

Optimistic That Economy Will Continue To Grow Positively In 2023, The Government Optimizes Demography Bonus and Controls Inflation



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
REPUBLIC OF INDONESIA**

PRESS RELEASE

HM.4.6/76/SET.M.EKON.3/03/2023

Optimistic That Economy Will Continue To Grow Positively In 2023, The Government Optimizes Demography Bonus and Controls Inflation

Bali, March 2nd, 2023

Despite of global challenges and deceleration of economic growth worldwide, Indonesia and ASEAN have become the regions with the highest growth and roles as one of the source of world economic growth. Moreover, Indonesia is recognized as the bright spot in the dark in the midst of global uncertainty.

In 2022, Indonesia's economic growth can grow solidly by 5.3% (yoy). On the expenditure side, consumption is still the biggest contributor and export performance is able to grow at double digits. On the business field side, the main sectors are still growing strongly, such as manufacturing, trade, transportation and infocomm.

"If we look at Indonesia's economic performance in 2022 yesterday, the two main indicators are very high economic growth, 5.31%, on the other hand, inflation is quite controlled. Yesterday's inflation was at 5.5%. These two things are our added value in the eyes of the world. From the Bloomberg survey, measuring whether a country is experiencing a recession or not, Indonesia is relatively in the lowest position. We are optimistic to avoid recession," said Secretary of the Coordinating Ministry for Economic Affairs Susiwiwono Moegiarso at the 2023 Propam Polri Technical Work Meeting, Thursday (2/03).

Both leading indicator from the real and external sectors, show a good level of economic prospects forward,

reflected in IKK score, consistently expansive Manufacturing PMI, trade balance which shows a surplus trend for 33 consecutive months, and ratio of external debt country to GDP at safe level.

However, the Government remains vigilant and anticipatory in dealing with future risks, bearing in mind that global growth is expected to slow down in 2023. This is due to various risks such as uncertainty in geopolitical tensions, the potential for extreme weather, high interest rates, and a relatively narrow fiscal policy. Thus, the IMF projects global economic growth to slow down from 3.4% in 2022 to 2.9% in 2023.

"In 2023 we are optimistic that our economy will remain resilient amidst the risks of a global slowdown. As PPKM ended, we hope people's mobility increase. Then investment increases and uplift global demand. Most important, President continues the downstreaming of natural resources, banning the export of natural resources, surpluses in the balance of payments and trade balance, taking advantage of demographic bonuses, digitalization, and also the Job Creation Law," said Sesmenko Susiwijono.

With the peak demography bonus that happened once in every history of a nation, the Government encourages us to take advantage of this opportunity to get out of middle income trap and become a prosperous country with high income percapita.

"The government will focus on high economic growth and controlling inflation, to create jobs because the number of productive ages is larger than non-productive ages. We have to reduce the level of poverty with the various programs, as well as improve the quality of human resources," said Sesmenko Susiwijono.

In mitigating the rising of global commodity prices, the Government is doing various extra effort controlling inflation in the Central Inflation Control Team (TPIP) and Regional Inflation Control Team (TPID) forums by four policy strategy, namely price affordability, supply availability, smooth distribution, and effective communication.

"The highest contributor for national inflation number is food sector. Hence all ministries and institutions, as well as the Polri as member of the National Inflation Control Team, among with the Regional Government, have to restrain inflation growth, as key step to keep our economic growth," concluded Sesmenko Susiwijono. (dlt/iqb)

**Head of Communications, Information Services, and Meetings Bureau
Coordinating Ministry for Economic Affairs of the Republic of Indonesia
Haryo Limanseto**

Website: www.ekon.go.id

Twitter, Instagram, Facebook, Tiktok, & Youtube: @PerekonomianRI

Email: humas@ekon.go.id

LinkedIn: Coordinating Ministry for Economic Affairs of the Republic of Indonesia