**INDONESIA**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of GDP in developing Asia-Pacific:</td>
<td>5.2%</td>
<td>GDP per capita (current US$):</td>
<td>3,346.40</td>
</tr>
<tr>
<td>Share of GDP in South-East Asia:</td>
<td>38.0</td>
<td>Average inflation (2016):</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

- 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$, billions, 2015): 861.93
Share of GDP in developing Asia-Pacific: 5.2
Average inflation (2016): 3.5
GDP per capita (current US$): 3,346.40

Poverty headcount ratio at $1.90 a day: 8.25%
Population (thousands): 260,581
Inequality (Gini index, 2013): 39.47

Note: Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequa

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

Overview

Inflation (YoY % change)

Labour and employment

Export and import growth (%YoY)

Financial account

Current account and trade balance

External sector

Sources: CEIC and Trade Map data of the International Trade Centre (ITC).
Government revenue, 2015
(Percentage of GDP)

- Income tax
- Value added tax
- Land & building tax
- Excise tax
- Other taxes
- International Trade tax
- Expenditure on general public services
- Expenditure on defense
- Expenditure on public order & safety
- Expenditure on economic affairs
- Expenditure on environment protection
- Expenditure on housing & community amenities
- Expenditure on health
- Expenditure on recreation, culture, & religion
- Expenditure on education
- Expenditure on social protection
- Non-tax

Government expenditure, 2014
(Percentage of GDP)

- Exchange rate and real effective exchange rate
- Reserves
- Capacity utilization and production index
- Fiscal deficit and primary balance
- Government debt

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).

Policy rate

Credit

Sub-sectors

Sources: CEIC.

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