

## UOB Indonesia forecasts the economy to grow by 5.3 per cent in 2018

**Jakarta, 14 November 2017** – PT Bank UOB Indonesia (UOB Indonesia) forecasts that based on Indonesia’s strong economic fundamentals, the country’s Gross Domestic Product (GDP) will grow by 5.3 per cent in 2018. The forecast was shared at UOB Indonesia’s “Economic Outlook 2018: Navigating Your Business in Uncharted Waters” forum today with 500 participants.

Mr Enrico Tanuwidjaja, UOB Indonesia’s Economist, told participants at the forum, “Indonesia’s economic growth will continue to be supported by a sustained recovery in the country’s export market, investment expenditure growth and stable private consumption<sup>1</sup>. The continued pick-up in global growth, ongoing recovery in commodity prices and Indonesia’s domestic infrastructure programme also bode well for the country’s growth next year.”

“In addition, we believe that the Indonesian Government’s commitment to improving the country’s investment climate will lead to increased business flows and foreign investments. For example, the 16<sup>th</sup> economic reform package aims to make it easier for businesses to set up operations in Indonesia,” Mr Tanuwidjaja said.

Mr Thomas Lembong, Chairman of the Indonesia Investment Coordinating Board (Badan Koordinasi Penanaman Modal Indonesia or BKPM), who was the keynote speaker at the forum, said that 2018 will be the year where government will focus on the implementation of the economic packages as well as the year to continue to increase their work performance. The year 2018 is believed to be the right time for investors to invest in Indonesia as the country provides increasingly positive investment climate.

---

<sup>1</sup> According to data from the Indonesia Statistical Bureau and Bloomberg, in the third quarter of 2017, Indonesia’s exports and investment expenditure grew 17.3 per cent and 7.1 per cent respectively, while private consumption remained stable at 5.0 per cent year-on-year.

## News Release

“Indonesia’s export performance has been strengthening over the past three years to reach 17 per cent growth in the third quarter this year. The country’s upgraded sovereign ratings to stable and positive by the three international rating agencies, namely Standard & Poor’s, Fitch and Moody’s, reflect the improvement in its investment environment,” Mr Lembong said.

UOB Indonesia also highlighted three main sectors – mining, infrastructure and services, which will continue to sustain the country’s economic growth in 2018. The performance of these sectors is supported by the recovery in global commodity prices, domestic infrastructure programme, the growth of the digital economy and the rising middle class.

Specifically within the services sector, Mr Lembong said, “Tourism and the digital economy have been the top two sectors for investment opportunities. BKPM reported that tourism’s contribution to Indonesia’s GDP has increased 35 per cent in the third quarter of 2017 compared with the previous year, while the digital economy’s contribution is projected to increase around 30 per cent in 2017.”

Mr Tanuwidjaja also noted that Indonesia has a strong foundation for the growth of the digital economy, which is expected to be a continued focus of the Indonesian Government.

### **The rise of digital economy**

The rise of digital economy will continue to make this sector become one of the main contributors to the Indonesia GDP growth in 2018.

With population of over 262 million people in 2016, 51 per cent internet users (132.7 million), 40 per cent (106 million) social media penetration and 35 per cent (92 million) active mobile users, Indonesia has demonstrated a strong foundation for an increasing digital economy.<sup>2</sup>

In 2016, Indonesia E-commerce Association recorded 24.74 million people (9 per cent of population) purchased product online (e-commerce buyers). In 2017, e-commerce transaction

---

<sup>2</sup> We are social: Digital in 2017 – Southeast Asia

## News Release

is projected to increase 30 – 50 per cent from a total transaction of USD5.6 billion recorded in 2016.<sup>3</sup>

Mr Tanuwidjaja said that the rise of digital economy era, coupled with growing middle class in Indonesia will provide additional boosts to Indonesian economic growth. This is also an important area that the government has been focusing and is likely to continue to focus on in the future.

The Indonesian Government projects that e-commerce will contribute 10 per cent to GDP growth and with a targeted leading role in Southeast Asia e-commerce in 2020, as outlined in its 14<sup>th</sup> Economic Package on 10 November 2016.

Other speakers at the forum included Mrs. Destry Damayanti, Senior Economist, Member of Board of Commissioners of Indonesia Deposit Insurance Corporation; Professor Dr. Ari Kuncoro, Dean of Faculty of Economic and Business University of Indonesia; and Mr Daniel Tumiwa, Supervisory Board Member of the Indonesia E-commerce Association.

-Ends-

### **About PT Bank UOB Indonesia**

PT Bank UOB Indonesia (UOB Indonesia) was established in 1956. The bank's service network comprises 41 branch offices, 137 sub-branch offices and 173 ATMs across 32 cities in 18 provinces in Indonesia. UOB Indonesia's banking services are accessible through its regional ATM network, the ATM Prima and Bersama networks and the Visa network.

UOB Indonesia is a subsidiary of United Overseas Bank Limited, a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America.

---

<sup>3</sup> Indonesia E-commerce Association: Landscape of Indonesia E-commerce Presentation by Ignatius Untung, Head of Business and Economy Department, 2017

## News Release

UOB Indonesia is committed to providing quality products and excellent customer services. UOB Indonesia offers various banking products and services categorised into personal financial services, business banking, commercial banking, corporate banking, global markets and investment management.

The bank has a strong retail customer base through its wide range of saving products, mortgage services and credit card. UOB Indonesia banking services are also accessible in Indonesia, Singapore, Malaysia, and Thailand through hundreds of UOB ATMs.

With its full suite of corporate/commercial and personal banking products, UOB Indonesia offer customers a range of treasury and cash management products and services. UOB Indonesia has also been increasingly focused on helping companies with their expansion plans. It has facilitated many enterprises from industries such as construction, mining, real estate and the services sector expanding into Indonesia. UOB Indonesia is rated AAA (idn) by Fitch Ratings.

UOB Indonesia plays an active role in the community, focusing on art, education and children. Since 2010, UOB Indonesia has held the annual art competition, UOB Painting of the Year. UOB Indonesia also encourages its employees to be involved in its regular volunteer activities. These include the annual UOB Heartbeat Run, blood donation and book donation activities.

For further details on UOB Indonesia, please visit [www.uob.co.id](http://www.uob.co.id)

### **For media queries, please contact:**

Nadya Siregar  
VP – External Communications Head  
Strategic Communications and Customer Advocacy  
Tel: +62 21 2350 6000 ext. 31243  
Email: [nadyasafira@uob.co.id](mailto:nadyasafira@uob.co.id)

Maya Rizano  
Senior Vice President  
Strategic Communications and Customer Advocacy  
Tel: +62 21 2350 6000  
E-mail: [mayarizano@uob.co.id](mailto:mayarizano@uob.co.id)