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From policy momentum to consumer adoption: Consumer signals shaping Indonesia's next phase of EV adoption

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Introduction

Indonesia's electric vehicle (EV) market has evolved rapidly from a niche segment into a strategic component of the nation's broader industrial and energy transition agenda. Supported by a growing policy framework, expanding domestic manufacturing ambitions, and increasing investment across the EV value chain, the market has attracted a growing number of global and regional automotive players.

As Indonesia seeks to leverage its natural resource advantages and strengthen its position within the regional EV ecosystem, the sector is entering a period of increasing scale, competition, and consumer visibility. At the same time, the market is also moving beyond the early stages of policy-led growth. Expanding vehicle model availability, improving charging infrastructure, and increased consumer exposure to EV technology have helped strengthen awareness and consideration among prospective buyers.

However, adoption remains shaped by practical realities. While consumers increasingly recognise the benefits of electrified mobility, including lower operating costs and access to new technologies, many continue to weigh affordability, charging convenience, vehicle performance, and long-term ownership economics when evaluating EVs.

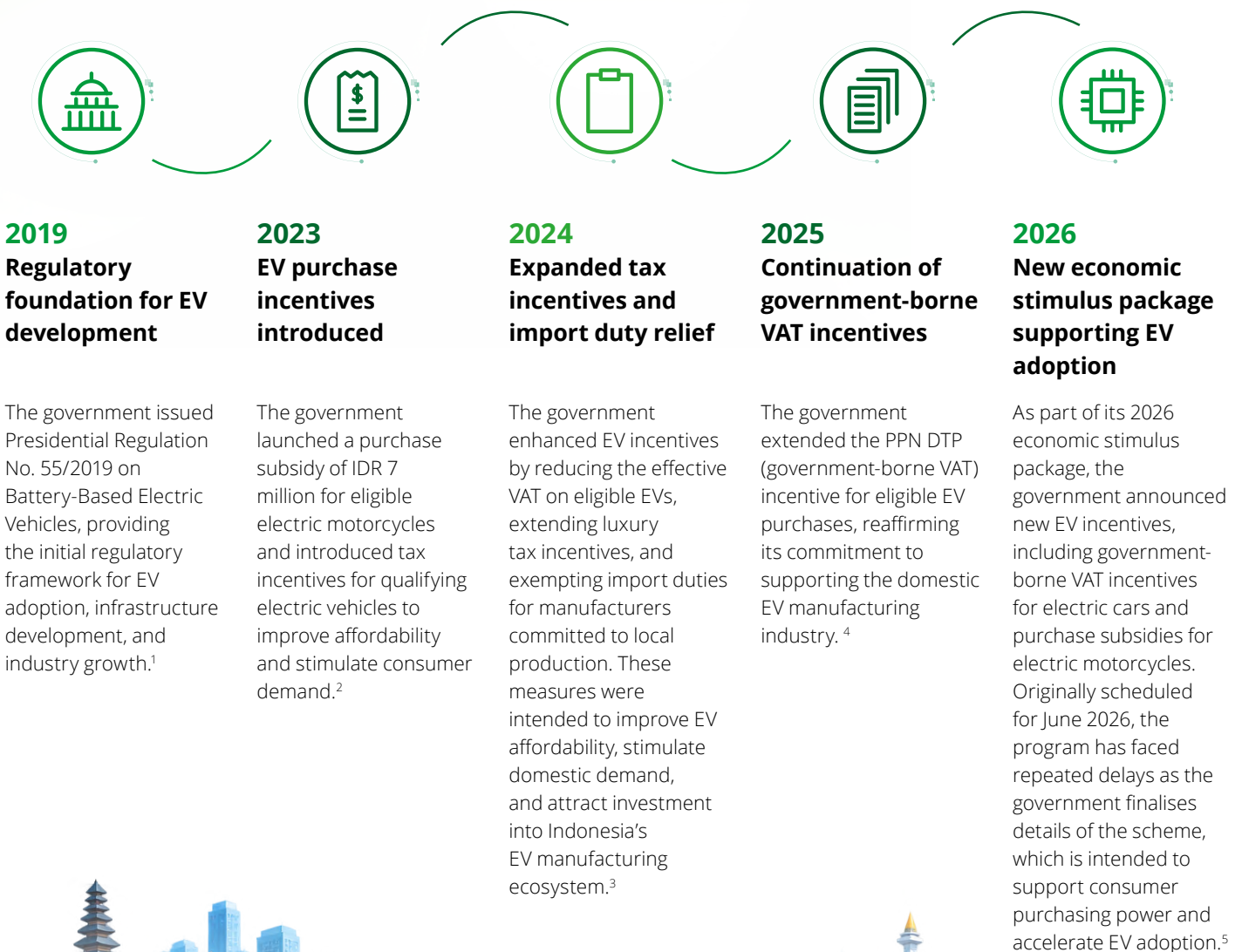
This shift marks an important transition for automotive producers. The challenge is no longer solely about generating awareness of EVs or expanding product availability. Instead, the focus is increasingly turning towards converting consumer interest into purchase confidence.

As the Indonesian EV market matures, understanding how consumers assess the benefits, trade-offs, and perceived risks of EV ownership will become critical for shaping product strategies, ecosystem investment, and customer engagement approaches.

Drawing on the findings from **Deloitte's 2026 Global Automotive Consumer Study**, this article explores how Indonesian consumers evaluate EVs across four key dimensions: economic considerations, charging infrastructure, brand and ownership experience, and sustainability. Together, these insights provide a view into the opportunities and challenges that will shape the next phase of EV adoption in Indonesia.

Evolving from foundational regulation to targeted fiscal support

Indonesia's EV policy framework has evolved from foundational regulation to targeted fiscal support. Presidential Regulation No. 55/2019 established the regulatory basis for battery-based electric vehicles, while subsequent measures introduced value-added tax (VAT) support, luxury tax relief, import-duty incentives, and motorcycle purchase subsidies to improve affordability and attract investment. However, the upcoming 2026 incentive rollout has faced repeated delays as the government continues to finalise the scheme, underscoring that policy support remains important but still subject to implementation uncertainty.



¹ "Inilah Perpres No. 55/2019 tentang Program Kendaraan Bermotor Listrik Berbasis Baterai". Cabinet Secretariat of the Republic of Indonesia. 15 August 2019.

² "Pemerintah beri subsidi motor listrik Rp7 juta mulai 20 Maret". CNN Indonesia. 6 March 2023.

³ "Indonesia issues more tax incentives for EV sales". Reuters. 21 February 2024.

⁴ "Insentif PPnBM DTP mobil listrik diperpanjang hingga 2025". KOMPAS. 10 January 2025.

⁵ "Finance Minister Purbaya confirms electric vehicle incentives delayed by a month due to unfinished technical preparations". Indonesian Financial News. 30 June 2026.

Consumer signals shaping Indonesia's next phase of EV adoption

Indonesia's EV market is moving from curiosity to calculated choice. Drawing on the findings from **Deloitte's 2026 Global Automotive Consumer Study**, this section examines four considerations shaping Indonesian consumers' EV purchase preferences: affordability and ownership economics; charging access and everyday usability; brand trust, product experience, and after-sales confidence; and battery sustainability and lifecycle trust.

01

Affordability and ownership economics



Affordability and ownership economics

Economic considerations remain one of the most influential factors shaping EV adoption among Indonesian consumers. Findings indicate that internal combustion engine (ICE) vehicles remain the dominant choice for consumers across Southeast Asia. This trend is particularly evident in Indonesia, where 55% of respondents still prefer an ICE vehicle for their next purchase, compared with 16% who prefer a hybrid electric vehicle (HEV), 15% a plug-in hybrid electric vehicle (PHEV), and 11% a battery electric vehicle (BEV).⁶

While conventional vehicles continue to dominate near-term purchase intentions, the survey findings suggest that Indonesian consumers are increasingly open to electrified alternatives. In total, more than four in ten Indonesian respondents indicate a preference for some form of electrified vehicle,⁷ reflecting growing awareness of the economic and practical benefits associated with EV ownership.

A key factor driving this interest is the potential for lower operating costs. The survey identifies lower fuel costs as one of the leading reasons Indonesian consumers would consider purchasing an electrified vehicle in the future.⁸ As fuel prices remain a significant component of household transportation expenditure, Indonesian consumers increasingly recognise the opportunity for EVs to reduce day-to-day mobility costs. Government incentives and subsidies further strengthen the economic value proposition of EVs by helping narrow the affordability gap between electrified and conventional vehicles.

Recent geopolitical tensions in the Middle East have also highlighted the vulnerability of global energy markets to supply disruptions and oil price volatility. While such developments may not directly determine EV purchasing decisions in Indonesia, they reinforce the longer-term appeal of mobility solutions that reduce dependence on conventional fuels and provide greater insulation from energy price fluctuations. For consumers and policymakers alike, this reinforces the broader economic rationale for vehicle electrification beyond environmental considerations.

⁶ "2026 Global Automotive Consumer Study". Deloitte. 2026.

⁷ Ibid.

⁸ Ibid.

However, financial considerations remain a double-edged sword. Although Indonesian consumers acknowledge the long-term cost advantages of EVs, concerns regarding affordability continue to influence purchase decisions. The relatively high upfront purchase price of EVs remains a significant barrier for many prospective Indonesian buyers. Battery replacement costs are a related concern, cited by 39% of Indonesian respondents,⁹ reinforcing the need for clearer warranty terms and greater transparency around battery health and long-term ownership costs.

Long-term ownership economics also remain a concern, with 38% of Indonesian consumers citing uncertainty over the future resale value of EVs, higher than in Malaysia (29%), Singapore (23%), Vietnam (22%), Thailand (21%), and the Philippines (17%), reflecting the relative immaturity of Indonesia's secondary EV market and limited visibility into long-term ownership costs.¹⁰

Making EV ownership feel financially sensible

The survey findings suggest that the primary challenge for automotive manufacturers and ecosystem players is no longer generating consumer interest in EVs, but addressing the economic barriers that continue to delay purchase decisions. While Indonesian consumers increasingly recognise the long-term cost advantages of EV ownership, concerns regarding affordability, battery replacement costs, and resale value indicate that the perceived financial risks of EV ownership remain significant.

To broaden adoption, manufacturers may need to expand the availability of affordable EV models that cater to the purchasing power of Indonesia's mass-market consumers. Complementing this with flexible financing and leasing schemes, such as lower down payments, longer loan tenures, or battery leasing options, could help reduce the upfront cost burden and make EV ownership more financially accessible.

At the same time, improving transparency around battery warranties, replacement costs, and expected resale values will be essential to strengthening consumer confidence. Providing clearer information on battery lifespan, after-sales support, and residual value guarantees can help reduce uncertainty surrounding the long-term economics of EV ownership. As Indonesian consumers increasingly evaluate vehicles based on their total cost of ownership rather than purchase price alone, manufacturers that can effectively demonstrate both immediate affordability and long-term value may be better positioned to accelerate EV adoption and strengthen their competitiveness in Indonesia's evolving automotive market.

⁹ Ibid.

¹⁰ Ibid.

02

Charging access and everyday usability



Charging access and everyday usability

Beyond economic value, charging infrastructure is a decisive factor shaping EV adoption, **with the majority of Indonesian EV intenders (61%) expecting to charge primarily at home.** Among this subset who expect to charge at home, 54% report access to a dedicated residential charger, while others rely on shared access or do not yet have access to a home charger.¹¹

Public and on-street chargers and traditional gas stations equipped with EV chargers follow as secondary preferences. Charging preferences also vary across the region. Thai respondents prioritise charging at traditional gas stations with EV chargers, while Singaporeans show a stronger preference for charging at parking lots (33%).¹² By contrast, only 5% of Indonesian respondents prefer parking-lot charging, underscoring a distinct national profile that favours at-home solutions.¹³

The preference for home charging aligns with a broader infrastructure concern: 53% of Indonesian respondents cite **lack of public charging infrastructure** as a top barrier – the highest level among surveyed Southeast Asian markets.¹⁴ Public charging infrastructure also remains unevenly distributed, particularly outside Java and major urban centres, limiting charging convenience for consumers beyond Indonesia's major metropolitan areas.¹⁵



¹¹ "2026 Global Automotive Consumer Study". Deloitte. 2026.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ "Keterbatasan infrastruktur hambat adopsi mobil listrik di luar Jabodetabek". KOMPAS. 9 June 2026.

Charging time and driving range are also among the most cited BEV concerns among Indonesian respondents, each cited by 46%,¹⁶ reflecting the limited availability of fast-charging options in parts of the public charging infrastructure.¹⁷ Combined with uneven infrastructure distribution, these have resulted in long lines at EV charging stations in certain districts.¹⁸

Cost sensitivity further shapes public charging behaviour. 90% of Indonesian respondents consider charging cost at public stations important – the highest proportion across the surveyed Southeast Asian market¹⁹ – highlighting price as a critical determinant of where consumers will charge outside the home.

Payment preferences for public charging also diverge regionally. Indonesian respondents show the strongest preference for charging network apps on smartphones, followed by QR codes.²⁰

This aligns with the broader adoption of QR code payments in Indonesia, which grew by 108% year-on-year (YoY) as of April 2026.²¹ Credit and debit cards are the least preferred payment method in Indonesia (6%), even though they remain primary options for respondents in Singapore, Malaysia, and the Philippines.²²

Designing charging around everyday use

Charging should be treated as an ownership-confidence issue, not only an infrastructure issue. Apart from access issues, some consumers who charge their EVs at home also reported unstable voltage issues that could prove detrimental to their EV's condition in the long-term.²³

Producers and ecosystem partners can help reduce these frictions by making charging options clearer, more predictable, and easier to access across home, public, and destination-based settings. This includes clearer communication on expected charging times, practical guidance on residential installation, and partnerships that improve access to reliable public charging in high-use urban and intercity locations.

Payment experience also matters. Given Indonesian respondents' preference for charging-network apps and QR code payments, public charging should be designed around app-first and QR-enabled journeys, with transparent pricing and local digital wallet integration where relevant. The objective is not only to expand charging availability, but to make charging feel familiar, affordable, and manageable in daily life.

16 "2026 Global Automotive Consumer Study". Deloitte. 2026.

17 "Keterbatasan infrastruktur hambat adopsi mobil listrik di luar Jabodetabek". KOMPAS. 9 June 2026.

18 Ibid.

19 "2026 Global Automotive Consumer Study". Deloitte. 2026.

20 Ibid.

21 "Tinjauan kebijakan moneter Mei 2026 ". Bank Indonesia. 22 May 2026.

22 "2026 Global Automotive Consumer Study". Deloitte. 2026

23 "Keterbatasan infrastruktur hambat adopsi mobil listrik di luar Jabodetabek". KOMPAS. 9 June 2026.

03

Brand trust, product experience, and after-sales confidence



Brand trust, product experience, and after-sales confidence

Indonesian consumers weigh brand and experience heavily when considering EVs, with brand and reputation driving consideration. Indonesian respondents place significant emphasis on brand when evaluating EV purchases: 33% cite brand image as important, outpacing Thailand (32%), Vietnam (29%), Malaysia (21%), the Philippines (19%), and Singapore (14%).²⁴ Brand reputation is also a major influence, with 41% of Indonesian respondents saying it affects their decision, second only to Vietnam among surveyed Southeast Asian markets.²⁵

Experience matters as much as brand. Driving experience is a decisive factor for nearly half of Indonesian buyers, with 48% influenced by how an EV performs on the road – second only to Malaysia (52%) and ahead of the Philippines (45%). Beyond performance, 37% of respondents expect EV ownership to deliver broader lifestyle benefits that extend beyond driving.²⁶

However, technical concerns – particularly driving range, charging time, and battery safety – remain a dominant barrier. For these technical performance issues, Indonesia records the highest levels of concern among the surveyed Southeast Asian markets,²⁷ signalling a critical trust gap that producers will need to address through clearer product education, warranties, and after-sales support.

Turning education into ownership confidence

Producers should treat education as part of the ownership journey, not a standalone marketing campaign. With 35% of Indonesian respondents citing limited understanding of EVs and EV technology as a barrier,²⁸ communications should focus on practical concerns: battery health, charging time, driving range, safety, warranty coverage, and expected ownership costs.

Education should be delivered through both digital and physical touchpoints. Social media, influencer reviews, online media, manufacturer websites and dealer visits all play a role in how Indonesian consumers research their next vehicle.

Practical demonstrations – including test drives, charging walkthroughs, battery health explainers and service consultations – can help move consumers from awareness to confidence. Service networks are especially important, as Indonesian respondents place the highest trust in the dealership where they service their vehicle, ahead of manufacturers and selling dealerships.²⁹

²⁴ “2026 Global Automotive Consumer Study”. Deloitte. 2026.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

04

End-to-end sustainability and lifecycle trust



End-to-end sustainability and lifecycle trust

Indonesia's Ministry of National Development Planning has described EV adoption as a "triple win" that can support economic growth, create green jobs, and reduce emissions. EV purchases surged by 179% in 2023 compared to the previous year, while the government's target of 1 million four-wheel EV units by 2035 is projected to save 12.5 million barrels of oil and reduce carbon dioxide emissions by 4.6 million tons.³⁰

Yet, consumer concern over end-to-end sustainability, particularly battery manufacturing and recycling, remains relatively low at 16% – the second lowest in Southeast Asia.³¹ Opinions on responsibility for EV battery management vary: 26% assign it to dedicated recyclers, 24% to battery manufacturers, and smaller shares to automakers, dealers, government agencies, or other stakeholders.³²

Building lifecycle trust before sustainability becomes a purchase barrier

Sustainability remains an important part of Indonesia's long-term EV narrative, but it is not yet the strongest lever for converting consumer interest into purchase intent. As adoption accelerates, manufacturers and ecosystem players can build trust by demonstrating clearer commitments to responsible battery sourcing, durability, recycling, and end-of-life management.

Increasing transparency around battery sourcing, production processes, recycling pathways, and end-of-life management can help reassure consumers that EVs deliver environmental benefits beyond zero tailpipe emissions. Clear communication on battery durability, second-life applications, and recycling programs may also improve public understanding of how sustainability is embedded throughout the EV value chain.

At the same time, greater investment in battery recycling infrastructure and circular economy initiatives will become increasingly important as Indonesia's EV fleet expands. Collaboration among automakers, battery manufacturers, recyclers, and government agencies to strengthen collection systems and Extended Producer Responsibility (EPR) frameworks can help ensure that battery waste is managed responsibly while recovering valuable critical minerals.

30 "Bappenas kerja sama dengan CGGI dan Kementerian Ekonomi dan Keuangan Republik Korea untuk penguatan kapasitas daur ulang baterai kendaraan Listrik". Low Carbon Development Indonesia. 18 March 2025.

31 "2026 Global Automotive Consumer Study". Deloitte. 2026.

32 Ibid.

These efforts are increasingly aligned with Indonesia's broader sustainability agenda. Recognising the growing challenge, the Indonesian government is advancing policies to address rising e-waste – 1.9 million tons generated in 2022, mostly mismanaged – while pursuing ambitious EV targets of 13 million units (comprising 1 million four-wheel EVs and 12 million two-wheel EVs) by 2035 and full electrification of urban transport by 2045.³³ Complementing these initiatives, the Global Green Growth Institute (GGGI) is supporting the development of EV battery management strategies, strengthening Extended Producer Responsibility (EPR) frameworks, and advancing circularity measurement tools to help build a more sustainable EV ecosystem.³⁴



³³ "Mau Produksi 13 Juta Kendaraan Listrik di 2035, RI Butuh Nikel 59 Ribu Ton". KumparanBisnis. 8 June 2023.

³⁴ "Project kick off: Electric vehicle battery recycling and circular electronic management". Global Green Growth Institute. 10 March 2026.

Positioning for Indonesia's next phase of EV growth

Indonesia's EV market is entering a more practical phase of growth. The opportunity is no longer defined by supply creation alone, but by whether EVs can be made to feel financially sensible, operationally convenient, and technically reliable for everyday consumers. While ICE vehicles remain the dominant near-term preference, consideration of electrified options is rising. Converting that interest into adoption will increasingly depend on whether consumers see clear value in switching.

This means the next phase of competition will not be won by availability alone. Expanding local manufacturing capacity and introducing more models will remain important, but adoption will depend on whether producers can reduce the perceived cost, complexity, and risk of EV ownership across the full vehicle lifecycle.

For producers, the competitive edge lies in reducing friction, not simply promoting technology. Clearer ownership economics, credible battery and resale value propositions, convenient charging solutions, and trusted service networks will be critical to making EVs feel less uncertain and more viable in daily life.

Several enabling conditions for growth are emerging, but accelerating adoption will ultimately depend on whether the ownership proposition becomes compelling enough for consumers to act. Industry players that respond to these practical consumer concerns will be better positioned to capture growth and shape Indonesia's electric mobility future.

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