

About Investor Relations Unit of the Republic of Indonesia



Investor Relations Unit (IRU) of the Republic of Indonesia has been established through a collaborative effort between the Coordinating Ministry of Economic Affairs, the Ministry of Finance and Bank Indonesia since 2005. The primary objective of IRU is to actively communicate Indonesian economic policies and to address the concerns of investors, particularly those in financial markets.

As an important part of its communication strategy, IRU maintains a website hosted under Bank Indonesia website, which is administered by the International Department of Bank Indonesia. However, day-to-day activities of IRU are supported by all relevant government agencies, among others: Bank Indonesia, Ministry of Finance, Coordinating Ministry for Economic Affairs, Ministry of Investment, Financial Services Authority, Ministry of State-Owned Enterprises, and The Committee for Acceleration of Priority Infrastructure Delivery.

IRU also actively engages with investors by organizing a monthly Investor Conference Call. Additionally, it promptly addresses inquiries through email and telephone channels. Furthermore, IRU may also facilitates direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices. This multifaceted approach underscores the commitment of the IRU to foster transparent communication and address the needs of the investors.

Published by Investor Relations Unit – Republic of Indonesia

Website: http://www.bi.go.id/en/iru/default.aspx

Contact:

Rosita Dewi (International Department - Bank Indonesia, Ph.: +6221 2981 8232)

Thasya Pauline (Deputy Ministry for Macroeconomic and Finance Coordinator - Coordinating Ministry for Economic Affairs, Ph. +6221 352 1843)

Putri Rizki Yulianti (Fiscal Policy Office - Ministry of Finance, Ph.: +6221 345 0012)

Subhan Noor (Directorate General of Budget Financing and Risk Management - Ministry of Finance, Ph.: +6221 351 0714)

E-mail: contactIRU-DL@bi.go.id

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Executive Summary



Preserved Economic Resilience Amidst Global Uncertainty



The largest economy in Southeast Asia and 4th most populous country in the world



Solid economic growth supported by domestic demand. Regain the 5% growth momentum after pandemic



Inflation remains under control within the target corridor



Consistent implementation of structural reform and infrastructure development



Historically **prudent policy** dynamics and **track record of peaceful political transitions**

Despite challenging global developments, Indonesia's economic recovery momentum persists, driven by robust domestic demand. The country's economic performance has rebounded to pre-pandemic levels and is poised for further improvement, driven by enhanced growth prospects. Indonesia's robust economic growth was recorded in 2023 at 5.05% (yoy) and projected to accelerate further in 2024. This is attributed to increased mobility, rising consumption, the positive impact of the general election, and a boost in investment, particularly in infrastructure projects aligned with ongoing National Strategic Project (PSN) developments, including the establishment of the new capital city (IKN). The external sector remains resilient and robust, supported by ample reserves and a sound balance of payments, accompanied by a healthy external debt profile. In addition, solid budget performance continues, reflected by a narrower 2023 fiscal deficit with a surplus in the primary balance and prudent debt management. Moving forward, 2024 fiscal policy is geared towards accelerating economic transformation. From the monetary policy perspective, Bank Indonesia continues to strengthen its monetary policy response and innovation to enhance policy effectiveness in terms of controlling inflation and maintaining Rupiah stability. Financial system stability also has been maintained, and the banking intermediation function proved robust in 2023, thereby supporting economic growth. For the purpose to promote strong, socially inclusive, and environmentally friendly economic growth, the government consistently implementing the structural reform agenda, including infrastructure development, and improving the investment climate.

| Rating Agencies | Rating (Outlook) |
|------------------------------------|------------------|
| Fitch Ratings | BBB (Stable) |
| Moody's | Baa2 (Stable) |
| S&P Global | BBB (Stable) |
| R&I Rating and Incommunities, Inc. | BBB+ (Positive) |

Indonesia is a full Investment Grade country by all three major rating agencies, Fitch, Moody's and S&P. The recent rating affirmations in 2023 has put Indonesia's SCR from three main rating agencies at the same level (one notch higher from the lowest investment grade level). These affirmations highlight Indonesia's macro stability and promising growth prospects.

Conducive Environment



Underpinning Improved Growth Fundamentals Amid Heightened Global Uncertainty

Focus to Drive a Strong and Sustainable Economy

Largest Economy in Southeast Asia

4th Most Populous country in the World; 70% in productive age

Manageable Inflation Rate Rising Middle Class and Affluent Customers

From commodity-based to manufacturing and service sectors via infrastructure development

Supporting investment-led growth through stronger manufacturing sector and more investment initiatives

Policies to maintain purchasing power to boost domestic economy post pandemic amidst heightened global uncertainty

Large and Stable Economy



Economic Transformation

Consistent Budget Reform

Reform-Oriented Administration

Fostering infrastructure development

Budget reform as part of larger economic reform initiative

Spending directed to accelerate economic transformation

Broadening Tax base and increasing compliance

Prudent debt management

Three main sources of financing for investment needs: State and regional budget, State Owned Enterprises and PPP

Continuing from 2015 policy, infrastructure spending will be higher than fuel subsidy

Infrastructure spending focused on accelerating basic infrastructure projects

Fiscal and non-fiscal incentives to attract infrastructure investment and promote PPP

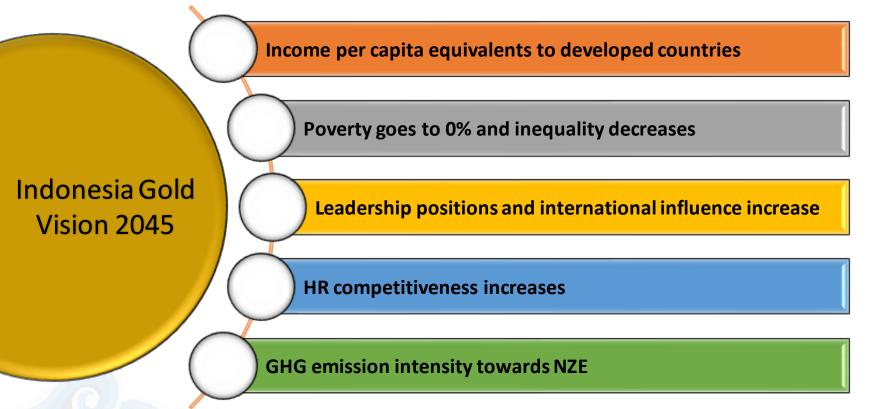
Conducive Environment Towards Indonesia Gold Vision 2045



Indonesia Gold Vision 2045:

Becoming a Sovereign, Advanced, and Sustainable Nation

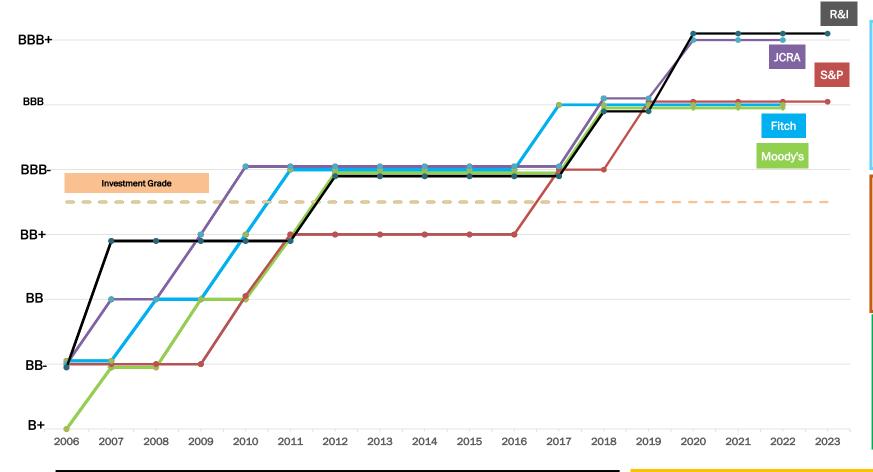
Indonesia, as a country with a large population and vast territory, has a dream to achieve Indonesia Emas 2045. Several aspects are the focus of this transformation: Social Transformation: Focusing on the development of outstanding Indonesian individuals; Economic Transformation: Aiming for the nation to become high-income; Governance Transformation: Emphasizing adaptive and principled regulations, as well as governance that is characterized by integrity, agility, and collaboration.



Development Phase Strengthening the foundation of First Phase (2025-2029)transformation With the establishment of a strong Second Phase foundation, Indonesia is set to (2030-2034)accelerate its economy Third Phase Indonesia starts steps to expand (2035-2039)globally Indonesia succeeds in realizing Fourth Phase (2040-2045)Indonesia Gold 2045 vision

Improved Outlook and a Well-Maintained of Indonesia's Sovereign Credit Rating Amid Global Economy Uncertainties





FitchRatings

BBB / Stable

September 2023, Rating Affirmed at BBB/Stable

"Indonesia's rating balances a favourable medium-term growth outlook and low government debt/GDP ratio against weak government revenue and lagging structural features, such as governance indicators, compared with 'BBB' category peers."

S&P Global Ratings

BBB / Stable

July 2023, Rating Affirmed at BBB/Stable

"The stable rating outlook reflects our expectation that Indonesia will achieve solid economic growth over the next two years. This will support prudent fiscal outcomes and stabilize debt".

Moody's

Baa2 / Stable

March 2023, Rating Affirmed at Baa2/Stable

""Indonesia's credit profile is supported by its large economy, low fiscal deficits and modest debt burden., balanced against low revenue mobilization, reliance on external funding and some economic concentration that leaves the economy vulnerable to commodity cycles."



BBB+ / Positive

July 2023, Outlook Revised To Positive; BBB+ Ratings Affirmed

"In R&I view, Indonesia's economy has been showing strong performance even amid uncertainties of the global economic environment. With the inflation rate that has fallen within the target range in 2023, the price stability is being restored. The government has achieved its target level of fiscal deficit a year earlier than originally planned and the government debt ratio stays on a downward trajectory. The stability of financial system has been maintained and the economy has resilience to external shocks".



BBB+ / Stable

July 2022, Rating Affirmed at BBB+/Stable

"The ratings mainly reflect the country's solid domestic demand-led economic growth potential, restrained public debt and resilience to external shocks supported by accumulation of foreign exchange reserves. JCR holds that the debt will gradually decrease as the fiscal balance improves mainly increased revenue from economic growth and higher commodity prices ".

Continuous Improvement of Indonesia's Competitiveness Rank



Based on the IMD (Institute for Management Development) World Competitiveness Yearbook 2023 report, Indonesia's competitiveness ranking in 2023 is in 34th position out of a total of 64 countries. This rank has increased from 2022 (No. 44).

All factors have increased compared to 2022: Economic Performance (+13), Business Efficiency (+11), Government Efficiency (+4), and Infrastructure (+1)

| No. | Country | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----|-------------|------|------|------|------|------|
| 1 | South Korea | 28 | 23 | 23 | 27 | 28 |
| 2 | Indonesia | 32 | 40 | 37 | 44 | 34 |
| 3 | Japan | 30 | 34 | 31 | 34 | 35 |
| 4 | India | 43 | 43 | 43 | 37 | 40 |
| 5 | Philippines | 46 | 45 | 52 | 48 | 52 |
| 6 | Mexico | 50 | 53 | 55 | 55 | 56 |
| 7 | Brazil | 59 | 56 | 57 | 59 | 60 |



| Factors | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------|------|------|------|------|------|
| Economic Performance | 25 | 26 | 35 | 42 | 29 |
| Government Efficiency | 25 | 31 | 26 | 35 | 31 |
| Business Efficiency | 20 | 31 | 25 | 31 | 20 |
| Infrastructure | 53 | 55 | 57 | 52 | 51 |

Continuous Improvement of Indonesia's Governance Rank



| Indicator | Country | Year | Percentile Rank (0 to 100) |
|-------------------------|-----------|------|----------------------------|
| oice and Accountability | Indonesia | 2012 | _ |
| | | 2015 | - |
| | | 2020 | |
| | | 2021 | |
| | | 2022 | |
| Political Stability and | Indonesia | 2012 | |
| Absence of | | 2015 | |
| /iolence/Terrorism | | 2020 | |
| | | 2021 | |
| | | 2022 | |
| Government | Indonesia | 2012 | |
| Effectiveness | | 2015 | |
| | | 2020 | |
| | | 2021 | |
| | | 2022 | |
| Regulatory Quality | Indonesia | 2012 | |
| | | 2015 | |
| | | 2020 | |
| | | 2021 | |
| | | 2022 | |
| Rule of Law | Indonesia | 2012 | |
| | | 2015 | |
| | | 2020 | |
| | | 2021 | |
| | | 2022 | |
| | | | |
| Control of Corruption | Indonesia | 2012 | |
| Control of Corruption | Indonesia | 2012 | |
| Control of Corruption | Indonesia | | |
| Control of Corruption | Indonesia | 2015 | |
| Control of Corruption | Indonesia | 2015 | |

Note: Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

Source: Worldwide Governance Indicators, 2023 Update (www.govindicators.org)

To achieve the vision of advanced Indonesia in 2045 with the goal of Advancing Towards a Sovereign, Developed, Equitable, and Prosperous Indonesia, the Indonesian government is actively promoting reforms in institutions and bureaucracy, as well as strengthening the national legal system and anti-corruption measures. These efforts are evident in the improving governance indicators in Indonesia.

Based on the latest World Bank Worldwide Governance Indicators (WGI), Indonesia's governance rank indicates a continuous improvement for the last 10 years. One of the indicator, the Government Effectiveness, recorded highest percentile rank compared to other five indicators, which marked Indonesia on the 73rd rank out of 214 countries (previously placed on 75th rank in 2021). This achievement inline with the ongoing structural reform that has been implemented across the country.

The government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

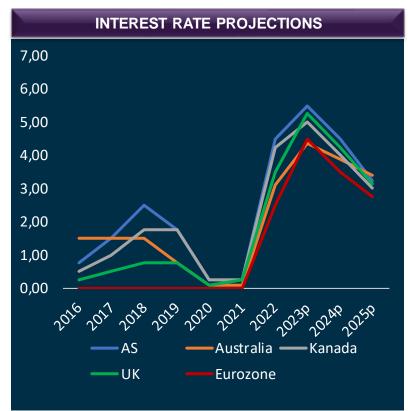
Meanwhile, corruption eradication indicators also indicate improvement, with a progressive increase in values over the past decade.

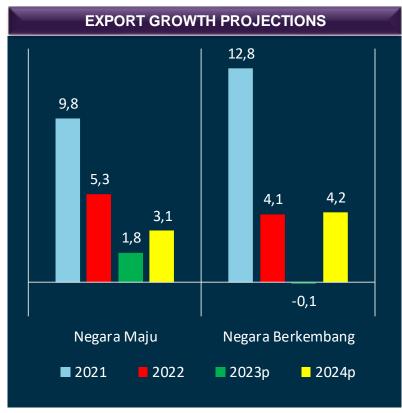


Global Conditions still Facing a Number of Challenges Ahead









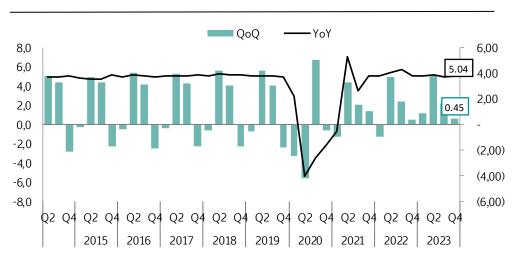
Global Economic Risks

- Real estate crisis in China has put the global economy at risk
- Commodity prices become more volatile under renewed geopolitical tensions and disruptions linked to climate change
- Debt sustainability issues in developing countries
- Global financial conditions have tightened
- Fiscal buffers have eroded in many countries
- Geoeconomic fragmentation

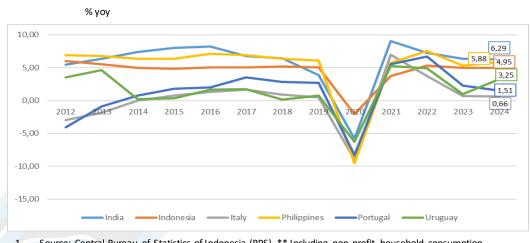
Indonesia's Economic Growth Remains Solid and Resilient, Supported by Domestic Demand



Strong GDP Growth¹



Favourable GDP Growth Compared to Peers²



1. Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption

2. Source: World Economic Outlook Database – October 2023; * indicates estimated figure

Amidst increasing global uncertainty, Indonesia's economic performance remains solid and resilient to global spillover. Indonesia's economy grew by 5.04 % (yoy) in the fourth quarter of 2023, after recorded a 4.54% (yoy) growth in the third quarter of 2023, supported by solid domestic demand. Sound performance recorded across all economic sectors, particularly the manufacturing industry, transportation and logistics, accommodation and food service activities as well as wholesale and retail trade. Overall, therefore, robust economic growth was recorded in 2023 at 5,05% (yoy).

Spatially, the highest economic growth was recorded in the regions of Sulawesi-Maluku-Papua (Sulampua), followed by Kalimantan, Java, Bali-Nusa Tenggara (Balinusra), and Sumatera. Robust economic growth is expected to persist in the first quarter of 2024, as reflected in a number of early indicators, such as consumer confidence, income expectations and the Manufacturing Purchasing Managers Index (PMI). Overall, economic growth in 2024 projected to be in the 4.7-5.5% range, supported by domestic demand, particularly consumption ahead of the upcoming general election, and increasing investment, specifically building investment given the ongoing national strategic projects (PSN), including the new capital city (IKN) development.

2024 Growth Projection

| GDP growth 2024 |
|--------------------|
| 5.2 |
| 4.7-5.5 |
| 4.9 |
| 4.9 |
| 5.0 |
| 5.0 |
| |

GDP Growth Breakdown



GDP Growth Based on Expenditures $(\%, YoY)^1$

| | | 2018 | | | 2019 | | | | 2020 | | | 2021* | | | | 2022** | | | | | 2023*** | | | | | | | | | |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|--------|------|------|------|------|---------|------|------|------|------|-----|------|------|------|------|
| By expenditure | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot |
| HH. Consumption | 8.1 | 8.8 | 8.7 | 10.9 | 9.1 | 17.0 | 15.3 | 7.4 | 3.5 | 10.6 | -5.0 | -7.8 | -1.9 | -1.9 | -4.2 | -3.6 | 4.1 | 2.9 | 3.2 | 1.6 | 5.9 | 5.0 | 6.0 | 5.7 | 5.7 | 6.2 | 8.6 | 6.2 | 18.1 | 9.8 |
| Non profit HH. consumption | 2.7 | 5.2 | 6.3 | 4.6 | 4.8 | 5.3 | 8.2 | 1.0 | 0.5 | 3.3 | 3.9 | -6.5 | 9.8 | 1.9 | 2.1 | 2.6 | 8.3 | 0.7 | 5.2 | 4.3 | -6.6 | -4.6 | -2.5 | -4.7 | -4.5 | 3.3 | 10.5 | -3.9 | 2.8 | 2.9 |
| Government consumption | 7.9 | 5.8 | 6.9 | 6.1 | 6.7 | 5.0 | 4.6 | 4.2 | 4.1 | 4.5 | 1.7 | -8.6 | -6.5 | -6.2 | -5.0 | -0.2 | 7.5 | 3.8 | 4.5 | 3.8 | 4.1 | 3.1 | 5.0 | 3.3 | 3.9 | 2.1 | 4.6 | 5.8 | 5.0 | 4.4 |
| Gross Fixed Cap. Formation | 6.1 | 5.0 | 5.6 | 5.0 | 5.4 | 5.5 | 5.5 | 5.0 | 5.5 | 5.4 | 2.8 | -5.3 | -5.6 | -6.6 | -3.8 | -0.7 | 4.4 | 3.4 | 2.5 | 2.3 | 2.6 | 0.9 | 0.1 | 0.1 | 0.9 | 0.1 | 3.3 | 6.3 | 6.4 | 4.0 |
| Exports | 12.5 | 15.2 | 14.2 | 7.4 | 12.1 | -5.8 | -5.9 | -8.5 | -8.1 | -7.1 | -6.0 | -21.3 | -25.0 | -17.6 | -17.6 | 5.2 | 33.2 | 31.1 | 32.6 | 24.9 | 16.1 | 13.1 | 25.7 | 6.5 | 15.0 | 4.2 | -3.2 | -6.8 | -0.1 | -1.6 |
| Imports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GDP | 5.0 | 5.2 | 5.1 | 5.2 | 5.1 | 5.3 | 5.4 | 5.1 | 4.9 | 5.2 | 2.6 | -5.6 | -4.0 | -3.6 | -2.7 | -2.2 | 5.9 | 1.1 | 3.5 | 2.0 | 4.4 | 5.5 | 5.4 | 4.5 | 4.96 | 4.6 | 5.3 | 5.1 | 4.8 | 4.93 |

GDP Growth by Sector (%, YoY)

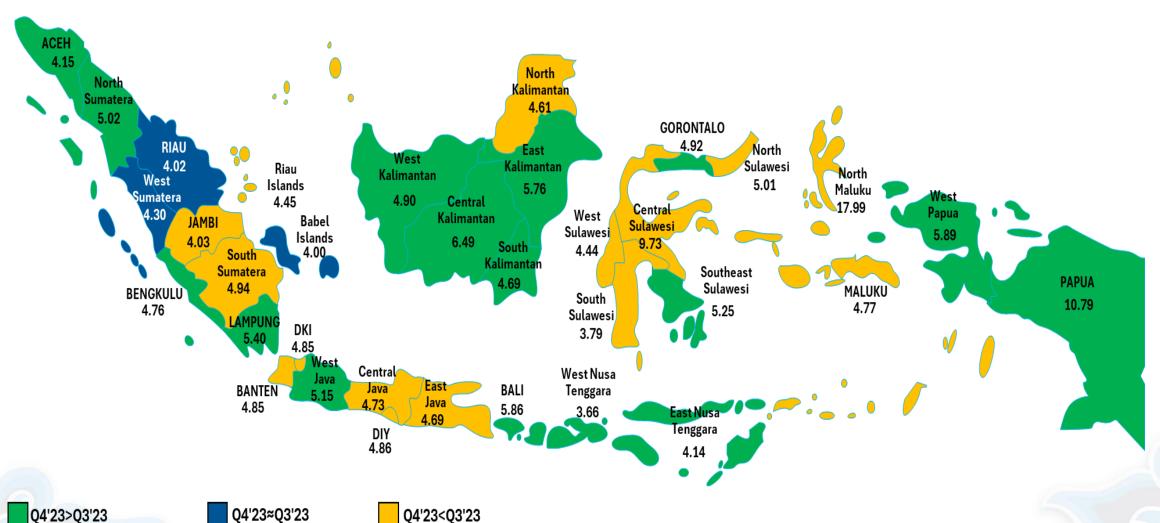
| | | | 2018 | | | | | 2019 | | | | | 2020 | | | | | 2021* | | | | | 2022** | | | | 2023*** | | | |
|--|-----|-----|------|-----|-------|-----|------|------|-----|-----|------|-------|-------|-------|-------|-------|------|-------|------|-----|------|------|--------|------|------|------|---------|------|------|------|
| By sectors | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot | Q1 | Q2 | Q3 | Q4 | Tot |
| Agriculture. forestry. and fishery | 1.1 | 2.6 | 2.7 | 2.2 | 2.158 | 2.3 | -0.7 | 2.3 | 0.9 | 1.2 | 0.4 | -2.7 | -4.3 | -1.2 | -2.0 | -2.0 | 5.2 | 7.8 | 5.2 | 4.0 | 3.8 | 4.0 | 3.2 | 6.5 | 4.4 | 4.9 | 5.0 | 7.0 | 7.5 | 6.1 |
| Mining and Quarrying | 4.6 | 3.9 | 4.4 | 4.2 | 4.274 | 3.9 | 3.5 | 4.1 | 3.7 | 3.8 | 2.1 | -6.2 | -4.3 | -3.1 | -2.9 | -1.4 | 6.6 | 3.7 | 4.9 | 3.4 | 5.1 | 4.0 | 4.8 | 5.6 | 4.9 | 4.4 | 4.9 | 5.2 | 4.1 | 4.6 |
| Manufacturing | 7.4 | 5.7 | 5.8 | 5.6 | 6.089 | 5.9 | 5.7 | 5.6 | 5.8 | 5.8 | 2.9 | -5.4 | -4.5 | -5.7 | -3.3 | -0.8 | 4.4 | 3.8 | 3.9 | 2.8 | 4.8 | 1.0 | 0.6 | 1.6 | 2.0 | 0.3 | 5.2 | 6.4 | 7.7 | 4.9 |
| Construction | 5.0 | 5.2 | 5.3 | 4.4 | 4.965 | 5.2 | 4.6 | 4.4 | 4.2 | 4.6 | 1.5 | -7.7 | -5.1 | -3.7 | -3.8 | -1.3 | 9.5 | 5.1 | 5.5 | 4.6 | 5.7 | 4.4 | 5.4 | 6.6 | 5.5 | 4.9 | 5.3 | 5.1 | 4.1 | 4.8 |
| Wholesale and Retail Trade. Repair of Car and Motorcycle | 8.5 | 8.7 | 5.7 | 5.5 | 7.047 | 5.4 | 5.8 | 6.7 | 7.6 | 6.4 | 1.3 | -30.8 | -16.7 | -13.4 | -15.1 | -13.1 | 25.1 | -0.7 | 7.9 | 3.2 | 15.8 | 21.3 | 25.8 | 17.0 | 19.9 | 15.9 | 15.3 | 14.7 | 10.3 | 14.0 |
| Transportation and Storage | 7.8 | 5.1 | 8.1 | 7.1 | 7.02 | 9.1 | 9.6 | 9.2 | 9.8 | 9.4 | 9.8 | 10.8 | 10.7 | 11.0 | 10.6 | 8.7 | 6.9 | 5.5 | 6.2 | 6.8 | 7.2 | 8.1 | 6.9 | 8.7 | 7.7 | 7.1 | 8.0 | 8.5 | 6.7 | 7.6 |
| Information and communication | 4.3 | 3.1 | 3.1 | 6.2 | 4.173 | 7.2 | 4.5 | 6.2 | 8.5 | 6.6 | 10.6 | 1.1 | -0.9 | 2.4 | 3.2 | -3.0 | 8.3 | 4.3 | -2.6 | 1.6 | 1.6 | 1.5 | 0.9 | 3.8 | 1.9 | 4.5 | 2.9 | 5.2 | 6.6 | 4.8 |
| Financial service | 5.4 | 6.2 | 6.7 | 6.4 | 6.181 | 6.8 | 7.3 | 6.4 | 6.2 | 6.7 | 4.6 | -6.3 | -1.4 | -1.7 | -1.2 | -2.5 | 9.8 | -0.8 | 3.4 | 2.3 | 3.3 | 4.0 | 7.9 | 4.9 | 5.0 | 4.5 | 7.1 | 3.3 | 4.9 | 5.0 |
| Other Services* | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GDP | 3.3 | 4.7 | 3.6 | 3.8 | 3.884 | 1.8 | 5.3 | 3.1 | 4.2 | 3.6 | 0.0 | 2.2 | 2.2 | 2.6 | 1.8 | 3.5 | 0.6 | 1.4 | 2.3 | 1.9 | 1.2 | 1.7 | 2.0 | 4.5 | 2.3 | 0.4 | 2.0 | 1.5 | 1.1 | 1.3 |

Source: Central Bureau of Statistics of Indonesia (BPS)
*Other services consist of 10 sectors (according to Standard National 2008)

Economic Performance in All Regions Remains Solid



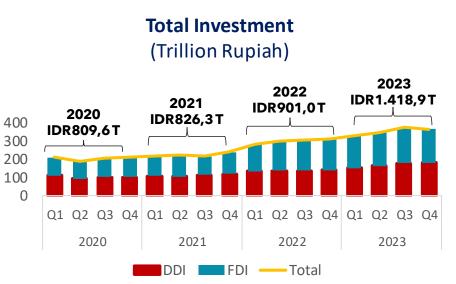
In the fourth quarter of 2023, the economy grew 5.04% (yoy), up from 4.94% (yoy) in the previous period

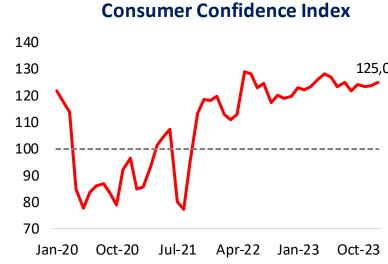


Indonesia's Leading Indicators Remain Solid

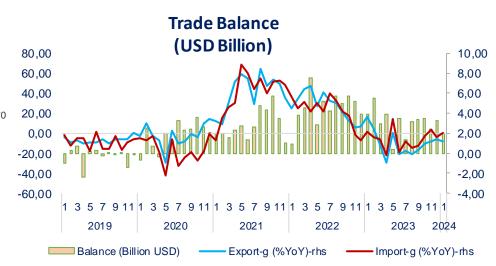








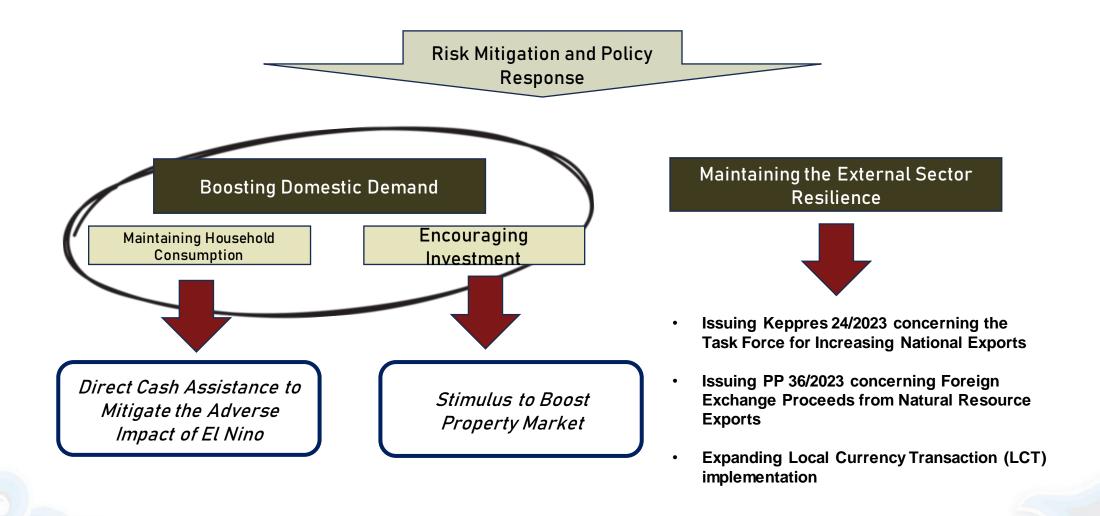






Short Term Mitigation and Policy Response Amidst Weakening Global Economic Prospect





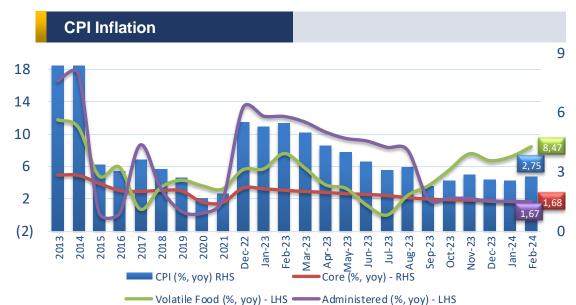
Inflation Remains Under Control Within The Target Corridor

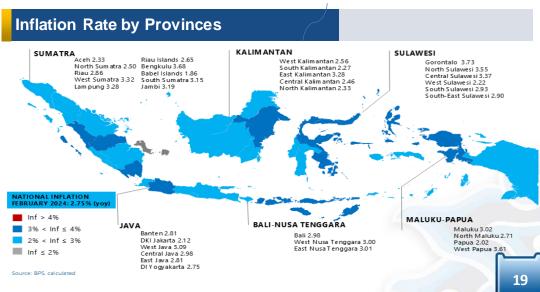


- Consumer Price Index (CPI) inflation in February 2024* remained under control within the 2.5%±1% target corridor, recorded at 2.75% (yoy), a slight increase from 2.57% (yoy) the month earlier, as low core inflation was maintained.
- Core inflation continues to be low, recorded at 1.68% (yoy) in February 2024
- Meanwhile, the **volatile food (VF) category witnessed an increase** to 8.47% (yoy) in February 2024 from 7.22% (yoy) in January 2024.
- Administered prices (AP) inflation remains manageable and recorded at 1.67% (yoy), slightly decreased from 1.74% (yoy) the previous month
- The manageable inflation the target range is an outcome of monetary policy consistency and close synergy between Bank Indonesia and the (central and regional) Government in the National and Regional Inflation Control Teams (TPIP and TPID) through the National Movement for Food Inflation Control (GNPIP) across regions.
- Inflation is expected to remain manageable in the 2.5%±1% target corridor in 2024.

2024 Inflation Projection

| Institutions | Inflation (%yoy) 2024 |
|--|--------------------------|
| 2024 Budget | 2.8 |
| Bank Indonesia | 2.5%±1% |
| Consensus Forecast (February 2024) – average | 2.9 |
| IMF (WEO, October 2023) – end of period | 2.5 |
| ADB (Asian Development Outlook, December 2023) | 3.0 |





Synchronized Policies to Strengthen Inflation Controlling Effort



Indonesia's inflation achievements in 2022 and 2023 resulted from solid coordination and synergy between various institutions through TPIP-TPID. The 4K strategy and synchronized policies will continue to be implemented in 2024 to ensure inflation within the target range.



FISCAL POLICY

Optimizing government's budget to support inflation controlling effort

- Energy Subsidies and Compensation
- Food Security Budget Allocation includes optimizing CBP (govt's rice reserves) and CSHP (Govt's food stock for stabilizing prices purposes)
- Allocation to control inflation through optimizing the role of APBD (local govt's budget) and BTT (govt's unexpected spending budget)
- Social Security Programi.e Food aid (rice)
- Allocating fiscal incentives to control regional inflation



MONETARY POLICY

Pro-Stability Monetary Policy

- Front loaded, preemptive and forward looking interest rate policy.
- Rupiah exchange rate policy.
- Sale/Purchase of SBN (govt's treasury) in the secondary market (twist operation).



Price Affordability



Increase of Food Baazar/SPHP (stock and price stabilization) program



Supply Availability



Increasing production,By urban farming program and developing food estate



Strengthening CPP (Government's Food Reserves)



Swift Distribution



Facilitating the food distribution from producer to consumer region (including optimizing sea toll and air bridge udara)



Strengthening and expansion of inter regions trading agreement (KAD)



Effective Communication



Monitoring Data and Detailing Data



Monitoring the market with the food task force (Satgas Pangan)



INFLATION
REALIZATION 2023
2,61%
(within 3,0±1% target)



- Maintaining core inflation
- Maintaining volatile food inflation between 3-5%
- Managing administered price inflation



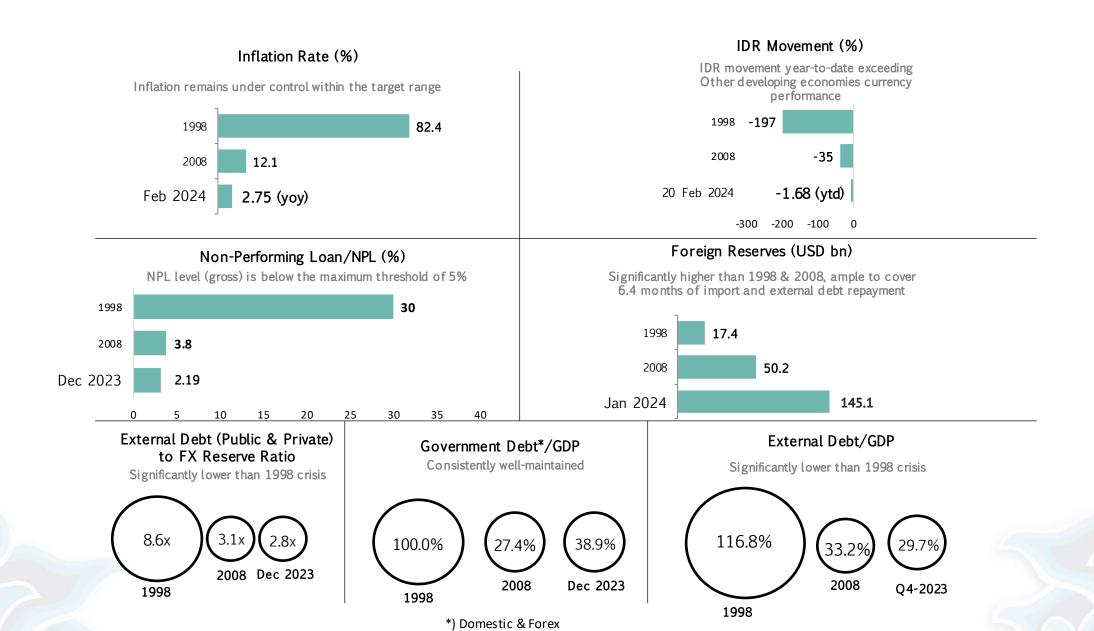




INNOVATION

Solid Fundamentals Facing the Headwinds





Policy Strategy to Maintain Purchasing Power as Part of a Social Protection Program



POLICY STRATEGY

1

ADDITIONAL RICE ASSISTANCE

2023

Target: 21,3 mio KPMBenefit: 10kg/KPM

Duration: 7 month (March-May, Sept-Nov 2023 and Dec 2023)

2024

Target: 22 mio KPMBenefit: 10kg/KPM

Duration: 6 month (Jan-Jun 2024)

2

EL NINO DIRECT CASH ASSISTANCE (BLT)

BLT El Nino (2023)

■ Target: 18,8 mio KPM

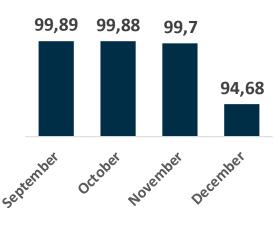
Benefit: Rp200 thousand/month
 Duration: 2 month (Nov-Dec 2023)
 BLT Mitigation of Food Risks(2024)

■ Target: 18,8 mio KPM

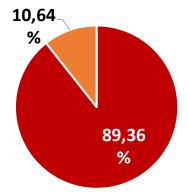
■ Benefit: Rp200 thousand/month

Duration: First phase for 3 month (Jan-Mar 2024)

DISTRIBUTION REALIZATION



Rice Assistance's distribution for stage II period Sep-Dec 2023 reached 98.54% (per December 2023).



DCA El-Nino's distribution reached Rp6.72 Trillion or 89.36% (per 21 December 2023).

Outlook of Domestic Economy Remains Solid





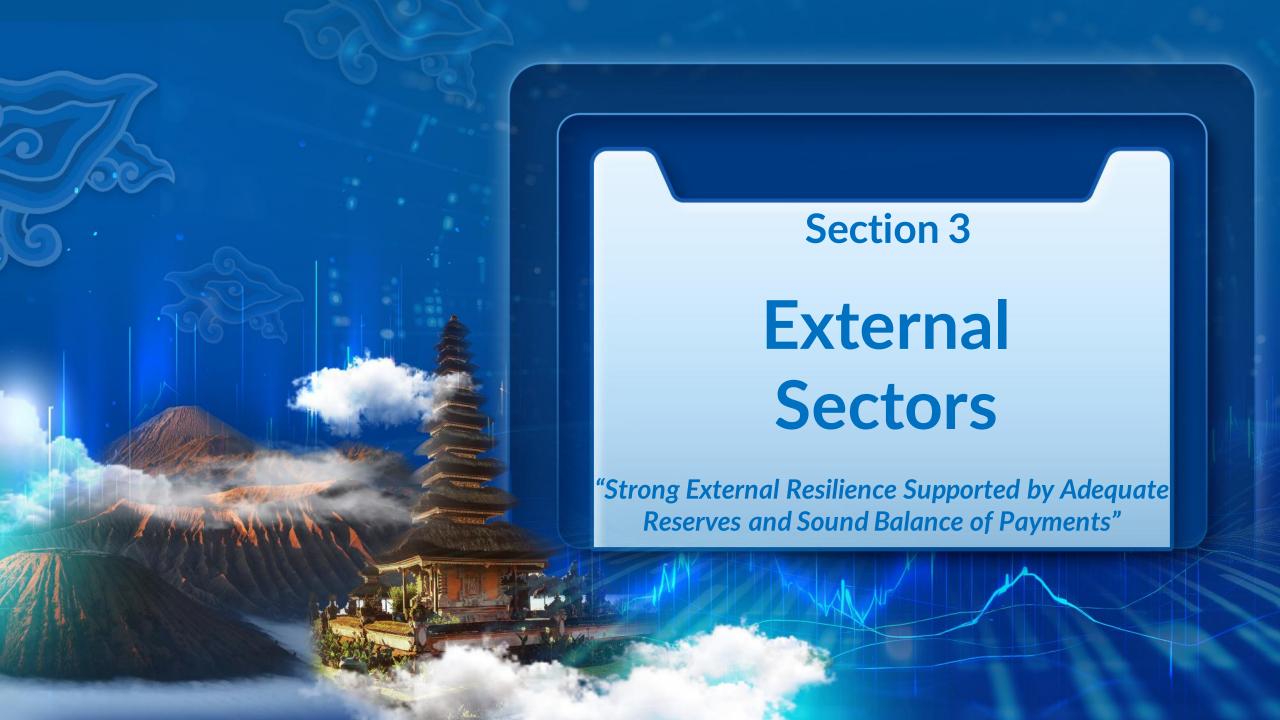
2024 Economic Outlook

- Bank Indonesia projects economic growth will accelerate to the range 4.7-5.5% in 2024
- Bank Indonesia is confident that inflation will remain under control in the range of 2.5%±1% in 2024.
- Bank Indonesia projects Balance of Payment (BOP) to remain sound, supported by a manageable current account maintained in the range of a 0.4% surplus to a 0.4% deficit of GDP in 2023, and in the range of a 0.1 deficit to 0.9% deficit of GDP in 2024.
- Bank Indonesia projects credit growth will accelerate to 10%-12% in 2024 (from 9%-11% in 2023)

| | Economic Growth | 兀 Inflation | CAD (% of GDP) | Credit Growth |
|------------------|-----------------|-----------------------|--------------------------------|---------------|
| 2019 Realization | 5.02% | 2.72% | 2.71% | 6.08% |
| 2020 Realization | -2.07% | 1.68% | 0.4% | -2.4% |
| 2021 Realization | 3.69% | 1.87% | surplus 0.3% | 5.24% |
| 2022 Realization | 5.31% | 5.51% | surplus 1.0% | 11.35% |
| 2023 | 5.05% | 2.61%* | surplus 0.4% - deficit 0.4% | 9-11% |
| 2024 | 4.7-5.5% | 2.5 ± 1% | Deficit 0.1% - Deficit 0.9% | 10-12% |

^{*)} End of December 2023 realization

Source: Bank Indonesia

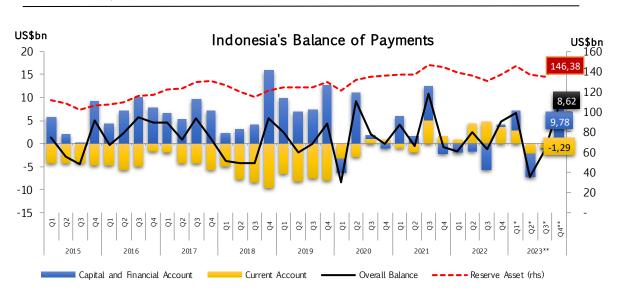


External Sector Remains Resilient



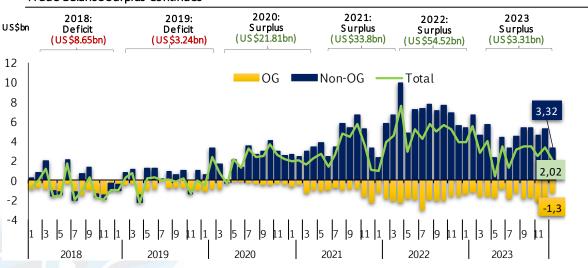


Balance Of Payment Remains Solid

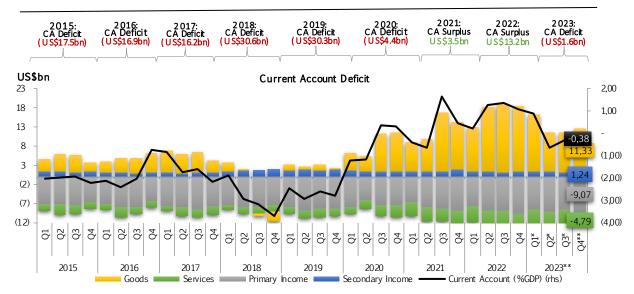


Source: Bank Indonesia

Trade Balance Surplus Continues

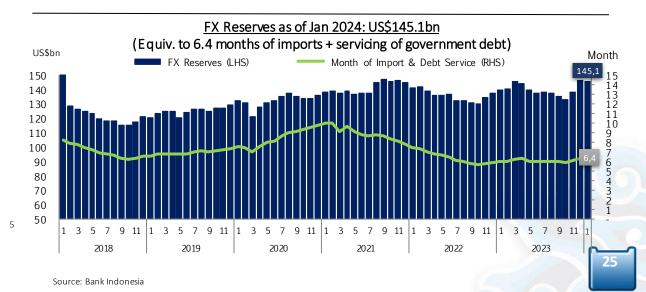


Current Account Recorded Low Deficit



Source: Bank Indonesia

Official Reserve Assets Increased to Reinforce External Sector Resilience

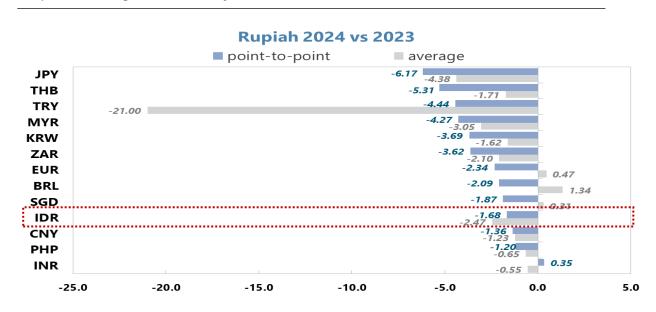


** Very Preliminary Figure

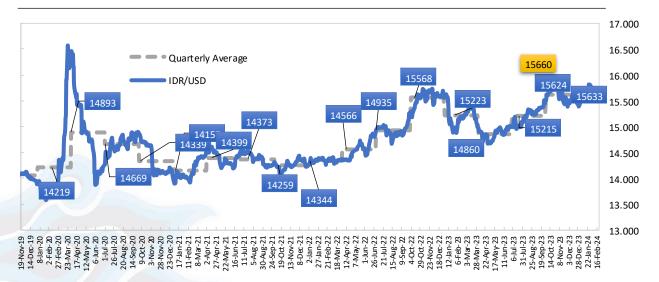
Exchange Rate Movement In Line With BI Stabilization Measures



Rupiah Exchange Rate Volatilty



Movement of Rupiah



After depreciating 2.43% in January 2024, the Rupiah bounced back in February 2024 (as of 20th February 2024) to regain 0.77% (ptp) in value.

Rupiah appreciation was attributable to the stabilisation policy implemented by Bank Indonesia, foreign capital inflows to domestic financial markets in line with positive investor perception of the promising economic outlook and maintained stability, as well as attractive yields on financial assets for investment.

Consequently, the rupiah has depreciated just 1.68% from the level recorded at the end of December 2023, thereby outperforming the Thai baht, Malaysian ringgit, and South Korean won that depreciated 5.31%, 4.27%, and 3.69% respectively.

Moving forward, rupiah stability will be maintained, while tracking an appreciating trend in line with maintained foreign capital inflows and supported by Bank Indonesia stabilisation policy and optimising the promarket monetary operations strategy through the SRBI, SVBI and SUVBI instruments.

Moreover, Bank Indonesia will continue strengthening coordination with the Government, banking industry and businesses to support the effective implementation of instruments that retain the proceeds of natural resources exports in accordance with Government Regulation Number 36 of 2023 (PP DHE SDA) concerning the Foreign Exchange Proceeds of Exports and the Exploitation, Management and/or Processing of Natural Resources.

Ample Lines of Defense Against External Shocks



Ample Reserves

FX Reserve

- Ample level of FX reserves to buffer against external shock
- FX Reserves as of of January 2024: US\$145.1 bn

Swap Arrangement

Japan
Singapore
China
Malaysia

- Renewed a 3-year USD 22.8 billion swap line with Japan in October 2021
- The facility is available in USD and JPY
- Renewed a 1-year SGD/IDR swap arrangement with the size up to SGD 9.5 bn / IDR 100 tn (equivalent) in November 2023
- Renewed a 3-year swap arrangement and increased the size of swap line up to CNY 250 bn / IDR 550 tn (equiv.) in January 2022
- Renewed a 3-year RM/IDR swap arrangement with a size up to RM 8 billion / IDR 28 trillion (equiv.) in September 2022

Regional

Chiang Mai Initiative Multilateralization (CMIM) Agreement

- Entitled to a maximum swap amount of US\$ 22.76 bn under the ASEAN+3 (Japan, China, and Korea) FX reserves pool created under the agreement
- Came into effect in 2010 with a pool of US\$120 bn
- Doubled to US\$240 bn effective July 2014

IMF Global Financial Safety Net - GSFN

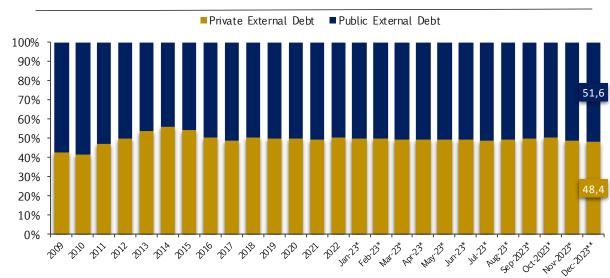
- Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem
- Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)

27

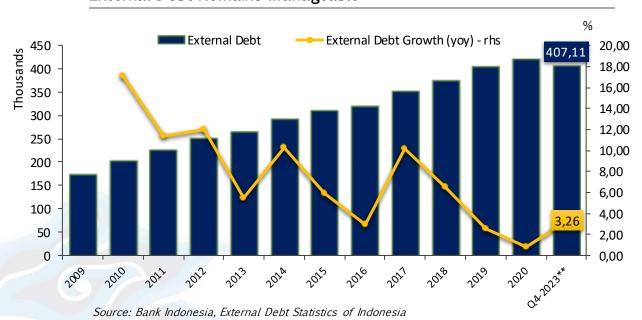
Healthy External Debt Profile

To the second se

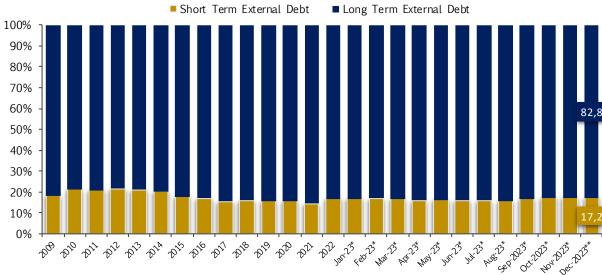
External Debt Structure



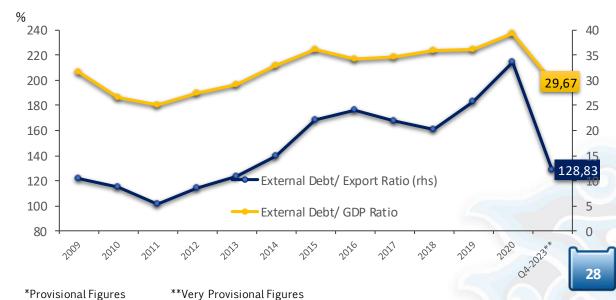
External Debt Remains Manageable



The Structure of External Debt is Dominated by Long-Term Debt



External Debt to GDP Ratio & Debt to Export Ratio

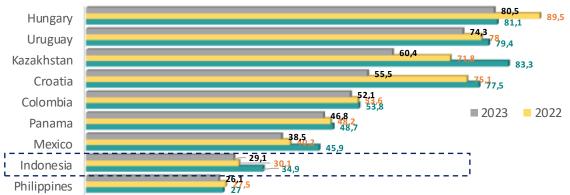


Strengthened Private External Debt Risk Management



Lower Debt Burden Indicator (External Debt/GDP) Compared to Peers Rating



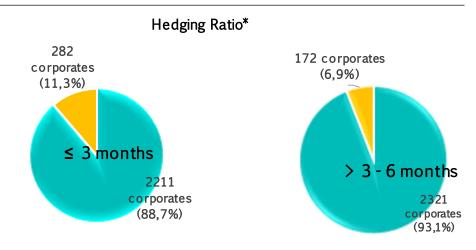


Source: Moody's Credit View Fundamental Data, September 2023

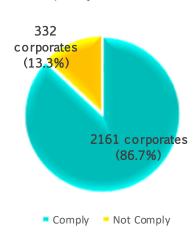
Regulation on Prudential Principle in Managing External Debt

| Regulation Key Points | 1 Jan 17 & beyond |
|---|--|
| Object of Regulation | Governs all foreign currency Debt |
| Hedging Ratio | |
| ≤3 months | 25% |
| > 3 – 6 months | 25% |
| Liquidity Ratio (≤ 3 months) | 70% |
| Credit Rating | Minimum rating of BB- (State-owned Enterprises) |
| Hedging transaction to meet hedge ratio | Must be done with a bank in Indonesia |
| Sanction | Applied |

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio



Liquidity Ratic



*Data as of Q2-2023, with total population 2,493 corporates

Source: Bank Indonesia





2024 Budget Performance



| | 2022 | 2023 | | 202 | 24 | |
|-----------------------------------|---------|----------------------|---------|---------------------------------------|-------------------------|----------------|
| Account (IDR Tn) | Audited | Preliminary Real. | Budget | % Growth to 2023 Realization | Real. as of 31st Jan | % of Budget |
| Revenue | 2,635,8 | 2,774.3 | 2,802.3 | 1.0 | 215.5 | 7.7 |
| Tax Revenue | 2,034.6 | 2,155.4 | 2,309.9 | 6.7 | 172.2 | 7.5 |
| Non Tax Revenue | 595.6 | 605.9 | 492.0 | (23.2) | 43.3 | 8.8 |
| Expenditure | 3,096.3 | 3,121.9 | 3,325.1 | 6.1 | 184.2 | 5.5 |
| Central Government Expenditure | 2,280.0 | 2,240.6 | 2,467.5 | 9.2 | 96.4 | 3.9 |
| Transfer to Region | 816.2 | 881.3 | 857.6 | -2.8 | 87.8 | 10.2 |
| Primary Balance | (74.1) | 92.2 | (25.5) | 461.6 | 61.4 | (240.8) |
| Surplus (Deficit) | (460.4) | (347.6) | (522.8) | 33.5 | 31.3 | (6.0) |
| % to GDP | (2.35) | (1.65) | (2.29) | | 0.14 | |
| Financing | 591.0 | 359.5 | 522.8 | 45.4 | 106.4 | 20.4 |

Central Government Spending



Driven by implementation of elections and payments of pension benefit

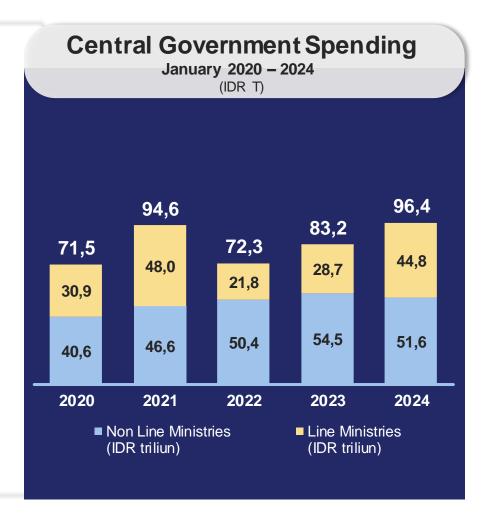
The central government's expenditure until January 2024 has been realized at IDR 96.4 trillion (3.9% of the budget), consisting of:

Line Ministries Spending IDR 44.8 T (4.1% of Budget)

Influenced among others by support for the preparation of the implementation of the elections

2 Non-Line Ministries IDR 51.6 T (3.8% of Budget)

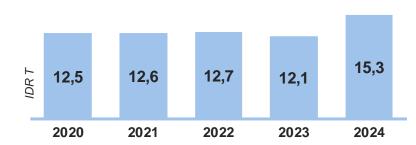
Influenced, among others, by the realization of pension benefit payments



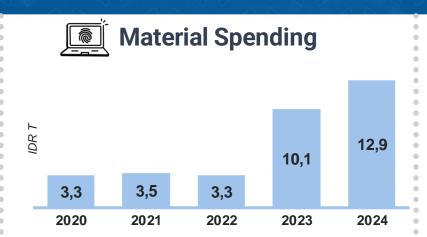
Line Ministries and Election Spending



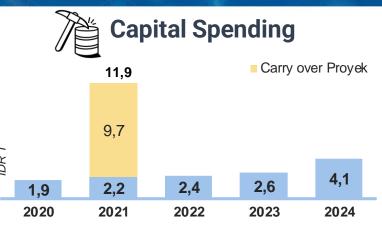




The personnel spending of the Line Ministry were realized for the payment of salaries and allowances for civil servants/military/police personnel.



The realization of material spending in 2024 increased, mainly influenced by, among others, the payment for School Operational Assistance (BOS) and activities related to the preparation, implementation, and supervision of elections



The increase in Capital Spending in 2024 is due, among other reasons, to the rising expenses for defense and security infrastructure of the Police and healthcare infrastructure of the Ministry of Health

The budget allocation for the elections from 2022 to 2024 is Rp71.3 trillion



2022 Realization IDR 3.1 T



2023 Prelim. Realization IDR 29.9 T



2024 Budget IDR 38.3 T

The support from the Central Government Budget to Regional Budgets Through Financial transfers to The Regions Has Increased



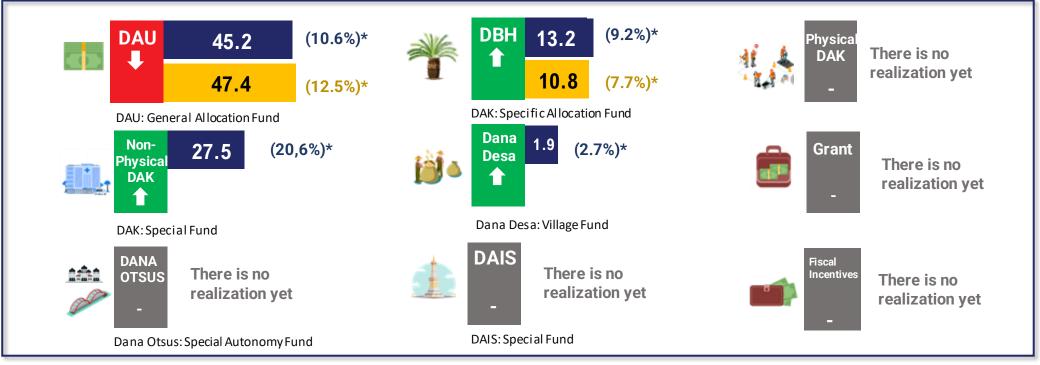
IDR T



- 2024 : IDR 87.8 T (10.2%)*
- 2023 : IDR 58.2 T (7.1%)*

*% of budget

The realization of Transfer to Regions and the percentage against the allocation (as of January 2024)





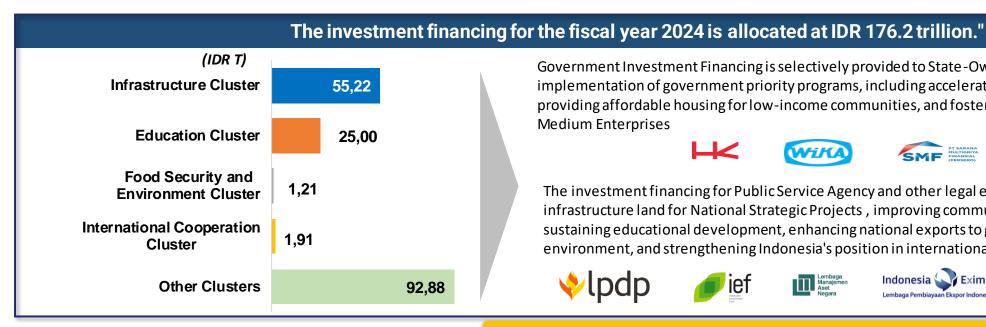
- Partial Transfer to The Regions funds have not been disbursed yet, awaiting the submission of disbursement requirements and/or not yet within the disbursement schedule.
- DAU is lower because some regions have not submitted expenditure reports for employees, such as salaries for civil servants (PNSD and PPPK), for November 2023.
- DBH is higher, primarily due to the increase in the allocation for the Mineral and Coal Mining Revenue Sharing Fund in the 2024 fiscal year.
- Non-Physical DAK is higher, attributed to improvements in the governance of the submission of School Operational Assistance (BOS) data at the regional and Ministry of Education and Culture levels.
- The Village Fund is higher, indicating an increase in compliance or adherence to regulations.

Source: Ministry of Finance

The 2024 Investment Financing is Focused on Priority Sectors for The Well-being of The Community



The 2024 investment financing is focused on priority sectors for the well-being of the community



Government Investment Financing is selectively provided to State-Owned Enterprises to support the implementation of government priority programs, including accelerating infrastructure development, providing affordable housing for low-income communities, and fostering the growth of Micro, Small, and **Medium Enterprises**











The investment financing for Public Service Agency and other legal entities is directed towards providing infrastructure land for National Strategic Projects, improving community access to education and sustaining educational development, enhancing national exports to global markets, preserving the environment, and strengthening Indonesia's position in international relations











As of January 31, 2024, an allocation of IDR 1.73 trillion (0.98% of the total allocation) has been disbursed for the International Cooperation Cluster

International Cooperation Cluster



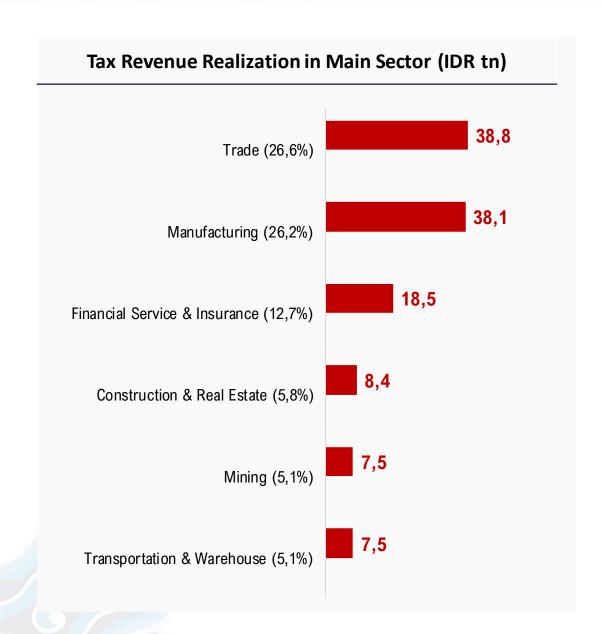
- Indonesia receives financing from the IsDB Group for project financing, trade financing, technical assistance operations, and special assistance operations.
- It also receives loans from IDA (International Development Association) for development in health, education, economic and regional development, including agriculture and fisheries.
- Additionally, Indonesia benefits from IFAD (International Fund for Agricultural Development) for various projects aimed at increasing food security.

Source: Ministry of Finance

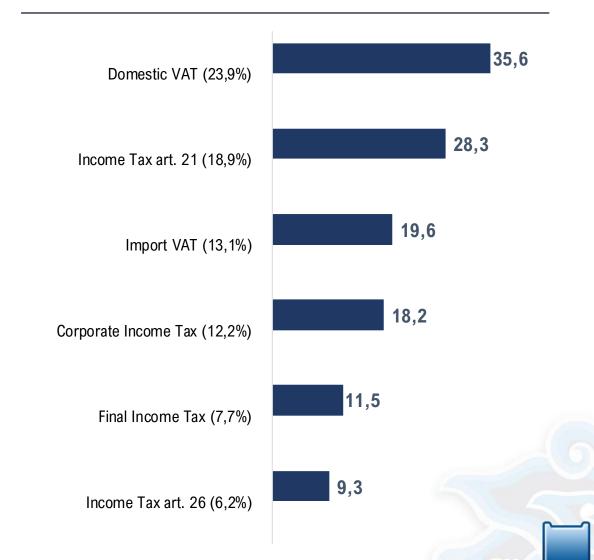
Solid Budget Performance Supported by Sustained Revenue Collection



The trade and manufacturing sectors are major contributors to tax revenue, reflecting a positive trend in VAT revenue and indicating robust domestic market demand



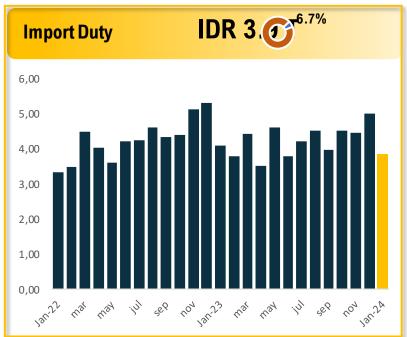
Tax Revenue Realization in Types of Tax Revenue (IDR tn)

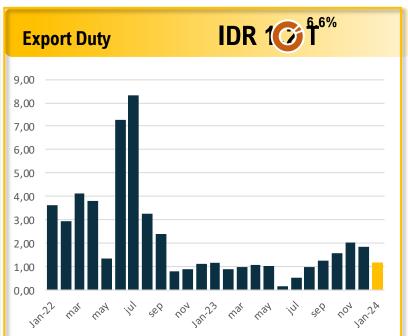


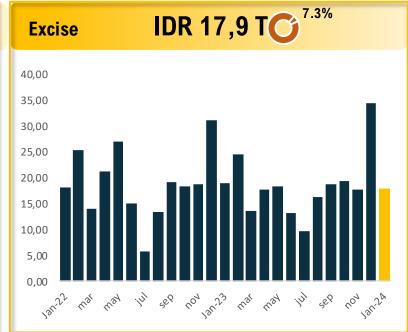
Customs And Excise Revenues



The realization of Customs and Excise revenues in January 2024 follows the pattern of previous years







- ☐ The revenue collection for Import Duty until January 2024 is in line with the realization pattern of previous years.
- ☐ The Import Duty collection until January 2024 reached IDR 3.9 trillion (6.7% of the Budget target) and was influenced by:
- · An effective tariff rate of 1.38%;
- Utilization of Free Trade Agreements (FTA) at 35.0%;
- Average USD exchange rate of IDR 15,526.

- ☐ The revenue collection for Export Duty until January 2024 is influenced by commodity prices and government policies. The Export Duty collection until January 2024 reached IDR 1.2 trillion (6.6% of the budget target) and was influenced by:
- Copper export duty (share: 87.1%) amounting to IDR 1.0 trillion driven by the relaxation of copper commodity exports;
- Palm oil product export duty (share: 10.1%) amounting to IDR 117.8 million, primarily affected by a decrease in prices."

- ☐ The Excise revenue until January 2024 is consistent with the realization pattern of previous years. The Excise Duty revenue until January 2024 reached IDR 17.9 trillion (7.3% of the Budget target) and was influenced by:
- Excise Duty on Tobacco amounting to IDR 17.5 trillion (7.5% of the budget target), influenced, among other factors, by the early January 2024 deadline for settlement falling in December 2023;
- Excise Duty on Beverages containing alcohol and ethyl alcohol, each amounting to IDR 0.5 trillion and IDR 12.9 million, respectively, in line with their production activities.

Good Performance in Non-Tax Revenue



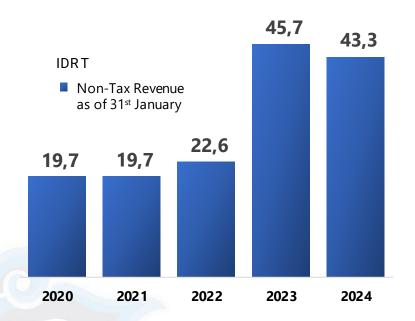


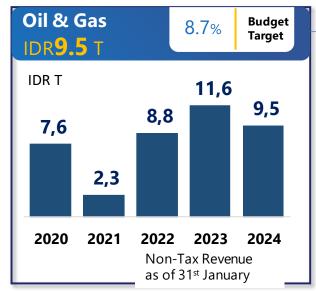
Realization as of 31st January 2024

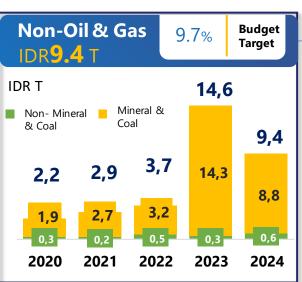
IDR**43.3** T

8.8% of 2024 Budget

... primarily due to pressure on the realization of Natural Resources Revenue resulting from the moderation of commodity prices such as oil and coal







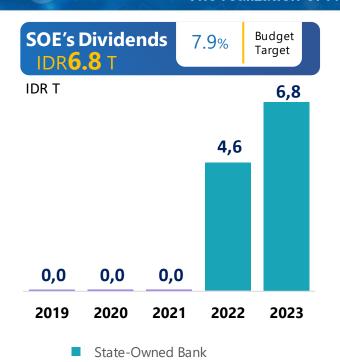
Experiencing a slowdown due to the moderation of the ICP (increase in crude oil supply from the US and changes in oil demand estimates in the first quarter of 2024) and oil lifting (due to delayed on-stream, natural production decline, etc.)

There is a slowdown in realization primarily caused by the moderation of coal prices (reduced Reference Coal Price up to 80.8%) and the decline in coal production volume in January 2024 (only reaching 93.6% of the production volume compared to the same period the previous year)

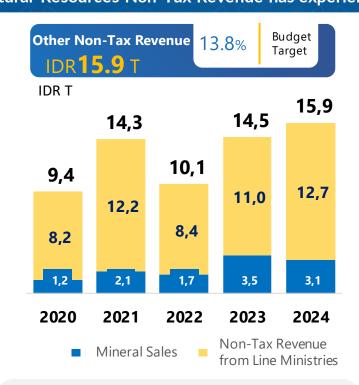
Good Performance in Non-Tax Revenue



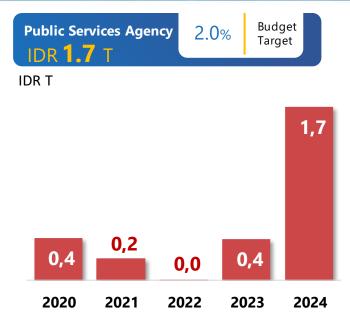




The realization increased. primarily contributed by the payment of interim dividends from the state-owned banking company, PT Bank Rakyat Indonesia Tbk



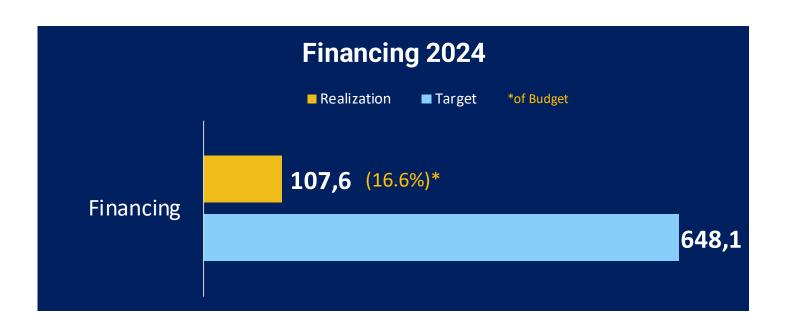
The realization increased due to the growth in Non-Tax Revenue of Government Agencies, primarily driven by an increase in Expenditure of the Previous Fiscal Year (Non-Tax State Revenue) and fines. However, there is no realization yet from crude oil revenue (DMO)



The realization increased, mainly contributed by the revenue from hospital services and educational services. However, there is no approval yet for revenue from the management of oil palm plantation funds

Budget Financing On-Track







The realization of financing through debt issuance as of January 2024 reached IDR107.6 trillion



- The dynamics of the financial market influencing the performance of government bond issuance continue to be anticipated and mitigated, including coordinated synergy with Bank Indonesia.
- Financing strategies are implemented prudently, flexibly, opportunistically, and measurably. Flexibility in debt procurement covers aspects such as timing, sizing, instruments, and currency mix.

Fiscal Incentives to Boost the Economy



The government provides fiscal incentives to create a conducive investment climate, especially for industry players in order to boost investment and strengthen domestic industrial structure

TAX HOLIDAY & MINI TAX HOLIDAY

- The criteria are new investment, taxpayers including pioneer industries, and income received from the main business activities carried out.
- There are 18 eligible pioneer industries that consist of 169 KBLI. Pioneer industries are defined industries possessing broad linkages, giving added value and high externality, introducing new technology, well as as possessing strategic value for the national economy.
- Income tax reduction are 100%
 & 50% (mini tax holiday) during the next 2 (two) years subsequent to the end of the CIT reduction periods above, the taxpayers are eligible for half of the CIT reduction percentages

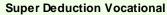
TAX ALLOWANCE

- To increase direct investment activities for certain business fields and / or in certain areas.
- The facilities include a reduction in net income of 30% of the total investment for six years, accelerated depreciation and amortization, imposition of income tax on dividends paid to foreign tax subjects of 10% or lower and compensation for losses of up to 10 years.
- The criteria are having a high investment value or for export, a large absorption of labor; or have a high local content.

INVESTMENT ALLOWANCE

- To encourage investment in labor-intensive industries, supporting programs for job creation and absorption of Indonesian workers.
- Deduction from net income, of 60% of the invested amount tangible fixed assets, including land, that are used for the taxpayer's main business activities. The deduction is spread over six years (10% annually), starting from the fiscal year the commercial production commences
- There are 45 laborintensive industrial sectors and employ an average of 300 workers in 1 tax year.

SUPER DEDUCTION TAX



- Engaging industry in vocational activities to provide knowledge and encourage the transfer of knowledge
- A maximum reduction of 200% gross income from costs in the context of providing work practice, apprenticeship, and / or learning activities.

R & D Super Deduction

- Increase the role of industry in fostering innovation and the use of the latest technology in the production process
- Maximum gross income deduction of 300% over R&D costs carried out in Indonesia

2024 State Budget - Deficit 2.29% GDP

To accelerate inclusive and sustainable economic transformation





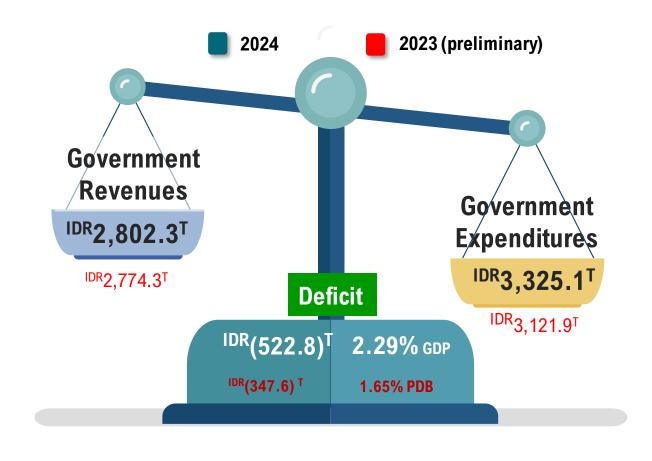


Tax Revenue

IDR2,309.9 T

Non-tax Revenue

IDR492.0 T



Government Expenditures



Central Governmet

IDR2,467.5 T

Regional Transfer & Village Funds

IDR857.6T

State Budget Financing

IDR522.8T

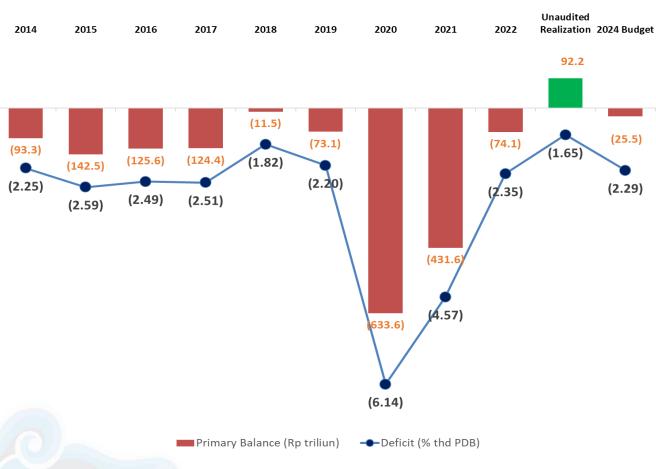


State Budget Deficit 2,29% GDP









2024 Financing Policies

- Primary balance approaching positivity. The State Budget (APBN), serving as a shock absorber in handling the pandemic, caused the negative primary balance to surge significantly, but was successfully reduced swiftly.
- APBN deficit and debt financing decreased and remained manageable amid increasing global interest rates and in line with fiscal consolidation.
- Effective and measurable investment financing to support economic transformation.
- Optimizing the use of SAL to anticipate global uncertainty.

The government has authority to allocate SAL (after receiving approval from Legislative) for budgetary purposes, either to finance additional expenditures or diminish debt financing. In 2024, as stated by the State Budget under Law 19/2023, the use of SAL will be IDR 51.4 trillion.

2024 Financing Needs & Sources

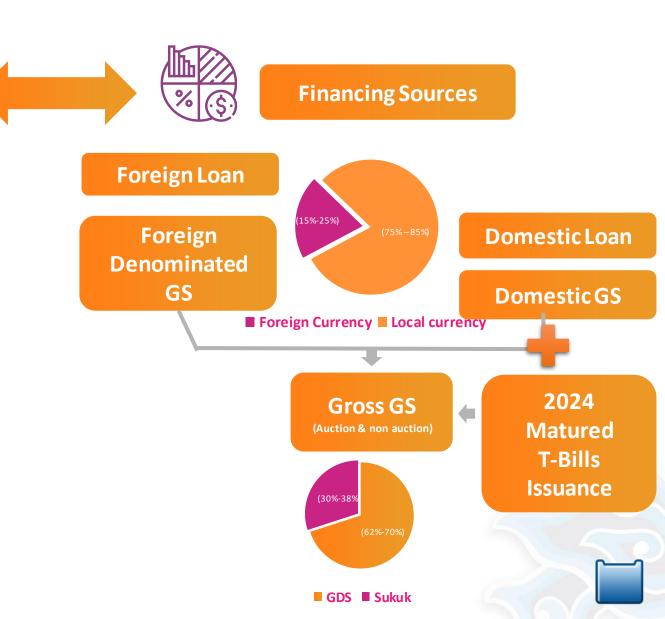




Financing Needs

Budget Deficit (2.29% GDP)

- Investment financing
- On Lending
- Guarantees
- Other financing
- Debt repayment



Debt Financing

as of January 31st 2024



With prudent and accountable management, the realization of financing is well maintained in supporting the performance of the National Budget

Debt Financing Realization

Rp 107.56 (16.6%)

Government Securities (Net)

^{Rp} 111.30

Loan (Net) ^{Rp} (3.74)

Note:

- 1. all numbers in trillion Rupiah
- 2. The percentage is the percentage of budget ceiling from National Budget year 2024



GS Financing Realization 2023

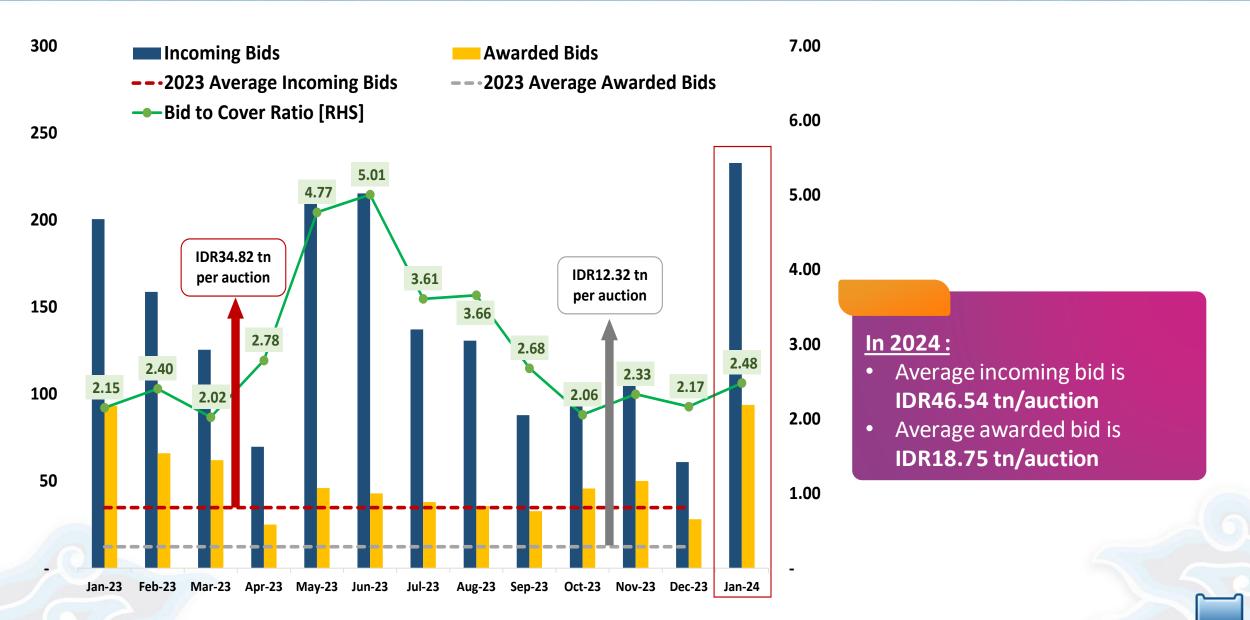


| | As of Jan 31 st |
|------------------------------------|----------------------------|
| Government Securities | 164.63 |
| Government Debt Securities (SUN) | 127.49 |
| IDR Denominated | 95.68 |
| - Prefunding | 25.93 |
| - Auction | 69.75 |
| - Private Placement | - |
| - Retail | - |
| FX Denominated | 31.81 |
| Sovereign Sharia Securities (SBSN) | 37.14 |
| IDR Denominated | 37.14 |
| - Prefunding | 13.14 |
| - Auction | 24.00 |
| - Private Placement | - |
| - Retail | - |
| FX Denominated | - |

Primary Market Performance 2023-2024

Government Securities (GS)





Ownership of Tradable Domestic GS



| Description | Dec-1 | L9 | Dec-20 | | Dec-2 | 1 | Dec-2 | 2 | Dec-2 | 3 | Jan-2 | 4 |
|--------------------------------------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| Banks* | 581.37 | 21.12% | 1,375.57 | 35.54% | 1,591.12 | 34.01% | 1,697.43 | 31.97% | 1,495.39 | 26.52% | 1,562.86 | 27.40% |
| Govt Institutions (Bank Indonesia**) | 262.49 | 9.54% | 454.36 | 11.74% | 801.46 | 17.13% | 1,020.02 | 19.21% | 1,095.51 | 19.43% | 1,068.19 | 18.72% |
| Bank Indonesia (gross) | 273.21 | 9.93% | 874.88 | 22.60% | 1,220.73 | 26.09% | 1,453.58 | 27.38% | 1,363.90 | 24.19% | 1,372.44 | 24.06% |
| GS used for Monetary Operation | 10.72 | 0.39% | 420.51 | 10.86% | 419.27 | 8.96% | 433.57 | 8.17% | 268.39 | 4.76% | 304.25 | 5.33% |
| Non-Banks | 1,908.88 | 69.34% | 2,040.83 | 52.72% | 2,286.40 | 48.87% | 2,591.98 | 48.82% | 3,048.51 | 54.06% | 3,073.61 | 53.88% |
| Mutual Funds | 130.86 | 4.75% | 161.32 | 4.17% | 157.93 | 3.38% | 145.82 | 2.75% | 177.80 | 3.15% | 177.98 | 3.12% |
| Insurance Company and Pension Fund | 471.67 | 17.13% | 542.82 | 14.02% | 655.24 | 14.00% | 873.03 | 16.44% | 1,041.40 | 18.47% | 1,053.58 | 18.47% |
| Foreign Holders | 1,061.86 | 38.57% | 973.91 | 25.16% | 891.34 | 19.05% | 762.19 | 14.36% | 842.05 | 14.93% | 841.89 | 14.76% |
| Foreign Govt's & Central Banks | 194.45 | 7.06% | 178.31 | 4.61% | 233.45 | 4.99% | 203.11 | 3.83% | 229.16 | 4.06% | 231.42 | 4.06% |
| Individual | 81.17 | 2.95% | 131.21 | 3.39% | 221.41 | 4.73% | 344.30 | 6.48% | 435.28 | 7.72% | 440.65 | 7.72% |
| Others | 163.32 | 5.93% | 231.57 | 5.98% | 360.47 | 7.70% | 466.65 | 8.79% | 551.98 | 9.79% | 559.52 | 9.81% |
| Total | 2,752.74 | 100% | 3,870.76 | 100% | 4,678.98 | 100% | 5,309.43 | 100% | 5,434.30 | 100% | 5,434.30 | 100% |

Portion of foreign ownership in the mid & long term sector (≥ 5 years)

IDR1,092.02

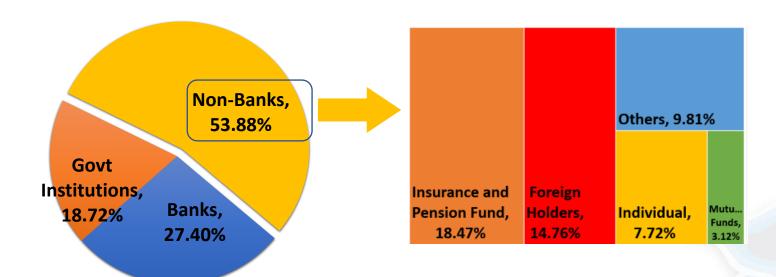
on January 24, 2020, foreign holders reach a record high in nominal terms

1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance $\,$

Company, and Pension Fund.

- 2) Others such as Securities Company, Corporation, and Foundation.
- *) Including the Government Securities used in monetary operation with Bank Indonesia.
- **) net, excluding Government Securities used in monetary operation with Banks.

Source: Bloomberg

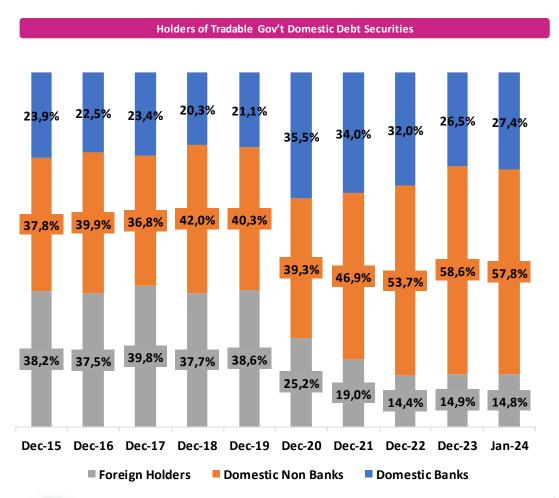


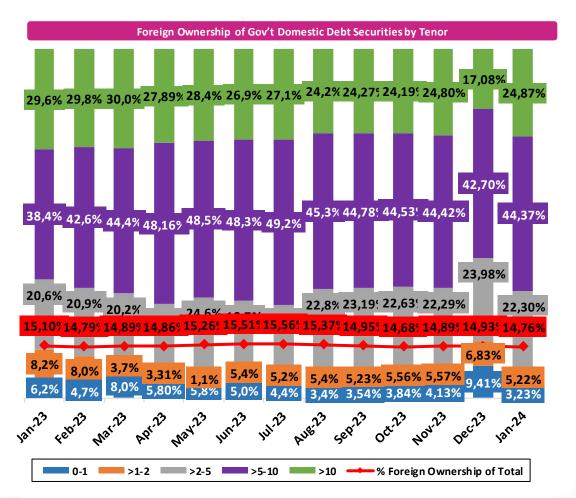


Holders of Tradable Government Secuirities



More Balance Ownership In Terms of Holders and Tenors



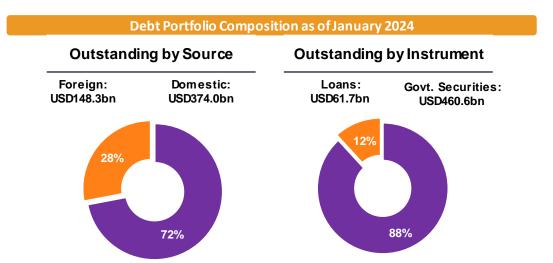


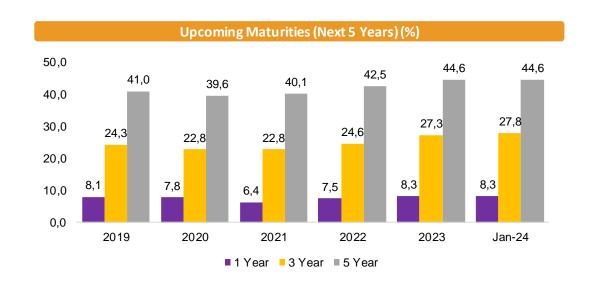


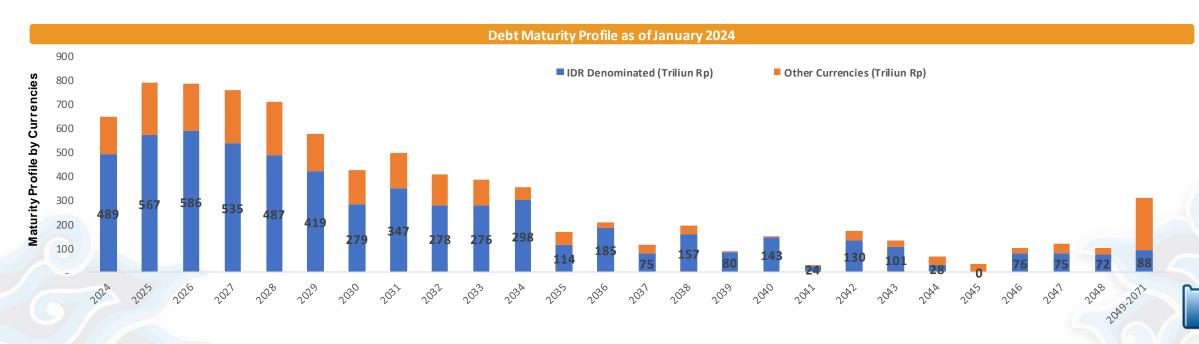


Well Balanced Maturity Profile with Strong Resilience Against External Shocks (as of 31 Jan 2024)



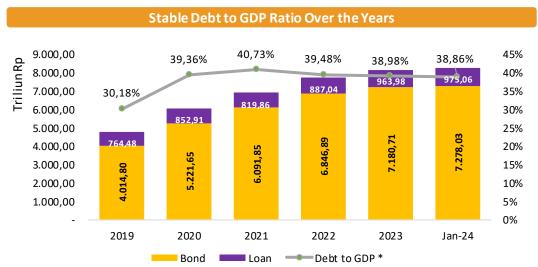


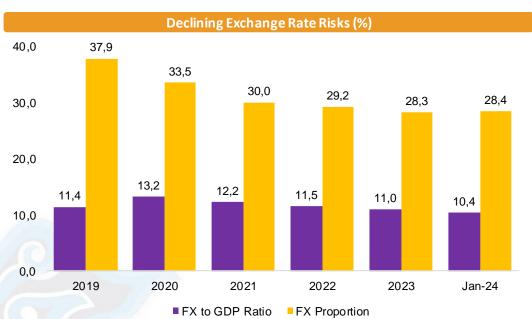




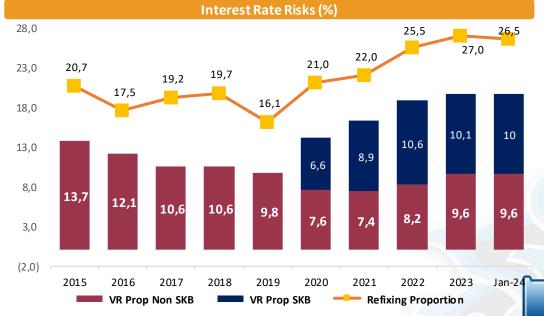
Disciplined and Sophisticated Debt Portfolio Management (as of 31 Jan 2024)











Government Guarantee For Infrastructure Development

Reflects strong commitment to national infrastructure development



Government Guarantee Program

Credit Guarantee

Business Viability Guarantee (BVG)

PPP Guarantee

Political Risk Guarantee

Clean water – Guarantee for 70% of PDAM's debt principal payment obligations
 Toll road – Full credit guarantee for PT Hutama Karya's debt payment obligations for the development of Sumatra Toll Roads

10.000MW and 35GW programs*

Power (Electricity) — Full credit guarantee for PT PLN's debt payment obligations under FTP 1

 Infrastructure - Full credit guarantee on SOE's borrowing from international financial institution & guarantee for PT SMI's local infrastructure financing

 Public Transportation (Light Rail Transit) — Full credit guarantee for PT Kereta Api Indonesia's debt payment obligations for the development of LRT Jabodebek

Power (Electricity) — Guarantee for PT PLN's obligations under Power Purchase Agreements with IPPs (off-take and political risk) under FTP-2 10.000MW and 35GW programs*

Infrastructure – Guarantee for Government-related entities obligations (line ministries, local governments, SOEs, local SOEs) under PPP contracts/agreements

Infrastructure – Guarantee against infrastructure risk for National Strategic Projects (Presidential Decree No.58/2017) which are not covered by other type of guarantees

Contingent Liabilities from Government Guarantee as of Q3 2023**

| | Central Government Guarantee for Infrastructure Programs | Exposure/ Outstanding (USD bn) |
|---|---|--------------------------------------|
| 1 | Coal Power Plant 10,000MW Fast Track Program (FTP 1) | 0.18 |
| 2 | Clean Water Supply Program | 0.00 |
| 3 | Direct Lending from International Financial Institution to SOEs | 2.77 |
| 4 | Sumatra Toll Road | 1.76 |
| 5 | Renewable energy, Coals & Gas Power Plant 10,000 MW (FTP 2) | 4.00 |
| 6 | Public-Private Partnerships (PPP) | 6.52 |
| 7 | Regional infrastructure financing | 0.12 |
| 8 | Public Transportation (Light Rail Transit) | 1.08 |
| 9 | Electricity Infrastructure Fast Track Program (35 GW) | 5.51 |
| | Total | 21.93 |

- Maximum new guarantee issuance for the period 2023-2026 is set at 1.5% of GDP per year.
- Starting from 2008 the Government has allocated a contingent budget with respect to these guarantees.
 The allocated fund is then transferred to a guarantee reserve fund. This reserve fund can be used to serve any claims that may arises from the guarantees.



^{*)} MOF provides both credit guarantees and BVGs for 35GW program

^{**)} Currency conversion at IDR15,526/USD1 and IDR16,404/EUR1 (September 2023)

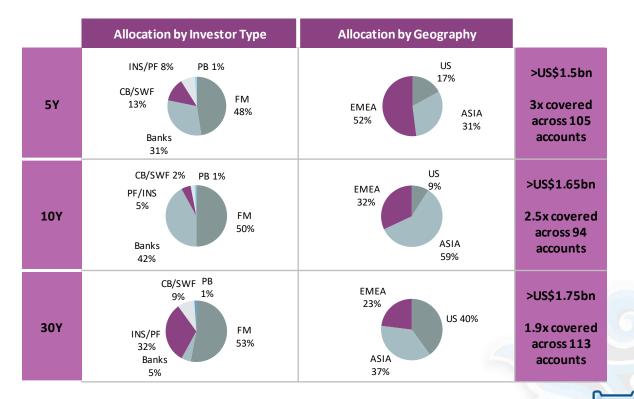
Republic of Indonesia USD2.05 BN Global Bond Issuance



| Issuer | Republic of Indonesia | | | | | |
|--------------------|---|------------------|------------------|--|--|--|
| Issuer Rating | Baa2 (Moody's) / BBB (S&P) / BBB (Fitch) | | | | | |
| Format | SEC-Registered | | | | | |
| Pricing Date | January 3, 2024 | | | | | |
| Settlement Date | January 10, 2024 | | | | | |
| Issue Size | USD2.05 bn | | | | | |
| Tenor | Long-5 year | Long-10 year | Long-30 year | | | |
| Maturity | March 10, 2029 | Februay 10, 2034 | Februay 10, 2054 | | | |
| Tranche Size | USD500 milion | USD650 milion | USD900 milion | | | |
| Coupon (p.a.) | 4.400% | 4.700% | 5.100% | | | |
| Reoffer Price | 98.852 | 98.810 | 98.481 | | | |
| Reoffer Yield | 4.650% | 4.850% | 5.200% | | | |
| JLM | ANZ, BofA Securities, Deutsche Bank, Morgan Stanley dan UBS | | | | | |
| Listing | SGX-ST and Frankfurt Stock Exchange | | | | | |
| Use of Proceeds | Net proceeds from the sale of the Bonds will be used for the general purposes of the Republic | | | | | |

Key Transaction Highlight

- Benefiting from the Republic's robust credit profile, the offering drew significant investor interest from the get-go, with a high quality orderbook allowing significant IPG-FPG tightening
- The long 5-year, long 10-year and long 30-year tranches were priced 25 bps, 20 bps and 25 bps respectively inside of its initial price guidance, a chieving flat to negative new issue concessions
- The Republic achieved the tightest spreads across all tranches compared to the Republic's past SEC-registered offerings
- Pin-point pricing resulted in a stable first day morning of trading at Asia open, with bonds trading around reoffer price

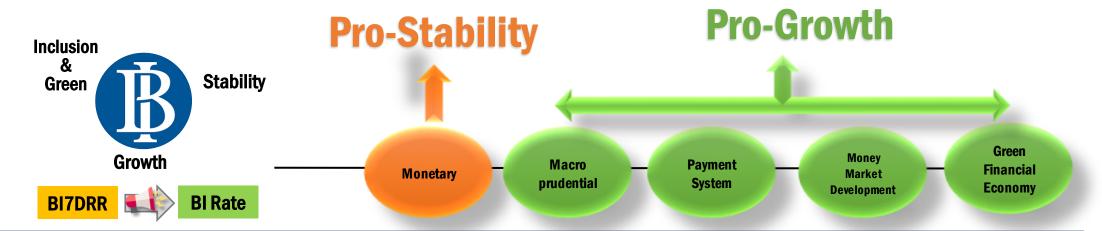




Bank Indonesia's Policy Mix Direction in 2024

Maintaining Stability, Reviving Sustainable Growth





- Focused on achieving the inflation target and maintaining Rupiah stability to ensure that global shocks cannot disrupt national economicstability or growth.
- Policy coordination between Bank Indonesia and the Government will be increased to strengthen external resilience to global shocks, control inflation and foster sustainable economic growth.
- 1. Forward-looking and pre-emptive interest rate policy to achieve the inflation target set by the Government at 2.5%±1% in 2024 and 2025
- 2. Rupiah stabilization policy to mitigate the impact of global shocks on achieving the inflation target as well as maintaining macroeconomic and financial system stability to support the national economic recovery.
- 3. A pro-market monetary operations strategy to strengthen the effectiveness of Bank Indonesia policy transmission to the financial markets and economy, which includes attracting foreign portfolio inflows.
- 4. Managing capital flows in accordance with international principles to support external economic stability in Indonesia and maintain adequate reserve assets.

- Enhancing the effectiveness of KLM and loosening all other macroprudential policy instruments to revive bank lending/financing to priority sectors in the economy.
- Maintaining loose liquidity conditions by reducing the MPLB to revive lending/financing and maintain financial system stability against the impact of global spillovers
- Strengthening the systemic surveillance of loan/financing disbursements and banking industry resilience to maintain financial system stability in close coordination with the KSSK
- Strengthening the coordination of BI macroprudential supervision with OJK microprudential supervision to maintain financial sector resilience, including risk mitigation of the global spillovers.

- Payment system policy in 2024 will remain oriented towards strengthening payment system stability and accelerating the national digital economy and finance further to support sustainable economic growth
- The direction of payment system policy remains in accordance with implementation of the Indonesia Payment System Blueprint (BSPI) 2025, which is currently being refined and extended to 2025-2030.
- Pro-growth money market deepening policy will be maintained in 2024 by creating and maintaining a modern money market based on international standards, strengthening the transmission effectiveness of the Bank Indonesia policy mix, as well as reviving financing for sustainable economic growth
- Bank Indonesia will continue expanding and strengthening programs to develop a green and inclusive economy and finance to support sustainable economic growth.
- Bank Indonesia will also continue strengthening its role as a pioneer and driver of the sharia economy and finance as a new source of economic growth and to become a major world player

Bank Indonesia Policy Mix: February 2024 Maintaining Stability and Reviving Growth





The BI Board of Governors Meeting agreed on 20th -21st February 2024 to hold the BI-Rate at 6.00%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) rate at 5.25% and 6.75% respectively. The decision to hold the BI Rate at 6,00% remains consistent with the pro-stability focus of monetary policy, namely to strengthen rupiah stabilisation policy, and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024.





P

Strengthening the









Hold the BI Rate at 6.00% Rupiah stabilisation through foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions, as well as government securities (SBN) in the secondary market.

pro-market
monetary
operations
strategy for
effective monetary
policy, which
includes
optimising Bank
Indonesia Rupiah
Securities (SRBI),
Bank Indonesia
Forex Securities
(SVBI) and Bank
Indonesia Forex

Sukuk (SUVBI).

Deepening the money market and foreign exchange market by increasing the volume of repurchase agreements (repo) transactions and number of participants.

Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by economic sector

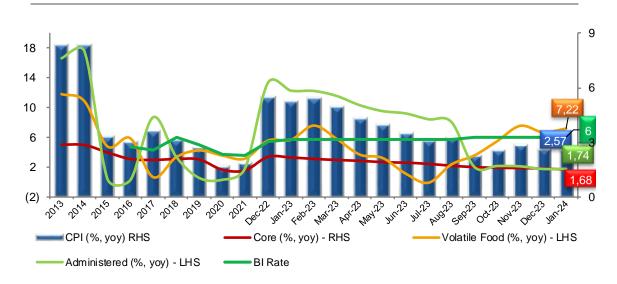
Accelerating payment system digitalisation to nurture economic and financial inclusion as well as expand the digital economy and finance (EKD), which includes expanding cross-border payment linkages in terms of transaction volume and the number of Payment Service Providers (PSP)...

Expanding international cooperation in the area of central banking, which includes accelerating local currency transactions (LCT) to facilitate trade and investment, the payment system and financial market activity across borders.

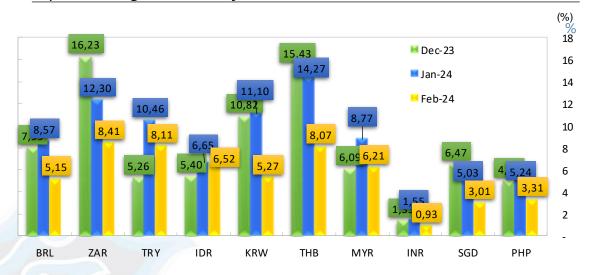
Manageable Monetary Environment Amid Heightened Global Uncertainty



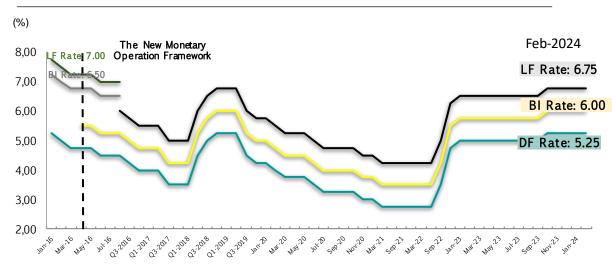
Well Maintained Inflation Ensured Price Stability



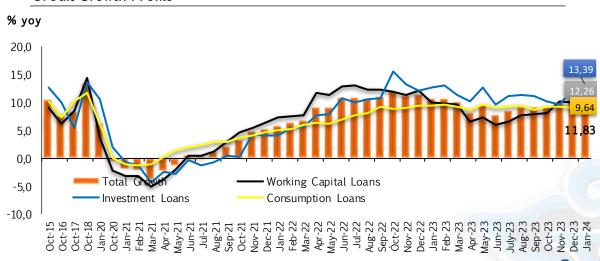
Rupiah Exchange Rate Volatilty



Strengthened Monetary Policy Framework



Credit Growth Profile



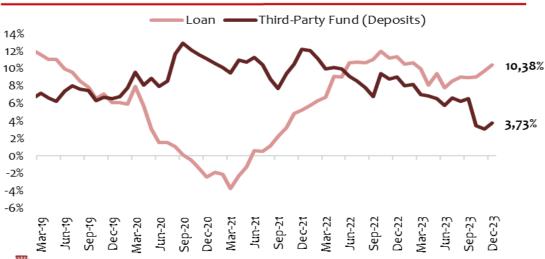
Banking Intermediation



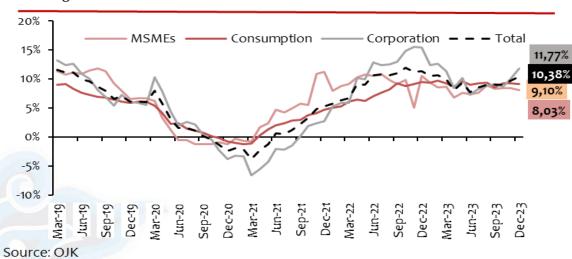




In **December 2023**, bank loans and third-party funds (total deposits) grew by **10.38% (yoy)** and **3.73% (yoy)**, respectively.

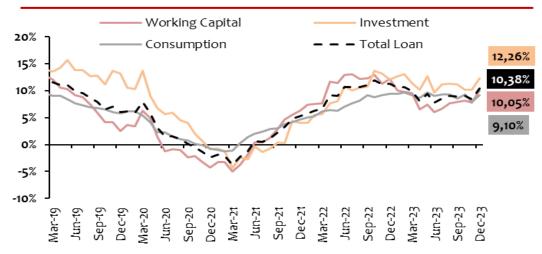


Loan growth by segmentation continued to improve in **December 2023**, with major contribution from **Corporation loans**, with **11.77% (yoy)** growth.



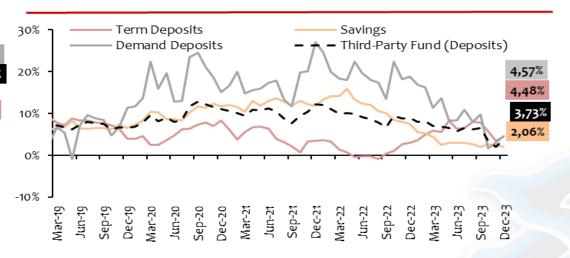


All types of loans maintained their positive trend in **December 2023**, with **investment** loans, in particular, grew by **12.26% (yoy)**.





Third-Party Funds (Total Deposits) grew in **December 2023**, driven by increased household consumption particularly in **Demand Deposits**, which increased by **4.57%** (yoy).



Banking Risk Profile and Profitability



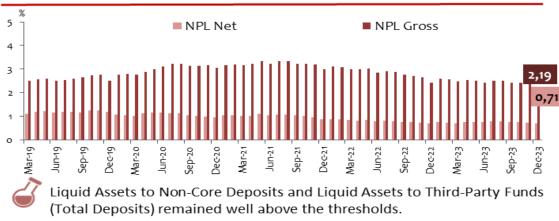
The banking industry has ample liquidity, robust capitalization, and manageable credit risk. Profitability is maintained at a steady level.

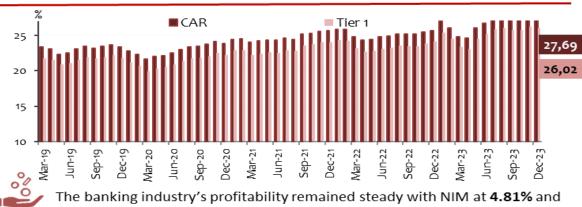


The banking NPL ratios were manageable in December 2023, recorded at 2.19% gross and 0.71% net, significantly below the threshold.

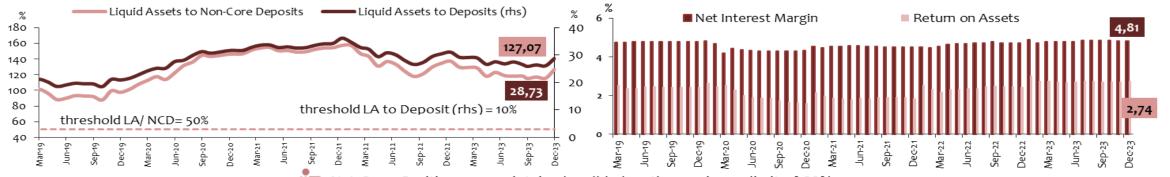


The banking sector's Capital Adequacy Ratio (CAR) remained steady, with a value of 27.69%, and Tier-1 capital stood at 26.02% as of December 2023.

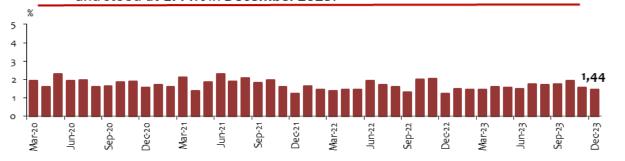




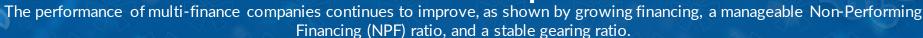
ROA at 2.74%, as of December 2023.



Net Open Position was maintained well below the maximum limit of 20% and stood at 1.44% in December 2023.



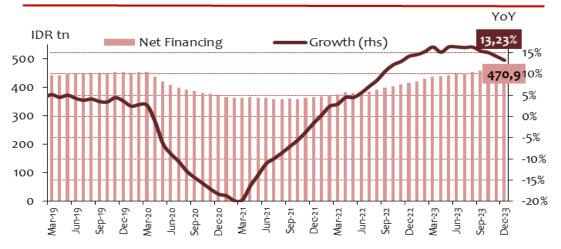
Multi-finance Companies





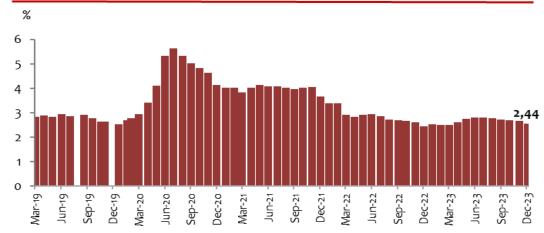


In December 2023, net financing continued its upward trend, reaching IDR 470.9 trillion, representing a 13.23% YoY growth.





The Non-Performing Financing ratio of multi-finance companies improved, decreasing from 2.54% to 2.44% in December 2023, well below the 5% threshold.



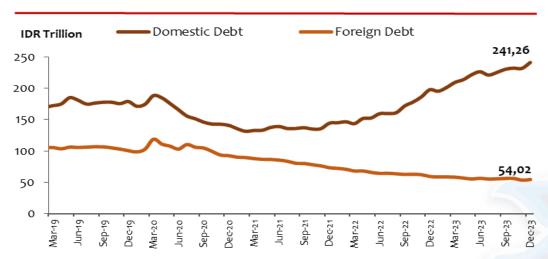


The gearing ratio of multi-finance companies stood at **2.26** times, well below the threshold in **December 2023**.





Multi-finance companies' exposure to domestic debt and foreign debt experienced an increase in **December 2023**.



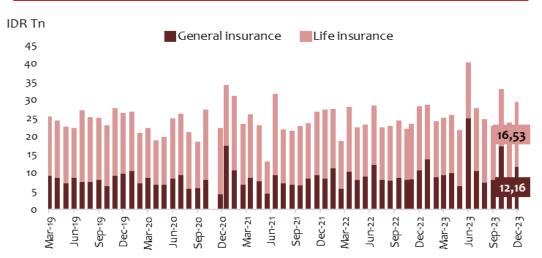
Insurance and Pension Funds





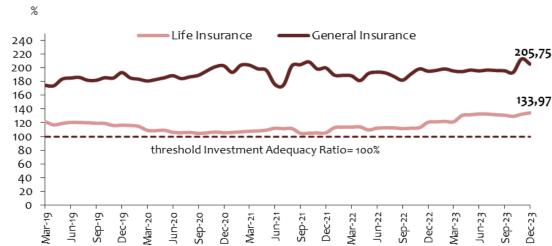


In **December 2023**, insurance premiums marked a total increase of **IDR28.69 Tn** (mtm) with General and Life insurance added premiums at **IDR12.16 Tn** and **IDR16.53 Tn**, respectively.



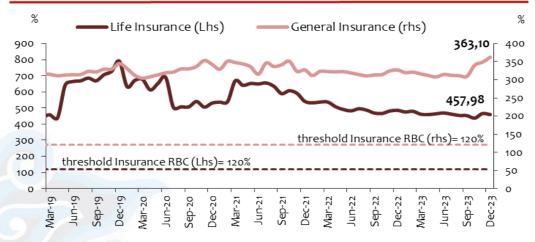


In **December 2023**, the Investment Adequacy Ratio of both Life Insurance and General Insurance stayed well above the threshold at **133.97%** and **205.75%**, respectively.



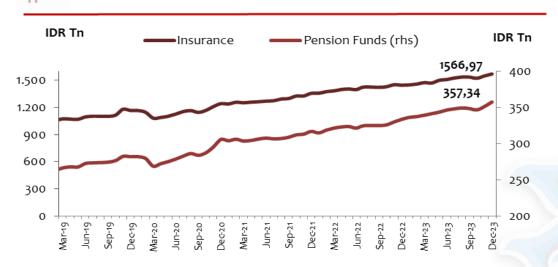


Risk-Based Capital (RBC) of the insurance industry remained well above the minimum threshold with Life Insurance at 457.98% and General Insurance at 363.1% in December 2023.





In **December 2023**, pension fund and insurance investment values increased and stood at **IDR357.34** Tn and **IDR1,566.97** Tn, respectively.



Domestic Capital Market Performance



Indonesia's capital market proved to be resilient, supported by positive external performance and growing domestic demand.

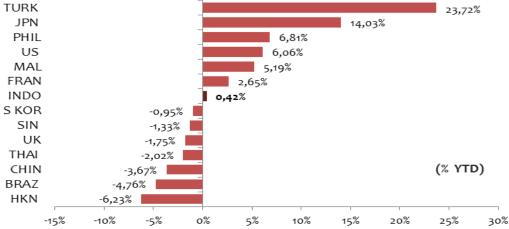


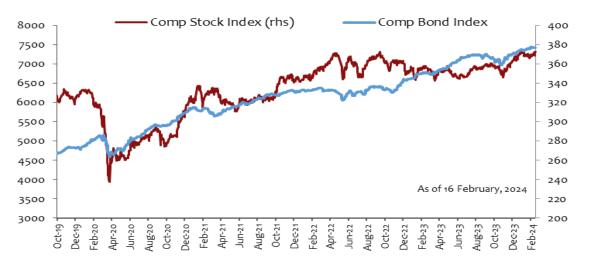
Despite mixed movements I n major stock markets, there's potential for positive shifts in developed countries facing global uncertainties and geopolitical tensions.



Investors' optimism lifted the Indonesian stock and bond markets after the general election; however, global risks remain.







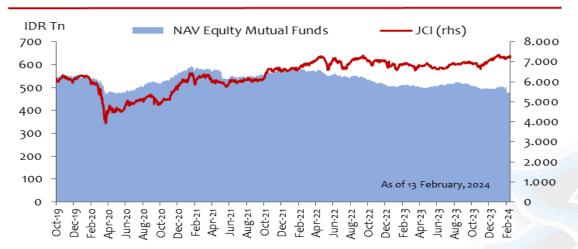


Government bond yields remained competitive, and the rupiah remained stable as the risk premium was maintained.



The Net Asset Value (NAV) of equity mutual funds remained stable, reflecting a steady movement in the capital market.





Domestic Capital Market Performance



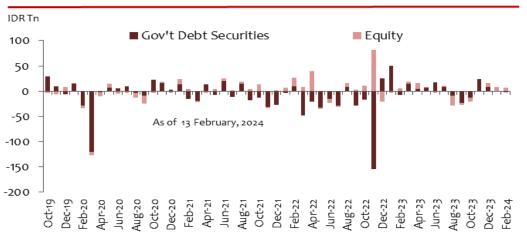
Several capital market indicators recorded positive performance and remained stable.



Non-resident portfolios of equity market recorded a **YTD net buy of IDR15.67 Tn**, while government bonds recorded a net sell of IDR3.30 Tn as of 13 February 2024.



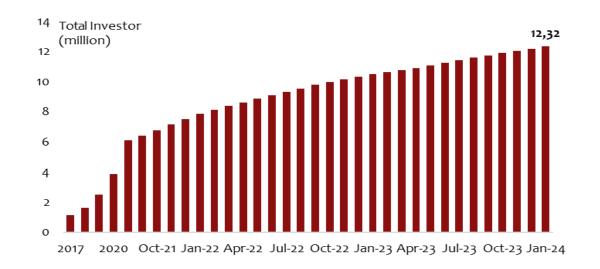
Total securities issuance reached IDR12.34 Tn (YTD**)** as of 13 February 2024.







Capital Market Investors continued to grow to 12.32 million by the end of January 2024, representing an **17.56% (yoy) increase.**



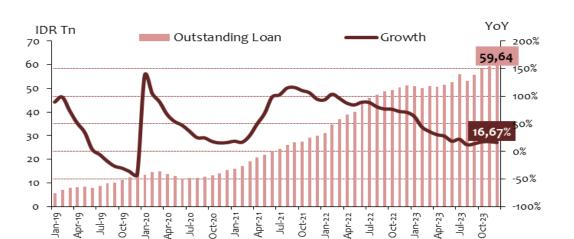
Fintech (Peer to Peer Lending and Securities Crowdfunding)





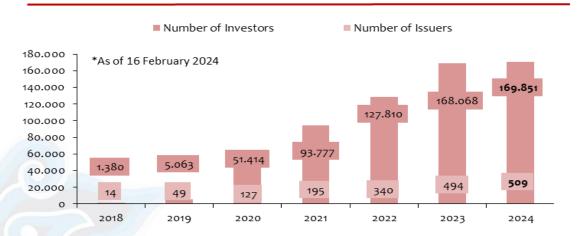


The outstanding loan of P2PL Fintech increased to IDR59.64 Tn or grew by 16.67% (yoy) as of December 2023.



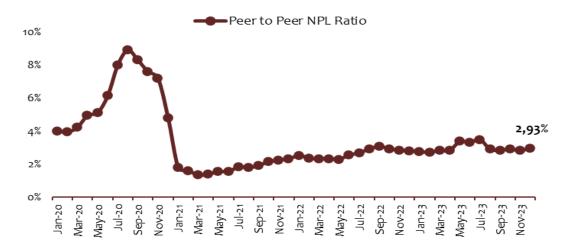


The total number of investors and issuers in Securities Crowdfunding increased to **169,851** and **509**, respectively, as of 16 February 2024.



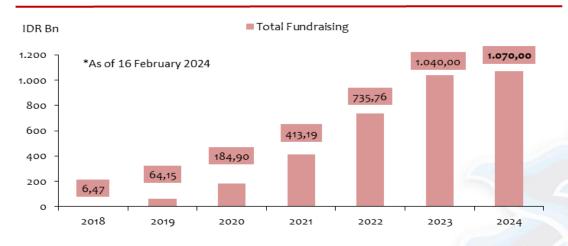


The Non-Performing Loan ratio of P2PL Fintech remained manageable at 2.93% in **December 2023.**





Continuing the positive trend, the total accumulated value of SCF fundraising stood at **IDR1.07 trillion** as of 16 February 2024.



Act No. 4/2023 - Financial Sector Reform



FUNDAMENTALISSUES

- Short-term financing is still dominated by Banks
- **Small non-bank asset** portion should be enlarged to finance development
- Limited financial instruments huge potential for market deepening
- **Digital assets**: high risk and complex financial instruments
- Weak governance and law enforcement in the financial sector

EXTERNAL CHALLENGES

Technology Disruptions

New financial risks from **climate change** and current **geopolitical** situation

OBJECTIVE: Optimizing financial intermediation and financing portfolio for productive sectors; improving financial access, inclusion and literacy, and consumer protection; expanding long-term financing resources; enhancing competitiveness and efficiency of the financial sector; and strengthening the authorities and responsibilities of financial regulators.

OTORITAS JASA KEUANGAN Indonesia Financial Services Authority

- Strengthening OJK's rolein some areas, including integrated supervision, financial conglomerate supervision, market conduct supervision, consumer protection, etc.
- Giving new mandates among others: cooperative in the financial sector, digital assets, carbon exchange, bullion activities.

BANK INDONESIA The Central Bank of The Republic of Indonesia

 Strengthening BI's rolein some areas, such as maintaining financial system stability to support sustainable economic growth, maintaining the smooth running of the payment system, implementing macroprudential policies.

LEMBAGA PENJAMIN SIMPANAN Indonesia Deposit Insurance Corporation

- Strengthening the role of IDIC in deposit guarantee and bank resolution.
- Giving a new mandate: IDIC establishes policies and implement the insurance policy guarantee program.

KEMENTERIAN KEUANGAN The Ministry of Finance

- Strengthening the role of the Ministry of Finance as a coordinator for Financial System Stability Committee and Sustainable Finance committee.
- The MoF coordinates with OJK, BI, and IDIC in some areas, including financial literacy and inclusion, financial sector development, etc.

Act No. 4/2023 - Substances



Act No. 4/2023 modifies, removes, and/or establishes new provisions for 17 existing laws in the financial sector and repeals one law. The Act also introduces new provisions regarding a) Financing Service Business, b) Consumer Protection in the Financial Sector, c) Technological Innovation in the Financial Sector, d) Human Resources, e) Financial Reporting, and f) Mutual Insurance.

| CHAPTER | l General f | Provisions |
|---------|--------------------|------------|
|---------|--------------------|------------|

CHAPTER II. Principles, Purposes, Objectives and Scope

CHAPTER III Institutional Aspect

CHAPTER IV Bank

CHAPTER V Capital Market, Money Market and Foreign Exchange Market

CHAPTER VI Insurance

CHAPTER VII Mutual Insurance

CHAPTER VIII Policy Guarantee Program

CHAPTER IX Guarantee Agencies

CHAPTER X Financing Service Business

CHAPTER XI Bullion Business Activity

CHAPTER XII Pension Fund, Old Age Protection Program, and Pension Program

CHAPTER XIII Cooperative in the Financial Services Sector

CHAPTER XIV Microfinance Institution

CHAPTER XV Financial Conglomerate

CHAPTER XVI Financial Sector Technology Innovation

CHAPTER XVII Sustainable Finance Implementation

CHAPTER XVIII Financial Literacy, Financial Inclusion and Consumer Protection

CHAPTER XIX Access to Micro, Small, and Medium Financing

CHAPTER XX Human Resources

CHAPTER XXI Financial System Stability

CHAPTER XXII Indonesia's Export Financing Institutions

CHAPTER XXIII Administrative Sanction

CHAPTER XXIV Criminal Provisions

CHAPTER XXV Other Provisions

CHAPTER XXVI Transition Provisions

CHAPTER XXVII Closing Provisions



Indonesia Gold Vision 2045 : Become a Sovereign, Advanced and Sustainable Country



INDONESIA GOLD VISION 2025-2045



5 GOLD VISION TARGETS OF INDONESIA



- 1. Income per capita equivalents to developed countries
- 2. Poverty goes to 0% and inequality decreases
- 3. Leadership positions and international influence increase
- 4. HR competitiveness increases
- 5. GHG emission intensity towards NZE

Development Phase

First Phase (2025-2029)

Strengthening the foundation of transformation

Second Phase (2030-2034)

With the establishment of a strong foundation, Indonesia is set to accelerate its economy

Third Phase (2035-2039)

Indonesia starts steps to expand globally

Fourth Phase (2040-2045)

Indonesia succeeds in realizing Indonesia Gold 2045 vision

8
DEVELOPMENT
MISSIONS



17
DEVELOPMENT
DIRECTIONS



45 MAIN
INDICATORS OF
DEVELOPMENT

TRANSFORMATION

- 1. Social
- 2. Economy
- 3. Governance

FOUNDATION OF TRANSFORMATION

- 4. Legal Supremacy, Stability, & Diplomatic Strength
- 5. Socio-Cultural and Ecological Resilience

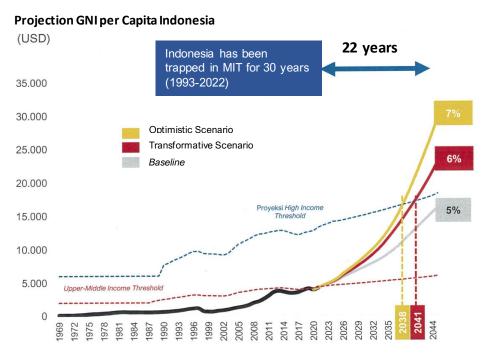
TRANSFORMATION IMPLEMENTATION FRAMEWORK

- 6. Equal and Quality Territorial Development
- 7. Quality and Environmentally Friendly Facilities and Infrastructure
- 8. Development Sustainability

Targets of Economic Transformation for Achieving Indonesia Gold 2045



Economic transformation aims to bring Indonesia out of the middle-income trap and into a high-income country. For this reason, the Indonesian economy must grow by an average of 6-7% in the next 20 years, high economic growth that is inclusive and sustainable



| Scenario | Average Growth | Years Escape from MIT |
|----------------|----------------|-----------------------|
| Transformative | 6% | 2041 |
| Optimistic | 7% | 2038 |

Economic Transformation

- 1. Science and Technology, Innovation and Economic Productivity
- 2. Green Economy Implementation
- 3. Digital Transformation
- 4. Domestic and Global Economic Integration
- 5. Cities as Centers of Economic Growth

First Phase (2025-2029)

Down streaming natural resources and strengthening innovation research and labor productivity

Second Phase (2030-2034)

Massively increasing productivity and expanding sources of economic growth

Third Phase (2035-2039) Economic power house that is integrated with global and domestic supply chains networks, as well as strong exports

Fourth Phase (2040-2045)

High income country

Main Government Policies to Promote Strong, Socially Inclusive, and Environmentally Friendly Economic Growth



MACRO STABILITY

STABILIZING PRICES

IMPROVING INVESTMENT CLIMATE

BOOSTING EXPORT

REVITALIZING CONVENTIONAL MACHINE

BUILDING NEW ECONOMY MACHINE

STRENGTHENING SOCIAL RESILIENCE + EM POWERMENT

1. INCREASING COMPETITIVENESS AND PRODUCTIVITY

Kartu Prakerja, Vocational Training, and Omnibus Law Job Creation

2. INFRASTRUCTURE DEVELOPMENT

PSN, MRT, High Speed Rail (The Woosh), Economic Zone Development, Capital City (IKN), Agraria Reform

3. INTERNATIONAL COORPORATION

4. FOOD SECURITY

Sustainable Palm Oil Development,
Sustainable Rubber and Food Estate Development

1. INDUSTRIALIZATION

Downstream, Petrochemical Industry, Automotive Industry, Semiconductor Supply Chain, National Logistics Ecosystem

2. DIGITALIZATION

Digital Talent Readiness, National Strategy for Digital Economy Development, Data Center

3. SUSTAINABILITY ENERGY TRANSISITION

AZEC, Plant Construction Electricity with New Renewable Energy (EBT), Bioenergy Utilization, Energy Infrastructure Additions 1. SOCIAL PROTECTION

2. MICRO FUNDING

3. CASH FOR WORK

President's Directive: Indonesia to Become an OECD MEMBER





The President agreed that Indonesia should immediately become a member of the OECD

14 July 2023

As a follow-up to the direction of the President of the Republic of Indonesia at the Cabinet Meeting on 13 July 2023,. CMEA sent a letter to the OECD Secretary General regarding the Government of Indonesia's Intention to OECD Membership.

26 July 2023

The OECD Secretary-General then delivered a response letter

10-11 August 2023

The OECD Secretary-General visited Indonesia and held meetings with the President, CMEA, Minister of Foreign Affairs, Minister of Finance, and Vice Minister of Environment and Forestry.





4

13 September, 10 October, 10 November, and 11 December 2023

The OECD has held meetings (Meeting of the OECD Council at Permanent Representative Level) to discuss the process of Indonesia's accession to the OECD.

......Progress of Indonesia's Accession to the OECD

1.Meeting between CMEA with Heads of Representatives of OECD member countries in Jakarta, 24 August 2023

- Japan is the Chair of the OECD Ministerial Meeting in May 2024 and has communicated its support for Indonesia through the Indonesian Foreign Minister.
- Australia and Germany publicly expressed their support and readiness to accompany the process of harmonizing Indonesian government regulations

2.Meeting between Indonesian Ambassador in Paris and OECD Secretary-General, 31 August 2023

- The crucial time frame will be discussed: OECD Council decisions related to the accession process, preparation of the Accession Roadmap, kick-off mission to Indonesia, and Initial Memorandum.
- The decision to open/not to open Indonesia's accession process is indicated to be achieved by the OECD Council (Permanent Representative Level) at the earliest on 29-30 January 2024. After the decision, the Indonesian Accession Roadmap was prepared, then determined at the OECD Ministerial Council Meeting on 2-3 May 2024.

3.0ECD Permanent Representatives Meeting in Paris, 13 September 2023

- The OECD Permanent Representative Meeting is scheduled every month, one of the agendas is the discussion of Indonesia's membership intentions started on September 2023.
- The last meeting was on 11 December 2023. The next meeting is scheduled on 29-30 January 2024

4. Ministerial Meeting with OECD

- Minister for Industry in a meeting with the OECD Secretary-General on 2 October 2023, requested support for Indonesia's accession process.
- Bappenas has met with the OECD Secretary-General on 5 October 2023.
- Minister of Finance meeting at the OECD Council Meeting on 10 October 2023 conveyed the latest condition of the Indonesian economy and Indonesia's role in the region, globally, and the contribution given if it joins the OECD.

Indonesia's Strategic Contribution to OECD



POPULATION

Total Population Growth 269,58 284,44 297,43 308,37 317,23 324,05 2020 2025 2030 2035 2040 2045

In 2045, Indonesia's population will be around 324 million (fourth largest in the world)

NATURAL WEALTH



125.57 million hectares of forest areas



Coal reserves

36.30 billion tons



Nickel with ore reserves 5.24 billion tons



Renewable energy potential 3,716 GW

SOCIAL CULTURAL CAPITAL

Harmonious and tolerant – Community Collaboration (Gotong Royong) – Deliberation to reach a consensus – Family – Social solidarity – Independent spirit – Cultural diversity

MARITIME



16% of the world's coral reefs



25,000 species of flowering plants (10% of the world)



Capture fisheries potential 12 million tons

Geographical

Advantages

Location



The largest mangrove forest 3.36 million hectares



Strategies for Increasing Human Resources Productivity



REVITALIZATION OF THE INDONESIAN TVET **SYSTEM (Vocational Education and Training)** (Presidential Decree No. 68 of 2022)

Long Term



Improved TVET Governance

TVET Implementation Reform Increasing the role of the business world and industry in TVET

EDUCATION AND TRAINING PROGRAMS

Short Term

- a. Pre-Employment Card Program;
- b. Digital Talent Scholarship;
- c. Training at Job Training Centers;
- d. Development of human resource quality through LPDP scholarships;
- e. Other programs

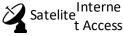
Acceleration and Equalization of Digital Infrastructure











Pre-Emplyoment Card Program

"The Pre-Employment Card Program is a vocational training aid aimed at job seekers, workers / active laborers and / or workers/laborers affected by termination of employment that require increased competence



"The G2P (Government to Person) program is the most massive in Indonesia"



Digitalization of MSMEs

HR Literacy and Development

prakenja

Innovation and



Financing and Marketing



Ccatalogue











Legality and

Licensing

Standardization and Certification



Online processing of BPOM permits via: e-reg.pom.go.id



Manage Halal Certification online via: https://ptsp.halal.go.id



Register SNI online SIMPKTN

Kartu Prakerja Program (2020-2023)



Large-scale and inclusive skilling, reskilling, and upskilling program

Kartu Prakerja Program is an inclusive training program with an end-to-end digital system to enhance the competencies of Indonesia's workforce. The program encourages lifelong learning, increases job opportunities, and helps prepare digital talent following the National Digital Economy Strategy.







Kartu Prakerja

>53 mio

Register on <u>www.prakerja.go.id</u> (verified email, phone, citizen ID number)

514 Districts/cities



Rp63,4 Trillion

Total budget allocation for 2020–2023

| 51% Women | 3% With Disabilities |
|------------------------------------|--|
| 62% Aged 18-35 | 2% From 3T |
| 86% Never attended training before | 29% From 1-4 Deciles |
| 64% From Rural Areas | Retired Indonesian Migrant Workers (PMI) |

Kartu Prakerja Ecosystem

| | <u>245</u> | Training Institutions | | |
|-----------|------------|--|-----|--|
| G= | 1.216 | Training Including Future Jobs, Green Skills, and Programs Including Future Jobs, Green Skills, and Programs | nd | |
| 2 | 38 | Assessors (Higher Education Institutions, CSOs, Business Associations) | | |
| | 3 | Job Portals Thousands of Job Vacancies Every D |)ay | |
| | 96% | of Participants Completed The Training | | |

The National Strategic Project (PSN)



BASED ON RECENT REGULATION*, THE NATIONAL STRATEGIC PROJECT (PSN) CONSIST OF 204 PROJECTS AND 10 PROGRAMS WITH ESTIMATED INVESTMENT VALUE OF IDR 5.918,86 TRILLION



PSN covers 14 sectors and 13 Program in total































Program







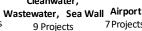






















Program





Program





















Regional Dev.

Institutional Reforms to Establish a Conducive PPP Ecosystem...





Institutional Reforms for PPP Implementation

SMi



IIGF

KPPIP:

Indonesia

Guarantee

preparation

Infrastructure

Fund: Provides

supports project

guarantee and

Coordinating unit in decision-making processes and debottlenecking efforts for infrastructure acceleration



PPP Joint Office:

Information center



for policy coordination and capacity building to encourage the use of PPP schemes

Sarana Multi

Infrastruktur:

infrastructure

financing, preparing

project, and serving

Facilitating

advisory

PPP Project Development Facility

Provide project preparation and transaction advisory services for PPP projects assigned by the Minister of Finance (MoF).

PPP Guarantee

As a Single Window Institution to

provide Government guarantee for

PPP infrastructure projects.

Presidential Regulation 78/2010;

MoF Regulation 8/2016

MoF Regulation 180/2020

National Strategic Project (PSN) Guarantee

Project Guarantee against Political Risks that can result in delays in the implementation of PSN and unfavorable financial impact on Business Entities implementing PSN.

MoF Regulation 30/2021

SOE Credit Guarantee

Credit guarantee against of State Owned Enterprises /SOE default risk on loans and bond issuance to finance infrastructure project

MoF Regulation 101/2018

National Economic Recovery Program

Corporate Credit Guarantee

Credit Guarantee for Corporate working capital as part of National Economic Recovery Program

MoF Regulation 98/2021

Credit Guarantee for Stateowned Enterprises/SOE involved in National Economic Recovery Program

MoF Regulation 211/2021



Government Commitment through Fiscal Support



Project Preparation

Project Development Facility (PDF)

MoF assigns SOE to assist CA in PPP project preparation and transaction



Commitment

Contracting Agency (CA) Commitment

Through conversion from State Budget to PPP financing scheme



Viability of Project

Viability Gap Fund (VGF)

MoF provides support resulting a more viable project to be offered to market

Availability Payment (AP)

MoF provides periodic payment scheme for noncommercial projects that greatly needed by public



Bankability

Sovereign Guarantee and Long-Term Financing

MoF established SOE in order to provide sovereign guarantee and long-term financing support



Land Support

MoF established dedicated unit that settle land acquisition payment to be used for strategic infrastructure projects

Limited Concession Scheme Stipulation as an Asset Recycling Scheme for Brownfield Infrastructure Asset





Limited Concession Scheme (LCS) is a concession agreement, that includes asset operations and development, between Government and Private Entities for 20+ years of concession period.

LCS Concept





- Upfront payment that can be received at the time of Financial Close, and/or
- · Annuity payment during the concession period
- Additional incentives in the form of revenue sharing



All future CAPEX will be borne fully by the concessionaire, thus easing the burden of Government's budget



Government guarantees the issuance of permits and licenses



Flexible operations allow private sector to innovate and increase revenue

Does LCS serve as privatization?

NO

It does not eliminate the ownership and control of the Government

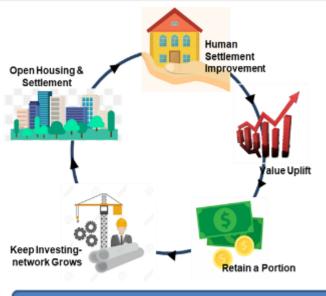
- Government remains the owner of the infrastructure asset
- LCS limits "super-profits" for concession holders
- Government will receive upfront payment yet its not selling the asset

LVC Scheme Implementation to Ease the Government Burden on Infrastructure Development





A policy approach that enables communities to recover and reinvest economic value increases and increases in economic productivity that result from public investment and other government actions. (Lincoln Institute of Land Policy)



Tax based LVC Land and Property Tax Betterment Levies and Special Assessment

Tax Increment Financing

(TIF)



LVC Benefit

- Local revenue from tax and levy
- · Better city planning and development
- · Regional growth
- · Distributed development in urban area

Triple Win LVC

Better Urban Mobility

Reducing Subsidy Creating Fiscal Space

Source: KPPIP, Kemenko Perekonomian, Desember 2020

Other Financing Scheme and Modality – Indonesia Investment Authority (INA) as an Alternative Source of Economic Development Financing





Legal basis

Development

- PP Number 73 of 2020 concerning Initial Capital for indonesia Investment Authority
- •PP Number 74 of 2020 concerning Indonesia Investment Authority
- •PP Number 49 of 2021 concerning Tax Treatment of Transactions Involving Indonesia Investment Authority and/or Entities Owned
- •PP Numbers 110 and 111 of 2021 concerning the Addition of PMN to the Capital of Investment Management Institutions
- The Supervisory Board has been formed based on Presidential Decree No. 6/P of 2021
- The Board of Directors has been formed based on the Decree of the INA Council Number 1 of 2021
- An initial capital of IDR 15 T has been allocated in 2020, and an additional capital of IDR 15 T from PMN and from the transfer of shares amounting to IDR 45 T
- There have been discussions with more than 50 companies to become strategic partners, and several countries have expressed a desire to partner with INA

Main Sectors of Investment



Toll Road



Airport



Health Services





Seaports



Digital Infrastructure



Renewable Energy



Traditional Energy



Plantation

Development of INA's Progress

- ☐ The total investment opportunity commitment received up to June 2022 reached >USD 20 billion.
- ☐ At least two investment opportunities are expected to be closed in 2022-2023: Toll Road and Seaport.
- ☐ Current cooperation agreements secured are:
 - Toll Road: Investment platform with ADIA, CDPQ, and APG for USD 3,75 billion. Hutama Karya's
 opportunity is expected to close in December 2022, while ADIA is reevaluating the Waskita Karya
 opportunity.
 - Seaports: Alliance agreement with DP World to develop ports and support infrastructure amounting to USD 7.5 billion throughout the concession period.
 - General: USD 10 billion investment framework agreement with ADG for various sectors in Indonesia
- Investment opportunity that has been completed: Digital infrastructure: Mitratel's IPO with ADIA, ADG, and GIC for a total of USD 770 million

Indonesia's Special Economic Zones (SEZs) Encourage Economic Growth, Equitable Development, and Increase Competitiveness

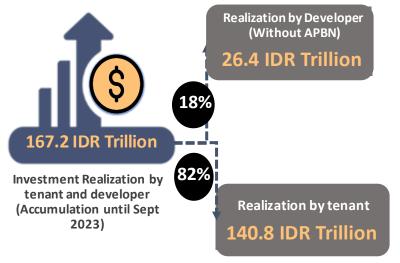


18 SEZs and Main Activities

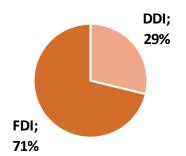
SUMMARY OF THE 18 SPECIAL ECONOMIC ZONES PERFORMANCE



Cumulative Achievement SEZs until December 2023







Number of Employment



MAIN TARGET OF SEZS

Import Substitution & Export Promotion industrialization

Industry 4.0 Acceleration

Regional Development

Services Industry
Development

Improve Trade Balance

Promoting the Development Of Nickel-based Industries to Become a Global Battery and EV Supplier



Government Issues Presidential Decree No. 55 of 2019 to Accelerate the Use of Battery Electric Vehicles (BEV) on the Road & Government Regulation No. 74/2021. In order to strengthen the ecosystem of Battery-Based Electric Motorized Vehicles, the Government provides Incentive Support in the form of Government-borne VAT

Potential: Indonesia's Nickel Reserves Are Abundant **Global Nickel Reserve** 21,0 M **INDONESIA** Australia 20.0 M Brazil 16,0 M Other 14.0 M 6,9 M Russia Cuba 5.5 M Philippines 4,8 M Also rich in other battery materials reserve South Africa 3.7 M China 2.8 M Canada 2.8 M 1.8 M Guatemala Madagascar 1.6 M Aluminium Copper Manganese Colombia 0.4 M 0.1 M Cobalt Graphite

Value added process Input Output Value-added Nickel Ore Battery 90 to 150 times

Amount of Incentive for Battery-Based Electric Motorized Vehicles



- TKDN > 40%
- VAT incentive of 10%, so that the VAT that must be paid remains 1%



- TKDN > 20% 40%
- VAT incentive of 5%, so that the VAT that must be paid remains 6%

In Indonesia, the deepening of the electric vehicle industry structure is carried out through the obligation to gradually increase the domestic content level (TKDN) until 2030.

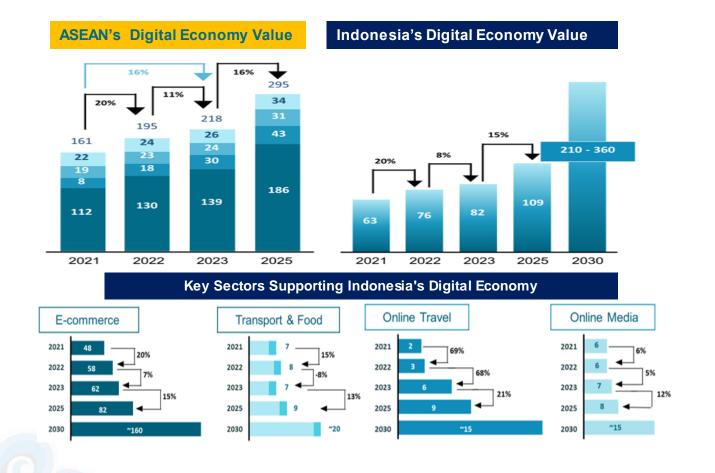
Supporting Regulation

☐ Regulation Of The Minister Of Finance Of The Republic Of Indonesia 38/2023

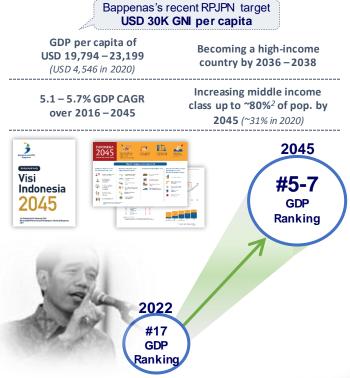
Digital Economy as a New Growth Engine



Indonesia aspires to be a developed country by 2045. The economic growth rate should be maintained at an average of 6% per year. This requires a breakthrough in digital economy development to become a catalyst.



Indonesia aspires to be a developed country and be rank 5 globally on GDP by 2045

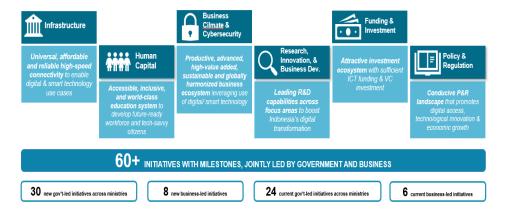


Digital Economy's Policy



DOMESTIC

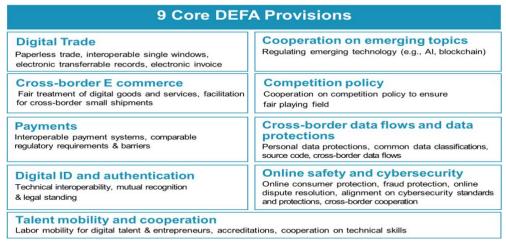
- Coordinating Ministry for Economic Affairs has launched the White Paper on the National's Digital Economy Development Strategy on December 6, 2023.
- The white paper aims to serve as guide for related stakeholders in developing the digital economy with a timeline until 2030 and is intended to be a living document.
- It outlines six main pillars for the development of the digital economy, which are: (1) Infrastructure; (2) Human Resources; (3) Business Climate and Cybersecurity; (4) Research, Innovation, and Business Development; (5) Funding and Investment; and (Policies and Regulations)



REGIONAL

• The White Paper on the National's Digital Economy Development Strategy has a central role as a guide for determining Indonesia's position in international forums, such as the ASEAN Digital Economy Framework Agreement (DEFA) and the Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

ASEAN Digital Economy Framework Agreement



Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

- The United States initiative launched by President Biden on May 23, 2022
- There are 14 participating countries: US
 Australia, Brunei Darussalam, Fiji, Philippines,
 India, Indonesia, Japan, South Korea,
 Malaysia, New Zealand, Singapore, Thailand,
 and Vietnam.



Government Effort in Accelerating Energy Transition

"Reducing Fossil Energy and Increasing Renewable Power Plant"





PRESIDENT INSTRUCTION

UNFCCC - COP21, DEC 2015 upd SEP 2022

Decreasing greenhouse gases emission up to 31,89% (with our own ability) or 43,2% (with International Assistance) in 2030 according to NDC

COP 28, DECEMBER 2nd, 2023

To achieve the net carbon sink target or net carbon absorption in the forestry and land sector by 2030, Indonesia has made systematic and innovative steps, one of which was by implementing a permanent moratorium on clearing forests covering around 66 million hectares of primary forest and peatland since 2019.

G20 SUMMIT GOAL

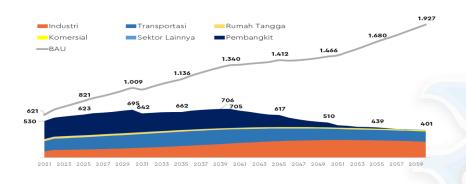
"Recover Together, Recover Stronger"

- 1. Inclusive Global Health;
- 2. Digital Economic Transformation; and
- 3. Sustainability Energy Transition.

COP28: Indonesia's Efforts To Achieve The Net Carbon Sink Target In The Forestry And Land Sector By 2030

MAIN STRATEGY

- Rehabilitated 3 million hectares of degraded land and 3 million hectares of peatland
- Invites all parties to strengthen South-South cooperation. This is because solidarity, equality, and collaboration are crucial in addressing global climate change.
- 3. Carbon Trading through the Carbon Exchange stated that the carbon exchange is a system that regulates the trading of carbon and/or ownership records of carbon units.

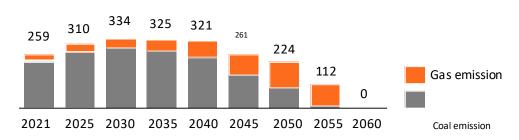


Developing New Renewable Energy: Early Retirement of Coal Fired Power Plant (CFPP) in Supporting Energy Transition

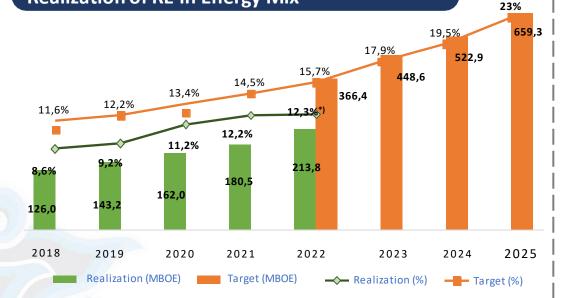


- Indonesia is committed to achieving Net Zero Emissions by 2060 or sooner.
- To facilitate this transition, there are at least 5 policy points that the Government is currently focusing on: (i) Clean energy acquisition, (ii) Renewable energy development; (iii) Energy source conversion; (iv) Carbon trading; and (v) Carbon tax.

Roadmap of Net Zero Emissions 2060

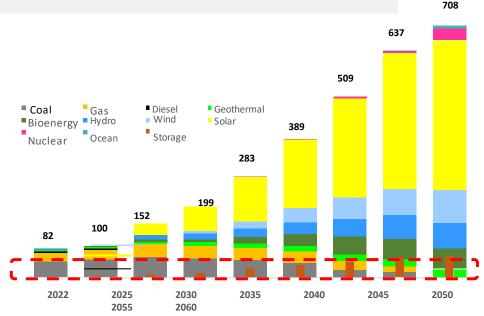


Realization of RE in Energy Mix



Installed Capacity of RE Power Plants in 2060: 708 GW.

Solar 421 GW, Wind 94 GW, Hydro 72 GW, Bioenergy
60 GW, Nuclear 31 GW, Geothermal 22 GW, Ocean Wave 8 GW.
60,2 GW Storage: Pumped Storage 4,2 GW, BESS 56 GW.



- To support NZE, the early retirement of CFPP will be carried out in stages, with the target that by 2060 there will no longer be operated.
- Several relevant stakeholders are currently preparing to implement PLTU early retirement, including the Ministry of Energy and Mineral Resources and PT PLN (Persero) which are preparing the roadmap and regulations, also the Ministry of Finance which is preparing the financing mechanism.

Risk-Based Business Licensing Deregulation Measures to Encourage FDI



<u>Ex-ante Licensing</u> (satisfying all requirements in advance) is effectively replaced by ex-post licensing (the requirements are checked afterward), which will be particularly advantageous for low- and medium-risk businesses.

Starting a Business



The Government implemented OSS-RBA on **August 9, 2021,** based on Regulation 5 of 2021.

Low Risk

Medium Risk

High Risk

NIB Issued = 7,344,691 Period August 4, 2021 – February 27, 2024

Based on Business Actor:

- Business Entity = 829,969
- Individual = 6,889,023

Based on Investment Type:

- FDI = 26,504
- DDI = 7,692,488

Based on Business Scale:

- Micro = 7,445,215
- Small = 198,194
- Medium = 24,456
- Large = 51,127

Action Plans

Short - Medium-term

- Accelerate the reduction of Ex Ante licenses toward Ex Post compliance (Risk-Based Approach)
- Towards technical regulations for risk management Third Party System
- Establish OSS as a national portal for business licenses with legal security

Long-term

Speed up better development approach (e.g., climate change, etc.)

Doing Business

RISK-BASED TARGETING — Optimizing Effectiveness and Cost of Monitoring:

- Resource and time limitations
- Focus on critical hazards that are more likely to arise
- Consider random inspections because blanket inspections are not appropriate, resulting in excessively costly (for countries and businesses)

INSPECTION:

- Based on the risk
- Inspection is carried out to ensure the implementation of operational and commercial activities according to business standards
- Exception in the implementation of supervision for Micro and Small Enterprises
- Implementation of inspections can be carried out by certified professionals (third parties).

The Progress of Development Monitoring/Inspection Subsystem

Of the 44 modules in the monitoring (inspection) subsystem:

- 36 modules have been completed/embedded in the OSS RBA (go-live)
- 8 modules are still in the process of User Acceptance Testing (UAT)

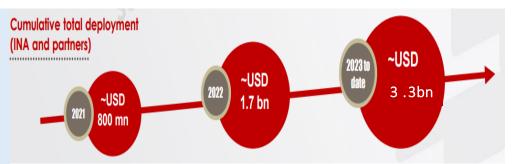


Encouraging Investment : Indonesia Investment Authority (INA) toAccelerate FDI



Legal basis

- •PP Number 73 of 2020 concerning Initial Capital for the Cumulative total deployment Indonesia Investment Authority (INA and partners)
- •PP Number 74 of 2020 concerning the Indonesia Investment Authority
- •PP Number 49 of 2021 concerning Tax Treatment of Transactions Involving the Indonesia Investment Authority and/or Entities Owned
- •PP Numbers 110 and 111 of 2021 concerning the Addition of PMN to the Capital of Investment Management Institutions



Update on Progress

- □ Fruitful partnerships with various institutional investors have resulted in >USD 25 billion in collective commitments. INA has deployed >USD 3 billion of capital to date together with investor partners and will potentially deploy close to USD 3.5 billion by the end of 2023
- ☐ Investment opportunity that has been completed (closed):
 - Digital infrastructure: Mitratel's IPO for a total transaction size of USD 800 million together with ADIA, ADG, GIC
 - Toll Road: Investment into SMR PPTR (Waskita Karya Toll Road) for an upfront transaction size of USD 400 million together with CDPQ, ADIA, APG
 - Tourism/Digital: Investment into Traveloka for a total transaction size of USD 300 million with BlackRock, Allianz, and other leading institutions
 - **Healthcare:** Investment into a significant minority stake in Kimia Farma Apotek and subscription into Kimia Farma (KAEF IJ)'s MCB for a total transaction size of USD 150 million with Silk Road Fund
 - Infrastructure & Logistics: ESR and Mitsubishi Corp for a total transaction size of USD 100 million for three modern warehouse asses, Hutama Karya two-toll road assets in Trans Sumatera for a total transaction of USD 1 billion. DP World and Pelindo investment for the development of an international container terminal
 - Green Energy: Anchor investor into the IPO of Pertamina Geothermal Energy (PGEO IJ) for a total transaction size of USD 490 million with Masdar

☐ Current cooperation agreements secured are:

- **Toll Road**: Investment platform with ADIA, CDPQ, and APG for USD 3.75 billion. The Hutama Karya opportunity is expected to close in June 2023, while a Waskita Karya opportunity is envisioned to be completed in early 2023.
- **Seaports**: Alliance agreement with DP World for developing container ports and supporting maritime logistics infrastructure amounting to USD 7.5 billion throughout the concession period.
- Green Sector: USD 2 billion investment for Optimizing blended finance in ETM programs such as ADB, SMI, PLN, Global Energy Alliance with CATL Green EV Fund
- **General**: USD 10 billion investment framework agreement with ADG for various sectors in Indonesia
- **General**: USD 3 billion investment framework agreement with SRF for various sectors in Indonesia



Source: INA, as of January 2024

The Government Focuses on Regulations and Procedures for Ease of Doing Business



Improvement in regulations in the context of structural reforms to the Job Creation Law and its derivative regulations can provide legal certainty to business actors.

Streamlining Administrative Procedures and a Positive Investment Climate

Ease of Doing Business Policy

Latest update

Impact on ease of doing business



Law No. 11 of 2020 concerning Job Creation



PERPPU 2 of 2022 concerning Job Creation has been issued



Providing legal certainty to business actors



Government Regulation No 5 of 2021



Revision of the Legal Draft and Appendix I/II



Improving risk-based licensing procedures (NSPK) and harmonization with other Government Regulations



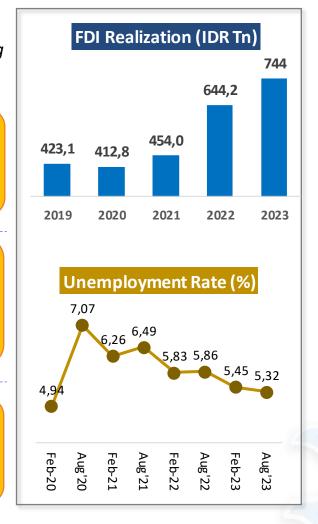
OSS RBA System



Assistance in conformity evaluation between Regulation and System



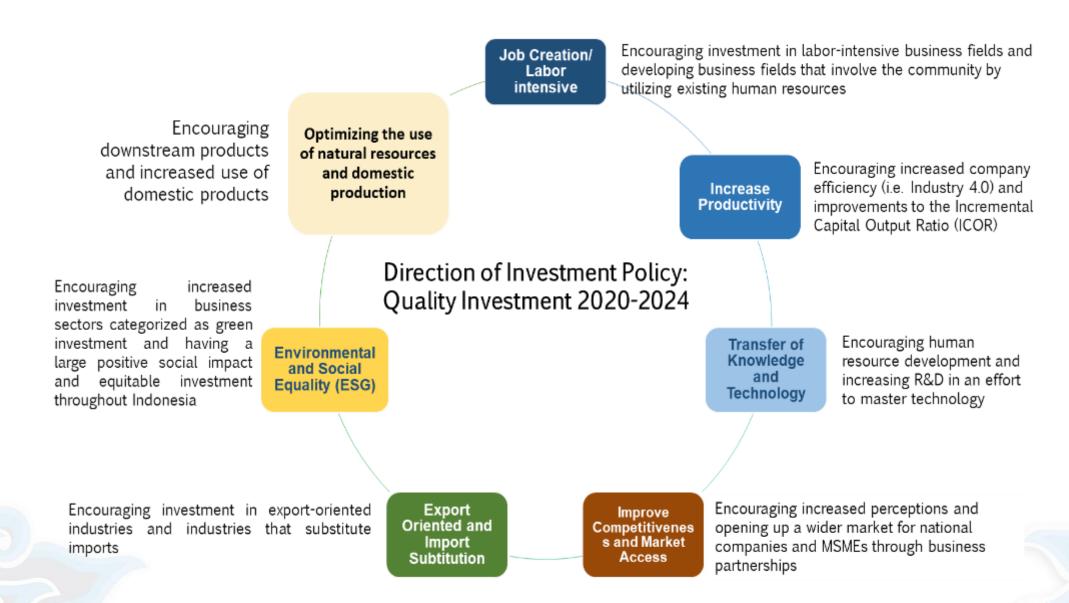
Better and smoother Business Licensing Services



Investment Policy Direction 2020-2024:







Investment Realization 2023

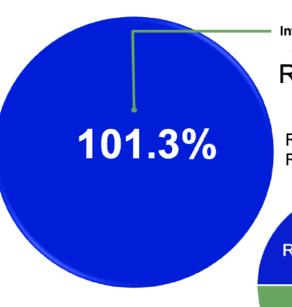




INVESTMENT REALIZATION JANUARY - DECEMBER 2023

(Upstream Oil – Gas and Financial Service Excluded)

Investment Realization



Jan - Dec 2023
Rp1,418.9 T

| FDI | 13.7% |
|-------|-------|
| DDI | 22.1% |
| Total | 17.5% |

Realization: 129.0% from Strategic Plan: Rp 1,099.8 T

Realization: 101.3% from President's Target: Rp 1,400

FDI Rp744.0 T (52.4%)

DDI Rp674.9 T (47.6%) Outside Java Rp730.8 T (51.5%)

Java Rp688.1 T (48.5%)

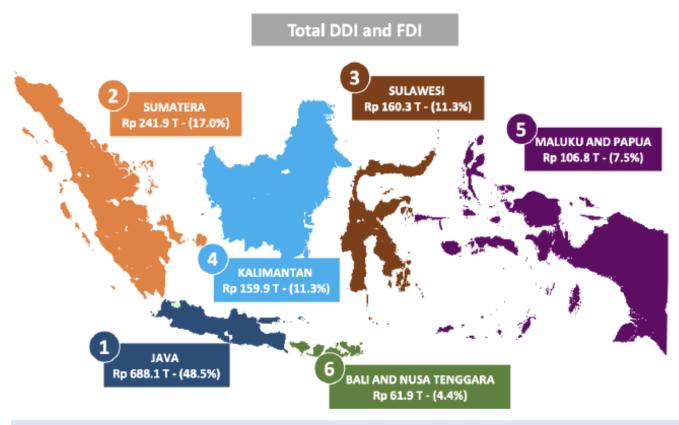


Investment throughout Jan-Dec 2023 absorbing Indonesian Labor

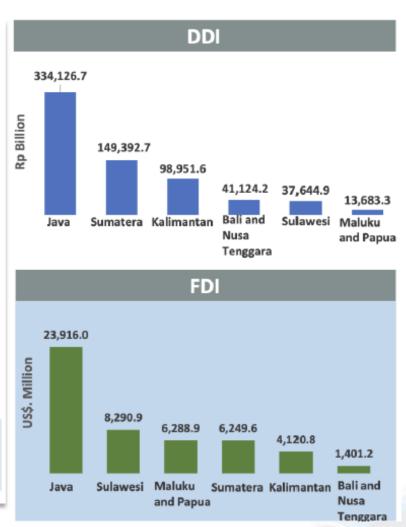
1,823,543

Investment Realization Distribution by Area January - December 2023





Based on regions in January - December 2023. the highest realization of both DDI and FDI was in the Java region. The next largest realization of DDI was in the regions of Sumatera. Kalimantan. Bali and Nusa Tenggara. Sulawesi. Maluku and Papua. Meanwhile. the next largest FDI is in the regions of Sulawesi. Maluku and Papua. Sumatera. Kalimantan. and Bali and Nusa Tenggara.



Source: Ministry of Investment (BKPM)

Investment Realization Trend in Java and Outside Java





Outside Java Rp375,0 T (46,3%)

Java Rp434,6 T (53,7 %)

2022

Outside Java Rp636,3 T (52,7%)

Java Rp570,9 T (47,3%)

2020

Outside Java Rp417,5 T (50,5%)

Java Rp408,8 T (49,5 %)_,

2023

Outside Java Rp730,8 T (51,5%)

Java Rp688,1 T (48,5%)

2021

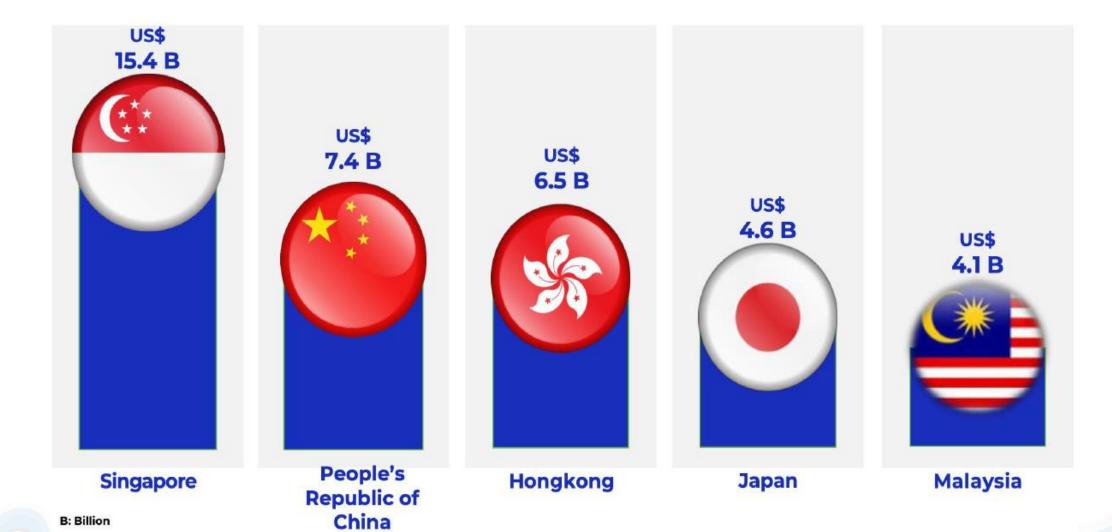
Outside Java Rp468,2 T (52,0%)

Java Rp432,8 T (48,0%)

Since QIII 2020, investment Realization outside Java have been always bigger compared to those in Java. This comes as a direct result of massive infrastructure development outside Java during President Jokowi's first period of assignment.

Investment Realization Based on Country of Origin January - December 2023





Source: Ministry of Investment (BKPM)

Investment Realization for Downstream Industry January - December 2023



| M | ineral | Oil | and Gas | |
|-----------------------|--|---|----------------------|--|
| Smelter - Nickel | Rp 216.8 Trillion Rp 136.6 Trillion | Petrochemical | Rp 46.3 Trillion | |
| - Bauxite - Copper | Rp 9.7 Trillion Rp 70.5 Trillion | Electric Vehicle Ecosystem | | |
| | | Electric Vehicle Batter | y Rp 9.7 Trillion | |
| Agriculture | | Total Downstreaming Realization | | |
| CPO/Oleochemical | Rp 50.8 Trillion | Rp 375 | 5.4 T | |
| Forestry | | (26.5% from Total Investment Realization January-December 2023) | | |
| | No. of the second secon | Pealization lanus | irv-liecemper /II/41 | |

Source: Ministry of Investment (BKPM)

STAGES OF DEVELOPMENT OF THE NATIONAL CAPITAL CITY (IKN)

I. 2020-2024

Initial transfer to IKN

- Critical basic infrastructure is completed and operational (e.g water, energy, rail) for residents in the initial stages
- Build central infrastructure (e.g. Presidential Palace, MPR/DPR Building) and housing in the Main IKN area
- Transfer of earlystage civil servant
- Initiation of priority economic sectors

II. 2025-2029

Building IKN as a Resilient Area

- Public transportation facilities, both primary and secondary, can be used
- Expansion of residential areas for civil servants as well as central government offices
- The civil servant transfer process is expected to be completed
- Research and talent development as well as distinguished university
- Continuing development and maintenance of basic infrastructure

III. 2030-2034

Continuing IKN Development More Progressively

- Develop integrated utilities and rail access to Balikpapan Airport – KIPP
- Continued transfer for National Army members
- Develop industrial areas and other sectors in the superhub economic cluster
- Strengthening smart cities, digital centers, and 21st century education
- Increasing investment and production capacity



IV. 2035-2039

Building the Entire Infrastructure and Ecosystem of 3 Cities to Accelerate the Development of East Kalimantan

- Rapid developments in the education and health sectors as economic drivers
- Strengthening the sociocultural resilience of society and increasing the capacity of education and research institutions
- Increasing basic infrastructure capacity due to the increasing of population
- increasing capacity and diversifying economic clusters and infrastructure in partner areas

I. 2040-2045

Strengthening reputation as a "World City for All"

- Develo road-based public transportation from the IKN railway and surrounding areas
- Strengthening integrated infrastructure and utilities
- Growth stability in IKN population
- Achieving net zerocarbon emissions and 100% renewable energy
- Sustainable industrial development
- Become the leading city in the world in terms of competitiveness



12 FUNDAMENTAL SECTORS IN CAPITAL CITY (IKN)



Renewable Energy



Telecommunications Network



Transportation



Housing



Water Treatment



Waste Management



Technology Infrastructure



Commercial Infrastructure



Medical Facilities



Social & Public Facilities



Education Facilities



Green Industrial Zone



23 PIONEER INVESTORS HAVE IMPLEMENTED GROUNDBREAKING WITHOUT USING STATE **BUDGET (APBN) INVESTMENT TO THE AMOUNT OF IDR41 TRILLION**

Groundbreaking 1

Konsorsium Nusantara - mixed use











International Football training



Investor **Estimated** & NGO investment value

Groundbreaking 2



Hospital

mayapada hospital

Hospital

BPJS

headquarters

Ketenagakeriaan



Mixed use



International School



School Relocatio

ASTRA international



n





Airport



PLTS 50 MW

Groundbreaking 3



Miniature tropical forest

Mixed use



Reforestation and rehabilitation



Hospital



Bluebird

Office and

transportation

services



Mixed use





Mixed use



headquarters



Military Base

Investors and government institutions

~Rp 13.1 T

Estimated investment value

Investors and government institutions

~Rp 5.9 T

Estimated investment value



