

Tesla's Global Impact: Reforming Indonesia's Investment Policy for the Electric Vehicle Sector

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Manuscript ID	68669
Article History	Submitted: 27 May 2025 Reviewed: 29 May 2025 Revised: 31 July 2025 Accepted: 31 July 2025
Author(s) Origin	
Abstract	In the United States, where transportation accounts for the largest share of greenhouse gas emissions, policies like the \$7,500 EV tax credit and investments in charging infrastructure aim to achieve a 50% EV sales target by 2030. The Indonesian government has enacted legal frameworks, including the Omnibus Law and nickel export bans, to attract foreign investment and foster a domestic EV industry. However, the extent to which Tesla's success has influenced these reforms remains underexplored. This study aims to know global transition toward sustainable transportation has redefined the automotive industry, with electric vehicles (EVs) emerging as a key solution to reducing carbon emissions. This study adopts a normative juridical approach, analyzing Indonesia's investment laws and regulations through primary legal sources and secondary data. Findings suggest that Indonesia's regulatory advancements, coupled with its resource strategy, position the nation as a competitive player in the global EV supply chain. This alignment between sustainability and economic growth highlights Indonesia's potential as a hub for green industrial development. The conclusion is the Indonesian government has enacted a suite of progressive laws—such as Presidential Regulation No. 55/2019 to streamline investment procedures, reduce bureaucratic hurdles, and incentivize foreign capital inflow into the EV sector. Legal reform in the investment sector—spurred by global shifts in the EV industry—highlight the crucial role of responsive legal structures in attracting sustainable and strategic investments.
Keywords	<i>Electric vehicles (EVs), investment law reform, electric mobility, tesla, sustainability business</i>

INTRODUCTION

The global commitment to addressing climate change has significantly transformed the automotive industry, particularly through the promotion of electric vehicles (EVs) as a means to reduce carbon emissions. In the United States, where the transportation sector contributes the largest share of greenhouse gases, the Biden Administration has announced a target for EVs to make up 50% of new vehicle sales by 2030. This ambition is supported by robust fiscal policies, including an extended \$7,500 federal EV tax credit through 2032 and a \$5 billion investment in a national EV charging infrastructure under the Bipartisan Infrastructure Law.¹

Tesla has emerged at the forefront of this transformation. With its alignment to environmental priorities and continued financial success—including rising profit margins, increasing liquidity ratios, and strong shareholder confidence—Tesla exemplifies how EV innovation can yield both ecological and economic gains. From its early reliance on federal loans to its current status as a profitable multinational enterprise, Tesla has influenced consumer behavior and investor sentiment globally.

This rising prominence has also impacted regulatory landscapes beyond the United States. Recognizing both the environmental urgency and economic opportunity, Indonesia—home to critical mineral resources like nickel—has begun revising its investment legal framework to attract foreign investors in the EV sector. This raises a legal question: To what extent has Tesla’s global performance influenced Indonesia’s legal reforms in the investment sector, and what regulatory measures have been implemented to support the development of a competitive EV industry?

Tesla has firmly established itself as a key player at the forefront of the global shift toward sustainable transportation. The company’s strategic alignment with environmental goals is matched by its consistently impressive financial performance, making it a compelling case study for investors. Over the years, Tesla has demonstrated significant improvements in various profitability ratios—such as gross profit margin, operating margin, and return on assets—indicating not only operational efficiency but also a strong capacity to generate earnings relative to its costs and investments. Additionally, its liquidity ratios, including the current ratio and quick ratio, reflect solid short-term financial health and the company’s ability to meet its obligations without compromising growth potential.

Table 1

Profitability Ratios Comparison of Tesla in 2017-2021						
Financial Ratios Comparison	2017	2018	2019	2020	2021	
Gross profit margin	18.90%	18.83%	16.56%	21.02%	25.28%	

¹ Aprillia, I. S., Vianney, M., Sugara, L., Kheista, K., Rhemrev, E. A., Sari, E. K., & Christie, M. (2024).

<i>Net profit margin</i>	-19.06%	-4.95%	-3.15%	2.73%	10.49%
<i>Return on equity</i>	-52.89%	-21.59%	-11.71%	3.88%	18.70%
<i>Return on capital employed</i>	-18.16%	-4.87%	-0.74%	7.80%	19.34%

Sources: Li, M. (n.d.). *Analysis of Tesla's financial status and investment advice: A comparative analysis of Toyota, BYD, and TESLA*. Jinan University.

Table 1 indicates a consistent upward trend across all profitability ratios, suggesting that Tesla has effectively managed key business variables such as production volume, pricing strategies, and raw material costs. This upward performance points to the company's strong profitability and efficient use of investor capital to generate returns. As a result, the dividends distributed to shareholders are on the rise, which can enhance investor appeal and encourage further investment. Consequently, both Tesla's share and bond prices are likely to appreciate, while its credit rating may also see improvements. Additionally, the company appears to maintain its cost of revenue within a controlled and reasonable range.²

Table 2

Liquidity Ratios Comparison of Tesla in 2017-2021						
<i>Financial Ratios Comparison</i>	2017	2018	2019	2020	2021	
<i>Current ratio</i>	0.86 : 1	0.83 : 1	1.13 : 1	1.88 : 1	1.38 : 1	
<i>Quick assets ratio</i>	0.56 : 1	0.52 : 1	0.80 : 1	1.59 : 1	1.08 : 1	

Sources: Li, M. (n.d.). *Analysis of Tesla's financial status and investment advice: A comparative analysis of Toyota, BYD, and TESLA*. Jinan University.

Table 2 demonstrates that two of Tesla's liquidity ratios improved consistently between 2017 and 2020, with a slight decrease noted in 2021. Nevertheless, as confirmed by Table 4, these ratios remained within a standard and healthy range. This trend indicates that Tesla has strengthened its ability to manage routine operational expenses and maintain adequate liquid assets to fulfill its short-term financial commitments. The minor decline in 2021 likely reflects the company's deliberate move to incur additional debt in support of scaling up its production facilities and expanding its overall operations.³

The integration of environmental dedication and strong financial performance has significantly boosted investor trust, resulting in increased capital investment and sustained

² Li, M. (n.d.). *Analysis of Tesla's financial status and investment advice: A comparative analysis of Toyota, BYD, and TESLA*. Jinan University.

³ *Ibid.*

interest from long-term shareholders. Tesla's evolution—from relying heavily on initial federal funding to becoming a multinational corporation with impressive profits and considerable market impact—demonstrates how advancements in the electric vehicle industry can promote both ecological sustainability and economic growth. Consequently, Tesla not only influences consumer preferences but also guides global investment patterns, establishing itself as a standard for assessing the future potential of green technologies within today's economy.⁴

This rising prominence has also impacted regulatory landscapes beyond the United States. Recognizing both the environmental urgency and economic opportunity, Indonesia—home to critical mineral resources like nickel—has begun revising its investment legal framework to attract foreign investors in the EV sector. This raises a legal question: To what extent has Tesla's global performance influenced Indonesia's legal reforms in the investment sector, and what regulatory measures have been implemented to support the development of a competitive EV industry?

Several scholars have explored Tesla's position within the global EV market. applied quantitative models to assess the market performance of Tesla, concluding that its growth strategy must account for consumer preferences and cost-efficiency. Chinta (2021) analyzed Tesla's involvement in both automotive and battery production, highlighting its environmental safety and technological advantages. Meanwhile, investigated how government subsidies and credit mechanisms affect EV production choices and emphasized the role of battery recycling in long-term competitiveness. While these studies contribute valuable insight into Tesla's market and innovation strategies, they do not sufficiently explore how such trends affect legal and regulatory responses—particularly in emerging markets such as Indonesia.⁵

This paper departs from prior research by shifting the focus from corporate strategy to regulatory evolution. Rather than evaluating Tesla as a business case alone, it examines the broader legal implications of its global impact—especially within Indonesia's policy environment. The uniqueness of this study lies in its analysis of how Tesla's financial trajectory and international appeal have prompted changes in Indonesia's investment law, with the aim of positioning the country as a competitive player in the global EV supply chain. The purpose of this study is to assess the adequacy and strategic intent of these legal adjustments in supporting sustainable economic development and foreign direct investment.⁶

This research applies a normative juridical approach, utilizing legal interpretation and conceptual analysis of both primary and secondary sources. The primary legal sources include Indonesia's Investment Law No. 25/2007, Presidential Regulation No. 55/2019

⁴ Hopkins, M., & Lazonick, W. (2024). Tesla as a Global Competitor : Strategic Control in the EV Transition. (225).

⁵ *Op. Cit*

⁶ Liu, S. (2021). Competition and Valuation: A Case Study of Tesla Motors. *IOP Conference Series: Earth and Environmental Science*, 692(2). <https://doi.org/10.1088/1755-1315/692/2/022103>.

concerning the acceleration of battery electric vehicle programs, and relevant provisions in the Omnibus Law. Secondary sources include academic literature, official policy papers, and investment trend reports. Data collection is conducted through legal document analysis, and the analytical method used is qualitative, focusing on evaluating how Indonesia's legal instruments respond to and facilitate the development of a globally competitive EV sector.

Research Methods

The research method used in this study is a quantitative descriptive method with a normative legal approach. This study employs normative legal research (doctrinal legal research), focusing on the examination of written legal norms, legal principles, and the systematic structure of statutory regulations.⁷ This study uses a statutory regulatory approach and a contextual approach. Data collection techniques are carried out through literature studies, documentation from secondary legal materials example news. Data analysis is carried out descriptively quantitatively to see the relationship between investment policy and electric vehicle sector.

ANALYSIS & DISCUSSION

Electric Vehicles (EVs) Positioning as a Pro-Sustainability Transportation in Investment Law

As the global momentum toward carbon neutrality intensifies, electric vehicles (EVs)—particularly battery-powered electric cars—have been widely recognized as one of the most effective means to reduce greenhouse gas (GHG) emissions and fossil fuel dependency. EV technology is not only energy-efficient but also has the potential to significantly lower urban air pollution, particularly in densely populated areas.⁸

For Indonesia, the adoption of electric mobility aligns with its international environmental commitments, including the Paris Agreement target to reduce national carbon emissions by 29% by 2030. In support of this objective, the Indonesian government enacted Presidential Regulation No. 55 of 2019 concerning the acceleration of the battery electric vehicle program. This regulation aims to promote domestic EV industry development, attract foreign direct investment, and reduce emissions from the transportation sector.⁹

Tesla's consideration to invest in Indonesia is influenced by a combination of legal development, resource availability, and proactive industrial strategy. Although Indonesia

⁷ Marzuki, P. D. M. (2017). *Penelitian Hukum: Edisi Revisi*. Prenada Media. <https://books.google.co.id/books?id=CKZADwAAQBAJ>

⁸ Nugraha, C., Permadi, G. S., Artiwi, & Ruslina, E. (2024). Telaah kebijakan pemerintah tentang pertambangan dan percepatan kendaraan listrik. *Green Governance: Exploring Politics, Social Justice, and the Environment*, 1(1), 24–31. <https://doi.org/10.61511/gg.v1i1.2024.697>.

⁹ Nur, A. I., & Kurniawan, A. D. (2021). Proyeksi Masa Depan Kendaraan Listrik di Indonesia: Analisis Perspektif Regulasi dan Pengendalian Dampak Perubahan Iklim yang Berkelanjutan. *Jurnal Hukum Lingkungan Indonesia*, 7(2), 197–220. <https://doi.org/10.38011/jhli.v7i2.260>.

only formalized its national trade regulation in 2011 through the enactment of the Trade Law—which encompasses 19 chapters and 122 provisions along with multiple derivative regulations—the nation has quickly emerged as a strategic location for global electric vehicle (EV) and battery manufacturers.¹⁰

As one of the leading global suppliers of nickel, an essential component for EV battery production, Indonesia offers significant value within Tesla's supply network. The government has actively fostered a favorable environment for such investment, notably through the implementation of a nickel ore export ban in 2020—an accelerated move intended to encourage domestic processing industries. While such regulatory shifts often deter foreign investors due to increased uncertainty, they have not dissuaded major international corporations like BASF and Mitsui Sumitomo from establishing operations in Indonesia. Furthermore, the creation of the Indonesia Battery Corporation (IBC) in 2021—formed through collaboration among state-owned enterprises—and its memorandum of understanding with Hyundai and LG Energy Solution underscores Indonesia's serious commitment to EV development.¹¹

Tesla's expressed interest is also supported by Indonesia's welcoming stance and emphasis on environmentally responsible nickel production. Altogether, Indonesia's recent legal advancements, industrial initiatives, and resource assets present a compelling case for Tesla's strategic engagement in the region. Not only would it contribute to emission reduction and technological advancement, but it would also support Indonesia's long-term goal of reducing fossil fuel import dependency—currently accounting for over 60% of national energy consumption—while strengthening its trade balance and securing a more sustainable energy future.¹²

As a global electric vehicle pioneer, Tesla has revolutionized the automotive industry by accelerating the transition from fossil fuel-powered vehicles to environmentally friendly electric vehicles. Tesla's innovations in battery technology, autopilot systems, and supercharger charging networks have not only made it a market leader, but have also driven a wave of change around the world. Major automotive companies that were previously reluctant to switch to electric vehicles are now racing to develop their EV product lines, largely driven by Tesla's success in proving that electric vehicles are not just the future but the necessity of the present. At the heart of this alignment is Indonesia's vast reserves of nickel, a critical raw material for electric vehicle (EV) batteries. Recognizing the advantages of this strategic resource, the Indonesian government has introduced a series of investment-friendly policies aimed at attracting global EV players to establish local operations and participate in building an integrated EV ecosystem. These policies include

¹⁰ Pambudi, I., & Juwono, V. (2023). Electric Vehicles in Indonesia: Public Policy, Impact, and Challenges. *Asian Journal of Social and Humanities*, 2(2), 1631–1644. <https://doi.org/10.59888/ajosh.v2i2.173>.

¹¹ *Ibid*

¹² Shao, X., Wang, Q., & Yang, H. (2021). Business Analysis and Future Development of an Electric Vehicle Company--Tesla. *Proceedings of the 2021 International Conference on Public Relations and Social Sciences (ICPRSS 2021)*, 586, 395–402. <https://doi.org/10.2991/assehr.k.211020.188>.

tax exemptions, import duty exemptions, and simplified licensing processes, specifically tailored for industries related to EV battery production and manufacturing. Furthermore, the government has imposed a ban on the export of raw nikel, encouraging foreign companies to invest in downstream processing facilities in Indonesia. This not only adds value to raw materials but also supports the creation of a more sustainable industrial base.

Tesla's influence has also spread to emerging markets, including Indonesia. Through various strategic policies, the Indonesian government has recognized the potential of electric vehicles to reduce dependence on fossil fuels and lower carbon emissions. This is reflected in fiscal and non-fiscal incentive policies that encourage investment in the EV sector, including the development of a battery ecosystem and electric vehicle assembly plants. These policies include tax exemptions, import duty exemptions, and simplified licensing processes, specifically tailored to industries related to battery production and EV manufacturing. Furthermore, the government has imposed a ban on the export of raw nickel, encouraging foreign companies to invest in downstream processing facilities in Indonesia. This not only adds value to the raw material but also supports the creation of a more sustainable industrial base.¹³

The Government of Indonesia has exhibited a firm commitment to promoting the advancement and large-scale integration of domestically manufactured electric vehicles (EVs), with the objective of transitioning away from traditional internal combustion engine vehicles toward more energy-efficient and sustainable transportation alternatives. According to the Ministry of Industry (2021), the national target is to have two million electric vehicles operating on Indonesian roads by 2025. In order to achieve meaningful reductions in greenhouse gas (GHG) emissions and to mitigate the risks associated with global climate change, the realization of three interdependent systemic transformations is essential. These encompass the electrification of end-user sectors, the decarbonization of the electricity generation sector, and significant enhancements in energy efficiency across multiple domains.¹⁴

Electric vehicles (EVs) are intrinsically dependent on sophisticated battery technologies that incorporate materials engineered for optimal efficiency. Among these materials, nickel is particularly significant due to its advantageous physicochemical properties, such as high electrical energy storage capacity, superior conductivity, and strong resistance to corrosion. These attributes render nickel an indispensable element in the manufacture of advanced lithium-ion batteries, which are pivotal to the production of electric vehicles that are both reliable and energy-efficient.

Indonesia, as the holder of the world's largest nickel reserves—accounting for approximately 21% of global reserves—and the largest global producer with 48% of global nickel supply, occupies a strategic position in the global electric vehicle value chain. This

¹³ *Ibid*

¹⁴ Tangkudung, A. (2024). Jejak Sejarah Mobil Listrik Di Indonesia: Perkembangan dan Tantangan. *Journal Syntax Idea*. 6(09), 1–23.

vast resource endowment places Indonesia at the forefront of the clean energy transition, especially as demand for EV batteries continues to rise exponentially.¹⁵

The mining sector has long been a cornerstone of Indonesia's economic growth, as evidenced by its substantial contribution to state revenues through non-tax state income (PNBP). In 2018, the mineral and coal (minerba) sector exceeded expectations by generating Rp 50 trillion—155.8% above the target. This trend continued strongly, reaching Rp 173.5 trillion by December 2022, nearly 170% of the targeted Rp 101.8 trillion (Zuraya, N. 2022). These figures reflect the increasing importance of downstream mining activities, particularly in nickel processing and refining, which now play a pivotal role in the nation's economic strategy.

In light of this strategic context, Indonesia has emerged as a highly attractive destination for foreign direct investment (FDI) within the electric vehicle (EV) sector. The country's substantial nickel reserves, coupled with a comprehensive regulatory framework that promotes domestic value addition and downstream processing, have significantly enhanced its appeal to international EV manufacturers and battery technology firms. Prominent global corporations such as Tesla, CATL, and LG Energy Solution have either entered into preliminary negotiations or initiated infrastructure development projects in Indonesia. These engagements are primarily driven by the comparative advantage offered by Indonesia's locally sourced nickel and the government's suite of investment incentives, which include fiscal benefits such as tax exemptions, export limitations on unprocessed minerals, and streamlined administrative procedures for EV-related industrial activities.

The recent influx of investment into Indonesia's electric vehicle (EV) sector not only underscores the nation's abundant mineral resources but also signifies the outcome of a deliberate policy orientation aimed at fostering a vertically integrated EV value chain—from the extraction of raw materials to the manufacturing of batteries and electric vehicles. By strategically leveraging its natural resource endowment and harmonizing domestic policy objectives with global decarbonization and sustainability agendas, Indonesia is positioning itself as a pivotal actor in advancing sustainable transportation and green industrial development, both within the national context and on the international stage.

Indonesia's Transformative Regulation in International Trade Agreements Amid Global Crisis

To achieve the objective of this initiative, the Indonesian government has implemented a legal framework supported by various regulations. One such regulation is Presidential Regulation Number 55 of 2019 concerning accelerating the Battery-Based Electric Motor Vehicle Program for Road Transportation. This regulation addresses four crucial aspects of electric vehicle policy:¹⁶

¹⁵ *Ibid*

¹⁶ Victor Tulus Pangapoi Sidabutar. (2020). Kajian pengembangan kendaraan listrik di Indonesia: prospek dan hambatannya Kajian pengembangan kendaraan listrik di Indonesia: prospek dan hambatannya. *Jurnal*

1. utilisation of domestically manufactured components;
2. provision of government incentives;
3. development of necessary infrastructure; and
4. registration and identification procedures.

The presence of Law 11 of 2020 about Omnibus Law, which was further stipulated through Law Number 6 of 2023 on the Stipulation of Government Regulation on the Replacement of Law Number 2 of 2022 concerning Omnibus Law, is expected to be a solution, especially regarding the issue of licensing and bureaucracy that is complicated and overlapping, including mining activities that require very large investments. As the government of President Joko Widodo prioritizes the acceleration of development so that a lot of investment is needed, including from abroad, to be able to drive the economy, including in this case the downstreaming program of the mining sector with the establishment of a processing and refining plant (smelter) domestically, especially for nickel commodities. For example, Hyundai will start production in 2021. The government plans to provide incentives in the form of tax holidays. In addition to manufacturers from Japan and South Korea, the government also invited Tesla from the United States to invest in electric cars in Indonesia. In fact, President Joko Widodo also offered Indonesia to be a place for Tesla to invest. Through this Omnibus Law, the termination of the licensing chain has been stopped, which can then facilitate the entry of investment, including foreign investment, in the mining sector.¹⁷

The government has operationalized its policy framework through the enactment of several derivative regulations issued by relevant ministries. One such regulation is the Minister of Energy and Mineral Resources Regulation No. 13 of 2020, which addresses the Provision of Electric Charging Infrastructure for Battery-Based Electric Vehicles. This regulation represents a strategic governmental initiative to enhance the overall ecosystem and consumer attractiveness of electric vehicles by prioritizing the development and accessibility of essential supporting infrastructure for public utilization. Key components include the establishment of standardized mechanisms for payment at designated parking and charging facilities. The government is actively fostering the development of the electric vehicle industry from a supply-side industrial perspective. This is exemplified by the issuance of the Minister of Industry Regulation No. 7 of 2022 concerning Battery-Based Electric Motorized Vehicles in Completely Knocked Down (CKD) and Incompletely Knocked Down (IKD) conditions. This regulation is designed to provide regulatory and fiscal incentives that support the structural transition from conventional internal combustion engine vehicles to electric alternatives, thereby stimulating domestic production and enhancing market readiness.

Paradigma Ekonomika, 15(1), 14. Retrieved from <https://www.lemhannas.go.id/index.php/berita/berita-utama/844-pancasila-di-tengah-era-globalisasi>

¹⁷ *Ibid*

Furthermore, the government is actively fostering the development of the electric vehicle industry from a supply-side industrial perspective. This is exemplified by the issuance of the Minister of Industry Regulation No. 7 of 2022 concerning Battery-Based Electric Motorized Vehicles in Completely Knocked Down (CKD) and Incompletely Knocked Down (IKD) conditions. This regulation is designed to provide regulatory and fiscal incentives that support the structural transition from conventional internal combustion engine vehicles to electric alternatives, thereby stimulating domestic production and enhancing market readiness.¹⁸

In addition to the Presidential Decree above, the Minister of Investment Coordinating Board issued Regulation No. 6 of 2023 concerning Guidelines and Procedures for Encouraging Imports and Delivery of Four-Wheeled Battery-Based Electric Motor Vehicles in the Framework of Accelerating Investment. Article 2 of the Regulation states that a number of incentives are given to business entities that import four-wheeled battery electric motor vehicles (KBL) in CBU form, and during the incentive period, import duty becomes 0% and PPnBM ownership by the government. Furthermore, Article 2 Section 4 regulation No. 6 of 2023, regulates the provisions for payment of incentives conditional on the commitment by the entity to produce CBU 4-wheeled battery electric vehicles in Indonesia that meet technical specifications. In addition, Article 2 Section 5 regulation No. 6 of 2023 stipulates the investment criteria where incentive funds will be given to manufacturers that build production facilities for electric vehicles. In addition, incentives are also given to manufacturers who invest in internal combustion engine (ICE) vehicles and make a partial or complete transition to battery electric vehicle (BEV) production.

The issuance of Presidential Regulation No. 79 of 2023, which serves as an amendment to Presidential Regulation No. 55 of 2019, is anticipated to enhance the prospects for electric vehicle (EV) development in Indonesia and strengthen its competitiveness in the global market. This regulatory framework aims to establish a system of import quotas that will be granted exclusively to automotive manufacturers demonstrating a clear commitment to domestic investment. Within this strategic policy direction, the Indonesian government is facilitating a phased transition, wherein the long-term objective is the localized production of electric vehicles. Consequently, foreign automotive firms seeking to access the Indonesian market are required to pledge substantial investment, including the establishment of manufacturing facilities within the country.¹⁹

CONCLUSION

¹⁸ Victor Tulus Pangapoi Sidabutar. (2020). Kajian pengembangan kendaraan listrik di Indonesia: prospek dan hambatannya. *Kajian pengembangan kendaraan listrik di Indonesia: prospek dan hambatannya. Jurnal Paradigma Ekonomika*, 15(1), 14. Retrieved from <https://www.lemhannas.go.id/index.php/berita/berita-utama/844-pancasila-di-tengah-era-globalisasi>.

¹⁹ *Ibid*

Indonesia's strategic response to global trends in electric vehicle (EV) development reflects an ambitious yet pragmatic approach to sustainable industrial growth. Indonesia's ambition to become a key player in the global electric vehicle (EV) industry is closely intertwined with its evolving investment legal framework—an evolution significantly influenced by Tesla's global expansion and market dominance. Tesla's success story has not only set a precedent for innovation and economic value but has also driven countries like Indonesia to reorient their legal approaches to attract high-profile, high-impact investments.

The Indonesian government has enacted a suite of progressive laws—such as Presidential Regulation No. 55/2019, the Omnibus Law, and several ministerial regulations—to streamline investment procedures, reduce bureaucratic hurdles, and incentivize foreign capital inflow into the EV sector. These legal instruments are strategically designed to enhance Indonesia's attractiveness as an investment destination by offering fiscal incentives (tax holidays, import duty exemptions), simplifying licensing procedures, and mandating local value addition, especially in nickel-based battery production. These legal changes reflect a strategic vision: positioning Indonesia as not merely a source of raw materials but as a manufacturing and technological hub. By creating an investment climate that aligns with international standards while leveraging national resource advantages, Indonesia hopes to draw in global capital and technology transfers. Tesla's interest in Indonesia thus represents both an outcome and a catalyst of regulatory modernization. The case of Tesla exemplifies how multinational corporations can shape not only market trends but also national regulatory trajectories, especially in emerging economies eager to climb the global industrial value chain.

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