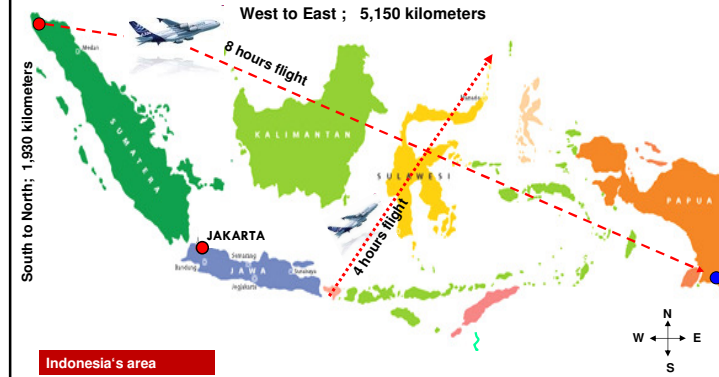


INDONESIA: THE NEXT ELEVEN ECONOMIES



The Embassy of the Republic of Indonesia
Vienna-Austria

THE VAST ISLANDS OF INDONESIA



Indonesia's area

land: 1,922,570 sq km
water: 3,257,483 sq km

This range is similar to the United States from east coast to west coast or London (UK) to Istanbul (Turkey)

INDONESIA'S BASIC FACTS

<p>LOCATION Southeastern Asia</p> <p>TYPE OF GEOGRAPHY Archipelago of 17,500 islands (6,000 inhabited); straddles equator; strategic location astride or along major sea lanes from Indian Ocean to Pacific Ocean</p> <p>AREA SIZE land: 1,922,570 sq km water: 3,257,483 sq km</p> <p>COASTLINE 54,716 km</p> <p>CLIMATE tropical; hot, humid; more moderate in highlands Terrain: mostly coastal lowlands; larger islands have interior mountains</p> <p>POPULATION 2013: 247.954.857 (est.) 2010: 237.556.363 (census) 2000: 206.264.595 (census)</p>	<p>NATIONAL RESERVES Foreign exchange reserves US\$108.78 bln (Feb 2013)</p> <p>GOVERNMENT Type: Independent Republic. Independence: August 17, 1945 proclaimed. Constitution: 1945. Embodies five principles of the state philosophy, called <i>Pancasila</i>, namely monotheism, humanitarianism, national unity, representative democracy by consensus, and social justice.</p> <p>Branches: Executive--president (head of government and chief of state) elected by direct popular vote. Legislative--The People's Consultative Assembly (MPR), which includes the 560-member House of Representatives (DPR) and the 132-member Council of Regional Representatives (DPD), both elected to five-year terms. Judicial--Supreme Court is the final court of appeal. Constitutional Court has power of judicial review</p> <p>RELIGION Muslim 86.1%, Protestant 5.7%, Roman Catholic 3%, Hindu 1.8%, other or unspecified 3.4% (2010 census)</p>
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GROSS DOMESTIC PRODUCT

GDP (PPP) - Total US\$1,380 billion
GDP (nominal) - Total US\$706 billion
Per-capita US\$ 5,274

GDP REAL GROWTH

4.4% (2009), 5.8% (2010), 6.5% (2011), 6.2% (2012), 6.3% (est. 2013)

INDONESIA: WHERE SIZE MATTERS!

1. The largest Archipelago on Earth
2. The fourth most populous country in the World (after China, India and United States)
3. The largest maritime country in the World (93.000 km²)
4. The longest beaches (81.000 km), almost 25% of the World's total
5. The most diverse tribal/ethnic society in the World (740 groups)
6. The most diverse linguistic region in the World (583 languages & dialects)
7. Home to the greatest marine biodiversity on the planet



8. Home of the Pithecanthropus Erectus; the oldest humanoid discovered (1.8 million years)
9. Site of the World's largest Buddhist Temple (42 meters length and width, consists of 10 levels with relief more than 1 km long).
etc..

S1

HEART BRAIN AND BACKBONE OF ASEAN

PROFILE ASEAN

Founded in 1967, now with 10 members, namely Indonesia, Malaysia, Thailand, Philippines, Singapore, Brunei Darussalam, Vietnam, Laos, Myanmar and Cambodia.

By 2008, its combined GDP had grown to more than USD \$1.5 trillion with a population of approximately 580 million people (8.7% of the world population)

ASEAN will inaugurate ASEAN Economic Community by 2015 – to create one single market and production base, a highly competitive region with equitable economic development and fully integrated into the global economy.

INDONESIA'S CONCENTRIC CIRCLE

Indonesia is one of the founders of ASEAN, with the biggest population, the largest area, the richest natural resources and the highest GDP among all ASEAN members.

Indonesia holds a strategic position in ASEAN where the ASEAN Secretariat Office and Foundation Office are located in Jakarta, Indonesia.

Indonesia is the only G20 member from ASEAN playing an important role in bringing ASEAN interests in the G20 forum. Consequently, Indonesia will play a leading role in advancing ASEAN economic integration.

S2 INDONESIA IN G-20

- China
- India
- South Korea
- **INDONESIA**
- Saudi Arabia
- Turkey
- United States
- Canada
- France
- Germany
- Italy
- UK
- Japan
- Russia
- Australia
- Brazil
- Mexico
- Argentina
- South Africa
- EU/ECB



65,5% of global population
88% of global GDP
80% of world trade

- Stabilizing the global economy
- Stopping the haemorrhaging
- Gaining and recovering global trust,
- Executing counter cyclical measures, including introducing a coordinated global economic stimulus package.



- No statutes
- No binding decisions ("peer review")
- No headquarters
- No own administration and staff
- Rotating presidency
- Implementation through national states or multilateral institutions

IMF/World Bank
Permanent Guest: Spain
Special Guests

INDONESIA'S CURRENT POSITION IN THE WORLD

- Today, Indonesia placed as the 15th largest economies in the world. Our goal is to be the 10th largest economies in the world by 2025.
- Indonesia plays an active role in regional and world economic stage: ASEAN, APEC, G20
- Indonesia's achievement in managing impact of the recent global economic crises, has positive appreciation from international institutions, which reflects in improvement of country rating when the other country has a downgrade effect.

(Indonesia's Masterplan in Enhancing the Economic Development, 2011)

Diapozitiv 6

- S1** Mungkin ASEAN kurang relevan dengan target presentasi kita, lebih baik difokuskan ke Indonesia
Staf-Ekonomi; 5.3.2013

Diapozitiv 7

- S2** ini agak sedikit membingungkan. mungkin tidak perlu?
Staf-Ekonomi; 5.3.2013

IMPROVING INTERNATIONAL PERCEPTION

RECOGNITION BY THE RATING AGENCIES

- ✓ **Moody's Investors Service** (January 18, 2012): upgraded Republic of Indonesia's foreign and local-currency bond ratings to **Baa3** with **stable outlook**.
- ✓ **Fitch Ratings** (December 15, 2011): upgraded Indonesia's sovereign credit rating to **BBB-** level for foreign currency long-term senior debt, with **stable outlook**.
- ✓ **Rating and Investment Information, Inc.** (November 14, 2011): affirms Indonesia's sovereign credit rating, at the **BB+** level for foreign currency sovereign ratings, with **positive outlook**.
- ✓ **Japan Credit Rating Agency, Ltd.** (August 24, 2011): affirmed Indonesia's foreign currency long-term senior debt at **BBB-** and local currency long term senior debt **BBB** with **stable outlook**.
- ✓ **S&P** (April 8, 2011): upgraded Indonesia's long-term foreign currency rating to **BB+** from **BB** with **positive outlook**.

WHAT OTHERS SAY?

"Indonesia is larger, more stable and more advanced than many companies and investors around the world realize. Rapid economic growth will likely be **sustained** until 2030 at minimum, when the economy will be the seventh largest in the world"

McKinsey Global Institute, 2012

"...Indonesia's economy has proven **resilient** in midst of the global financial crisis and its Doing-Business rankings have improved steadily each year..."

Joachim von Amsberg,
The World Bank, 2010

"Indonesia fulfills our investment criteria on every level: a young, growing and upwardly mobile population, an increasingly sophisticated customer base, strong GDP growth..."

Sheikh Abdullah Bin
Mohammed Bin Saoud Al
Thani, Chairman, Qatar
Telecom, 2010

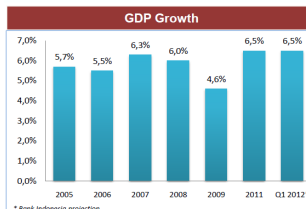
"Create formula **BIICS** (Brazil, India, **Indonesia**, China and South Africa) by strengthening policy going for growth towards **BIICS**"

Economic Policy Reform (EPR),
OECD 2010,

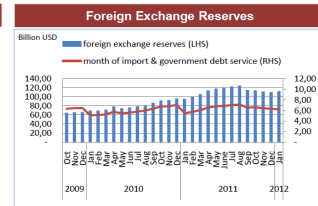
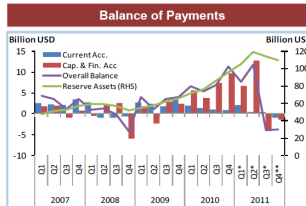
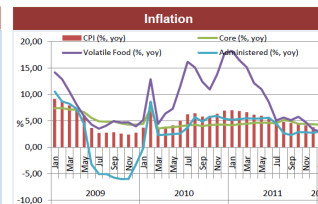
"Indonesia's **abundant** natural resources are one of the main reasons we invest in Indonesia. We are proud to be part of Indonesia's success story"

Madhu Koneru,
CEO of MEC Holdings, 2010

INDONESIA'S MACRO ECONOMIC OVERVIEW



* Bank Indonesia projection



Source: Bank Indonesia

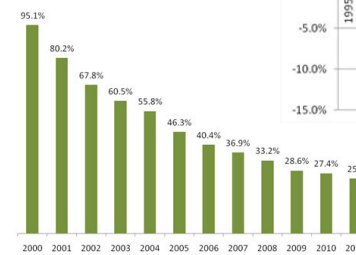
INDONESIA'S SOUND ECONOMY

With the GDP reached US\$ 1 trillion last year, Indonesia is the largest economy in Southeast Asia. Much less affected by the global financial crisis compared to its neighboring countries, Indonesia's economy grew by 6.3% in the first semester of 2012, making it the fastest growing G20 economy after China.



REAL GDP GROWTH

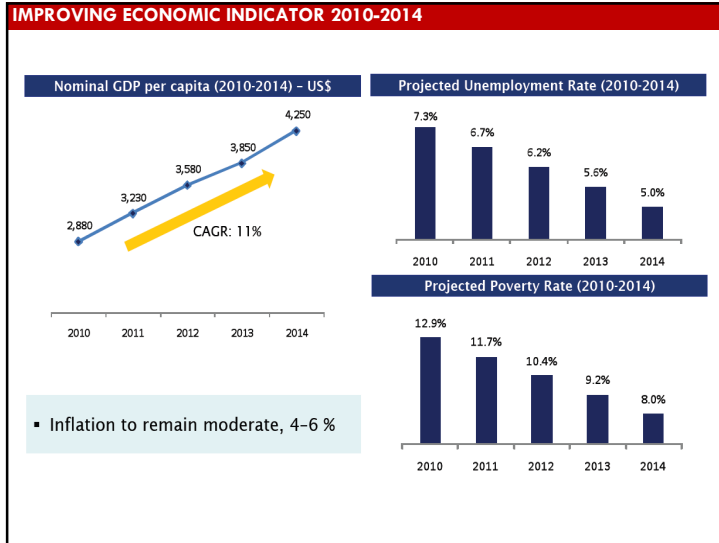
source: CEIC



TOTAL DEBT of GDP

source: IMF

Economically strong, politically stable and reform minded, Indonesia is an emerging global powerhouse in Asia



INDONESIA'S VISION 2030

Key Targets

Become #5 economy in the world

- GDP per capita will reach US\$18,000
- Huge market of 285 million consumers

Optimize natural resources

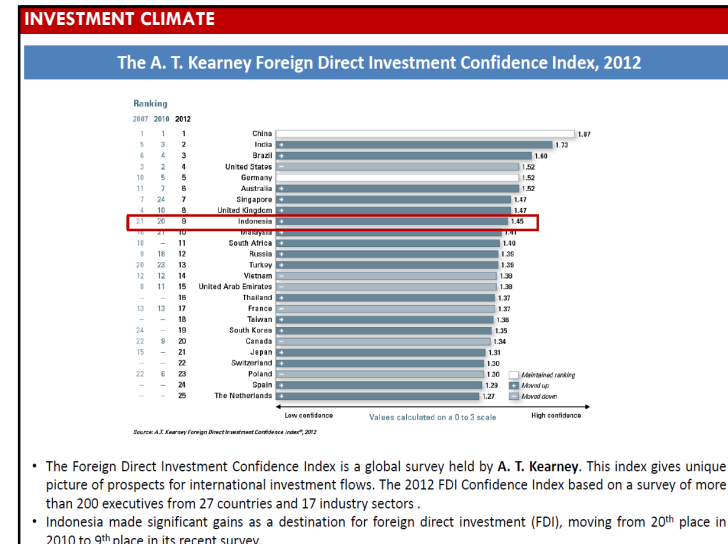
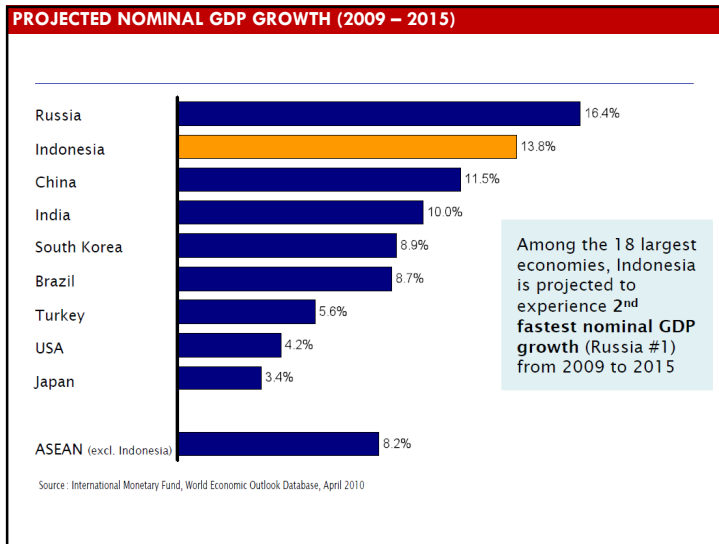
- Rich in cultural heritage and natural attractions → become top 10 global tourist destination
- Achieve energy independence

Even or shared distribution of wealth

- Indonesia to enter top 30 HDI (Human Development Index) countries in the world

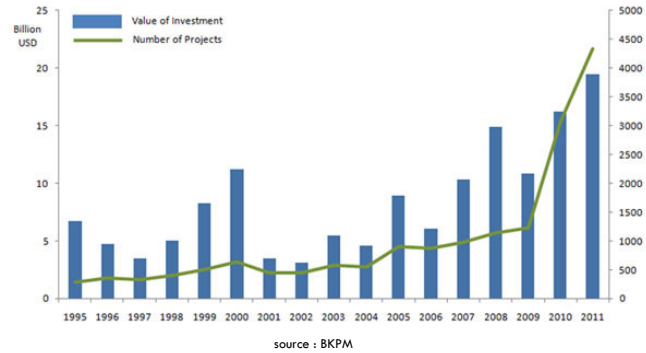
30 companies in Fortune 500

- From 10 companies in Top 2000 to 30 companies in Top 500

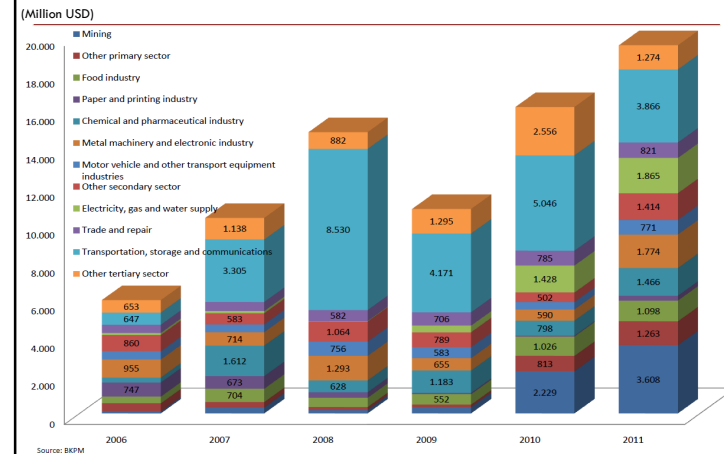


- The Foreign Direct Investment Confidence Index is a global survey held by A. T. Kearney. This index gives unique picture of prospects for international investment flows. The 2012 FDI Confidence Index based on a survey of more than 200 executives from 27 countries and 17 industry sectors .
- Indonesia made significant gains as a destination for foreign direct investment (FDI), moving from 20th place in 2010 to 9th place in its recent survey.

REALIZED FOREIGN DIRECT INVESTMENTS (FDI)



FOREIGN DIRECT INVESTMENT (FDI) BY SECTOR



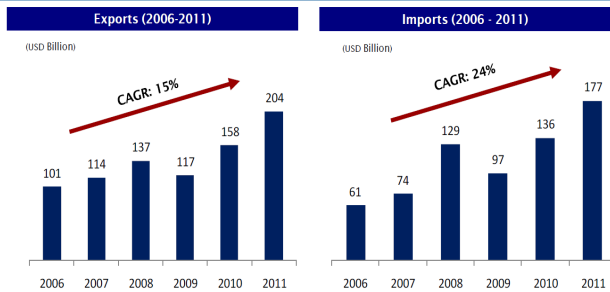
Strong investment underpinned by competitiveness and stability...

INDONESIA'S GLOBAL BRAND

- THE LARGEST LIQUID NATURAL GAS (LNG) PRODUCER IN THE WORLD (MORE THAN 20% OF WORLD TOTAL SUPPLY)
- THE LARGEST PLYWOOD EXPORTER IN THE WORLD THAT DOMINATES ALMOST 80% OF THE WORLD MARKET
- THE NUMBER ONE PRODUCER OF CRUDE PALM OIL (1.6 MILLION TONS PER-YEAR) AND ALONG WITH MALAYSIA DOMINATES 90% OF THE WORLD MARKET
- FIRST IN PRODUCING AGRICULTURAL PRODUCTS SUCH AS CLOVES AND NUTMEG
- THE RICHEST CORAL REEF IN THE WORLD LOCATED IN INDONESIA, (18% OF THE WORLD'S CORAL REEFS ARE IN INDONESIA)
- THE SECOND LARGEST TIN AND NATURAL RUBBER PRODUCER IN THE WORLD
- THE THIRD LARGEST CACAO PRODUCER IN THE WORLD
- SENSE MAGAZINE OF EUROPE NAMED BALI AS THE *BEST SPA DESTINATION* IN THE WORLD IN 2009
- THE COUNTRY WITH THE MOST BANKS AND FINANCIAL INSTITUTIONS BASED ON SYARIAH SYSTEM OPERATING IN INDONESIA (33 BANKS, 46 INSURANCE COMPANIES, AND 17 MUTUAL FUNDS)
- MEMBER OF THE G-20 AND FOUNDING FATHER OF ASEAN AND NON-ALIGNED MOVEMENT (NAM)

etc...

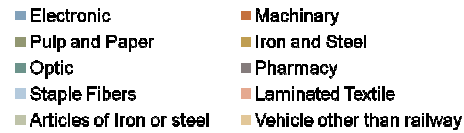
INDONESIAN EXPORT AND IMPORT HAVE BEEN GROWING STEADILY



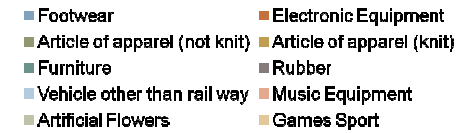
- Indonesian exports and imports were also affected by the global financial crisis in 2009, however, they have grown to new record levels

Source: BPS

TOP TEN PRODUCTS IMPORT FROM AUSTRIA

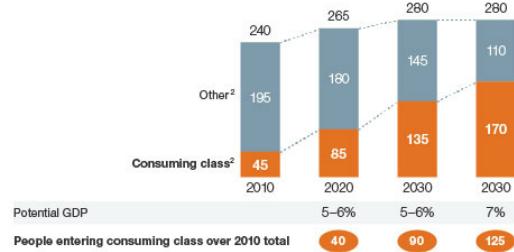


TOP TEN PRODUCTS EXPORT TO AUSTRIA



An estimated 90 million Indonesians will have joined the consuming class by 2030.

Indonesia's population by income level, millions of people¹

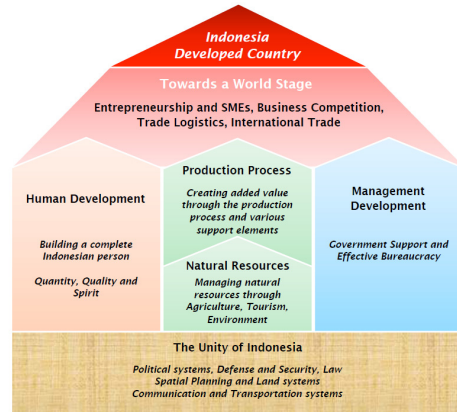


¹Figures are rounded to nearest 5 million; 2020 and 2030 data are projected.
²Other² is defined as people with annual net incomes ≤\$3,600; members of consuming class are those with annual net incomes >\$3,600; incomes measured at 2005 purchasing-power parity.
 Source: 2010 population census, Indonesia's Central Bureau of Statistics; Canback Global Income Distribution Database (C-GIDD); McKinsey Global Institute analysis

What next ?

- Despite all the encouraging economic signs and indicators, Indonesia is still mired with many structural weaknesses due to its newly implemented regional autonomy.
- Namely some legal and administrative uncertainties as a result of political decentralization, limited transportation and energy infrastructure, and human resources.
- The Indonesian government is attempting to make a breakthrough in its national development endeavours by embarking on a new and bold developmental policy that emphasizes on infrastructure building, administrative and bureaucratic reforms, and humane quality improvement.

INDONESIA TO BECOME A DEVELOPED COUNTRY



CLOSING

PROGRESS

- Indonesia is entering a Golden Age of economic growth.
- Indonesia is striving to become a developed country.
- Developmental acceleration is a must in order to meet economic targets.
- Structural weaknesses has to be reduced and institutional reforms implemented.
- Indonesia wants Austria to be part of this coming of age.

□ Thank You