

News Release

BKPM-HSBC *Infrastructure Forum* Support the National Infrastructure Development

Bali, 11 October 2018 – Indonesian Investment Coordinating Board (BKPM) collaborates with PT Bank HSBC Indonesia in organizing the Infrastructure Forum as part of parallel events at the 2018 IMF-WB Annual Meetings (AM) at Ayana Hotels & Resorts, Jimbaran, Bali. BKPM-HSBC Infrastructure Forum is held in order to encourage the development of infrastructure projects in Indonesia in the form of discussions with global stakeholders in search of solutions to realize the ambitions of the Indonesian government as the 4th economic country in the world by 2045.

Infrastructure development is an important part of an advancing economic and trade channels in Indonesia. The Head of BKPM, Thomas Lembong, states the need to implement creative and innovative financing strategies catered to infrastructure projects, such as securitization of assets of private companies. "This Infrastructure Forum is expected to be able to strengthen Indonesia's image as a global investment destination and encourage the private sector to take up more roles in the development of infrastructure projects," explains Lembong.

Based on the information stated by Bappenas in the 2015-2019 National Medium Term Development Plan, investments in infrastructure projects are calculated based on the infrastructure performance, to support the growth of state revenues in 2025, as well as on the assessment of the planned infrastructure development masterplan. Indonesia needs around Rp. 4,796 trillion to build infrastructure in 2015-2019, with a portion of Government financing amounting to 41.3% or equivalent to Rp. 1,951.3 trillion. Meanwhile, SOEs are expected to contribute 22.2% (IDR 2,817.7 trillion), while private sector to participate by 36.5% (IDR 1,751.5 trillion).

Looking at the needs of the private sector to play a greater role in realizing the development of Indonesia's infrastructure projects, HSBC Asia Pacific's Deputy Chairman and Chief Executive, Peter Wong said in his opening remarks regarding Indonesia potential and the hope to introduce it to the world. "Indonesia not only has one of the largest population, but Indonesia also has a lot of potential that is ready to be explored and utilized. However, there is a need for good infrastructures, to facilitate the economies and finances. In other words, infrastructure is the key," said Peter Wong.

With good infrastructure, Indonesia will be more open in terms of employment availability, more optimal in the activities of production and distribution of goods and services, as well as facilitating smoother trade routes throughout Indonesia. However, seeing the erratic global situation, the Government is trying to apply precautionary actions in maintaining infrastructure financing in order to manage the sustainability of each plans.

The President Director of PT Bank HSBC Indonesia, Sumit Dutta, has a role in encouraging HSBC's global customers to take part in Indonesia's infrastructure development. "In order to realize Indonesia's infrastructure development plan, the government and the private sector need a good and innovative financing scheme to support the sustainability of infrastructure project development in the future, one of which is through investment in this infrastructure development project," explained Sumit Dutta.

The BKPM-HSBC Infrastructure Forum was inaugurated by President Joko Widodo. The forum continued with a series of panel discussions with The Minister of National Development Planning Bambang Brodjonegoro, The Commissioner of Capital Market Supervision of the

Financial Services Authority Hoesen, The Deputy Governor of Bank Indonesia Sugeng, The Economist and Former Minister of Finance Chatib Basri, The Minister of Transportation Budi Karya Sumadi, Head of Belt and Road Initiatives HSBC Asia Pacific Mukthar Hussain, Head of Infrastructure Advisory Global Transport and Logistic Industry Leader Price Waterhouse Coopers Indonesia Julian Smith, The President Director of PT Sarana Multi Infrastruktur Emma Sri Martini, and The Chief Financial Official Power China International Ltd. Tianfu Yang, President Director of PT Pelabuhan Indonesia (Pelindo/IPC) II Elvyn G. Masassya. The event was also attended by more than 300 investors, corporate banking clients, private banking consumers, and fund management companies.

"Through this BKPM-HSBC Infrastructure Forum, we hope to establish partnership that is not only fixated on profits, but also able to strengthen a good bilateral relationship between Indonesia and the investment countries," concluded Lembong.

--end--