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Indonesia—Recent Economic Developments

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INTERNATIONAL MONETARY FUND

INDONESIA

Recent Economic Developments

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Approved by the Southeast Asia and Pacific Department

June 16, 1995

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Indonesia: Basic Data

Population growth: 1.8 percent (1994)
Exchange rate: Rp 2,158 per U.S. dollar (average 1994)

	Fiscal Year Beginning April 1					Est.
	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
(Percentage change)						
Growth and inflation 1/						
Real GDP	7.5	7.2	6.9	6.5	6.5	7.3
Of which: Non-oil/gas GDP	(8.2)	(7.6)	(6.5)	(8.4)	(7.8)	(7.8)
Real domestic demand	7.7	12.3	5.6	4.0	6.0	8.8
Contribution of net exports to growth	0.5	-3.9	1.6	2.7	1.0	-1.3
GDP deflator 1/	9.5	9.1	8.0	7.7	7.3	6.6
CPI (period average)	6.4	7.8	9.4	7.5	9.7	8.5
CPI (end period)	6.1	9.9	10.0	5.0	10.2	9.6
(Percent share in GDP)						
Agriculture	23.4	21.5	19.7	19.5	17.9	17.4
Manufacturing	18.1	19.9	21.0	21.8	22.3	23.9
Mining and quarrying	13.1	13.4	13.8	11.5	9.6	8.3
Construction and utilities	5.9	6.1	6.5	6.7	7.8	8.4
Services	39.5	39.1	39.0	40.5	42.4	42.0
(Percentage change)						
Money and credit (end-period)						
Domestic credit	70.9	34.9	19.5	11.5	26.4	24.6
Credit to the private sector	68.2	44.4	19.3	10.9	25.9	24.4
Broad money	45.7	26.0	24.2	22.2	21.2	21.5
Reserve money	18.6	5.4	33.0	7.3	21.0	24.3
Three-month time deposit rate (Weighted average in percent per annum)	16.2	24.2	21.3	15.7	11.5	16.1
One-month SBI rate (Percent per annum)	13.3	21.5	17.0	12.5	9.0	14.3
(In percent of GDP)						
Central government budget						
Revenue and grants	16.7	19.6	17.8	17.8	15.5	15.3
Oil/gas revenue	6.5	8.7	6.4	5.7	3.7	3.4
Non-oil/gas revenue	10.0	10.7	11.3	11.9	11.6	11.7
Expenditure and net lending	17.5	17.5	18.4	19.2	16.0	15.0
Current expenditure	10.5	11.4	9.7	9.6	8.6	8.4
Development expenditure and net lending	7.0	6.2	8.6	9.7	7.4	6.7
Current budget balance	6.1	8.3	8.1	8.2	6.9	6.9
Overall balance	-0.9	2.1	-0.5	-1.5	-0.5	0.2
Borrowing from the banking system	-0.9	-2.9	-0.5	1.0	0.0	-0.5
Foreign borrowing (net)	1.7	0.6	1.0	0.5	0.5	-0.2
Overall balance excluding oil revenue	-7.3	-6.6	-7.0	-7.1	-4.1	-3.2
(In billions of U.S. dollars)						
Balance of payments and reserves						
Exports, f.o.b.	23.8	28.1	29.7	35.3	36.5	42.0
Oil/gas	9.3	12.7	10.7	10.5	9.3	10.3
Non-oil/gas	14.5	15.4	19.0	24.8	27.2	31.7
Non-oil/gas imports	-16.5	-21.6	-24.1	-26.4	-28.1	-33.8
Current account	-2.0	-4.0	-4.6	-2.9	-3.0	-3.6
(In percent of GDP)	(-2.0)	(-3.6)	(-3.8)	(-2.0)	(-1.8)	(-2.0)
Gross official reserves (end-period)	6.3	9.6	10.5	12.0	12.7	13.3
Gross official foreign assets (end-period) 2/	6.7	11.1	13.6	18.3	18.6	17.1
(In months of imports) 3/	(3.7)	(5.5)	(6.2)	(7.8)	(6.6)	(5.3)
External debt (end-period)						
Total external debt	57.2	68.6	72.1	83.5	89.1	97.6
Public medium- and long-term debt	43.5	48.0	48.2	55.4	60.0	67.4
In percent of exports of goods and nonfactor services						
Public sector debt service	27.5	24.5	23.4	21.5	21.3	20.3
(Percentage change; unless otherwise specified)						
Terms of trade	3.2	7.6	-6.5	0.1	-0.4	2.9
Nominal effective exchange rate (end-period) 4/	0.6	-10.5	-4.8	-5.4	-5.0	-12.5
Real effective exchange rate (end-period) 4/	2.2	-6.2	1.3	1.5	-1.1	-6.7
Average oil export unit value (\$/barrel)	17.9	22.4	17.9	18.2	15.6	16.4

Sources: Data provided by the Indonesian authorities; and staff estimates.

1. GDP data are on a calendar-year basis (e.g., 1989/90 corresponds to 1989). Reflects revised national accounts data beginning in 1993.
2. Bank Indonesia; includes gross reserves and official assets held as contingency reserve.
3. In months of the following year's non-oil/gas imports.
4. IMF Information Notice System; depreciation is negative.

Indonesia: Social and Demographic Indicators

	Unit of Measure	Fifteen to Twenty Years Ago	Most Recent Estimate
Natural resources			
Area	Thousand sq. km.	1,905	1,905
Agricultural land	Percent of land area	17	19
Forests and woodland	Thousand sq. km.	1,222	1,095
Access to safe water	Percent of population	11	42
Urban	Percent of population	41	32
Rural	Percent of population	4	65
Human resources			
Total population	1993; in millions	133	187
Urban population	Percent of population	19	34
Population growth	Percent per annum	2	2
Urban population growth	Percent per annum	5	5
Life expectancy at birth	Years	51	63
Infant mortality rate	Per thousand live births	109	56
Labor force (ages 15-64)	Millions	51	76
Health and education			
Population per physician	Persons	26,988	7,033
Population per hospital bed	Persons	1,222	1,502
Primary school enrollment	Percent of school-age group	86	115
Secondary school enrollment	Percent of school-age group	20	47
Pupil teacher ratio: Primary	Pupils per teacher	29	23
Secondary	Pupils per teacher	16	17
Illiteracy rate 1/	Percent of population (age 15+)	43	23
Income, poverty, and nutrition			
GNP per capita (1993)	U.S. dollars	210	740
Share to top 20 percent	Percent of income	52	42
Share to bottom 20 percent	Percent of income	7	9
Population in absolute poverty 2/			
Urban	Percent of population	...	9
Rural	Percent of population	...	18
Daily calorie supply	Calories per person	2,153	2,750
Daily protein supply	Grams per person	45	60

Source: The World Bank, Social Indicators of Development 1991-92.

1/ Proportion of the population 15 years of age or older who cannot both read and write a short simple statement.

2/ Absolute poverty income is defined as an estimated income level below which a minimal nutritionally adequate diet plus essential nonfood requirements are not affordable.

Indonesia: Indicators of Structural Reform, 1985/86-1994/95

(In percent)

	1985/86	Est. 1994/95
Non-oil/gas sector		
Share of:		
Non-oil/gas manufacturing in GDP	11.5	21.2
Non-oil/gas revenue in non-oil/gas GDP	9.5	14.6
Non-oil/gas exports in total exports	33.5	75.4
Financial sector		
Share of:		
Broad money in GDP	20.1	41.6
Financial savings in GDP 1/	10.7	30.8
Gross assets of financial institutions in GDP 2/	63.8	85.1 3/
Number of financial institutions 2/	8,029	9,164
Value of shares issued in the Jakarta Stock Exchange (Rp billion)	133 4/	26,529
Trade reform 5/		
Number of items subject to nontariff barriers	1,700	292 6/
Average tariff rate	37	20
Number of tariff rates	25	11
Investment deregulation 5/		
Number of business fields closed to foreign investment	208 4/	6 7/

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Rupiah and foreign currency time and savings deposits.

2/ Comprises Bank Indonesia, deposit money banks, and nonbank financial institutions.

3/ As of end-1994.

4/ End-1987.

5/ Excludes the impact of the May 1995 deregulation package.

6/ As of October 1993.

7/ Number of sectors completely closed to foreign investment. The number of sectors in which foreign investment is somewhat restricted (negative list) is 33.

I. Introduction and Overview¹

Indonesia has over the past decade achieved an impressive record of economic development. With the help of market-oriented reforms in trade, investment, and the financial system, together with prudent financial policies, competition and efficiency have been enhanced, private sector activity has been substantially diversified, and there has been broad-based improvement in most social indicators of development. During the period 1985/86-1994/95, average GDP growth exceeded 6 percent, inflation averaged less than 10 percent, real income per capita increased by two thirds, the economy's dependence on the oil/gas sector was sharply reduced, and the number of people living in absolute poverty fell to 15 percent of the population (Chart 1).

Indonesia's economic achievements have been greatly facilitated by the consistent and sustained pursuit of macroeconomic stability even when this required sizable adjustments in fiscal and monetary policy. The authorities' balanced budget rule, although it has not prevented fluctuations in the fiscal policy stance, has, in general, helped to avoid any significant recourse to domestic deficit financing. With the declining importance of oil/gas revenue, substantial fiscal adjustment has been undertaken. External borrowing has also been managed prudently in recent years so as to safeguard access to international credit markets. External adjustment was supported by major devaluations in 1983 and 1986; thereafter, the rupiah/U.S. dollar exchange rate has been managed to offset broadly the inflation differential vis-à-vis trade partners. These policies, together with significant structural reforms, allowed Indonesia to weather the severe losses in its terms of trade following the collapse of oil prices in the mid-1980s, without any sustained deterioration in real economic performance.

Toward the end of the 1980s, new policy challenges arose. Following the 1988 financial sector and investment liberalization, economic growth accelerated owing to a boom in investment, both foreign and domestic. Initially, the quickening pace of activity did not produce strains on domestic resources, but money and credit growth soared during 1989/90-1990/91²--increasing at an average rate of 36 percent and 53 percent, respectively--and demand pressures rapidly intensified. Thus, in 1990/91, the growth of real domestic demand accelerated markedly to 12 percent, the external current account deficit almost doubled to 3 ¾ percent of GDP, inflation rose to 10 percent, and external debt increased sharply to \$69 billion (65 percent of GDP).

The adjustment effort during 1991/92-1992/93 was marked by a tightening of monetary policy, and measures were also taken to curb new external borrowing. Interest rates rose sharply, as large amounts of central bank debt certificates (SBIs) were placed with the domestic banking system and Bank Indonesia sharply curtailed its foreign exchange swap operations. To redress weaknesses in commercial banks' portfolios that had surfaced in the aftermath of the

¹It should be noted that the term "country" as used in this report, does not in all cases refer to a territorial entity that is a state as understood by international law and practice. The term also covers some territorial entities that are not states but for which statistical data are maintained and provided internationally on a separate and independent basis.

²The fiscal year begins on April 1.

credit boom, new prudential standards were imposed. At the same time, controls were strengthened to contain offshore commercial borrowing by the public sector, including banks. Fiscal policy, however, provided little support to demand management during these two years and the overall deficit, excluding oil/gas revenue, remained broadly unchanged.

With the tightening of the monetary stance, credit growth to the private sector dropped rapidly to 11 percent in 1992/93 and the growth in real domestic demand fell sharply to 4 percent. As a result, inflation fell to 5 percent and the external current account deficit narrowed to 2 percent of GDP. However, with non-oil/gas exports increasing by some 30 percent, real GDP grew by 6 1/2 percent. Reflecting an increase in private sector debt, as well as valuation effects, external debt rose to \$84 billion in 1992/93 (62 1/2 percent of GDP). Although demand pressures abated in 1992/93 maintaining control over liquidity growth remained difficult. Despite an easing of interest rates, the differential with offshore rates--some 12 percentage points--remained well in excess of the expected downward crawl of the rupiah. Thus, as surging capital inflows led to a large increase in official reserves--close to \$5 billion--containing money growth required sizable and costly sterilization operations.

Following the easing of domestic demand pressures, the focus of monetary policy shifted in early 1993/94 to supporting economic growth, as concerns developed over an incipient weakening of export performance and output. At the same time, the fiscal position was strengthened. Reflecting the strong growth in non-oil/gas revenue, the overall central government deficit, excluding oil/gas revenue, declined by 3 percentage points of GDP. With the shift in monetary policy interest rates declined rapidly and there was a strong pickup in credit to the private sector, while the pace of capital inflows slowed. Reserve money growth rose sharply as Bank Indonesia reduced its holdings of SBIs. Although there were significant fluctuations within the year, international reserves at end-March 1994 were broadly the same as a year earlier. Domestic demand strengthened in 1993, increasing in real terms by 6 percent, as both fixed investment--led by construction--and private consumption picked up. The growth of non-oil/gas exports, however, slowed, reflecting an adjustment from the very rapid growth enjoyed in 1991/92-1992/93. Despite the slowdown in exports, the strengthening in domestic demand was sufficient to keep GDP growth at 6 1/2 percent. During 1993/94, inflation rose to 10 percent, although the external current account deficit remained below 2 percent of GDP.

The expansion in domestic demand gained momentum during 1994/95, rising in real terms by 9 percent. The continued rapid increase in private sector credit--which rose at an annual rate of 24 1/2 percent--contributed to this growth. A particular concern in this regard was the continuing rapid increase in private credit to the property sector. Reserve money grew strongly as Bank Indonesia reduced its holdings of SBIs sharply, and broad money increased at the same pace as in 1993/94. This expansion occurred despite the gradual increase since March 1994 in Bank Indonesia's interest rates (about 5-6 percentage points), which was somewhat higher than the increase in international interest rates during this period. The overall fiscal position in 1994/95 remained broadly in balance. Excluding oil/gas revenue, the overall deficit declined by almost 1 percentage point of GDP as total expenditure and net lending was reduced in relation to GDP.

Real GDP growth increased in 1994 to 7.3 percent (in 1993 prices), based on strong growth in manufacturing and construction.³ Domestic demand grew faster than GDP. The growth in non-oil/gas exports increased, reflecting in part the recovery in industrial countries. However, because of the strong growth in imports, there was some widening of the external current account deficit although it remained broadly unchanged in relation to GDP. Inflation remained high at an annual rate of close to 10 percent. External debt rose to \$98 billion (55 percent of GDP), owing mainly to the valuation effects arising from the appreciation of the Japanese yen. Gross foreign assets of Bank Indonesia declined to \$17.1 billion (5 1/4 months of imports) at end-1994/95, reflecting two episodes of capital outflows that took place during the year. The first was at the beginning of the year, owing to devaluation rumors sparked by the sharp decline in world oil prices and labor unrest in Medan, and the second--albeit much more limited--in January 1995, because of the adverse impact on emerging markets of the financial crisis in Mexico. The latter episode was very brief and was dealt with effectively by limited intervention, small increases in interest rates, and public statements of reassurance by the Government.

II. Output and Expenditure⁴

Based on revised national accounts statistics, growth in 1994 is estimated to have increased to 7.3 percent. Growth in the non-oil/gas sector (7.8 percent) maintained its recent momentum, while the oil/gas sector increased by 3.1 percent. Growth continued to be led by domestic demand, which accounted for all of GDP growth (on the basis of 1993 prices) as the contribution from net exports was negative for the first time since 1990. Performance in the agricultural sector continued to be affected by weather-related declines in rice. However, broad-based growth continued in manufacturing, construction, and services.

A. Revised National Accounts Statistics

In early 1995, the Indonesian Central Bureau of Statistics (BPS) released new national accounts statistics for 1993 and 1994. These revisions involved three significant changes: (i) a rebasing of the constant price series from 1983 prices to 1993 prices; (ii) an upward revision in the estimates of nominal GDP as a result of improved estimates of production; and (iii) the sectoral classifications were made more detailed and some subsectors were reclassified. Some of the practical implications of these revisions are: (i) real growth rates in 1994 were higher than previous estimates owing to the revised sectoral weights derived from 1993 prices; (ii) estimates of nominal and per capita income were higher by about 9 percent than previously estimated; and (iii) the classification by expenditure category has been revised with consumption receiving a higher weight than previously. At the present time, the revised statistics are only

³Based on the former GDP series (1983 prices), real GDP growth in 1994 would have been 6.8 percent.

⁴See Tables 1-15.

available for 1993 and 1994. BPS plans to issue revised estimates of data prior to 1993 on the basis of the new methodology later this year.⁵

B. Aggregate Demand

After declining from its previous peak in 1990 to 4 percent growth in 1992, real domestic demand growth strengthened to 6 percent in 1993 and to an estimated 9 percent in 1994 (Chart 2). Growth in both consumption and investment expenditure picked up. Consumption expenditure increased by an estimated 5 1/2 percent in 1994 with most of this growth accounted for by increases in private consumption. Investment expenditure increased more dramatically, with real fixed capital investment growing by 13 percent in 1994, compared with 6 percent in 1993. Most of the investment expenditure was concentrated in the manufacturing and construction sectors.

Following the deregulation packages of June 1994, which liberalized investment activities and lowered import tariffs, there has been a substantial increase in approvals for both domestic and foreign investment projects. For 1994 as a whole, investment approvals increased by 35 percent for domestic projects and by 191 percent for foreign projects. This high rate of investment approvals continued in the early part of 1995. The bulk of the domestic and foreign investment approvals in 1994 were in the manufacturing sector, particularly for paper and paper products, chemicals, metals and metal products, and food processing.

Overall export growth slowed in the later part of 1993 and into 1994 owing to the rising domestic demand, which redirected some output to the domestic market. Increased foreign competition and specific problems in textiles and several other important export sectors were also factors. However, the growth in non-oil gas exports began to pick up again in the second half of 1994 (see section VI below). On a national accounts basis, real exports of goods and non-factor services are estimated to have grown by about 7 percent in both 1993 and 1994. While import growth remained relatively low for most of 1993, it began to pick up considerably near the end of 1993 and grew by an estimated 13 percent in 1994. Demand for imports appeared to have been affected by both an acceleration in fixed investment and consumption.

C. Sectoral Developments

Growth in agricultural production slowed further in 1994 to 0.3 percent. Production of food crops declined by 3 percent as the result of a long dry season in 1994 and the impact of switches made to the planting season because of the previous dry season in 1993. Overall, rice production decreased by 4 percent and fell below domestic requirements, necessitating a sharp increase in imports. Production of other food crops, such as cassava and sweet potatoes, also declined by 6 percent and 5 percent, respectively. In contrast, nonfood crops generally increased, but at lower rates than previous years, with overall production increasing by about 5 percent. Growth in the forestry sector was relatively flat, while value added in the livestock and fisheries sectors increased by 5 percent and 4 percent, respectively.

⁵In this paper, all ratios to GDP are based on the old national accounts statistics (1983 prices) through 1992, while growth rates are based on the old series through 1993. As a result, ratios to GDP are not strictly comparable over time.

The shortfall in rice production in 1994 led to a depletion of rice stocks held by the National Logistics Agency (BULOG) to only about 600,000 tons by the end of the calendar year, below the targeted stockpile of 1 million tons. Despite sales from BULOG stockpiles, the production shortfall contributed to upward pressure on the market price for rice at the end of 1994, which increased by 20 percent compared with the price at end-1993. As a result, BULOG made large-scale imports of rice during the first quarter of 1995 which were sufficient to help prevent any further increases in market prices. For the fiscal year 1994/95, BULOG imported 1.8 million tons of rice and increased their stock to 760,000 tons.

The mining sector grew by 5 percent in 1994 as oil and gas output both increased. While still relatively small in overall importance, non-oil/gas mining increased dramatically in 1994 (14 percent) owing to increases in the production of nickel, coal, and tin. Strong growth in the manufacturing sector also continued in 1994. Overall growth was 11 percent, with particularly strong growth in cement and automobile production, which were boosted by high demand. Other sectors that posted higher-than-average growth in 1994 were utilities (13 percent); construction (15 percent); trade, hotels, and restaurants (9 percent); transportation and communications (8 percent), and banks and financial institutions (12 percent).

The sectoral shares in nominal GDP continue to change in favor of the rapidly growing manufacturing and services sectors, with a trend decline in the relative importance of mining and agriculture. The change has been most dramatic over the last decade with respect to mining and manufacturing which have reversed their relative shares. During 1983-1994, mining has fallen from 21 percent to 8 percent, while manufacturing increased from 13 percent to 24 percent during the same period.

III. Prices, Wages, and Employment⁶

A. Prices

The average rate of consumer price inflation declined slightly from 9.7 percent in 1993 to 8.5 percent in 1994. Consumer price inflation in 1994 was driven primarily by food prices which increased by 15 percent, while nonfood price inflation was 7 percent. The increase in food prices was largest for rice, but there were also price increases for cooking oil, wheat flour, and nonalcoholic beverages (which were related to increases in sugar prices). The largest increase in the nonfood category was for housing (9 percent) on account of the increased cost of construction materials, especially cement, and increases in rent. Wholesale price inflation increased dramatically in 1994 to 11 percent from 3 percent in 1993. While wholesale prices in the agricultural sector increased by 23 percent, there were also increases in wholesale prices in mining (10 percent), manufacturing (9 percent), and exports (16 percent).

Inflationary pressures continued in early 1995. For the first five months of the year, prices increased at an annual rate of 13 percent. While the increase in food prices continues to be high, the rate of nonfood price inflation also increased to an annual rate of 8 percent. The relatively large increase in the CPI in the early part of 1995 may in part reflect the impact of increases in minimum wages and civil service salaries.

⁶See Tables 16-20.

B. Wages

The Government sets minimum wages for 27 provinces on the basis of periodic surveys. Over the last several years, increases have been well above the rate of inflation as the Government has aimed to bring minimum wages to a level commensurate with meeting a minimum level of basic physical needs. In 1994, minimum wages were increased by 40 percent in January for Jakarta and West Java, and by 15-50 percent in April for 16 other provinces. In the remaining nine provinces the minimum wage was raised by 21-38 percent in August. Effective April 1, 1995, the Government increased minimum wages by a further 10-35 percent. Minimum wages are applied differentially across provinces but not differentially across sectors. With the recent increase, the authorities consider that minimum wages are now adequate to meet the minimum level of basic needs. Market minimum wages are usually higher than the actual legislated minimum wages. However, increases in the legislated wages usually have a signaling effect that puts upward pressure on market wages.

Data on average wages in the private sector are not available, but the minimum and maximum wages as reported have increased markedly in real terms during the last several years. While real wages have been rising, labor productivity has also been rising especially following the deregulation measures introduced in the early 1980s. Labor productivity growth in the early 1990s appears to have slowed down somewhat, contributing to increases in estimated unit labor costs in 1991-93. However, preliminary estimates indicate that productivity gains may have exceeded wage increases in 1994.⁷

C. Employment and Human Resource Development

Since 1986, the labor force participation rate has remained at about 57 percent (about 70 percent for males and 44 percent for females). During the last two years, the labor force and employment each grew by about 2 percent implying no real change in the official unemployment rate which is estimated at about 3 percent. For the official employment figures, a person is considered to be employed if he or she has worked during the last week, even if only for a few hours. However, taking into account those who are not fully employed, underemployment in Indonesia is considered to be widespread. Beginning in 1995, the Government intends to announce both the core unemployment rate and an estimated underemployment rate. The rapid growth of the manufacturing and service sectors continues to influence the composition of employment. The share of employment in the agricultural sector fell to 47 percent in 1994 (compared with 56 percent in 1990), while the share in the manufacturing and other sectors increased to 13 percent (from 10 percent), and 24 percent (from 19 percent), respectively, during the same period.

An important dimension of Indonesia's human development strategy is the recognition of the need to upgrade labor quality to meet the needs of a more complex economy. Repelita VI (the national development plan, covering the period 1994/95-1998/99) incorporates increases in expenditure for all categories of human resource development in real per capita terms including a gradual increase in compulsory education from six to nine years over a

⁷The average of minimum and maximum wages in the manufacturing sector has been used as a proxy for the average wage cost. Given the limitations in wage data, estimates on productivity and unit labor costs are very approximate.

15-year period, enhanced quality of education at all levels, and an expansion of education to poorer groups and remote regions. The Government is also shifting its role in education from the direct provision of tertiary education and employee training toward a more regulatory role. It is now estimated that about 70 percent of students undergoing tertiary education are enrolled in private institutions, while private sector training institutes and firm-level training are becoming predominant.

IV. Public Finance⁸

A. Introduction

Indonesia's public sector consists of the central government, 27 provincial governments, 368 municipal and local governments, and 181 public enterprises. Transfers from the central government account for more than half of provincial governments' revenues and a large share of public enterprise investment is funded by loans from the central government, mainly in the form of on-lending of foreign borrowing undertaken specifically to finance capital projects of public enterprises.

The conduct of fiscal policy in Indonesia follows a balanced budget principle. Total budgeted expenditure in any given fiscal year must be equal to projected revenue as defined in the budget (including net receipts from foreign loans); no domestic borrowing to finance the budget is permitted. The balanced budget rule has, in the past, precluded any sustained domestic financing of government operations. However, a more conventional measure of the budget deficit (treating foreign loans as financing) has shown substantial year-to-year fluctuations in the overall fiscal balance, with large cumulative effects on the stock of public debt. For example, the ratio of external public debt to GDP rose from less than 20 percent in the early 1980s to 50 percent in 1986/87, before declining gradually to 38 percent in 1994/95. Moreover, extrabudgetary funds, which consist of government accounts held with the banking system, also play a significant role in fiscal policy. As the Government has been able to accumulate a significant stock of deposits with the domestic banking system, there is some short-run flexibility with respect to fiscal policy.⁹

Following a weakening of oil revenues in the early 1980s, a strong program of fiscal adjustment was initiated. Development expenditure was reduced and the tax system reformed with a view toward improving non-oil/gas revenue collections. These reforms were generally successful, and contributed to a reduction in the overall fiscal deficit from 5 percent of GDP in

⁸See Tables 21-29.

⁹References to the budget in this paper refer to the IMF format which, among other things, include treating foreign borrowing and repayments as financing; and deriving domestic financing from movements in all government accounts (including nonbudgetary accounts) with a corresponding adjustment to capital expenditure and net lending.

1982/83 to broad budget balance in 1994/95. During the same period, the non-oil/gas deficit declined from 17 percent of GDP to about 3 percent of GDP.¹⁰

On the revenue side, reforms have included the broadening of the revenue base through reform of the personal and corporate income tax systems in 1984, the introduction of a VAT in 1985, and the introduction of a new property tax in 1986. In addition, there have also been substantial improvements in the system of tax administration. The number of registered taxpayers has increased, tax compliance improved, the use of tax withholding broadened, and law enforcement strengthened. As a result, the composition of tax revenue has changed dramatically over the last few years. Oil and gas revenue continues to decline relative to GDP, and now represents only 25 percent of total tax revenue compared with 47 percent in 1990/91 (Chart 3). At the same time, income taxes and taxes on goods and services have, in general, been increasing relative to GDP.

At the same time, total expenditure had declined substantially relative to GDP. Development expenditure fell from 11 1/2 percent of GDP in 1985/86 to about 7 percent of GDP in 1994/95 owing to improved selection of investment projects as well as a slowing in the pace of project implementation. Noninterest current expenditure has also made a substantial contribution to the adjustment effort, declining from 10 percent of GDP in 1985/86 to 7 percent of GDP currently. In particular, petroleum subsidies (previously representing about 2 percent of GDP) were eliminated through adjustment in domestic petroleum prices in 1991-93, and domestic oil operations recorded a surplus for the first time in 1993/94.

B. Central Government Finances

1. Developments in 1994/95

The overall budget position achieved broad balance in 1994/95 as a small surplus of Rp 866 million (0.2 percent of GDP) was achieved (Chart 3). Overall budgetary operations, including the funds raised from the sale of shares in PT Indosat (a telecommunications company) permitted a prepayment of external debt and a buildup of government deposits with the banking system.

Total revenue collections (including grants) in 1994/95 of Rp 60.1 trillion (15 percent of GDP) were very close to the original budget estimates, despite the impact of the reduction in income tax rates that took effect on January 1 (see below). Overall tax revenue in 1994/95 exceeded original budget estimates by about Rp 1.2 trillion, while nontax revenue fell short of budget projections by a similar amount. Direct tax revenue in 1994/95 of Rp 31.7 billion was slightly above the budget estimates. Oil/gas revenue was 4 percent better than budgeted because of slightly higher production levels and slightly higher prices for both oil and gas. However, non-oil/gas income taxes were slightly lower than budgeted partly because of the impact (an estimated Rp 800-900 million) of the reduction in tax rates which affected tax withholding for the last two months of the fiscal year. Taxes on goods and services (VAT) continued to grow strongly and exceeded budget estimates, while taxes on international trade

¹⁰For a review of Indonesia's experience with fiscal adjustment, see also Molho "Fiscal Adjustment in an Oil-Exporting Country: The Case of Indonesia," PPAA/94/21, October 1994.

fell slightly short of budget estimates owing to the reductions in import duties announced in June 1994. Nontax revenue (excluding the proceeds from privatization) fell short of budget projections owing to a lower-than-expected surplus on domestic oil operations. The domestic oil surplus was lower because of a slight fall in domestic sales volume relative to budget assumptions, the higher international price (without a corresponding change in domestic prices),¹¹ and the payment of Rp 687 million to Pertamina following the audit of their 1992/93 accounts.¹²

The relative buoyancy of direct and indirect taxes in recent years owes a lot to improvements in tax administration.¹³ Revenue collections in Indonesia are low relative to other countries in the region and estimated potential collections. It has been estimated that the "administrative effective ratio" (i.e., actual revenue collections relative to estimated potential) is currently about 60 percent. In recent years, the authorities have engaged in efforts on several fronts to improve tax administration including: (i) increasing the clarity of the tax laws; (ii) raising tax compliance; and (iii) increasing the capacity of tax offices. Specific measures include greater use of third-party data to increase the number of registered tax payers; increasing fines for late filing of VAT and income tax returns; and increasing the statute of limitations with respect to the tax authorities' ability to investigate tax liabilities. In January 1995, Bank Indonesia issued a decree which should improve the quality of financial statements reported to the tax office by requiring that taxpayers who wish to obtain a bank loan use the same financial statement that is supplied to the tax office.

Overall expenditure in 1994/95, of Rp 59.3 billion was also consistent with budget estimates. Current expenditure has declined by some 3 percent of GDP since 1990/91 with about half of the savings coming from lower interest payments on foreign debt and most of the rest coming from the elimination of the subsidy on petroleum. Despite an increase in civil service salaries, some of which took effect on January 1, 1995, personnel expenditures in 1994/95 were close to the budgeted figure and remained at about 3 1/2 percent of GDP. Expenditure on material (operations and maintenance) and fertilizer subsidies were slightly higher than budgeted. Overall development expenditure (including estimated expenditure through nonbudgetary accounts) was also broadly as budgeted, remaining at about 7 percent of GDP.

¹¹Domestic prices of petroleum products have not been adjusted since early 1993. As of end-May 1995 international oil prices have increased by about 18 percent (in rupiah terms) since the last adjustment in domestic prices.

¹²The refund to Pertamina was for the final settlement to cover the costs from domestic oil operations in 1992/93, the last year of petroleum subsidies.

¹³Buoyancy calculations are affected by the revisions in the national accounts announced for 1993 and 1994 which resulted in a one-step increase in nominal GDP of some 10 percent. However, using estimates for GDP on the old base for analytical purposes produces an average buoyancy over the last seven years for non-oil/gas tax revenue of 2.0 (2.2 for non-oil/gas income taxes, and 1.8 for VAT).

2. The Budget for 1995/96

The 1995/96 budget was announced in January 1995. On the expenditure side, the budget represents a continuation of fiscal restraint with total expenditure and net lending estimated to decline by about 1/2 percent of GDP. However, despite further measures to broaden the tax base, the impact of reductions in personal and corporate tax rates will lead to a reduction in non-oil/gas revenue relative to GDP of about 1/2 percent to 1 1/2 percent of GDP, while oil revenues are also expected to continue their trend decline, and fall by about 1/2 percent of GDP.¹⁴ As a result, the overall budget is estimated to be in a small deficit of about 1/4 percent of GDP, with the overall deficit (excluding oil/gas revenues) remaining at about 3 percent of GDP.

The main measures on the revenue side are: (i) a reduction in income tax rates and a widening of the tax brackets;¹⁵ (ii) an expansion of the coverage of the VAT to include franchises (intangible goods) and self-constructed homes larger than 400 square meters; (iii) higher luxury taxes on some items and an increase in the possible range of luxury taxes from 10-35 percent to 10-50 percent; (iv) the application of withholding tax in several areas that were previously excluded; (v) the enforcement of taxes on the income of charitable foundations (although donations will still be exempt); (vi) a one-time tax of 5 percent on all property transactions greater than Rp 60 million (\$27,300);¹⁶ (vii) a 0.1 percent tax on stock transactions, and a 5 percent tax on the historical value of a company when it is initially listed; (viii) the application of a 20 percent luxury tax on contests and door prizes; and (ix) a 10 percent luxury tax on the selling price of purchases of new large houses, condominiums, and luxury apartments. No disaggregated estimate of the impact of each of these tax measures has been calculated, but assuming that the underlying trend growth in tax revenue in recent years of 20 percent per annum would continue, implies that the overall impact of all the tax changes is a revenue loss of about Rp 2.8 trillion (1/2 percent of GDP).

Since 1984, Indonesia has not provided tax incentives such as tax holidays or investment allowances. Incentives granted to both domestic and foreign investment include exemptions from duties on imports of capital goods and raw materials for a period of time (two years), and deferred payment of VAT on imports of capital goods. Manufacturing exporters also have duty drawbacks and VAT exemptions for goods imported for the production of exports. In November 1994, the Government announced new incentives for investments in certain business

¹⁴Revenue from oil in the 1995/96 budget is based on a price of \$16.50/bbl, about the same as the average price realized in 1994/95. With production volumes expected to decline slightly, revenue from oil has been budgeted to decline by 1 percent in nominal terms in 1995/96.

¹⁵ Income tax rates were reduced from 15, 25, and 35 percent to 10, 15, and 30 percent. At the same time, the ranges of the relevant tax brackets were changed from Rp 0-10 million, Rp 10-50 million, and over Rp 50 million to Rp 0-25 million, Rp 25-50 million, and over 50 million.

¹⁶This will serve as a final tax, in lieu of a capital gains tax, for individuals, and as a withholding tax pending a full reporting of capital gains for corporations.

fields and/or certain regions with effect from January 1, 1995. The exemptions are in the form of accelerated depreciation and loss carry forward for 10 years, and reductions in the withholding tax on dividend payments, and were designed primarily to speed up development of remote areas. On January 9, 1995, an agreement was signed between Pertamina and a U.S. oil company for the development of the large Natuna natural gas field under the terms of the new incentives.

The main initiative with respect to current expenditure in the 1995/96 budget is an increase of 10 percent in salaries for all government employees, including the armed forces and pensioners--the first increase since 1993. The wage increase was granted to about 60 percent of the civil service (Grades I and II) with effect from January 1, 1995 and the remaining wage increases (Grades III and IV) were effective with the new fiscal year (April 1, 1995). Under the new basic salary scale, the smallest salary was increased from Rp 78,000 per month to Rp 85,800 per month and the highest salary from Rp 537,600 to Rp 591,360 per month. As of July 1994, total government employment amounted to 5.9 million of which 1.5 million were with the central government, 2.2 million with regional governments, 0.6 million in the armed forces, and 1.6 million were pensioners.

Budgeted development spending for 1995/96 is projected to decline slightly to 6 1/2 percent of GDP. Development expenditures will continue to be directed primarily to the priority areas of regional development (including transmigration); transportation; mining and energy; education and national culture; agriculture and irrigation; and health and social welfare.

C. Public Enterprises

The public enterprise sector in Indonesia consists of some 180 enterprises.¹⁷ They represent an estimated 15 percent of GDP, with a book value of total assets of about Rp 295 trillion (\$140 billion) in 1994 and employment of about 1.4 percent of the labor force. Public enterprises are active across all economic sectors with relatively heavy concentration in agriculture, finance, industry, public works, and transportation. For example, in the financial sector, public enterprises account for about one half of outstanding credit, and about 75 percent of the classified loans, while about one half of public enterprise employment is accounted for by 27 public estates under the direction of the Ministry of Agriculture. Since 1989, there have been several privatizations, liquidations, and mergers involving public enterprises. During this time, however, 12 new public enterprises were formed so that the total number of enterprises has only declined from 187 to 182. Despite the fact that the number and size of public enterprises has remained broadly stable in recent years, their relative importance has declined owing to strong growth in the private sector in response to the deregulation of the financial sector and the liberalization of the investment regime. Since 1989, the vast majority of public enterprises have been converted to Persero status. In addition to 160 Perseros, there are

¹⁷Public enterprises are defined to include all enterprises in which the government has majority ownership, including joint ventures, but excluding subsidiaries of enterprises that are owned by local governments.

another 18 wholly state-owned companies with a public utility function (Perums), and two special status public enterprises, including the state oil and gas company, Pertamina.¹⁸

Comprehensive data on the financial performance of public enterprises remain limited, but most available data point to a decline in the financial performance of public enterprises in recent years. However, this comparison is affected by artificially high profits in the earlier years arising from the extensive loans made by state banks that were later declared nonperforming, while Pertamina's profitability has been affected by the declining trend in the oil sector. However, even excluding the state banks and Pertamina, the pretax return on assets still declined from 5.6 percent in 1989 to 4.1 percent in 1994, and return on equity from 10.4 percent to 7.8 percent during the same period.

The Ministry of Finance classifies public enterprises by their level of financial and operational soundness, based on an assessment of profitability, liquidity, solvency, and of technical indicators specific to subsectors in which they operate. According to this assessment, the share of "less sound" and "unsound" public enterprises increased from 46 percent in 1990 to 54 percent in 1994. At the same time, the share of "very sound" firms dropped from 32 percent to 22 percent. The number of enterprises reporting losses fell to 15 in 1994 from 24 in 1993. Overall, losses have not been very significant--representing about 0.1-0.2 percent of total assets.

Based on a Presidential decree in 1988, an assessment was made of the financial soundness of each public enterprise, and a restructuring program was initiated. Enterprises were classified into four broad performance categories and these were used to determine restructuring strategies for individual enterprises. The proposed measures included changes in legal status and management contracts, as well as mergers, joint ventures, public share issues, and liquidations. To encourage greater managerial autonomy, enterprises were also required to prepare five-year corporate plans and annual work programs, and link managerial salaries to enterprise performance. The restructuring programs launched in 1989 called for 52 public share issues by end-1994. However, progress has been slow. Only two of these public share issues have been made so far, including the partial privatization of PT Indosat. In addition, seven additional public enterprises were sold fully or in major part to the private sector including mostly through public offerings; four public enterprises were liquidated; and there were a few other liquidations that took the form of mergers. The Government intends to continue with the privatization program with several additional share offerings expected to be made in coming years, including PT Telekomunikasi Indonesia in 1995.

Other initiatives that have been launched with a view to improving the efficiency of enterprises remaining in the public sector include the reorganization in 1994 of 32 state plantation companies into 9 groups, with the objective of enhancing economies of scale and improving integration with processing units. In addition, to enhance performance in the industrial sector, several state-owned companies under the direction of the Ministries of Industry and Trade are being consolidated. For example, in March 1995, it was announced that state-owned enterprises in the fertilizer and cement industries would be merged into holding companies with a view to improving their performance.

¹⁸A Persero is a limited liability shareholding company.

The Government also plans to rely to a significant degree on private investment in infrastructure during the remainder of Repelita VI. Envisaged private investment is concentrated in power, telecommunications and, to a lesser extent, in roads and water and is expected to involve build-own-operate and build-own-transfer schemes, as well as joint ventures.

V. Financial Sector¹⁹

The financial system in Indonesia is dominated by the banking sector, and since the 1988 deregulation, the number of commercial banks has more than doubled to about 240. There are seven state banks, including the state development bank, (Bapindo) and the national savings bank, which historically have dominated the banking sector. However, in recent years, the role of private banks has increased rapidly relative to that of state banks and the private banks' share of total bank assets has doubled from about one-fourth in 1988 to about one half in 1994. There are also some 8,000 rural banks operating throughout Indonesia, but these are very small institutions and their combined assets constitute less than 1 percent of the assets held by the commercial banks. In addition, there are a number of nonbank financial institutions, including 145 insurance companies and some 175 finance companies (mainly leasing companies and security brokerage houses). The capital market in Indonesia is still at a relatively early stage of development, but in recent years the stock market has become increasingly important with market capitalization rising to Rp 104 trillion (29 percent of GDP) at end-1994.

The strong growth in money and credit aggregates that began in 1993/94 following the shift in policy focus early in that year to supporting economic growth, continued into 1994/95. Private sector credit, which picked up sharply in 1993/94 continued to grow rapidly in 1994/95--at an annual rate of 24 1/4 percent. Reserve money continued to grow strongly, as Bank Indonesia reduced its holdings of SBIs sharply, and broad money increased at the same pace as the year before. This expansion occurred despite a gradual increase in Bank Indonesia's interest rates since March 1994 (about 5-6 percentage points), which were somewhat higher than the increase in international interest rates during this period. The continued rapid expansion of credit to the private sector contributed to the rise in domestic demand growth in 1994/95. Inflation remained high at an annual rate of close to 10 percent, economic growth picked up somewhat, and there was a slight widening of the external current account deficit.

A. Monetary Developments

Broad money growth which had slowed from its exceptionally high levels at the outset of the 1990s--from 46 percent in 1989/90 to 22 percent in 1992/93--registered strong growth during 1993/94-1994/95. In 1994/95, broad money grew by 21 1/2 percent, similar to the growth recorded in the year before. As in the previous year, the expansion in domestic assets was the main source of broad money growth while the contribution from net foreign assets remained negative (Chart 4). The growth of narrow money, which picked up in 1993/94 to 26 percent in response to the reduction in interest rates in that year, slowed in 1994/95 to about 17 1/2 percent as interest rates were gradually increased. Correspondingly, the growth of quasi-money--which includes rupiah time and savings deposits as well as foreign currency deposits--increased to 23 percent in 1994/95 compared with 20 percent the year before.

¹⁹See Tables 30-44.

Reserve money continued to grow rapidly in 1994/95--increasing by 22 percent in the 12 months ending in March 1995--after having increased by 21 percent the year before. The developments in reserve money were subject to various influences. In early 1994 (March-May) capital flows turned sharply negative owing to devaluation rumors sparked by the sharp decline in world oil prices and the slowdown in the growth of non-oil/gas exports. In addition, labor unrest in Medan at the time led to some negative investor reactions. In the face of these developments, Bank Indonesia adjusted its interest rates only gradually and, thus, accommodated the capital outflows. The net foreign assets of Bank Indonesia declined sharply in the first quarter of 1994/95 at the same time that the stock of SBIs held by Bank Indonesia was reduced. In the remainder of 1994/95, Bank Indonesia continued to raise its interest rates broadly in line with increases in international rates (following the increases in U.S. Federal Reserve rates). During the second and third quarters of 1994/95, the seasonal decline in the government deposits held with Bank Indonesia and a buildup in the net foreign assets of Bank Indonesia led to an expansion in reserve money. In the fourth quarter, there was a decline in the net foreign assets of Bank Indonesia owing to capital outflows--albeit limited--reflecting the adverse impact on emerging markets of the financial crisis in Mexico. Reserve money continued to expand strongly in the fourth quarter, notwithstanding a buildup in government deposits at the end of the fiscal year, as Bank Indonesia sharply reduced its holdings of SBIs.

Domestic credit growth, which had slowed considerably from its exceptionally high levels averaging about 48 percent per annum during 1988/89-1990/91 to 11 1/2 percent in 1992/93, picked up sharply in 1993/94 and continued its strong growth in 1994/95. Reflecting the strong growth in credit to the private sector, domestic credit rose by 24 1/2 percent in 1994/95 following an increase of 26 1/2 percent in 1993/94. Although the increase in bank credit was generally evident in all sectors, the increases were particularly sharp to the housing/real estate and the services sectors. Credit to the housing/real estate sector which had doubled in 1993/94, albeit on a small base, rose by an estimated 75 percent in 1994/95 (with its share in total bank credit rising to about 6 percent). The pickup in private credit which began in 1993/94, was induced by the relaxation of some prudential regulations in May 1993 (see below) and the easing of lending rates during that year. Interest rates began to rise in 1994/95 but the increase was inadequate to significantly dampen the growth in private sector credit.

There were several developments in the area of monetary management during 1994/95. First, open market operations using SBIs continued to be the main instrument of reserve money management of Bank Indonesia, and SBI interest rates were gradually increased. Second, although certain sectors continue to be eligible for subsidized liquidity credits from Bank Indonesia, the outstanding stock of these credits at end-1994/95 remained essentially unchanged from the level at end-1993/94. Third, owing to concern about the rapid growth in credit to the private sector--in particular, to the housing/real estate sector--Bank Indonesia applied moral suasion to the banks both for prudential reasons and to contain the rapid growth in private credit. Fourth, with a view to facilitating monetary management, Bank Indonesia further widened the spread between its buying and selling rates in the foreign exchange market in September 1994 (see section VI below). Fifth, with the progressive increase since May 1993 in the rediscount rate on Bank Indonesia's purchases of export drafts from commercial banks to a level currently 2 1/2 percentage points above the U.S. dollar SIBOR rate,²⁰ Bank Indonesia's holdings of export drafts declined in 1994/95 by \$1 1/2 billion, following a decline of about

²⁰SIBOR, Singapore interbank offer rate.

\$1/2 billion in 1993/94. Finally, in contrast to the last three years, the stock of outstanding forward foreign exchange swaps held by Bank Indonesia vis-à-vis banks--in particular, investment swaps--increased by about \$1 billion in 1994/95. In the face of market expectations of an accelerated depreciation in early 1994/95, Bank Indonesia was reluctant to adjust its swap premium in line with these expectations and accommodated an increase in forward swaps.

B. Interest Rates

Interest rates on SBIs, which had declined rapidly in the previous two years, rose steadily during 1994/95. The one-month SBI rate increased from 9 percent at end-1993/94 to 11 3/4 percent in mid-1994/95 and further to 14 1/4 percent in March 1995. With these increases, the differential between the one-month SBI rate and the one-month SIBOR increased from 5 1/4 percentage points at end-1993/94 to 6 3/8 percentage points in mid-1994/95, and further to 8 percentage points in March 1995. The interest rate on one-month SBPU was increased from 12 percent at end-1993/94 to 15 percent at end-1994/95, and that on one-week SBPU from 11 percent to 15 3/4 percent during the same period.

Commercial banks' deposit rates, which had also fallen sharply in the previous two years, rose broadly in line with money market rates during 1994/95. The weighted average three-month deposit rate rose from 11 1/2 percent in March 1994 to 16 percent in March 1995, thus increasing the differential between domestic and overseas (three-month U.S. dollar SIBOR) deposit rates from about 7 1/2 percentage points to 9 3/4 percentage points.

In sharp contrast, recorded lending rates of commercial banks remained essentially unchanged on average during 1994/95. The weighted average rate on working capital loans stood at 17 1/2 percent at end-1994/95 while that on investment credits stood at 15 1/3 percent, similar to the levels prevailing at end-1993/94. Only in the private foreign exchange banks were there increases in recorded lending rates during 1994/95 of about 1 1/2 percentage points. With recorded lending rates remaining flat in the face of rising deposit rates, bank spreads during 1994/95 appear to have been reduced substantially. The behavior in recorded lending rates during 1994/95 could reflect a combination of factors. On the one hand, the reduction in banks' spreads could be more apparent than real as actual interest costs to customers could deviate significantly from the recorded lending rates; reportedly, actual lending rates have indeed risen although not as much as deposit rates. On the other hand, banks' spreads that had increased significantly during the earlier period of generally declining interest rates--with lending rates having remained rigidly high at the time--may have been reduced in the face of increased public scrutiny of banks' spreads.

C. Bank Regulation and Supervision

The doubling of the number of commercial banks in the wake of the 1988 financial liberalization, together with the weaknesses in bank portfolios that surfaced in the aftermath of the 1989-90 credit and investment boom, highlighted the need to strengthen bank regulation and supervision. In February 1991, new prudential regulations were introduced that included capital adequacy targets in line with standards recommended by the Bank for International Settlements (BIS), as well as rules for the maintenance of adequate liquidity, mandatory provisioning for nonperforming assets, and detailed bank reports to Bank Indonesia. The supervisory authority of Bank Indonesia was further enhanced by a new banking law enacted in March 1992, which provided for the elimination of all specialized categories of financial institutions, the phased

reduction of banks' equity participation in nonfinancial enterprises, the opening of bank ownership to foreigners, and the conversion of state banks into limited liability companies with up to 49 percent private ownership. With regard to the state banks, an action plan was also established in 1992 to meet the prudential standards with the support of a World Bank Financial Sector Loan.

In May 1993, Bank Indonesia introduced a package of measures aimed at both relaxing some of the prudential controls that were restraining bank lending--as concern had developed over a credit slowdown--as well as improving some of the other banking regulations.²¹ At about the same time, the Government established a supervision team consisting of senior officials from Bank Indonesia and the Ministry of Finance to closely monitor and analyze the portfolio problems of the state banks. In addition, the authorities took firm action--including through the courts--in 1994 against fraudulent behavior at one of the state banks (Bapindo). To ensure an early identification and resolution of any potential problems among private banks, a systematic audit of the accounts of a large sample of private banks was carried out at the end of 1993. Bank Indonesia also established special supervision teams to monitor the problem loans in the private banks. More recently in January 1995, Bank Indonesia issued new regulations aimed at: (a) strengthening commercial bank management by providing character guidelines for shareholders and members of Board of Directors; (b) extending Bank Indonesia's supervisory authority to include banks' credit plans and progress reports; (c) improving the quality of credit information and encouraging a better exchange of information among banks; and (d) standardizing certain reporting and accounting systems.

In the recent past, there appears to have been some improvement in the portfolio of the Indonesian banking system. The ratio of classified loans (comprising the categories "substandard," "doubtful," and "bad") to total credit for all banks, which had increased steadily during 1990-91 to reach 13.7 percent at end-1992, edged up further to 14.2 percent at end-1993, before declining somewhat to 12.1 percent at end-1994. This gradual improvement was recorded both in the state banks--which accounts for the major share of the classified loans--and the private banks. At end-1994, the ratio of the classified loans to total credit for the state banks stood at 18.6 percent, while that for the private banks stood at 6 percent. However, given the existing problems of nonperforming loans in the banking system, bank rehabilitation will continue to remain an important task for the period ahead.

D. Capital Market Developments

In recent years, various steps have been taken to improve the operation of the capital market in Indonesia. With the privatization of the Jakarta Stock Exchange in July 1992, increasing efforts have been undertaken to modernize its operations and foster market development. The transfer of the daily operation of the stock exchange to the private sector also enabled the Capital Market Supervisory Agency (Bapepam) to enforce stricter supervision (previously, it had played a dual role as both operator of the market and supervisor). Other measures introduced since then to facilitate the development of the stock market include: enhanced investor protection; equalized tax treatment of deposits and stocks; a new trust fund law; the establishment of an institution for settlement and clearing; revision of the pension law

²¹For details of the May 1993 package of measures, see "Indonesia--Recent Economic Developments," SM/94/126 (5/27/94).

enabling pension funds to invest in the stock market; investment guidelines for pension funds and insurance companies; allowing listed shares to be used as collateral for bank credit; and establishing a credit-rating agency (PT Pefindo).

More recently, in March 1995, a new capital market law was introduced in Parliament (to replace the previous law of 1952) to further strengthen the legal basis, enhance investor protection and increase the efficiency of the stock exchanges. The draft new law establishes rules for clearing houses, underwriters, and custodian institutions; mandates strong legal provisions against insider trading and inaccurate or misleading information; strengthens the oversight powers of Bapepam; and allows for the establishment of open-ended investment funds. In addition, computerized trading was introduced on the Jakarta Stock Exchange in May 1995. The authorities also plan to streamline the stock exchanges²² by merging the Surabaya Stock Exchange with the over-the-counter capital market in Jakarta.

The growth of the Jakarta stock market slowed during 1994 following the boom recorded in 1993 (Chart 5). The developments in the Jakarta stock market were broadly similar to those in other East Asian markets. The Jakarta Stock Exchange price index, which rose sharply by 117 percent in 1993, fell somewhat--by 20 percent--in 1994. Market capitalization, which had risen markedly to Rp 69 trillion at end-1993, from Rp 25 trillion at end-1992, rose at a less rapid pace to Rp 104 trillion at end-1994. Additionally, the number of companies listed on the Jakarta Stock Exchange rose from 181 at end-1993 to 231 at end-1994. On the international front, these developments reflected some market realignment during 1994, following the significant global portfolio shift in favor of East Asian markets that had taken place in 1993, and were induced by the steady increase in U.S. interest rates. The financial crisis in Mexico had only a very limited impact in late 1994 and early 1995 on the Jakarta stock market. On the domestic front, the recovery of bank deposit rates in 1994 acted to dampen the incentive for investors to move funds to the capital market.

VI. External Sector^{23, 24}

The balance of payments is estimated to have registered a deficit of \$1.4 billion in 1994/95, a continued weakening from the small surplus (\$0.3 billion) a year earlier. This was the first deficit in the 1990s; during 1990/91-1992/93, the balance of payments was in a

²²Indonesia currently has three stock markets--the Jakarta Stock Exchange, the Surabaya Stock Exchange, and the over-the-counter market in Jakarta. The Jakarta Stock Exchange is by far the largest, accounting for about 90 percent of daily trading value.

²³See Tables 45-59.

²⁴The Fund's presentation and estimates of the balance of payments differ from those of the authorities in several areas. In the Fund's presentation, the current account balance includes grants and higher interest payments arising from higher estimates for private sector debt. In the capital account, the Fund's estimates regard borrowing by public enterprises as part of official capital inflows, whereas it is treated as private capital in the authorities' presentation. The difference in errors and omissions reflects the different treatment of contingent assets of Bank Indonesia. In the authorities' presentation, the contingent assets of Bank Indonesia are not considered as part of the official reserves.

relatively large surplus position (Chart 6). The current account deficit widened to \$3.6 billion from \$3 billion in 1993/94, but remained close to 2 percent of GDP, almost unchanged from the earlier two years but much lower than in the early 1990s. A surge in imports, in part owing to temporary factors, offset the continued steady growth in exports. The capital account surplus is estimated to have increased from \$4.4 billion in 1993/94 to \$5.0 billion in 1994/95, down significantly from the levels of the early 1990s owing in part to a slowing of net official capital inflows. This was particularly related to efforts by the authorities to make early repayments on some expensive debts. Gross foreign assets of Bank Indonesia declined from \$18.6 billion at the end of March 1994 to \$17.1 billion at end-March 1995.

A. Current Account

Following a strong performance in 1991/92 and 1992/93 (growth rates of 24 percent and 31 percent, respectively) growth in non-oil/gas exports slowed to less than 10 percent in 1993/94 but picked up to 17 percent in 1994/95. The deceleration in growth in 1993/94 was related, in part, to the slowdown in foreign demand which strengthened in the following year. The increase in the value of non-oil/gas exports in 1994/95 and the rebound in the value of agricultural and mineral exports also reflected strong international commodity prices. Thus, exports of coffee and shrimp are estimated to have grown sharply in 1994/95 together with mining products, including copper, aluminum, and nickel. Manufactured goods, which represent a significant share of non-oil exports, grew by 11 percent, a slight decline in growth from the previous year. Sectoral performance within manufacturing was uneven, however, with disappointing performance in some important sectors. Thus, textiles and garments, representing one third of manufacturing, having declined in 1993/94, picked up only slightly in 1994/95, and the value of exports of wood products declined in value in 1994/95 despite a surge in timber prices. Given strong foreign demand, it would appear that the weakness in both these areas, had been influenced by competition from other new suppliers. Domestic demand pressures may have also played a role by diverting goods into the home market. There was encouraging performance, on the other hand, from some other manufacturing categories. Certain traditional items such as footwear, rubber products, and furniture continued to grow, and new items--handicrafts, jewelry, and electronic products--appear to be making inroads in exports. The pickup in these items, however, is from a relatively small base and they do not as yet represent a significant share of exports.

Non-oil/gas imports are estimated to have grown sharply at 20 percent in 1994/95, in part representing a temporary increase in imports of foodstuffs, owing to shortfalls in domestic production and continued strong domestic demand growth. Government imports doubled in value with significant increases in imports of rice, sugar, and wheat. Capital goods increased at a steady pace while general imports (including consumer goods) are estimated to have surged by over 20 percent. While supporting data suggests that the growth in the general imports category was in large part related to imports of raw materials, it is unclear whether these were imported for consumer goods or capital goods production.

In 1994/95, the deficit in the non-oil/gas services account is estimated to have increased, reflecting a rise in interest payments on private sector debt, with both the stock and the average interest rate on private sector debt showing increases from 1993/94. (Private sector debt is estimated to have increased by about \$1 billion while the increases in interest rates reflect the sharp rise in LIBOR-based rates in 1994.) Travel receipts registered an above average improvement in 1994/95 which were in part offset by increases in travel abroad by Indonesians. Payments and receipts on other categories were at levels roughly comparable with 1993/94.

The oil/gas current account registered a surplus of \$3.8 billion in 1994/95 relative to \$2.5 billion in the year earlier. The surplus in the oil account rose from \$0.3 billion to \$1.4 billion reflecting both higher oil prices and higher volumes of exports as foreign demand rose. Gas exports also increased reflecting higher prices as well as higher export volumes.

The direction of trade remained little changed. The bulk of exports (65 percent) and imports (about 55 percent) continued to be with other Asian countries (especially Japan, Korea, and Singapore). The share of exports accounted for by European countries remained stable at about 16 percent, while their share of imports appears to have edged down slightly with a corresponding increase in the share of North America. The changes, however, are marginal, and may reflect a different product mix in recent years rather than any underlying trend. Japan and the United States continue to be the first and second largest trading partners.

B. Capital Account and Official Reserves

The surplus of the capital account strengthened in 1994/95 owing to increases in private sector related inflows. Net borrowing by the public sector, which had already slowed in the last two years, showed a decline in 1994/95; even after including receipts from the sale of PT Indosat shares in official capital receipts, net official capital inflows were down by almost \$1 billion from the year earlier. Gross borrowing by the Government declined by about \$0.6 billion, while that by the public enterprises declined by \$0.5 billion. In addition, the authorities accelerated amortization payments by making early repayment on some expensive external debt with the privatization receipts from PT Indosat. The public sector as a whole is estimated to have made a net repayment of \$140 million in 1994/95 relative to a net drawing of \$1.6 billion in 1993/94.

With respect to private sector inflows, realized foreign direct investment is estimated to have increased by \$0.5 billion to \$2.5 billion in 1994/95. Foreign investment approvals have been running high in the 1990s; they fell in 1993, but surged in 1994. (The realized investment for that year, however, largely reflects earlier approvals.) The dramatic increase in approvals in 1994 (from \$8 billion to \$24 billion), which was most likely in response to the earlier deregulation packages, was fairly widespread among industrial sectors in terms of the number of approvals, but concentrated in certain sectors (paper, chemical, and basic metallic industries) in terms of value. This is probably a reflection of the nature of these sectors where large investments are required. The increases were largely from other Asian countries, with the increases concentrated in investments from Japan, Korea, Singapore, and Taiwan Province of China.

The surplus from other identified/recorded private capital transactions including net monetary movements of the commercial banks is estimated to have fallen from \$3 billion in 1993/94 to \$2.5 billion in 1994/95. This represents the net effect of offsetting movements in the three different categories. Portfolio investment flows slowed, responding to the weaker stock market conditions while net new bank borrowing by nonbanks, which declined in 1993/94, is estimated to have picked up in 1994/95 to about \$0.9 billion. Commercial bank monetary movements weakened as well; underlying the small positive inflow was an estimated sharp decline in foreign assets in the last quarter, a period that was associated with outflows from Indonesia.

The overall balance of payments (the change in net foreign assets of Bank Indonesia) registered a deficit. Most of the decline in net foreign assets occurred early in the fiscal year, on concerns of low oil prices and a slowdown in non-oil/gas exports; these contributed to demand

pressures on the exchange rate. Since then, international reserves have remained steady at about \$13 billion and gross foreign assets (which include official assets held as contingency reserves) at around \$17 billion.

C. External Debt²⁵

The stock of external debt is estimated to have risen in 1994/95 by about \$8.5 billion to \$97.6 billion with private sector debt accounting for about \$1 billion of the increase. The increase in public sector was entirely due to valuation effects as net borrowing by the public sector actually declined during the year. While the level of external debt continues to increase, it has fallen slightly in recent years relative to GDP, and at the end of 1994/95, is estimated at 55 percent of GDP for total external debt and 38 percent of GDP for public sector debt.

The proportion of public sector debt on concessional terms edged up gradually from about 41 percent in 1987/88 to 48 percent in 1994/95. The stock of external commercial debt has risen rapidly--from \$18 billion in 1989 to about \$32 billion in 1994; the entire increase has been in the private sector, as commercial debt of the public sector declined sharply. Several stand-by credit lines are maintained by Bank Indonesia for balance of payments support and also for purposes of securing export financing. These have been normally valued at about \$2 billion.

Public sector debt service payments rose sharply from \$8.6 billion in 1993/94 to \$9.5 billion in 1994/95, in large part, reflecting higher amortizations and repayments of government debt made from the privatization receipts from the sale of PT Indosat shares. Interest payments on public debt were up slightly from \$3.1 billion to \$3.4 billion. The public sector debt service ratio has declined steadily in recent years, falling from 27 percent in 1989/90 to 20 percent in 1994/95.

The Foreign Commercial Borrowing Coordinating Team that was established in 1991 to monitor foreign loans from commercial sources and set annual ceilings on new commitments. Public sector ceilings were set at \$2.5 billion and commitments were running below this level in 1994/95.

D. Exchange Rate Developments

While exchange rate policy continues to be formulated with a view towards maintaining competitiveness and avoiding undue fluctuations in the rupiah, policy has in the last two years been oriented toward gradually increasing the flexibility of the exchange rate. In the spot foreign exchange market, Bank Indonesia continued to widen the spread between its buying and selling rates from Rp 20 per U.S. dollar at end-1993/94 (which had been widened from Rp 6 per U.S. dollar at the beginning of 1993/94) to Rp 30 per U.S. dollar in September 1994, i.e., a spread of about 1 1/2 percent.²⁶ In addition, to further encourage more foreign exchange trading

²⁵Given the severe limitations in data availability, private sector debt stocks and flows cannot be estimated with reliability and thus should be interpreted with caution.

²⁶At the same time, Bank Indonesia stopped the practice of announcing an indicative exchange rate in the morning, and moved to a system of announcing the buying and selling rates every day at 3:00 p.m.

among market participants other than Bank Indonesia, the limit on the net open external position of financial institutions was relaxed from 20 percent to 25 percent of capital.

During 1994, the rupiah depreciated 4 percent against the U.S. dollar (on a December-over-December basis) and by about 9 percent in nominal effective terms. As the latter change was greater than the increase in relative prices, the real effective exchange rate depreciated slightly. The gradual depreciation of the rupiah against the U.S. dollar continued in the first quarter of 1995, which, given the depreciation of the U.S. dollar, led to an acceleration in the depreciation of the rupiah in nominal effective terms (Chart 7). For the fiscal year 1994/95, the nominal effective exchange rate depreciated by 13 percent, while the real effective rate depreciated by 7 percent.

E. Trade Reforms

Indonesia's trade regime witnessed some important changes in the last few years as a result of a series of reform packages. The net effect of these measures has been to liberalize the market, with the ASEAN and the Uruguay Round negotiations having the most important effects. These effects will cut across many sectors as opposed to the efforts of the trade packages announced in more recent years, where the effects were often sector specific.

The ASEAN meeting in 1994 accelerated the commitments of the Common Effective Preferential Tariff (CEPT) scheme to 2003. There was a commitment that all agricultural products would eventually be included in the CEPT scheme. For goods that are included in the CEPT scheme there was also a commitment to eliminate quantitative restrictions and other nontariff barriers. The ultimate objective of the CEPT scheme is to have tariffs at a low of 5 percent. The tariff reduction scheme is as follows: products that are classified as fast track with a tariff rate above 20 percent are reduced to 0 to 5 percent by the year 2000; while those with tariffs equal to or less than 20 percent are reduced to 0 to 5 percent by 1998. For products on the normal track, with tariffs less than or equal to 20 percent, tariffs of 0-5 percent will be reached by the year 2000. Products with tariffs of 20 percent or above will have tariffs reduced to 20 percent by 1998, and will reach the 5 percent tariff goal by the year 2003.

In November 1994, there were pronouncements of commitments toward APEC²⁷ and a resolve to achieve free trade and investment no later than the year 2020 (Bogor Declaration). The pace of implementation was to take into account the differing levels of economic development among the various APEC economies, with the developed economies achieving the goal of free trade no later than 2010, and the developing economies achieving the goal no later than 2020.

In the Uruguay Round agreements, Indonesia made binding commitments for 8,877 tariff lines (7,536 industrial and 1,341 agricultural). About 505 lines are declared exempt. Import duty on most lines has been limited to 40 percent and in addition, nontariff barriers are to be removed within 10 years from the effective date of the establishment of the World Trade Organization (WTO). Within this period, surcharges are also to be eliminated. In addition,

²⁷Asia-Pacific Economic Cooperation Forum. APEC consists of the six ASEAN members plus Australia, Canada, Chile, China, Hong Kong, Japan, Korea, Mexico, New Zealand, Papua New Guinea, Taiwan Province of China, and the United States.

Indonesia has made commitments to liberalize five services subsectors; industrial services; tourism; telecommunications; banking services; and financial services.

In May 1995, the Government introduced a package of reforms that are across the board and based more on rules rather than discretion. They have been accompanied by a clear timetable for future reductions, tied to other reforms under the AFTA. As such, despite the exemptions that prevail (for example, automotive items, and a number of chemicals and metal products are not included), the package sends a clearer signal of commitment to trade reform than has previously been the case. The package also includes the opening up of some previously restricted sectors to foreign investment²⁸, the reduction of surcharges and import restrictions, and the simplification of some licensing procedures.

The thrust of the package is in the schedule of tariff reductions which run until 2003, the year that AFTA is expected to be completed. Import tariffs of less than 20 percent will be gradually lowered to a maximum of 5 percent by 2000 while those above 20 percent will be gradually lowered to 20 percent by 1998 and to 10 percent by 2003. Tariffs of between 10 percent and 35 percent are to be lowered by 5 percentage points while those of 40 percent are to be cut by 10 percentage points to 30 percent. As a result of the package only 110 items (of the current number of 1,112) will eventually remain with tariffs higher than 40 percent. In addition while automotive items are exempt from the above schedule, duties are to be cut, and, nontariff barriers on some 81 categories are to be removed.²⁹ In addition, 10 industries previously in the negative list were opened to foreign investment although, as indicated earlier, the need for joint ventures was established for some other industries³⁰.

VII. Development Plan, Poverty, and Environmental Issues

A. Development Plan

In the Sixth Five-Year Development Plan (Repelita VI; 1994/95-1998/99), the Government has set targets for growth, inflation, employment, and the external position. The general thrust of the plan is to maintain appropriate financial policies, accompanied by the continuation of reforms aimed at further improving the structure of the economy and its openness to external competition. The main macroeconomic objectives are to sustain GDP growth at 6.2 percent per annum; to hold inflation at an annual rate of 5 percent; to contain the

²⁸The impact of this measure is reduced owing to what appears to be some restrictions on full foreign ownership--through imposing the need for joint ventures--in some industries previously deemed to be free of divestiture requirements.

²⁹The duty on components used in locally assembled sedans will be reduced from 175 percent to 125 percent; surcharges on cars not locally produced from 100 percent to 75 percent; duty on jeeps reduced from 100 percent to 75 percent.

³⁰The 10 industries are palm oil, block board, processed and semi-processed rattan, utility boilers, motor vehicles, non-clove cigarettes, gas lighters, medicines, aircraft maintenance, and supporting services for domestic trade. The package requires joint ventures in telecommunications, seaport development, power generation, atomic reactors, shipping, railways, and water supply.

external current account deficit to 1.7 percent of GDP; and to maintain gross international reserves equivalent to six months of imports. The Plan calls for a further expansion of the non-oil/gas sector in production, exports, and revenues. Fiscal policy has been assigned a crucial role as higher non-oil/gas revenues are needed to provide for an increase in public savings to finance the continued need for large capital outlays in the areas of infrastructure and human resource development.³¹

B. Poverty

The rapid growth in income and employment over the last two decades has been accompanied by a broad improvement in most social indicators of development. With per capita income rising rapidly, the proportion of the population living below the poverty line fell from 60 percent in 1970 to 29 percent in 1980 and further to 15 percent in the early 1990s. Moreover, some indicators of income distribution suggest that lower income groups had relatively higher rates of income growth. Over the same period, average life expectancy at birth rose from 49 to 63 years; infant mortality fell from 114 to 56 per thousand live births; and the literacy rate rose from 57 percent in 1971 to about 77 percent in the early 1990s.

The broad-based improvement in living standards is attributable not only to rapid economic growth and the creation of employment opportunities, but also the Government's strong commitment to poverty reduction through increased provision of social services, investment in infrastructure, and policies supportive of the expansion of labor-intensive industries. The Government's efforts were initially concentrated in the agricultural sector, on which the livelihood of a vast majority of the population depended, through extension of technical assistance, provision of credit, and procurement policies that reflected market conditions. The results were sustained increases in rural incomes, employment, and consumption. In recent years, government expenditure has been increasingly geared toward investment in social and physical infrastructure, with a larger share of development resources being allocated to education, sanitation and health facilities, roads, and rural electrification. The Government has also sought to alleviate large regional disparities through decentralization programs, increasing transfers to regional and local areas. Moreover, the government's efforts in deregulating and liberalizing the economy have spurred increased investment in labor-intensive and export-oriented industries, thereby fostering large increases in employment and incomes throughout the economy.

In Repelita VI, the Government plans to reduce poverty further from 14 percent of the population in 1993/94 to 6 percent by 1998/99 through rapid economic growth and continued programs to assist the poor. To achieve the target, the Government is extending compulsory education and enhancing poverty alleviation programs for the poor regions. A program targeting specific poor villages (Backward Village Inpres/IDT) was launched in 1994. The main objectives of the IDT program include increasing the welfare of the poor through human resource development, strengthening institutional groups of the poor, and developing job opportunities. The IDT program also provides a revolving capital fund of Rp 20 million per poor village to support poverty alleviation programs.

³¹For a full description of the development plan see IMF, "Recent Economic Developments" SM/94/126 (5/27/94), and IBRD, "Indonesia, Stability, Growth and Equity in Repelita VI" (May 1994).

C. Environmental Policies

Indonesia's economic growth has been heavily dependent on its natural resources. Aware of this link, the Government has been committed to environmental management, as evidenced by the legal framework and regulatory procedures established to protect the environment. In recent years, the Government has given increased importance to ensuring that economic policies are consistent with the objective of maintaining the quality of the environment. In addition to its strategy of reducing the country's dependence on resource extraction, the Government has sought to address long-standing problems associated with rapid population growth, urbanization, and industrialization. Policies have focused on improving water resource allocation and quality control, particularly in Java where the discharge of sewage and industrial waste into the river system has become a major problem; abatement of urban pollution; and the conservation and management of land and forestry resources. The Clean River Program, introduced in 1980, has set limits on industrial waste flows into 24 rivers in 11 regions and so far more than 1,000 companies have signed agreements with local governments, making commitments to reduce pollution loading. As regards forest resources, the reforestation program has been expanded, while the Industrial Plantation Forest Program and Private Forest Program have been put in place to supplement the natural forest supplies.

The Government has also, in recent years, sought to strengthen the necessary institutional capability to develop and administer a system of environmental standards and controls. A system was established in 1986 that requires annual reports (Regional Balance of Population and Environment) from 27 regions on environmental issues. In 1990, a national Environmental Impact Management Agency (Bapedal) was established, responsible for the implementation of programs related to pollution controls, waste management, and environmental impact assessment. To further strengthen Bapedal's institutional and oversight capacity, a decision was taken in 1994 to open three regional Bapedal agencies; in Sumatra, Bali, and Sulawesi. In addition, a decree was passed enabling provincial and local governments to establish local Bapedal offices.

The Government plans to continue its efforts to preserve the quality of the environment during Repelita VI. The priorities will include the control of water pollution and water shortages, land degradation, and deforestation. This will be accomplished through further improvements in human resource development, a strengthening of the regulatory framework, and the increasing use of market-based incentives through proper pricing and taxation. The strategy to protect the environment will be consistent with the overall objectives of the national development plan and will also be incorporated in regional and sectoral economic plans. The effort to integrate environmental concerns into development was intensified by launching in November 1994 a National Coordination Meeting on Environmental Management and Sustainable Development (Rakornas), together with technical level working meetings. It identified four areas/mechanisms for increased coordination: (i) at the national level, in the formulation of environmental management policy within the scope of sustainable development; (ii) in formulating environmental targets through interdisciplinary and cross-sectoral approaches for environmental management planning; (iii) in encouraging and enhancing national as well as international partnerships between relevant government agencies, private sector, and the public in planning and implementing sustainable development; and (iv) in monitoring and evaluating environmental management activities.

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CHART 1

INDONESIA

DEVELOPMENT AND STRUCTURAL INDICATORS, 1969-95

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ GDP and inflation data refer to the calendar year.

2/ Poverty is defined as the share of the population living below the poverty line to the total population.

3/ Fiscal year begins April 1.

CHART 2

INDONESIA

CONTRIBUTION TO GDP GROWTH, 1989-94 1/
(In percent)

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Data for 1989-93 are based on 1983 prices, and beginning in 1994 are based on 1993 prices.

2/ Includes mining and quarrying, utilities, and construction.

CHART 3

INDONESIA

FISCAL INDICATORS, 1989/90-1994/95
(In percent of GDP)

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Derived from the sum of the current balance and net financing.

2/ Derived from the balance of payments.

3/ Change in net government deposits with the domestic banking system.

CHART 4

INDONESIA

MONETARY INDICATORS, 1989/90-1994/95

Sources: Data provided by the Indonesian authorities; and staff estimates.
 1/ Changes as a percent of reserve money at the beginning of the period.
 2/ Including special SBLs.
 3/ Changes as a percent of broad money at the beginning of the period.

CHART 5

INDONESIA

STOCK MARKET DEVELOPMENTS, 1990-95

Source: IFC, Emerging Markets Database.

CHART 6

INDONESIA

EXTERNAL INDICATORS, 1989/90-1994/95

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Export and import growth rates are in U.S. dollar value terms.

2/ Including errors and omissions and monetary movements of banks.

CHART 7

INDONESIA

EXCHANGE RATES AND OIL PRICE INDICES

Sources: International Monetary Fund, Information Notice System; International Financial Statistics; and staff estimates.

1/ Deflated by consumer price index as measured in U.S. dollars.

Table 1. Indonesia: Developments in Gross Domestic Product
by Sector of Origin and by Expenditure, 1989-94 1/

(Annual percentage change; in constant prices)

	1989	1990	1991	1992	1993	1994
GDP	7.5	7.2	6.9	6.5	6.5	7.3
Oil/gas GDP	4.1	5.7	8.8	-2.2	0.1	3.1
Non-oil/gas GDP	8.2	7.6	6.5	8.4	7.8	7.8
Gross domestic product by sector of origin						
Agriculture	3.3	2.0	1.6	6.7	1.4	0.3
Mining and quarrying	4.9	5.2	10.2	-1.9	2.2	5.3
Manufacturing 2/	9.2	12.5	10.1	9.7	9.4	11.1
Utilities	12.2	17.9	16.1	10.1	10.4	12.7
Construction	11.8	13.5	11.3	10.8	12.2	14.7
Trade, hotel, and restaurants	10.7	7.1	5.4	7.3	8.8	9.2
Transport and communications	11.5	9.6	7.9	10.0	9.9	7.6
Banks and finance	14.4	14.1	13.1	13.0	13.0	12.3
Dwellings and real estate	4.2	4.2	4.0	4.1	5.0	4.0
Other services	6.0	4.7	3.7	4.4	4.3	4.0
By expenditure						
Consumption	5.1	8.8	7.3	3.3	4.9	5.4
Private	4.2	9.9	7.3	2.9	5.8	5.8
Public	10.5	3.2	7.0	5.8	0.9	2.9
Fixed investment	13.4	14.6	6.5	4.9	5.7	12.6
Domestic demand	7.7	12.3	5.6	4.0	6.0	8.8
Net exports 3/	0.5	-3.9	1.6	2.7	1.0	-1.2

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Reflects revised national accounts statistics beginning with 1994 growth rates.

2/ Excludes oil refining and gas processing.

3/ Percentage contribution to real GDP growth.

Table 2. Indonesia: Gross Domestic Product by
Sector of Origin at Current Market Prices, 1989-94 1/

	1983 Prices					1993 Prices	
	1989	1990	1991	1992	1993	1993	1994
(In billions of Rupiah)							
Agriculture	39,164	42,149	44,721	50,733	55,746	58,963	65,821
Farm food crops	24,492	25,908	26,149	29,443	31,404	32,093	34,740
Nonfood crops	6,196	6,667	7,604	8,717	9,422	9,015	10,135
Livestock	3,814	4,368	5,126	6,041	7,026	6,203	7,211
Forestry	1,635	1,855	2,018	2,180	2,541	6,268	7,452
Fishery	3,027	3,352	3,824	4,352	5,353	5,385	6,284
Mining and quarrying	21,823	26,119	31,403	29,907	30,750	31,497	31,381
Oil/gas mining	19,283	21,789	26,126	23,384	23,169	23,121	21,223
Other	2,540	4,330	5,277	6,523	7,581	8,377	10,158
Manufacturing	30,323	38,911	47,665	56,542	67,441	73,556	90,207
Oil refining	2,148	3,575	3,806	4,322	5,211	5,541	5,743
Gas	3,299	3,715	4,714	4,384	4,253	4,253	4,484
Other 2/	24,876	31,621	39,145	47,836	57,977	63,763	79,980
Utilities	1,008	1,258	1,750	2,148	2,714	3,290	3,913
Construction	8,884	10,749	12,902	15,305	18,140	22,513	27,942
Trade, hotel, and restaurants	28,856	33,000	36,954	42,731	49,789	55,298	62,562
Transport and communications	9,306	11,000	13,908	17,099	20,728	23,249	26,927
Banks and finance	6,667	8,287	10,158	12,500	15,257	14,005	16,871
Dwellings and real estate	4,151	4,891	5,925	6,596	7,611	9,695	11,239
Other services	17,004	19,235	22,065	26,323	33,842	37,709	40,492
Government	11,174	12,801	14,622	17,309	22,458	22,458	22,818
Other 3/	5,830	6,434	7,443	9,014	11,384	15,251	17,674
GDP	167,185	195,599	227,451	259,884	302,017	329,775	377,353
Oil/gas 4/	24,730	29,079	34,646	32,090	32,633	32,914	31,450
Non-oil/gas	142,456	166,520	192,805	227,794	269,385	296,861	345,905
(Share in GDP)							
Agriculture	23.4	21.5	19.7	19.5	18.5	17.9	17.4
Mining and quarrying	13.1	13.4	13.8	11.5	10.2	9.6	8.3
Manufacturing	18.1	19.9	21.0	21.8	22.3	22.3	23.9
Utilities	0.6	0.6	0.8	0.8	0.9	1.0	1.0
Construction	5.3	5.5	5.7	5.9	6.0	6.8	7.4
Trade, Hotel, and Restaurant	17.3	16.9	16.2	16.4	16.5	16.8	16.6
Transport and Communications	5.6	5.6	6.1	6.6	6.9	7.0	7.1
Banks and Finance	4.0	4.2	4.5	4.8	5.1	4.2	4.5
Ownership of Dwellings and Real Estat	2.5	2.5	2.6	2.5	2.5	2.9	3.0
Services	10.2	9.8	9.7	10.1	11.2	11.4	10.7

Source: Data provided by the Indonesian authorities.

1/ In 1995, the Government released revised national accounts data only for 1993 and 1994. The new data are based on 1993 prices as well as on information derived from the 1990 Input-Output Table. As a result, estimates for some subsectors have been significantly revised.

2/ Includes textiles, consumer goods, steel, fertilizers, and chemicals.

3/ Includes business services.

4/ Comprises oil and natural gas mining, oil refining, and gas processing.

Table 3. Indonesia: Gross Domestic Product by Sector of Origin
at Constant Prices, 1989-94 1/

(In billions of rupiah)

	1983 Prices					1993 Prices	
	1989	1990	1991	1992	1993	1993	1994
Agriculture	21,918	22,358	22,714	24,225	24,569	58,963	59,154
Farm food crops	13,489	13,558	13,484	14,527	14,356	32,093	31,227
Nonfood crops	3,549	3,724	3,924	4,111	4,351	9,015	9,481
Livestock	2,244	2,328	2,468	2,664	2,814	6,203	6,515
Forestry	974	1,003	1,003	980	997	6,268	6,310
Fishery	1,662	1,745	1,835	1,943	2,053	5,385	5,622
Mining and quarrying	16,664	17,532	19,317	18,958	19,370	31,497	33,172
Oil/gas mining	15,391	16,030	17,513	16,719	16,667	23,121	23,652
Other	1,273	1,502	1,804	2,239	2,704	8,377	9,521
Manufacturing	19,856	22,337	24,585	26,964	29,484	73,556	81,690
Oil refining	990	1,094	1,137	1,202	1,187	5,541	5,686
Gas	3,685	4,093	4,433	4,663	4,753	4,253	4,600
Other 2/	15,181	17,150	19,015	21,099	23,544	63,763	71,404
Utilities	616	726	843	928	1,022	3,290	3,707
Construction	5,878	6,673	7,424	8,224	9,223	22,513	25,825
Trade, hotel, and restaurants	17,338	18,569	19,577	21,009	22,850	55,298	60,381
Transportation and communications	5,812	6,368	6,869	7,555	8,302	23,249	25,014
Banks and finance	4,291	4,894	5,535	6,256	7,070	14,005	15,733
Dwellings and real estate	2,878	2,999	3,120	3,249	3,411	9,695	10,087
Other services	12,188	12,764	13,241	13,817	14,405	37,709	39,210
Government	8,397	8,783	9,052	9,320	9,509	22,458	22,904
Other 3/	3,791	3,981	4,189	4,497	4,897	15,251	16,307
GDP	107,439	115,220	123,224	131,185	139,707	329,776	353,973
Oil/gas 4/	20,066	21,217	23,083	22,584	22,607	32,915	33,938
Non-oil/gas	87,373	94,003	100,141	108,601	117,101	296,861	320,036

Source: Data provided by the Indonesian authorities.

1/ In 1995, the Government released revised national accounts data only for 1993 and 1994. The new data are based on 1993 prices as well as on information derived from the 1990 Input-Output Table. As a result, estimates for some subsectors have been significantly revised.

2/ Includes textiles, consumer goods, steel, fertilizers, and chemicals.

3/ Includes business services.

4/ Comprises oil and natural gas mining, oil refining, and gas processing.

Table 4. Indonesia: Expenditure on Gross Domestic Product, 1989-94 1/

	1983 Prices					1993 Prices	
	1989	1990	1991	1992	1993	1993	1994
(In constant prices)							
Consumption	67,441	73,371	78,697	81,304	85,306	213,287	224,794
Private	56,476	62,053	66,584	68,485	72,476	183,531	194,185
Public	10,965	11,317	12,113	12,819	12,830	29,757	30,609
Investment	29,985	36,035	36,856	38,903	42,075	109,576	126,483
Fixed capital	28,568	32,732	34,867	36,589	38,671	86,667	97,583
Change in stocks	1,417	3,303	1,989	2,314	3,404	22,908	28,900
Domestic demand	97,426	109,406	115,553	120,207	127,381	322,863	351,277
Net exports	10,010	5,813	7,672	10,978	12,326	6,913	2,697
Exports of goods and nonfactor services	28,733	28,863	34,601	39,675	42,297	85,296	91,517
Imports of goods and nonfactor services	18,723	23,050	26,929	28,697	29,971	78,383	88,821
GDP	107,437	115,219	123,225	131,185	139,707	329,776	353,973
(In current prices)							
Consumption	104,450	123,885	145,820	160,612	188,100	213,287	244,271
Private	88,752	106,312	125,036	135,881	158,343	183,531	213,257
Public	15,698	17,573	20,784	24,731	29,757	29,757	31,014
Investment	58,831	70,708	80,742	93,225	106,529	109,576	128,326
Fixed capital	45,660	55,633	63,894	70,820	78,243	86,667	104,221
Change in stocks	13,171	15,075	16,848	22,405	28,286	22,908	24,106
Domestic demand	163,281	194,593	226,562	253,837	294,629	322,863	372,597
Net exports	3,904	1,007	888	6,047	7,389	6,913	4,757
Exports of goods and nonfactor services	42,505	51,953	62,264	76,384	85,454	85,296	94,537
Imports of goods and nonfactor services	38,601	50,946	61,376	70,337	78,065	78,383	89,780
GDP	167,185	195,600	227,450	259,884	302,018	329,776	377,354
(Share in GDP; in current prices)							
Consumption	62.5	63.3	64.1	61.8	62.3	64.7	64.7
Private	53.1	54.4	55.0	52.3	52.4	55.7	56.5
Public	9.4	9.0	9.1	9.5	9.9	9.0	8.2
Investment	35.2	36.1	35.5	35.9	35.3	33.2	34.0
Fixed capital	27.3	28.4	28.1	27.3	25.9	26.3	27.6
Change in stocks	7.9	7.7	7.4	8.6	9.4	6.9	6.4
Domestic demand	97.7	99.5	99.6	97.7	97.6	97.9	98.7
Net exports	2.3	0.5	0.4	2.3	2.4	2.1	1.3
Exports	25.4	26.6	27.4	29.4	28.3	25.9	25.1
Less: Imports	23.1	26.0	27.0	27.1	25.8	23.8	23.8
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Data provided by the Indonesian authorities.

1/ In 1995, the Government released revised national accounts data only for 1993 and 1994. The new data are based on 1993 prices as well as on information derived from the 1990 Input-Output Table. As a result, estimates for some subsectors have been significantly revised.

Table 5. Indonesia: Agricultural Production, 1989-94

	1989	1990	1991	1992	1993	Est. 1994
(In thousands of metric tons; unless otherwise specified)						
Farm food crops						
Rice	29,072	29,366	29,048	31,356	31,318	30,163
Corn	6,193	6,734	6,256	7,995	6,460	6,949
Cassava	17,117	15,830	15,954	16,516	17,285	16,298
Sweet potatoes	2,224	1,971	2,039	2,171	2,088	1,976
Peanuts (shelled)	620	651	652	739	639	664
Soybeans (shelled)	1,315	1,487	1,555	1,870	1,709	1,834
Nonfood and estate crops						
Rubber	1,209	1,275	1,284	1,398	1,412	1,432
Palm oil	1,965	2,413	2,658	3,266	4,003	4,047
Palm kernels	393	504	551	654	707	737
Coffee	401	413	424	452	339	457
Tea	163	188	209	192	188	161
Sugar	2,108	2,119	2,253	2,258	2,752	2,641
Copra	2,208	2,332	2,337	2,342	2,598	2,486
Tobacco	81	156	140	140	164	148
Pepper	68	70	63	63	46	64
Nutmeg	15	17	17	12	16	18
Cloves	55	67	88	87	80	63
Fisheries						
Saltwater	3,037	3,163	3,317	3,543	3,744	3,950
Freshwater	2,272	2,370	2,505	2,692	2,837	2,993
	765	793	812	851	907	957
Forestry ('000 cubic meters)	24,409	25,312	23,892	28,267	25,087	...
Meat and dairy						
Meat	971	1,028	1,099	1,239	1,373	1,436
Eggs	456	484	510	572	593	634
Milk (millions of liters)	338	346	360	367	413	434
(Area cultivated, in thousands of hectares)						
Rice	10,531	10,502	10,282	11,103	11,013	10,735
Corn	2,944	3,158	2,909	3,629	2,940	3,167
Cassava	1,408	1,312	1,319	1,351	1,402	1,345
Sweet potatoes	240	209	214	230	224	208
Peanuts	621	635	628	720	624	665
Soybeans	1,198	1,334	1,368	1,666	1,470	1,564
(Yield in metric tons/hectare)						
Rice	2.76	2.80	2.83	2.82	2.84	2.81
Corn	2.10	2.13	2.15	2.20	2.20	2.19
Cassava	12.16	12.07	12.09	12.22	12.33	12.12
Sweet potatoes	9.27	9.44	9.51	9.45	9.32	9.52
Peanuts (shelled)	1.00	1.02	1.04	1.03	1.02	1.00
Soybeans (shelled)	1.10	1.11	1.14	1.12	1.10	1.17

Source: Data provided by the Indonesian authorities

Table 6. Indonesia: Indices of Non-Oil/Gas
Manufacturing Production, 1989-93 1/

	1989	1990	1991	1992	1993
Total	164	184	209	258	252
Consumer goods					
Krettek cigarettes	196	226	166	165	176
White cigarettes	78	81	95	111	87
Milk and butter	123	142	154	161	216
Cloth	188	217	215	278	276
Yarn	196	254	274	313	312
Batik	111	144	219	190	176
Knitting	313	347	451	332	329
Footwear	185	208	231	324	355
Radios and television sets	154	181	115	111	113
Batteries	179	193	159	174	191
Cooking oil	143	146	288	355	395
Intermediate goods					
Group A					
Fertilizer	144	158	158	152	154
Basic chemicals	153	174	190	152	154
Paper	252	298	292	430	459
Plastics	511	540	834	977	1,102
Rubber	145	128	160	174	176
Group B					
Cement	198	206	218	245	301
Structural metal products	181	224	191	210	202
Iron and basic steel	199	259	409	427	553
Paint	130	137	127	183	264
Glass	145	163	254	237	266
Plywood	266	257	274	296	268
Other wood	151	168	133	133	153
Electrical goods	91	111	175	223	252
Transportation equipment					
Motor vehicles	133	200	213	116	98
Motorcycles	106	105	187	252	323
Tires	141	157	206	224	220

Source: Data provided by the Indonesian authorities.

1/ Covering large- and medium-sized industries, accounting for about 80 percent of total manufacturing production of which about 70 percent is shown in the table.

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Table 7. Indonesia: Production, Domestic Use,
and Exports of Petroleum, 1989-94 1/

	1989	1990	1991	1992	1993	Est. 1994
Pertamina	25.7	25.2	25	24.6	27.2	24.0
Contract-of-work companies	15.3	12.1	10.2	9.6	7.3	14.3
Production-sharing companies	473.3	495.2	546	516.6	524	550.1
Total production	514.3	532.5	581.2	550.8	558.5	588.4
Crude	449.7	468.2	514.9	485.5	495.1	523.6
Condensates 1/	64.6	64.3	66.3	65.3	63.4	64.8
Total production 2/	1.409	1.448	1.592	1.507	1.53	1.612
Crude	1.231	1.272	1.411	1.329	1.357	1.434
Condensates	0.178	0.176	0.181	0.178	0.173	0.178
Domestic consumption of fuel	184.5	206.2	225.6	247.6	248.9	257
(Percentage change)	(9.4)	(11.8)	(9.4)	(9.8)	(0.5)	(3.3)
(As percent of total production)	(35.9)	(38.7)	(38.8)	(44.9)	(44.6)	(43.7)
Domestic refining	247.7	276	284.8	302.5	303.9	303.2
Total exports	363.5	344.5	414.1	360.1	344.1	415.6
Crude and condensates	281.5	288.5	330.5	293.1	286.3	324
Refined products 3/	82	56	83.6	67.1	57.8	91.6
Memorandum items:						
Average domestic prices in rupiah per liter						
Gasoline	385	450	550	550	700	700
Diesel	200	245	300	300	380	380
Kerosene	165	190	220	220	280	280
Average domestic prices in U.S. dollars per U.S. gallon						
Gasoline	0.79	0.91	1.06	1.04	1.14	1.10
Diesel	0.41	0.49	0.58	0.57	0.62	0.60
Kerosene	0.34	0.38	0.42	0.42	0.45	0.44

Source: Data provided by the Indonesian authorities.

Table 8. Indonesia: Production, Use, and Domestic Pricing
of Natural Gas, 1989-94 1/

	1989	1990	1991	1992	1993	Est. 1994
Production	1,975	2,159	2,462	2,583	2,662	2,942
(Percentage change)	(6.9)	(9.3)	(14.0)	(4.9)	(3.1)	(10.5)
Pertamina/Lemigas	253	261	256	243	241	242
Contract of work	25	29	30	30	36	64
Production sharing	1,697	1,869	2,176	2,310	2,385	2,636
Asamera	23	27	40	44	45	25
ARCO	56	61	65	79	82	77
Union oil	53	56	60	61	62	111
Inpex	72	109	135	146	151	154
Huffington	453	484	502	527	544	587
Total Indonesia	37	75	101	114	118	310
Mobil oil	936	9,669	1,157	1,212	1,251	1,217
Caltex	30	34	33	35	37	25
Other	37	54	83	93	95	130
Use	1,827	1,994	2,259	2,366	2,450	2,604
(Percent of production)	(92.5)	(92.4)	(91.8)	(91.6)	(92.0)	(88.5)
Own use	429	454	516	526	539	593
Fuel	97	105	112	114	116	114
Gas lift	70	74	71	64	67	76
Gas injection	262	275	333	348	356	403
Sale	243	246	262	273	286	281
Pusri fertilizer plants	173	166	178	188	196	194
PGN Cirebon city gas	0.4	0.4	0.4	0.4	--	1.1
Cilamaya 2/	60	67	67	74	79	73
Small industry	10	13	17	11	11	13
Delivered	1,155	1,293	1,481	1,567	1,625	1,730
Refineries	29	34	30	32	33	35
LNG exports	1,090	1,218	1,416	1,499	1,555	1,664
LPG/LEX plant	36	41	35	36	37	31
Flared	148	167	203	217	212	182
(Percent of production)	(7.5)	(7.7)	(8.2)	(8.4)	(8.0)	(6.2)

Source: Data provided by the Indonesian authorities.

1/ Components may not add to totals, owing to rounding.

2/ Mainly for industrial use (fertilizer, steel, and cement industries); also includes some home distribution in Jakarta and Bogor.

Table 9. Indonesia: Indicators of Oil Exploration and Development Activity, 1989-94

	-----1989-----		-----1990-----		-----1991-----		-----1992-----		-----1993-----		-----1994-----	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
(Seismic activity (km))												
Total	53,138	47,127	86,703	84,202	103,448	141,075	77,036	66,179	64,240	128,736	44,427	8,254
Pertamina	2,116	4,261	0.0	2,383	3,128	2,046	1,995	2,522	1,773	19,182	0.0	1,305
Contracts of work	0.0	520	425	733	900	1,340	875	504	200	0.0	0.0	0.0
Production-sharing contracts	51,022	42,346	86,278	81,086	99,420	137,689	74,166	63,153	62,267	109,554	44,427	6,949
Onshore	15,301	12,573	17,407	15,843	13,971	16,756	18,491	12,513	7,767	13,521	7,970	3,041
Offshore	35,721	29,773	68,871	65,243	85,449	120,933	55,675	50,640	54,500	96,033	36,457	3,908
(Exploration wells drilled)												
Total	148	107	144	146	216	130	258	123	193	115	127	150
Pertamina	16	14	0.0	12	19	9	20	15	12	11	0.0	79
Contracts of work	10	2	4	0.0	3	3	5	2	2	2	0.0	0.0
Production-sharing contracts	122	91	140	134	194	118	233	106	179	102	127	71
Onshore	56	37	59	55	84	48	97	43	59	33	58	34
Offshore	66	54	81	79	110	70	136	63	120	69	69	37
(Petroleum company expenditures; in millions of U.S. dollars) 1/												
Total	2,915	2,420	3,325	3,173	3,804	3,450	4,531	3,861	4,424	3,439	4,135	3,357
Exploration and developmen	1,124	831	1,351	1,849	2,270	1,342	1,804	2,236	2,637	1,815	2,300	1,686
Production	1,489	1,304	1,651	993	1,146	1,691	2,265	1,202	1,300	1,243	1,419	1,301
Administrative	302	285	323	331	389	417	462	423	487	382	417	370

Source: Data provided by the Indonesian authorities.

1/ Excludes Pertamina. Spending on exploration and production facilities by production-sharing contractors is technically nondirect foreign investment, since Pertamina assumes title to all equipment when it enters Indonesia; the contractor, however, possesses contractual rights to beneficial use.

Table 10. Indonesia: Non-Oil/Gas Mining Production, 1989-94

	1989	1990	1991	1992	1993	Est. 1994
(In metric tons)						
Tin	29,916	30,390	30,415	28,150	28,584	30,610
Copper	324,642	437,307	656,520	906,657	928,189	1,065,468
Nickel ore	2,020,917	2,280,496	2,300,269	2,511,570	1,975,813	2,302,030
Bauxite	862,313	1,205,697	1,406,127	803,507	1,320,418	1,342,400
Coal	8,711,700	10,532,332	14,143,036	23,120,466	27,584,918	28,601,799
Iron sand concentrate	142,654	145,401	173,242	287,821	341,335	334,895
Gold	6,105	11,039	17,010	37,985	41,576	12,595
Silver	72,511	66,024	77,858	99,953	90,285	105,961
(Percentage change)						
Tin	5.5	1.6	0.1	-7.4	1.5	7.1
Copper	10.5	34.7	50.1	38.1	2.4	14.8
Nickel ore	16.6	12.8	0.9	9.2	-21.3	16.5
Bauxite	66.5	39.8	16.6	-42.9	64.3	1.6
Coal	93.1	20.9	34.3	63.5	19.2	3.7
Iron sand concentrate	-29.6	1.9	19.1	66.1	18.5	-1.9
Gold	28.5	80.8	54.1	123.3	9.5	2.5
Silver	17.3	-8.9	17.9	28.4	-9.7	17.4

Sources: Data provided by the Indonesian authorities; and staff estimates.

Table 11. Indonesia: Domestic Rice Prices, 1989-95

(In rupiah per kilogram)

	Market Price 1/	Market Intervention Price 2/	Support Price Paddy 3/	Rice	Government Purchase Price 4/
1989					
March	490	450	250	405	449
June	495	500	250	405	525
September	503	500	250	405	525
December	517	500	250	405	525
1990					
March	515	500	270	436	525
June	523	525	270	436	566
September	527	525	270	436	566
December	539	525	270	436	566
1991					
March	548	550	295	480	566
June	552	550	295	480	614
September	573	560	295	480	614
December	586	560	295	480	614
1992					
March	593	560	330	536	614
June	609	620	330	536	660
September	610	620	330	536	660
December	612	620	330	536	660
1993					
March	600	620	340	551	660
June	580	640	340	551	684
September	585	640	340	551	684
December	598	600	340	551	684
1994					
March	626	600	380	560	700
June	636	630	380	560	700
September	707	630	380	560	700
December	715	650	380	560	700
1995					
March	715	650	420	580	740

Source: Data provided by the Indonesian authorities.

1/ Monthly national average retail price for medium-quality rice.

2/ The market intervention price is the price at which BULOG sells rice in the open market. The price shown here is for medium-quality rice in Java.

3/ Paddy prices paid by cooperatives to farmers and rice prices paid by BULOG to cooperatives. Prices are adjusted once a year, effective February 1.

4/ Price that the Government pays BULOG for its rice deliveries to civil servants and the military.

Table 12. Indonesia: BULOG Rice Program, 1989/90-1994/95

(In thousands of metric tons)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Beginning stock	1,076	1,498	977	1,085	1,851	758
Domestic procurement	2,203	1,348	1,740	2,400	1,739	961
Imports 1/	150	30	548	264	0.0	1,802
Total availability	3,429	2,876	3,265	3,749	3,590	3,521
Distribution	1,878	1,871	2,172	1,871	2,895	2,701
Government	1,559	1,589	1,618	1,574	1,665	1,669
State enterprises	94	94	82	62	91	94
Market operations	57	175	457	70	413	861
Exports	158	0.0	0.0	131	607	52
Other	10	13	15	34	119	24
Losses plus statistical discrepancies	28	28	33	27	3	30
End stock	1,523	977	1,060	1,851	692	790
Memorandum item:						
Rice production 2/	29,072	29,366	31,050	31,363	31,292	30,163

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Includes repayment of loans in kind.

Table 13. Indonesia: Approvals of Domestic Investment Projects by Economic Sector, 1990-94 1/

(In billions of rupiah)

	1990		1991		1992		1993		1994	
	Number of Projects	Intended Capital Outlay	Number of Projects	Intended Capital Outlay	Number of Projects	Intended Capital Outlay	Number of Projects	Intended Capital Outlay	Number of Projects	Intended Capital Outlay
Agriculture	153	7,028	98	4,940	46	2,485	49	3,093	86	7,401
Mining and quarrying	16	147	13	182	7	236	9	69	6	112
Manufacturing	913	39,122	475	26,464	232	19,079	282	24,032	405	31,922
Food	96	1,221	67	1,341	40	1,487	41	2,073	52	4,045
Textiles	308	12,609	95	3,648	39	2,539	42	3,539	57	5,518
Wood and wood products	116	2,179	55	1,569	16	638	26	1,373	28	1,171
Paper and paper products	69	8,275	33	5,640	15	5,323	19	2,209	30	3,749
Pharmaceuticals	1	19	4	106	2	33	1	78	6	228
Chemicals	152	8,539	83	8,429	50	3,322	71	7,689	110	5,150
Nonmetallic minerals	44	3,795	41	4,054	16	3,441	24	5,399	41	8,547
Basic metals	29	982	19	858	6	1,321	6	187	18	1,664
Metal products	72	1,319	68	785	37	905	50	1,467	60	1,784
Other	26	184	10	36	11	70	2	24	3	66
Construction	5	86	9	275	3	215	7	187	11	731
Services	229	8,896	209	9,223	148	7,326	201	12,070	315	13,123
Hotels	86	4,562	63	3,897	36	3,115	45	3,051	93	4,342
Housing	33	1,508	39	2,633	7	536	28	3,049	28	3,336
Transportation	58	2,083	55	907	80	860	101	3,827	158	3,120
Trade	47	431	40	916	14	1,605	1	125	3	3
Other services	5	312	12	870	11	1,210	26	2,018	33	2,322
Total	1,316	55,278	804	41,078	436	29,342	548	39,450	823	53,289

Source: Data provided by the Indonesian authorities.

1/ Includes new projects and extensions of existing projects, but excludes investment in petroleum, banking, insurance, and leasing sectors.

**Table 14. Indonesia: Approvals of Foreign Investment
Projects by Economic Sector, 1989-94 1/**

(In millions of U.S.dollars)

	1989	1990	1991	1992	1993	Est. 1994
Agriculture	173	192	26	231	160	730
Mining and quarrying	0.0	116	0.0	2,312	0.0	0.0
Manufacturing	4,246	5,647	3,970	5,670	3,423	18,739
Food	223	99	382	213	141	1,235
Textile	581	1,094	532	591	419	396
Wood and wood products	106	218	62	34	50	68
Paper and paper products	211	730	822	686	202	5,120
Pharmaceuticals	77	7	3	0.0	12	1
Chemicals	2,435	1,991	923	2,343	1,171	7,743
Nonmetallic minerals	184	125	133	841	98	632
Basic metals	106	825	197	47	186	2,082
Metal products	292	460	856	863	1,114	1,423
Other	31	99	60	52	30	40
Construction	16	77	26	41	97	77
Services	284	2,719	4,755	2,069	4,464	4,179
Hotels	98	874	4,019	919	394	344
Electric, gas plus water	0.0	0.0	0.0	0.0	2,276	2,397
Other	186	1,845	736	1,151	1,794	1,438
Total	4,719	8,752	8,778	10,323	8,144	23,724

Source: Data provided by the Indonesian authorities.

1/ Includes new projects and extensions of existing projects, but excludes investment in petroleum, banking, insurance, and leasing sectors. Components may not add to totals owing to rounding.

**Table 15. Indonesia: Approvals of Foreign Investment Projects
by Country of Origin, 1989-94**

(In millions of U.S. dollars)

	1989	1990	1991	1992	1993	1994
Europe	604.5	1,070.4	1,173.6	1,364.6	929.8	3,385.4
Netherlands	282.9	567.3	183.6	96.2	311.4	165.7
Belgium	43.1	87.1	23.0	21.7	9.9	0.0
United Kingdom	43.5	57.8	535.6	978.2	301.1	2,957.1
Germany 1/	6.7	13.4	59.9	36.7	120.6	113.1
France	18.8	68.7	25.8	19.9	158.0	37.1
Switzerland	11.0	14.3	307.8	11.5	17.9	70.8
Other	198.5	261.8	37.9	200.4	10.9	241.6
North and Central America	366.6	202.8	388.0	942.2	526.5	1,027.0
United States	348.0	153.7	275.0	922.5	444.5	977.0
Canada	3.0	8.5	7.5	0.1	46.5	39.0
Panama	15.6	40.6	53.0	1.3	35.5	5.5
Other	0.0	0.0	51.9	18.3	0.0	5.5
Asia	2,064.6	4,991.4	2,950.7	4,300.9	3,658.3	14,168.7
Hong Kong	406.8	993.3	277.7	1,020.9	384.1	6,041.7
Japan	768.7	2,240.8	929.3	1,510.6	836.1	1,526.5
Malaysia	22.7	7.2	29.5	15.7	36.7	421.8
Philippines	0.0	0.0	8.0	0.3	0.0	35.9
Singapore	166.1	264.3	346.4	465.1	1,460.2	1,664.4
Thailand	17.0	9.5	1.0	55.8	2.8	11.7
Taiwan Province of China	158.2	618.3	1,056.5	563.3	131.4	2,487.6
Korea	466.1	722.9	301.3	618.3	661.4	1,849.1
Other	59.0	135.1	1.0	50.9	145.6	94.0
Australia and New Zealand	42.5	186.5	48.4	84.9	158.0	53.3
Other	1,640.6	2,299.0	4,217.5	3,630.6	2,871.6	5,089.9
Total	4,718.8	8,750.1	8,778.2	10,323.2	8,144.2	23,724.3

Source: Data provided by the Indonesian authorities.

1/ Data through 1990 refer to the former Federal Republic of Germany.

Table 16. Indonesia: Indices of Inflation, 1989-95

(End-period percentage change from previous year)

	1989	1990	1991	1992	1993	1994	1995 Mar. 1/
GDP deflator (period average)	9.5	9.1	8.0	7.7	7.3	6.6	...
Consumer price index (period average)	6.4	8.1	9.4	7.5	9.7	8.5	8.8
Consumer price index	6.1	9.9	10.0	5.0	10.2	9.6	8.9
Food	6.8	7.1	10.0	6.2	5.1	14.7	12.3
Of which: Rice 2/	(4.2)	(4.3)	(8.7)	(4.4)	(-2.3)	(19.6)	...
Housing	6.3	13.1	8.1	4.6	16.6	9.4	9.5
Clothing	4.8	4.9	5.3	7.4	8.2	6.2	5.7
Miscellaneous	4.7	12.2	13.8	3.4	10.3	5.0	5.0
Wholesale price index	7.8	16.9	-0.5	3.1	2.5	10.8	11.7
(Excluding oil/gas)	(7.2)	(8.4)	(6.2)	(3.9)	(6.1)	(10.2)	(10.6)
Agriculture	7.7	7.7	10.2	6.5	15.2	23.4	21.6
Mining	8.8	11.9	8.9	6.2	9.7	10.1	11.4
Manufacturing	5.6	9.5	8.6	4.5	6.2	9.0	9.8
Imports	9.5	8.7	1.5	3	1.9	2.8	4.3
Exports	8.9	47.8	-19.2	0.6	-11.2	16.1	17.8
(Excluding oil/gas)	(3.2)	(3.1)	(6.6)	(1.9)	(9.3)	(18.8)	(21.4)

Source: Data provided by the Indonesian authorities.

1/ Wholesale price index is for January 1995.

2/ Average retail price for medium-quality rice.

Table 17. Indonesia: Consumer Price Index, 1991-95

(1977/78 = 100)

	Food	Housing	Clothing	Miscellaneous	Total
Weights	34.7	27.8	11.3	26.2	100.0
1991					
March	373.3	405.4	309.8	364.2	374.5
June 1/ ¹	386.0	410.4	318.9	374.4	384.0
September	394.5	424.7	321.5	404.7	399.2
December	403.0	435.8	324.2	411.1	407.3
1992					
March	413.5	438.8	327.6	414.4	412.9
June	423.5	444.9	337.0	417.7	419.8
September	423.6	449.3	340.7	422.2	422.3
December	427.8	456.0	348.3	425.2	427.8
1993					
March	462.7	486.6	361.7	449.9	455.9
June	449.0	499.5	370.8	457.8	458.3
September	442.2	520.1	374.1	464.4	464.2
December	449.6	531.6	377.0	468.9	471.4
1994					
January	461.2	535.2	381.6	471.5	477.3
February	482.0	537.5	384.3	474.1	485.7
March	489.7	537.9	389.7	474.3	489.1
April	486.2	542.7	390.8	477.1	490.3
May	491.4	545.0	391.1	477.7	492.8
June	491.2	546.8	391.9	477.8	493.4
July	498.9	554.5	393.5	483.7	500.2
August	506.2	557.9	393.6	487.7	504.6
September	507.4	564.9	395.1	487.9	507.3
October	511.6	572.8	397.0	490.0	511.9
November	516.2	574.1	399.1	490.6	514.2
December	515.8	581.9	400.5	492.3	516.8
1995					
January	524.3	587.7	405.1	496.1	522.8
February	540.5	589.1	410.4	497.6	529.7
March	549.7	589.0	411.8	497.8	532.7
April	557.1	602.6	415.1	506.1	541.7

Source: Data provided by the Indonesian authorities.

1/ From June 1990, the indices reflect percentage changes of a new index based on an expanded basket and a broader survey.

Table 18. Indonesia: Wholesale Price Index, 1991-95

(1983 = 100)

	Agriculture	Mining	Manufacturing	Imports	----- Exports-----		-----General Index-----	
					Including Oil/Gas	Excluding Oil/Gas	Including Oil/Gas	Excluding Oil/Gas
Weights	11.8	1	30.6	31	25.6	19.8	100	94.2
1991								
March	202	183	189	199	139	193	181	195
June	205	187	193	202	145	202	185	199
September	209	191	197	202	154	208	189	202
December	216	195	201	203	160	210	193	205
1992								
March	222	198	204	207	149	210	193	208
June	226	202	205	208	161	212	197	210
September	227	204	208	208	164	214	199	211
December	230	207	210	209	161	214	199	213
1993								
March	245	215	215	210	161	219	203	218
June	250	217	217	212	162	225	205	220
September	256	220	220	213	156	231	206	224
December	265	227	223	213	143	239	204	226
1994								
January	273	228	224	212	146	233	206	227
February	278	229	225	213	145	236	207	229
March	282	230	225	213	145	241	207	230
April	285	231	226	213	149	245	209	231
May	288	234	227	213	153	248	211	232
June	291	235	229	214	157	251	213	234
July	298	237	231	215	167	258	217	236
August	305	239	234	216	168	261	220	239
September	309	243	235	216	162	266	220	241
October	316	245	238	218	163	269	222	244
November	321	246	240	218	165	275	224	246
December	327	250	243	219	166	278	226	249
1995								
January	332	254	246	221	172	284	230	251

Source: Data provided by the Indonesian authorities.

Table 19. Indonesia: Nominal Wages and Labor Force, 1990-94

	1990		1991		1992		1993		Est. 1994	
(Monthly wages in thousands of rupiah) 1/										
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Agriculture	101	1,051	135	1,536	150	1,815	170	1,835	240	1,835
Mining and quarrying	218	1,169	322	3,870	369	3,950	414	3,998	487	4,669
Manufacturing industry	172	1,998	186	2,244	188	2,705	196	2,920	207	3,112
Electricity, gas, and water supply	106	821	131	1,054	151	1,308	155	2,644	173	2,744
Construction	221	1,879	176	2,148	254	2,263	290	2,656	296	2,777
Trade and banks	228	1,967	250	2,510	305	3,314	305	3,733	326	4,506
Transportation	134	1,172	169	2,179	223	2,805	223	2,805	467	4,311
Services	158	1,776	223	2,188	235	2,271	235	2,271	235	2,509
	1990		1991		1992		1993		Est. 1994	
Labor force 2/	77.8		78.5		80.7		82.6		84.3	
Employment	75.9		76.4		79.9		80		81.6	
Agriculture	42.4		41.2		42.6		38.6		38.3	
Mining and quarrying	0.5		0.6		0.4		0.9		0.9	
Manufacturing	7.7		7.9		8.5		10.1		10.4	
Trade	11.1		11.4		12		11.9		12.2	
Other	14.2		15.3		16.4		18.6		19.2	

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Figures are based on periodic surveys of primarily urban-based business establishments and include transportation, meal, and attendance allowances

2/ Ages ten and over.

Table 20. Indonesia: Domestic Sales and Prices of Oil Products, 1985/86-1994/95

	Total	Avigas	Avtur	Super	Premium	Kerosene	Automotive Diesel	Industrial Diesel	Fuel Oil
(In millions of liters)									
Domestic sales									
1985/86	23,823	10	623	124	4,016	6,903	7,355	1,548	5,420
1986/87	24,050	10	615	170	4,370	6,913	7,720	1,374	2,825
1987/88	25,722	9	683	244	4,699	6,941	8,794	1,332	3,020
1988/89	27,212	9	696	310	4,980	7,164	9,615	1,430	3,008
1989/90	29,033	10	687	412	5,419	7,561	10,522	1,562	2,860
1990/91	33,098	9	748	60	6,417	7,915	11,917	1,713	4,319
1991/92	35,398	9	793	0	6,931	8,185	13,160	1,732	4,588
1992/93	38,161	8	853	0	7,264	8,569	15,043	1,786	4,638
1993/94	40,593	8	953	0	7,598	8,744	16,601	1,810	4,879
1994/95 (Est.)	41,210	8	1,653	0	8,582	8,980	16,325	1,796	3,866
(Rupiah per liter)									
Domestic sales proceeds									
1985/86	5,236	3	187	50	1,413	1,038	1,509	332	706
1986/87	5,228	2	140	71	1,532	1,307	1,407	250	519
1987/88	5,330	2	155	98	1,645	1,041	1,600	242	550
1988/89	5,659	2	158	124	1,743	1,075	1,750	260	547
1989/90	6,074	2	156	165	1,897	1,134	1,915	284	521
1990/91	8,123	3	224	24	2,624	1,361	2,657	366	864
1991/92	10,352	3	289	0	3,465	1,637	3,393	448	917
1992/93	13,652	3	325	0	4,619	2,185	5,189	564	1,011
1993/94	16,302	3	400	0	5,310	2,448	6,308	662	1,171
1994/95 (Est.)	17,000	3	694	0	6,008	2,514	6,203	650	928
(Rupiah per liter)									
Average domestic price 1/									
1985/86	219/203	300/227	300/227	400	350	150	220/182	220/182	220/182
1986/87	217	227	227	400	350	150	182	182	182
1987/88	207	227	227	400	350	150	182	182	182
1988/89	208	227	227	400	350	150	182	182	182
1989/90	209	227	227	400	350	150	182	182	182
1990/91	245	300	300	400	409	172	223	182	200
1991/92	308	364	364	0	500	200	273	259	200
1992/93	308/363	364/382	364/382	0	500/636	200/255	300/345	259/327	200/218
1993/94	363	382	382	0	636	255	345	327	218
1994/95 (Est.)	363	382	382	0	636	255	345	327	218

Sources: Data provided by the Indonesian authorities; and staff estimates

1/ Prices do not include 10 percent value-added tax

Table 21. Indonesia: Summary of Central Government Operations, 1990/91-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	—1994/95—	1995/96	
						Budget	Est.	Budget
	(In billions of rupiah)							
Tax revenue	26,678	37,431	39,098	44,459	47,344	52,926	54,110	58,298
Oil/gas	11,252	17,712	15,039	15,330	12,508	12,851	13,399	13,276
Non-oil/gas	15,426	19,719	24,059	29,129	34,836	40,075	40,711	45,022
Nontax revenue	2,062	2,115	2,487	2,993	4,936	6,811	5,587	7,966
Grants	306	422	414	511	568	...	439	459
Total revenue and grants	29,046	39,968	41,999	47,963	52,848	59,737	60,136	66,723
Current expenditure	18,358	23,145	22,933	25,854	29,388	33,160	33,044	38,210
Of which:								
Personnel	6,201	7,054	8,103	9,466	11,214	13,011	13,069	15,347
Subsidies	984	3,566	1,332	867	265	175	457	143
Interest on external debt	4,819	5,031	4,562	5,385	6,344	7,131	6,470	7,405
Current budget balance	10,688	16,823	19,067	22,110	23,460	26,577	27,092	28,514
Development expenditure and net lending	12,213	12,551	20,345	26,023	25,115	26,068	26,227	29,945
Total expenditure and net lending	30,571	35,696	43,277	51,876	54,503	59,228	59,271	68,154
Overall balance 1/	-1,525	4,272	-1,278	-3,913	-1,655	509	866	-1,431
Financing	1,525	-4,272	1,278	3,913	1,655	-509	-866	1,431
Domestic 2/	-1,440	-5,577	-1,106	2,553	-12	...	-1,917	...
Sale of government assets	...	...	...	...	...	...	1,673	...
Foreign, net 3/	2,965	1,305	2,383	1,360	1,667	-509	-621	1,431
Gross drawings	9,553	8,934	10,634	11,258	12,458	10,012	11,438	14,903
Amortization	-6,588	-7,629	-8,251	-9,898	-10,790	-10,521	-12,059	-13,472
	(In percent of GDP)							
Overall balance	-0.9	2.1	-0.5	-1.5	-0.5	0.1	0.2	-0.3
Excluding oil/gas revenue	-7.3	-6.6	-6.9	-7.1	-4.1	-3.5	-3.2	-3.2
Current budget balance	6.1	8.3	8.1	8.2	6.9	7.5	6.9	6.1
Total revenue and grants	16.7	19.6	17.8	17.8	15.5	16.8	15.2	14.3
Oil/gas	6.5	8.7	6.4	5.7	3.7	3.6	3.4	2.8
Non-oil/gas taxes	8.9	9.7	10.2	10.8	10.2	11.3	10.3	9.6
Total expenditure and net lending	17.5	17.5	18.4	19.2	16.0	16.7	15.0	14.6
Current	10.5	11.4	9.7	9.6	8.6	9.3	8.4	8.2
Development expenditure and net lending	7.0	6.2	8.6	9.7	7.4	7.3	6.6	6.4

Source: Data provided by the Indonesian authorities.

1/ Derived as the sum of the current budget balance and net financing.

2/ Change in net government deposits with the domestic banking system.

3/ As derived from balance of payments accounts.

Table 22. Indonesia: Central Government Revenue, 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 Budget	1994/95 Est.	1995/96 Budget
(In billions of rupiah)								
Tax revenue	26,678	37,431	39,098	44,459	47,344	52,926	54,110	58,298
Taxes on income and profits	16,740	24,467	24,619	27,243	27,781	31,694	31,749	32,515
Oil/gas	11,252	17,712	15,039	15,330	12,508	12,851	13,399	13,276
Non-oil/gas	5,488	6,755	9,580	11,913	15,273	18,843	18,350	19,239
Individuals	1,671	1,541	2,577	3,406	4,591	4,300	4,150	...
Companies	2,667	3,493	5,099	5,544	7,247	7,549	7,299	...
Interest, dividends and royalties	1,150	1,721	1,904	2,963	3,435	6,994	6,901	...
Property taxes	590	811	875	1,101	1,534	1,629	1,632	1,923
Taxes on goods and services (VAT)	5,837	7,463	8,926	10,714	12,282	13,239	14,087	16,655
Excise taxes	1,477	1,917	2,223	2,381	2,560	2,623	3,001	3,299
Taxes on international trade	1,758	2,530	2,152	2,660	2,902	3,459	3,338	3,587
Import duties	1,587	2,486	2,133	2,652	2,888	3,443	3,218	3,543
Export duties	171	44	19	8	14	16	120	44
Other	276	243	303	360	285	282	303	319
Nontax revenue	2,062	2,115	2,487	2,993	4,936	6,811	5,587	7,966
Profit receipts 1/	845	1,147	1,301	1,000	1,516	1,400	1,393	1,695
Other	1,217	968	1,186	1,993	2,379	2,892	2,931	4,796
Domestic oil operations surplus	...	...	...	...	1,041	2,519	1,263	1,475
Total revenue	28,740	39,546	41,585	47,452	52,280	59,737	59,697	66,264
(In percent of GDP)								
Non-oil/gas revenue	10.0	10.7	11.3	11.9	11.6	13.2	11.7	11.4
Non-oil/gas taxes	8.9	9.7	10.2	10.8	10.2	11.3	10.3	9.6
Oil/gas revenue	6.5	8.7	6.4	5.7	3.7	3.6	3.4	2.8
Total revenue	16.5	19.4	17.7	17.6	15.3	16.8	15.1	14.2

Source: Data provided by the Indonesian authorities.

1/ Profits of public enterprises; includes Bank Indonesia.

Table 23. Indonesia: Details of Nontax Receipts, 1990/91-1995/96

	1990/91	1991/92	1992/93	1993/94	----- 1994/95 ----- Budget	----- Est.	1995/96 Budget
Total (including oil operations surplus)	2,383	2,487	2,993	4,936	6,812	5,587	7,966
Total (excluding oil operations surplus)	2,383	2,487	2,993	3,895	4,293	4,324	6,491
Profit	1,147	1,270	1,000	1,517	1,550	1,393	1,695
Bank Indonesia	123	358	53	307	242	128	201
Other state banks	207	223	160	110	322	63	263
Public enterprises	817	689	787	1,100	986	1,202	1,231
Remittances from government banks	69	75	49	63	70	71	37
Fees	346	438	579	970	1,112	1,451	318
Forest concession	138	68	180	574	606	992	114
Immigration (embassies abroad)	25	15	15	16	18	15	14
Education	44	197	207	254	262	216	57
Hospital	14	35	39	34	58	60	1
Passport	72	52	56	68	56	57	74
Censors	6	5	6	3	7	5	6
Service	45	62	62	17	89	91	33
Marriage licenses	2	4	14	4	16	15	17
Sales of goods	11	13	17	16	12	13	8
Agricultural	2	4	6	5	4	5	6
Discarded	4	2	3	10	7	2	1
Houses	5	7	8	1	1	6	1
Rental from government houses	11	12	4	5	5	4	4
Licenses	42	47	63	81	150	160	87
Hires	8	5	4	3	10	13	8
Domestic oil operations surplus	0.0	0.0	0.0	1,041	2,519	1,263	1,475
Other 1/	749	627	1,277	1,240	1,390	1,219	4,334

Source: Data provided by the Indonesian authorities.

1/ Excludes proceeds from the privatization program, which are treated as financing.

Table 24. Indonesia: Central Government Expenditure, 1989/90-1995/96

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95		1995/96
						Budget	Est.	Budget
(In billions of rupiah)								
Total expenditure and net lending	30,571	35,696	43,277	51,876	54,503	59,228	59,271	68,154
Current expenditure	18,358	23,145	22,933	25,854	29,388	33,160	33,044	38,210
Personnel	6,201	7,054	8,103	9,466	11,214	13,011	13,069	15,347
Of which: Pensions	1,565	1,761	2,707	2,698	2,849	3,666	3,609	4,546
Material	1,702	1,830	2,373	2,870	3,042	3,751	4,297	4,745
Armed forces 1/	720	996	1,023	1,204	1,147	1,155	1,155	1,317
Transfers to regions	3,566	4,236	4,834	5,283	6,796	7,095	7,188	8,409
Interest on foreign debt	4,819	5,031	4,562	5,385	6,344	7,131	6,470	7,405
Subsidies	984	3,566	1,332	867	265	175	457	143
Petroleum	706	3,301	1,030	692	0	0	0	0
Fertilizer	278	265	302	175	265	175	457	143
Other	366	432	706	779	580	842	408	844
Development expenditure and net lending 2/	12,213	12,551	20,345	26,023	25,115	26,068	26,227	29,945
(In percent of GDP)								
Total expenditure and net lending	17.5	17.5	18.4	19.2	16.0	16.7	15.0	14.6
Current expenditure	10.5	11.4	9.7	9.6	8.6	9.3	8.4	8.2
Development expenditure and net lending 2/	7.0	6.2	8.6	9.7	7.4	7.3	6.6	6.4

Source: Data provided by the Indonesian authorities.

1/ Recurrent spending on goods and services only.

2/ Derived as the sum of the current budget surplus and net financing.

Table 25. Indonesia: Import and Export Taxation of Non-Oil/Gas Trade, 1989/90-1994/95

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 Budget	1994/95 Est.
Imports and import duties							
Total imports (customs data) 1/							
U.S. dollars (millions)	20,004	21,258	25,034	30,850	37,429	36,682	33,533
Rupiah (billions)	35,617	39,561	49,166	62,996	78,339	79,527	72,767
Dutiable imports							
U.S. dollars (millions)	11,667	13,166	15,409	15,893	19,420	23,603	17,317
Rupiah (billions)	20,773	24,591	30,263	32,454	40,646	51,171	37,578
Levies on imports (Rp bn.)	3,169	4,651	4,598	4,695	6,681	6,832	3,218
Import duties	1,532	2,263	2,118	2,652	2,888	3,443	3,218
Sales tax/VAT on imports	1,637	2,388	2,480	2,043	3,793	3,389	0.0
Exports and export duties							
Total exports 1/							
U.S. dollars (millions)	14,493	15,380	20,674	19,960	28,169	29,653	...
Rupiah (billions)	25,805	28,622	40,603	40,758	58,958	64,288	...
Export duties (Rp bn.)	171	42	22	9	14	16	120
(In percent)							
Average levy on imports	8.7	11.6	9.4	7.8	11.1	8.6	4.4
Average levy on dutiable imports	15.3	18.9	15.2	16.4	15.7	13.4	8.6
Average import duty rate	4.3	5.6	4.3	4.4	4.8	4.3	4.4
Average duty rate on dutiable imports	7.4	9.2	7	9.2	6.8	6.7	8.6
Average sales tax/VAT rate on imports	4.5	6	5	3.4	6.3	4.3	0.0
Average export duty rate	0.7	0.1	0.1	0.0	0.0	0.0	...

Source: Data provided by the Indonesian authorities.

1/ As published by the Directorate of Customs and Excises.

Table 26. Indonesia: Functional Classification of Development Expenditure and Net Lending, 1989/90-1995/96 1/

	1989/90	1990/91	1991/92	1992/93	1993/94	—1994/95— Budget Est.	1995/96 Budget
(In billions of rupiah)							
General public services	188	250	321	401	448	668	803
Government apparatus	163	215	269	327	368	557	664
Law and order	25	35	52	74	80	111	139
Education	1,840	2,607	2,847	3,733	3,786	3,591	4,070
Education, national culture, and development of youth	1,507	2,052	2,417	3,147	3,264	3,061	3,359
Science and technology, research and statistics	333	555	430	586	522	530	711
Health, family planning, and welfare	470	723	891	957	1,146	1,321	1,352
Housing and water supply	495	677	801	1,054	861	888	1,102
Other community and social services	306	621	766	966	918	1,225	1,380
Manpower and transmigration	281	579	719	888	836	1,103	1,197
Religion	25	42	47	78	82	122	183
Economic services	7,070	8,500	9,986	11,925	12,549	13,191	14,886
Agriculture and irrigation 2/	1,772	2,043	2,412	3,065	2,712	2,502	3,003
Industry and mining	420	714	722	861	575	518	592
Electric power	1,397	1,707	2,286	3,042	3,230	3,514	3,800
Transportation and tourism	3,006	3,743	3,910	4,537	5,192	5,948	6,904
Information and communications	60	94	77	82	121	157	153
Trade and cooperatives	415	199	579	338	719	552	1,056
Regional, business and environment	2,468	2,812	3,328	3,719	4,541	5,184	5,731
Regional development	1,369	1,938	2,479	2,920	3,632	4,548	5,114
Investment through banking system	625	334	410	409	364	184	100
Natural resources	474	540	439	390	545	452	517
Total (adjusted official data)	12,836	16,191	18,939	22,756	24,249	26,068	29,323
Residual 3/	-623	-3,640	1,406	3,267	866	0	0
Total (staff estimate) 4/	12,213	12,551	20,345	26,023	25,115	26,068	29,945
(In percent of total) 5/							
General public services	1.5	1.5	1.7	1.8	1.8	2.6	2.7
Education	14.3	16.1	15.0	16.4	15.6	13.8	13.9
Health	3.7	4.5	4.7	4.2	4.7	5.1	4.6
Housing and other social services 6/	4.1	4.4	4.5	5.0	3.9	3.9	4.4
Economic services	76.5	73.4	74.1	72.6	73.9	74.7	74.4
Agriculture and irrigation 2/	13.8	12.6	12.7	13.5	11.2	9.6	10.2
Industry and mining	3.3	4.4	3.8	3.8	2.4	2.0	2.0
Electric power	10.9	10.5	12.1	13.4	13.3	13.5	13.0
Transportation and tourism	23.4	23.1	20.6	19.9	21.4	22.8	23.5
Information and communications	0.5	0.6	0.4	0.4	0.5	0.6	0.5
Trade and cooperatives	3.2	1.2	3.1	1.5	3.0	2.1	1.5
Manpower and transmigration	2.2	3.6	3.8	3.9	3.4	4.2	4.1
Regional development	10.7	12.0	13.1	12.8	15.0	17.4	17.4
Other and unallocated	8.6	5.4	4.5	3.5	3.7	2.4	2.1

Source: Data provided by the Indonesian authorities.

1/ Excludes defense and national security, and fertilizer subsidy.

2/ Excludes fertilizer subsidy.

3/ Derived as the difference between Fund definition and authorities' estimates of development expenditure and net lending.

4/ Derived as the sum of the current budget surplus and net financing (Fund definition).

5/ Excludes the residual.

6/ Includes water supply and religion.

Table 27. Indonesia: Summary of Provincial Finances, 1989/90-1994/95

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
(In billions of rupiah)						
Own revenue	1,344	1,844	2,124	2,234	2,844	2,844
Tax	991	1,318	1,463	1,601	2,082	2,143
Nontax	353	526	661	633	762	701
Current transfers from central government	2,323	2,536	2,818	3,379	3,929	3,913
Capital transfers from central government	397	722	931	1,162	1,206	1,388
Total revenue and grants 1/	4,064	5,102	5,873	6,775	7,979	8,145
Current expenditure	2,937	3,361	3,880	4,671	5,402	5,704
Wages and salaries	2,202	2,413	2,676	3,272	3,877	3,916
Expend. on goods and services	451	567	717	807	864	1,005
Pensions	5	3	11	4	1	0
Subsidies	279	378	476	588	660	783
Development expenditure	1,029	1,497	2,011	2,201	2,390	2,747
Capital expenditure	956	1,355	1,800	1,964	2,167	2,501
Transfers to local government	73	142	211	237	223	246
Total expenditure	3,966	4,858	5,891	6,872	7,792	8,451
Overall balance	98	244	-18	-97	187	-306
(In percent of GDP)						
Memorandum items:						
Own provincial revenue	0.8	0.9	0.9	0.8	0.8	0.7
Central government transfers	1.3	1.2	1.2	1.2	1.1	1.0
Current expenditure	1.7	1.7	1.6	1.7	1.6	1.4
Development expenditure	0.6	0.7	0.9	0.8	0.7	0.7
Overall balance	0.1	0.1	-0.0	-0.0	0.1	-0.1

Source: Data provided by the Indonesian authorities.

1/ Excluding previous year's surplus.

Table 28. Indonesia: Consolidated Balance Sheet of Nonfinancial Public Enterprises, 1989-95

(In billions of rupiah)

	1989	1990	1991	1992	1993	----- 1994 ----- Budget Est.	1995 Budget
Assets	59,354	66,614	87,025	106,003	120,857	137,539	153,546
Noncurrent	41,376	46,667	57,585	75,112	88,531	104,434	108,595
Operating, net	29,623	29,019	43,701	47,873	52,056	60,447	70,556
Physical, net	27,723	26,949	40,239	44,306	52,056	60,447	70,556
Intangible	1,900	2,070	3,462	3,567	0	0	0
Nonoperating	11,753	17,648	13,884	27,239	33,475	43,987	38,039
Physical	11,171	17,038	13,587	26,884	33,475	43,987	38,039
Monetary	582	610	297	355	0	0	0
Current	17,978	19,947	29,440	30,891	35,326	33,105	44,951
Liabilities	59,354	66,614	87,085	106,003	122,228	137,539	153,546
Noncurrent	50,219	56,097	72,888	91,091	106,889	121,782	136,426
Net worth	34,752	38,573	49,805	56,746	64,436	69,859	83,572
Contributed capital	22,914	20,879	25,859	27,741	44,525	47,781	52,170
Reserves/deficits	11,838	17,694	23,946	29,005	19,911	22,078	31,402
Long-term	15,467	17,524	23,083	34,345	42,453	51,923	52,854
Current	9,135	10,517	14,197	14,912	15,339	15,757	17,120
Number of companies reporting	161	163	163	159	158	158	158

Source: Data provided by the Indonesian authorities.

Table 29. Indonesia: Consolidated Income Accounts of Nonfinancial Public Enterprises, 1989-95

(In billions of rupiah)

	1989	1990	1991	1992	1993	----- 1994 ----- Budget Est.	1995 Budget
Operating income, net	30,107	34,184	44,786	59,262	62,674	71,142	80,051
Gross	31,297	34,759	45,458	59,941	62,674	71,142	80,051
Discounts	1,190	575	672	679	0.0	0.0	0.0
Operating expenses	26,369	30,164	38,578	52,629	57,052	65,051	71,708
Direct costs of goods sold	22,950	25,560	32,440	44,255	45,666	58,083	59,965
Indirect costs	3,419	4,604	6,138	8,374	11,386	6,968	11,743
Operating profits	3,738	4,020	6,208	6,633	5,622	6,091	8,343
Nonoperating items	-74	131	198	593	542	354	740
Profits before taxes	3,664	4,151	6,406	7,226	6,164	6,445	9,083
Taxes	1,282	1,453	2,242	2,168	2,927	2,732	3,633
Profits after taxes	2,382	2,698	4,164	5,058	3,237	3,713	5,450
Memorandum items:							
Gross profits 1/	7,157	8,624	12,346	15,007	17,008	13,059	20,086
Return on total assets (percent)	6.2	6.2	7.3	6.8	5.1	4.7	5.9
Number of companies reporting	161	163	163	159	158	158	158

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Operating income less the direct cost of goods sold.

Table 30. Indonesia: Structure and Growth of the Organized Financial Sector, 1988-94

(End of period)

	Number in						Gross Assets					
	1988	1990	1991	1992	1993	1994	1988	1990	1991	1992	1993	1994
(In billions of rupiah)												
Bank Indonesia	1	1	1	1	1	1	42,455	49,045	55,220	63,885	68,440	68,116
Deposit money banks	107	169	189	200	234	224	63,284	133,598	153,255	182,066	218,434	251,433
National foreign exchange banks 1/	17	28	33	40	57	67	50,051	102,699	115,812	138,631	167,425	194,393
Foreign banks	11	28	29	30	39	40	3,215	9,777	12,070	15,175	18,419	21,937
Other commercial banks 2/	51	85	99	101	111	106	4,972	10,823	12,868	11,009	12,674	14,174
Development banks	28	28	28	29	27	27	5,046	10,299	14,505	17,251	19,916	20,929
Nonbank financial institutions 3/	14	14	14	14	0.0	0.0	3,063	4,730	4,180	4,730	0.0	0.0
Savings banks 4/	3	2	2	2	0.0	0.0	2,409	268	334	473	0.0	0.0
Insurance companies	106	129	130	138	145	153	3,906	6,204	4,200	4,600	11,267	...
Leasing companies 5/	83	116	125	135	175	227	1,735	11,674	8,192	9,998	9,971	...
Other credit institutions 6/, 7/	7,706	8,006	8,297	8,520	8,717	8,923	689	851	935	1,264	1,513	1,752
All institutions	8,019	8,436	8,758	9,010	9,272	9,528	117,541	206,370	228,316	267,016	309,625	...

Source: Data provided by the Indonesian authorities.

1/ Includes five state banks; the remainder are national private banks.

2/ National private banks undertaking only domestic currency business. Including one state saving bank since May 1989.

3/ Nine investment finance, three development finance, and two other finance companies.

4/ One state savings bank and two private savings banks. Since May 1989 state savings banks have been excluded.

5/ Since 1990, gross assets for multi-use companies.

6/ Village banks, rural paddy banks, and government-owned pawnshops.

7/ Data for 1994 are as of October 1994.

Table 31. Indonesia: Monetary Survey, 1991-95

	1991 Mar.	1992 Mar.	1993				1994				1995 Mar.
			Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
(In billions of rupiah; end of period)											
Net foreign assets	20,168	23,630	33,345	29,868	28,179	30,611	31,170	27,062	28,653	26,451	27,433
Bank Indonesia	20,676	26,691	37,210	35,395	35,720	38,808	38,885	34,041	35,734	37,282	36,922
Deposit money banks	-508	-3,061	-3,865	-5,527	-7,541	-8,197	-7,715	-6,979	-7,081	-10,831	-9,489
Net domestic assets	60,956	77,166	89,816	95,162	108,536	114,988	118,141	125,749	134,121	147,868	153,949
Net domestic credit	96,309	115,061	128,259	138,920	149,900	159,470	162,182	169,513	181,239	192,468	202,059
Claims on public sector	-5,391	-6,286	-6,295	-4,298	-2,573	-4,652	-7,249	-7,668	-7,408	-8,117	-8,734
Government (net)	-12,678	-15,085	-15,147	-16,439	-15,082	-14,069	-16,714	-17,380	-17,783	-18,675	-19,332
Public enterprises 1/	7,287	8,799	8,852	12,141	12,509	9,417	9,465	9,712	10,375	10,558	10,598
Claims on private sector	101,700	121,347	134,554	143,218	152,473	164,122	169,431	177,181	188,647	200,585	210,793
Other items (net)	-35,353	-37,895	-38,443	-43,758	-41,364	-44,482	-44,041	-43,764	-47,118	-44,600	-48,110
Broad money	81,124	100,796	123,161	125,030	136,715	145,599	149,311	152,811	162,774	174,319	181,382
Narrow money	23,570	27,318	30,592	31,563	35,041	37,036	38,452	40,106	42,408	45,622	45,134
Currency	9,026	11,025	12,324	12,386	13,106	14,431	15,652	15,825	17,555	18,637	18,905
Demand deposits	14,544	16,293	18,268	19,177	21,935	22,605	22,800	24,281	24,853	26,985	26,229
Quasi-money	57,554	73,478	92,569	93,467	101,674	108,563	110,859	112,705	120,366	128,697	136,248
Rupiah time and savings deposits	42,017	53,331	67,637	69,576	76,252	82,652	82,588	83,603	89,302	97,715	102,294
Foreign currency deposits	15,537	20,147	24,932	23,891	25,422	25,911	28,271	29,102	31,064	30,982	33,954
Rupiah broad money	65,587	80,649	98,229	101,139	111,293	119,688	121,040	123,709	131,710	143,337	147,428
(Annual percentage change)											
Net domestic assets	31.2	26.6	16.4	17.7	30.2	30.1	31.5	32.1	23.6	28.6	30.3
Net domestic credit	34.9	19.5	11.5	13.9	17.3	26.0	26.4	22.0	20.9	20.7	24.6
Claims on private sector	44.4	19.0	10.9	13.6	16.0	23.4	25.9	23.7	23.7	22.2	24.4
Broad money	26.0	24.2	22.2	16.9	20.5	22.3	21.2	22.2	19.1	19.7	21.5
Narrow money	6.4	15.9	12.0	17.6	26.8	28.7	25.7	27.1	21.0	23.2	17.4
Quasi-money	36.3	27.7	26.0	16.7	18.4	20.3	19.8	20.6	18.4	18.5	22.9

Source: Data provided by the Indonesian authorities.

1/ Claims on public enterprises exclude claims on financial public enterprises by Bank Indonesia.

Table 32. Indonesia: Factors Affecting Reserve Money, 1991-95

	1991 Mar.	1992 Mar.	1993				1994				1995 Mar.
			Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
(In billions of rupiah; end of period)											
Autonomous factors	13,485	21,671	35,591	32,157	32,930	39,630	35,617	32,368	31,589	33,330	30,003
Net foreign assets	20,676	26,691	37,210	35,395	35,720	38,807	38,885	34,599	35,734	37,282	36,922
Net claims on Government	-11,090	-11,569	-10,266	-11,572	-9,087	-7,573	-11,768	-11,496	-11,437	-10,631	-12,540
Claims on BULOG	1,365	1,324	2,124	1,834	1,320	1,846	1,485	1,412	2,205	2,230	1,521
Liquidity credit to banks	11,696	12,445	11,900	11,758	11,220	10,975	11,606	12,866	12,074	11,558	11,677
Other claims	862	996	422	567	590	688	615	615	614	603	1,034
Other items net	-10,024	-8,216	-5,799	-5,825	-6,833	-5,113	-5,206	-5,628	-7,601	-7,712	-8,611
Policy factors	-2,483	-7,043	-19,888	-17,086	-16,704	-22,024	-16,624	-11,826	-10,582	-11,175	-6,836
Special SBIs	-9,104	-8,846	-6,668	-6,668	-4,958	-5,213	-5,213	-5,500	-5,500	-5,830	-5,830
SBI outstanding	-311	-2,393	-16,342	-12,062	-13,705	-18,221	-14,559	-9,738	-8,591	-9,223	-5,343
SBPUs rediscounted	136	2,969	2,610	1,502	1,620	1,390	2,732	3,341	3,373	3,842	4,137
Special SBPUs	6,646	1,227	9	9	5	5	2				
Rediscount facility	150		503	133	334	15	414	71	136	36	200
Reserve money	11,002	14,628	15,703	15,080	16,226	17,606	18,995	19,184	21,007	22,156	23,167
Currency outside banks	9,026	11,025	12,324	12,186	13,106	14,395	15,480	16,024	17,555	18,637	18,905
Banks' reserves	1,801	3,409	3,161	2,630	2,797	2,824	3,199	2,785	3,130	3,177	3,940
Private sector dem. dep.	175	194	218	264	323	387	316	375	322	342	322
(Annual percentage change)											
Reserve money	5.4	33.0	7.3	18.7	21.7	19.5	21.0	27.2	29.5	25.8	22.0
Currency outside banks	16.5	22.1	11.8	22.5	25.5	25.4	25.6	31.5	33.9	29.5	22.1
(Percentage contribution to reserve money growth)											
Autonomous factors	10.3	74.4	95.2	53.8	27.1	48.7	0.2	1.4	-8.3	-35.8	-29.6
Net foreign assets	94.3	54.7	71.9	41.8	25.2	33.8	10.7	-5.3	0.1	-8.7	-10.3
Net claims on Government	-51.4	-4.4	8.9	1.2	12.0	13.0	-9.6	0.5	-14.5	-17.4	-4.1
Liquidity credit to banks	-40.5	6.8	-3.7	-2.8	-7.5	-9.5	-1.9	7.3	5.3	3.3	0.4
Policy factors	-5.0	-41.4	-87.8	-35.2	-5.4	-29.2	20.8	34.9	37.7	61.6	51.5
Special SBIs	-87.2	2.3	14.9	13.4	24.0	19.6	9.3	7.7	-3.3	-3.5	-3.2
SBI outstanding	18.2	-18.9	-95.4	-38.5	-29.1	-38.8	11.4	15.4	31.5	51.1	48.5
SBPUs rediscounted	-1.1	25.7	-2.5	-3.7	-1.9	-9.0	0.8	12.2	10.8	13.9	7.4
Special SBPUs	63.6	-49.3	-8.3	-6.5	-0.9	-0.7	-0.0	-0.1	-0.0	-0.0	-0.0
Rediscount facility	1.4	-1.4	3.4	0.1	2.5	-0.3	-0.6	-0.4	-1.2	0.1	-1.1
Memorandum items:											
Reserve money multiplier	7.4	6.9	7.8	8.3	8.4	8.3	7.9	8.0	7.7	7.9	7.8

Source: Data provided by the Indonesian authorities.

Table 33. Indonesia: Bank Indonesia Liquidity Credits, 1989-95 1/

(In billions of rupiah; outstanding credits at end of period)

	1989 March	1990 March	1991 March	1992 March	1993				1994				1995 Feb.
					March	June	Sept.	Dec.	March	June	Sept.	Dec.	
Liquidity credits	13,210	17,451	13,061	13,769	14,024	13,592	12,540	12,821	13,091	13,478	14,279	13,788	13,199
BULOG	1,085	1,684	1,527	1,324	2,124	1,834	1,320	1,846	1,385	1,412	2,205	2,230	1,954
Other	12,125	15,767	11,534	12,445	11,900	11,900	11,220	10,975	11,706	12,066	12,074	11,558	11,245
State banks	10,208	12,188	9,448	10,896	9,872	9,519	9,029	8,866	9,794	9,903	9,917	9,421	9,420
Priority sectors	6,618	10,104	6,624	6,703	5,925	6,142	5,670	5,673	5,790	5,949	6,075	4,844	4,787
Old programs	5,661	8,480	0.0	6,516	5,838	6,062	5,590	5,594	5,731	5,897	6,023	4,799	4,750
Fertilizer	(347)	(702)	(278)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Cooperatives	(422)	(455)	(442)	(444)	(416)	(437)	(397)	(353)	(366)	(401)	(371)	(337)	(326)
Export credits	(1,979)	(2,168)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other	(2,913)	(5,155)	(5,226)	(6,072)	(5,422)	(5,625)	(5,193)	(5,241)	(5,365)	(5,496)	(5,652)	(4,462)	(4,424)
New programs 2/	957	1,624	678	187	87	80	80	79	59	52	52	45	37
Nonpriority sectors	3,590	2,084	2,824	4,193	3,947	3,377	3,359	3,193	4,004	3,954	3,842	4,577	4,633
Large investments	1,233	1,062	1,866	3,016	2,877	3,037	3,040	2,947	3,875	3,733	3,682	4,437	4,497
Krakatau Steel	1,028	41	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pertamina	93	93	93	93	93	93	93	93	93	93	93	93	93
Other	1,236	888	865	1,084	977	247	226	153	36	128	67	47	43
Local development banks	450	732	561	441	363	341	328	301	287	271	262	262	262
Private national banks	1,323	2,601	1,525	1,108	935	1,152	1,161	1,147	962	1,131	1,136	1,122	841
Foreign banks	144	246	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nonbank financial institutions	0.0	0.0	0.0	0.0	730	746	702	661	663	761	759	753	722

Source: Data provided by the Indonesian authorities.

1/ Since January 1990, liquidity credit has been provided only to farmers for working capital credits, cooperatives for food procurement, BULOG for providing supplies of food and sugar stocks, development banks and nonbank financial institutions for general investment credit, and commercial banks for state investment credit.

2/ Consists of credits for Kupedes, national contractors, KMK, and Keppres No. 29.

Table 34. Indonesia: Liquidity Credits of Bank Indonesia and Credits of Commercial Banks, 1990-95 1/

(In billions of rupiah; end of period)

	BI 1990 Mar.	CB	BI 1991 Mar.	CB	BI 1992 Mar.	CB	BI 1993 Mar.	CB	BI 1994 Mar.	CB	BI 1994 Dec.	CB	BI 1995 Feb.	CB
A. State banks 2/	13,872	43,268	10,807	55,403	12,048	63,688	11,996	70,109	10,999	73,665	11,651	80,224	11,374	80,737
Rupiah credits	13,872	40,379	10,807	50,565	12,048	56,455	11,996	59,151	10,999	61,571	11,651	68,229	11,374	68,314
Priority sectors	11,788	16,539	7,983	16,522	7,855	17,678	8,199	15,838	7,179	0.0	7,074	0.0	6,741	0.0
Working capital credit	7,719	13,207	3,449	12,385	2,843	13,671	3,211	11,003	3,010	0.0	3,469	0.0	3,174	0.0
Investment credit	4,069	3,332	4,534	4,137	5,012	4,007	4,988	4,835	4,169	0.0	3,605	0.0	3,567	0.0
Nonpriority sectors	2,084	23,840	2,824	34,043	4,193	38,777	3,797	43,313	3,820	61,571	4,577	68,229	4,633	68,314
Working capital credit	397	12,576	293	19,007	452	20,884	361	25,831	5	36,376	4	42,865	4	42,478
Investment credit	1,687	11,264	2,178	15,036	3,301	17,893	3,027	17,482	3,776	25,195	4,534	25,364	4,590	25,836
Other	0.0	0.0	353	0.0	440	0.0	409	0.0	39	0.0	39	0.0	39	0.0
Foreign exchange credits (nonpriority)	0.0	2,889	0.0	4,838	0.0	7,233	0.0	10,958	0.0	12,094	0.0	11,995	0.0	12,423
Working capital credit	0.0	1,520	0.0	2,590	0.0	3,932	0.0	4,546	0.0	4,629	0.0	4,298	0.0	4,596
Investment credit	0.0	1,369	0.0	2,248	0.0	3,301	0.0	6,412	0.0	7,465	0.0	7,697	0.0	7,827
B. Local development banks	1,238	732	1,814	561	2,512	441	363	2,616	290	3,528	262	4,371	262	4,496
Priority sectors	656	798	471	616	346	479	272	355	220	0.0	181	0.0	176	0.0
Nonpriority sectors	76	1,016	90	1,896	95	2,137	91	2,586	70	0.0	81	0.0	86	0.0
C. Private national banks	2,601	22,684	1,693	35,641	1,280	41,786	935	42,465	1,139	64,612	1,122	88,663	841	91,166
Rupiah credits	2,601	21,027	1,693	31,778	1,280	36,801	935	37,035	1,139	55,525	1,122	74,993	841	77,042
Priority sectors	2,056	3,083	1,193	1,954	767	1,213	614	990	794	0.0	899	0.0	636	0.0
Nonpriority sectors	545	17,944	500	29,824	513	35,588	321	36,045	345	0.0	223	0.0	205	0.0
Foreign exchange credits	0.0	1,657	0.0	3,863	0.0	4,985	0.0	5,430	0.0	9,087	0.0	13,670	0.0	14,124
D. Foreign banks	246	3,786	0.0	6,837	0.0	8,512	0.0	9,695	0.0	12,124	0.0	14,359	0.0	14,932
Nonpriority sectors	0.0	3,385	0.0	6,257	0.0	7,837	0.0	9,215	0.0	12,124	0.0	14,359	0.0	14,932
Rupiah credits	0.0	2,141	0.0	2,660	0.0	2,502	0.0	2,914	0.0	4,419	0.0	5,626	0.0	5,724
Foreign exchange credits	0.0	1,204	0.0	3,597	0.0	5,335	0.0	6,301	0.0	7,705	0.0	8,733	0.0	9,208
Priority sectors	246	401	0.0	580	0.0	675	0.0	480	0.0	0.0	0.0	0.0	0.0	0.0
E. Nonbank financial institution	0.0	0.0	0.0	0.0	0.0	0.0	730	0.0	663		753		722	
Total (A + B + C + D + E)	17,451	71,552	13,061	100,393	13,769	116,602	14,024	125,210	13,091	153,929	13,788	187,617	13,199	191,331

Source: Data provided by the Indonesian authorities.

1/ Includes credit to central government to finance smallholder plantations; excludes special credit facility. BI = Bank Indonesia; CB = commercial banks.

2/ As of May 1989, includes state savings banks.

Table 35. Indonesia: Bank Indonesia Facilities, 1989/90-1994/95

(Amounts outstanding at end-period; in billions of rupiah)

	Rediscount Facility	Special Credit Facility 1/	Rediscount of Money Market Instruments by Bank Indonesia SBPU's	Total Use of Bank Indonesia Facilities (1)	Bank Indonesia SBIs		End-Period Outstanding (2)	Net Provision of Liquidity by Bank Indonesia 2/ (3) = (1) - (2)
					Total Sold	Total Reimbursed		
1989/90								
June	0.0	47	0.0	47	10,168	9,907	2,631	-2,584
September	0.0	...	0.0	0.0	11,740	11,415	2,956	-2,956
December	0.0	20	0.0	20	15,287	14,942	3,301	-3,281
March	0.0	11	0.0	11	9,851	10,936	2,216	-2,124
1990/91								
June	38	11	0.0	49	1,995	1,865	2,061	-2,012
September	30	4	0.0	34	1,782	2,510	1,412	-1,378
December	46	11	0.0	57	1,217	782	1,529	-1,472
March 1/	150	23	6,782	6,955	10,007	1,061	9,414	-2,459
1991/92								
June	0.0	16	7,739	7,755	5,632	5,317	11,994	-4,239
September	0.0	11	4,995	5,006	3,148	3,180	11,410	-6,404
December	0.0	11	4,343	4,352	4,882	4,809	10,942	-6,588
March	0.0	11	4,196	4,207	4,522	5,469	11,329	-7,122
1992/93								
June	125	11	2,808	2,944	4,674	3,559	15,542	-12,598
September	0.0	3	1,995	1,998	4,747	4,754	17,982	-15,984
December	54	1	2,820	2,875	5,657	6,355	20,599	-17,724
March	503	1	2,619	3,123	6,436	7,141	23,010	-19,887
1993/94								
April	46	1	1,977	2,024	7,259	7,750	22,519	-20
May	66	1	1,856	1,923	6,725	8,553	20,691	-18,768
June	133	1	1,511	1,645	5,407	7,368	18,730	-17,085
July	17	1	1,397	1,415	9,500	10,750	17,480	-16,065
August	396	3	1,295	1,695	20,776	19,415	18,841	-17,146
September	284	50	1,625	1,960	13,302	13,480	18,663	-16,703
October	53	4	1,574	1,631	16,254	14,856	20,061	-18,430
November	25	0.0	1,464	1,489	21,087	18,799	22,349	-20,860
December	116	15	1,395	1,526	14,885	13,799	23,435	-21,909
January	96	16	1,317	1,429	11,497	10,119	24,813	-23,384
February	88	8	2,537	2,633	9,123	9,581	24,355	-21,722
March	398	16	2,736	3,150	13,244	17,827	19,772	-16,622
1994/95								
April	120	43	4,157	4,320	5,741	8,120	17,393	-13,073
May	30	15	3,094	3,139	5,094	7,278	16,049	-12,910
June	12	65	3,341	3,418	5,083	5,894	15,238	-11,820
July	0.0	113	3,660	3,773	4,388	5,212	14,414	-10,641
August	29	51	2,858	2,938	5,749	5,387	14,776	-11,838
September	9	127	3,373	3,509	6,855	7,540	14,091	-10,582
October	0.0	120	2,816	2,936	6,358	6,911	13,538	-10,602
November	0.0	116	2,196	2,312	6,436	5,725	14,251	-11,939
December	1	66	3,842	3,909	5,986	5,184	15,053	-11,144
January	96	50	2,666	2,812	8,146	11,014	12,185	-9,373
February	0.0	19	3,743	3,762	4,025	5,715	10,495	-6,733
March	138	62	4,137	4,337	7,829	7,151	11,173	-6,836

Source: Data provided by the Indonesian authorities.

1/ Includes special SBPU's injected to banks amounting to Rp 6.6 trillion to compensate for the withdrawal of state enterprises' deposits.

2/ Includes emergency credits provided to banks recorded as liquidity credits.

3/ Includes SBIs sold to public enterprises amounting to Rp 9.1 trillion.

Table 36 Indonesia: Assets and Liabilities of Deposit Money Banks, 1990-95

(In billions of rupiah; end of period)

	1990 March	1991 March	1992 March	1993				1994				Est. 1995 Feb.
				March	June	Sept.	Dec.	March	June	Sept.	Dec.	
Net foreign assets	7,064	-508	-3,061	-3,864	-5,527	-7,541	-8,197	-7,715	-6,979	-7,081	-10,831	-9,641
Net claims on Government	-2,136	-1,587	-3,516	-4,881	-4,866	-8,996	-6,495	-4,946	-5,885	-6,346	-8,044	-7,923
Claims on official entities	1,849	1,411	2,250	2,239	2,810	3,380	3,012	2,254	2,441	2,686	2,068	1,593
Claims on public enterprises and private sector	75,595	106,714	126,900	140,156	151,383	160,458	171,865	178,013	184,744	195,098	207,844	214,393
Krakatau Steel	41	41	...	...	...	...	...	...	...	...	...	...
Perumtel	346	289	331	322	328	313	300	279	288	267	251	...
Medium-term credit	10,967	15,935	21,195	28,906	30,166	31,513	33,680	32,441	32,844	35,174	35,631	...
Agriculture	5,982	7,902	8,899	10,068	11,223	10,759	12,074	12,452	13,556	13,577	13,815	...
Sugar	402	1,034	1,955	690	675	750	755	614	565	779	744	...
Bimas	7	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	...
Other	6,834	6,866	6,944	9,378	10,548	10,009	11,319	11,838	12,991	12,798	13,071	...
Fertilizer	295	401	1,076	1,115	1,136	1,118	1,145	1,187	1,162	1,198	1,280	...
Special credit programs	12,460	10,533	14,168	15,728	15,509	14,980	15,658	15,803	16,539	16,909	17,212	...
Other	45,504	71,613	81,231	84,017	93,021	101,775	109,008	115,851	120,355	127,973	139,655	...
Reserves	2,958	3,047	3,642	4,188	3,565	3,161	3,370	3,941	3,461	3,626	3,756	4,840
Other items (net)	-13,833	-25,657	-25,768	-17,104	-27,019	-19,578	-25,734	-30,553	-34,579	-36,912	-34,567	-40,501
Assets = liabilities	71,497	83,420	100,447	119,466	120,346	130,884	137,821	140,994	143,203	151,070	160,226	162,761
Demand deposits	14,198	14,374	16,099	18,050	18,912	21,612	22,219	22,484	23,906	24,531	26,643	26,685
Rupiah time and savings deposits	33,009	42,017	53,331	67,638	69,576	76,252	82,652	82,588	83,603	89,302	97,716	99,121
Foreign currency deposits	9,189	15,508	20,131	24,910	23,875	25,385	25,900	28,258	29,070	31,058	30,958	32,730
Credit from Bank Indonesia	15,101	11,521	10,886	8,868	7,983	7,636	7,050	7,664	6,624	6,179	4,909	4,225
Memorandum items:												
Claims on official entities and public enterprises	7,756	6,563	7,979	8,097	5,760	7,674	8,742	11,297	10,466	9,607	9,797	9,459
Official entities	1,849	1,411	2,250	2,239	2,810	3,380	3,012	2,254	2,440	2,686	2,068	1,593
Public enterprises	5,907	5,152	5,729	5,858	2,950	4,294	5,730	9,043	8,026	6,921	7,729	7,866
Claims on private sector	69,688	101,562	121,171	134,298	142,815	152,046	163,593	168,970	176,718	188,177	200,115	206,527

Source: Data provided by the Indonesian authorities.

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Table 37. Indonesia: Liquidity Position of Commercial Banks, 1990-95 1/

(In billions of rupiah; end of period)

	Rupiah Current Liabilities 2/ (a)	Rupiah Liquid Assets (b)	Reserve Requirements 3/ (c)	Rupiah Free Reserves (d)=(b)-(c)	SBLs Held by Commercial Banks 4/ (e)	Rupiah Excess Liquidity (g)= (d)+(e)+(f)	Excess Net Foreign Assets Held by Banks 5/ (h)
1990							
March	45,288	2,794	926	1,868	1,884	3,752	-2,125
June	51,448	2,308	1,029	1,279	1,728	3,007	-6,367
September	59,777	2,185	1,196	969	1,209	2,198	-11,854
December	61,621	2,709	1,232	1,477	1,529	3,006	-15,606
1991							
March	57,482	2,687	1,150	1,537	310	1,847	-16,017
June	63,868	2,482	1,277	1,205	3,325	4,530	-15,943
September	71,220	2,638	1,424	1,214	3,003	4,217	-17,267
December	73,050	2,788	1,461	1,327	2,698	4,025	-20,927
1992							
March	74,533	3,547	1,491	2,056	2,393	4,449	-23,192
June	76,300	2,476	1,526	950	7,168	8,118	-25,216
September	82,525	2,799	1,651	1,148	9,826	10,974	-24,418
December	89,197	3,261	1,784	1,477	12,501	13,978	-25,889
1993							
March	90,145	4,035	1,803	2,232	16,342	18,574	-28,775
June	91,592	3,422	1,832	1,590	12,062	13,652	-29,403
September	103,674	3,079	2,073	1,006	13,705	14,711	-32,925
December	112,681	3,179	2,254	925	18,221	19,146	-34,097
1994							
January	114,689	3,145	2,294	851	19,599	20,450	-35,156
February	121,252	3,814	2,425	1,389	19,142	20,531	-35,053
March	118,071	4,042	2,361	1,581	14,559	16,140	-35,963
April	115,653	3,513	2,313	1,200	12,180	13,380	-34,913
May	119,954	3,469	2,399	1,070	10,549	11,619	-35,461
June	117,633	3,489	2,353	1,136	9,738	10,874	-36,048
July	103,067	2,990	2,061	929	8,913	9,842	-36,011
August	116,791	3,365	2,336	1,029	9,276	10,305	-37,719
September	119,861	3,557	2,397	1,160	8,591	9,751	-38,140
October	122,570	3,980	2,451	1,529	8,038	9,567	-38,981
November	125,531	3,874	2,511	1,363	8,421	9,784	-40,425
December	130,870	3,688	2,617	1,071	9,223	10,294	-41,789
1995							
January	136,016	3,991	2,720	1,271	6,355	7,626	-42,206
February	136,702	4,751	2,734	2,017	4,666	6,683	-42,370

Source: Data provided by Bank Indonesia.

1/ Includes state banks, local development banks, and the State Development Bank (BAPINDO).

2/ Current liabilities are defined as call money, transfer drafts, and all time, saving, and demand deposits.

3/ Since December 1988, two percent of current liabilities.

4/ As issued by Bank Indonesia.

5/ Commercial banks' net foreign assets less their foreign currency liabilities to domestic residents.

Table 38. Indonesia: Commercial Bank Credit, 1990-95

(In billions of rupiah; outstanding at end of period)

	1990 March	1991 March	1992 March	----- 1993 -----				----- 1994 -----				1995 Feb.
				March	June	Sept.	Dec.	March	June	Sept.	Dec.	
Agriculture	5,982	7,629	8,899	10,127	10,793	10,759	12,074	12,452	13,556	13,577	13,815	14,008
Mining	519	645	730	724	615	707	752	623	621	624	760	599
Manufacturing	22,449	31,313	35,411	43,473	45	47,548	49,608	51,551	51,956	55,116	57,993	59,150
Trade	22,814	29,590	31,907	32,534	35,650	37,234	37,271	38,018	39,993	42,059	43,695	44,162
Service industries	11,773	17,114	21,747	25,874	29,106	31,215	34,550	36,088	39,608	43,009	49,303	50,347
Other 1/	8,027	13,398	17,045	11,435	13,072	14,506	13,094	15,197	16,776	19,901	22,051	23,065
Total	71,564	99,689	115,739	124,167	134,649	141,969	147,349	153,929	162,510	174,286	187,617	191,331
In foreign exchange	5,750	12,298	19,288	23,171	24,782	26,994	27,679	28,900	29,492	32,119	34,353	35,782
In rupiah	65,814	87,391	96,451	100,996	109,867	114,975	119,670	125,029	133,018	142,167	153,264	155,549
Working capital credit 2/	56,581	78,827	88,349	87,484	96,012	102,086	105,946	112,086	119,507	128,805	141,714	142,454
Investment credit	14,983	20,862	27,390	36,683	38,637	39,883	41,403	41,843	43,003	45,481	45,903	48,877
Trade	22,814	29,590	31,107	32,534	35,650	37,234	37,271	38,018	39,993	42,059	43,695	44,162
Exports	6,343	5,462	8,922	9,564	12,072	12,443	13,133	13,379	14,082	14,567	14,918	15,070
Service-rendering industries	11,773	17,114	22,532	25,874	29,106	31,215	34,550	36,088	39,608	43,009	49,303	50,347
Real estate	1,255	1,465	1,831	2,845	4,497	5,298	5,578	6,059	7,211	8,232	9,790	10,606

Source: Data provided by the Indonesian authorities.

1/ Includes mainly credit for housing, transportation, and household items.

2/ Includes credits for real estate.

Table 39. Indonesia: Maturity Structure of Bank Deposits and Credit, 1989-95 1/

(In billions of rupiah)

	1989 Dec.	1990 Dec.	1991 Dec.	1992 Dec.	1993 Dec.	1994 Dec.	Est. 1995 Feb.
Bank credits 2/							
Less than three months	2,529	3,495	3,957	5,301	8,070	8,394	7,676
Three to six months	5,382	5,057	5,726	2,503	3,598	4,157	4,468
Six months to one year	28,150	43,753	49,539	6,382	6,676	9,486	9,429
One to three years	5,489	8,778	9,938	55,076	62,030	77,124	77,717
Three years and more	19,790	29,904	33,859	33,630	42,043	54,819	57,103
Unclassified	84	191	218	0.0	0.0	0.0	0.0
Total	61,424	91,178	103,237	102,892	122,417	153,980	156,393
Bank deposits							
Less than three months	4,516	11,342	8,973	8,388	8,671	16,137	16,730
Three to six months	5,312	5,886	9,160	10,104	10,252	13,233	14,530
Six months to one year	4,945	5,958	8,358	11,950	15,448	15,598	15,989
One to two years	11,640	13,910	9,523	11,765	13,032	11,742	12,024
Unclassified	656	1,693	4,545	2,974	2,966	4,587	3,696
Total	27,069	38,789	40,559	45,181	50,369	61,297	62,969

Source: Data provided by the Indonesian authorities.

1/ Includes state banks, private national banks, foreign banks, and local development banks. Excludes foreign currency credits and deposits.

2/ Bank credits above one year are classified as investment credit.

Table 40. Indonesia: Average Interest Rates Paid on Outstanding Deposits at Commercial Banks, 1990-95

(In percent per annum)

	Certificates of Deposit 2/	Time Deposits													
		State Banks 1/					Private National Banks 1/					Foreign Banks 1/			
		Less than three months	Three months	Six months	Twelve months	Twenty-four months	Less than three months	Three months	Six months	Twelve months	Twenty-four months	Less than three months	Three months	Six months	Twelve months
1990															
March	15.9	14.1	15.0	16.3	17.2	18.5	16.5	17.3	18.1	19.0	20.3	14.8	16.0	16.7	18.0
June	15.9	14.3	14.5	15.5	16.8	18.0	16.8	17.1	17.5	18.4	19.7	15.4	15.6	16.6	16.3
September	15.9	18.6	17.7	16.9	17.1	18.0	19.8	19.0	18.5	18.5	20.3	18.1	17.2	17.0	17.3
December	15.9	21.2	20.6	19.4	18.1	19.5	22.3	21.5	20.3	19.6	20.6	19.9	19.5	18.3	17.5
1991															
March	18.0	25.4	24.3	23.6	19.7	20.3	27.0	24.4	23.3	20.6	21.1	24.4	22.2	21.7	18.8
June	18.0	22.1	23.9	24.4	21.2	20.6	25.1	25.9	25.6	22.0	21.4	21.1	23.5	20.9	20.7
September	18.0	19.9	21.9	23.2	21.9	20.7	21.7	23.2	24.4	22.8	21.4	19.8	20.6	21.9	21.0
December	19.0	20.0	20.8	22.0	21.7	20.5	21.1	22.0	22.6	22.0	20.7	19.1	19.1	19.0	21.3
1992															
March	19.0	19.5	20.4	21.7	22.4	21.2	21.1	22.0	22.7	22.8	18.4	19.0	19.9	20.2	21.1
June	17.3	17.5	19.2	20.5	21.4	21.0	19.4	21.0	21.7	22.1	18.6	16.8	17.0	13.0	17.2
September	16.8	16.2	17.6	18.8	20.2	20.9	17.8	19.4	20.5	21.3	18.2	14.5	15.1	11.6	16.0
December	15.3	14.6	15.7	17.3	18.6	20.7	16.5	17.7	18.9	19.6	16.6	13.8	14.1	11.8	14.5
1993															
March	14.8	12.4	14.1	15.6	17.4	20.2	16.1	17.1	17.7	18.4	15.7	12.8	13.0	12.8	13.3
June	14.2	12.1	13.3	14.7	16.0	19.1	15.8	16.6	17.2	17.4	17.4	11.5	12.0	12.7	14.2
September	12.7	10.0	11.9	13.7	14.6	16.8	13.7	15.1	16.1	16.4	18.5	9.5	9.6	11.4	13.3
December	11.6	8.3	9.3	12.3	13.5	15.9	11.9	13.4	14.6	15.3	16.6	9.3	8.9	9.5	12.3
1994															
March	11.0	8.2	9.1	11.0	12.7	14.3	11.3	12.6	13.4	14.4	18.1	8.9	8.9	7.8	12.1
June	11.5	9.6	9.8	11.2	11.8	13.5	12.8	13.2	13.1	13.8	18.2	10.1	9.5	9.0	11.1
September	12.7	10.5	10.4	11.8	11.5	15.3	14.3	14.5	13.9	13.6	17.4	11.4	11.5	11.1	11.4
December	14.4	11.2	10.9	12.5	11.9	13.5	15.4	15.4	14.8	14.1	18.0	13.0	13.4	12.6	13.2
1995															
March	15.2	12.7	12.6	13.6	12.7	13.2	16.9	16.8	16.0	14.9	19.2	13.6	13.4	14.3	13.6

Source: Data provided by the Indonesian authorities.

Table 41. Indonesia: Interest Rates on Nonpriority Credits of Deposit Money Banks, 1990-95 1/

(In percent per annum)

	1990 March	1991 March	1992 March	1993				1994				Est. 1995 Mar.
				March	June	Sept.	Dec.	March	June	Sept.	Dec.	
State banks												
Working capital												
Average	19.0	23.1	22.2	20.3	18.9	17.7	16.5	15.8	15.1	14.9	15.5	14.8
Lowest	16.0	17.0	21.0	20.0	20.0	19.0	19.0	...	...	...	...	...
Highest	22.0	29.0	27.0	26.0	26.0	26.0	26.0	...	...	...	...	...
Investment												
Average	19.4	21.7	18.2	17.7	17.1	16.0	15.4	14.7	14.1	14.0	14.1	14.2
Lowest	17.5	17.0	17.0	17.0	17.0	17.0	17.0	...	...	...	...	...
Highest	23.0	29.0	27.0	26.0	26.0	26.0	26.0	...	...	...	...	...
National private banks (other than foreign exchange banks)												
Working capital												
Average	20.7	29.5	27.0	22.4	21.8	20.3	18.6	17.8	17.7	18.0	18.4	19.4
Lowest	17.5	1.0	20.5	20.5	20.5	20.5	13.0	...	...	...	...	...
Highest	28.8	34.0	36.0	30.0	30.0	30.0	23.0	...	...	...	...	...
Investment												
Average	16.5	21.3	20.6	20.5	21.0	19.4	18.6	17.9	17.7	17.7	18.2	19.5
Lowest	20.0	17.0	22.0	22.0	22.0	22.0	21.0	...	...	...	...	...
Highest	25.2	31.0	30.0	30.0	30.0	30.0	25.0	...	...	...	...	...
National private banks (nonforeign exchange banks)												
Working capital												
Average	22.8	30.0	28.1	25.7	24.6	22.9	21.6	20.6	19.6	19.5	19.5	20
Lowest	20.4	19.0	22.5	17.0	12.6	12.6	12.6	...	...	...	...	...
Highest	30.6	37.0	33.0	31.5	31.5	31.5	30.0	...	...	...	...	...
Investment												
Average	18.5	24.5	22.8	23.8	20.5	20.2	18.7	18.4	17.9	18.7	16.3	16.8
Lowest	25.2	...	19.0	21.0	21.0	21.0	21.0	...	...	...	...	...
Highest	28.8	...	30.5	26.0	26.0	26.0	26.0	...	...	...	...	...
Local development banks												
Working capital												
Average	21.7	24.1	23.1	23.4	23.8	23.3	22.6	21.8	21.3	21	20.8	20.6
Lowest	18.0	26.0	26.0	...	...	...	...	...	...	...	...	...
Highest	24.0	28.0	28.0	...	...	...	...	...	...	...	...	...
Investment												
Average	17.9	19.8	18.6	18.8	19.0	18.6	18.1	17.4	17.2	16.8	16.6	16.2
Lowest	15.0	24.0	24.0	...	...	...	...	...	...	...	...	...
Highest	21.0	26.0	26.0	...	...	...	...	...	...	...	...	...
Foreign banks												
Working capital												
Average	18.8	25.4	23.3	18.2	16.9	14.1	14.0	13.4	14.1	14.9	15.9	16.4
Lowest	17.3	15.5	18.5	12.2	15.5	10.5	8.5	...	...	...	...	...
Highest	27.0	28.0	30.0	30.0	32.0	30.0	26.0	...	...	...	...	...
Investment												
Average	22.2	24.8	23.2	19.9	19.1	17.1	16.1	16.4	15.7	16.3	16.8	17.7
Lowest	20.8	20.8	...	...	...	...	...	...	...	...	...	...
Highest	26.0	25.0	...	...	...	...	...	...	...	...	...	...
All deposit money banks												
Working capital												
Average	20.2	24.3	24.8	21.7	20.6	19.3	18.0	17.3	16.8	16.9	17.0	17.6
Lowest	16.0	15.5	18.5	12.5	12.5	10.5	8.5	...	...	...	...	...
Highest	30.6	36.0	36.0	31.5	32.0	30.0	30.0	...	...	...	...	...
Investment												
Average	18.8	21.7	19.2	18.2	17.6	16.6	16.0	15.3	14.5	14.8	15.0	15.4
Lowest	15.0	16.5	17.0	17.0	17.0	17.0	17.0	...	...	...	...	...
Highest	28.8	25.2	30.5	30.0	30.0	30.0	26.0	...	...	...	...	...

Source: Data provided by the Indonesian authorities

Table 42. Indonesia: Bank Indonesia Foreign Exchange Swaps, 1989-94

(In millions of U.S. dollars; end of period)

	Foreign Exchange Banks	NBFIs 1/	Total	Swap Premium (Percent per Annum) 2/
1989				
March	3,071	834	3,705	7.3
June	2,241	475	2,716	7.4
September	1,807	411	2,218	7.6
December	1,382	302	1,684	7.7
1990				
March	1,115	319	1,434	7.1
June	2,171	445	2,608	6.9
September	3,286	473	3,763	9.6
December	3,974	485	4,459	11.9
1991				
March	4,991	368	5,359	18.2
June	2,032	146	2,178	16.4
September	1,501	64	1,565	15.2
December	922	23	945	16.2
1992				
March	221	7	228	15.1
June	111	4	115	13.9
September	70	0.0	70	12.8
December	65	0.0	65	11.0
1993				
March	64	0.0	64	10.8
June	60	0.0	60	10.1
September	60	0.0	60	8.4
December	24	0.0	24	6.9
1994				
March	18	0.0	18	5.8
June	499	0.0	499	5.4
September	731	0.0	731	5.7
December	916	0.0	916	6.9
1995				
March	980	0.0	980	8.6

Source: Data provided by the Indonesian authorities.

1/ Nonbank financial institutions.

2/ The swap premium is set daily as the difference between the domestic time deposit rate and the U.S. dollar LIBOR for the corresponding maturity. The rates shown here are three-month swap premiums until December 1991 and twelve-month swap premiums thereafter.

Table 43. Indonesia: Transactions and Interest Rates in the Domestic Interbank Call Money Market, SBI Cutoff Rates, and Bank Indonesia Discount Rates, 1990-95

	Cutoff Rate —in SBI Auctions—			Weekly Average Volume of Rupia Interbank Trans- actions (Rp bn)	Rupiah Interbank Rates —Range—		Weighted 1/ High	Bank Indonesia Discount Rates 2/ Discount Windows		SBPUs
	7 Days	30 Days	90 Days		Low	High				
1990										
March	10.0	13.3	13.9	669	7.0	16.5	10.4	16.0		13.4
June	15.8	17.5	17.9	955	8.0	45.0	15.2	19.0		0.0
September	15.7	17.6	17.9	886	8.0	44.0	14.1	19.0		0.0
December	17.8	19.3	19.9	1,041	8.0	40.0	21.5	19.9		0.0
1991										
March	19.0	21.5	20.5	1,234	9.0	50.0	27.0	29.2		30.9
June	17.8	18.8	19.8	935	8.0	23.5	11.9	0.0		20.5
September	17.4	18.5	19.6	966	9.0	29.0	12.8	18.4		19.1
December	17.0	18.0	19.0	943	7.0	27.0	12.8	0.0		20.2
1992										
March	16.0	17.0	17.5	1,011	12.0	20.0	15.4	17.3		18.4
June	15.0	16.0	16.5	1,260	10.0	18.0	12.9	16.1		17.3
September	13.5	14.5	14.8	1,258	7.0	14.0	12.1	14.6		15.5
December	12.5	13.5	13.8	1,061	10.0	15.0	11.9	14.9		14.0
1993										
March	11.5	12.5	12.8	1,616	4.0	24.0	11.4	13.4		13.5
June	6.0	9.0	9.5	2,189	2.0	26.5	8.1	13.4		11.7
September	9.1	9.8	10.5	1,855	4.0	19.0	7.7	12.0		11.2
December	8.3	9.3	9.9	2,333	3.0	20.0	6.9	11.8		11.8
1994										
January	7.9	8.1	9.1	2,115	3.0	20.0	7.1	13.0		11.9
February	7.6	8.0	10.4	2,063	1.0	45.0	7.6	15.5		11.9
March	7.5	9.0	10.6	2,197	3.0	40.0	7.6	17.9		11.9
April	8.0	9.1	11.0	2,099	4.0	20.0	9.5	16.2		12.0
May	8.9	9.2	11.1	2,195	5.0	18.0	9.1	15.7		12.0
June	9.5	10.5	11.7	2,590	4.0	20.0	9.4	14.8		12.5
July	9.5	10.5	12.2	2,298	6.0	20.0	10.6	15.5		13.0
August	10.0	11.2	12.6	2,228	2.0	18.0	10.6	16.3		13.5
September	10.5	11.8	12.6	2,369	5.0	25.0	11.1	16.7		13.8
October	10.5	11.5	12.0	2,575	7.0	21.0	11.5	17.0		14.5
November	11.3	12.5	13.3	2,461	4.0	24.0	11.5	17.8		15.3
December	11.5	12.8	13.3	2,519	6.0	20.0	11.9	17.8		15.3
1995										
January	12.0	12.8	13.8	3,036	4.0	25.5	11.8	19.3		15.8
February	13.3	13.5	13.8	2,804	8.0	24.0	13.4	17.0		15.8
March	13.0	14.3	14.3	2,418	7.0	30.0	12.6	19.0		15.8

Source: Data provided by the Indonesian authorities.

1/ Average of rates at which transactions were conducted, weighted by volume of each transaction.

2/ At end of period.

Table 44. Indonesia: Issues of Shares and Bonds on the Jakarta Stock Exchange, 1988-94

	-----Shares-----				-----Bonds-----			
	Number of Companies Listed	Number of Companies	Value of Issues 1/ (Rp bn.)	Market Capitalization (Rp bn.)	Number of Companies	Value of Issues 1/ (Rp bn.)	Value Outstandin (Rp bn.)	Share Price Index (1982=100) 2/
1988	33	24	153	482	9	936	781	305.1
1989	90	68	2,102	4,359	22	1,555	1,331	399.6
1990	155	132	8,011	12,440	23	2,090	1,736	417.7
1991	169	145	9,217	16,438	24	2,215	1,798	247.3
1992	196	162	11,395	24,840	34	3,857	3,308	271.3
1993	224	181	16,065	69,300	43	5,762	4,938	588.7
1994	277	231	26,529	103,835	46	6,691	5,212	469.6

Source: Data provided by the Indonesian authorities.

1/ At offering price.

2/ End of period.

Table 45. Indonesia: Summary Balance of Payments, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Current account	-1,798	-4,029	-4,612	-2,891	-3,003	-3,643
Oil/gas sector	3,911	6,010	4,563	3,515	2,537	3,779
Non-oil/gas sector	-5,709	-10,039	-9,175	-6,406	-5,540	-7,422
Export, f.o.b.	23,830	28,143	29,714	35,303	36,506	42,040
Oil	6,288	8,053	6,869	6,363	5,513	6,236
Gas	3,049	4,710	3,837	4,117	3,823	4,088
Non-oil/gas	14,493	15,380	19,008	24,823	27,170	31,716
Import, c.i.f.	19,260	25,547	27,522	30,312	32,320	37,671
Oil	2,576	3,727	3,206	3,645	3,910	3,575
Gas	206	211	250	277	287	290
Non-oil/gas	16,478	21,609	24,066	26,390	28,123	33,806
Oil/gas sector payments (net)	-2,644	-2,815	-2,687	-3,043	-2,602	-2,680
Non-oil/gas services (net)	-3,895	-4,036	-4,327	-5,089	-4,857	-5,532
Official transfers	171	226	210	250	270	200
Capital account	2,582	6,621	5,888	6,655	4,409	5,029
Long-term capital (net)	1,990	2,071	3,270	3,117	3,301	2,981
Official capital	1,268	647	1,739	1,412	1,330	437
Receipts 1/	5,449	5,188	6,386	6,731	6,817	6,567
Amortization	4,181	4,541	4,647	5,319	5,487	6,130
Direct investment	722	1,424	1,531	1,705	1,971	2,544
Oil/gas sector export credits	-54	-73	108	142	334	379
Recorded private capital	646	4,623	2,510	2,195	-1,207	900
Portfolio investment	...	...	...	1,201	1,981	769
Commercial banks' monetary movements	249	2,105	1,062	-1,060	1,967	60
Errors and omissions 2/	-600	-89	460	2,108	-3,111	-2,894
Overall balance	433	4,608	2,798	4,812	262	-1,447
Bank Indonesia (increase -) 3/	-433	-4,608	-2,798	-4,812	-262	1,447
Memorandum items:						
Current account						
(In percent of GDP)	-1.8	-3.6	-3.8	-2.1	-1.8	-2.0
Gross official reserves						
(In months of imports) 4/	3.5	4.8	4.8	5.1	4.5	4.2
Gross official foreign assets						
(In months of imports) 3/, 4/	3.7	5.5	6.2	7.8	6.6	5.3

Source: Data provided by the Indonesian authorities; and staff estimates.

1/ In 1994/95 includes proceeds from the sale of PT Inodsat shares.

2/ Includes unrecorded private capital flows.

3/ Includes official assets held as a contingency reserve by Bank Indonesia.

4/ In months of the following year's non-oil/gas imports.

Table 46. Indonesia: Summary of Oil and Gas Current Account, 1989/90-1994/95

(In millions of U.S. dollars unless otherwise specified)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Oil/gas current account	3,911	6,012	4,561	3,515	2,534	3,781
Oil	2,311	2,883	2,157	1,327	319	1,412
Gas (LNG and LPG)	1,600	3,129	2,404	2,188	2,215	2,369
Total oil/gas exports, f.o.b.	9,337	12,764	10,704	10,480	9,334	10,325
Oil export value, f.o.b.	6,288	8,054	6,868	6,363	5,512	6,237
Crude	5,294	6,852	5,863	5,284	4,709	5,037
Products	994	1,202	1,005	1,079	803	1,200
Oil export volume (mn. barrels)	351	360	383	353	352	383
Crude	296	305	321	292	294	308
Products	55	55	62	61	58	75
Oil export prices (US\$/barrel)	17.9	22.4	17.9	18.3	15.7	16.2
Crude	17.9	22.5	18.3	18.6	16.0	16.4
Products	18.1	22.1	16.2	16.8	13.8	16.3
LNG export value, f.o.b.	2801	4304	3510	3764	3507	3,701
LNG export volume (MMBTU mn.)	967	1100	1157	1240	1277	1,364
LNG export price (US\$/MMBTU)	3.1	3.9	3.0	3.0	2.8	2.7
LPG export value, f.o.b.	248	406	326	353	315	387
LPG export volume ('000 MT)	2414	2635	2379	2492	2546	2,607
LPG export price (US\$/'000 MT)	102.7	154.1	137.3	141.9	123.7	149.8
Oil/gas sector payments	5,426	6,752	6,143	6,659	6,800	6,544
Pertamina	1,488	2,313	1,838	2,234	2,200	1,887
Non-oil imports	208	142	12	56	77	0
Oil imports	914	2,030	1,536	1,970	1,937	1,701
Crude	492	1,116	1,066	1,089	850	829
Products	422	914	470	881	1,087	872
Services (net)	366	141	290	208	186	186
Factor income	1,327	1,738	1,580	1,644	1,094	1,481
Oil companies	671	915	773	473	205	588
Gas companies	656	823	807	1,171	889	893
Other payments and imports	2,611	2,701	2,725	2,781	3,506	3,176
Oil cost recovery	1,818	1,943	2,098	2,023	2,788	2,350
Gas imports	206	211	250	277	288	289
Gas cost recovery	587	547	377	481	430	537

Source: Data provided by the Indonesian authorities.

Table 47. Indonesia: Oil Balance of Payments, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Exports, f.o.b.	6,288	8,053	6,869	6,363	5,513	6,236
Contract of work (COW)	170	147	105	91	54	0
Production sharing (PS)	2,863	3,572	3,361	3,153	2,776	3,177
In kind (COW + PS)	2,022	2,818	2,150	1,849	1,721	1,767
Pertamina	1,233	1,516	1,253	1,270	962	1,292
Imports, c.i.f.	-2,576	-3,727	-3,206	-3,645	-3,910	-3,575
Contract of work (COW)	-39	-40	-38	-38	-51	0
Production sharing (PS)	-1,415	-1,515	-1,620	-1,579	-1,845	-1,819
Pertamina	-1,122	-2,172	-1,548	-2,028	-2,014	-1,756
Services	-1,401	-1,445	-1,505	-1,391	-1,284	-1,250
Contract of work (COW)	-52	-49	-38	-123	-25	0
Production sharing (PS)	-983	-1,255	-1,177	-1,060	-1,073	-1,065
Pertamina	-366	-141	-290	-208	-186	-186
Current account 1/	2,311	2,881	2,158	1,327	319	1,411
Contract of work (COW)	79	58	29	-70	-22	0
Production sharing (PS)	465	802	564	514	-142	294
In kind (COW + PS)	2,022	2,818	2,150	1,849	1,721	1,767
Pertamina	-255	-797	-585	-966	-1,238	-650

Source: Data provided by the Indonesian authorities.

1/ Recorded as net oil in current account of balance of payments.

Table 48. Indonesia: Gas Balance of Payments, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
LNG exports, f.o.b.	2,801	4,304	3,510	3,764	3,508	3,701
Exports, c.i.f.	3,046	4,589	3,806	4,147	3,901	3,993
Freight	-245	-285	-296	-383	-393	-292
LPG exports	248	406	327	353	315	387
Imports, c.i.f.	-206	-211	-250	-277	-287	-290
Services, nonfreight	-1,243	-1,370	-1,182	-1,652	-1,318	-1,430
Cost of recovery	-432	-397	-331	-349	-249	-310
Contractors' share	-656	-823	-807	-1,172	-889	-893
Other charges	-155	-150	-44	-131	-180	-226
Current account	1,600	3,129	2,405	2,188	2,218	2,368

Source: Data provided by the Indonesian authorities.

Table 49. Indonesia: Non-Oil/Gas Exports, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Non-oil/gas exports	14,493	15,380	19,008	24,823	27,170	31,716
Agriculture	3,557	3,846	4,055	4,157	4,365	5,942
Minerals	1,585	1,440	1,692	2,187	2,109	2,725
Manufactured goods	9,351	10,094	13,261	18,479	20,696	23,049
Agriculture	3,557	3,846	4,055	4,157	4,365	5,942
Rubber	956	887	932	1,052	949	1,307
Palm oil	279	284	349	496	578	1,017
Coffee	452	371	362	264	340	946
Tea	181	154	145	144	149	106
Tobacco	44	72	65	80	73	60
Pepper	94	78	69	58	59	85
Animal products 1/	781	1,076	1,150	1,270	1,435	1,519
Tapioca	97	121	99	120	96	65
Other foodstuff	250	324	403	460	463	598
Copra cakes	51	56	51	63	65	79
Hides	70	58	43	43	43	53
Other	302	365	387	107	115	107
Minerals	1,585	1,440	1,692	2,187	2,109	2,725
Tin	213	147	146	146	84	130
Copper	321	448	528	720	759	907
Nickel	404	326	289	283	341	368
Aluminum	267	202	159	200	171	236
Other 2/	380	317	570	838	754	1,084
Manufactured goods	9,351	10,094	13,261	18,479	20,696	23,049
Wood products 3/	3,454	3,414	3,699	4,378	5,935	5,580
Textiles	2,219	2,731	4,011	5,879	5,439	5,847
Footwear	304	677	1,051	1,356	1,614	1,963
Electrical appliances	176	259	544	1,100	1,327	1,854
Handicrafts	250	357	489	607	732	1,085
Metal products	490	308	380	583	683	496
Fertilizer	167	214	291	147	161	202
Cement	128	69	68	104	47	37
Other	2,163	2,065	2,728	4,325	4,758	5,985
Annual percentage increase	19.0	6.1	23.6	30.6	9.5	16.7
(Percent of GDP)	14.7	13.9	15.7	18.2	16.6	17.4

Source: Data provided by the Indonesian authorities.

1/ Mainly shrimp.

2/ Until 1989/90, mainly gold; thereafter, mostly coal

3/ Mainly plywood.

Table 50. Indonesia: Non-Oil/Gas Imports, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Non-oil/gas imports, c.i.f.	16,478	21,609	24,066	26,390	28,123	33,806
Imports by Government	521	317	640	615	744	1,420
Rice	6	0.0	156	73	0.0	410
Wheat	343	260	348	480	478	624
Sugar	171	57	136	62	27	133
Other	1	0.0	0.0	0.0	239	253
Capital goods imports	2,211	4,197	4,201	5,096	5,479	5,835
Project aid	1,692	2,100	2,759	3,426	3,687	3,769
Public enterprises 1/	37	1,265	508	561	430	293
Foreign investment	482	832	934	1,109	1,362	1,773
General imports 2/	13,746	17,095	19,225	20,679	21,900	26,551
Of which:						
Related to other private capital	288	1,962	834	743	413	1,015
Memorandum items:						
Non-oil/gas imports						
Annual percentage change	21.3	31.1	11.4	9.7	6.6	20.2
In percent of GDP	16.9	19.9	20.3	20.0	17.3	18.8

Source: Data provided by the Indonesian authorities.

1/ Imports for certain Pertamina and Garuda (national airline) projects financed by foreign loans.

2/ Private sector imports financed through general foreign exchange provided in the foreign exchange market or through private foreign borrowing; includes consumer goods, raw materials, and capital goods.

Table 51. Indonesia: Non-Oil/Gas Services Account, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Total services (net)	-3,895	-4,036	-4,327	-5,089	-4,857	-5,532
Receipts	2,447	3,195	3,667	4,297	5,069	6,144
Payments	-6,342	-7,231	-7,994	-9,386	-9,926	-11,676
Transportation (net) 1/	-298	-343	-385	-620	-664	-755
Travel (net)	953	1,380	1,579	1,904	2,174	2,869
Receipts	1,630	2,199	2,602	3,314	3,811	4,826
Payments	-677	-819	-1,023	-1,410	-1,637	-1,957
Investment income (net)	-3,290	-3,775	-4,027	-4,112	-4,220	-5,392
Interest receipts 2/	629	857	915	719	883	838
Bank Indonesia	304	402	649	470	541	561
Deposit money banks	325	455	266	249	342	277
Interest payments	-3,749	-4,424	-4,722	-4,456	-4,610	-5,600
Official 3/	-2,809	-2,907	-2,908	-3,000	-3,109	-3,393
Private 4/	-940	-1,517	-1,814	-1,456	-1,501	-2,207
Profit transfers	-170	-208	-220	-375	-493	-630
Foreign companies	-150	-161	-170	-350	-453	-570
Resident banks	-20	-47	-50	-25	-40	-60
Workers' remittance 5/	188	139	150	264	375	480
Government, n.i.e. (net) 6/	-150	-160	-205	-214	-154	-164
Other 7/	-1,298	-1,277	-1,439	-2,311	-2,368	-2,570

Source: Data provided by the Indonesian authorities.

1/ Includes hire purchase, charter hire, repair, and dockings.

2/ Interest on foreign exchange holdings.

3/ Interest payments on medium- and long-term debt of the central government and public enterprises, including those related to the oil sector.

4/ Estimated interest based on recorded debt to banks abroad only; coverage of private sector debt may not be complete.

5/ From employment in the Middle East only.

6/ Includes expenditures for embassies.

7/ Comprises subscriptions, consulting fees, communications, film rentals, life insurance, advertisements, licenses, and patents.

Table 52. Trade Indices, 1989/90-1994/95 1/

(Base 1983/84 = 100; in U.S. dollar terms)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Total trade						
Value	120	142	150	175	181	208
Volume	147	157	172	194	200	217
Unit value	82	91	87	90	91	96
Oil exports						
Value	63	81	68	63	55	62
Volume	102	108	108	99	99	108
Unit value	62	75	63	64	56	57
Non-oil/gas exports						
Value	270	287	354	462	506	591
Volume	222	232	268	336	355	387
Unit value	122	123	132	138	142	153
Agricultural exports						
Value	142	154	162	166	175	238
Volume	144	161	164	160	162	189
Unit value	99	96	99	104	108	126
Mineral exports						
Value	198	180	211	273	264	341
Volume	134	138	162	197	183	203
Unit value	148	130	139	139	144	168
Manufactured exports						
Value	453	489	642	894	1,002	1,116
Volume	354	362	435	582	632	684
Unit value	128	135	148	154	158	163
Non-oil/gas imports						
Value	115	151	168	184	196	236
Volume	92	118	127	135	143	167
Unit value	124	128	132	136	137	141
External terms of trade 2/						
Total	66	71	66	66	66	68
Oil/gas	51	62	48	47	40	41
Non-oil/gas	98	96	100	102	104	109

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Unit value estimates for non-oil/gas imports based on the price index for the manufactured exports of industrial countries; and for non-oil/gas exports based on respective international commodity prices.

2/ Respective export price indices divided by the price index for non-oil/gas imports.

Table 53. Indonesia: Exports by Country of Destination, 1989/90-1994/95 1/

(In millions of U.S. dollars)

Country 2/	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95 Apr.-Nov.
Europe						
Netherlands	691	751	908	1,102	1,094	907
Belgium and Luxembourg	183	228	260	421	364	281
Denmark	39	61	86	93	98	70
United Kingdom and Republic of Ireland	441	611	668	952	1,106	752
Italy	249	298	446	610	481	452
Germany 3/	517	830	875	1,051	1,141	896
Norway	9	14	13	19	21	17
France	228	311	421	490	450	296
Sweden	28	38	46	48	43	32
Other	377	394	446	585	767	733
Total Europe	2,762	3,536	4,169	5,371	5,565	4,436
Share (in percent)	12.1	13.1	14.1	15.2	15.3	15.5
North America						
United States	3,521	3,260	3,652	4,672	5,250	4,114
Canada	118	134	212	284	301	226
Other	55	121	201	394	457	416
Total North America	3,694	3,515	4,065	5,350	6,008	4,770
Share (in percent)	16.1	13.1	13.7	15.1	16.5	16.7
Africa	215	231	377	483	433	456
Share (in percent)	0.9	0.9	1.3	1.4	1.2	1.6
Asia						
Philippines	153	167	164	158	290	271
Hong Kong	542	619	756	885	938	962
India	48	71	51	73	117	198
Iraq	160	44	0.0	0.0	0.0	0.0
Japan	9,631	11,391	10,306	11,099	10,942	7,474
Korea	998	1,558	2,040	2,080	2,390	1,695
Malaysia	231	270	363	527	576	531
Thailand	216	208	277	434	394	283
Pakistan	43	58	60	108	99	108
Singapore	1,878	1,977	2,476	3,530	3,987	2,961
Taiwan Province of China	595	954	1,100	1,272	1,591	1,096
Other	1,325	1,751	2,680	3,274	2,874	2,909
Total Asia	15,820	19,068	20,273	23,349	23,558	18,488
Share (in percent)	69.1	70.9	68.5	66.0	64.7	64.6
Australasia						
Australia	360	475	657	780	760	441
New Zealand and Oceania	56	72	43	64	72	48
Total Australasia	416	547	700	844	832	489
Share (in percent)	1.8	2	2.4	2.4	2.3	1.7
Grand total	22,907	26,897	29,584	35,398	36,396	28,639

Source: Data provided by the Indonesian authorities.

1/ Includes oil and gas exports.

2/ Indonesian classification.

3/ Data refer to the former Federal Republic of Germany.

Table 54. Indonesia: Imports by Country of Origin (c.i.f.), 1989/90-1994/95 1/

(in millions of U.S. dollars)

Country 2/	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95 Apr.-Nov.
Europe						
Belgium and Luxembourg	174	256	299	276	340	206
Czechoslovakia 3/	18	24	37	34	53	23
France	500	610	558	893	805	527
Germany 4/	980	1,731	2,078	2,152	2,064	1,682
Italy	358	494	506	557	550	457
Netherlands	274	579	462	583	585	355
Spain	109	117	125	251	206	116
Sweden	167	204	302	294	439	229
Switzerland	153	251	251	255	343	178
United Kingdom and Republic of Ireland	360	540	665	767	795	446
Other	345	437	423	660	1,003	687
Total Europe	3,438	5,243	5,706	6,722	7,185	4,907
Share (in percent)	20.3	22.3	21.8	24.6	24.9	22.5
North America						
Canada	393	328	387	453	427	332
United States	2,155	2,652	3,481	3,877	3,117	2,513
Other	439	629	519	496	626	589
Total North America	2,987	3,609	4,387	4,826	4,170	3,434
Share (in percent)	17.6	15.4	16.8	17.6	14.5	15.8
Africa	163	164	197	200	148	250
Share (in percent)	1.0	0.7	0.8	0.7	0.5	1.1
Asia						
China	573	703	799	745	1,065	960
Myanmar	2	1	1	7	4	20
Hong Kong	199	277	244	208	259	160
India	88	171	259	196	377	183
Japan	3,954	5,875	6,422	5,909	6,562	5,258
Korea	659	1,080	1,561	1,943	2,124	1,444
Malaysia	367	280	497	510	532	396
Pakistan	60	50	56	104	54	14
Philippines	60	41	84	60	56	43
Singapore	1,080	1,584	1,584	1,648	1,834	1,230
Thailand	163	195	338	284	227	270
Taiwan Province of China	1,029	1,423	1,255	1,298	1,537	789
Other	1,076	1,398	1,283	1,169	1,132	1,193
Total Asia	9,310	13,078	14,383	14,081	15,765	11,960
Share (in percent)	54.9	55.7	55.0	51.4	54.7	54.9
Australasia						
Australia	952	1,259	1,355	1,428	1,380	1,116
New Zealand and Oceania	103	115	124	137	187	102
Total Australasia	1,055	1,374	1,479	1,565	1,567	1,218
Share (in percent)	6.2	5.9	5.7	5.7	5.4	5.6
Grand total	16,953	23,468	26,152	27,394	28,835	21,768

Source: Data provided by the Indonesian authorities.

1/ Includes oil and gas imports.

2/ Indonesian classification.

3/ Data refer to the former Czechoslovakia.

4/ Data through 1990/91 refer to the former Federal Republic of Germany.

Table 55. Indonesia: Debt-Service Payments, 1989/90-1994/95

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
(In millions of U.S. dollars)						
Total debt-service payments	7,930	8,965	9,369	9,775	10,097	11,730
Amortization 1/	4,181	4,541	4,647	5,319	5,487	6,130
Public sector	4,181	4,541	4,647	5,319	5,487	6,130
Government	3,686	4,082	4,182	4,840	5,132	5,548
Public enterprises	495	459	465	479	355	582
Interest payments	3,749	4,424	4,722	4,456	4,610	5,600
Public sector	2,809	2,907	2,908	3,000	3,109	3,393
Government	2,516	2,639	2,647	2,695	2,843	3,060
Public enterprises	293	268	261	305	266	333
Private sector 2/	940	1,517	1,814	1,456	1,501	2,207
(In percent)						
Debt service/exports 3/, 4/	34.4	32.8	32.5	29.2	30.2	29.7
Of which: Public sector debt	27.5	24.5	23.4	21.5	21.3	20.3
Interest payment exports 4/	14.7	14.6	14.6	11.5	11.4	11.9

Sources: Data provided by the Indonesian authorities; and staff estimates.

1/ Excludes private sector amortization payments.

2/ Estimated interest based on recorded debt to banks abroad only; coverage of private sector debt may not be complete.

3/ Includes estimated private sector amortization payments.

4/ As a percentage of exports of goods and nonfactor services.

Table 56. Indonesia: External Debt, 1989/90-1994/95

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
(In billions of U.S. dollars; end-period)						
Total external debt (by debtor)	57.2	68.6	72.1	83.5	89.1	97.6
Public sector	43.5	48.0	48.2	55.4	60.0	67.4
Government	40.4	44.9	44.5	50.9	55.0	62.6
Public enterprises	3.2	3.1	3.7	4.5	5.0	4.8
Of which: LNG expansion	2.4	2.5	3.2	4.0	4.5	4.4
Private sector 1/	13.6	20.6	23.9	28.1	29.1	30.2
Banks	0.9	3.2	4.1	6.1	8.2	8.4
Nonbanks	12.7	17.4	19.9	22.1	20.9	21.8
(In percent)						
Total external debt (by creditor)	100.0	100.0	100.0	100.0	100.0	100.0
Public sector	100.0	100.0	100.0	100.0	100.0	100.0
Suppliers' credits	4.2	3.3	2.6	1.8	1.5	1.5
Financial institutions	31.7	28.1	27.0	25.3	25.5	25.5
Bonds	1.8	1.4	1.4	0.7	0.2	0.2
Multilateral institutions	25.2	29.0	28.1	30.0	29.4	29.7
Bilateral	31.3	32.6	34.1	34.8	35.8	36.0
Nationalization	0.3	0.3	0.2	0.2	0.2	0.2
LNG expansion	5.6	5.3	6.6	7.3	7.4	7.1
Memorandum items:						
Outstanding debt/GDP	59.8	65.1	61.7	62.4	55.9	54.9
Outstanding debt/exports of goods and nonfactor services	224.5	226.0	223.1	216.3	221.0	208.2
Public debt on concessional terms 2/	46.6	47.5	45.6	47.3	47.1	47.9
Share of public debt denominated in:						
U.S. dollars	42.8	42.9	42.2	41.7	41.0	39.8
Japanese yen	38.0	38.6	40.0	41.9	42.9	45.3

Sources: Data provided by the Indonesian authorities; World Bank Debtor Reporting System, and *BIS, International Banking and Financial Market Developments*.

1/ Based on recorded debt to banks abroad only; coverage of private sector debt may not be complete.

2/ Public debt at variable rates or on concessional terms in percent of total public debt; calendar year.

Table 57. Indonesia: Public Sector Debt Transactions, 1989/90-1994/95 1/

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Government sector						
Outstanding debt at beginning of period	40,520	40,354	44,876	44,484	50,887	55,037
Net drawings	1,659	924	1,418	915	1,156	103
Drawings 2/	5,345	5,006	5,600	5,755	6,288	5,651
Amortization	3,686	4,082	4,182	4,840	5,132	5,548
Adjustment 3/	-1,825	3,598	-1,810	5,488	2,994	7,427
Outstanding debt at end of period	40,354	44,876	44,484	50,887	55,037	62,567
Public enterprises						
Outstanding debt at beginning of period	3,404	3,156	3,135	3,673	4,490	5,007
Net drawings	-220	-51	531	747	444	-248
Drawings 2/	275	408	996	1,226	799	334
Amortization	495	459	465	479	355	582
Adjustment 3/	-28	30	7	70	73	67
Outstanding debt at end of period 4/	3,156	3,135	3,673	4,490	5,007	4,826
Public sector--total						
Outstanding debt at beginning of period	43,924	43,510	48,011	48,157	55,377	60,044
Net drawings	1,439	873	1,949	1,662	1,600	-145
Drawings 2/	5,620	5,414	6,596	6,981	7,087	5,985
Amortization	4,181	4,541	4,647	5,319	5,487	6,130
Adjustment 3/	-1,853	3,628	-1,803	5,558	3,067	7,494
Outstanding debt at end of period 4/	43,510	48,011	48,157	55,377	60,044	67,393
Public sector debt service 4/	6,990	7,448	7,555	8,319	8,596	9,523
Amortization	4,181	4,541	4,647	5,319	5,487	6,130
Interest	2,809	2,907	2,908	3,000	3,109	3,393

Source: Data provided by the Indonesian authorities.

1/ Excludes loans of a maturity of one year or less and debt to the IMF.

2/ As recorded in debt records of Bank Indonesia. Excludes drawings made in connection with prepayments.

3/ Mainly reflects valuation adjustments owing to changes in exchange rates, and an adjustment for the estimated grant component of public sector drawings.

4/ Includes LNG expansion debt.

Table 58. Indonesia: Debt to Foreign Banks (by Debtor) and Estimated Private Sector Debt, 1989/90-1994/95

(In billions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Total debt to foreign banks 1/	19.0	25.1	27.8	31.1	31.3	31.8
Less: Liabilities of the public sector						
Loans 2/	5.1	4.3	3.6	2.9	2.2	1.6
Bonds 3/	0.3	0.2	0.2	0.1	0.0	0.0
Private sector debt to foreign banks	13.6	20.6	23.9	28.1	29.1	30.2
Banks 2/	0.9	3.2	4.1	6.1	8.2	8.4
Nonbanks 4/	12.7	17.4	19.9	22.1	20.9	21.8

Sources: BIS, International Banking and Financial Market Developments; Bank Indonesia; and staff estimates.

1/ Based on BIS data for nonbanks and Bank Indonesia data for banks.

2/ Based on data provided by Bank Indonesia.

3/ Assuming one third of bonds are held by banks.

4/ Based on BIS, International Banking and Financial Markets Developments.

Table 59. Indonesia: Net Foreign Assets of the Banking System, 1989/90-1994/95

(In millions of U.S. dollars)

	1989/90	1990/91	1991/92	1992/93	1993/94	Est. 1994/95
Net international reserves of Bank Indonesia	5,650	9,160	10,462	11,981	12,708	13,324
Assets	6,259	9,561	10,542	11,981	12,708	13,324
Gold 1/	1,143	1,046	983	930	2,009	1,070
SDRs	2	2	2	0	1	1
Fund position	95	103	99	272	275	291
Foreign exchange	5,019	8,410	9,458	10,779	10,423	11,962
Liabilities 2/	-609	-401	-80	0.0	0.0	0.0
Other official assets (net) 3/	456	1,554	3,050	6,343	5,878	3,815
Commercial banks (net)	4,689	2,584	1,522	2,582	615	555
Assets	6,205	5,724	3,711	5,668	4,569	4,871
Liabilities	-1,516	-3,140	-2,189	-3,086	-3,954	-4,316
Banking system (net)	10,795	13,298	15,034	20,906	19,201	17,694
Assets	12,920	16,839	17,303	23,992	23,155	22,010
Liabilities	-2,125	-3,541	-2,269	-3,086	-3,954	-4,316
Memorandum items:						
Gold (millions of fine troy ounces)	3.106	3.110	3.101	3.101	3.101	3.101
Gross international reserves						
(In months of imports) 4/	3.5	4.8	4.8	5.1	4.5	4.2
Gross foreign assets						
(In months of imports) 4/	3.7	5.5	6.2	7.8	6.6	5.3
Swap liabilities	1,434	5,359	228	64	18	980
Foreign currency deposits	5,048	8,042	9,994	12,039	...	...

Source: Data provided by the Indonesian authorities.

1/ National valuation.

2/ Includes use of Fund credit (under the compensatory financing facility).

3/ Largely represents official assets held as a contingency reserve.

4/ In months of the following year's non-oil/gas imports.