

News Release

UOB Indonesia: Downstream industry and green economy transition in Indonesia are key to unlocking opportunities

Jakarta, 11 October 2023 – The development of downstream industries and the transition towards a green economy in Indonesia will be key to boosting growth and creating opportunities. The strategy will help to increase the country's economic added value, support environmental goals as well as create jobs for prolonged growth. UOB Indonesia forecasts Indonesia's gross domestic product (GDP) to grow by 5.1 per cent in 2023 and 5.2 per cent in 2024 amid rising global challenges.

The Bank shared its optimism on the nation's economic growth at the annual UOB Gateway to ASEAN Conference 2023 held today in Jakarta. With the theme "ASEAN Forging Ahead", the Bank gathered business leaders, clients and partners from Indonesia, ASEAN and Greater China, along with government officials. His Excellency Airlangga Hartarto, Coordinating Minister for Economic Affairs of the Republic of Indonesia, opened the event with special remarks. His Excellency Satvinder Singh, Deputy Secretary-General for the ASEAN Economic Community, as well as UOB Deputy Chairman and Chief Executive Officer, Mr Wee Ee Cheong, also attended the event and gave keynote speeches. More than 600 participants attended the annual UOB event.

Amid a challenging global trade landscape, ASEAN has shown an impressive performance compared with other emerging markets. Macroeconomic conditions and the fiscal position in the region have been stable, thanks to the prudent management of governments and strong cooperation among member countries. This has led to an advantageous position for ASEAN which can consolidate the global value chains of large global industries and become a major production base. In order to forge its future, ASEAN should strengthen businesses and trade



News Release

flows within the region. Based on its trajectory, annual ASEAN exports are expected to grow almost 90 per cent to US\$3.2 trillion by 2031.¹

Mr Wee Ee Cheong, Deputy Chairman and CEO, UOB, said, "At UOB, our purpose is to contribute to ASEAN's economic development and sustainable growth. We have an extensive footprint across major ASEAN markets and a strong representation in Greater China and we stand ready to serve the needs of this region.

"UOB has a proven track record in helping companies enter new markets in ASEAN, through our advisory services and established local networks. For example, in Indonesia, we have supported about 100 companies to expand into the country in the past two years. These companies have pledged to invest about S\$12 billion in the country and they planned to create 15,000 jobs here."

In line with its ASEAN Chairmanship this year, Indonesia is expected to drive the region's economy going forward. This is supported by the consistent efforts of the Government of Indonesia in conducting broad-based structural reforms to create a good business environment and attract more foreign direct investments. An example of this significant development is the country's ongoing push in building onshore processing activities for downstream industries and green energy transition, which will create more value for the economy.

Mr Hendra Gunawan, President Director, UOB Indonesia, said, "In the midst of global uncertainties, we are optimistic that Indonesia will continue to grow along with the surge of the country's foreign direct investment, most notably in the base metals industry. This will consequently stimulate domestic trade activities and domestic demand. At UOB, our role is a catalyst and enabler, between government, regulators, investors, and the wider community to

¹ Source: *How ASEAN Can Use Its Trade Advantage to Power Ahead*
<https://www.bcg.com/publications/2023/asean-free-trade-advantage-to-power-ahead>



News Release

create growth for Indonesia and ASEAN. Together with the UOB Group's long-term commitment in the region, we help businesses reach their full potential and navigate challenges with better solutions."

As a way to accelerate growth, Indonesia should address climate challenges that come with economic growth, such as rapid urbanisation, environmental risks, and a growing population. The Bank supports the commitment of the Government of Indonesia in its energy transition efforts to reduce emissions by 29 per cent in 2030 and achieve net-zero emissions by 2060.

Mr Enrico Tanuwidjaja, Senior Economist, UOB, said, "As the largest economy in Southeast Asia with the most promising demographic dividends, Indonesia remains a strategic gateway to unlock the region's economic potential. This is due to Indonesia's unparalleled investment proposition. It is a competitive alternative manufacturing base and at the same time has robust domestic consumption. There are five key areas where we think reforms should be addressed, namely the energy transition, industry down-streaming, optimising its infrastructure, leveraging technology, and the new capital city's development. These reforms will allow Indonesia to reach a higher degree of economic output in a more sustainable and long-term manner."

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About UOB Indonesia

UOB Indonesia is a subsidiary of United Overseas Bank Limited, a leading bank in Asia with a global network of around 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. UOB Indonesia established in 1956. UOB Indonesia's service network comprises 130 branch offices and 132 ATMs across 42 cities in 16 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 committed to providing quality products and excellent customer service. The Bank offers various banking products and services categorised into digital bank, personal financial services, business banking, commercial banking, corporate banking, global markets and investment management. UOB Indonesia is rated AAA (idn) by Fitch Ratings.



News Release

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

UOB's award-winning digital bank, TMRW, serves Indonesia's generation of enterprising and digitally-savvy customers by providing a better, personalised banking experience through the use of data and customer feedback. Through TMRW, the Bank is committed to helping customers meet their financial goals as they build a better tomorrow.

UOB Indonesia is also focused on helping companies with their expansion plans and has supported many enterprises from industries such as construction, mining, real estate and the services sector in their expansion into Indonesia.

UOB Indonesia believes in being a responsible financial services provider and it is committed to making a difference in the lives of its stakeholders and in the communities in which it operates. Just as the Bank is dedicated to helping customers manage their finances wisely and to grow their businesses, UOB Indonesia is steadfast in its support of social development, particularly in the areas of art, children and education.

For further details on UOB Indonesia, please visit www.uob.co.id

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