

KULIAH PEMBUKA

PEREKONOMIAN INDONESIA



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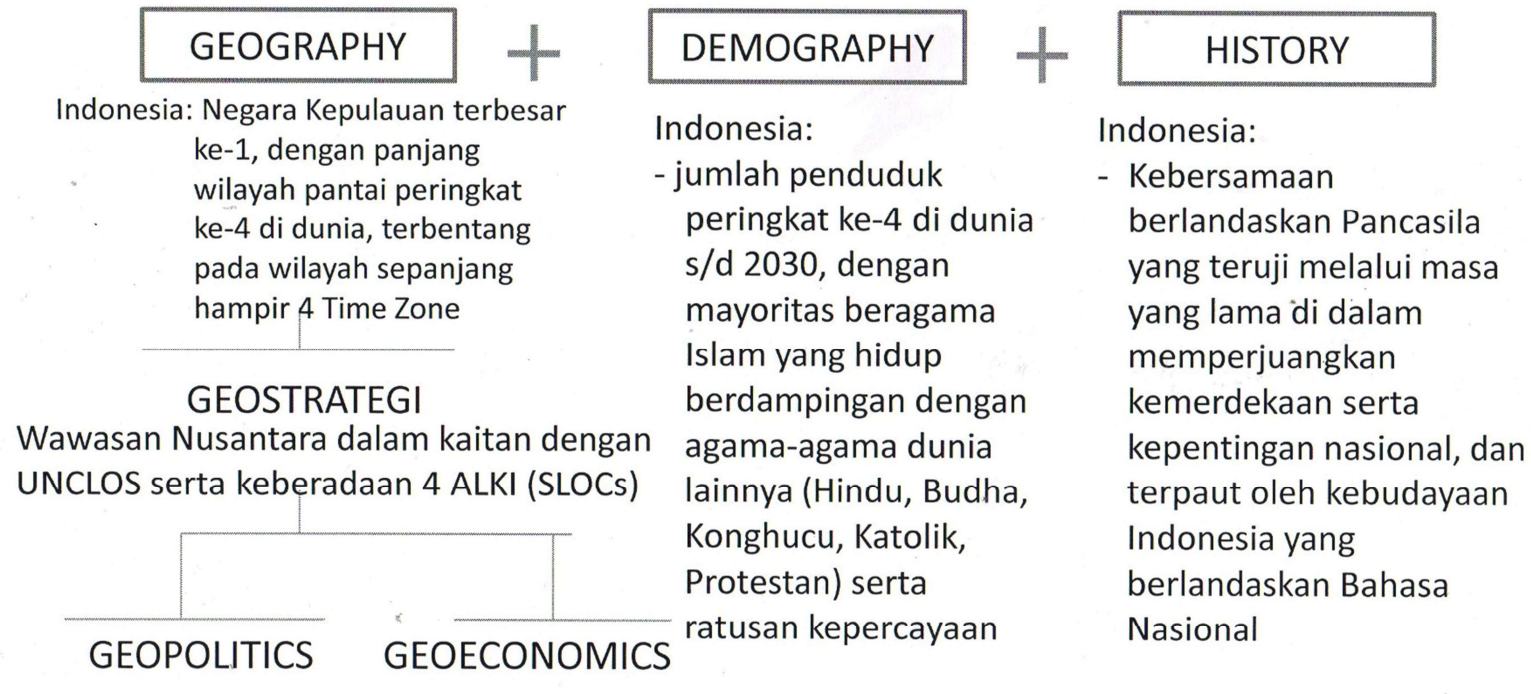
Universitas Indonesia

Fakultas Ekonomi & Bisnis

Februari 2018

Parameter “Destiny” Suatu Bangsa-Negara

Unsur-unsur utama bagi perumusan: Grand Design → Grand Strategy



Parameter “Destiny” Suatu Bangsa-Negara dan Pemanfatannya buat Indonesia

• GEOSTRATEGI

- Siasat pemanfaatan:
 1. posisi geografis
 2. faktor geofisika
 - terutama yang menyangkut Natural Resources
- Indonesia adalah sebuah “PIVOTAL STATE” di dalam geopolitik berbagai negara penting – AS – Jepang – Cina – Rusia (Pasifik)
- Geostrategi Indonesia: Wawasan Nusantara dengan 4 ALKI (SLOCs)

• GEOPOLITIK

- Siasat pemanfaatan geostrategi bagi mendukung pelaksanaan KEPENTINGAN NASIONAL (National Interest)
- Negara Kesatuan yang melaksanakan Politik Bebas-Aktif (Independent of thinking and freedom of action), dengan mengutamakan Diplomasi Aktif
- Negara-Bangsa yang berdaulat dan bersatu

• GEOEKONOMI

- Siasat pemanfaatan geostrategi bagi pemanfaatan Sumber Alam, untuk membangun Masyarakat Adil-Makmur
- Menghormati UNCLOS, pada posisi sebagai Negara Kepulauan terbesar di dunia

- Di dalam perumusan berbagai kebijakan nasional maka prinsip-prinsip di atas merupakan hal yang konstan, di muka berbagai perubahan yang terjadi pada tiap tatanan

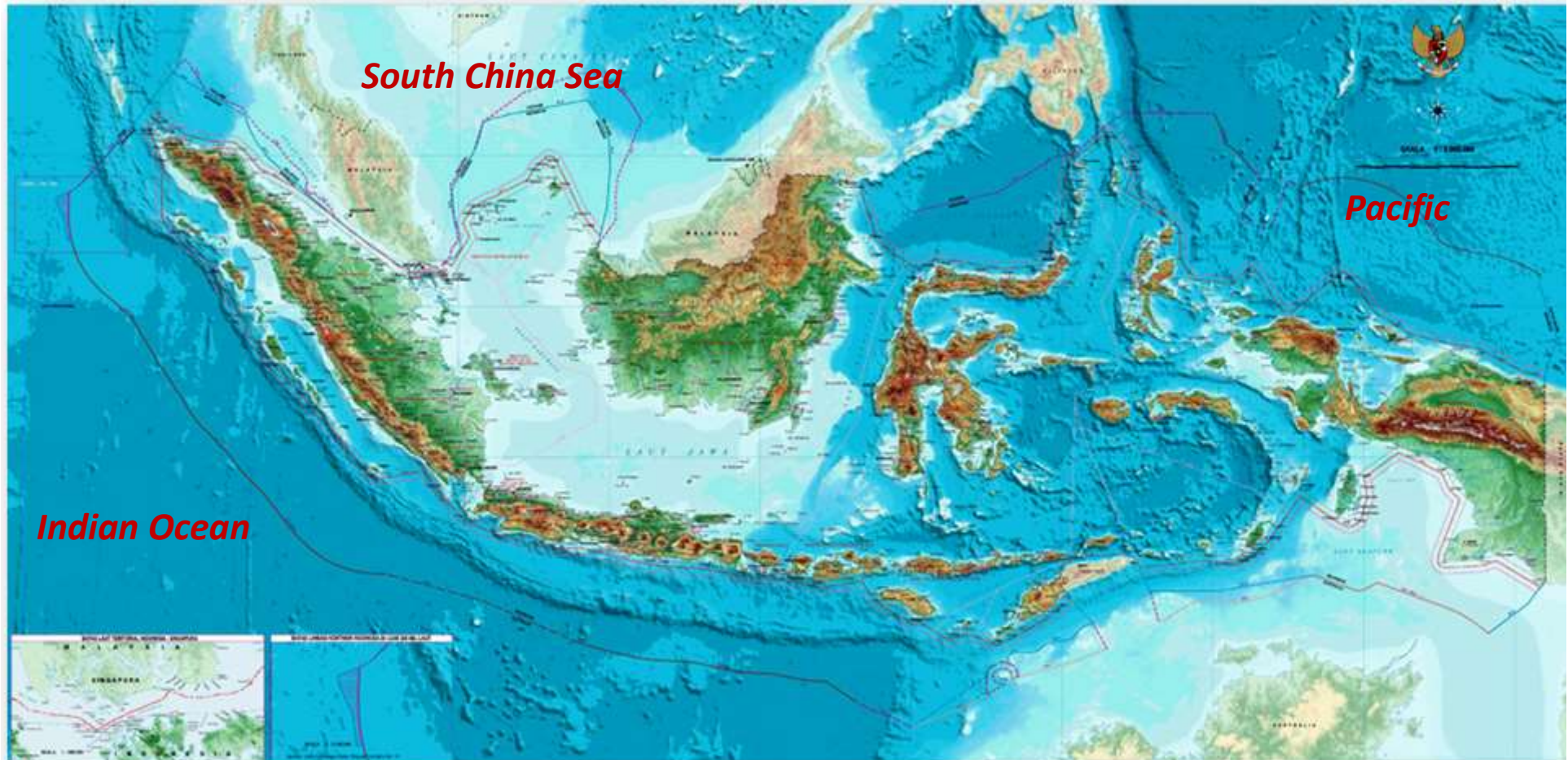
GEOGRAPHY

Indonesia merupakan negara kepulauan (archipelagic country) yang terbesar di dunia. Dibanding dengan negara-negara kepulauan yang lain – Jepang, Philippina, Yunani, Inggris, dan Norwegia – posisi geografis Indonesia merupakan yang berpotensi menjadi penghambat yang mutlak sifatnya bagi lalulintas laut global, baik yang bertujuan komersial maupun yang militer. Keempat ALKI dijuluki sebagai titik cekik (“choke points”) yang strategis. Antara lain fakta inilah yang memaksa NKRI untuk menetapkan politik luar negeri yang berazaskan postur “bebas dan aktif” sejak awal Revolusi 1945, dengan posisi “turut memelihara ketertiban dunia”.

Dewasa ini: wilayah maritim NKRI telah sangat diperluas baik karena keberadaan ZEE maupun karena klaim ke wilayah “deepsea” sesuai dengan Konvensi Hukum Laut PBB (UNCLOS)



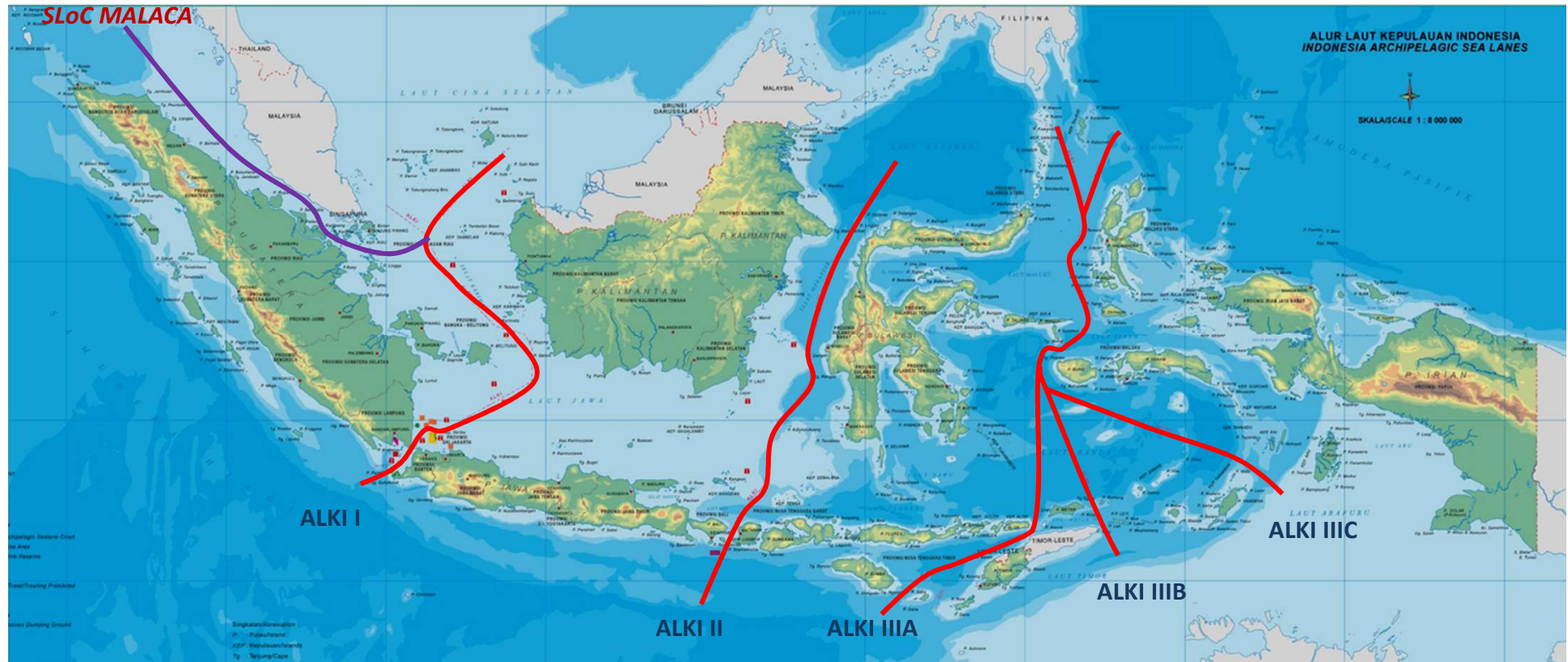
GEOGRAPHY is destiny
Dari Deklarasi Djuanda 1957 ke UNCLOS 1982



Gambaran perbatasan Negara Indonesia yang memperlihatkan Batas Teritorial, Zona Ekonomi Eksklusif, Batas Landas Kontinen serta Alur Laut Kepulauan Indonesia (ALKI).

INDONESIA ARCHIPELAGIC SEA LANES

UNCLOS 1982



*Note: ALKI = SLOC (Alur Laut Kepulauan Indonesia = Sea-Lane of Communication)
Indonesia menghormati prinsip navigasi maritim global seperti yang ditetapkan UNCLOS 1982, dengan membuka ketiga ALKI utara-selatan*

WORLD SEA TRANSPORTATION AND THE ROLE OF

❑ **SOUTHEAST ASIA SLOCs**

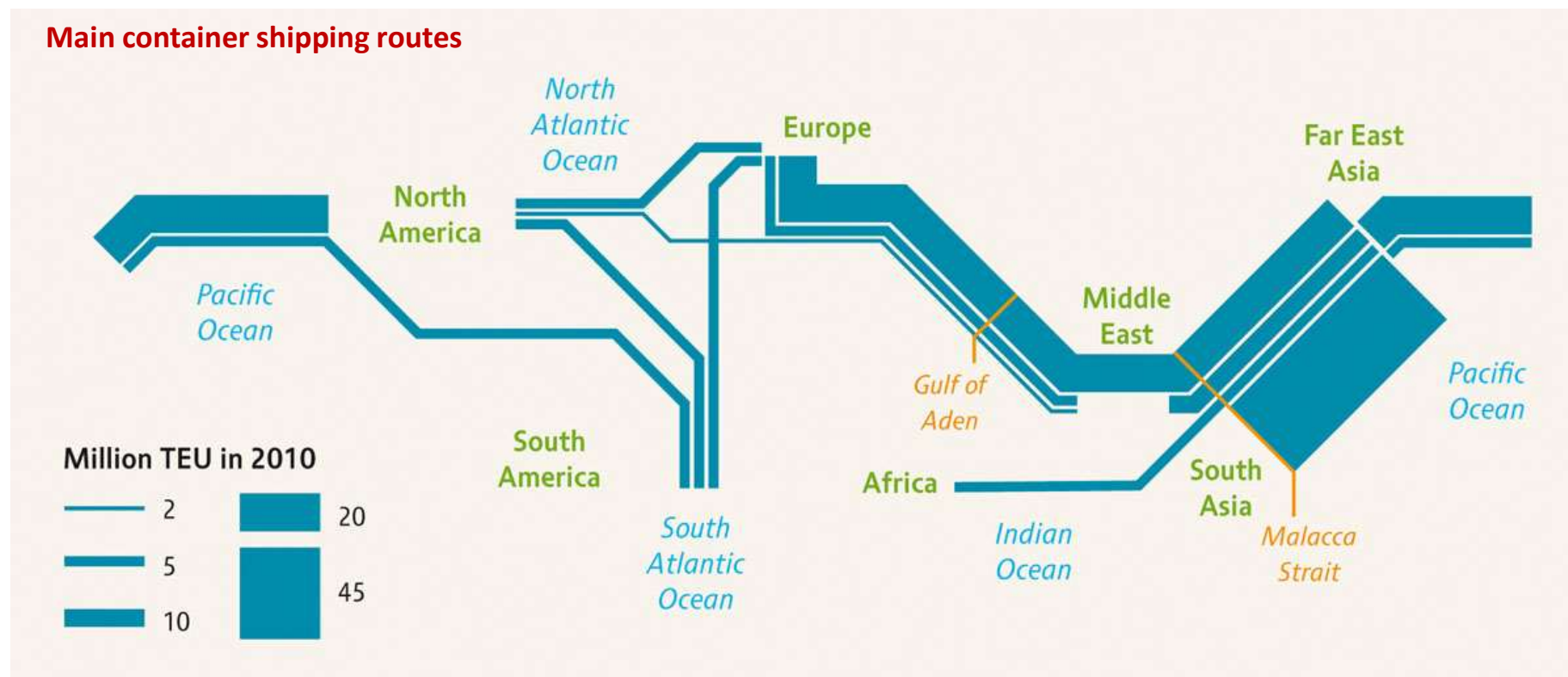
- More than half of world's annual merchant fleet tonnage passes through 3 SLOCs, i.e. Straits Malacca, Sunda/Karimata, Lombok/Macassar
- Around a third of all maritime traffic
- Roughly around 80% of China's crude oil imports
- Approximately 60% of Japan's, South Korea's, and Taiwan's energy supplies
- The oil transported through the Strait of Malacca is more than six times the amount that passes through the Suez Canal.

(Foreign Policy, Sept./Oct. 2011)



Source: World Shipping Council

Global shipping trade



OIL TRANSIT CHOKEPOINTS

About half of the world's oil production is moved by tankers on fixed maritime routes. The blockage of a chokepoint, even temporarily, can lead to substantial increases in energy costs



OIL TRANSIT CHOKEPOINTS

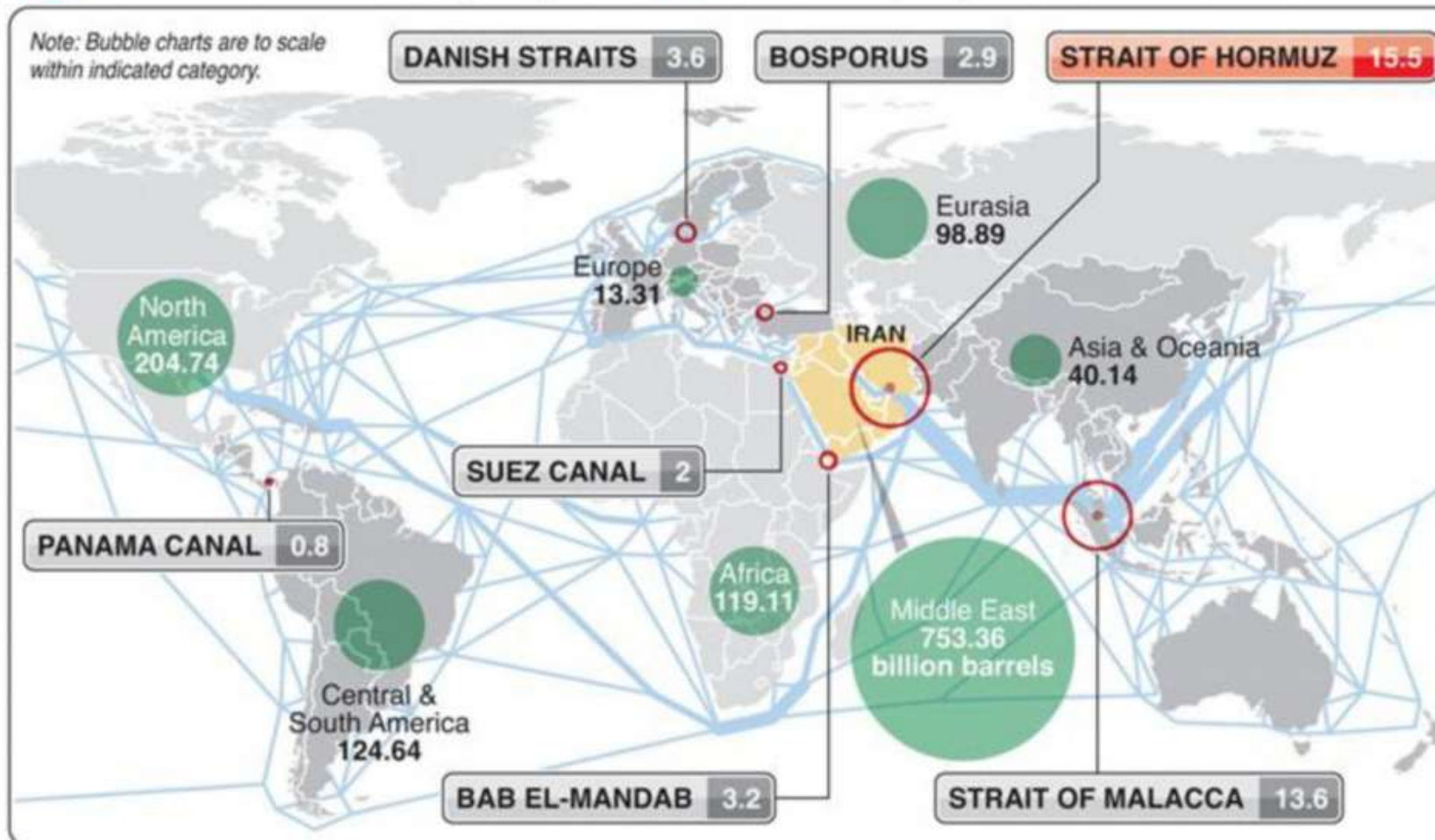
Million of barrels of oil moved per day, 2009



PROVED OIL RESERVES

Billion barrels (2010)

Note: Bubble charts are to scale within indicated category.

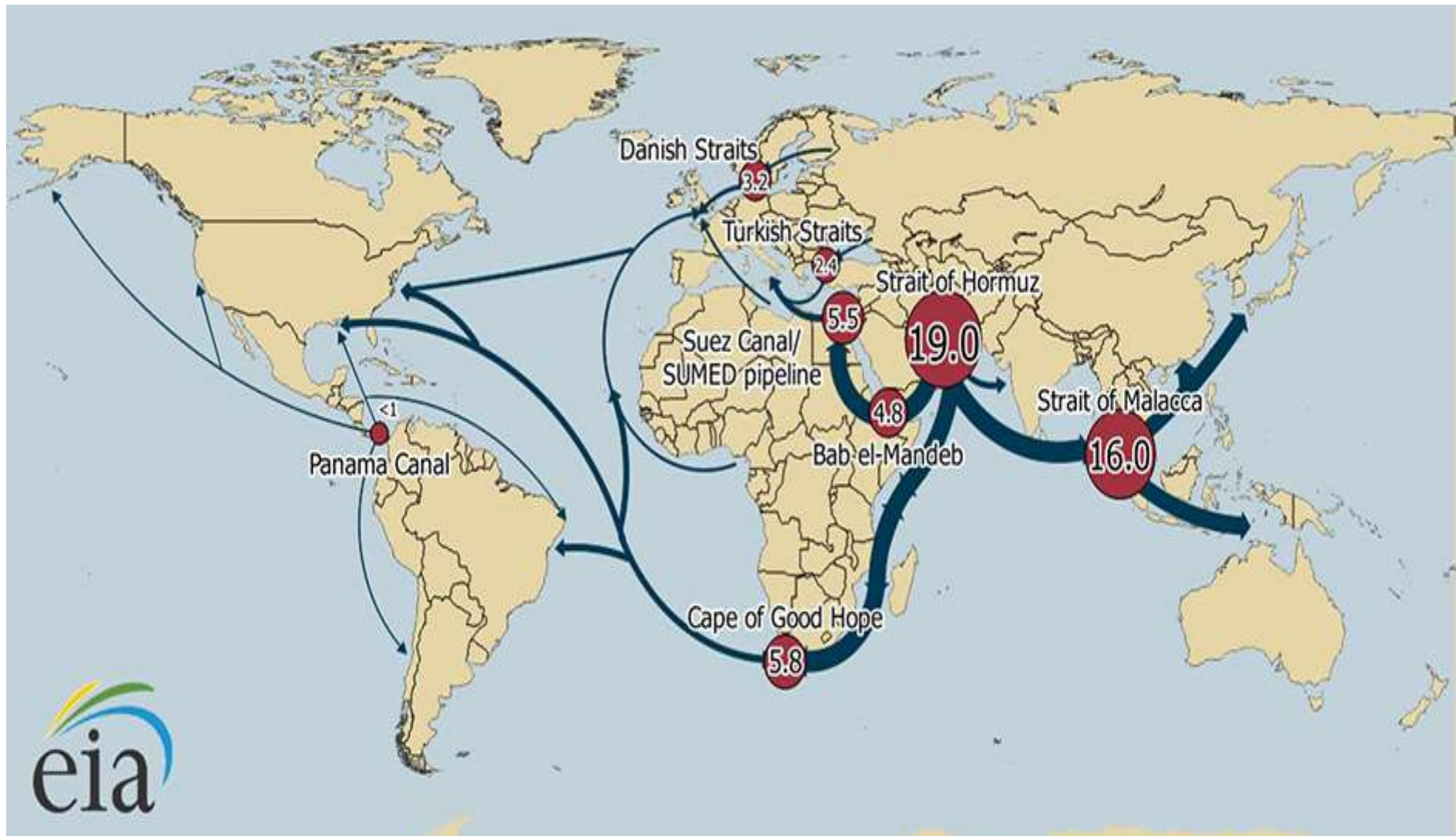


MAJOR OIL MOVEMENT – IN 2005, IN MILLION TONNES: — 1-100 — 101-200 — 201-300 — > 300

Sources: U.S. Energy Information Administration, International Tanker Owners Pollution Federation

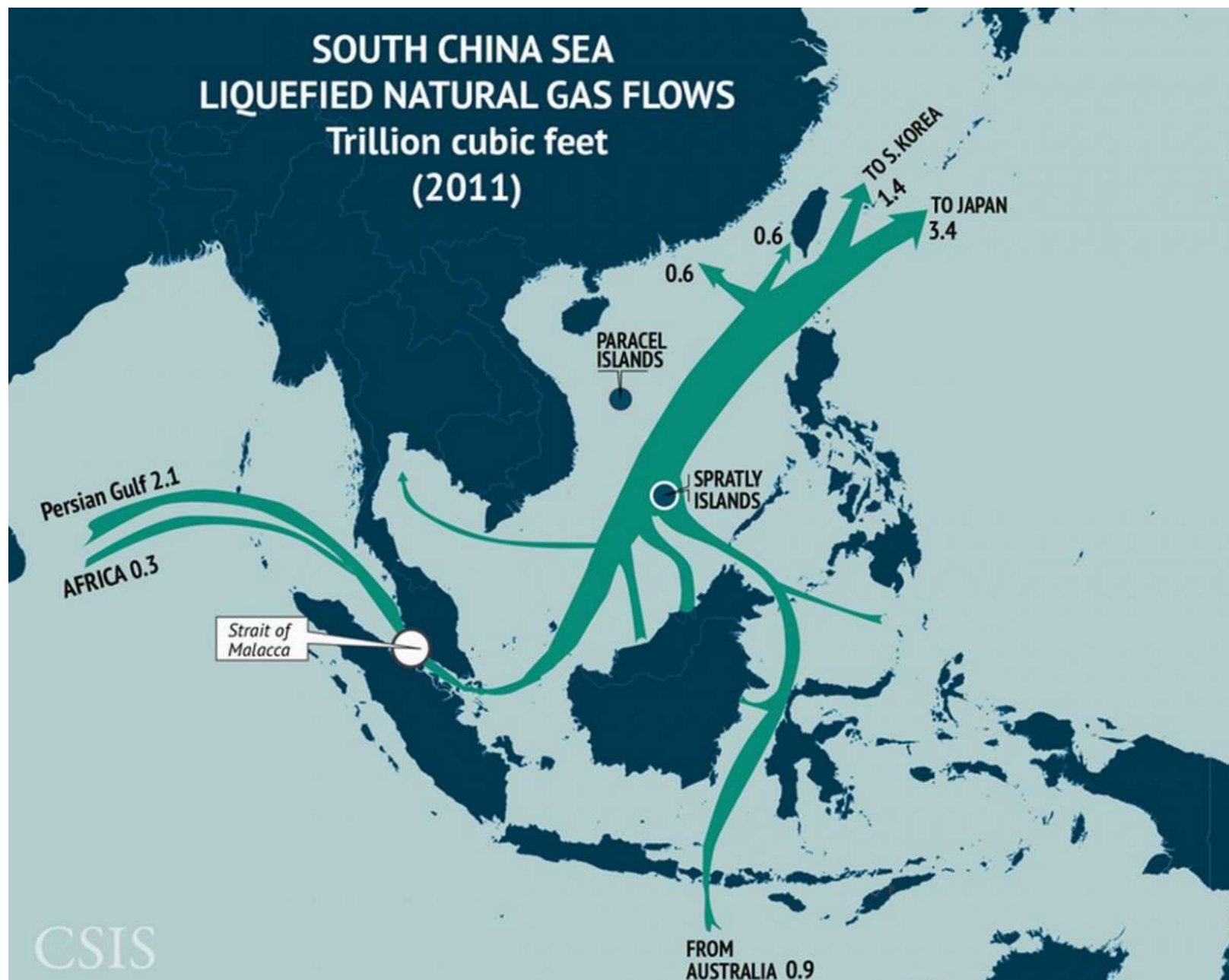
REUTERS

□ World's Oil Transit Chokepoints



Source: EIA – World Oil Transit Chokepoints, 2016

Million barrels daily



❑ Strait of Malacca's LNG Transit

Table 3. Strait of Malacca oil and liquefied natural gas (LNG) flows, 2011-16

million barrels per day	2011	2012	2013	2014	2015	2016
Total oil flows through Strait of Malacca	14.5	15.1	15.4	15.5	15.5	16.0
crude oil	12.8	13.2	13.3	13.3	13.9	14.6
refined products	1.7	1.9	2.1	2.2	1.6	1.4
LNG (Tcf per year)	2.8	3.5	3.9	4.1	3.6	3.2

Notes: Tcf = Trillion cubic feet.

Sources: U.S. Energy Information Administration analysis based on
Lloyd's List Intelligence, IHS Waterborne, BP.¹²

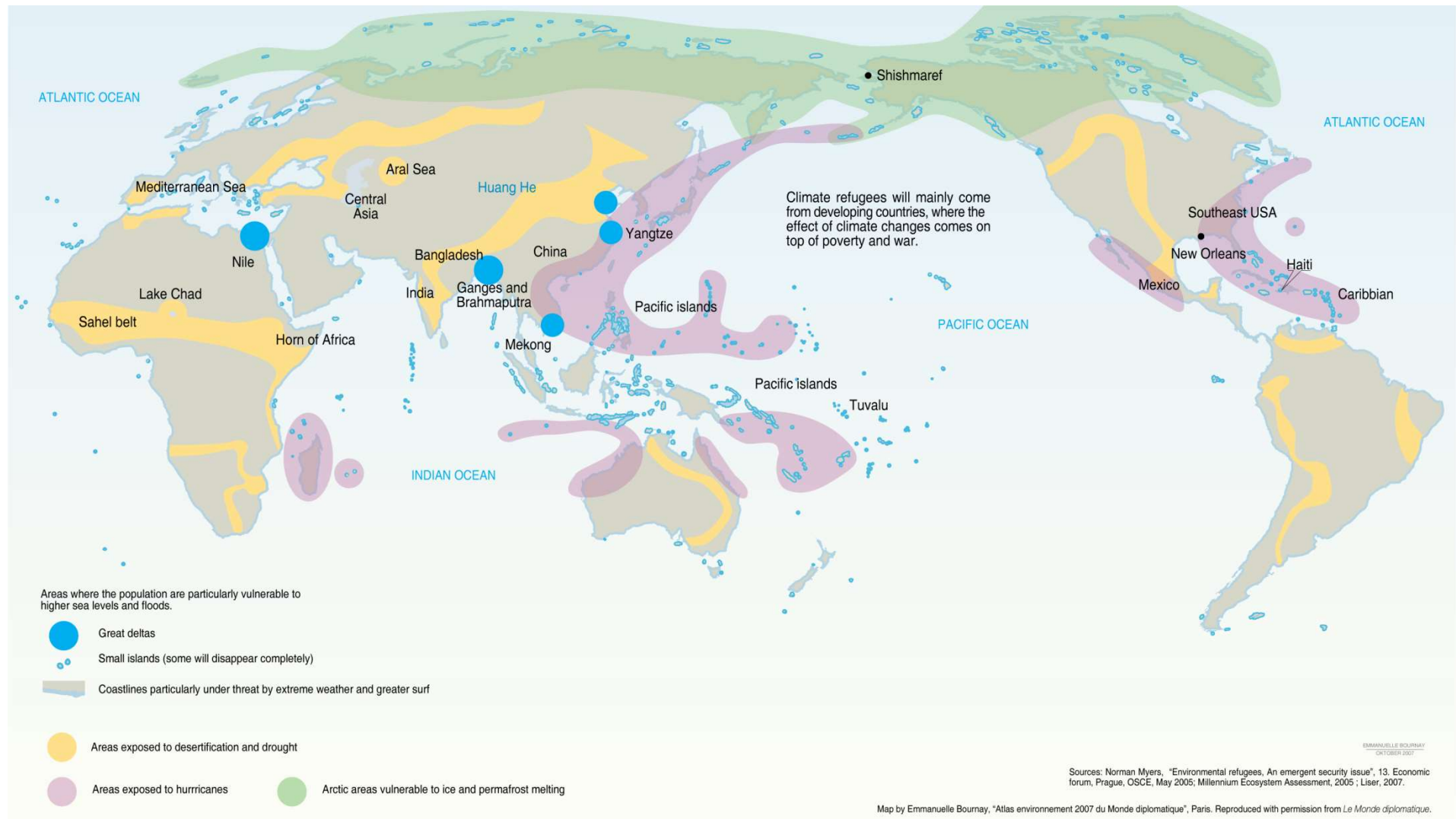
Source: EIA – **World Oil Transit Chokepoints**, 2016

Iron ore and coal seaborne trade routes in 2010 (in mill. tonnes).



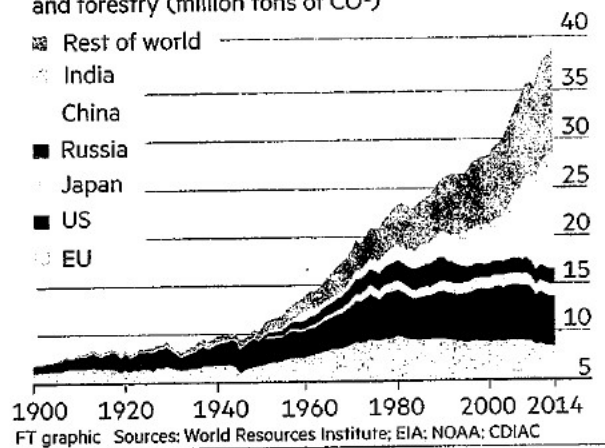
Source: IHS Global Insight

Vulnerable region to higher sea levels and floods



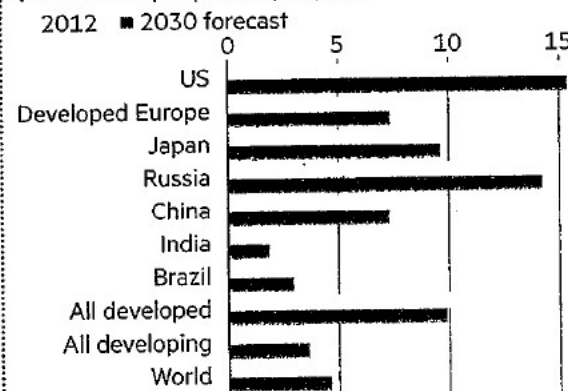
Emissions soar

CO₂ emissions by area, excluding land-use change and forestry (million tons of CO₂)



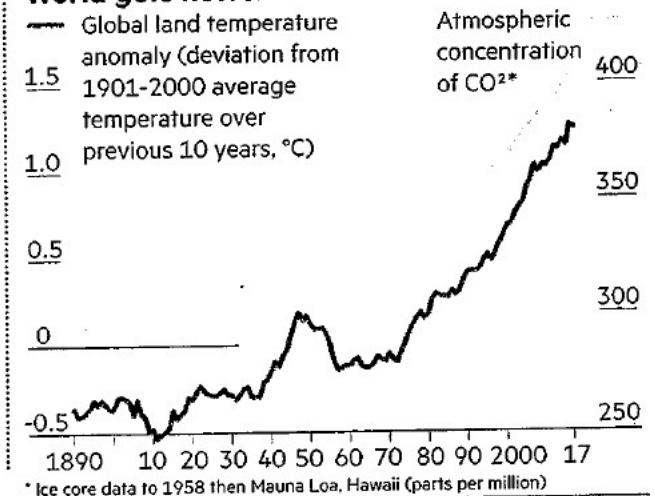
US wastes more

Per capita CO₂ emissions
(million tons per person per year)



World gets hotter

Global land temperature anomaly (deviation from 1901-2000 average temperature over previous 10 years, °C)



❑ GEOSTRATEGI INDONESIA

- Memelihara keterbukaan bagian-bagian tertentu wilayah laut NKRI sebagai ALKI bagi “safe passage” dari baik armada dagang maupun armada kekuatan laut yang bertujuan damai, di dalam sebuah postur GEOPOLITIK yang tidak memihak kekuatan-kekuatan besar dunia yang mana pun sesuai dengan kenyataan geografis Indonesia

RI menjamin selamanya bahwa ALKI bukanlah “*choke points*” untuk siapa pun yang tak berniat memusuhi Indonesia, sebagai pengejawantahan dari postur Politik Luar-Negari Bebas & Aktif dalam upaya “turut serta menjaga ketertiban dunia”

- NATIONAL INTEREST NKRI adalah: agar semua negara mendukung terciptanya semacam “*Strategic Agreement*” terhadap postur Geostrategi/Geopolitik tersebut lewat kegiatan diplomasi terbuka yang bebas & aktif. Tanpa keberadaan “*Strategic Agreement*” tersebut maka akan mudah terjadi “*geopolitical vacuum*”, yang akan digunakan oleh salahsatu kekuatan besar untuk memaksa pemihakan Indonesia.

TWENTY LARGEST COUNTRIES AND THEIR POPULATIONS, SELECTED YEARS
(millions)

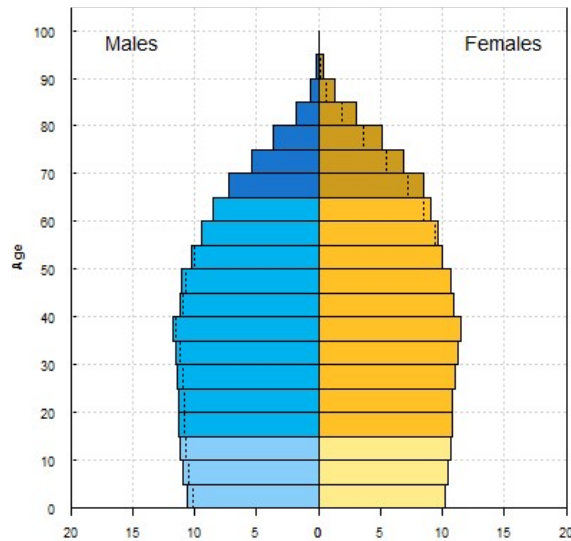
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<i>Rank</i>	<i>1950</i>		<i>2000</i>		<i>2050</i>	
1	China	554.8	China	1 275.2	India	1 531.4
2	India	357.6	India	1 016.9	China	1 395.2
3	U.S.A.	157.8	U.S.A.	285.0	U.S.A.	408.7
4	Russian Federation	102.7	<u>Indonesia</u>	<u>211.6</u>	Pakistan	348.7
5	Japan	83.6	Brazil	171.8	<u>Indonesia</u>	<u>293.8</u>
6	<u>Indonesia</u>	<u>79.5</u>	Russian Federation	145.6	Nigeria	258.5
7	Germany	68.4	Pakistan	142.7	Bangladesh	254.6
8	Brazil	54.0	Bangladesh	138.0	Brazil	233.1
9	United Kingdom	49.8	Japan	127.0	Ethiopia	171.0
10	Italy	47.1	Nigeria	114.7	Congo, DR	151.6
11	France	41.8	Mexico	98.9	Mexico	140.2
12	Bangladesh	41.8	Germany	82.3	Egypt	127.4
13	Pakistan	39.7	Viet Nam	78.1	Philippines	127.0
14	Ukraine	37.3	Philippines	75.7	Viet Nam	117.7
15	Nigeria	29.8	Turkey	68.3	Japan	109.7
16	Spain	28.0	Egypt	67.8	Iran	105.5
17	Mexico	27.7	Iran	66.4	Uganda	103.2
18	Viet Nam	27.4	Ethiopia	65.6	Russian Federation	101.5
19	Poland	24.8	Thailand	60.9	Turkey	97.8
20	Egypt	21.8	France	59.3	Yemen	84.4

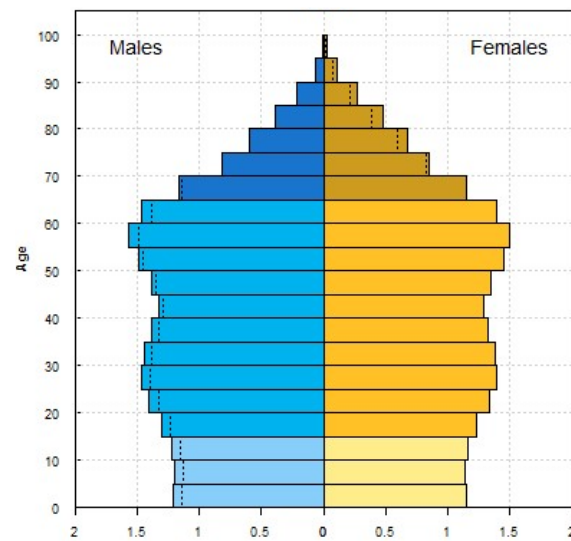
ASEAN 5 - POPULATION PYRAMID 2050

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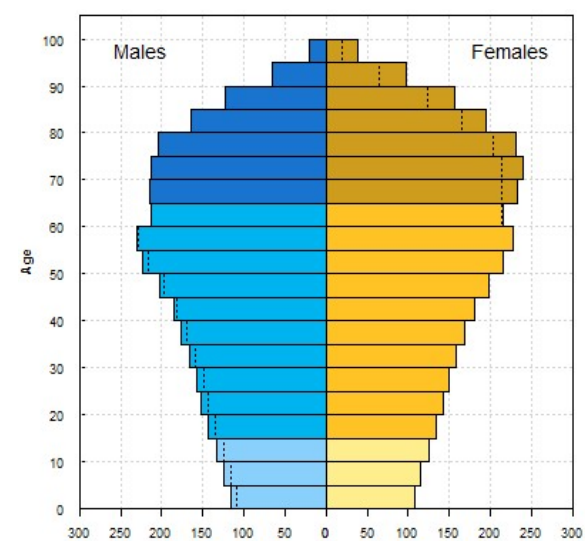
Indonesia



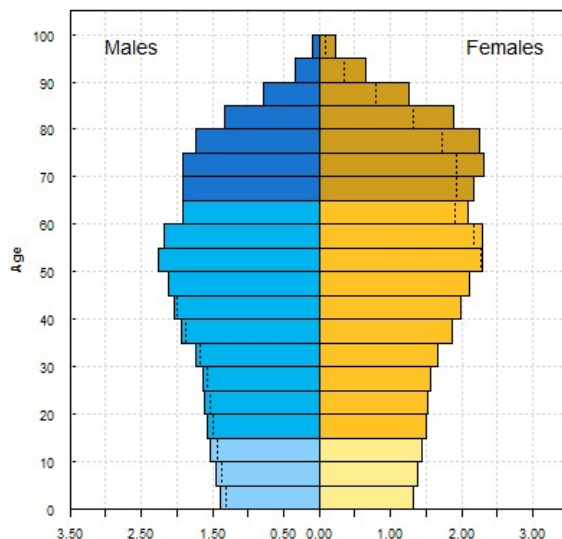
Malaysia



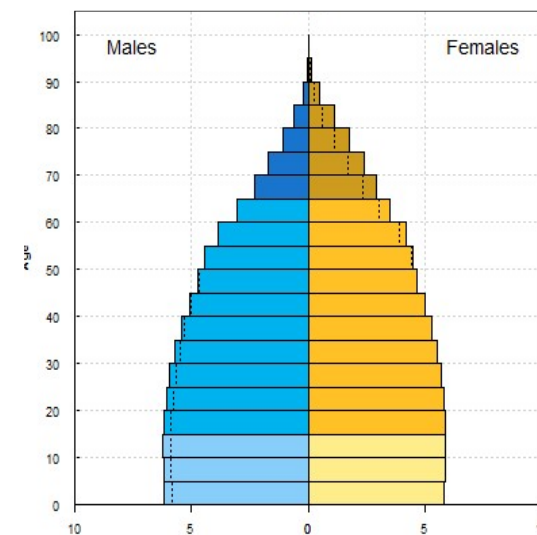
Singapore



Thailand



Philippine

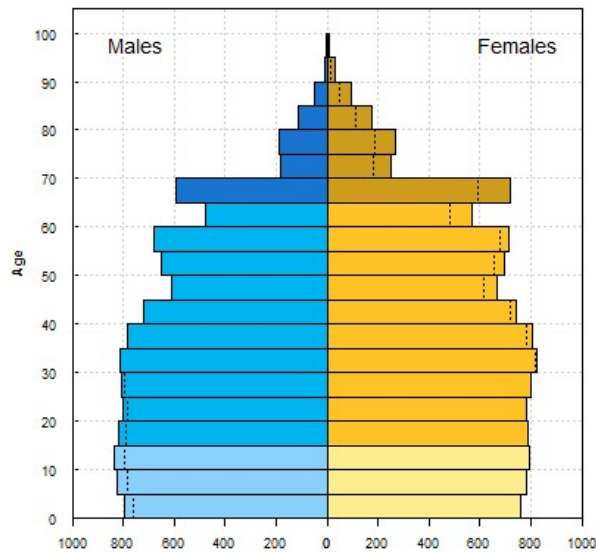


Source: UN DESA

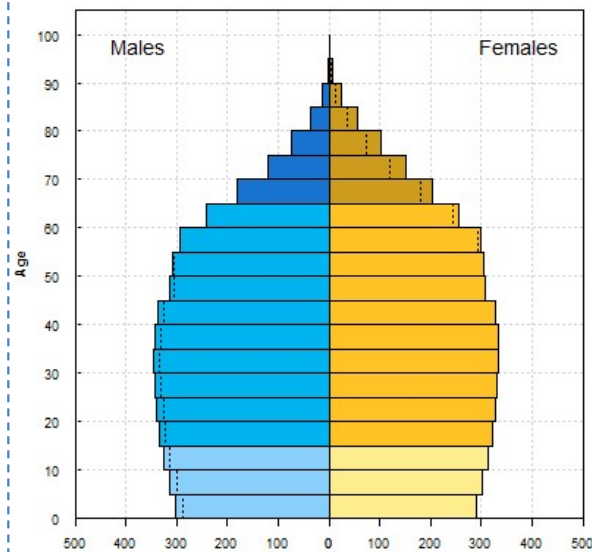
ASEAN/CLMV - POPULATION PYRAMID 2050

21

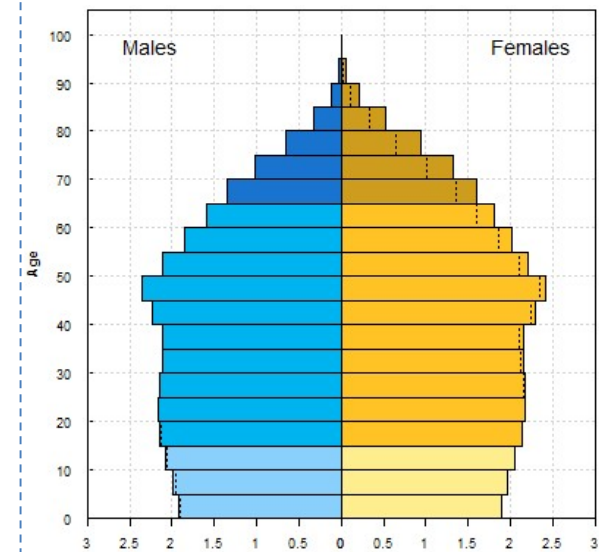
Cambodia



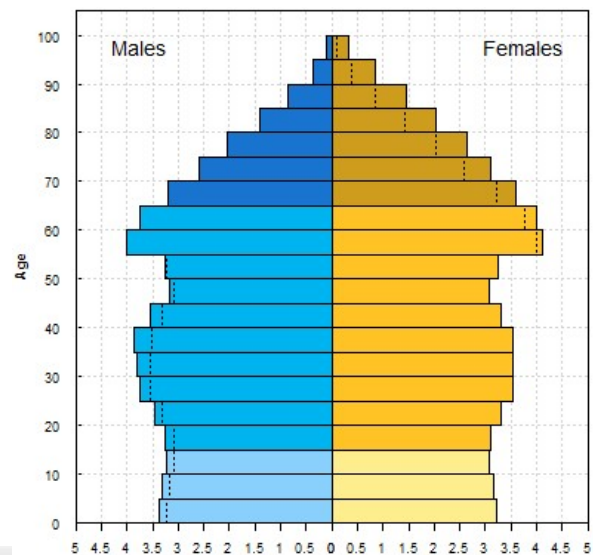
Laos



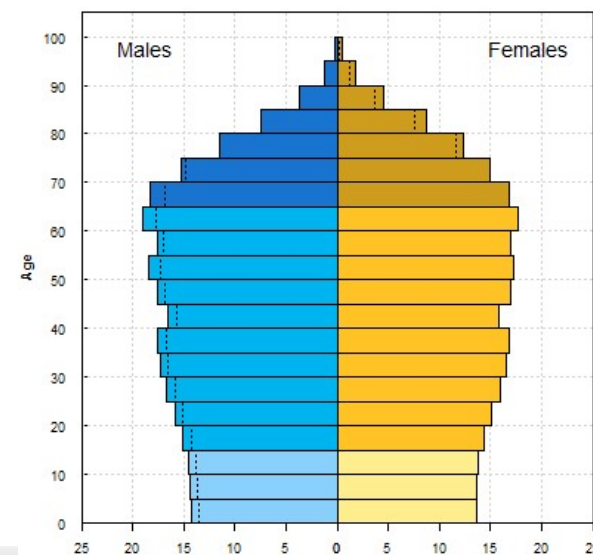
Myanmar



Vietnam



Brunei Darussalam

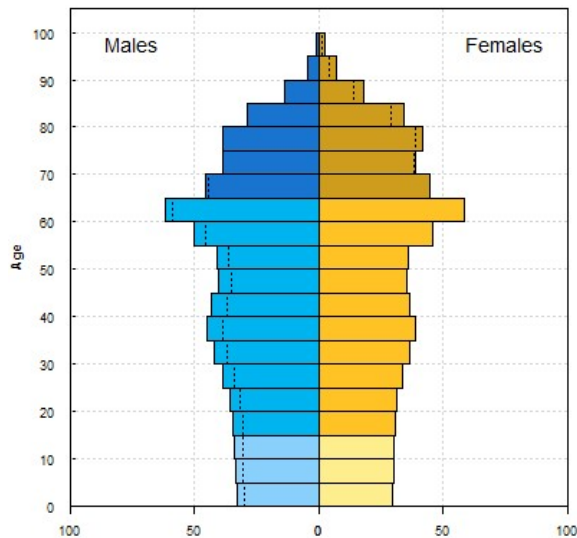


Source: UN DESA

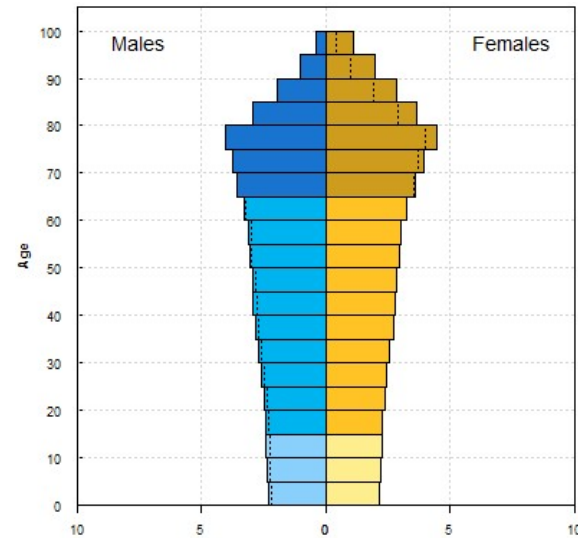
POPULATION PYRAMID 2050

22

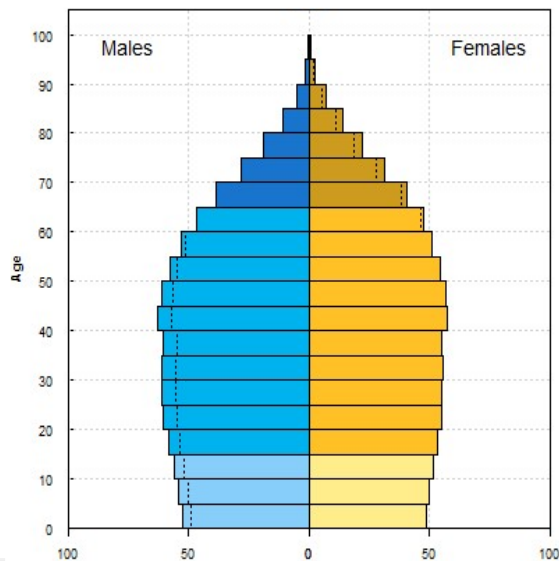
China



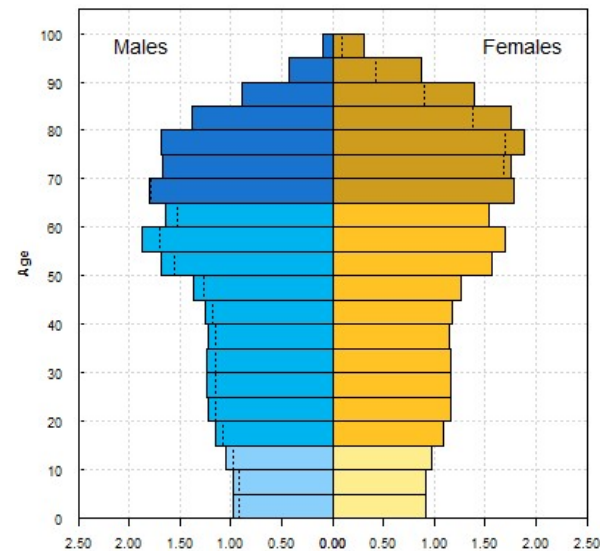
Japan



India



Korea



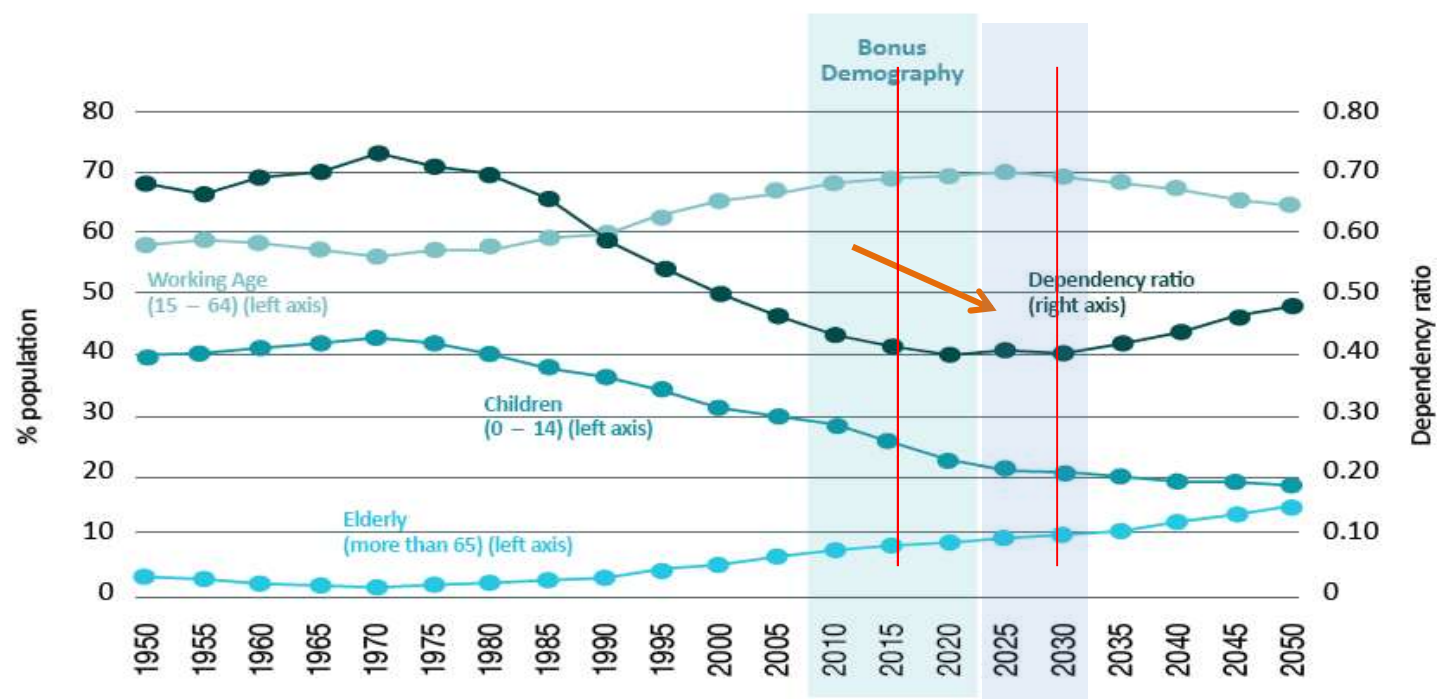
Source: UN DESA

□ DEMOGRAPHY is destiny

Indonesia's Potential: demographic bonus → BONUS DEMOGRAFI

- Indonesia has the fourth ranking population in the world, with 237.6 million people (2010), and the working age population is close to 70% of the total population. Population growth rose to 1.49% in 2010.
- Indonesia's window of "demographic bonus" (only if it accompanied by better quality education to produce skilled workers and more job creation) will close in the next decade, as the dependency ratio (i.e. ratio of young and elderly to working age) will start to rise after 2030.

INDONESIA: Age Structure of Population and Dependency Ratio (%), 1950-2050



Source: Government of Indonesia (2011), "Master Plan: Acceleration and Expansion of Indonesia Economic Development 2011-2025"

❑ MIDDLE-INCOME TRAP

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Correlations:

The Middle-Income Trap

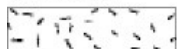
By [Evan Applegate](#) June 13, 2013

Speaking on June 6 in Chengdu, China, Executive Vice Premier Zhang Gaoli said his country “has to stand up to the test of striding over the ‘middle-income trap.’ ” Zhang was referring to a well-known phenomenon: Many nations can move from low-income to middle-income status, but as labor costs rise only countries that boost productivity, improve education, and master innovation fully develop.

World Income Distribution

Low income

36 nations



Middle income

108 nations



High Income

70 nations

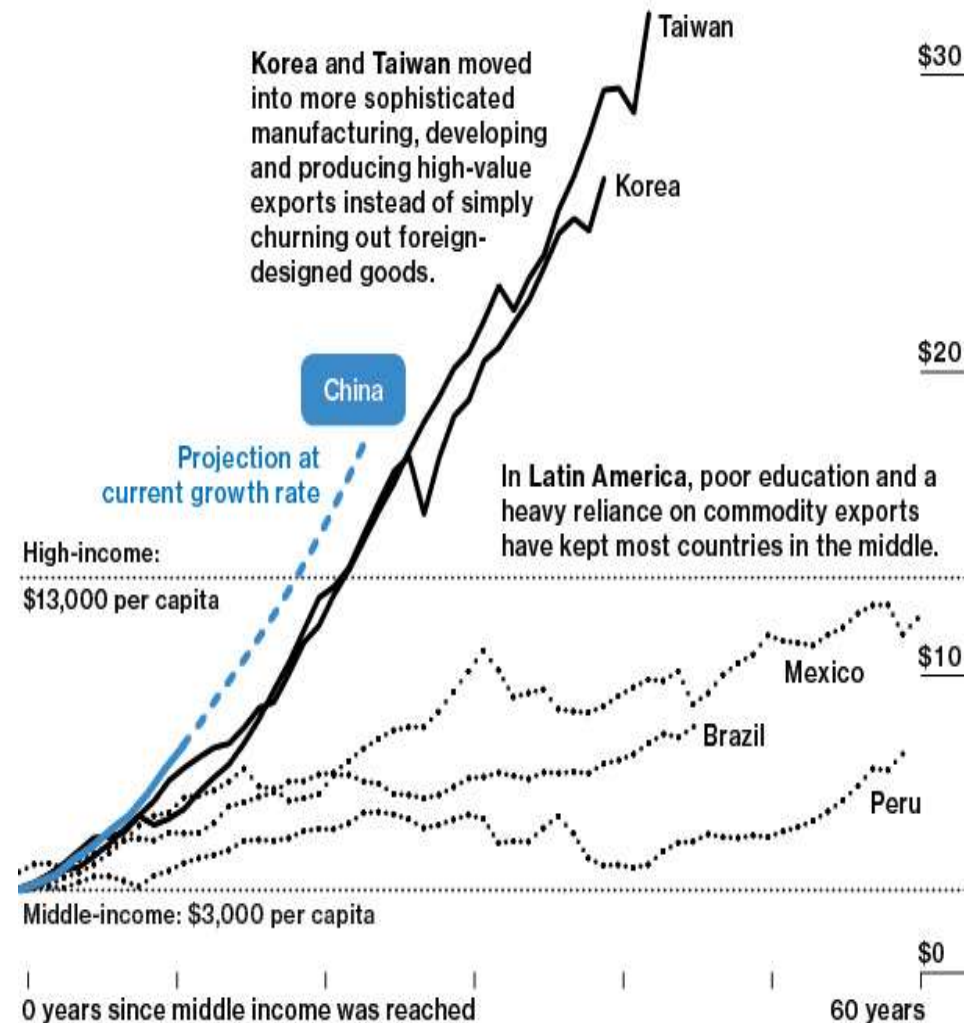


How the Trap Works

- By deploying a cheap labor force in light manufacturing, poor nations move into the middle-income range.
- Wages rise, and their competitive advantage weakens. Manufacturing departs for cheaper countries, e.g. garment-making leaving India for Bangladesh.
- Unable to build a knowledge economy but too costly for low-end manufacturing, nations get trapped.

GRAPHIC BY BLOOMBERG BUSINESSWEEK. DATA: WORLD BANK

GDP per capita, inflation-adjusted dollars: Latin American and Asian economies



GRAPHIC BY BLOOMBERG BUSINESSWEEK. DATA: INTERNATIONAL MONETARY FUND, PENN WORLD TABLES, AIYAR, DUVAL, PU Y, WU, ZHANG 2013

www.businessweek.com

Periode	Sistem Politik	Perubahan Formal Perimbangan Peranan Negara versus Pasar
1950-1958	Demokrasi Parlementer	- <u>ekonomi liberal</u> , untuk mengakomodasi dominasi bisnis Belanda dan Perjanjian KMB Desember 1949
1959-1966	Demokrasi Terpimpin	- <u>Sosialisme Indonesia</u> dan <u>Ekonomi Terpimpin</u> , untuk membangun ekonomi nasional yang mandiri ("berdikari")
1967-1998	Orde Baru	- <u>ekonomi campuran (mixed economy)</u> , untuk melaksanakan pembangunan nasional lewat GBHN dan Repelita, serta Bappenas sebagai pengendali
1999-2004	"Reformasi I"	- <u>ekonomi "Washington Consensus/IMF-World Bank"</u> , untuk merehabilitasi dan menstabilkan ekonomi nasional untuk keluar dari Krisis Multi-dimensi 1998
2005- ____	"Reformasi II"	- <u>ekonomi terbuka</u> , untuk menyesuaikan pembangunan nasional dengan keterbukaan global

Fakta sejarah

- Transformasi sistem ekonomi di Indonesia merupakan proses yang traumatis, yang selalu didahului oleh kegagalan pemerintah, baik di dalam mengelola sistem ekonomi maupun sistem politik.

Pada periode 1957-1959

Gejolak politik di daerah-daerah expor di Luar Jawa, dalam gabungan dengan krisis di lembaga Konstituante dalam upaya menyusun UUD, telah menggelindingkan peristiwa Wapres Hatta meletakkan jabatan dan pecahnya Perang Saudara PRRI-Permesta. Presiden Sukarno mendeklarasikan “Kembali ke UUD 45”, disusul dengan pembentukan sistem Demokrasi Terpimpin.

Pada periode 1963-1965

Rivalitas PKI dan TNI makin memanas di tengah Konfrontasi Malaysia, dibarengi oleh krisis ekonomi yang menyeluruh karena budget militer sejak Konfrontasi Irian Barat 1961 sampai dengan Konfrontasi Malaysia menimbulkan defisit APBN yang tak terkendali dengan akibat hiperinflasi. Peristiwa G30S/PKI membuka babak transformasi mendasar ke arah Orde Baru. Peranan IMF/WB/CGI masuk ke Indonesia.

Pada periode 1998-2000

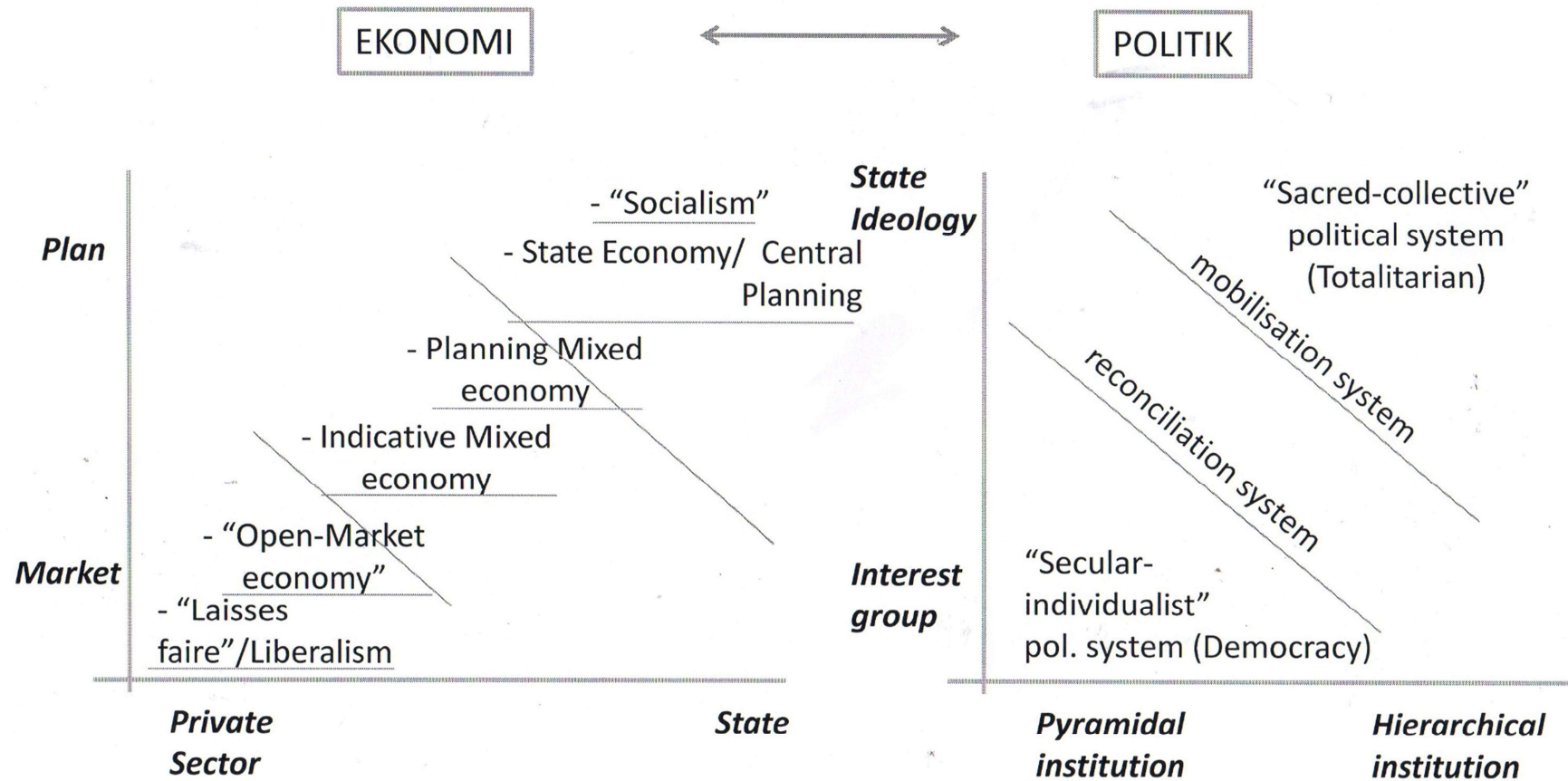
Proses pembusukan internal yang digerakkan oleh praktek KKN dan percukongan dengan mudah menimbulkan terjadinya krisis multidimensi, saat Krisis Perbankan/Keuangan Asia terjadi dan menghabisi “The Asian Miracle” – juga di Indonesia. Presiden Suharto meletakkan jabatan di tengah sitkon ekonomi makro sangat kacau, yang memicu Peristiwa Mei 1998. Indonesia ditempatkan dalam manajemen IMF/WB/CGI saat Reformasi Tahap I digerakkan.

→ Pada periode-periode krisis ini ekonomi Indonesia mengalami kemerosotan sitkon ekonomi makro yang parah, yang berakibatkan setiap kali Indonesia kehilangan momentum pertumbuhan selama sekitar 3 sampai dengan 5 tahun.

Pada periode-periode tersebut peranan pasar terus berjalan; seringkali secara ilegal, di hadapan situasi produksi dan distribusi yang kacau dan di tengah inflasi yang merajalela.

• PETA TRANSFORMASI EKONOMI-POLITIK

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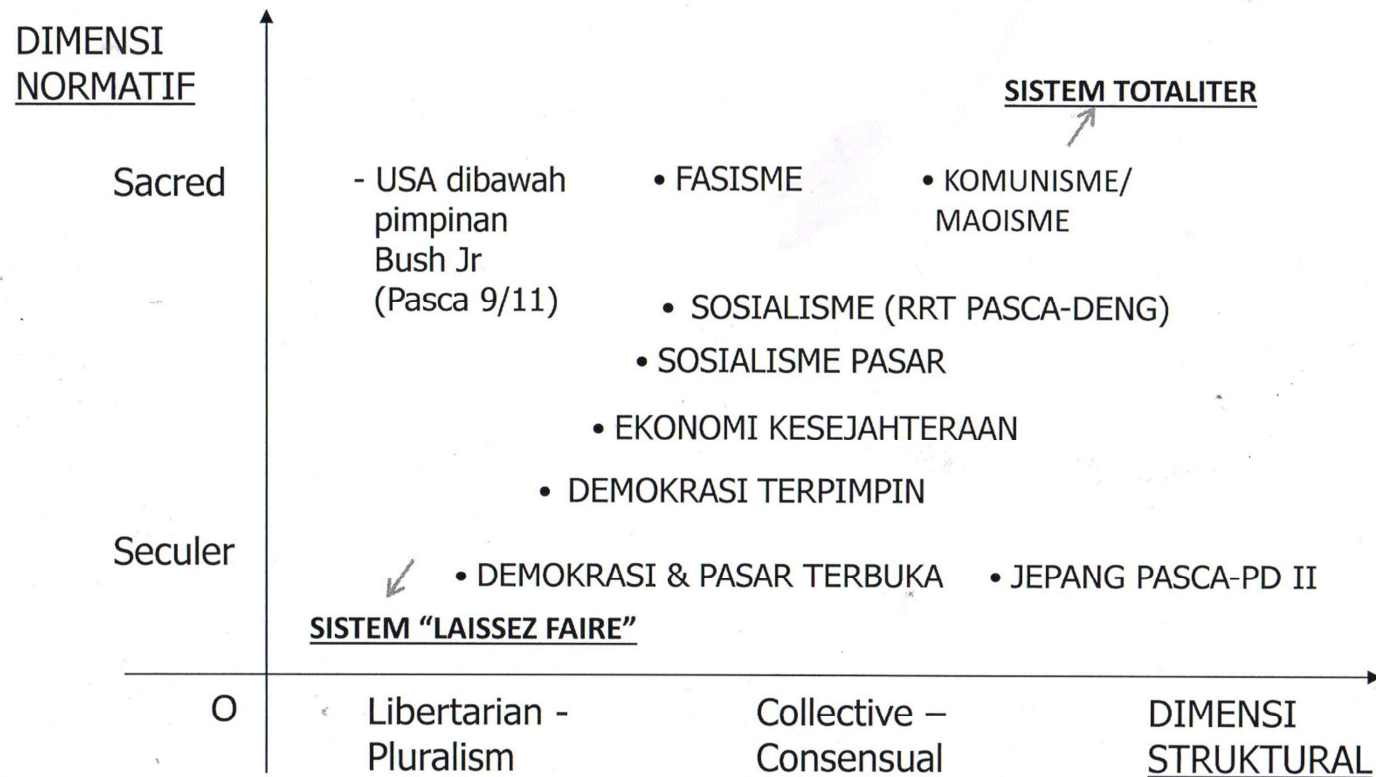


(main issue of "political-economy of development")

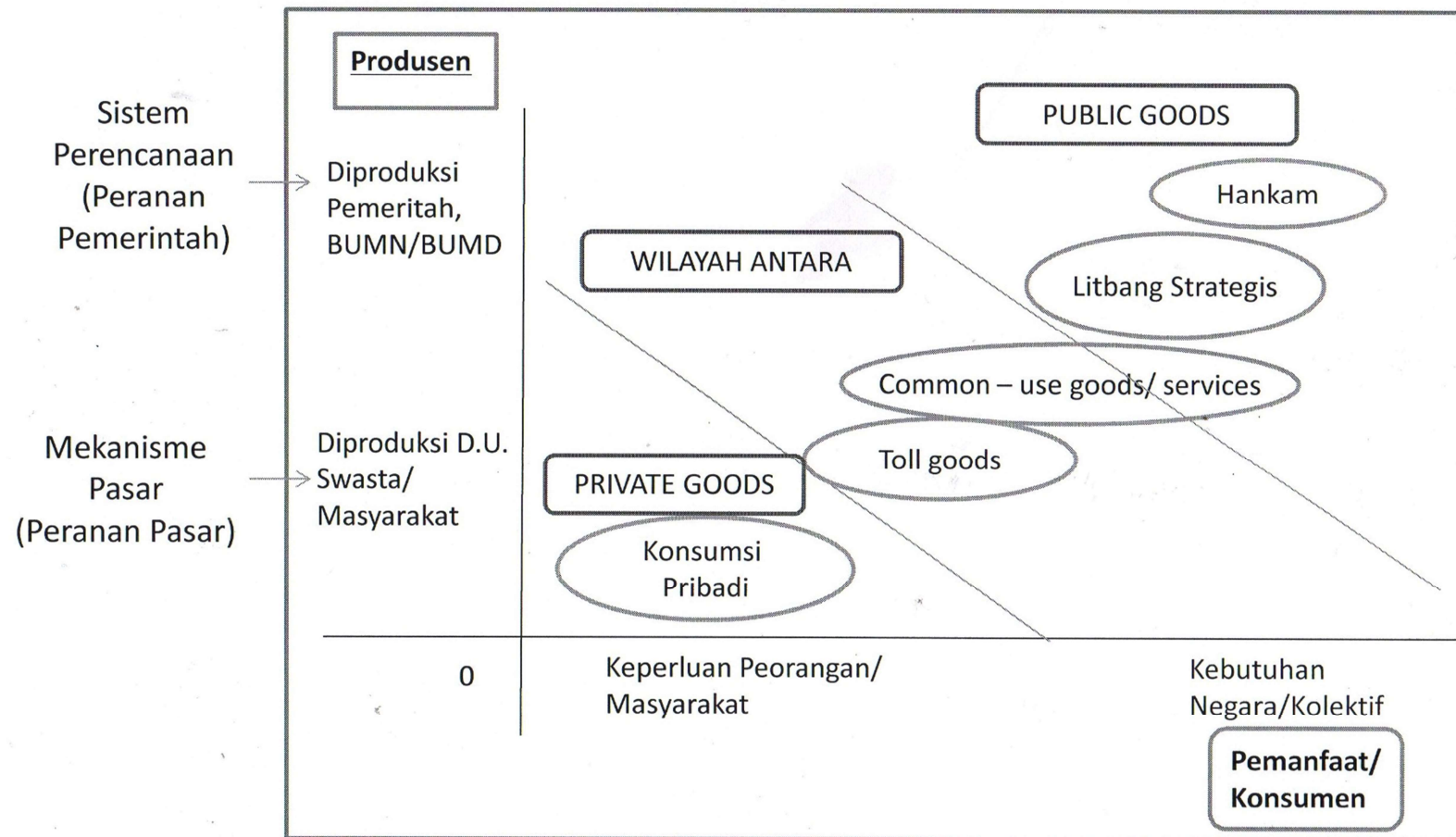
SISTEM POLITIK

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- Sistem politik yang bersifat “sacred-collective”, seperti Sosialisme/Komunisme/Fasisme, cenderung menggunakan pola pemaksaan, sedangkan sistem demokrasi cenderung menggunakan pola himbauan



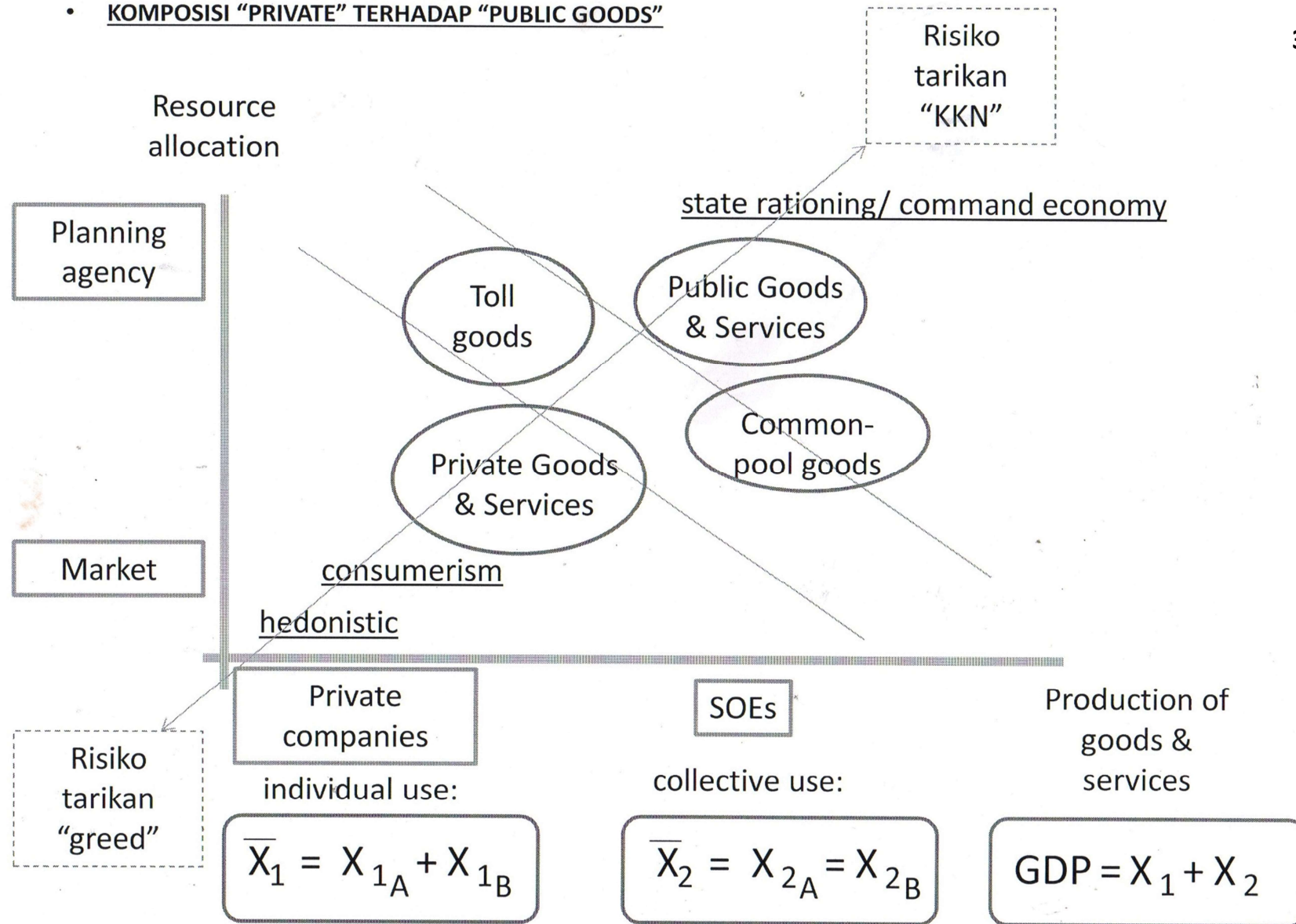
Gambaran Analitis tentang Pembagian Wilayah bagi Kegiatan Pasar versus Peranan Pemerintah.



Dorodjatun Kuntjoro-Jakti, PhD. - 10/11/2016

- KOMPOSISI “PRIVATE” TERHADAP “PUBLIC GOODS”

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Pemikiran-pemikiran ekonomi

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Mercantilism	Neo-M	Classical	Neo-classic	Keynesian	Neo-K	Post-K	Marxism	Neo-Marxism
State interest		Private interest	Special interest	State intervention		Dev. economics	Class-based state (Proletariat)	- Market Soc'm - Socialism with Human Face
(State Capitalism)		(Market Capitalism)		(Counter-cyclical)		(Secular long-term growth)		
Capitalism						Socialism		

- kesemua pemikiran berhadapan dengan fakta nyata yang terus berkembang dengan momentumnya sendiri

at issue

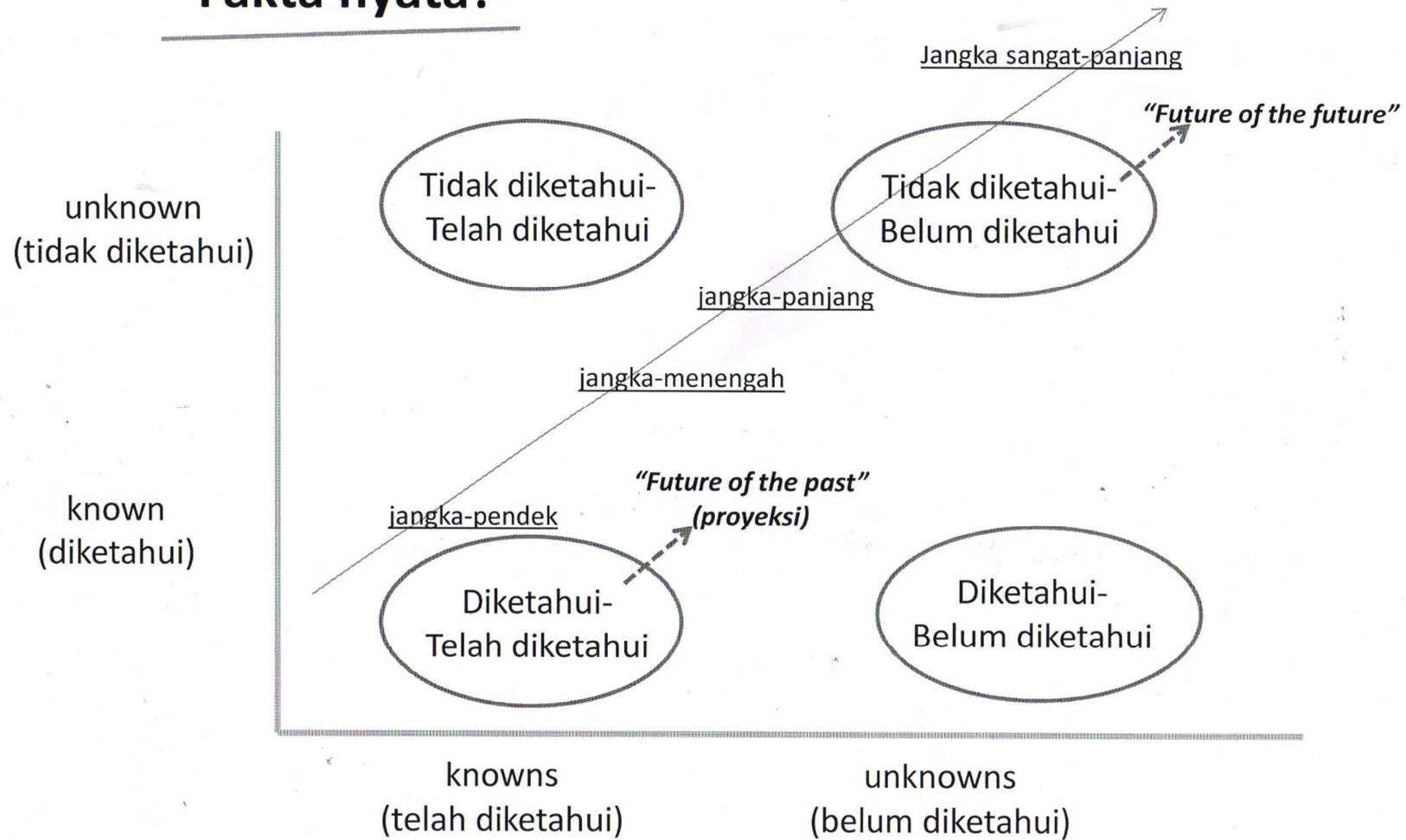
bagaimana menerapkan

“the right policy” for “the right reason”?

risiko-risiko

- “the right policy” for “the wrong reason”
- “the wrong policy” for “the right reason”
- “the wrong policy” for “the wrong reason”

Fakta nyata?



Indonesia Economic Indicators

A.	2014	2015	2016	2017	2018f	2019f
<u>Production, demand and employment</u>						
GDP growth (% y-o-y)	5.0	4.9	5.0	5.1	5.1	5.2
Nominal GDP (USDbn)	890.5	860.5	932.8	1,015.5	1,058.9	1,148.8
GDP per capita (USD)	3,531.6	3,368.5	3,604.5	3,873.7	3,987.6	4,228.9
Gross domestic saving (% GDP)	34.6	33.9	41.7	44.3	42.5	44.5
Unemployment rate, end-year (%)	5.9	6.2	6.5	5.8	5.6	5.4
<u>Prices & wages</u>						
CPI, average (% y-o-y)	6.4	6.4	3.5	3.8	3.5	3.7
Manufacturing wages, nominal (% y-o-y)	1.3	6.7	5.3	5.2	5.3	5.6
<u>Money, FX & interest rates</u>						
Broad money supply M2, average (% y-o-y)	11.5	12.8	7.8	9.9	9.0	10.0
Policy rate, end-year (% y-o-y)	n/a	6.25	4.75	4.25	5.50	5.50
IDR /USD, end-year	12,440	13,795	13,436	13,548	14,000	14,000
IDR /USD, average	11,872	13,395	13,307	13,381	13,938	14,000

Source: **HSBC – The VIEW. Asia's Bond Markets.** July 2018

Indonesia Economic Indicators

	2014	2015	2016	2017	2018f	2019f
B. <u>External sector</u>						
Merchandise exports (USDbn)	175.3	149.1	144.4	168.9	183.2	197.4
Merchandise imports (USDbn)	168.3	135.1	129.1	150.1	172.3	186.4
Trade balance (USDbn)	7.0	14.0	15.4	18.8	10.8	11.0
Current account balance (USDbn)	-27.5	-17.5	-16.3	-17.5	-22.6	-26.4
Current account balance (% GDP)	-3.1	-2.0	-1.8	-1.7	-2.1	-2.3
Net FDI (USDbn)	14.7	10.7	15.1	19.2	14.5	14.6
Net FDI (% GDP)	1.7	1.2	1.6	1.9	1.4	1.3
Current account balance plus FDI (% GDP)	-1.4	-0.8	-0.1	0.2	-0.8	-1.0
Exports (% y-o-y)	-3.7	-14.9	-3.1	16.9	8.5	7.7
Imports (% y-o-y)	-4.5	-19.7	-4.5	16.2	14.8	8.1
International FX reserves (USDbn)	111.9	105.9	116.4	130	129	126
Import cover (months)	8.0	9.4	10.8	10.4	9.0	8.1
Short-term external debt (USDbn)	45.1	38.7	42.1	49.0	55.4	58.0
Short-term external debt (% nominal GDP)	5.1	4.5	4.5	4.8	5.2	5.0
Short-term external debt (% exports)	25.7	26.0	29.1	29.0	30.3	29.4
<u>Public and external solvency indicators</u>						
Gross external debt (USDbn)	293.3	310.7	317.0	352.2	369.5	386.7
Short term external debt (% of int'l reserves)	40.3	36.5	36.1	37.6	43.1	46.0
Central government balance (% GDP)	-2.1	-2.6	-2.5	-2.5	-2.6	-2.5

Source: HSBC, Moody's, S&P, Fitch

Source: **HSBC – The VIEW. Asia's Bond Markets.** July 2018

The Economist commodity-price index

36

1990=100	Dec 8th	Dec 15th*	% change on one month one year	
Dollar index				
All items	87.0	87.3	- 1.3	- 18.7
Food	101.8	102.8	+ 0.2	- 20.5
Industrials				
All	74.2	73.8	- 3.2	- 16.4
Nfa [†]	89.3	90.9	+ 0.2	- 10.5
Metals	65.1	63.5	- 5.9	- 20.9
Sterling index				
All items	94.0	92.5	- 1.8	- 20.5
Food	109.9	108.9	- 0.2	- 22.3
Industrials				
All	80.1	78.2	- 3.6	- 18.3
Nfa [†]	96.4	96.4	- 0.3	- 12.5
Metals	70.2	67.3	- 6.3	- 22.7
SDR index				
All items	84.6	84.1	- 2.1	- 22.0
Food	99.0	99.1	- 0.5	- 23.8
Industrials				
All	72.2	71.2	- 3.9	- 19.8
Nfa [†]	86.8	87.7	- 0.6	- 14.2
Metals	63.3	61.2	- 6.6	- 24.2
Gold				
\$ per oz	294.65	292.75	- 0.6	+ 3.2
Crude oil North Sea Brent				
\$ per barrel	10.37	10.24	- 12.6	- 43.3
* Provisional. † Non-food agriculturals.				

* Provisional. [†] Non-food agriculturals.

Dec 17th 1998

The Economist commodity-price index

37

2000=100

	Dec 13th	Dec 16th*	% change on	
			one month	one year
Dollar index				
All items	143.2	143.2	+ 4.9	+14.1
Food	126.4	127.3	+ 4.0	+ 7.2
Industrials				
All	165.0	163.8	+ 5.7	+22.1
Nfa†	137.3	134.9	+ 1.8	+13.8
Metals	180.1	179.5	+ 7.4	+25.7
Sterling index				
All items	122.8	123.1	+ 1.8	+24.6
Euro index				
All items	111.0	110.8	+ 2.8	+27.6
Yen index				
All items	159.6	154.9	+ 2.5	+27.2
Gold				
\$ per oz	524.70	504.95	+ 2.7	+14.4
West Texas Intermediate				
\$ per barrel	61.29	58.15	- 0.2	+27.8

Provisional. † Non-food agriculturals.

Dec 20th 2005

- Too strong upside

38

The Economist commodity-price index

Jun 26th 2008

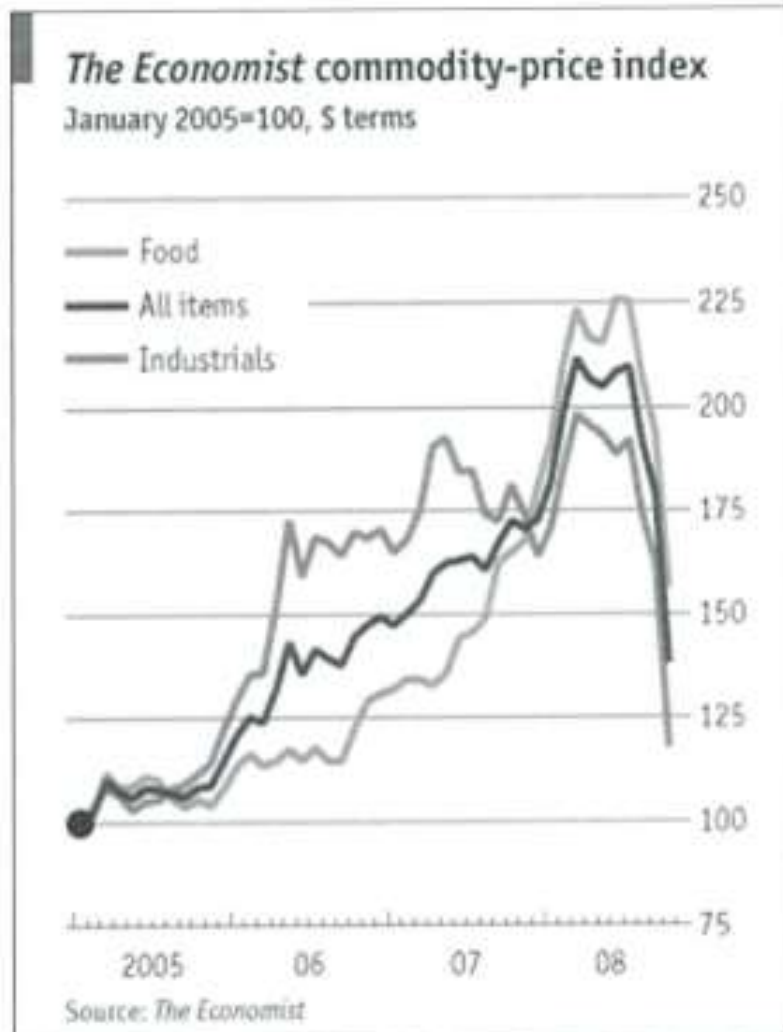
From *The Economist* print edition

(irrational exuberance)

The Economist commodity-price index				
2000=100				
			% change on	
	Jun 17th	Jun 24th*	one month	one year
Dollar index				
All items	267.7	266.1	+4.4	+31.6
Food	278.0	272.2	+7.9	+60.2
Industrials				
All	254.4	258.2	+0.0	+5.9
Nfa†	209.7	206.0	-0.1	+27.0
Metals	278.9	286.8	+0.1	-0.6
Sterling index				
All items	207.9	204.7	+4.6	+33.5
Euro index				
All items	159.7	157.8	+5.3	+13.6
Gold				
\$ per oz	881.20	890.00	-2.2	+38.1
West Texas Intermediate				
\$ per barrel	133.76	137.09	+6.7	+102.2
*Provisional. †Non-food agriculturals.				

The Economist commodity-price index From The Economist print edition 2009

- Too strong downside
 (irrational gloom)



The Economist commodity-price index 2000=100

	Feb 17th	Feb 24th*	% change on	
			one month	one year
Dollar index				
All items	155.2	150.6	-6.6	-41.7
Food	183.9	178.9	-6.5	-30.4
Industrials				
All	118.1	114.0	-6.6	-56.1
Nfa [†]	110.7	107.5	-7.5	-45.5
Metals	122.2	117.6	-6.2	-60.0
Sterling index				
All items	165.1	158.4	-8.2	-20.3
Euro index				
All items	114.2	109.2	-3.5	-31.9
Gold				
\$ per oz	969.80	974.25	+8.2	+3.3
West Texas Intermediate				
\$ per barrel	34.96	39.97	-4.9	-60.4

*Provisional [†]Non-food agriculturals.

The Economist commodity-price index

2005=100

	Jun 12th	Jun 19th*	% change on	
			one month	one year
Dollar Index				
All Items	156.2	149.2	-5.1	+5.7
Food	155.0	147.9	-8.2	-3.6
Industrials				
All	157.5	150.6	-1.7	+17.1
Nfa†	148.1	141.6	-4.2	+9.4
Metals	161.5	154.4	-0.7	+20.5
Sterling Index				
All items	212.8	206.0	-3.3	+1.2
Euro Index				
All items	164.8	160.4	-3.4	+1.7
Gold				
\$ per oz	1,298.9	1,274.1	-1.4	+2.5
West Texas Intermediate				
\$ per barrel	66.4	65.1	-9.9	+49.6

Sources: Bloomberg; CME Group; Cotlook; Darmenn & Curl; FT; ICCO; ICO; ISO; Live Rice Index; LME; NZ Wool Services; Thompson Lloyd & Ewart; Thomson Reuters; Urner Barry; WSJ. *Provisional

†Non-food agriculturals.

Economist.com

*The Economist commodity-price index
June 26th 2018*

The Economist commodity-price index

2005=100

	Jul 31st	Aug 7th*	% change on	
			one month	one year
Dollar Index				
All Items	144.3	143.1	-1.2	-1.5
Food	148.4	148.1	+1.6	-3.3
Industrials				
All	140.0	137.9	-4.2	+0.6
Non-food†	137.3	136.3	-3.6	+4.9
Metals	141.2	138.7	-4.4	-1.1
Sterling Index				
All items	200.1	201.0	+1.2	-1.4
Euro Index				
All items	153.3	153.5	-0.1	-0.2
Gold				
\$ per oz	1,222.0	1,211.9	-3.4	-3.4
West Texas Intermediate				
\$ per barrel	68.8	69.2	-6.7	+40.7

Sources: Bloomberg; CME Group; Cotlook; Darmann & Curl; FI; ICCO; ICO; ISO; Live Rice Index; LME; NZ Wool Services; Thompson Lloyd & Ewart; Thomson Reuters; Urner Barry; WSJ. *Provisional

†Non-food agriculturals.

The Economist

The Economist commodity-price index
Aug 9th 2018

Output, prices and jobs

% change on year ago

	Gross domestic product				Industrial production latest	Consumer prices			Unemployment rate, %
	latest	qtr*	2018 [†]	2019 [†]		latest	year ago	2018 [†]	
United States	+2.8 Q2	+4.1	+2.9	+2.5	+3.8 Jun	+2.9 Jun	+1.6	+2.4	3.9 Jul
China	+6.7 Q2	+7.4	+6.6	+6.3	+6.0 Jun	+2.1 Jul	+1.4	+2.1	3.8 Q2 [§]
Japan	+1.1 Q1	-0.6	+1.2	+1.2	-1.2 Jun	+0.7 Jun	+0.3	+1.0	2.4 Jun
Britain	+1.2 Q1	+0.9	+1.3	+1.4	+0.8 May	+2.4 Jun	+2.6	+2.4	4.2 Apr ^{††}
Canada	+2.3 Q1	+1.3	+2.3	+2.2	+3.8 May	+2.5 Jun	+1.0	+2.2	6.0 Jun
Euro area	+2.1 Q2	+1.4	+2.1	+1.9	+2.4 May	+2.1 Jul	+1.3	+1.7	8.3 Jun
Australia	+3.1 Q1	+4.2	+2.9	+2.8	+4.3 Q1	+2.1 Q2	+1.9	+2.2	5.4 Jun
Hong Kong	+4.7 Q1	+9.2	+3.4	+2.7	+1.0 Q1	+2.4 Jun	+2.0	+2.1	2.8 Jun ^{††}
India	+7.7 Q1	+10.1	+7.2	+7.4	+3.2 May	+5.0 Jun	+1.5	+4.6	5.6 Jul
Indonesia	+5.3 Q2	na	+5.3	+5.4	+11.6 May	+3.2 Jul	+3.9	+3.5	5.1 Q1 [§]
Malaysia	+5.4 Q1	na	+5.7	+5.4	+3.0 May	+0.8 Jun	+3.4	+0.8	3.3 May [†]
Pakistan	+5.4 2018**	na	+5.4	+5.0	+2.7 May	+5.8 Jul	+2.9	+5.2	5.9 2015
Singapore	+3.8 Q2	+1.0	+3.2	+2.9	+7.4 Jun	+0.6 Jun	+0.5	+0.8	2.1 Q2
South Korea	+2.9 Q2	+2.8	+2.8	+2.8	-0.4 Jun	+1.5 Jul	+2.2	+1.7	3.7 Jun [§]
Taiwan	+3.3 Q2	+3.1	+2.6	+2.0	+0.4 Jun	+1.7 Jul	+0.8	+1.6	3.7 Jun
Thailand	+4.8 Q1	+8.1	+4.0	+3.6	+4.7 Jun	+1.5 Jul	+0.2	+1.2	1.1 Jun [§]

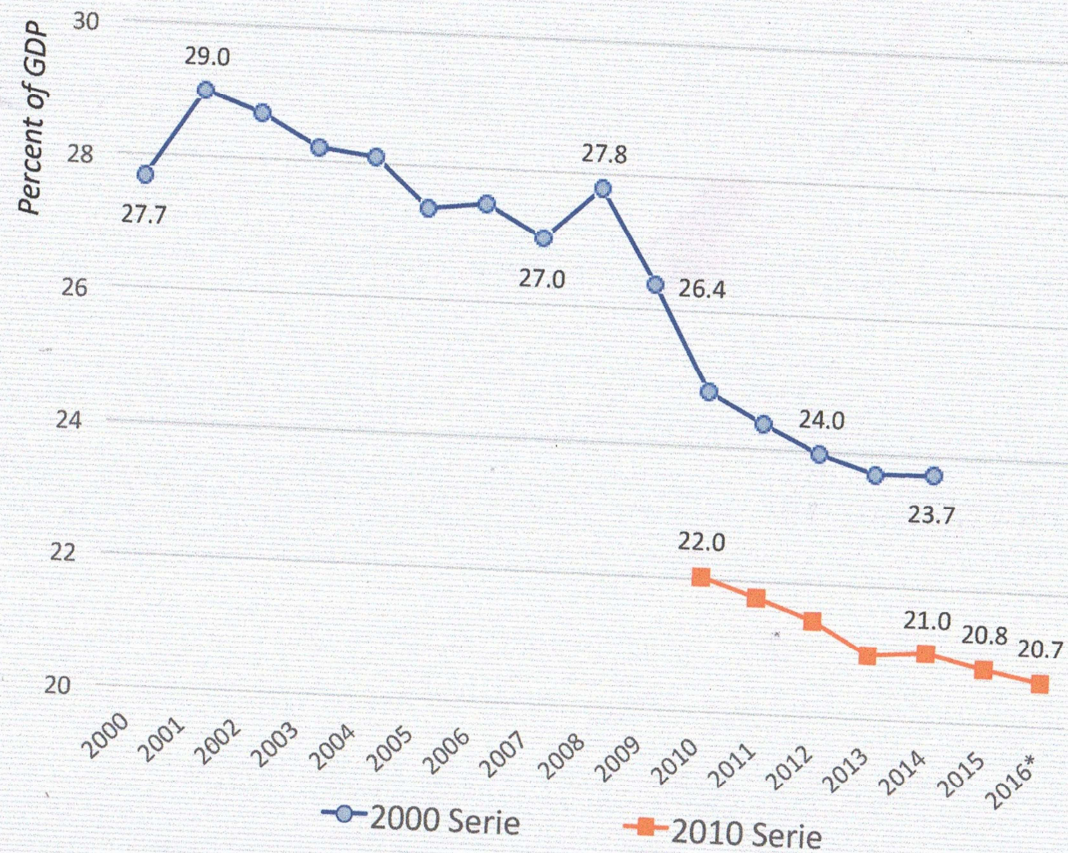
Source: Haver Analytics. *% change on previous quarter, annual rate. [†]The Economist poll or Economist Intelligence Unit estimate/forecast.

[§]Not seasonally adjusted. [†]New series. ~ 2014 **Year ending June. ^{††}Latest 3 months. ^{†††}3-month moving average.

The Economist, Aug 9th 2018

The role of manufacturing industry continued to decline

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* First semester

Source: BPS-Statistics Indonesia.

31

Degree of openness: $(X + M)^* / \text{GDP}$

Country	Population	Exports (X)		Imports (M)		X + M	
		1981	2015	1981	2015	1981	2015
China	1,364.3	7.5	22.4	7.5	18.8	15.0	41.2
India	1,295.3	5.8	**22.9	8.4	**25.9	14.2	48.8
United States	318.8	9.5	12.6	9.9	15.5	19.4	28.1
Indonesia	254.4	29.0	21.1	24.0	20.8	53.0	41.9
Brazil	206.1	9.4	13.0	9.8	14.3	19.2	27.3
Japan	127.1	14.4	17.9	13.7	18.9	28.1	36.8
Philippines	99.1	23.8	27.9	27.2	32.9	51.0	60.8
Germany	80.9	20.2	46.9	24.1	39.1	44.3	86.0
Thailand	67.7	23.8	**69.3	30.1	**62.7	53.9	132.0
United Kingdom	64.5	25.4	27.4	22.5	29.4	47.9	56.8
South Africa	54.0	28.4	30.9	30.4	31.9	58.8	62.8
Korea, Rep.	50.4	32.1	45.9	37.2	38.9	69.3	84.8
Malaysia	29.9	51.6	71.0	57.7	63.4	109.3	134.4
Netherlands	16.8	55.9	82.8	51.2	71.5	107.1	154.3
Sweden	9.7	28.7	45.2	28.1	40.9	56.8	86.1
Hongkong SAR, China	7.2	91.1	201.2	92.6	198.8	183.7	400.0
Denmark	5.6	36.1	53.3	34.9	46.9	71.0	100.2
Singapore	5.5	198.2	192.4	201.6	149.6	399.8	342.0

* Exports and imports of goods and services.

** 2014

Source: World Bank: for exports downloaded from <http://databank.worldbank.org/data/reports.aspx?source=2&series=NE.EXP.GNFS.ZS&country=> on October 4, 2016; and for imports downloaded from <http://databank.worldbank.org/data/reports.aspx?source=2&series=NE.IMP.GNFS.ZS&country=> on October 4, 2016.

26

Trade, exchange rates, budget balances and interest rates

	Trade balance		Current-account balance		Currency units, per \$		Budget balance % of GDP 2018†	Interest rates		
	latest 12 months, \$bn		latest 12 months, \$bn		% of GDP 2018†			3-month latest		
					Aug 8th			10-year gov't bonds, latest		
United States	-832.6	Jun	-465.5	Q1	-2.7	-	-	-4.6	2.34	2.94
China	+363.0	Jul	+68.3	Q2	+0.6	6.83	6.70	-3.7	2.84	3.19§§
Japan	+42.7	Jun	+201.8	Jun	+3.7	111	111	-3.8	-0.04	0.09
Britain	-185.2	May	-106.3	Q1	-3.5	0.78	0.77	-1.8	0.81	1.40
Canada	-23.4	Jun	-53.8	Q1	-2.6	1.31	1.27	-2.3	1.90	2.36
Euro area	+281.0	May	+474.0	May	+3.4	0.86	0.85	-0.7	-0.32	0.40
Australia	+10.1	Jun	-36.8	Q1	-2.5	1.35	1.27	-1.0	2.11	2.66
Hong Kong	-67.5	Jun	+14.2	Q1	+3.9	7.85	7.82	+1.9	1.81	2.23
India	-164.4	Jun	-48.7	Q1	-2.4	68.7	63.6	-3.6	6.75	7.78
Indonesia	+3.2	Jun	-20.9	Q1	-2.4	14,435	13,314	-2.5	7.00	7.68
Malaysia	+28.3	Jun	+12.2	Q1	+2.9	4.08	4.29	-3.3	3.68	4.05
Pakistan	-37.6	Jun	-18.0	Q2	-5.8	124	105	-5.4	7.92	10.0†††
Singapore	+46.5	Jun	+61.7	Q1	+18.6	1.36	1.36	-0.7	na	2.46
South Korea	+79.2	Jul	+72.5	Jun	+4.8	1,120	1,125	+0.9	1.67	2.56
Taiwan	+17.2	Jul	+84.8	Q1	+13.4	30.6	30.2	-0.9	0.66	0.84
Thailand	+11.0	Jun	+50.3	Q1	+9.4	33.2	33.3	-2.9	1.29	2.64

Source: Haver Analytics. [†]The Economist poll or Economist Intelligence Unit estimate/forecast. ~2014 ^{§§}5-year yield. ^{†††}Dollar-denominated bonds.

The Economist, Aug 9th 2018

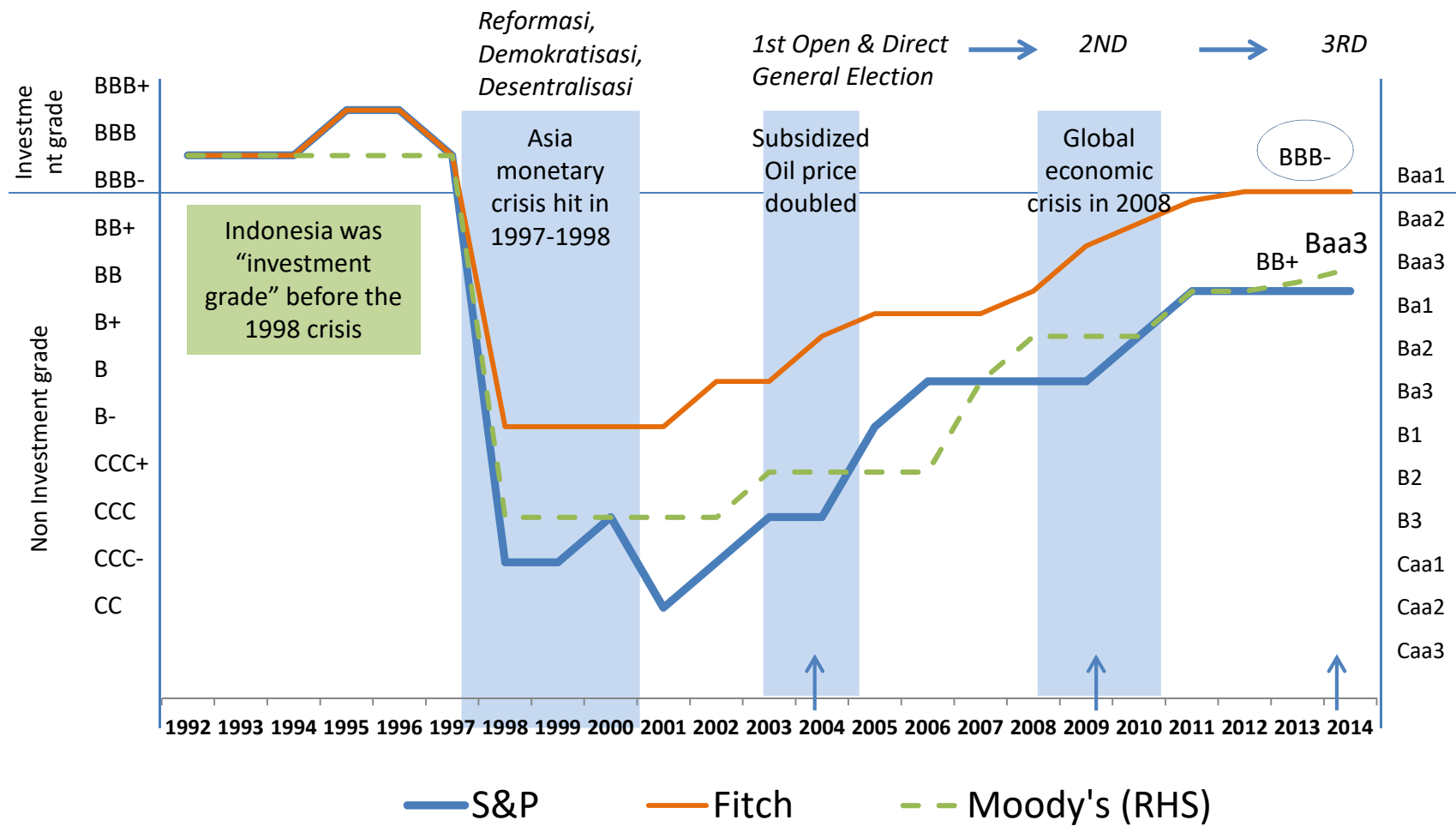
Republic of Indonesia

Rating

		Moody's	S&P	Fitch
Foreign Currency Rating	Long term	Baa2	BBB-	BBB
Outlook		Stable	Stable	Stable
Review/Credit Watch		None	None	None
Foreign Currency Rating	Short term	NR	A-3	F2
Local Currency Rating	Long term	Baa2	BBB-	BBB
Local Currency Rating	Short term	NR	A-3	F2

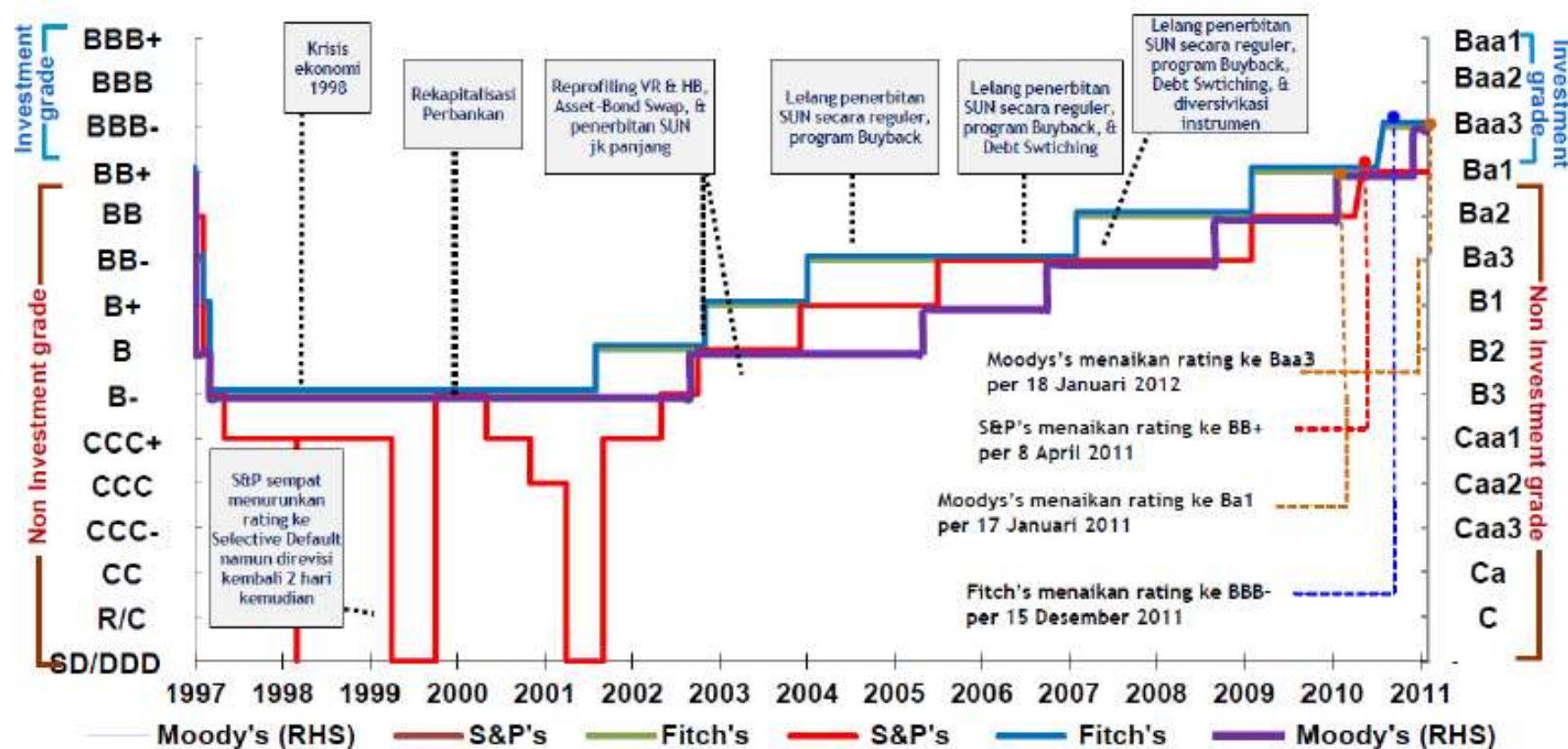
Source: **HSBC – The VIEW. Asia's Bond Markets.** July 2018

Investment rating



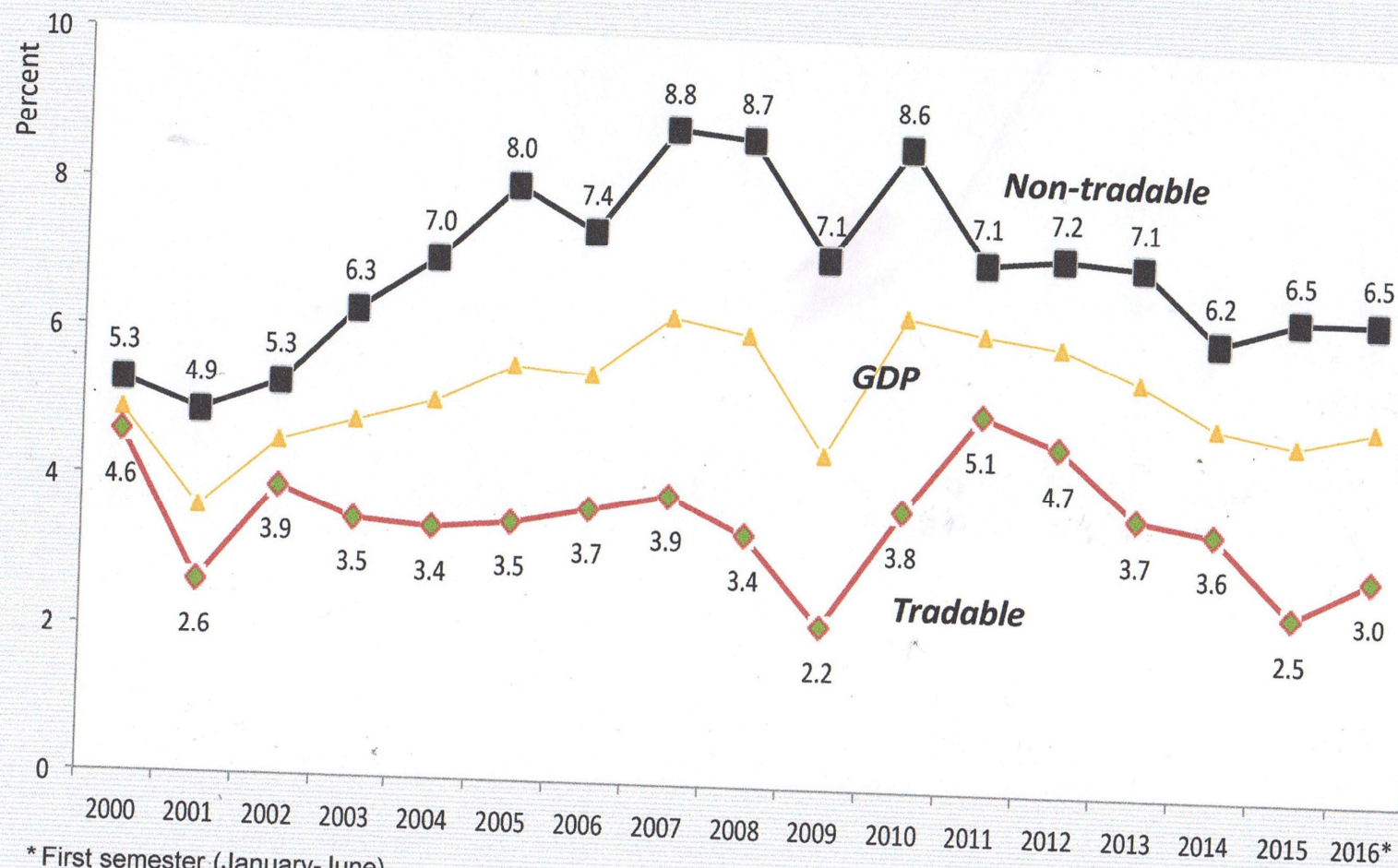
Perkembangan Credit Rating Indonesia (2)

Indonesia Credit Rating Performance (2)



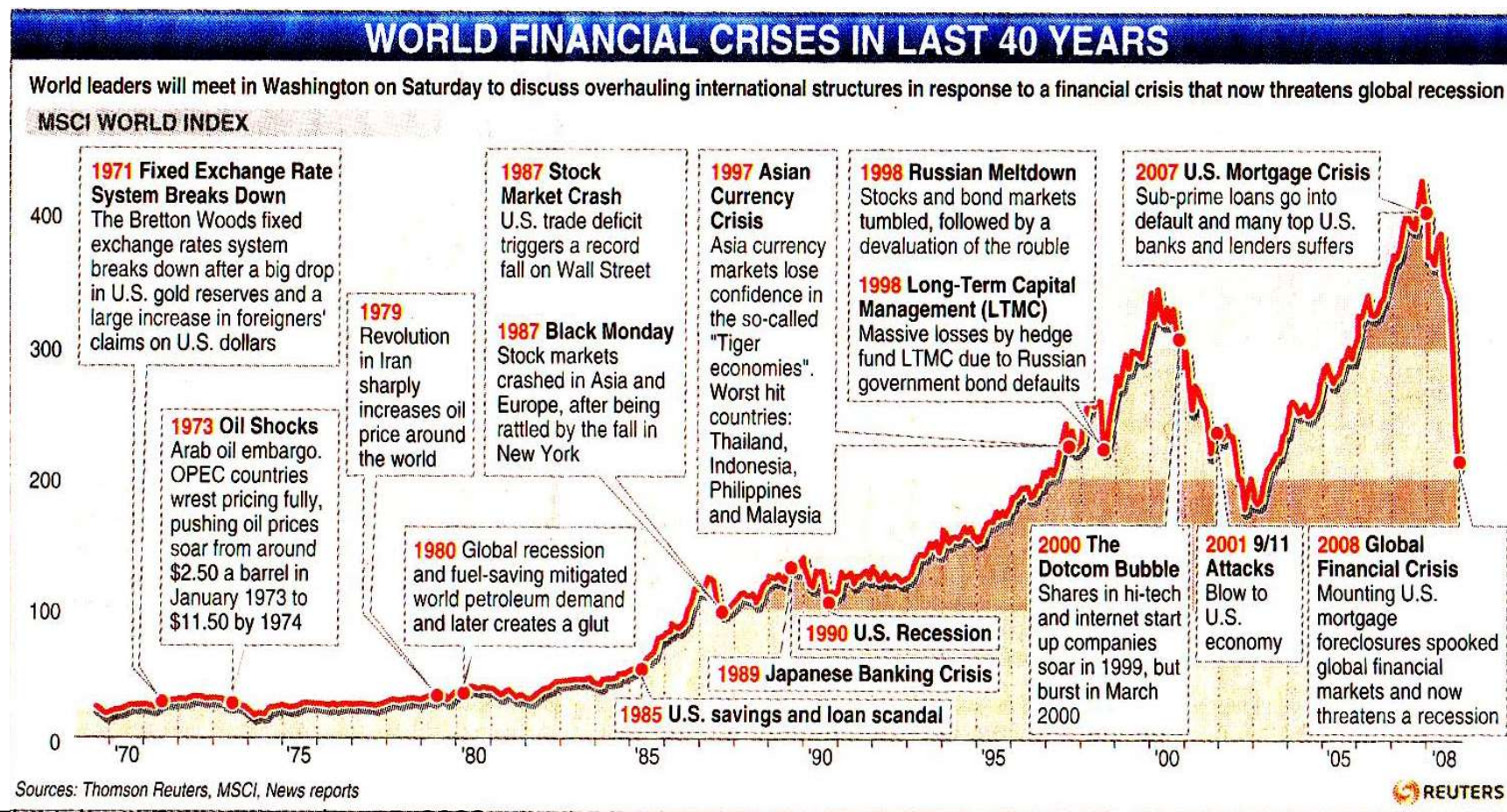
Low quality of growth, 2000-2016

49



30

→ Crisis: The worst in 3 decades (!)



The Jakarta Post, November 15, 2008

- Events which were calculated to occur once in 20 years in fact occurred much more regularly indicating that risk management assumptions did not reflect the distribution of the actual outcomes
(Blankfein, FT, 9/2/2009)

Prof. Dorodjatun Kuntjoro-Jakti, PhD
