



# The Indonesian Economy Going Forward

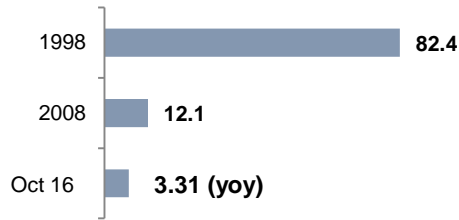
Tokyo, 13 December 2016

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# Stronger Fundamentals Facing the Headwinds

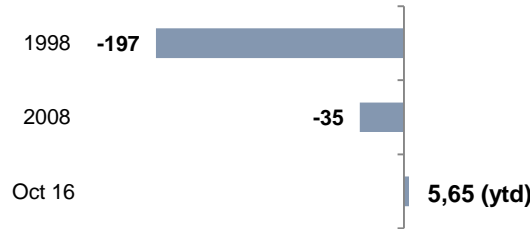
## Inflation Rate (%)

Inflation controlled within the target range



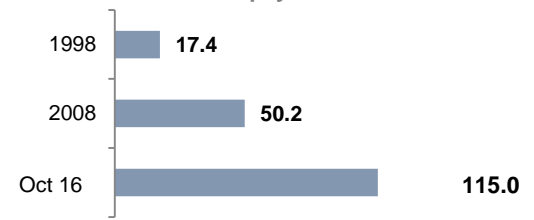
## IDR Movement (%)

Strengthening IDR with appreciation in 2016



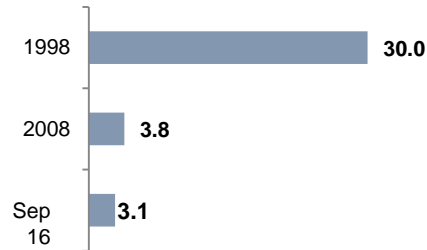
## Foreign Reserves (USD bn)

Significantly higher than 1998 & 2008, ample to cover 8.4 months of import and external debt repayment



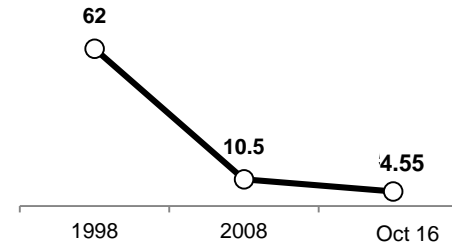
## Non-Performing Loan/NPL (%)

NPL level is below the maximum threshold of 5%



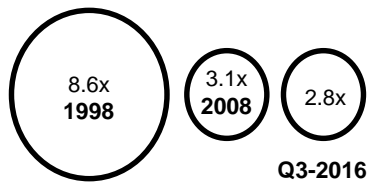
## More Liquid Market (%)

Overnight interbank money market rate is lower



## External Debt (Public & Private) to FX Reserve Ratio

Significantly lower than 1998 crisis



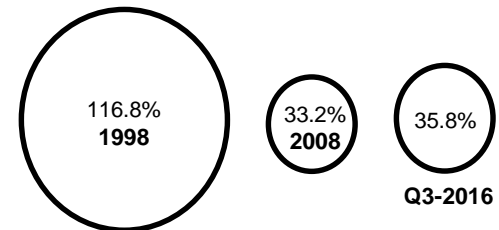
## Government Debt/GDP

Continue to decline and allocated to productive sectors



## External Debt/GDP

Slightly higher than 2008, but significantly lower than 1998






# Outlook of Domestic Economy Improves

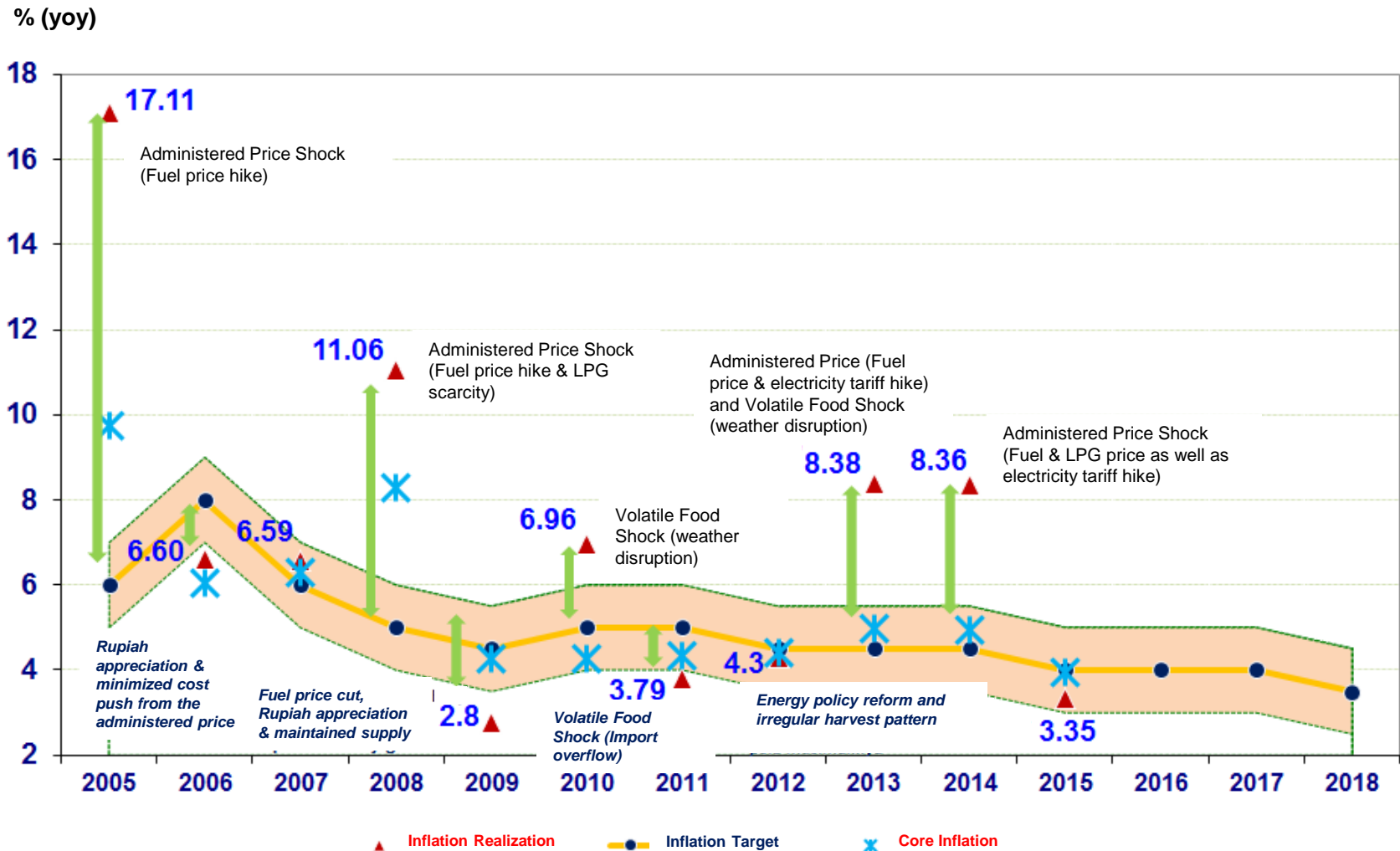
... economic growth is predicted to be higher in 2017

## 2016 Economic Outlook

- Economic growth expected to increase, supported by fiscal stimulus linked specifically to accelerated infrastructure project development. Private investment is expected to increase as a result of government policy packages and measurable monetary easing
- Inflation is projected around 3.0-3.2%, with the current account deficit is projected around 2% of GDP
- Credit is projected to grow 7-9%

	 Economic Growth	$\pi$ Inflation	 CAD (% GDP)	 Credit Growth
2015	4.79%	3.35%	2.06%	10.45%
2016	≈ 5.0%	3.0 – 3.2%	≈ 2%	7-9%
2017	5.0-5.4%	4.0±1%	<3%	10-12%

# Policy rate is consistent with the inflation target, geared towards bringing inflation into a downward trajectory in the medium term...





THANK YOU