



INDONESIA

STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

February 22, 2022

Prepared By

Asia and Pacific Department

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FUND RELATIONS

(As of January 31, 2022)

Membership Status: Joined February 21, 1967; Article VIII

General Resources Account

	SDR Millions	Percent of Quota
Quota	4,648.40	100.00
IMF's holdings of currency (holding rate)	3,860.07	83.04
Reserve tranche position	792.91	17.06

SDR Department

	SDR Millions	Percent of Allocation
Net cumulative allocation	6,435.72	100.00
Holdings	5,569.76	86.54

Outstanding Purchases and Loans: None

Financial Arrangements

Type	Approval Date	Expiration Date	Amount Approved (SDR Millions)	Amount Drawn (SDR Millions)
EFF	02/04/00	12/31/03	3,638.00	3,638.00
EFF	08/25/98	02/03/00	5,383.10	3,797.70
Stand by	11/05/97	08/25/98	8,338.24	3,669.12

Projected Payments to Fund (SDR millions; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2022	2023	2024	2025	2026
Principal					
Charges/Interest	0.85	0.90	0.91	0.90	0.90
Total	0.85	0.90	0.91	0.90	0.90

Exchange Arrangements

The rupiah has had a *de jure* free floating exchange arrangement since August 14, 1997, and the current *de facto* arrangement is floating. The market exchange rate was Rp 14,383 per U.S. dollar as of January 31, 2022. Indonesia has accepted the obligations of Article VIII, Sections 2, 3, and 4, and maintains an exchange system free of restrictions on payments and transfers for current international transactions.

Article IV Consultation

The last Article IV consultation report (IMF Country Report No. 21/46) was discussed by the Executive Board on February 12, 2021.

Resident Representative

Mr. James Walsh has been the Senior Resident Representative since August 2020.

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

- World Bank: <https://www.worldbank.org/en/country/indonesia>
- Asian Development Bank <https://www.adb.org/countries/indonesia/main>

STATISTICAL ISSUES

I. Assessment of Data Adequacy for Surveillance

General: Data provision is broadly adequate for surveillance with some shortcomings in fiscal and external sector statistics.

National accounts: Statistics Indonesia (BPS) disseminates annual and quarterly GDP (QGDP) by economic activity and expenditure components at current prices and in volume terms at 2010 prices regularly. In general, GDP estimates are based on the latest international methodologies following the System of National Accounts (2008 SNA). However, the base year is outdated. The BPS has compiled supply and use tables for 2016 for internal use. The QGDP estimates are based on a limited set of indirect indicators. Some sectors are influenced strongly by seasonality, with seasonally adjusted data prepared but not published. Seasonal adjustment of national accounts and the CPI and rebasing of the national accounts are areas in which the authorities have expressed interest in receiving TA. BPS, in collaboration with Bank Indonesia (BI) and with TA from STA, compiled and published quarterly institutional sector accounts statistics for 2016Q1-2019Q4.

Price statistics: An updated CPI with weight and index reference periods of 2018 was introduced in January 2020. This update improved the CPI representativeness of current consumer expenditure patterns and incorporated improved imputation methods and expanded coverage of ecommerce transactions. The PPI is released quarterly with an index and weight reference period for PPI is 2010. The weights should be updated to better reflect current production. BPS has expanded PPI coverage to include some services activities, including passenger transport and hotel and restaurants. A July 2020 mission supported the BPS with creating a workplan to further expand PPI coverage to freight transportation and telecommunications, though these new data have not yet been disseminated. In 2019, STA assisted Bank Indonesia with the development of an enhanced Residential Property Price Index (RPPI) using Internet property listings datasets.

Government finance statistics (GFS): The Ministry of Finance (MOF) is committed to keeping the requirements of fiscal statistics at the forefront of ongoing fiscal reforms, with better statistical monitoring one of the goals of the current efforts. The authorities are continuing their efforts to adopt the GFSM 2001/2014 standards, with assistance from STA as part of a regional GFS project. Significant progress has been made in these areas and, Indonesia now reports to STA annual general government data (including balance sheet data) covering the period from 2008 onwards. Annual general government GFS are currently available within 12 months after the end of the reference period and these data are published on the GFS website: <http://www.gfs.djpbk.kemenkeu.go.id/en>. Aggregated monthly data on the budget of the central government are available with a one-month lag.

In late 2015, the authorities have started to compile quarterly general government data based on estimates of local government data. Quarterly general government GFS (operations statement) are available 6 months after the end of the reference quarter. The quarterly general government data are yet to be published on the GFS website because the authorities are improving these data in terms of coverage of local governments and timeliness with the development of new regional financial information system. Limited quarterly general government GFS data are published in IFS. The coverage and timeliness of public debt statistics are generally adequate with quarterly data published in the World Bank's [Quarterly Public Sector Debt Database](#).

Monetary and financial statistics (MFS) and financial soundness indicators (FSIs): Monetary statistics are compiled by BI on a timely basis. BI compiles and reports monetary data using the Standardized Report Forms (SRFs), from which an integrated database and alternative presentations of monetary statistics can be drawn to meet the needs of BI and the IMF. Additional challenges include timely revisions of published banking sector data after supervisory verification. BI also reports the OFCs survey, which since January 2015 includes finance companies, insurance companies, pension funds, the state-owned pawn shop (PT Pegadaian), and the Indonesian export financing institution (Eximbank). MFS data are reported on a monthly basis. A Fund TA mission in October 2014 also assisted BI in advancing the production of flow-based monetary statistics and quarterly financial accounts.

In line with the 2019 Financial Soundness Indicators (FSIs) Compilation Guide, BI reports to the Fund all core FSIs (18 FSIs) for deposit takers and real estate markets, and 19 additional FSIs for deposit takers, other financial corporations, and other sector, which are published quarterly on the Fund's FSI website. Indonesia reports data on some key series and indicators of the Financial Access Survey (FAS), including mobile money and the two indicators adopted by the UN to monitor Target 8.10 of the Sustainable Development Goals (SDGs).

External sector statistics (ESS): Trade data have been improved in recent years. Import and export transactions of free trade zones and bonded warehouses are captured in goods data of balance of payments (BOP) statistics.

For financial account, the methodological basis for the compilation of direct investment (DI) data needs substantial improvement. Inflows are currently calculated based on loan disbursements to companies that have foreign equity using a fixed ratio to estimate equity inflows. The errors and omissions in BOP has been large and predominantly negative and could be related to the under coverage of imports in current account or assets in the financial account. Financial transactions data are reconciled with changes in the international investment position (IIP), except data on DI.

IIP data are compiled and published annually and quarterly. External debt statistics improved considerably with the introduction of an External Debt Information System (EDIS) in 2002 and the subsequent initiative to publish monthly indicators. Also, as a result of the ongoing reconciliation of data conducted by BI, the IIP and external debt data are fully consistent. However, improvements are still needed with respect to components of private corporate sector data, particularly in distinguishing between scheduled and actual debt service, in estimating the accumulation/reduction of private sector payments arrears, and in estimating reschedulings/debt reductions received by the private sector from external creditors.

II. Data Standards and Quality

Indonesia has subscribed to the Special Data Dissemination Standard (SDDS) since September 1996. Indonesia uses the SDDS flexibility options for the timeliness of the labor market categories (employment, unemployment, and wages/earnings) and general government operations.

Indonesia: Table of Common Indicators Required for Surveillance

(As of February 7, 2022)

	Date of Latest Observation	Date Received	Frequency of Data ¹	Frequency of Reporting ¹	Frequency of Publication ¹	Memorandum Items:	
						Data Quality—Methodological Soundness ²	Data Quality—Accuracy and Reliability ³
Exchange rates	2/7/2022	2/7/2022	D	D	D		
International reserve assets and reserve liabilities of the monetary authorities ⁴	12/2021	1/2022	M	M	M		
Reserve/base money	12/2021	1/2022	W/M	W/M	W/M	O, LO, O, O	LO, O, O, LO, O
Broad money	12/2021	1/2022	M	M	M		
Central bank balance sheet	12/2021	1/2022	M	M	M		
Consolidated balance sheet of the banking system	11/2021	1/2022	M	M	M		
Interest rates ⁵	2/7/2022	2/7/2022	D	D	D		
Consumer price index	1/2022	2/2022	M	M	M		
Revenue, expenditure, balance and composition of financing—central government	12/2021	1/2022	M	M	M	LNO, LNO, LO, LNO	LNO, LO, LO, LO, LNO
Stocks of central government and central government-guaranteed debt	12/2021	1/2022	Q	Q	Q		
External current account balance	Q3/2021	11/2021	Q	Q	Q	LO, LO, LO, LO	LO, O, LO, O, O
Exports and imports of goods and services	Q4/2021	1/2022	Q	Q	Q		
GDP/GNP	Q4/2021	2/2022	Q	Q	Q	LO, LO, O, LO	LO, LO, LO, LO, LNO
Gross external debt ⁶	11/2021	1/2022	M	M	M		
International investment position ⁷	Q3/2021	12/2021	Q	Q	Q		

1 Daily (D); Weekly (W); Monthly (M); Quarterly (Q); Annually (A); NA: Not Available.

2 Reflects the assessment provided in the data ROSC published on July 20, 2005 (based on the findings of the mission that took place during March 28–April 11, 2005), for the dataset corresponding to the variable in each row. The assessment indicates whether international standards concerning concepts and definitions, scope, classification/sectorization, and basis for recording are fully observed (O); largely observed (LO); largely not observed (LNO); not observed (NO); and not available (NA).

3 Including currency and maturity composition, except referring to international standards concerning source data, assessment of source data, statistical techniques, assessment and validation of intermediate data and statistical outputs, and revision studies.

4 Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

5 Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

6 Including currency and maturity composition.

7 Includes external gross financial assets and liability positions vis-à-vis nonresidents.