



# Indonesia's Arts Industry: Drawing on the Private Sector to Expand the Investment Canvas

Recommendations for  
Establishing a Commercial  
Vehicle to Drive Economic Value  
for the Indonesian Arts and  
Culture Ecosystem

**Executive Summary**  
Business Plan |  
Global Leaders Programme 2025  
Hong Kong & Indonesia







## Background

The Global Leaders Programme (GLP) is GIFT's flagship experiential leadership development programme. It is designed for high potential senior executives from leading global organisations to think critically about the drivers of change in the 21st century and to develop new business models that address the defining challenges of our times.

During this GLP, a group of 21 participants representing 11 countries convened in Hong Kong for blended classroom sessions. The cohort then travelled to Yogyakarta and Jakarta, Indonesia, for stakeholder meetings, site visits, and business planning sessions to gather insights and drive ideation. The cohort's project brief was to collectively develop a bold proposal to reimagine Indonesia's arts ecosystem that will strengthen cultural participation, support artist livelihoods, and build a sustainable creative economy.

On 5 December 2025, the cohort publicly presented their proposal highlights at GIFT's Public Forum in Jakarta to up to 100 stakeholders and interested parties, with the event also livestreamed to a wider audience.

GIFT extends its gratitude to everyone who contributed their valuable time and effort to making this report possible.

A special thanks to Koalisi Seni for partnering with GIFT on this programme.





# Project Background



## The Arts and Culture Landscape in Indonesia

Indonesia is home to one of the world's most diverse artistic heritages, shaped by hundreds of ethnic groups across thousands of islands, each contributing distinct rituals, crafts, music, and performing arts. Today, the central challenge is ensuring these traditions remain relevant, supported, and able to evolve in the face of rapid social change and the growing influence of global media.

Youth disengagement is weakening the intergenerational transmission of cultural knowledge, while many traditional art forms risk becoming static heritage rather than living practices. Without renewed participation, local cultural identity faces gradual erosion.

Recognising this, the Indonesian government has placed renewed emphasis on the creative economy. A stand-alone Ministry of Creative Economy was re-established in 2024 to strengthen policy focus, funding, and export support. National plans target the creative economy to contribute up to 8–11% of GDP by 2045, supported by initiatives such as the Indonesian Cultural Endowment Fund, which provides project-based support to artists and cultural organisations nationwide.

Despite this progress, gaps remain. While legal frameworks allow intellectual property to be used as collateral, many artists continue to face barriers to financing, highlighting the need for ecosystem-level solutions that connect culture, participation, and sustainable livelihoods.

## Project Partner: Koalisi Seni



Koalisi Seni is a national arts coalition comprising over 300 individuals and organisations across 24 provinces in Indonesia. Established in 2012 by cross-disciplinary arts practitioners, it works to strengthen Indonesia's arts ecosystem through research, policy engagement, and stakeholder collaboration. Koalisi Seni addresses issues that include artistic freedom, gender equity, and fair public funding, and partners with organisations such as UNESCO, the British Council, Ford Foundation, and Dana Indonesiana.

## Indonesia: Figures & Stats

- **52% of Indonesians are under 30** (youth-dominant demographic).
- **77% internet penetration** with high daily social media use, enabling modern, digital-first cultural engagement.
- **Rapid urbanisation and a growing middle class** shifting consumption toward globalised and lifestyle-based trends.
- Creative economy contributes **±5% of GDP** (among the highest globally).
- Indonesia was ranked the **world's "most-flourishing" country** in the 2025 GFS, highlighting strong social relationships, community participation, and wellbeing — a promising foundation for cultural renewal.



# Kultur Kita

A private limited liability company (LLC) establishing nation-wide university-based cultural hubs, supported by a purpose-built digital platform. These hubs will unite artists, students, and communities in a living ecosystem to enjoy, learn, create, and revitalise Indonesian arts.

The model design is deliberately low-cost, scalable, and deeply rooted in Indonesia's cultural realities. Leveraging Koalisi Seni's trusted national network, Kultur Kita will rapidly mobilise artists and institutions, ensuring cultural relevance and credibility.

Shared university infrastructure and student participation unlock underused spaces, keep operating costs lean, and embed youth engagement and ownership at the heart of the ecosystem. By lowering barriers to access for artists and connecting them to audiences through both physical hubs and digital platforms, the model encourages experimentation, frequent activity, and cultural renewal.

Diversified income streams, strengthened by stable endowment support, provide the resilience needed to grow sustainably while safeguarding the initiative's cultural mission.



## Kultur Kita

The name combines the Indonesian word *kultur*, meaning “culture,” with *kita*, meaning “us.”

Together, they express the concept that culture is a shared inheritance belonging to everyone. Not only to artists or institutions, but to communities, young people, and the nation as a whole.

## Vision

*To inspire a renewed appreciation for Indonesian arts and culture by building a **dynamic, community-driven ecosystem** where **tradition meets innovation** and where artists, learners, and communities thrive across the nation.*

## Universities as Key Strategic Anchors



### Infrastructure at Scale

Universities offer ready-made spaces such as auditoriums, studios, and classrooms that are often underutilised throughout the year. These enable rapid hub set-up without heavy capital investment and sunk costs.



### Access to Youth

They provide direct access to Indonesia's largest and most influential demographic. Students bring creativity, energy, and digital fluency, acting as cultural multipliers within and beyond the campus.



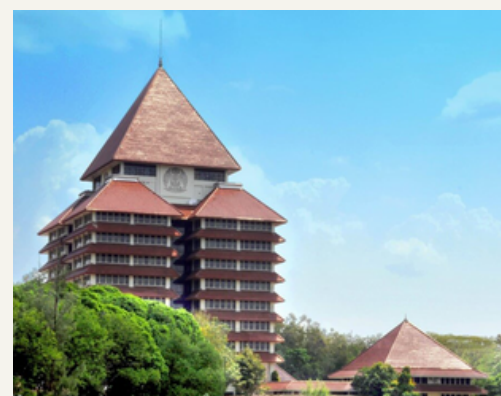
### Legitimacy and Convening Power

As trusted public institutions, universities can convene artists, communities, researchers, partners, and policymakers in neutral, credible spaces that broaden cultural participation.



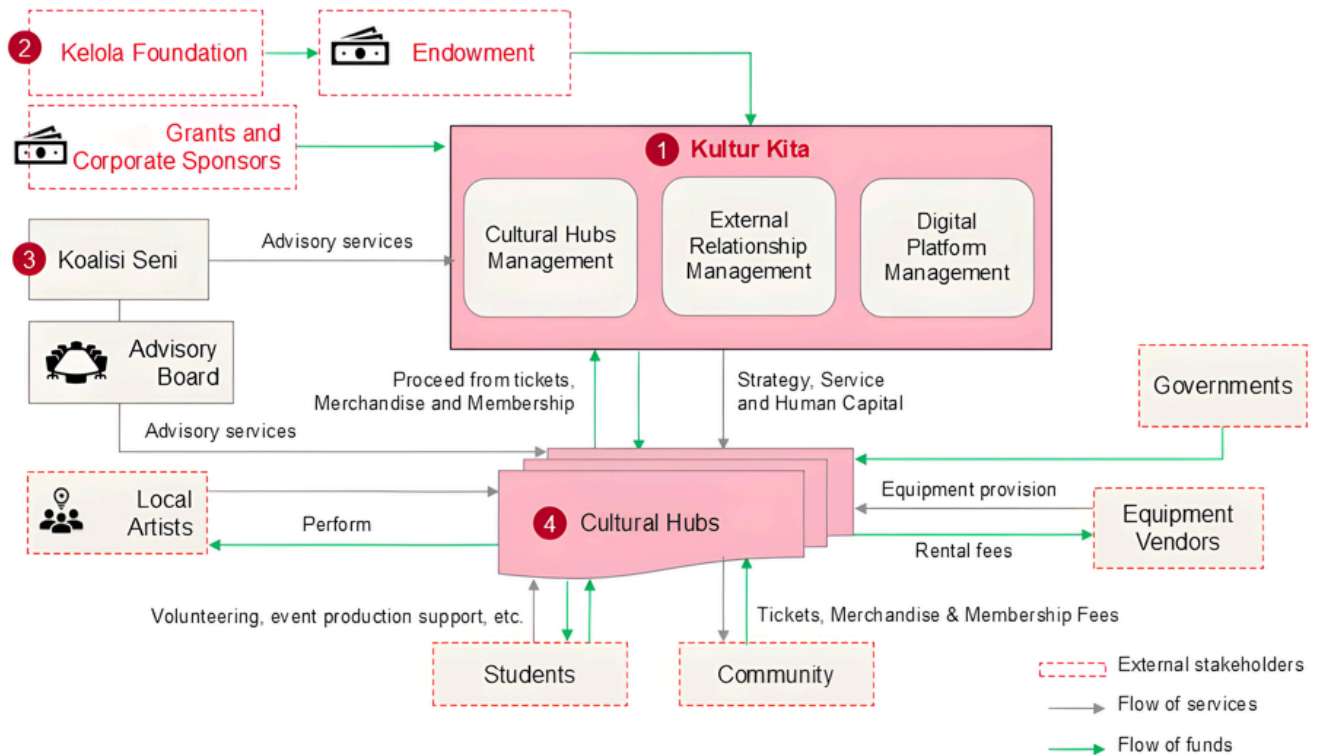
### Continuity and Reach

Through research, education, and alumni networks, universities extend the impact of each hub beyond campus boundaries and support long-term cultural renewal.



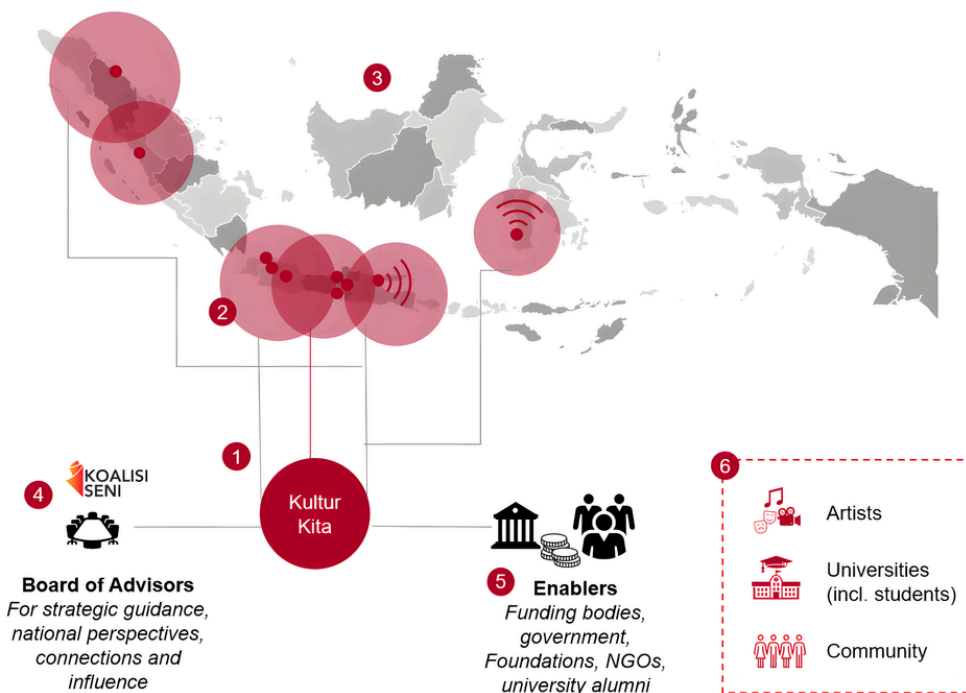


# Kultur Kita's Business Model



- 1** **Kultur Kita** will operate as a Limited Liability Company (LLC) funded by capital and interest from the endowment fund, capital from donors and sponsors, and operational revenue streams. It will offer products and services designed to attract further government support, public audiences, corporate sponsors, and external donors. There will be no direct grants or funding flows to artists.
- 2** Kelola Foundation is an existing independent foundation that manages the endowment through an external fund manager and channels investment returns into Kultur Kita's operations.
- 3** Koalisi Seni will provide strategic guidance, sector insights, and policy alignment through its role on the advisory council.
- 4** Cultural hubs will be anchored in partner universities, which will provide infrastructure, facilities and student engagement to support cultural activities.

## A Dynamic Model - Phased Expansion



- 1** Kultur Kita sits at the centre of a national cultural ecosystem in the capital city of Jakarta.
- 2** Phase 1 cultural hubs (i.e. partner universities) are concentrated in major cities across Java and Sumatra.
- 3** Each hub creates ripple effects (the expanding circles), signalling cultural activation spreading outward into surrounding regions.
- 4** Koalisi Seni, alongside a Board of Advisors, will provide strategic and policy guidance.
- 5** Enablers such as government, funding bodies, foundations, university alumni, and NGOs support scaling.
- 6** Artists, universities, students, and the community are key players in driving cultural awakening.



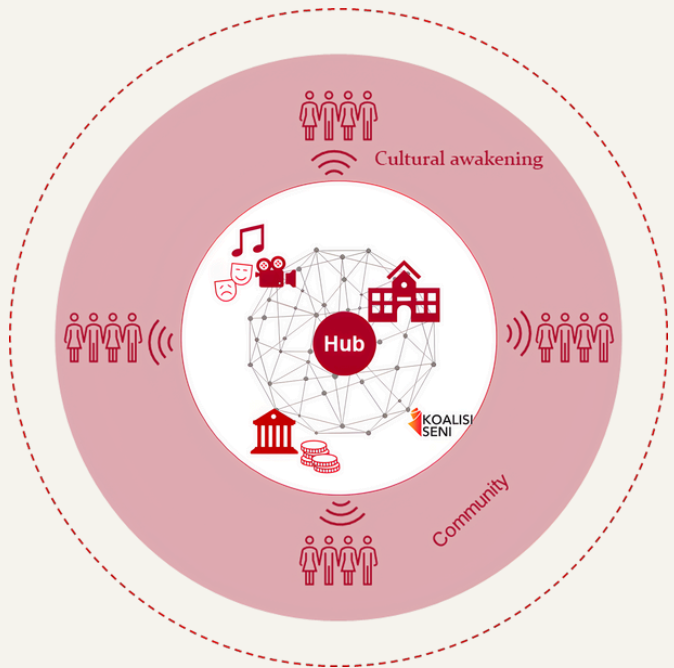
# The Cultural Hub

The Cultural Hub is the core of the Kultur Kita ecosystem. Anchored within universities, it serves as a shared physical and digital platform where artists, students, communities, and partners create, learn, and experience Indonesian arts and culture.

Each hub curates and hosts programmes, workshops, and performances that connect artists with audiences and enable active student participation— on-site and digitally. All hubs operate under a clear cultural mandate to prioritise Indonesian traditional and culturally rooted art forms, supported by preferential access to venues, scheduling, and cost structures to lower barriers for cultural practitioners.

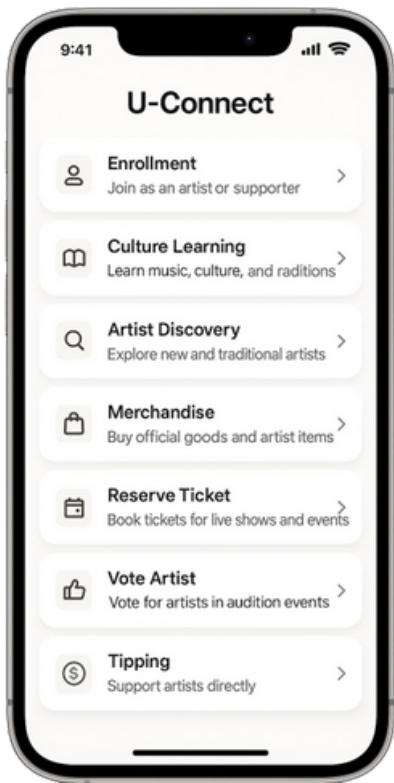
**Artists** lead creative activities, **universities** provide infrastructure and institutional support, **students** organise and amplify engagement, and **communities** contribute knowledge and participation.

Programming reflects regional cultural identity across four categories— **Music**, **Multimedia**, **Performing Arts** and **Traditional Arts**.



## Digital Platform: U-Connect

The U-Connect app connects students, artists, and communities through a digital platform that enables participation, discovery, and support across all cultural activities.

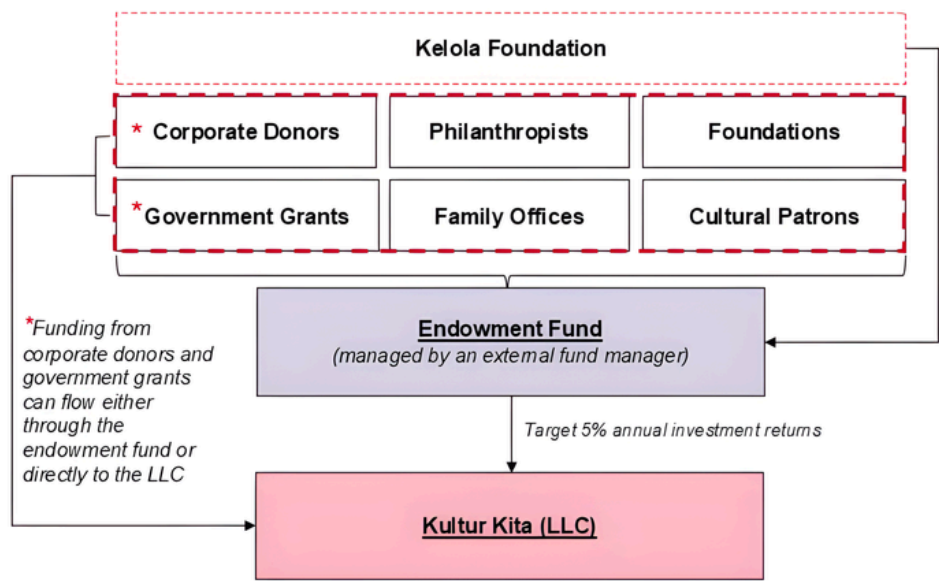


Function	Description
Artist Enrolment	Artists can register, create profiles, upload portfolios, and access opportunities through the platform, making the arts ecosystem more inclusive and visible.
Culture Learning	Short modules, cultural stories, and interactive content help users learn about Indonesian traditions, heritage, and contemporary reinterpretations.
Artist Discovery	Users browse artists, performances, and cultural works through curated feeds or search, helping emerging artists gain exposure.
Events and Promotions	A central listing of cultural events, exhibitions, workshops, and performances hosted by universities and hubs.
Tickets and Merchandise	Users can buy tickets, art pieces, crafts, or merchandise directly through the app, contributing to artists' income.
Artist Voting	A participatory feature that allows users to vote for favourite artists, performances, or works, creating engagement and visibility.
Artist Tipping	A direct contribution function that allows audiences to support artists instantly and transparently.



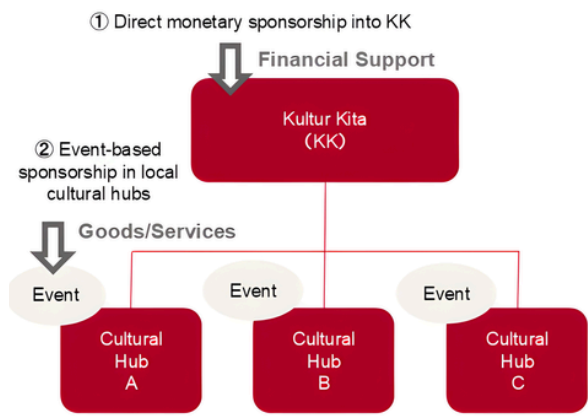
# Financial Model

The Endowment Fund serves as a long-term financial anchor, supported by philanthropic, corporate, and government contributions, and managed by an external fund manager to generate stable annual returns. These returns, together with direct funding from sponsors and government grants, support Kultur Kita’s operations, programming, and hub expansion, to create a resilient and diversified funding model for national impact.



## Strategic Case for Sponsorships

### Two Types of Sponsorship:



Kultur Kita enables sponsors to support cultural revitalisation and youth engagement in alignment with CSR, ESG, and nation-building goals.

University-anchored hubs provide access to Indonesia’s most influential youth demographic, while the endowment-backed model ensures transparency and credibility. The use of existing spaces and student-led operations also enables cost-effective content creation and brand activation.

## Financial Analysis

Revenue is driven by ticket sales, merchandise, F&B, and sponsorships, with endowment income providing a stable base to offset operating costs.

The annual breakeven point is USD 565,091.

An initial USD 5 million endowment, targeting a minimum 5% annual return and strengthened by annual USD 1 million contributions, supports long-term sustainability.

This model is projected to reach profitability by Year 4, with total consolidated net income (including financial income) to reach USD 134,920 by Year 5.

### Key Financial Assumptions

Parameter	Assumptions	Rationale
Assets	Office Computer and Miscellaneous Assets	US\$10K to start the entity
Revenue Streams	Ticket Sales, Merchandise, F&B	Refer to full report
Operating Costs	Talent Fee, Rentals, Royalties	Refer to full report
Weighted Avg. Cost of Capital (WACC)	10%	Competitive to the market
Recovery Period	Year 4	Based on estimated operational costs



# Tomorrow Matters.

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You can download the full report. Link [here](#)  
or scan the QR code below.



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