

UOB Indonesia: Indonesian economy to remain resilient amid global turbulence

Bank retains full-year Gross Domestic Product (GDP) growth forecast of 5.3 per cent

Surabaya, 26 July 2018 – PT Bank UOB Indonesia (UOB Indonesia) expects Indonesia’s economy to stay resilient amid global turbulence, backed by its strong macro fundamentals and robust domestic demand.

According to Mr Enrico Tanuwidjaja, Economist at UOB Indonesia, the country’s economic growth will continue to be supported by macroeconomic factors such as Indonesia’s high trade surplus and strong capital inflows. Indonesia’s more manageable current account deficit, driven by the import of capital goods to support the Government’s infrastructure expenditure, is another growth factor.

“We expect to see more turbulence in the global financial markets due to the ongoing trade tension between US and China, the pace of interest rate increases by the US Federal Reserve and the uncertain outcomes of geopolitical events. However, continued improvement in Indonesia’s economic fundamentals, from the sustained recovery in exports to ongoing investments in infrastructure development, will underpin the country’s economic performance.” Mr Tanuwidjaja said.

Mr Tanuwidjaja shared his views with more than 300 participants at UOB Indonesia’s “Economic Outlook 2018: Resilient Economy in a Turbulent World” forum today. The forum was held in Surabaya.

“The Indonesian Government’s initiatives on infrastructure investments and measures to support investment, such as tax reforms and the easing of business regulations and processes, reflect its continued pursuit of higher and quality economic growth and determination to strengthen the country’s competitiveness. Initiatives, including the Online Single Submission Licensing System – an electronically integrated system for the application

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of business registration permits, incentives to support small- and medium-sized enterprises and efforts to grow the country's digital economy and e-commerce sector, are also positive developments," Mr Tanuwidjaja said.

Given these growth drivers, UOB retains a GDP growth forecast for Indonesia of 5.3 per cent for 2018.

"We view that Indonesia's monetary policy is moving in the right direction against this backdrop of external challenges. We expect Bank Indonesia to raise its interest rate by another 50 basis points this year to 5.75 per cent by year-end. The rupiah is likely to settle at around IDR14,700 against the US dollar by the end of the year before depreciating gradually to 14,900 by mid-2019," Mr Tanuwidjaja said.

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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.

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



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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

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