



Government Debt Management

2009 Debt Management

Budget Deficit Financing (in USD)

1 2009 budget deficit: US\$12.7 billion (2.5% GDP) – Upsized from US\$5.5 billion (1.0% GDP) under the original budget

2 Maintain total issuance amount (net of redemption) of government securities: US\$5.0 billion

3 Additional debt required: US\$4.1 billion

4 Contingencies Financing facilities in place should market conditions be unfavorable for debt issuance:

1. Multilateral: World Bank and ADB

2. Bilateral: Japan and Australia

In response to volatile market conditions, Indonesia has embarked on the following steps for 2009

- Providing contingencies financing facilities from bilateral and multilateral organisations and other institutional investors
- Enhance debt issuance strategy
 - Explore new fundraising methodology including establishing a Global Medium Term Note Program and issuance via private placements and syndicated offerings
 - Shortening portfolio duration
 - Instrument diversification

Source: Ministry of Finance.

* Still in discussion.

Debt To GDP

	End of Year					
	2004	2005*	2006**	2007***	2008+	2009++
GDP	2,295,826	2,774,281	3,339,480	3,957,404	4,954,000	5,487,578
Debt Outstanding (billion IDR)	1,294,844	1,313,290	1,302,157	1,389,417	1,623,128	1,585,264
- Domestic Debt (Securities)	652,905	658,671	693,118	737,151	783,855	883,106
- Foreign Debt (Loan & Securities)	641,939	654,619	609,039	652,266	839,273	702,158
Debt to GDP Ratio	56.4%	47.3%	39.0%	35.1%	32.8%	28.9%
- Domestic Debt to GDP Ratio	28.4%	23.7%	20.8%	18.6%	15.8%	16.1%
- Foreign Debt to GDP Ratio	28.0%	23.6%	18.2%	16.5%	16.9%	12.8%

Source: Ministry of Finance.

* Preliminary.

** Very Preliminary.

*** Very very Preliminary.

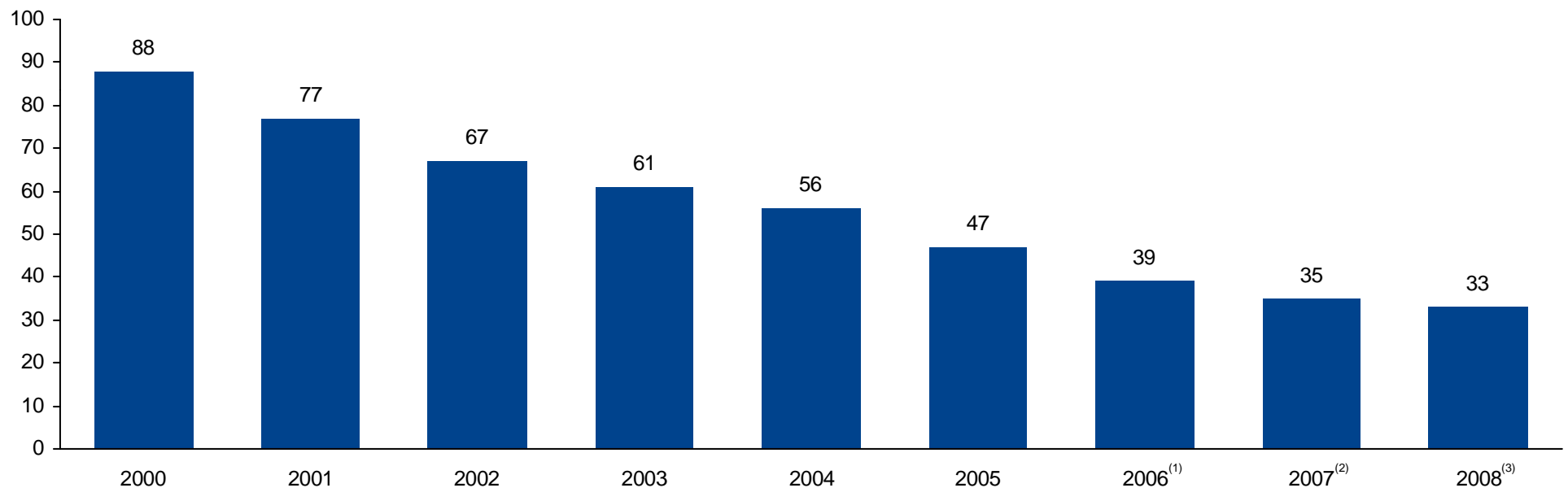
+ GDP Based on numbers from BPS.

++ GDP Projection based on Budget 2009.

Debt Figure (2000–2008)

- Per Law Number 17/2003 concerning State Budget, stipulated that the growth of debt should not exceed Indonesia economic growth with the following key measures
 - Overall Balance (deficit) should be less than 3% of GDP, and
 - Total Debt to GDP ratio should be less than 60%

Debt to GDP Ratio (% of GDP)



Source: Ministry of Finance.

(1) Preliminary.

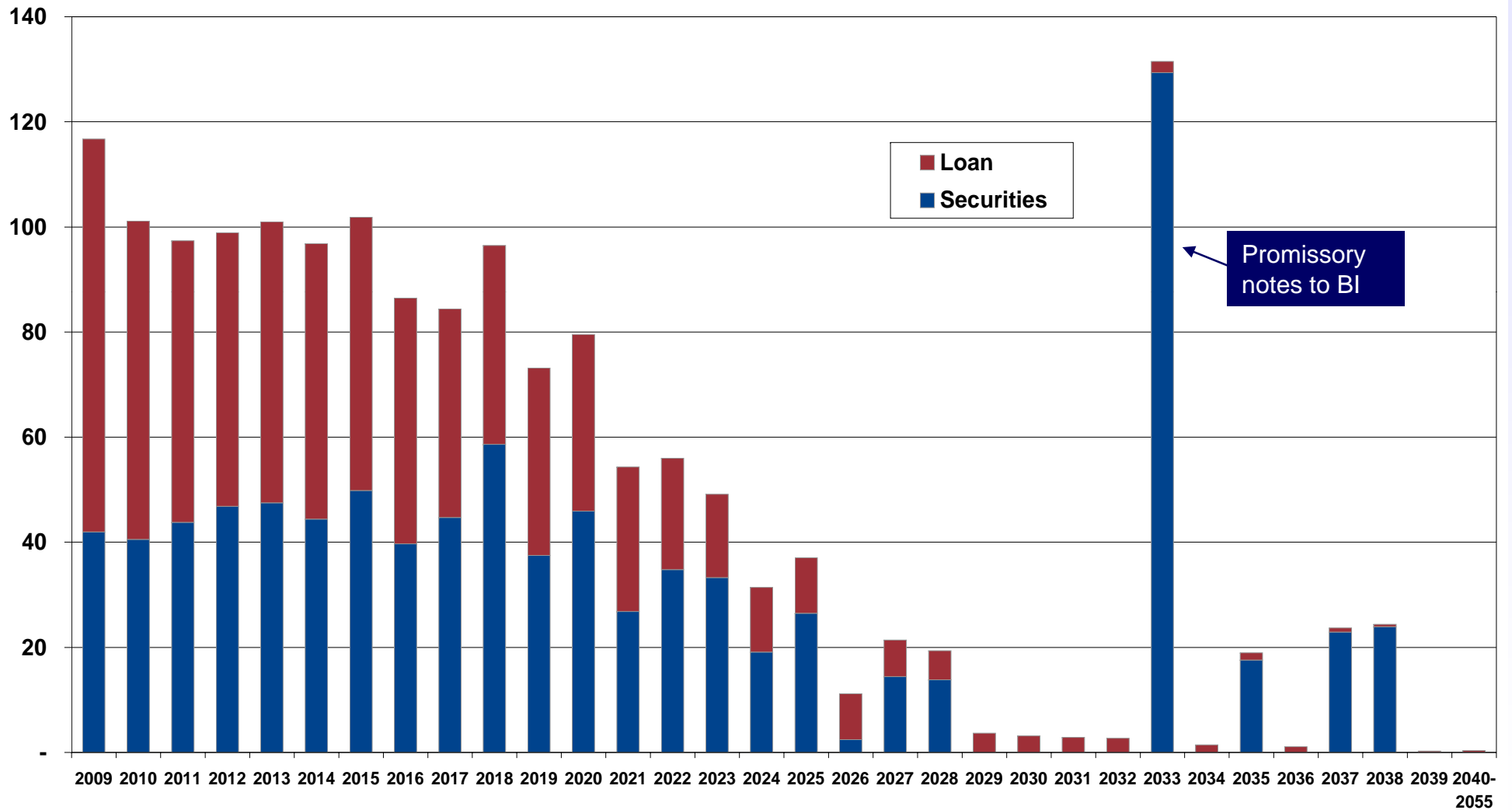
(2) Very Preliminary.

(3) Projection based on State Budget 2007 Preliminary Realisation.

(4) Projection based on State Budget 2008.

Total Debt Maturity Profile

[trillion IDR]



Notes:
 + Preliminary numbers in trillion IDR equivalent, as of December 2008.
 + Exchange Rate (IDR/USD) at 31 December 2008 = IDR10.950.

Outstanding of Total Central Government Debt (As of End 2008)

	2004	2005	2006	2007 ⁺	Jun'08 ⁺⁺	% Total	Dec'08 ⁺⁺⁺	% Total
a. External Loans	68.58	63.09	62.02	62.25	63.17	39.77%	65.45	44.2%
Bilateral *)	46.49	42.16	41.07	41.03	42.12	26.52%	43.93	29.6%
Multilateral **)	19.46	18.78	18.84	19.05	18.80	11.84%	19.50	13.2%
Commercial ***)	2.17	1.82	2.01	2.08	2.15	1.36%	1.93	1.3%
Suppliers ***)	0.29	0.17	0.11	0.08	0.09	0.06%	0.09	0.1%
Bonds/Notes ***)	0.17	0.17	-	-	0.00	0.00%	-	0.0%
b. Government Securities	71.28	70.89	82.34	85.26	95.65	60.23%	82.78	55.8%
FX Denominated	1.00	3.50	5.50	7.00	11.20	7.05%	11.20	7.6%
Rupiah Denominated	70.28	67.39	76.84	78.26	84.45	53.17%	71.58	48.3%
Total Government Debt	139.86	133.98	144.36	147.51	158.82		148.23	
Total Government Debt (equivalent in billion rupiah)	1,299,259	1,317,052	1,302,157	1,389,415	1,465,105		1,623,128	
<i>of which Rupiah Denominated Securities (trillion rupiah)</i>	<i>652.91</i>	<i>662.43</i>	<i>693.12</i>	<i>737.13</i>	<i>779.05</i>		<i>783.86</i>	
Exchange Rate (IDR/USD)	9,290	9,830	9,020	9,419	9,225		10,950	

Source: Ministry of Finance.

Notes:

+ Preliminary numbers.

++ Very preliminary numbers.

+++ Very very preliminary numbers, as of December 2008.

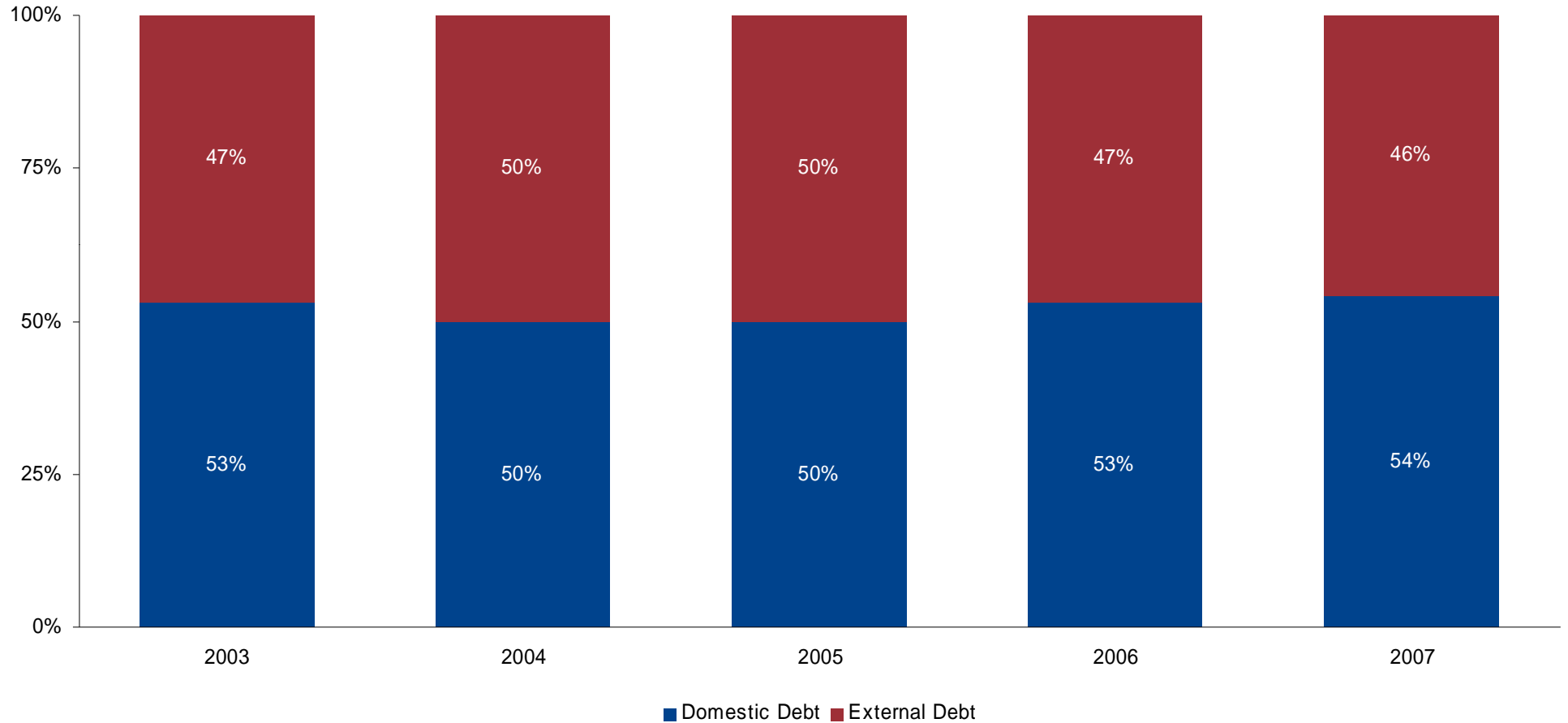
* Some of them are semi commercial.

** Most of them are semi concessional.

*** All of them are commercial.

Composition of Debt

Composition of Central Government Debt



Source: Ministry of Finance.

Note: Exchange rate of Rp.9,034 per US\$ used for 2007.