a veteran army officer extensively involved in major military operations such as Operation Seroja and the Papuan insurgency. Although there is still debate about Prabowo's role in the military operation, particularly in light of the Indonesian government's previous human rights violations, Prabowo has appointed many influential figures to demonstrate that his government is willing to work with other countries to build positive relationships.

In terms of the group of economic-related ministries, Prabowo reappointed Airlangga Hartarto as Coordinating Minister for Economic Affairs, which is seen as a continuation of President Joko Widodo's openness to economic diplomacy with other countries by optimizing Indonesia's accession process to the Organisation for Economic Cooperation and Development (OECD) (CMEA, 2024). Another sign from the standpoint of the economic ministries is the appointment of Rosan Perkasa Roeslani as Minister of Investment and the reappointment of Sri Mulyani Indrawati as Minister of Finance. Rosan previously served as Indonesia's Ambassador to the United States of America (USA) and Chief of the Prabowo-Gibran national campaign team during the 2024 presidential election. The nomination of Rosan was a clear indication of Prabowo's desire to maintain tight ties with the United States, which is still regarded as a major global power.

Sri Mulyani's selection as Minister of Finance for the third time in a row was also an unexpected move during the creation of Prabowo-Gibran's new government. Sri Mulyani served as Minister of Finance from 2005 to 2010, when she was appointed Managing Director of the World Bank, becoming the first Indonesian to hold that position. She was reappointed Minister of Finance in 2016 and served two terms under former President



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Joko Widodo. The reappointment of Sri Mulyani is one of the most critical signals that Prabowo would continue to rely on foreign economic and financial partnerships to achieve the objectives of rapid economic growth, agricultural self-sufficiency, and human capital development.

The New Government of Indonesia demonstrated its commitment to economic cooperation by attending the Brazil, Russia, India, China, and South Africa (BRICS) conference on October 22, 2024, and applying to join the group. Sugiono, Indonesia's newly appointed Minister of Foreign Affairs, represented the country at the BRICS Summit in Kazan, Russia, while Prabowo Subianto continues to lead numerous significant agenda items related to the creation of the new Indonesian administration. Sugiono argues that BRICS programs align with Indonesia's priorities, including food and energy sufficiency (VOA Indonesia, 2024). The Ministry of Foreign Affairs was now assisted by three vice ministers, up from one earlier. With Prabowo's connections and passion for foreign affairs, including Vice Ministers of Foreign Affairs positions will improve Indonesia's presence in international forums and increase Indonesia's level of openness compared to the previous government.

During the campaign, Prabowo underlined that his government's policies would achieve food, water, and energy self-sufficiency while ensuring nourishment for future generations of Indonesians. In this regard, the new government's primary concerns will be expanding the agricultural sector and developing human capital. Increased Indonesian participation in international forums will boost the government's efforts to achieve self-sufficiency in water, food, and energy. Indonesia may be able to transmit knowledge and experience of food sufficiency from India and China, which have large populations, by joining BRICS. It may also be able to receive the most recent technologies from wealthy countries by entering the OECD. As long as Indonesia has specific aims, increasing its participation in international forums will assist Southeast Asia's larger countries.

Conclusion

Indonesia formed a new government following former President Joko Widodo's ten-year tenure, which was viewed as having a more inward focus on economic and foreign matters. The new administration of President Prabowo Subianto will turn the tide of Indonesia's foreign policy, making it more active and capable of taking key stances on the international scene. With more active participation in international relations, Indonesia will improve its economic presence and contribution to international commerce by enhancing the value added to Indonesian products and services and strengthening the downstream production chain. Indonesia also requires foreign investment to achieve strong economic growth and avoid the middle-income trap. From this point forward, the government plans to promote Indonesia to raise investment inflows and expand exports of Indonesian products and services.



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