

Maintaining Economic Resilience in 2023, the Government Prepares Various Anticipatory Strategies and Policies



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Facing the predictions of global economic conditions in 2023, which are full of uncertainties, the Government remains optimistic, alert, and anticipatory. The government is also preparing various strategies and policies to achieve the economic growth target of 5.3% (yoy) in 2023.

"If we talk globally, there are still dark clouds globally; even, The IMF Managing Director said that Indonesia is the bright sight in the dark. So, Indonesia hopes, of course, since we have resilience while handling the Covid pandemic, we also hope to have resilience in 2023," said Coordinating Minister for Economic Affairs Airlangga Hartarto in the CNBC Prime Words Indonesia program, Wednesday (18/01).

From the manufacturing side, Indonesia's Manufacturing PMI is still at an expansive level reaching 50.9 in December 2022 or has increased compared to November 2022, which was recorded at 50.3. To maintain the manufacturing sector's performance, Coordinating Minister Airlangga said that the Government needs to be optimistic, to maintain its demand, and follow up on downstream and ecosystem development in the manufacturing sector.

Meanwhile, from the real sector, the Government will improve the performance of export-oriented industries that are increasingly competitive. Currently, there are three prima donnas of Indonesia's exports, namely nickel, palm oil and its derivatives, and coal.

In addition, previously, the Government had also established a ban on bauxite exports which would take effect from June 2023. Considering that most of the alumina needs are still imported, the construction of smelters in the country is a promising prospect. To encourage the acceleration of smelter development, the Government will identify and formulate policy support, especially those related to fiscal incentive policies.

"Because the price of bauxite is relatively low, well, under 60 dollars. But if it has turned into aluminum, it can be above 2,300 dollars, so the added value is extraordinary. And second, the Government realizes that some of the exporters are making investments that are not fully realized," said the Coordinating Minister Airlangga.

On this occasion, Coordinating Minister Airlangga also mentioned the stipulation of the length of period for holding foreign currency and sanctions for Export Proceeds (DHE) regulated in PBI Number 21/14/PBI/2019 concerning Export Proceeds and Import Payments and Government Regulation Number 1 of 2019 concerning Export Proceeds from Natural Resources Exploitation, Management, and/or Processing Activities.

"If the foreign exchange is parked in their own country, like Thailand that requires 3 months, that will strengthen our foreign exchange reserves and the rupiah exchange rate. This is what is needed in 2023. With good exports, we ask for the dollar to go home, and the dollar goes home, of course, at a certain interest rate from the banking system supported by Bank Indonesia. Indeed, there is a request from Bank Indonesia that Government Regulation Number 1 related to this foreign exchange can be revised. So, we are preparing for that," said Coordinating Minister Airlangga. (dlt/map/fsr)

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