NUTRITION INTERNATIONAL

Nourish Life

The cost of inaction:

The economic and human capital benefits of investing in nutrition

AT LEAST USD $23 BILLION COULD BE SAVED ANNUALLY IN INDONESIA THROUGH SMART INVESTMENTS IN PROVEN, COST-EFFECTIVE, HIGH-IMPACT NUTRITION INTERVENTIONS.

BACKGROUND

In 2012, the World Health Assembly (WHA) set global nutrition targets to spur action and investment in addressing malnutrition. In May 2025, the targets were revaluated, reset and extended to 2030. The 2030 targets aim to achieve a 40% reduction in the number of children under five who are stunted, a 50% reduction of anaemia prevalence in women of reproductive age, a 30% reduction of low birthweight among newborns and an increase in the rate of exclusive breastfeeding to 60% in the first six months. Targets have also been set on overweight and obesity, and on wasting.[1] At present, Indonesia is on course to meet one of the global nutrition targets (exclusive breastfeeding).[2] They have also achieved the global nutrition target for stunting, having reduced prevalence from 34.6% in 2012 to 19.8% in 2024.[3] While some progress has been made on low birthweight, 9.9% of children under five are still affected.[4]

In Indonesia, over 4.4 million children under five are stunted, 7.7 million are anaemic, close to 450,000 are born with low birthweight and more than 2.2 million are being sub-optimally breastfed for the first six months of life. Additionally, there are 22 million cases of anaemia in older adolescent girls and women (15–49).[5]

The interrelated crises of the COVID-19 pandemic, climate change and cost of living increases have put unprecedented pressure on social sector accounts, and caused many governments to consider diverting investments from public health and prevention programs to bolster short-term responses to urgent needs.

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However, emerging data continues to support the importance of investing in nutrition and the compounding benefits that can be realized through smart nutrition interventions. The 2024 World Bank Group Investment Framework found that an additional USD $13 billion per year is needed to scale up evidence-based nutrition interventions globally from 2025–2034. Every dollar invested in Indonesia was estimated to generate USD $40.9 in return.[6]

Through the development of an online, user-friendly Cost of Inaction Tool, Nutrition International has sought to support policymakers as they weigh their options. The tool provides an analysis of the costs of "inaction" — of allowing limited to no progress on key indicators of undernutrition to be made — and how doing so affects countries' income in both the immediate and long term. The new tool demonstrates that investments in nutrition can generate significant economic savings as long as smart investments are made in proven, cost-effective and high-impact nutrition interventions.

THE FINDINGS

The impacts of poor nutrition are wide-ranging and serious. Findings from the Cost of Inaction Tool estimate that the total global economic cost of undernutrition is more than USD $761 billion per year. In Indonesia, at least USD $23 billion per year could be saved with increased investments in stunting, anaemia in children, adolescent girls and women of reproductive age, low birthweight, and the protection, promotion and support of breastfeeding.[4]

When a population is undernourished, it is more vulnerable to preventable infections and diseases. With adequate nutrition, not only does a population strengthen immune systems, but healthcare costs and treatment expenses are also reduced.

Ensuring proper nutrition for vulnerable groups, such as infants, young children and pregnant women is key to unlocking their potential. When children are well-nourished, they are more likely to succeed in school which in turn helps them to live a better life, thrive and contribute to socio-economic development.

Indonesia has implemented the National Strategy for the Acceleration of Stunting Prevention (2018–2024), which serves as a comprehensive framework for implementing measurable and coordinated stunting reduction efforts, aligned with existing policies and institutional systems. The strategy fosters clarity of roles among stakeholders at all levels and promotes multisectoral collaboration to achieve the national target of reducing stunting prevalence to 14% by 2024.[7] It encompasses both nutrition-specific and nutrition-sensitive interventions, implemented in a convergent, holistic, and integrated manner through coordinated efforts at the national, regional, and village levels. Key pillars of the strategy include enhancing the convergence of targeted and supportive interventions across all levels of government, and strengthening food and nutrition security at the individual, household, and community levels.[8]

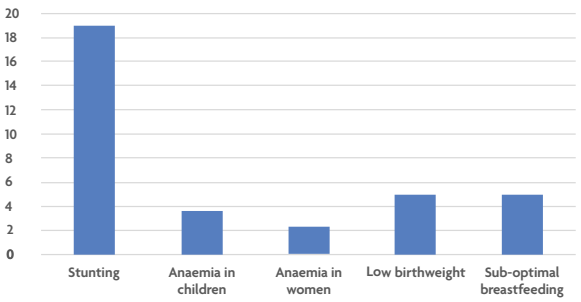
To further support these efforts, Indonesia has developed the National Action Plan for the Acceleration of Stunting Reduction 2021–2024 (RAN-PASTI), which provides a framework for integrated nutrition interventions. This plan combines support for maternal and child nutrition with broader initiatives aimed at improving caregiving practices, health services, sanitation, and social protection. Among the key interventions are increasing the number of pregnant women and adolescent girls who consume iron and folic acid supplements, providing food assistance to low-income and vulnerable households, and enhancing the quality of food fortification.[9] Currently, the government has implemented the National Strategy for Accelerating Prevention and Reducing Stunting 2025 – 2029, committing to maintain efforts towards further stunting reduction, in line with the National Long-Term Development Plan (RPJPN) 2025-2045.[10]

KEY FINDINGS

Each year, in Indonesia, the current levels of stunting, low birthweight, anaemia, and not protecting, promoting and supporting breastfeeding result in an estimated:

- **USD $23 billion** in economic costs (or 1.8% of the gross national income) due to cognitive and mortality losses
- **9.7 million** IQ points lost
- **2 million** school years lost
- **16,700** child deaths
- **4,200** maternal deaths from cancers and type II diabetes

ECONOMIC COST OF INACTION IN INDONESIA, USD $ BILLION PER YEAR



*** The total economic cost is lower than the sum of each individual cost. This estimate avoids double counting of costs associated with co-occurrence of stunting, anaemia, low birthweight and sub-optimal breastfeeding.**

Indonesia ranks eighth out of 23 countries in East Asia and the Pacific for the highest anaemia prevalence in adolescent girls and women and 73rd out of 201 countries globally. With a current prevalence of 31.2%, Indonesia's progress has slightly worsened against the 2012 prevalence of 27%.[4]

POTENTIAL BENEFITS OF ACHIEVING GLOBAL NUTRITION TARGETS

Here are some of the benefits that Indonesia stands to realize if the 2030 global nutrition targets were to be met:

- If Indonesia were to meet the 2030 WHA global nutrition target on anaemia, an estimated 12.6 million cases of anaemia would be averted annually, preventing preventing USD $1.4 billion in economic losses.
- If Indonesia were to meet the 2030 WHA global nutrition target on low birthweight, 118,000 cases of low birthweight would be averted annually, preventing 2,000 deaths, the loss of 1.2 million IQ points and USD $1.3 billion in economic losses.
- If Indonesia were to meet the 2030 WHA global nutrition target on exclusive breastfeeding, 153,000 cases of diarrhoea would be averted annually, preventing 741 deaths, the loss of 1.1 million IQ points and 380,000 school years. This will avert USD $861 million in economic losses.

Building on Indonesia's success in reducing stunting beyond the 2030 WHA target, meeting the national stunting target of 14% would avert an estimated 250,000 cases of stunting annually, prevent 4,700 deaths, the loss of 2.7 million IQ points and 446,00 school years. Overall, this would prevent USD $6 billion in economic losses.

ABOUT NUTRITION INTERNATIONAL'S TOOLS

The Nutrition International Cost of Inaction Tool was developed in 2023 by Nutrition International, in partnership with Limestone Analytics and with funding from the Government of Canada. The Cost of Not Breastfeeding Tool was created in 2017 by Alive & Thrive, with funding from the Gates Foundation, and it was updated by Nutrition International and Alive & Thrive in partnership with Limestone Analytics in 2022, with funding from Government of Canada. Both tools present results for over 140 countries to see the potential benefits if action is taken now. All estimates included in this brief are as of June 2025. Visit both tools on Nutrition International's website to read about the methodology and data sources and to learn more about Nutrition International.

For further support, including additional analyses, tool demonstrations and technical assistance, you can reach out to Nutrition International at healthecon@nutritionintl.org.

Cost of Inaction Tool

Cost of Not Breastfeeding Tool

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