

PRESS RELEASE

Acceleration of Repayment Of Indonesia's Obligation To The IMF

Bank Indonesia is pleased to announce that a decision has been made to accelerate repayment on its obligation to the IMF following a decision on the Coordination Meeting among the Coordinating Minister of Economy, Minister of Finance, and the Governor of Bank Indonesia earlier this month. This decision has been made after a thorough assessment on favorable developments of Indonesia's economy, particularly the sustainability of the balance of payments and adequacy of the international reserves.

At this juncture, reflecting prudence, prepayment of obligation that has been accelerated reach 50% of its obligation to the IMF under the Extended Fund Facility (EFF) amounting to **SDR 2,549,977,514.00** equivalent to **USD3,763,945,309.09** (USD/SDR= 1.47607). Following this prepayment, Indonesia's international reserves as from June 30, 2006 stand at \$ 40.0 billion. This amount is adequate to finance 4.7 months of imports and servicing official short term external debt including a cushion against the possibility of reversal of short term capital flows. In the near future, the Government of Indonesia does not rule out the possibility of making further acceleration of the remaining balance of its obligation to the IMF as and when it is deemed appropriate.

The Government of Indonesia wishes to express its appreciation to the IMF for unwavering support to the Indonesian economy most notably in resolving the economic crisis in 1997.

Jakarta, June 22, 2006
Office of the Governor

Rizal A. Djaafara
Chief