

Indonesia Education Budget 2024 A Positive Boost for the UK

Indonesia's recently announced National Budget 2024 sees almost a 20 percent increase in 2024's indicative budget for education amounting to IDR 660 trillion (GBP 33 billion), up from IDR 552 trillion (GBP 28 billion) in 2023. This accounts for close to 20 percent of the total 2024 National Indicative Budget (RAPBN) of IDR 3.304 trillion (GBP 169 billion) which will be directed towards improving infrastructure and the quality of schools, increasing scholarships, raising the quality of higher education institutions in Indonesia as well as strengthening research and innovation.

Source:

https://www.setneg.go.id/baca/index/pidato_presiden_ri_pada_penyampaian_keterangan_pemerintah_atas_ruu_tentang_apbn_tahun_anggaran_2024_beserta_nota_keuangannya_di_depan_rapat_paripurna_dpr_ri

What does this mean for the UK?

- Mobility.** Between 2017-2021, the UK received the largest number of Indonesian scholars studying overseas compared to other key host markets such as Australia, the Netherlands, US, Japan and Germany. In 2021/22, the UK even saw its market share of total overseas LPDP scholars rising to 32.7 percent from 27.6 percent in 2019/20 (pre-Covid) with the UK occupying pole position. The Government of Indonesia's commitment to expand its scholarship offer to is positive news for the UK HE sector – it signals that the drop in scholarships by almost 40 percent in 2021/22 to 5,954 from 9,911 in 2019/2020, was a temporary decline due to the pandemic, and that more upside is in sight with the UK set to benefit from higher enrolment of LPDP students in the coming years.
- Research.** Budget 2024 will open up to increased opportunities for collaboration in the area of research – between 2015-2020 Indonesia's research output was the largest in SE Asia, but the quality of research was the lowest by field-weighted citation impact. The Indonesian government is therefore keen that Indonesia HEIs work with international partners on priority

research areas to boost their profile and contribute to the national development agenda. While the UK currently ranks only 5th as Indonesia's top international research partner, trailing that of other countries, the quality of its joint research is among the highest, making the UK an ideal partner for Indonesia.

- 3. Partnerships.** With compulsory schooling now extended to include pre-school and with a portion of the education budget being used to improve the quality of pre-schools there will be an increase in demand for early childhood development degree and training courses as well as potential opportunities for the UK to offer skills and expertise in developing early childhood education in the country.

Recommendations

We see an increase in scholarships for PhD study including a recent [call for expressions of interest to host doctoral training students from Indonesia](#) (as published on our Opportunities and Insight portal). We recommend that UK HEI's continue to invest in marketing and outreach programmes targeting PG students as Indonesia is still a PG market with a significant proportion of PG students being funded by government scholarships.

At the same time, UK HEI's should also invest more in attracting UG students given that the UG market has grown significantly over the past few years. In 2019, 48 percent of Indonesian students in the UK were studying at UG level, up from 35 percent in 2015. The UK is also performing well as the most popular study destination under the IISMA (Indonesia International Students Mobility Award) programme, which provides scholarships for UG students to study for a semester at overseas universities, with 344 IISMA students commencing their studies in the UK in September 2023 compared to 316 last year. We recommend that UK HEIs take advantage of the growth momentum in the UG market and seek to partner with school counsellors and education agents with access to international schools in Greater Jakarta as well as other key cities in Java such as Surabaya and Bandung.

Note:

More statistics to the above can be found in the attached file below.

British Council Contact Details

Muhaimin Syamsuddin

Head of Education, Indonesia

muhaimin.syamsuddin@britishcouncil.org

APPENDIX

Figure 1: Total LPDP Scholarship (2017/18 – 2021/22)¹

	2017/18		2018/19		2019/20		2020/21		2021/22	
	Total	%								
Domestic	5,969	60	6,330	64	6,443	65	6,088	76	4,065	68
Overseas	4,006	40	3,551	36	3,468	35	1,900	24	1,889	32
Total	9,975	100	9,881	100	9,911	100	7,988	100	5,954	100

Figure 2: Overseas Destination - Key Markets (% of total LPDP scholarship for overseas study) (2017/18 – 2021/22)

	2017/18		2018/19		2019/20		2020/21		2021/22	
	Total	%								
UK	895	22	871	25	958	28	406	21	619	10
Australia	829	21	768	22	688	20	386	20	355	6
Netherlands	684	17	544	15	525	15	280	15	249	4
US	337	8	295	8	337	10	229	12	349	6
Japan	349	9	284	8	241	7	123	6	85	1
Germany	125	3	129	4	114	3	63	3	53	1

Figure 3: Total IISMA Scholarship (2021 – 2023)

	2021	2022	2023	Total
IISMA	181	192	216	589
IISMAVO	0	124	128	252
Total	181	316	344	841

Note: IISMAVO is IISMA scholarship for vocational students.

¹ Calculated based on LPDP annual reports from 2017/18 until 2021/22:
<https://lpdp.kemenkeu.go.id/en/informasi/laporan-tahunan/>

Figure 4: Indonesia Top 10 International Research Partners 2016 – 2021²

Rank	Country	Co-authored Publications	Field-weighted Citation Impact
1	Malaysia	9,609	1.86
2	Japan	7,972	1.91
3	Australia	4,754	3.0
4	USA	4,341	3.42
5	UK	3,671	3.94
6	Netherlands	2,723	4.01
7	Germany	2,571	4.43
8	Taiwan	2,546	3.42
9	China	2,308	4.80
10	Thailand	2,250	2.02

² SciVal via Elsevier