

Statement by the Staff Representative on Indonesia

March 11, 2022

The information below has become available following the issuance of the staff report. It does not alter the thrust of the staff appraisal.

1. On February 18, Bank Indonesia (BI) released the Q4 2021 Balance of Payments Report.

- The current account balance (CAB) recorded a modest surplus of 0.3 percent of GDP in 2021 (slightly lower than staff's projection of a surplus of 0.4 percent of GDP in the staff report), compared to a deficit of 0.4 percent of GDP in 2020. During the course of the year, the CAB moved from a deficit of 0.7 percent of GDP in 2021Q2 to a surplus of 1.7 percent in 2021Q3 and a surplus of 0.7 percent of GDP in 2021Q4.
- The trade balance in 2021 increased to 3.7 percent of GDP, from 2.7 percent of GDP in 2020.
- Net financial inflows stabilized at 1.0 percent of GDP in 2021 after a decline to 0.7 percent of GDP in 2020 (from 3.3 percent in 2019). Overall, net portfolio inflows rose to 0.4 percent of GDP in 2021 compared to 0.3 percent in 2020, while net FDI inflows increased to 1.4 percent of GDP compared to 1.3 percent in 2020.
- Gross external debt declined from 39.3 percent of GDP at end-2020 to 35.7 percent of GDP at end-September 2021, and further to 35.0 percent of GDP at end-December 2021.