

Coordinating Minister Airlangga Invites Investors to Invest in Sustainable Green Economy and Blue Economy Sectors



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

PRESS RELEASE

HM.4.6/83/SET.M.EKON.3/03/2023

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Jakarta, March 7th, 2023

In encouraging the acceleration of national economic recovery, the Government cooperates and collaborates with all parties, including the private sector and the community. From the policy side, fiscal and monetary policies are always synergized, especially to maintain public consumption and the investment climate amid global economic uncertainty. Indonesia's economic fundamentals are also believed to remain solid since the recession potential based on a Bloomberg survey is only 2%.

"PC-PEN's constructive policies that have been implemented are the key to the success of Indonesia's economic recovery, because the Government quickly responds through 'gas and brake' measures that integrate health management with national economic recovery," said Coordinating Minister for Economic Affairs Airlangga Hartarto when representing the President of the Republic of Indonesia delivered keynote speech at the 19th Standard Chartered Indonesia World of Wealth (WOW) event "Accelerate to Blue & Green" in Jakarta, Tuesday (7/3).

As a result, in 2022, Indonesia grew by 5.31% (yoy). It is the highest level since 2013 (5.56% yoy). The export performance grew double-digit, accompanied by good growth in consumption and investment. All sectors from the supply side also grew positively. Inflation realization in 2022 was recorded at 5.51%. The

government continues implementing extra effort policies this year to reduce the inflation rate back to the target range of $\pm 3\%$.

The financial services sector which is still growing, and banking liquidity that is still maintained, further confirms that there is still room to encourage investment originating from household (upper middle) and corporate savings. This increased significantly during the pandemic, but has yet to be re-optimized for expansion and spending after the termination of the Community Activity Restriction (PPKM). As of January 2023, the growth of Third-Party Funds (DPK) was 8.03% (yoy), and credit was 10.53% (yoy), then the managed value of Asset Under Management (AUM) reached IDR 829 trillion, with mutual funds still being the people's favorite with a value of IDR 509 trillion.

In the medium to long term, the Government is pushing for transformative economic policies, including natural resource downstream policies, energy transition, human resource development, and infrastructure development, targeting as many as 30 National Strategic Projects to be completed by 2024 with an estimated investment value of around IDR 360 trillion.

"Following President Joko Widodo's directives, exports of raw materials will continue to be reduced, and downstream industries based on natural resources in the country will continue to be encouraged. The government expects support from various parties, business actors, the financial services industry, and investors to oversee this downstream policy. In addition, the Government continues to encourage the acceleration of the national energy transition, including the development of electric vehicles (EV) ecosystems, where the Government provides incentives so that we can progress further," said the Coordinating Minister Airlangga.

The Coordinating Minister Airlangga explained that the results of the 2022 G20 Summit provided real commitments, such as the Pandemic Fund, to address future pandemics of USD 1.5 billion, of which Indonesia contributed USD 50 million. In addition, a sustainable energy transition policy through the BALI COMPACT and a commitment to support recovery for vulnerable countries through allocations of Special Drawing Right (SDR) by the International Monetary Fund.

There are also several bilateral economic cooperation schemes, such as the Just Energy Transition Partnership (JETP), with an investment of USD 20 billion (Rp 311 trillion) to assist the energy transition in Indonesia, as well as the Partnership for Global Infrastructure and Investment (PGII). "All of this is to encourage business opportunities in developing a green and blue economy," concluded Coordinating Minister Airlangga.

Also attending this event were the Deputy Minister of Finance, Expert Staff for Maritime Socio-Anthropology at the Coordinating Ministry for Maritime and Investment Affairs, and the leaders of Standard Chartered Indonesia. (rep/dft/iqb/map/fsr)

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