

Under embargo until 12:00 noon. Bangkok Time, Monday, 1 May 2017

INDONESIA

GDP (current US\$, billions):	\$861.93	Population (thousands):	260,581
Share of GDP in developing Asia-Pacific:	5.2%	GDP per capita (current US\$):	\$3,346.40
Share of GDP in South-East Asia:	38.0	Average inflation (2016)	3.5%

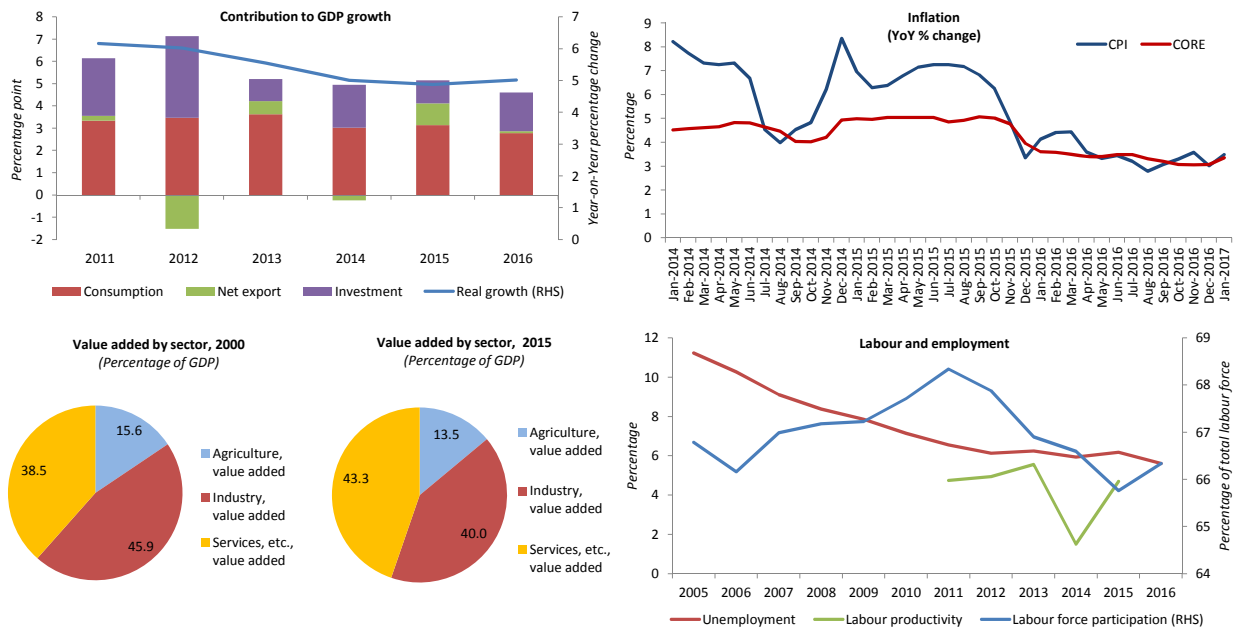
- Indonesia's economic growth picked up slightly to 5 per cent in 2016, from a six-year low rate of 4.8 per cent in 2015.
- Consumer spending drove the rebound in 2016 amid steady job growth, softer price pressure and fiscal measures, such as an increase in the tax-free threshold and an employment scheme aimed at helping drought-affected farmers.
- Goods exports fell by nearly 10 per cent as a result of low global commodity prices and weak commodity demand in China.
- Consumer inflation dipped to 3.5 per cent in 2016, from 6.4 per cent in 2015, largely due to a significant cut in administered fuel prices and approval for a higher quantity of imported food items.
- Given modest price pressures, the policy rate was cut six times in 2016 for a total of 150 basis points. Room for fiscal support is more limited, as revenue collection has been hampered by low energy prices.
- Output growth is projected to rise further to 5.2 per cent in 2017 and 5.3 per cent in 2018.
- Private consumption would continue to drive the economy amid modest, within-target inflation. An expected increase in energy prices should support the recovery of exports.
- A downside risk includes exchange rate volatility as a result of the country's twin deficits and its close link to commodity exports.
- The growth outlook could be more upbeat if infrastructure investments, such as those in oil refineries, toll roads and railways, gain stronger momentum than had been expected.
- In addition to infrastructure investment, the Government is seeking to revive economic growth by attracting more foreign investment. Various measures have been introduced to simplify approvals of large-scale infrastructure projects and business licenses and raise the cap on foreign ownership in such sectors as tourism, logistics and e-commerce.

MACROECONOMIC SNAPSHOT

INDONESIA

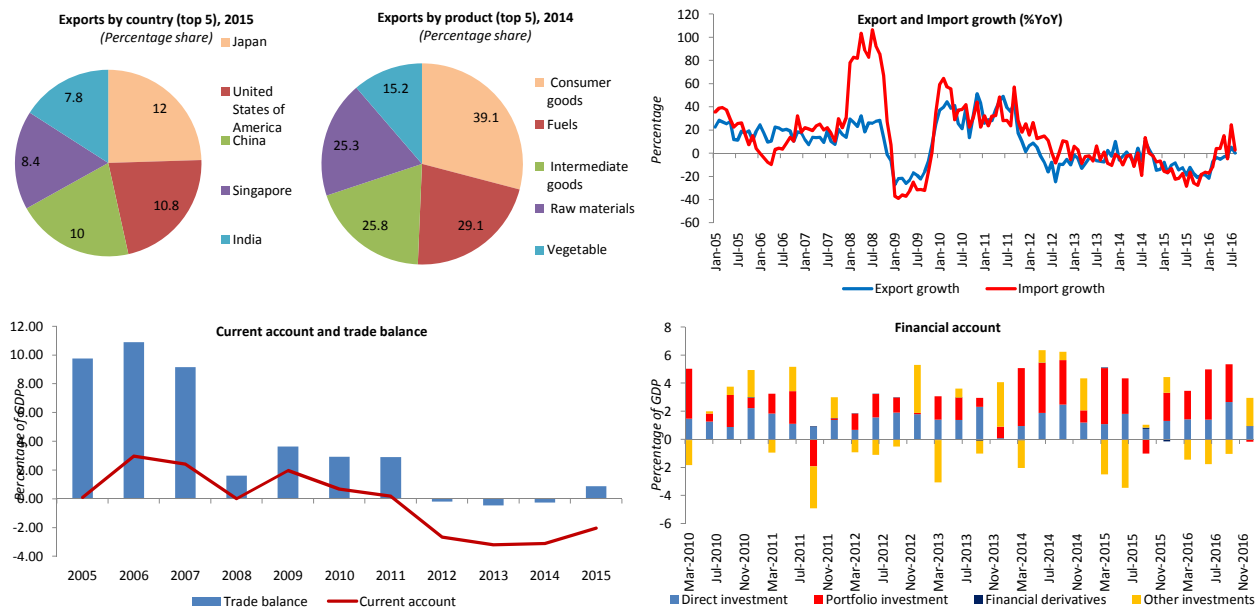
GDP (current US\$, billions, 2015):	861.93	Poverty headcount ratio at \$1.90 a day	8.25%
Share of GDP in developing Asia-Pacific:	5.2	Population (thousands):	260,581
Average inflation (2016)	3.5	Inequality (Gini index, 2013)	39.47
GDP per capita (current US\$):	3,346.40	Note: Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality	

Overview



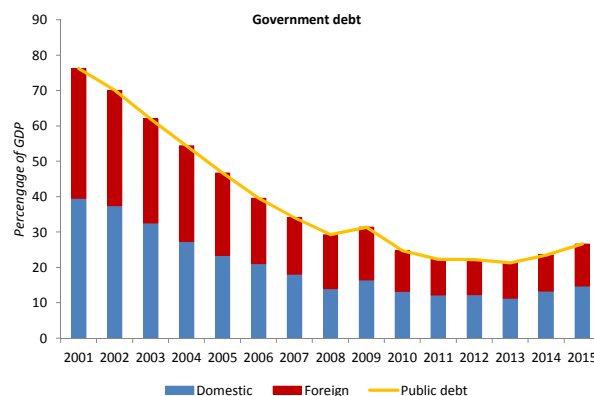
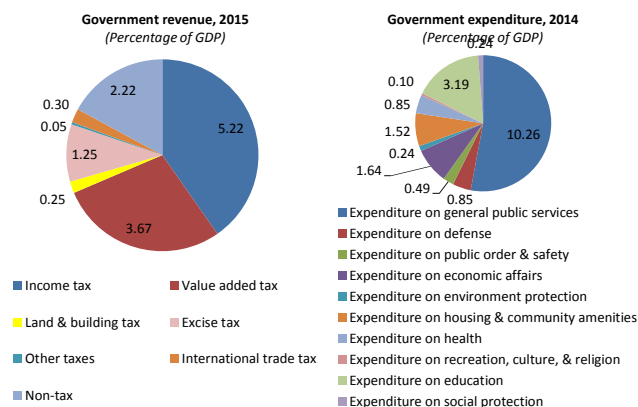
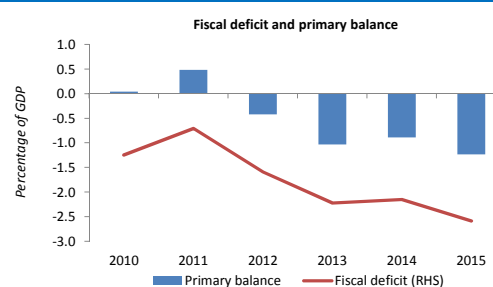
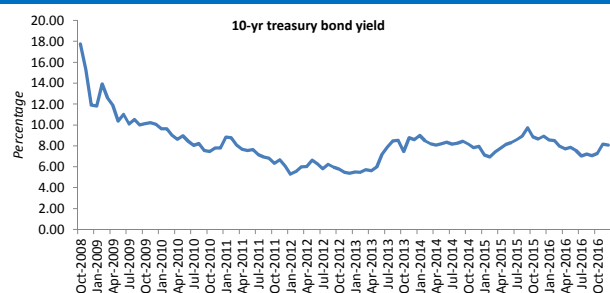
Sources: CEIC and World Development Indicator database of the World Bank.
Note: RHS = right-hand side.

External sector



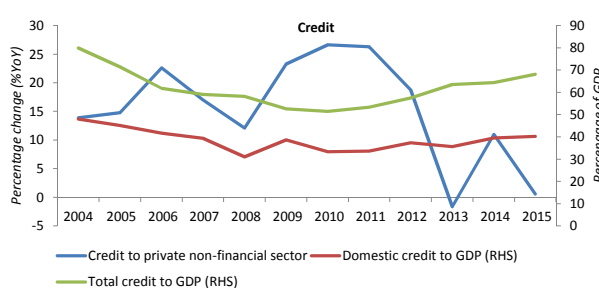
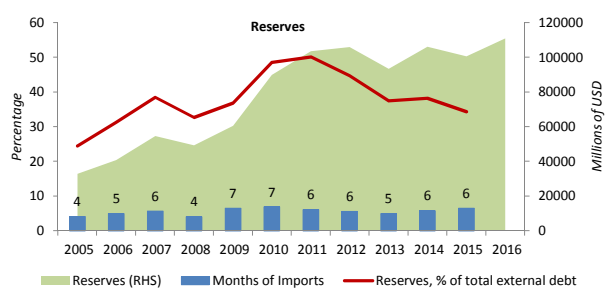
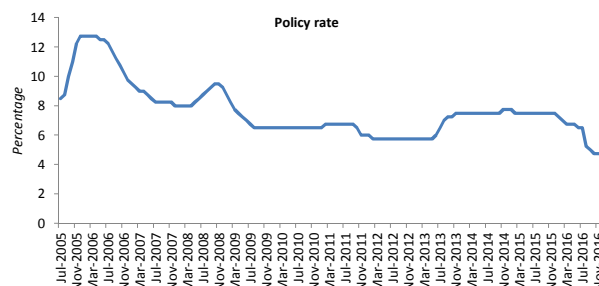
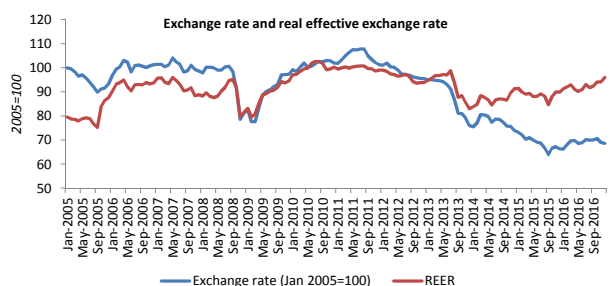
Sources: CEIC and Trade Map data of the International Trade Centre (ITC).

Fiscal sector/public finance



Sources: CEIC, Bank for International Settlements (BIS), and Government Financial Statistics of the IMF.
Note: RHS = right-hand side.

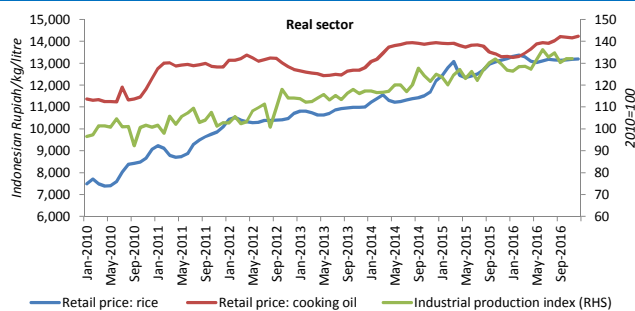
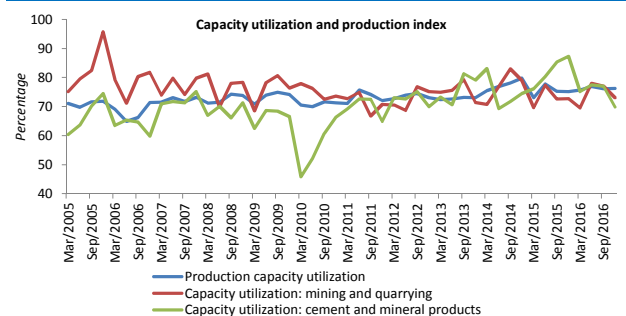
Monetary sector



Sources: CEIC and Bank for International Settlements (BIS).

Notes: Central bank base interest rate is nominal lending rate within 1 year (including 1 year)

Sub-sectors



Source: CEIC.

Note: Production capacity based on business survey data extracted from CEIC (accessed 31 January 2017).