

Asia Business Council: Minister Airlangga Ensures Indonesia's Commitment to Accelerate Economic Development by Ensuring the Continuity of Structural Reforms and Enhancing Competitiveness



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
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The Asia economy is projected to be quite robust in the future despite facing a global economic environment that must contend with current geopolitical turmoil. The conflicts occurring in the Middle East are expected to affect the supply chain of several export and import commodities worldwide. This will also impact the growth in emerging Asia, which is estimated to decrease from around 5.6% in 2023 to 5.2% in 2024.

Coordinating Minister of Economic Affairs Airlangga Hartarto, representing President of the Republic of Indonesia Joko Widodo, delivered a keynote speech at the Asia Business Council's 2024 Spring Forum, emphasizing that amid the still unstable global economic conditions, Indonesia's economy has managed to grow by 5% for the past 8 consecutive quarters.

"We estimate that Indonesia's economy will grow above 5% in 2024 and beyond, with inflation remaining under control. Investor confidence in Indonesia's economic resilience remains strong," said Minister Airlangga at the forum titled "Developing Asia: New Engines for Growth."

This is also demonstrated by various international rating agencies' decisions to maintain Indonesia's

Investment Grade status. Moody's (April 16, 2024) issued a Baa2 Stable Outlook for Indonesia, while Fitch and JCR in March 2024 assigned a BBB (stable) rating.

External sector resilience also remains intact, with foreign exchange reserves remaining high standing at USD140.4 billion as of the end of March 2024. Indonesia's trade balance has also continued to record surpluses for the last 46 months, with a surplus of USD0.87 billion in February 2024.

Having achieved a solid economic recovery from the pandemic, Indonesia will continue to move forward to achieve the Vision of Indonesia Golden 2045. This requires a transformative approach in economic development through the enhancement of science and technology, innovation, and economic productivity, the implementation of green economic policies, digital transformation, domestic economic integration, and urban areas as centers of economic growth.

Indonesia is also in the process of joining the OECD and has the potential to become the third Asian member of the OECD after Japan and South Korea. The OECD accession process is expected to act as a catalyst for improving superior policies and regulations, and is crucial for enhancing investment, productivity, and technology-driven connectivity.

The government is also working to formulate better policies to promote strong, inclusive, and environmentally friendly economic growth. Meanwhile, to continue maximizing growth potential and structural evolution, the government is focusing on policies such as increasing the role of the manufacturing sector, enhancing competitiveness and productivity through the 2030 Digital Economic Development Strategy, and developing green and renewable energy economies towards the Net Zero Emission target.

Minister Airlangga also stated that the Asia Business Council forum is a fitting platform to reassure major Asian business leaders about Indonesia's commitment to accelerate economic development by ensuring the continuity of structural reforms and enhancing competitiveness.

"With the official announcement of the results of the Indonesian elections, the sustainability of the development agenda is ensured to remain in line with the long-term planning document for 2025-2045. The Indonesian government is also open to supporting any investment initiatives here, including supporting trade and human resource development," concluded Minister Airlangga.

Also present at the event were Chairman of the Asia Business Council Takeshi Niinami, Vice Chairman of the Asia Business Council Arif P. Rachmat, US Ambassador to Indonesia Sung Y. Kim, and several CEOs of leading companies in Asia such as Sony, Temasek, Mizuho Bank, SK, Lotte, Alibaba, Sumitomo, Indorama, Thai Chemical, Siam Cement, and others. (rep/fsr)

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