

Prabowo Subianto Sworn In as Indonesia's President; Announces Cabinet

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Key Takeaways

- Following his inauguration as Indonesia's eight president, Prabowo Subianto is expected to prioritize defense and foreign relations and to position Indonesia as a middle power while maintaining the principle of non-alignment.
- As one of his first acts, Prabowo expanded the cabinet to 48 ministries, the largest in Indonesia's history.
- Notably, he chose to keep on most of former President Joko "Jokowi" Widodo's economic ministers, including Sri Mulyani as Finance Minister, signaling continuity in economic policy.
- The unprecedented expansion of the cabinet reflects Prabowo's aim to secure political stability by accommodating his broad coalition with senior level posts; however, this could also introduce inefficiencies within the bureaucracy.

Overview

On October 20, Prabowo Subianto was inaugurated as Indonesia's eighth president. Outlining his administration's priorities in his inaugural address, Prabowo emphasized his campaign pledges on improving nutrition, healthcare, and housing, while also highlighting the continuation of President Joko "Jokowi" Widodo's industrialization policy (including through the export ban of raw critical minerals). Notably, Prabowo did not mention the development of the new capital city, Nusantara, one of Jokowi's expensive legacy policy priorities that will likely compete with the new President's own priorities for resources.

Economic and Business Implications

Later that day, Prabowo unveiled his cabinet, which retains most of Jokowi's economic ministers, signaling continuity in economic policy. Sri Mulyani's reappointment as Minister of Finance is surprising to many, given her past disagreements with Prabowo over defense budget allocations. However, TAG sources indicate that the decision is meant to reassure investors, given her strong



international reputation and commitment to fiscal discipline. Prabowo's new cabinet also retains other key economic policy figures, such as Airlangga Hartarto (Coordinating Minister for Economic Affairs), Agus Gumiwang Kartasasmita (Minister of Industry), Bahlil Lahadalia (Minister of Energy and Mineral Resources), Erick Thohir (Minister of State-Owned Enterprises), and Rosan Roeslani (Minister of Investment).

Prabowo is also expected to continue Jokowi's economic policies that promote domestic industrialization – such as local content requirements, export bans on raw minerals, and investment incentives. Notably, the Ministry of Investment has been renamed the Ministry of Investment and Downstreaming, with Rosan Roeslani now leading efforts to drive downstream industrial development – a role previously managed by Luhut Pandjaitan, who will now head the newly formed National Economic Council, a think tank set to advise the government on accelerating Indonesia's economic growth.

In contrast, plans for a stand-alone State Revenue Agency may be shelved. Prabowo appointed Anggito Abimanyu, initially rumored to lead the new agency, as Deputy Minister of Finance instead. Prabowo is also reportedly considering privatizing several state-owned enterprises (SOEs) and establishing a holding company similar to Singapore's Temasek. Erick Thohir, with his extensive business background, will play a critical role in implementing these reforms.

With Airlangga Hartarto retaining his role as Coordinating Minister for Economic Affairs, Indonesia is likely to continue its efforts to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Organization for Economic Cooperation and Development (OECD). Despite Nusantara not being referenced among the government's key priorities, other critical infrastructure development will remain a focus, with Prabowo seeking support for the construction of a giant seawall to protect Jakarta and other major northern cities in Java. His first official visit to China will likely center on attracting investment for this initiative. Agus Yudhoyono, the son of former President Yudhoyono, has been appointed as senior minister of infrastructure to oversee this ambitious project.

Defense and Foreign Policy Implications

Prabowo is expected to prioritize foreign affairs and defense, with the new President taking a more prominent personal role focusing on bilateral and international engagements. This emphasis is reflected in Prabowo's choice of close confidants for the Foreign and Defense Ministries. Newly appointed Defense Minister Sjafrie Sjamsoeddin, a long-time associate from Prabowo's military academy days, will spearhead efforts to modernize Indonesia's defense capabilities. However, balancing defense expenditures with Prabowo's ambitious domestic programs could be challenging.



The new Minister of Foreign Affairs, Sugiono, played a key role in establishing Prabowo's party, Gerindra. He will be supported by three deputy ministers, including two experienced diplomats. Prabowo will likely seek to elevate Indonesia's status as a recognized middle power on the global stage, while maintaining the principle of non-alignment. Following his first official visit to China, Prabowo will participate in the G20 and APEC summits in November. TAG sources indicate that Prabowo continues to seek strengthened ties with Western countries, particularly the United States, despite his nationalist rhetoric in domestic speeches and lingering resentment over his past U.S. entry ban.

Political Outlook

Prabowo's new cabinet has been expanded to 48 ministries—the largest in Indonesia's history. He also appointed 56 deputy ministers and five agency heads to accommodate political appointees from his broad coalition, which includes seven out of eight parties in parliament, ensuring political stability. Shortly after the inauguration, the only opposition party, the Indonesian Democratic Party of Struggle (PDI-P), announced its support for Prabowo's administration in the parliament, making this the first time in Indonesia's history that a government has no formal opposition. Notably, despite supporting Prabowo, the NasDem Party and PDI-P did not receive ministerial appointments. Still, Prabowo appointed Budi Gunawan, a close ally of PDI-P chief Megawati Soekarnoputri, as Coordinating Minister for Political and Security Affairs.

The expanded cabinet could complicate bureaucratic processes, with overlapping responsibilities potentially slowing down policy implementation. However, with no formal opposition in parliament, the administration may find it easier to pass legislation, albeit with reduced checks and balances. Prabowo's decision to accommodate coalition members and his predecessor's interests demonstrates his focus on maintaining coalition unity. This strategy may serve as a short-term political win, but Prabowo is likely to conduct a cabinet reshuffle once he consolidates power.

Please see the attached table for the full list of new cabinet members.

Prabowo's Full Cabinet List

	New Ministry
	Split Ministry
*	Official nomenclature may differ

Ministry	Minister	Deputy Minister	Notes
Coordinating Ministry of Economic Affairs	Airlangga Hartarto		Overseeing the Ministries of Investment, Energy, and Tourism.
Coordinating Ministry of Political and Security Affairs	Budi Gunawan		Overseeing the Ministries of Internal Affairs, Foreign Affairs, Communications and Digital, State Apparatus Utilization and Bureaucratic Reform, the Attorney General's Office, the Military, and the National Police.
Coordinating Ministry of Legal, Human Rights, Immigration and Rehabilitation*	Yusril Ihza Mahendra		Overseeing the Ministries of Legal Affairs, Human Rights Affairs, and Immigration and Rehabilitation
Coordinating Ministry of Food Affairs*	Zulkifli Hasan		Overseeing the Ministries of Agriculture, Maritime Affairs and Fisheries, Forestry, and the Environment.
Coordinating Ministry of Human Capital Development and Culture	Pratikno		Overseeing the Ministries of Religious Affairs, Primary and Secondary Education, Higher Education, Health, Women's Empowerment and Child Protection, and Youth and Sports.



Coordinating Ministry of Infrastructure and Regional Development*	Agus Yudhoyono		Overseeing the Ministries of Agrarian Affairs and Spatial Planning, Public Works, Public Housing, Transmigration, and Transportation.
Coordinating Ministry of Community Empowerment	Muhaimin Iskandar		Overseeing the Ministries of Social Affairs, Migrant Workers' Protection, Cooperatives, Creative Economy, SMEs, Villages, and Development of Disadvantaged Regions.
Ministry of Finance	Sri Mulyani	Thomas Djiwandono, Suahasil Nazara, Anggito Abimanyu	
Ministry of Investment	Rosan Roeslani	Todotua Pasaribu	
Ministry of Industry	Agus Gumiwang Kartasasmita	Faisal Riza	
Ministry of Energy and Mineral Resources	Bahlil Lahadalia	Yuliot	
Ministry of Trade	Budi Santoso	Dyah Roro Esti	
Ministry of State-Owned Enterprises	Erick Thohir	Kartika Wirjoatmodjo, Aminudin Ma'ruf, Dony Oskaria	
Ministry of Defense	Sjafrie Sjamsoeddin	Donny Ermawan	
Ministry of Foreign Affairs	Sugiono	Armanatha Nasir, Arif Havas Oegroseno, Anis Matta	



Ministry of Communications and Digital Affairs	Meutya Hafid	Nezar Patria, Angga Raka Prabowo	
Ministry of Housing and Residential Area*	Maruarar Sirait	Fahri Hamzah	Prabowo's brother Hashim Djojohadikusumo will lead Prabowo's ambition to build 3 million homes annually.
Ministry of Public Works	Dody Hanggodo	Diana Kusumastuti	
Ministry of State Secretariat	Prasetyo Hadi	Bambang Eko Suharyanto; Juri Ardiantoro	
Ministry of Internal Affairs	Tito Karnavian	Bima Arya Sugiarto, Ribka Haluk	
Ministry of Religious Affairs	Nasaruddin Umar	Muhammad Syafi'i	
Ministry of Legal Affairs	Supratman Andi Agtas	Edward Omar Sharif Hiariej	
Ministry of Human Rights Affairs	Natalius Pigai	Mugiyanto	
Ministry of Immigration and Rehabilitation*	Agus Andrianto	Silmy Karim	
Ministry of Primary and Secondary Education	Abdul Mu'ti	Fajar Riza Ul Haq, Atip Latipulhayat	
Ministry of Higher Education, Science and Technology	Satryo Soemantri Brojonegoro	Stella Christie, Fauzan	
Ministry of Culture	Fadli Zon	Giring Ganesha	



Ministry of Health	Budi Gunadi Sadikin	Dante Harbuwono	
Ministry of Social Affairs	Saifullah Yusuf	Agus Jabo Priyano	
Ministry of Labor	Yassierli	Immanuel Eebenezer	
Ministry of Migrant Workers Protection	Abdul Kadir Karding	Christina Aryani, Dzul Fikar Ahmad Tawalla	
Ministry of Villages and Development of Disadvantaged Regions	Yandri Sasanto	Ahmad Riza Patria	
Ministry of Transmigration	Iftitah Sulaiman	Viva Yoga Mauladi	
Ministry of Transportation	Dudy Purwagandhi	Suntana	
Ministry of Agriculture	Andi Amran Sulaiman	Sudaryono	
Ministry of Forestry	Raja Juli Antoni	Sulaiman Umar	
Ministry of Environment	Hanif Faisol Nurrofiq	Diaz Hendropriyono	
Ministry of Maritime Affairs and Fisheries	Sakti Wahyu Trenggono	Didit Herdiawan Ashaf	
Ministry of Agrarian Affairs and Spatial Planning	Nusron Wahid	Ossy Dermawan	
Ministry of National Development Planning	Rachmat Pambudy	Febrian Alphyanto Ruddyard	



Ministry of State Apparatus Utilization and Bureaucratic Reform	Rini Widyantini	Purwadi Arianto	
Ministry of National Family Planning	Wihaji	Isyana Bagoes Oka	
Ministry of Cooperatives	Budi Arie Setiadi	Ferry Juliantono	
Ministry of Micro, Small, Medium Enterprises	Maman Abdurrahman	Helvi Yuni Moraza	
Ministry of Tourism	Widiyanti Putri Wardhana	Ni Luh Puspa	
Ministry of Creative Economy	Teuku Riefky Harsya	Irene Umar	
Ministry of Women Empowerment and Child Protection	Arifah Fauzi	Veronica Tan	
Ministry of Youth and Sports	Dito Ariotedjo	Taufik Hidayat	
Head of Agencies			
Attorney General	Sanitiar Burhanuddin		
Head of State Intelligence Agency	Herindra		
Chief of Presidential Staff	A.M. Putranto	Muhammad Qadari	
Chief of Presidential Communication Office	Hasan Nasbi		
Cabinet Secretary	Teddy Wijaya		