

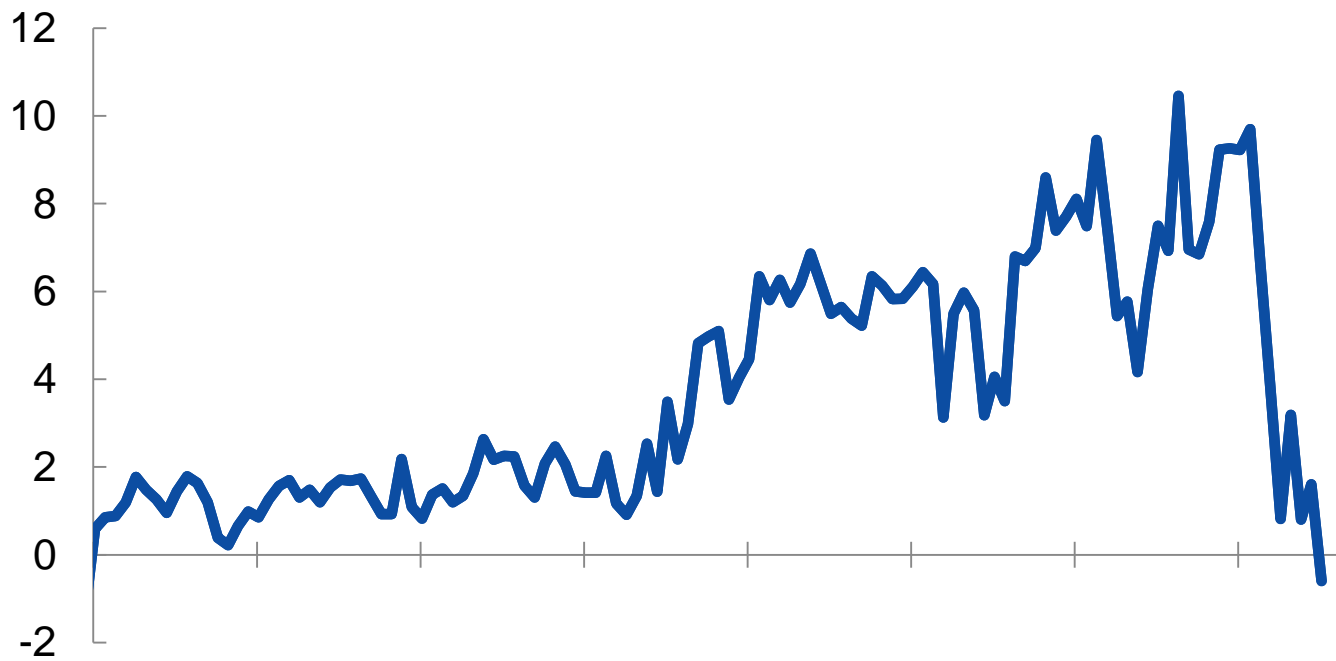
Continuing adjustment





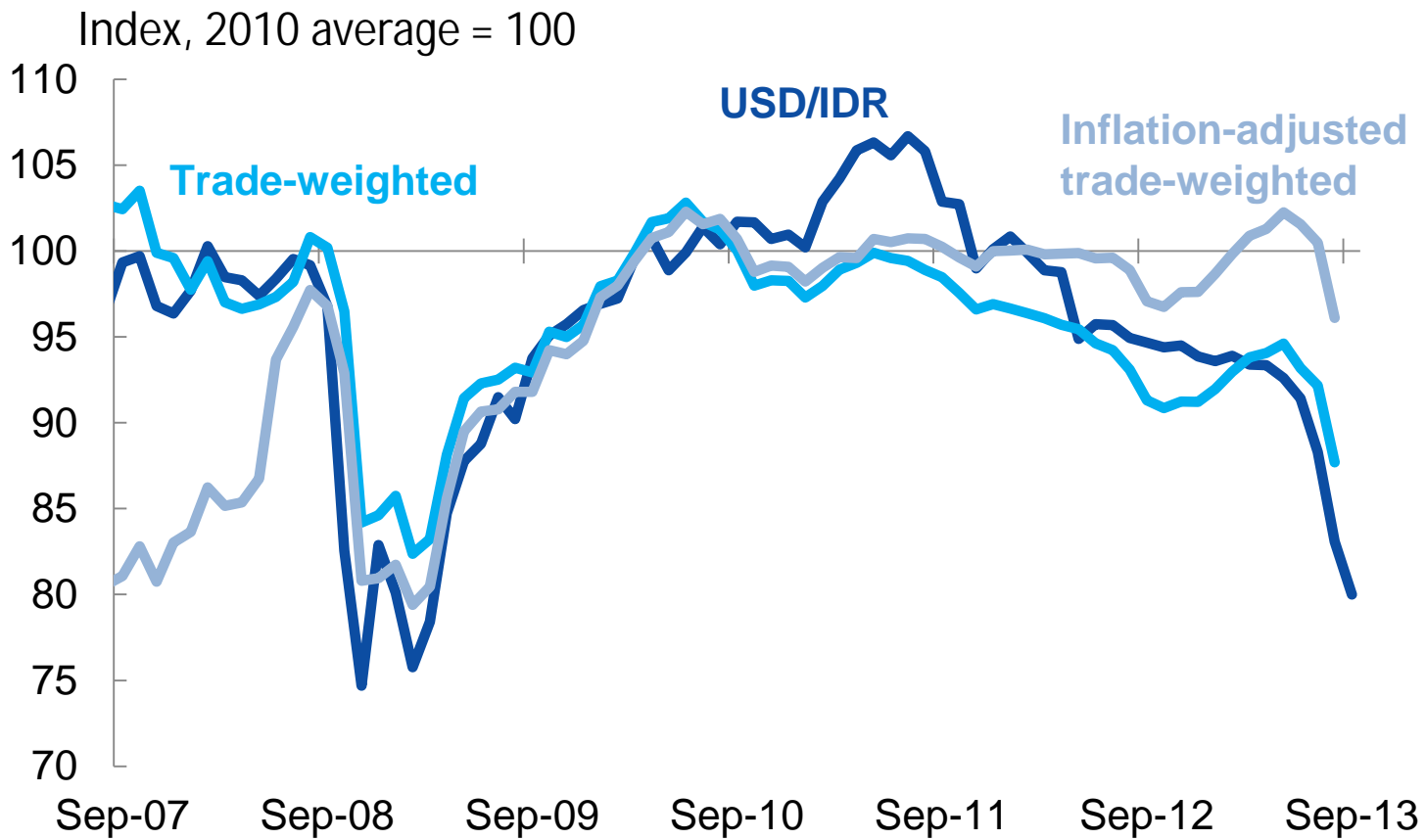
continuing adjustment











Source: World Bank

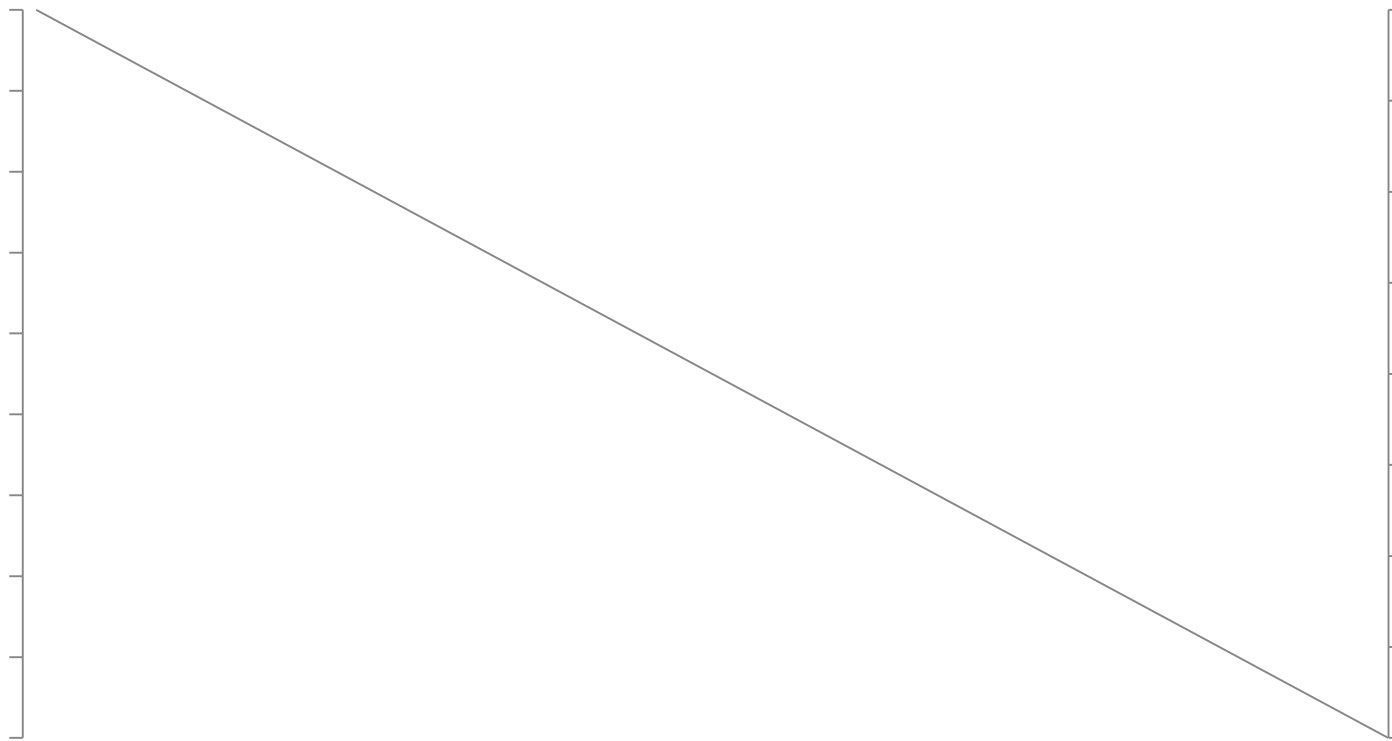


BI Overnight deposit facility rate

Percent, year-on-

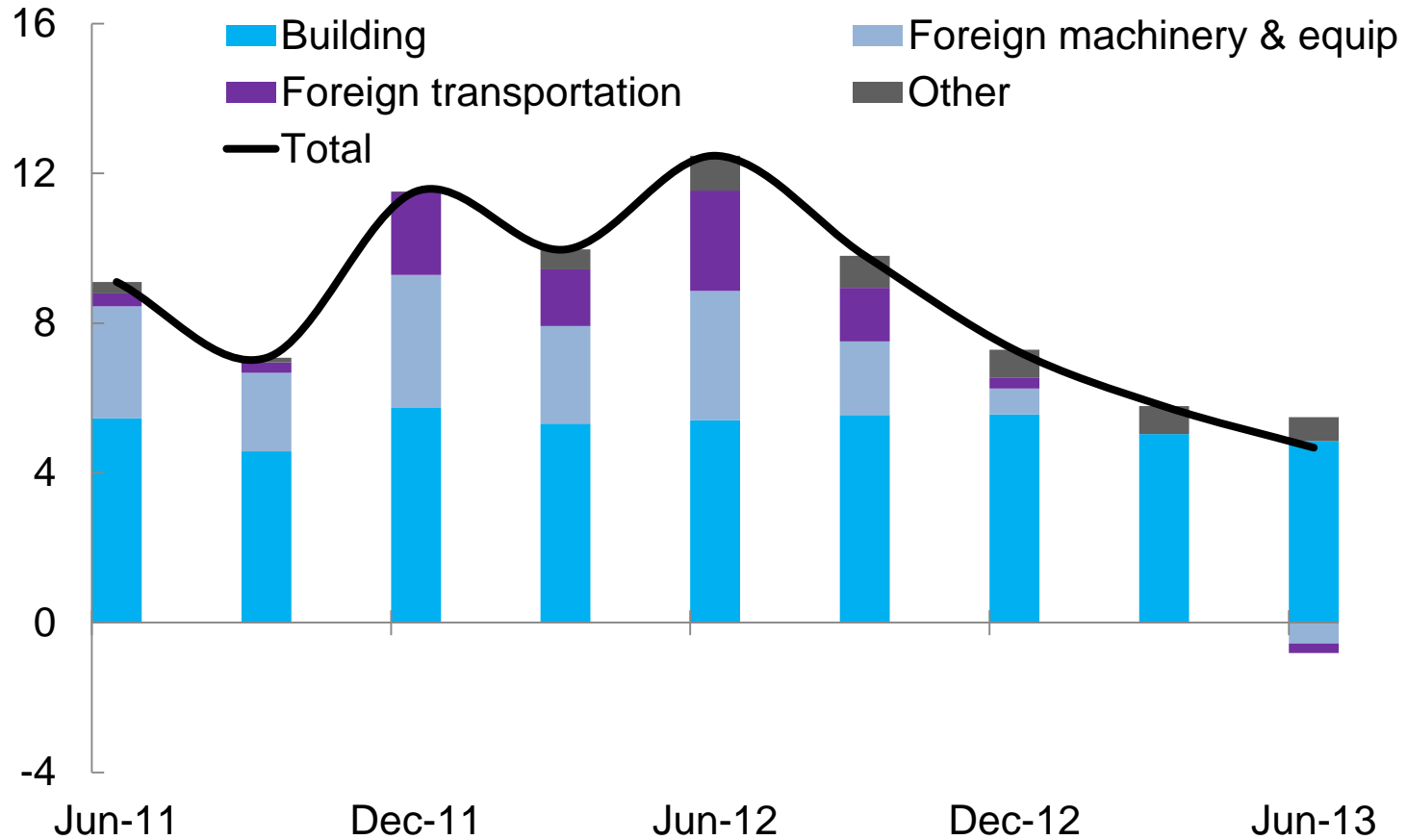


Growth yoy, percent

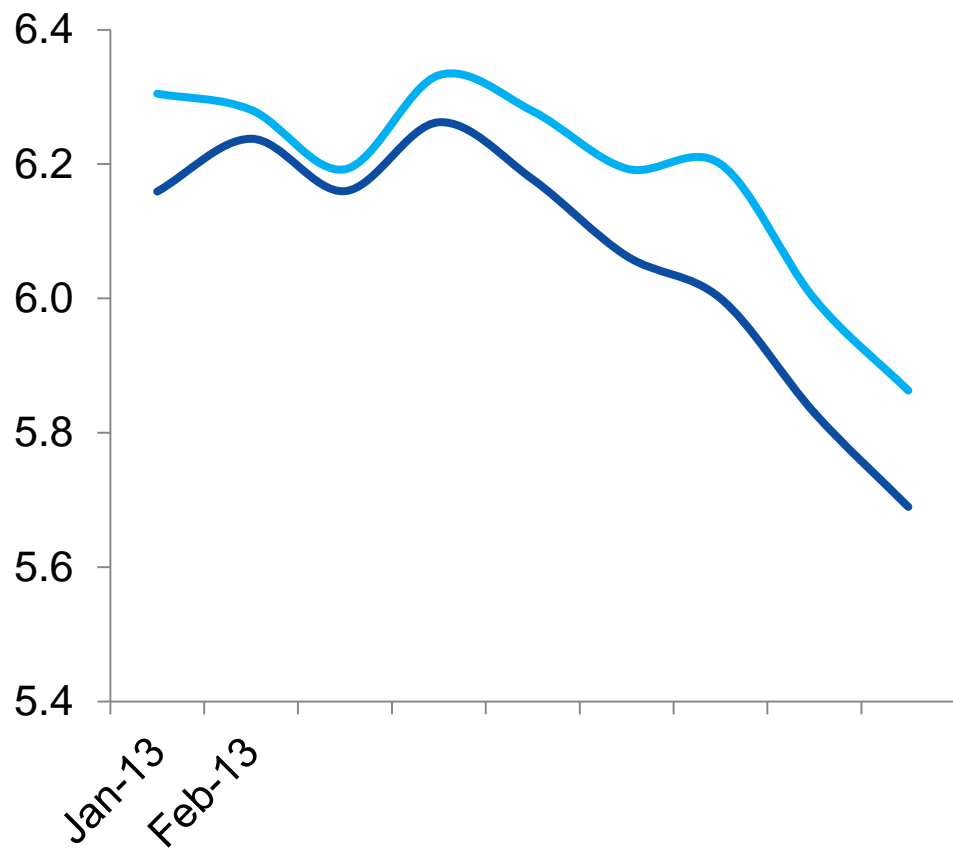


Source: BPS; World Bank staff calculations

Real fixed investment growth, percent



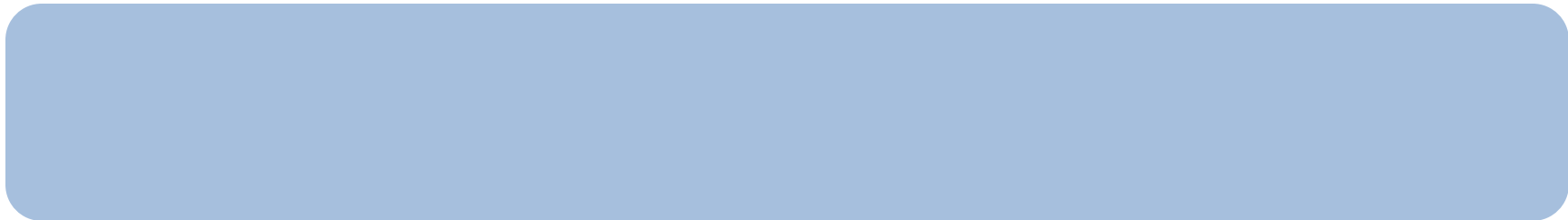
Source: World Bank



		<u>2011</u>	<u>2012</u>	<u>2013p</u>	<u>2014p</u>	<u>2013p</u>	<u>2014p</u>
	(% change)	6.5	6.2	5.6	5.3	5.9	6.2
	(% change)	5.4	4.3	7.3	6.7	7.2	6.7
	(% GDP)	0.2	-2.8	-3.4	-2.6	-2.7	-2.1
	(% change)	3.6	3.4	3.4	3.9	3.4	4.0

Source: BI; BPS; Ministry of Finance; World Bank staff projections





continuing adjustment



Monetary and fiscal policy
coordination

Exchange rate flexibility

Contingency planning

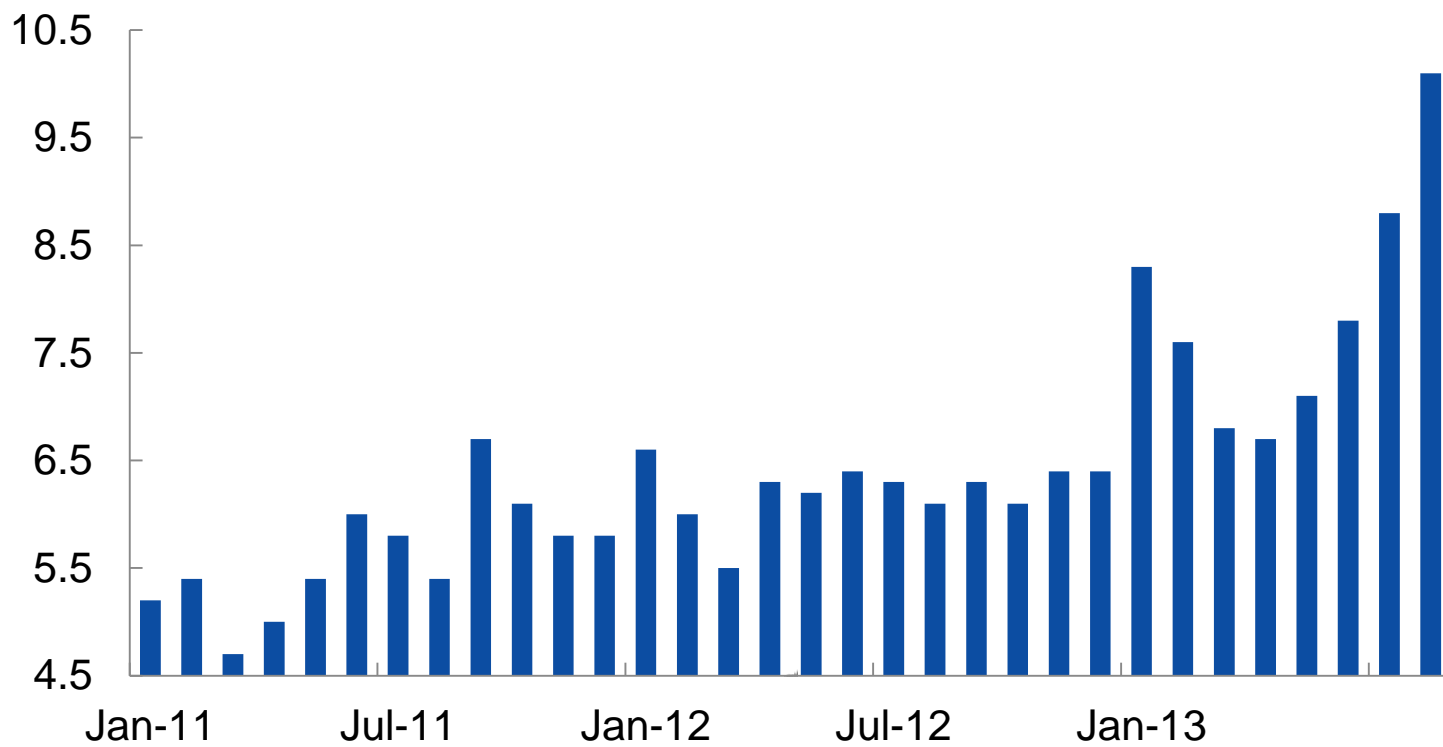
Communication

August package: follow through
“Quick wins” for competitiveness

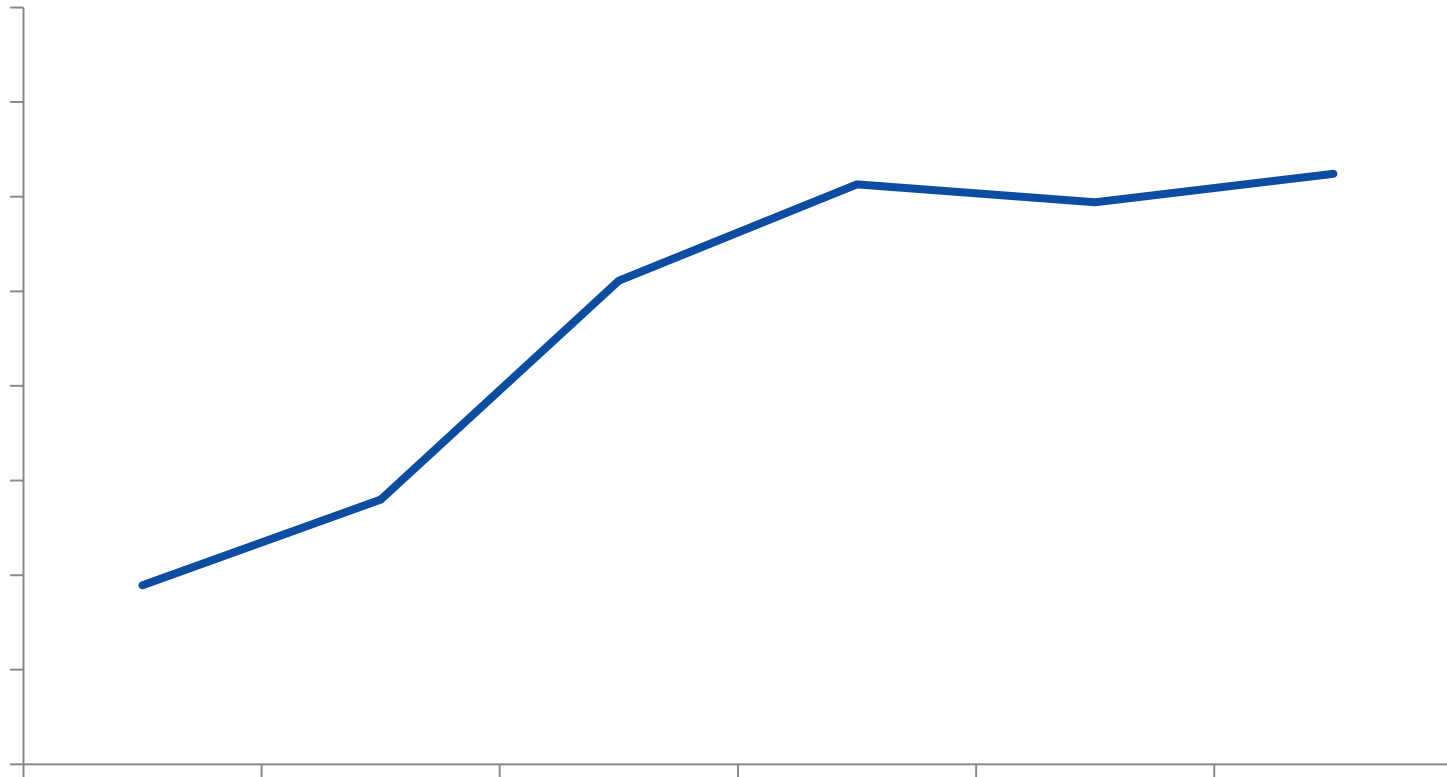
Fiscal sector: energy subsidies,
infrastructure spending, social
protection





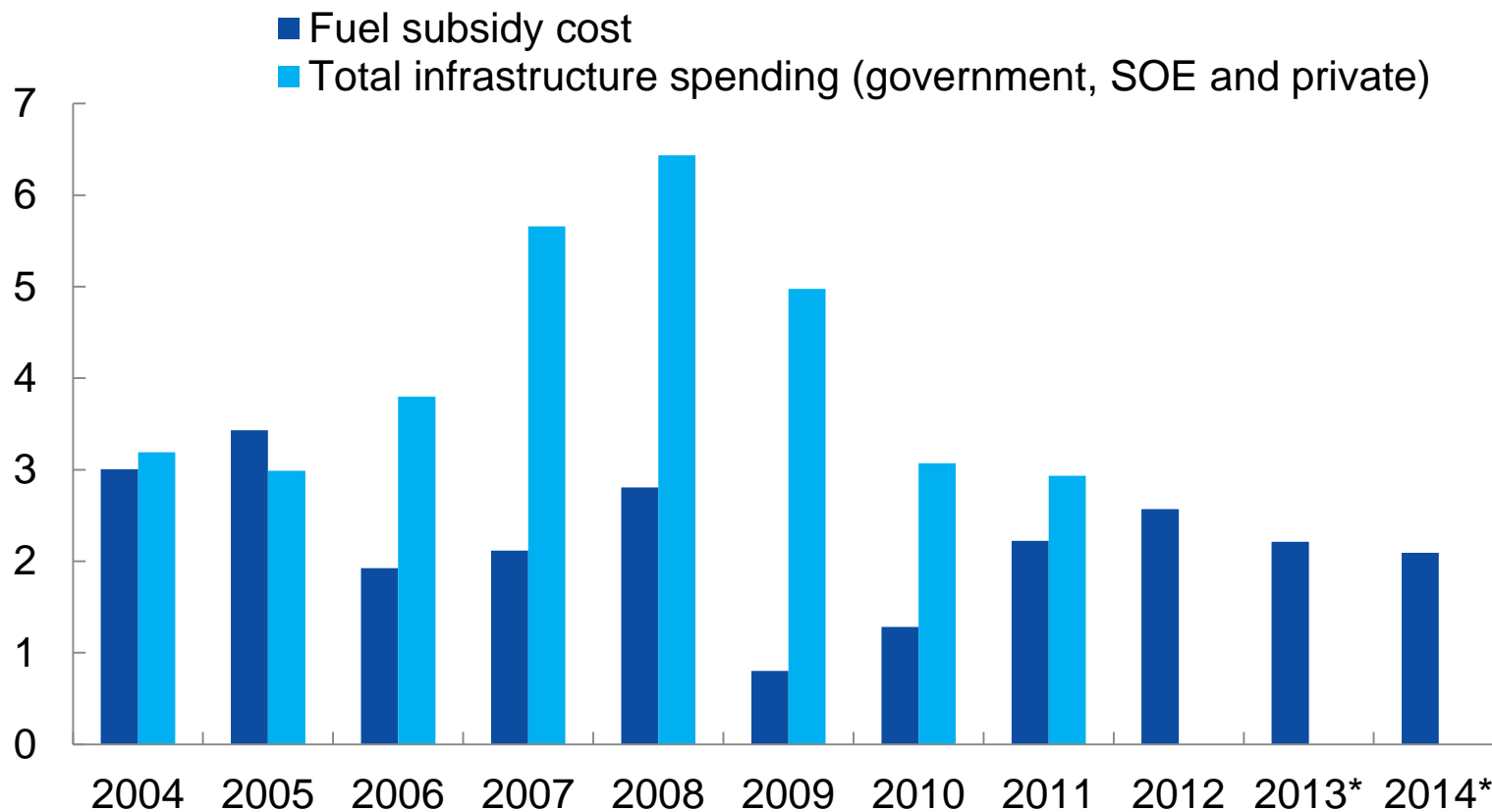


Energy subsidy costs – baseline and with 10 percent IDR depreciation/oil price increase



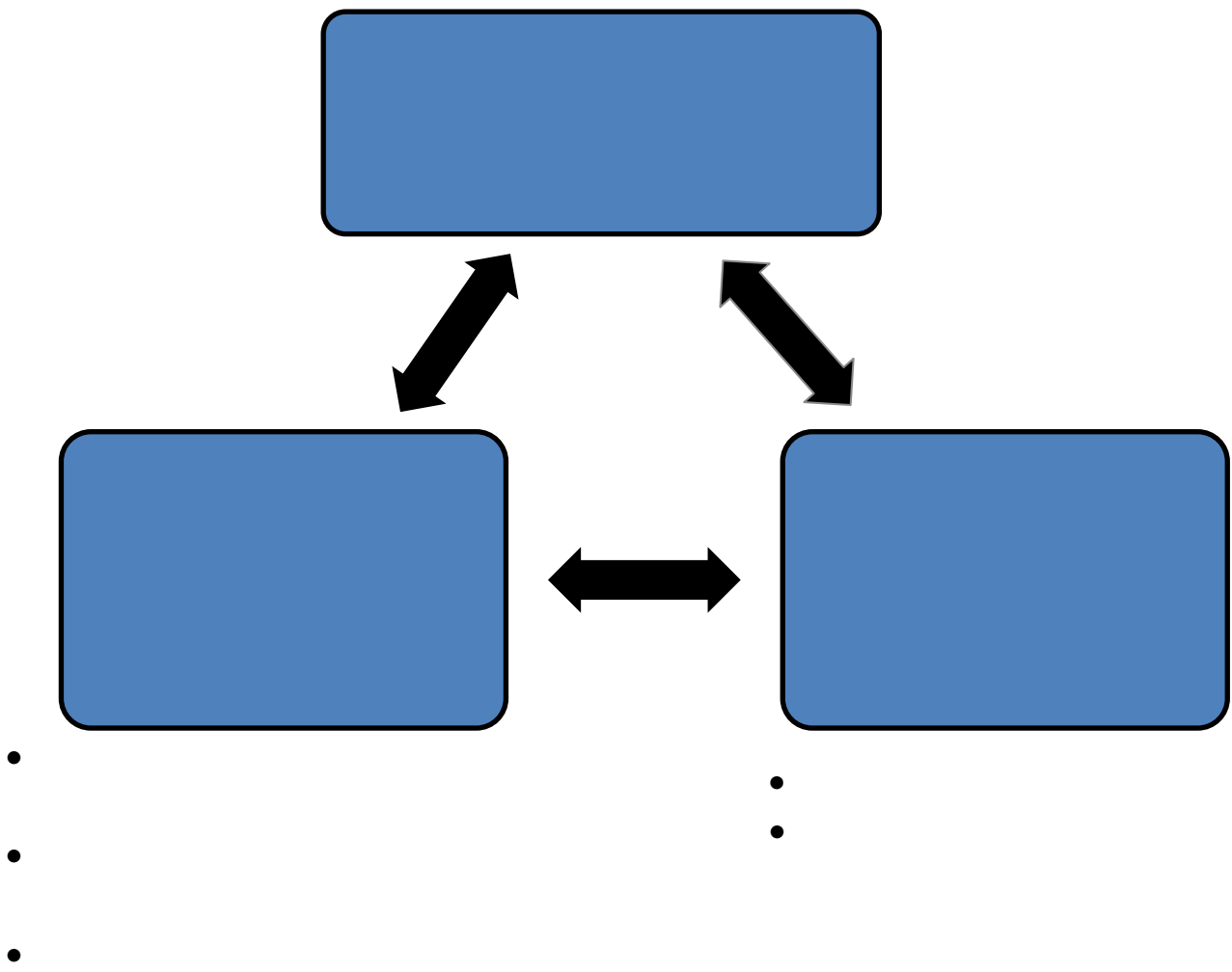
Note: *World Bank projections
Source: World Bank staff calculations

Spending on fuel subsidies and infrastructure, percent of GDP



*World Bank projections

Source: Ministry of Finance; World Bank





Base case outlook for growth moderation and gradually narrowing current account deficit

But external uncertainties still elevated and adjustment phase carries risks

