



Market Outlook 2024

Research Team
Samuel Sekuritas Indonesia

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Global and Regional Environment

Indonesia: One of the Highest GDP Growth in 2024F

Consensus World GDP

2023: 3.1
2024F: 3.0 (2.8)
2025F: 3.0



USA
2023A: 2.5
2024F: 2.3 (2.4)
2.6 (IMF)
2025F: 1.8 (1.7)
1.9 (IMF)



Brazil
2023A: 2.9
2024F: 2.1 (2.0)
2.2 (IMF)
2025F: 2.0
2.1 (IMF)



UK
2023A: 0.1
2024F: 0.8 (0.6)
0.7 (IMF)
2025F: 1.2
1.5 (IMF)



Eurozone
2023A: 0.5
2024F: 0.7 (0.5)
0.9 (IMF)
2025F: 1.4
1.5 (IMF)



India
2023A: 7.8
2024F: 7.8 (7.6)
7.0 (IMF)
2025F: 7.0 (6.8)
6.5 (IMF)



Russia
2023A: 3.6
2024F: 3.0
3.2 (IMF)
2025F: 1.6 (1.2)
1.5 (IMF)



China
2023A: 5.2
2024F: 4.9 (4.6)
5.0 (IMF)
2025F: 4.5 (4.4)
4.5 (IMF)



Australia
2023A: 2.0
2024F: 1.3 (1.4)
1.5 (IMF)
2025F: 2.2
2.0 (IMF)



Japan
2023A: 1.9
2024F: 0.1 (0.4)
0.7 (IMF)
2025F: 1.2 (1.1)
1.0 (IMF)



ASEAN-5
2023A: 3.5
2024F: 4.4
4.5 (IMF)
2025F: 4.3
4.6 (IMF)

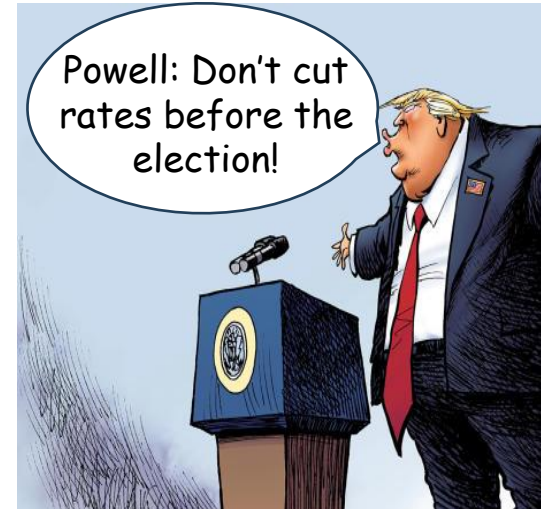


Indonesia
2023A: 5.1
2024F: 5.0 (4.9)
4.9 (SSI)
5.1 (BI)
5.2 (SMI)
5.0 (IMF)
2025F: 5.1 (5.0)
5.0 (SSI)
5.2 (BI)
5.0 (IMF)

Trump Economic Policies

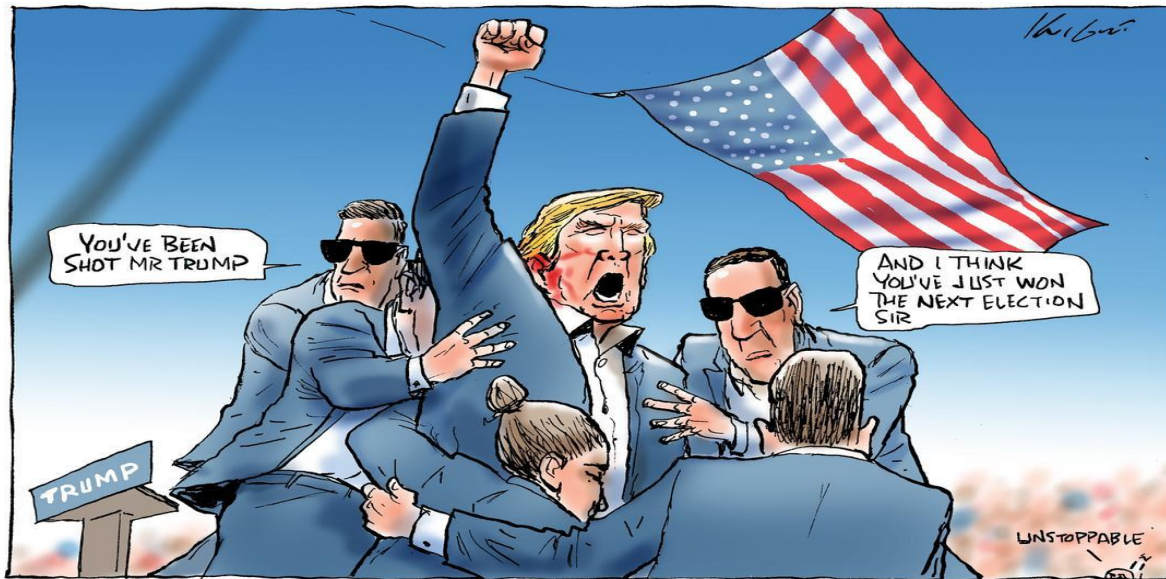
- Kamala Harris may replace Biden in the race, but senior Democrats doubt her chances against Trump.
- Past economic policies, like the trade war with China and tax incentives, led to inflation and will likely delay interest rate cuts.
- If the Fed maintains high interest rates, Indonesia will likely do the same to prevent IDR depreciation given our twin deficit.
- The US-China trade war could present economic benefits to Southeast Asia, although the positive impact on Indonesia remains uncertain and likely to lag our regional peers due to our restrictive policies.

Rates to Stay Up Higher for Longer



Trade War Chapter II

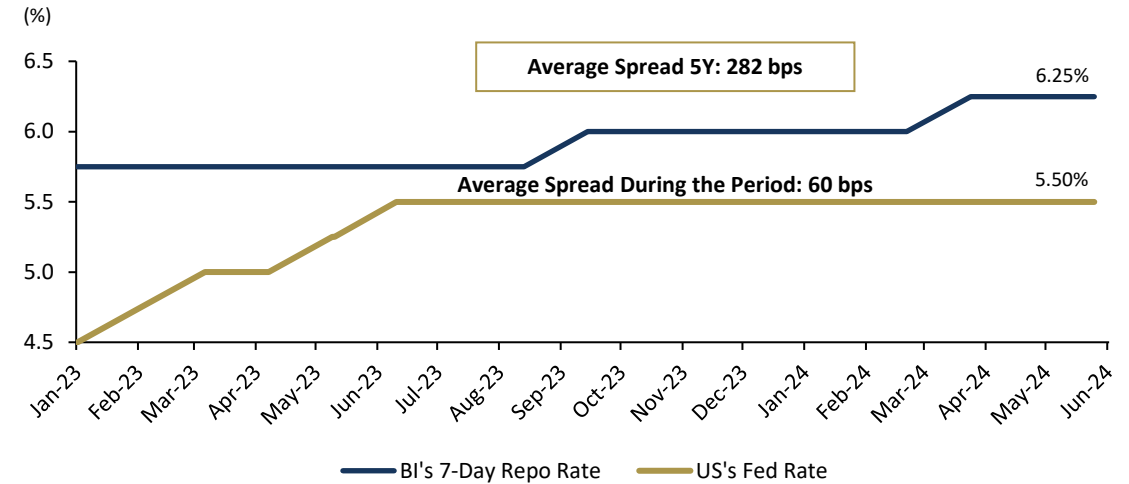
"Make America Great Again!"



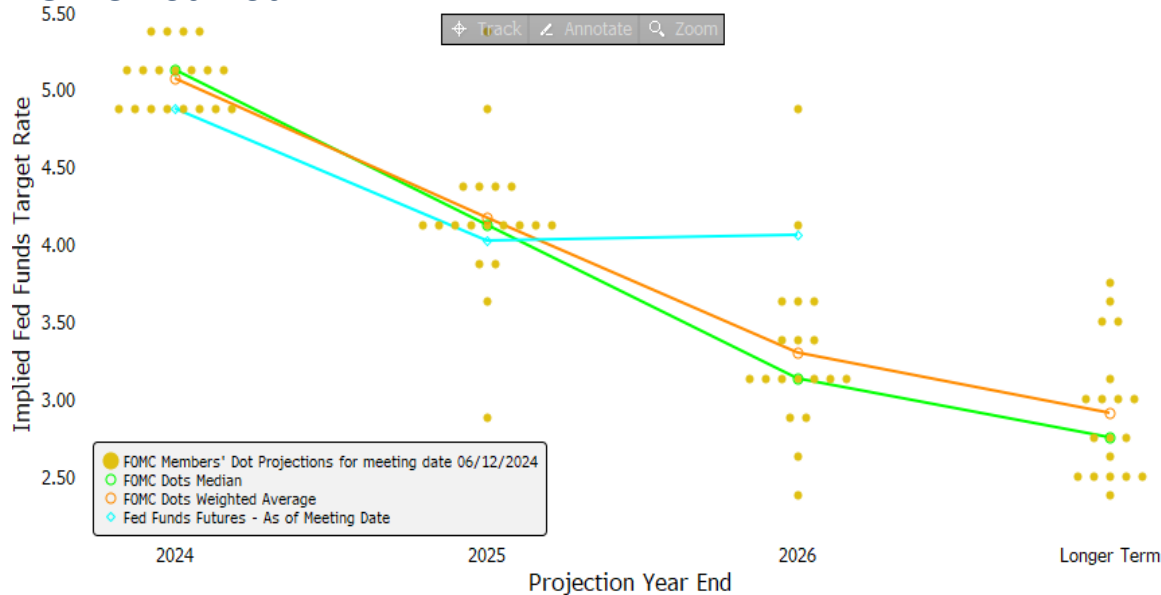
Fed Rate Meeting

- In its July 2024 meeting, the Fed decided to maintain the federal funds rate at a 23-year high of 5.25%-5.50% for the eighth consecutive time, inline with expectations. The Fed's statement highlighted continued progress toward the 2% inflation goal, though inflation remains somewhat elevated.
- Recent economic data points to solid economic expansion. However, job gains have moderated, and the unemployment rate has increased slightly, though it remains relatively low. This indicates a potential cooling in the labor market, which could help ease inflationary pressures over time.
- The Federal Reserve noted that the risks to achieving its dual mandate of maximum employment and stable prices are moving into better balance. Despite this, the central bank remains cautious and does not foresee a reduction in rates until there is greater confidence that inflation is on a sustainable path toward the 2% target.
- During the press conference, Chair Jerome Powell indicated that a rate cut in September could be possible if inflation aligns with expectations. He also mentioned that the Fed might consider multiple rate cuts this year, depending on the evolving economic conditions. However, he did not rule out the possibility of maintaining the current rate if inflation persists.
- The CME Fed Target Rate Probability suggests a 100% probability that the Fed will cut rates at the next 18-September FOMC meeting. However, the upcoming US election and the assassination of Hamas's top leader, Ismail Haniyeh, may result in higher expected inflation, which could disrupt the potential rate cut next month. This aligns with our view since the beginning of the year that the Fed would maintain its rate throughout the year.

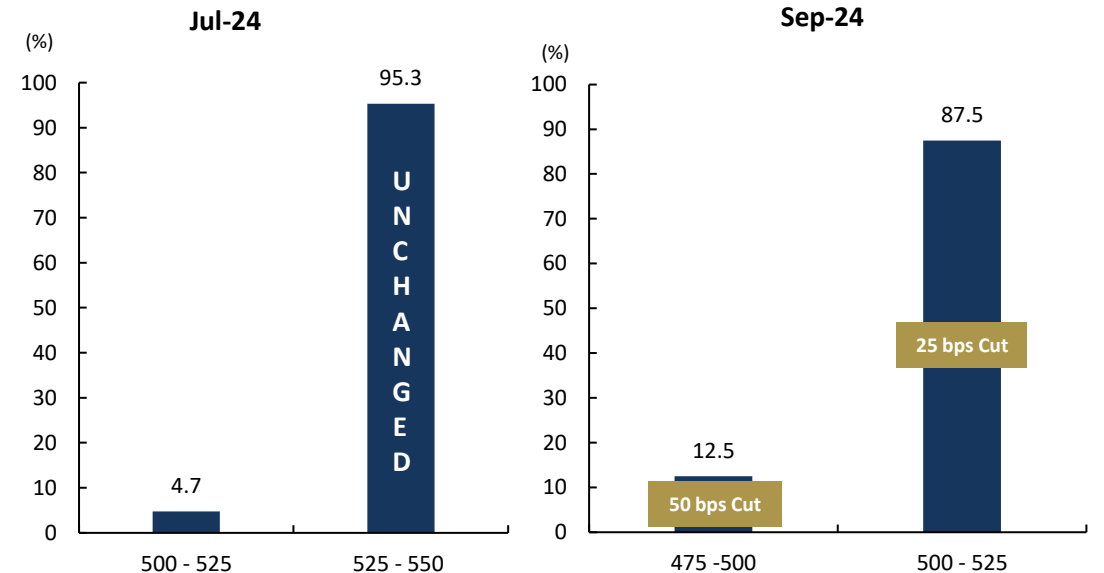
US' Fed Rate and BI's 7-Day Repo Rate



FOMC Dot Plot



Target Rate Probabilities for July & September 2024 Fed Meeting



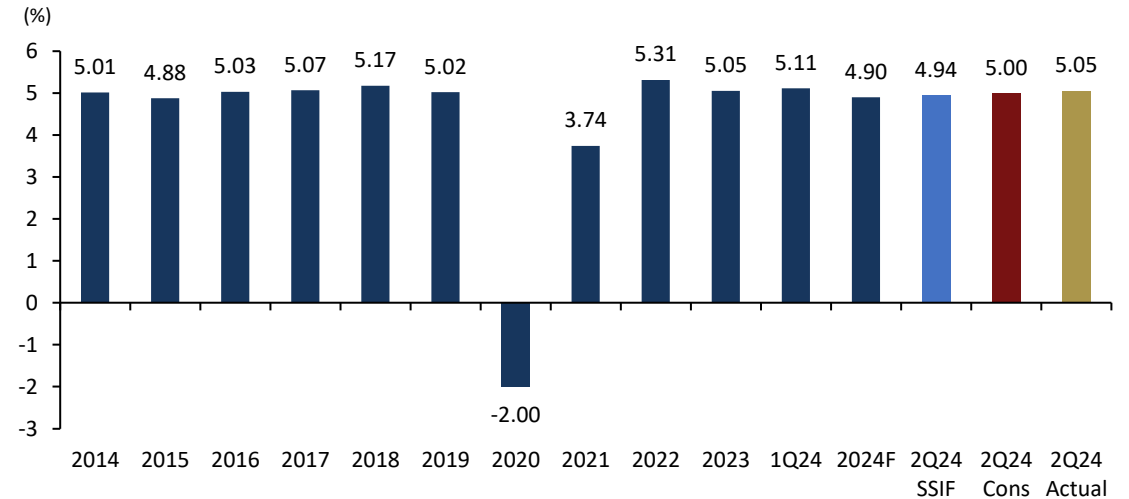
Indonesian Economy Amidst Tension

Glowing in the distance, elusive, solid

Gross Domestic Product 2Q24

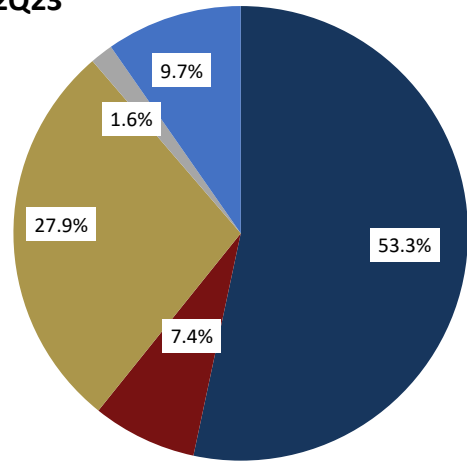
- The second quarter of 2024 saw the economy expand by 5.05% year-on-year, slightly easing from the 5.11% growth recorded in the first quarter and closely in line with market expectations of 5%, although missing our forecast of 4.94%. This deceleration can be attributed primarily to a sharp decline in government spending growth, which fell to 1.42% from a significant 19.90% surge in the first quarter, largely driven by heightened spending associated with the February elections. Nonetheless, household consumption remained resilient, growing 4.93%, and fixed investment accelerated to 4.43%.
- On the trade front, both exports and imports experienced substantial growth, positively contributing to GDP. Exports rose 8.28%, while imports increased 8.57%, reflecting robust trade performance. However, production activities showed signs of easing. Mining output growth slowed to 3.17% from 9.31%, healthcare to 8.56% from 11.64%, and manufacturing to 3.95% from 4.13%. Other sectors also experienced slight deceleration in growth rates. Communication sector growth eased to 7.66% from 8.39%, wholesale and retail trade to 4.86% from 4.59%, and construction to 7.29% from 7.59%.
- Looking ahead, recent economic data suggests some challenges to the growth trajectory. In July 2024, Indonesia experienced a significant decrease in its annual inflation rate, which fell from 2.51% in June to 2.13%, indicating lagging consumption. From the supply side, The S&P Global Indonesia Manufacturing PMI fell to 49.3 in July, marking the first contraction in factory activities since August 2021.
- While Indonesia's economy showed resilience in the first half of 2024, the recent data indicates potential headwinds that could temper growth in the latter half of the year. The combination of constrained demand and challenges in the manufacturing sector suggests moderating growth outlook, with the economy likely expanding at around 4.9% for the full year, particularly given global economic slowdown.

Indonesia's GDP Growth (YoY)



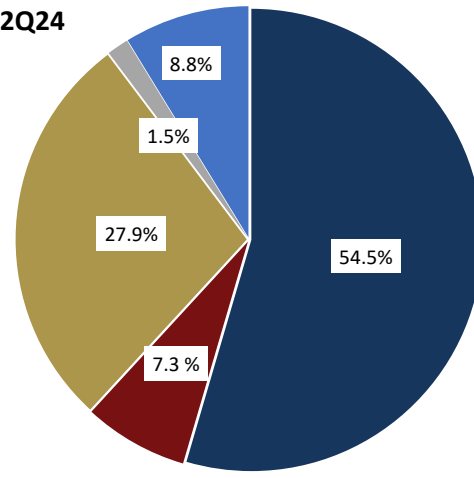
Distribution of GDP, 2Q23 vs 2Q24

2Q23



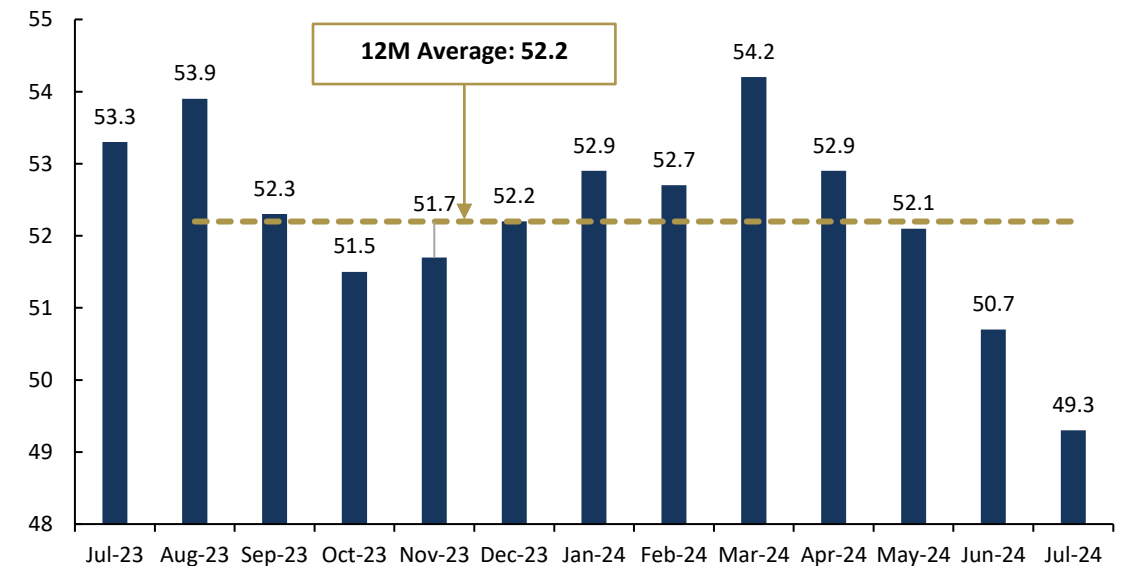
■ Household Consumption
■ Investment
■ Government Spending
■ Net Export
■ Others

2Q24



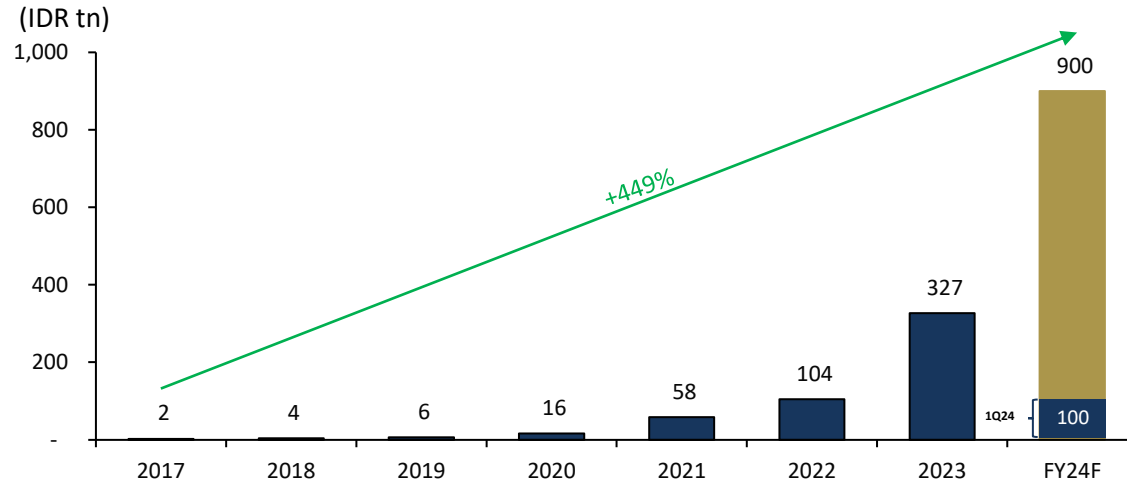
■ Household Consumption
■ Investment
■ Government Spending
■ Net Export
■ Others

Indonesia Manufacturing PMI



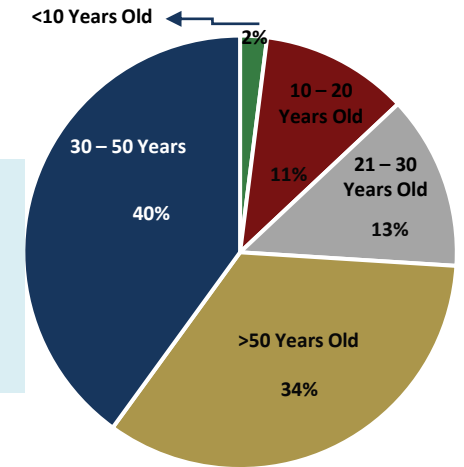
Erosion in Middle Class' Income

Online Gambling Transaction Values

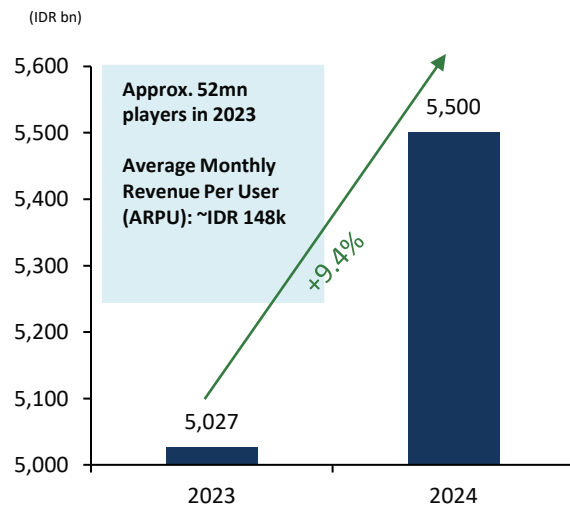


Profile of Online Gambling Players

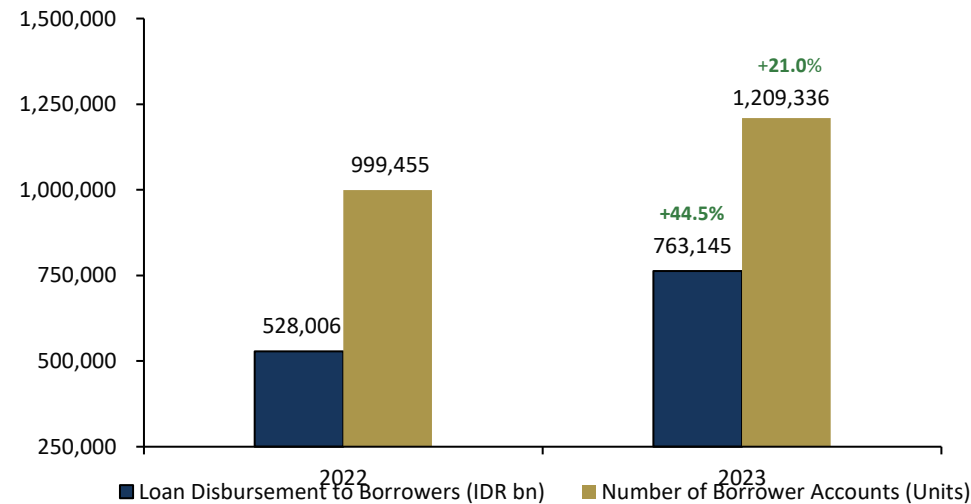
- 2.3 million online gambling players
- 80% from mid-low income bracket
- 89% from young and productive age groups



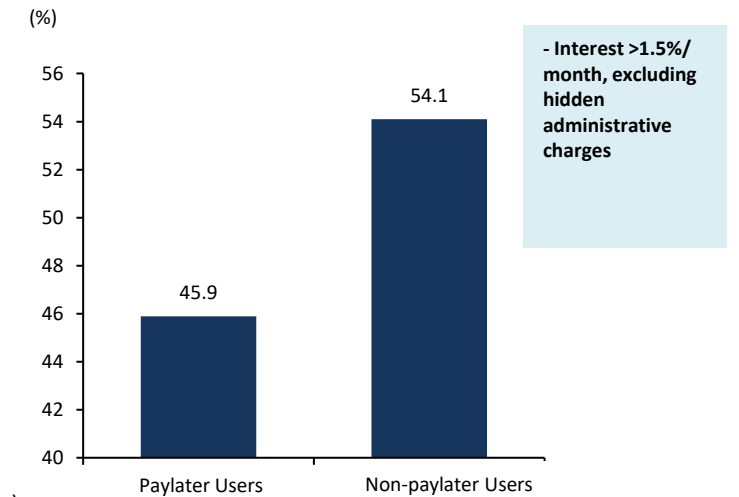
Revenues of Online Games



Peer-to-Peer Lending (Pinjol)



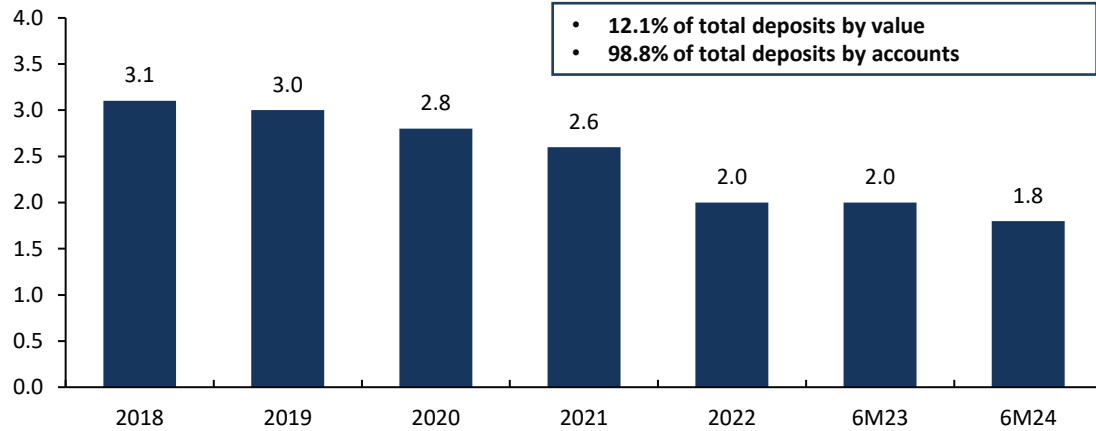
E-commerce Transactions Using Paylater



Signs of Some Slowdown

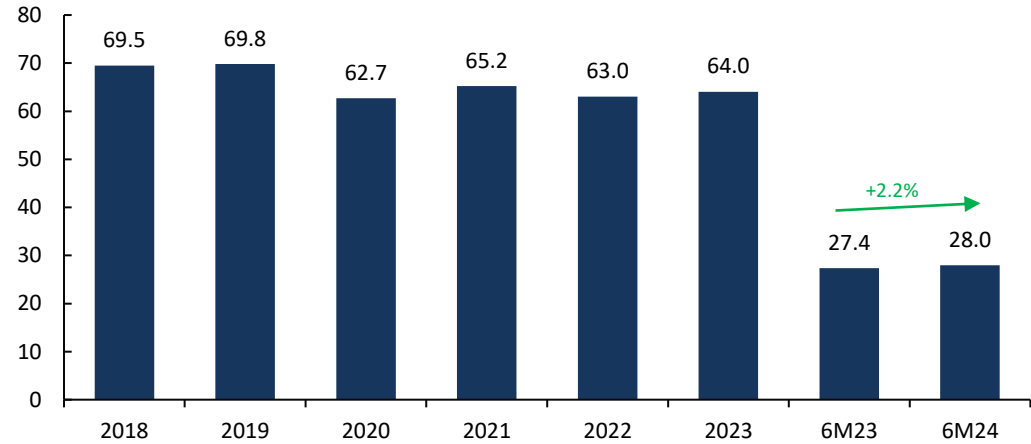
Average Deposit of <IDR100mn Accounts, 2018 - 6M24

(IDRmn/account)



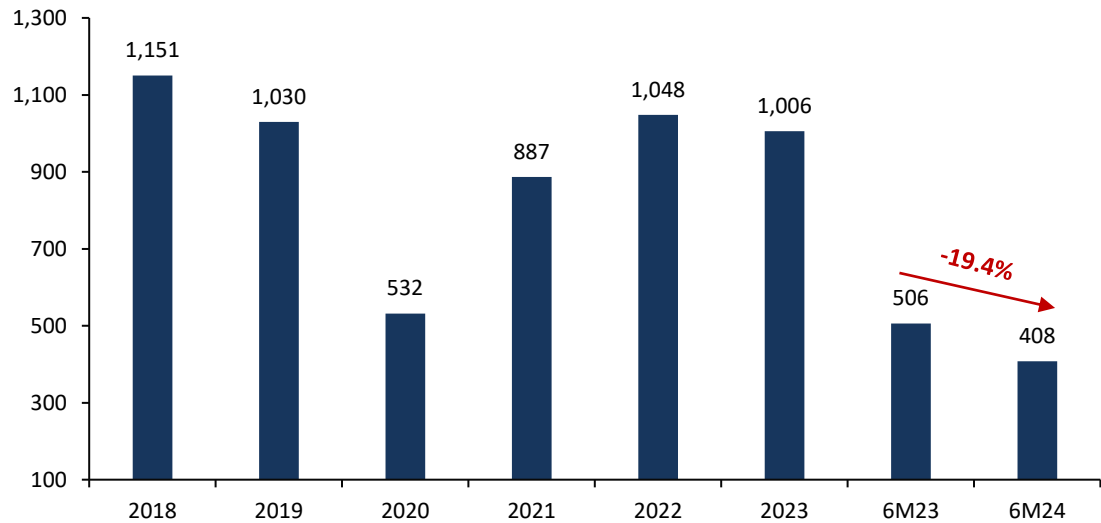
Domestic Cement Sales, 2018 – 6M24

(mn/tonnes)



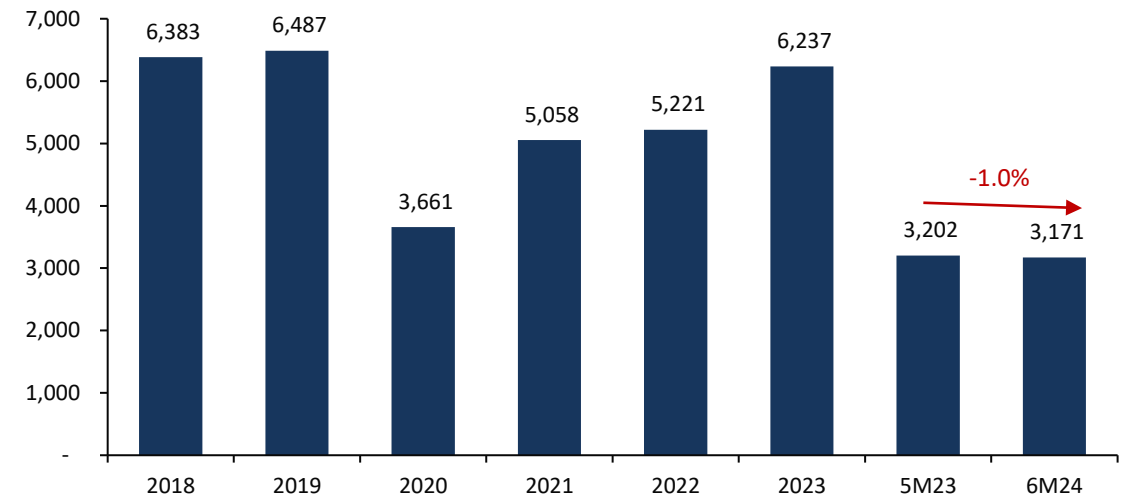
Domestic Car Sales, 2018 - 6M24

('000 units)



Domestic Motorcycle Sales, 2018 - 6M24

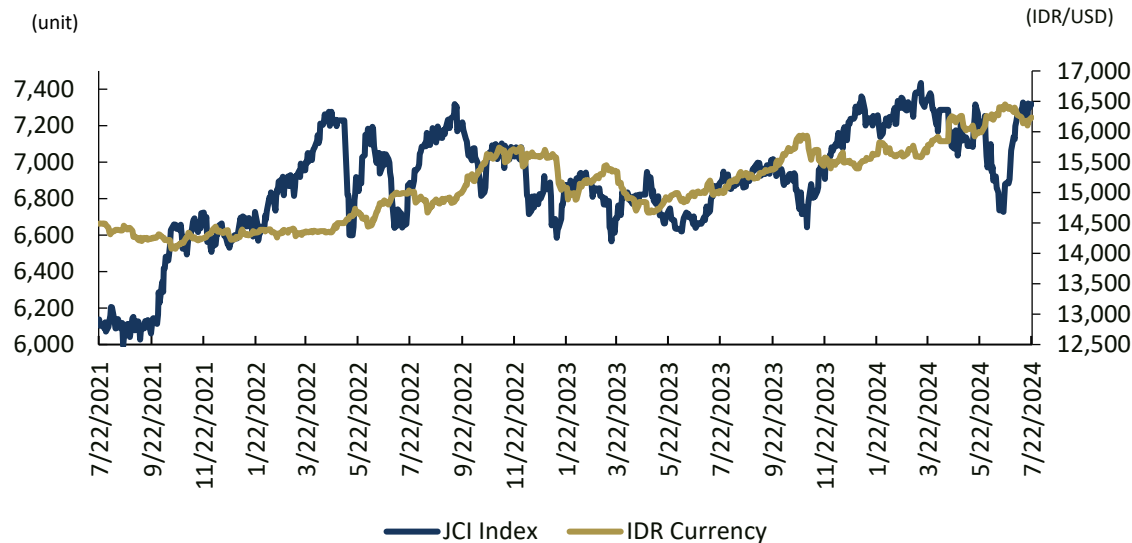
('000 units)



Movements of IDR and Other Currencies

South-East Asia	YTD	2023	2022	10Y CAGR	East Asia & Australasia	YTD	2023	2022	10Y CAGR	Developing Economies	YTD	2023	2022	10Y CAGR	Advanced Economies	YTD	2023	2022	10Y CAGR
KHR (Cambodia)	(0.5)	0.8	(1.1)	(0.1)	MNT (Mongolia)	1.4	0.0	(17.0)	(5.7)	PLN (Polandia)	0.1	11.2	(7.8)	(1.0)	GBP (UK)	1.2	5.4	(10.7)	(1.9)
MYR (Malaysia)	(0.8)	(4.1)	(5.4)	(2.8)	HKD (Hongkong)	0.1	(0.1)	(5.4)	(0.1)	INR (India)	(0.6)	(0.6)	(5.4)	(2.8)	ISK (Iceland)	(1.6)	4.5	(5.4)	(0.8)
SGD (Singapore)	(1.6)	1.5	0.7	(0.1)	CNH (China)	(2.1)	(2.8)	0.7	(1.6)	RUB (Russia)	(2.5)	23.6	0.7	17.8	DEM (German)	(1.6)	3.1	0.7	(1.1)
VND (Vietnam)	(4.1)	(2.6)	(3.4)	(1.7)	AUD (Australia)	(3.7)	(0.0)	(3.4)	(2.2)	COP (Columbia)	(4.2)	25.9	(3.4)	(5.1)	EUR (France)	(1.6)	3.1	(3.4)	(1.1)
PHP (Philippines)	(5.1)	0.6	(8.5)	(2.6)	TWD (Taiwan)	(6.5)	0.0	(8.5)	(0.4)	MXN (Mexico)	(8.0)	14.9	(8.5)	(2.2)	DKK (Denmark)	(1.7)	2.9	(8.5)	(1.1)
THB (Thailand)	(5.3)	1.4	(3.5)	(0.9)	NZD (NZ)	(6.7)	(0.5)	(3.5)	(2.8)	TRY (Turkey)	(10.4)	(36.6)	(3.5)	(23.3)	CAD (Canada)	(4.2)	2.3	(3.5)	(1.7)
IDR (Indonesia)	(5.5)	1.1	(8.4)	(2.7)	KRW (Korea)	(6.7)	(1.8)	(8.4)	(2.3)	ARS (Argentina)	(13.0)	(78.1)	(8.4)	(37.5)	CHF (Swiss)	(4.7)	9.9	(8.4)	1.2
LAK (Laos)	(7.2)	(15.7)	(35.4)	(9.6)	JPY (Japan)	(8.1)	(7.0)	(35.4)	(2.4)	BRL (Brazil)	(14.1)	8.7	(35.4)	(7.3)	NOK (Norway)	(7.5)	(3.6)	(35.4)	(3.8)
Average	(3.8)	(2.1)	(8.1)	(2.6)	Average	(4.1)	(1.5)	(10.1)	(2.2)	Average	(6.6)	(3.9)	(9.0)	(7.7)	Average	(2.7)	3.4	(9.3)	(1.3)

JCI Index vs IDR Currency 2021-YTD



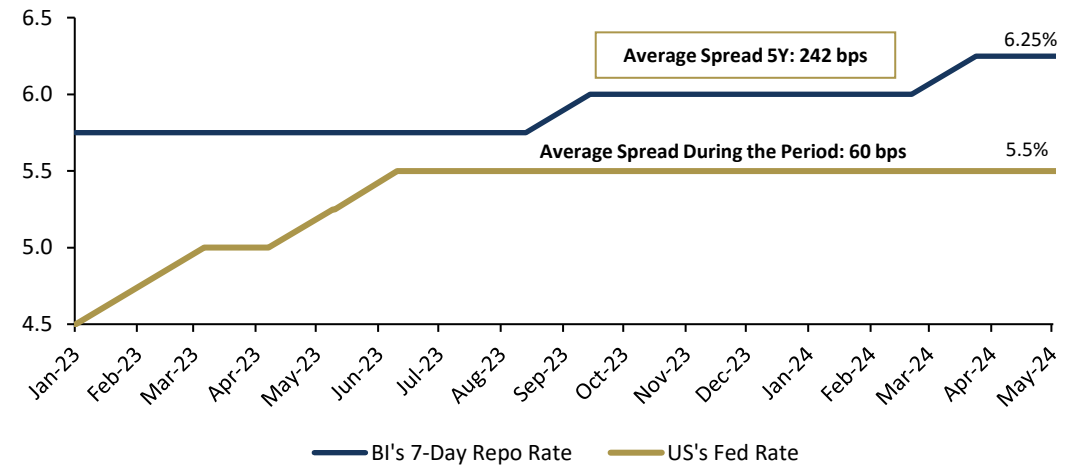
Consensus Forecasts on Regional Currencies

Country	Currency	Current rate per 1USD	YTD % Return	2023 End	2024F End		2025F End	
					Median	High	Median	High
Hong Kong	HKD	8	0.1	8	8	8	8	8
India	INR	84	(0.6)	83	83	85	82	86
Malaysia	MYR	5	(0.8)	5	5	5	5	5
Singapore	SGD	1	(1.6)	1	1	1	1	1
China	CNY	7.3	(2.1)	7.1	7.3	7.5	7.1	7.4
Vietnam	VND	25,298	(4.1)	24,269	25,000	25,700	24,550	24,750
Philippines	PHP	58	(5.1)	55	58	59	56	58
Thailand	THB	36	(5.3)	34	36	37	35	36
Indonesia	IDR	16,285	(5.5)	15,397	16,160	16,800	15,400	16,200
Taiwan	TWD	32.9	(6.5)	30.7	32.1	33.0	30.8	32.0
Korea	KRW	1,381.1	(6.7)	1,288	1,360	1,420	1,280	1,400

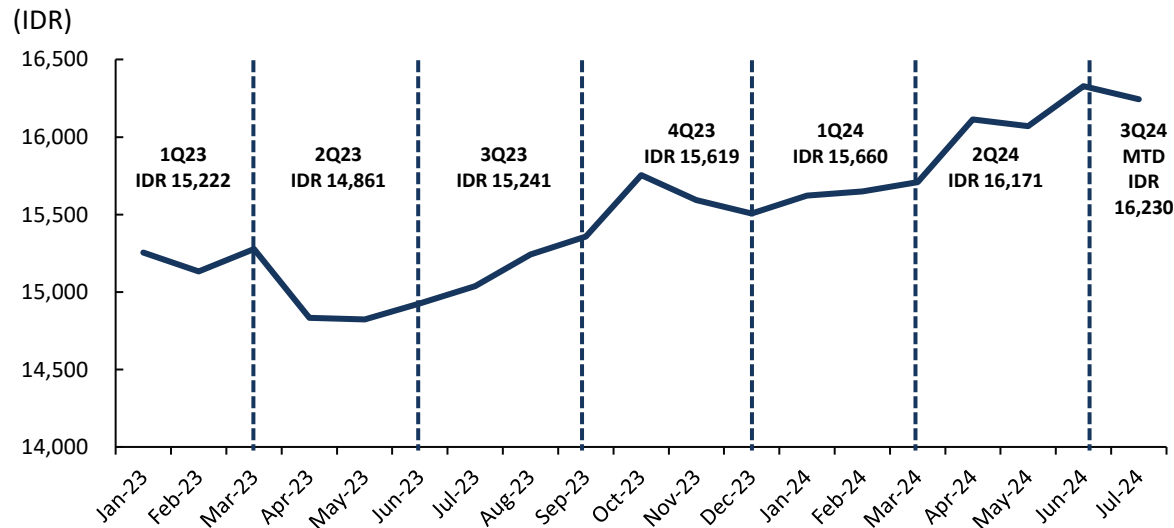
BI's 7-Day Repo Rate

- In line with consensus' estimate, Bank Indonesia decided to keep its benchmark interest rate unchanged at 6.25% during the July meeting, deferring our expectation of a potential hike into next month. We observe a good opportunity for the central bank to raise rate by another 25 bps in July-August period, leveraging on the positive momentum following the softer US inflation announcement, which we believe could bring the rupiah closer to IDR 16,000 level against the USD.
- The USD 140 billion in forex reserves and the 50th consecutive trade balance surplus provide a substantial cushion for BI to maintain the IDR. However, we anticipate potential challenges ahead.
- Another rate hike consideration ahead is based on the narrow gap between Indonesia's rates and the Fed's fund rate, coupled with the expectation that the current account deficit would expand in the second quarter, potentially reaching USD 2.8 billion due to thinner trade surplus, particularly on weaker commodity prices as the Chinese economy currently experiences a slowdown.
- Finally, given that we believe the Fed may not move to lower rates this year, BI's further rate hike would be justified by the projected widening of Indonesia's twin deficits: budget and current account to 2.7% and 0.7% respectively.

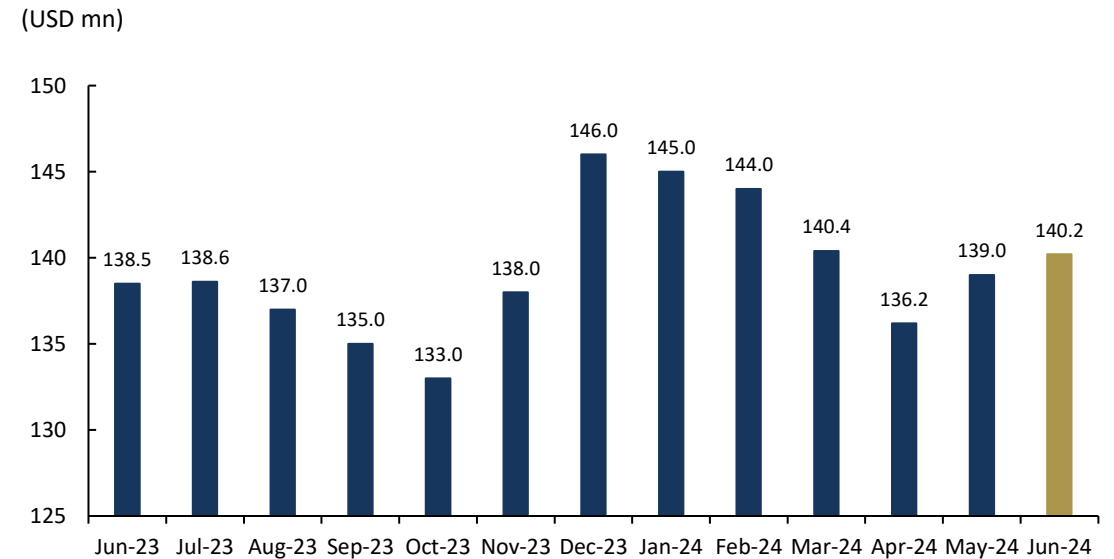
BI Rate and US Fed Rate



Quarterly USD/IDR Rate 1Q23 – 3Q24 MTD



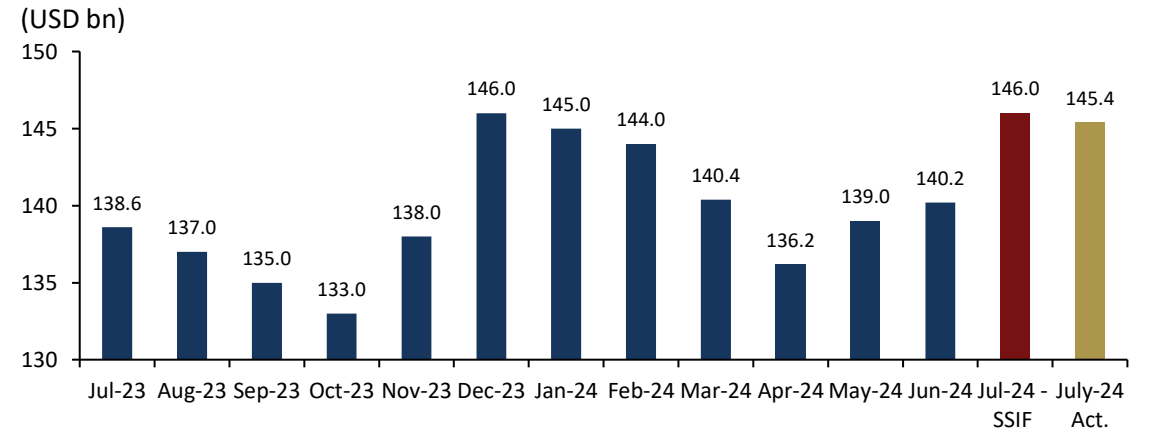
FX Reserves (M-o-M)



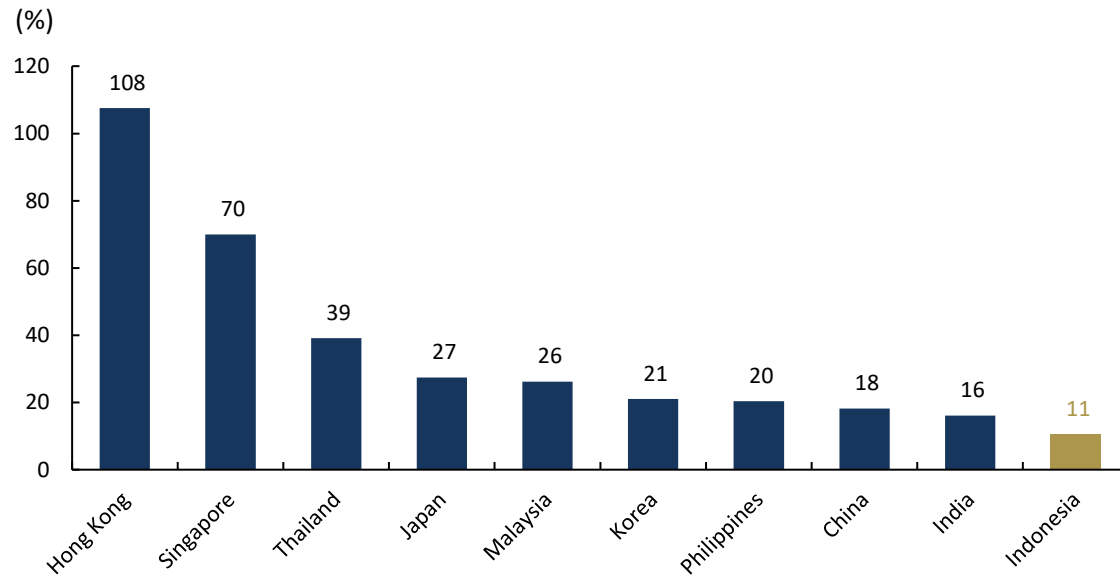
Indonesia Foreign Exchange Reserves

- In July 2024, Indonesia's foreign exchange reserves experienced a significant increase, reaching USD 145.4 billion. This is in line with our upper-bound forecast of USD 146 billion, up from USD 140.2 billion in June. This growth marks the highest reserve level since December 2023. The current reserve level is sufficient to cover 6.5 months of imports or 6.3 months of imports and the servicing of the government's external debt, comfortably exceeding the international adequacy benchmark of 3 months. This strong reserve position underscores Indonesia's financial stability and resilience against external shocks.
- The key factors contributing to this increase include the government's successful global sukuk issuance and a rise in tax and service revenues. These elements reflect that the reserves are predominantly coming from borrowed reserves rather than non-borrowed reserves, which can be a source of fragility in the coming months.
- Given the recent July PMI data showing a decline to 49.3, down from 50.7 in June 2024, we see this as potentially restraining exports, hence creating a possible constraint on pushing international reserves.
- We expect this solid FX reserves result as a safe zone to maintain the rupiah's stability this month without pushing for a raise in the BI 7DRR. Given recent developments with the Fed more likely to cut rates sooner rather than later, Bank Indonesia may have greater leeway in keeping its benchmark rate unchanged, compared to our earlier expectation of a possible 25 basis point increase this month to create positive momentum for the IDR.

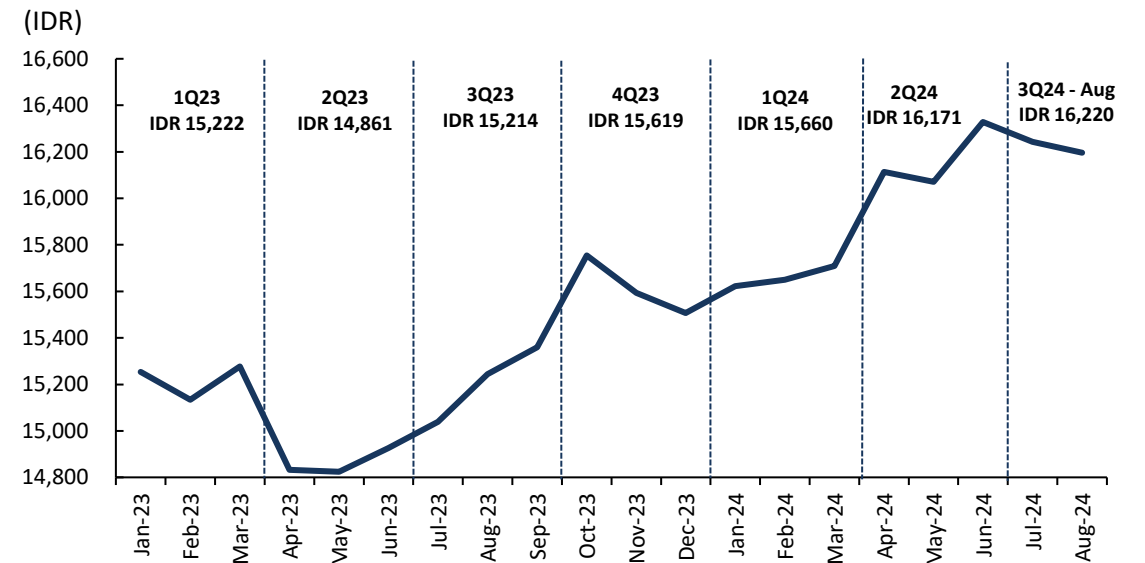
Indonesia Foreign Reserves, July 2023-24



Regional FX Reserves to GDP, YTD



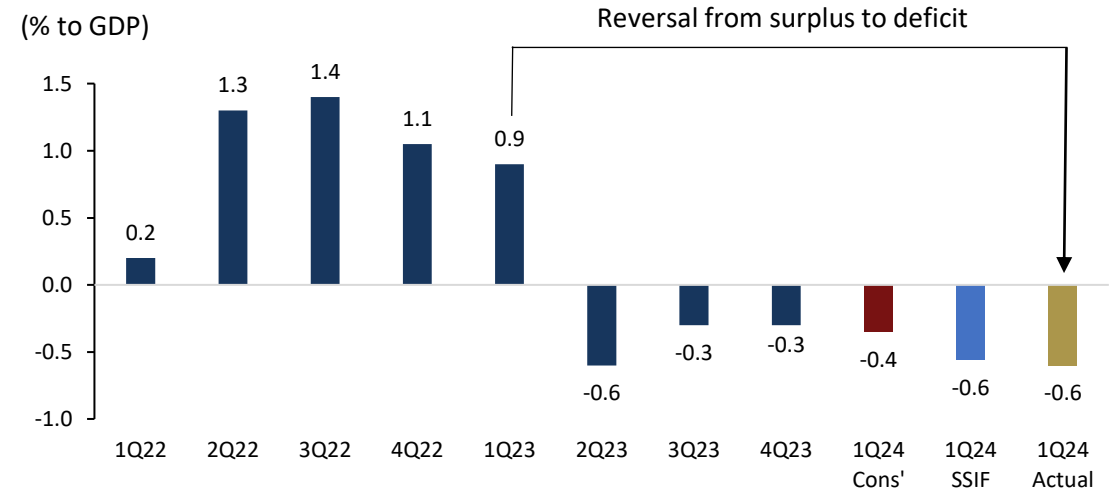
Quarterly USD/IDR Rate, 1Q23 – 3Q MTD



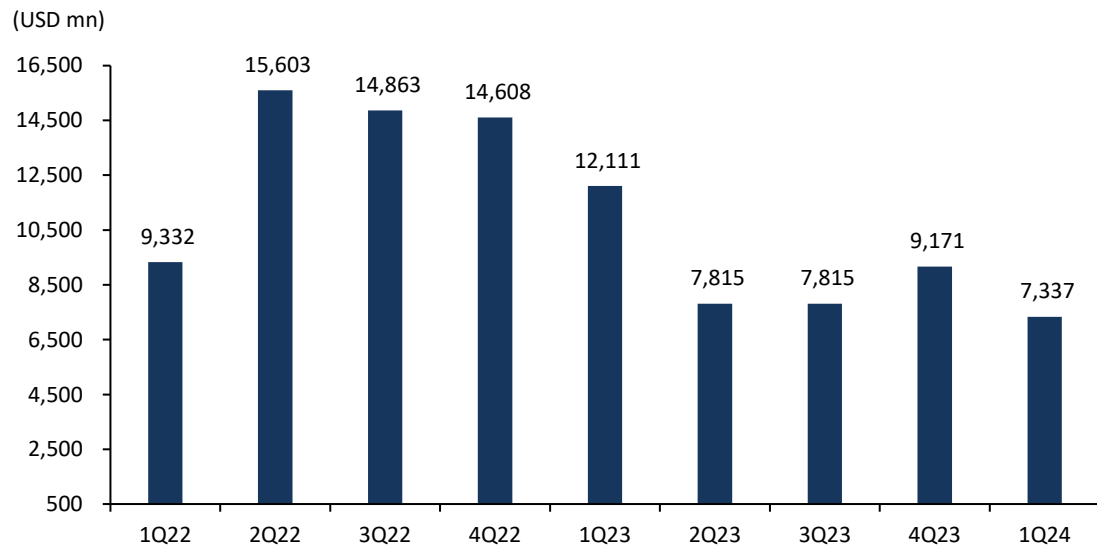
Current Account Balance 1Q24

- In 1Q24, Indonesia recorded current account deficit of USD2.16bn, which represents -0.6% of its GDP. This figure is very much inline with our 1Q24 forecast of USD2.16bn, but worse than consensus' estimate of -0.4% deficit.
- This is a reversal from 0.9% surplus (USD2.78bn) of GDP observed in the same quarter the previous year. This marks the fourth consecutive quarter of current account deficits, and the largest since the second quarter of 2023 as our trade balance decline from over USD12.1bn to USD7.3bn in 1Q24.
- This significant trade balance reduction in 1Q24 was influenced by lower commodity prices, particularly coal (~16% of total exports) which experienced -46% average price drop from USD236/ton in 1Q23 to USD127/ton in 1Q24 and nickel (~12% of exports) which fell -36% from USD26,182/ton to USD16,841/ton over the same period.
- The slower growth pace of exports due to commodity tapering and PMI normalization may lead to a widening of the CA deficit this year, which we expect to reach 0.7% of GDP, before further worsening to 1.2% of GDP in 2025F.

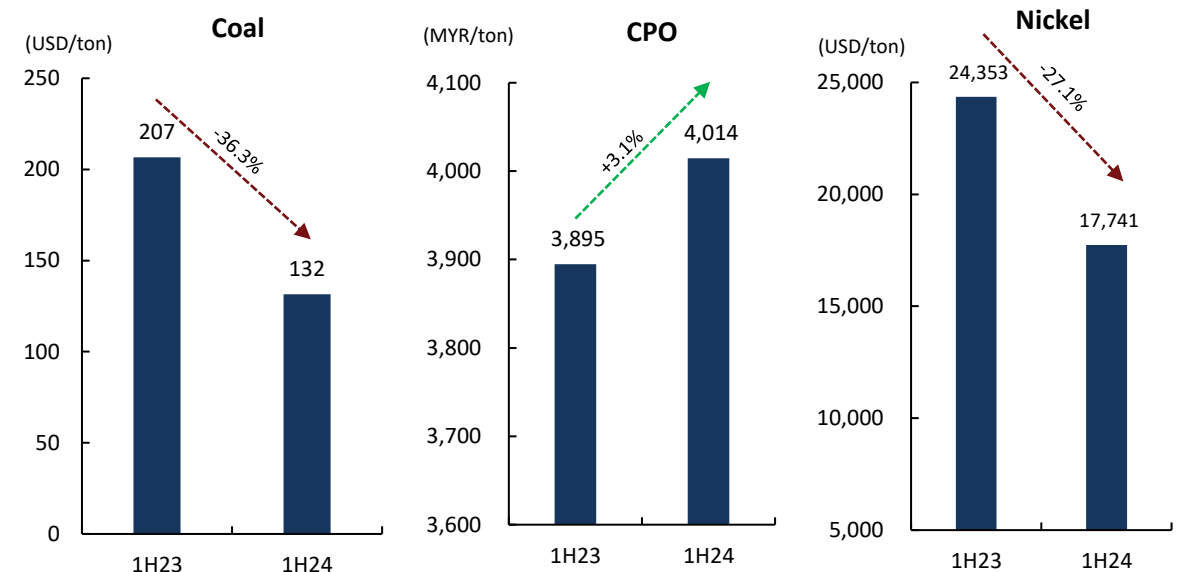
Current Account Balance, 1Q22 – 1Q24



Quarterly Trade Balance, 1Q22 – 1Q24



Various Average Commodity Prices, 1H23 vs 1H24



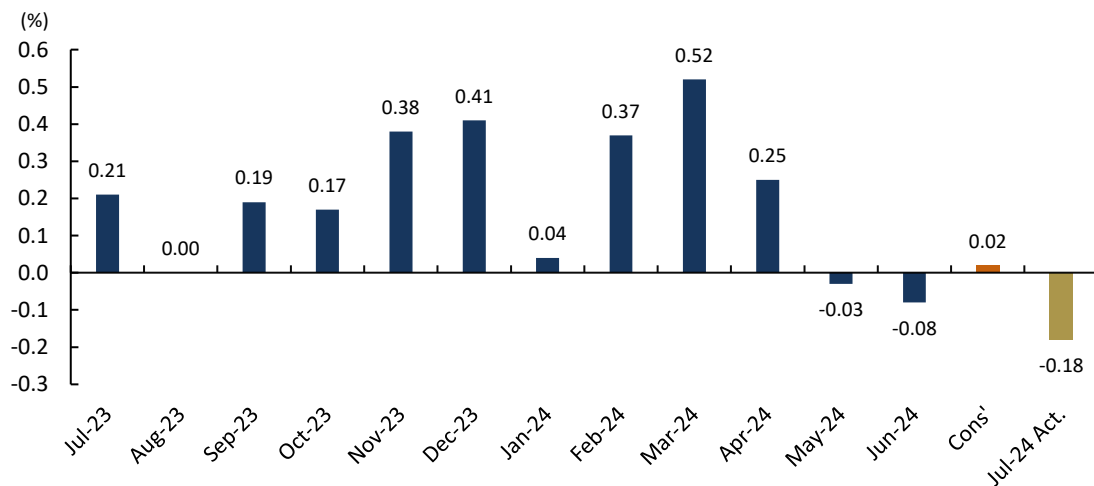
Indonesia July Inflation

- In July 2024, Indonesia experienced a significant decrease in its annual inflation rate, which fell from 2.51% in June to 2.13%, in line with our lower bound forecast (2.09%) but missing the market consensus of 2.37%. This figure marks the lowest inflation rate since February 2022.
- The primary driver behind this decline was the moderation in food prices, which saw the smallest increase in eleven months at 3.66%, down from 4.95% in June.
- Inflation slowed in several other sectors. Health-related costs rose at a slower pace (1.77% vs. 1.89%), as did prices for accommodation and restaurants (2.28% vs. 2.31%), clothing (0.99% vs. 1.09%), and recreation and culture (1.49% vs. 1.50%).
- Prices in the communication and financial services sectors continued to decline, albeit marginally, at -0.16% compared to -0.18% in the previous month. Since these sectors serve as demand indicators of the economy, we foresee lagging consumption, in line with the decline in the consumer confidence index and the downward movement of the middle class.
- Following 0.08% MoM decline in June, the Consumer Price Index (CPI) unexpectedly dropped 0.18% in July, which also missed market forecasts of 0.1% rise.
- We observe this softer inflation materialization occurred predominantly on the back of lagging consumption effect - this, coupled with below-50 PMI, is a potential obstacle to achieving the government's 5%+ economic growth target in FY2024 (SSI's projection: 4.9 %).

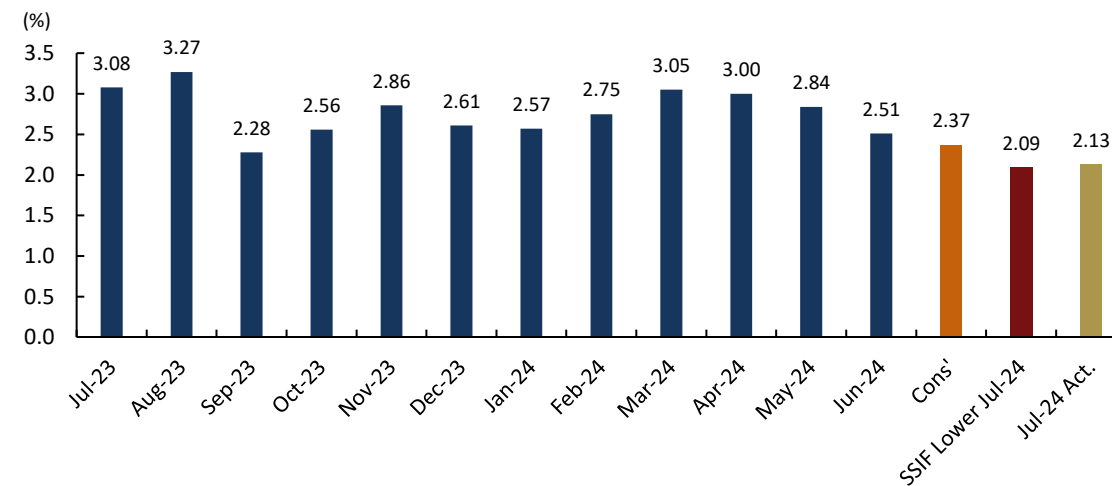
Inflation Based on Spending Category (YoY)

	Breakdown	Inflation	Contribution to Inflation
	Headline Inflation	2.13	2.13
1	Personal care and other services	5.59	0.34
2	Food, Beverages and Tobacco	3.66	1.04
3	Food beverages services/restaurants	2.28	0.23
4	Education services	1.90	0.11
5	Health	1.77	0.05
6	Reaction, sport and culture	1.49	0.03
7	Transport	1.22	0.15
8	Furnishings, household equipment and routine household maintenance	1.05	0.06
9	Clothing and Footwear	0.99	0.05
10	Housing, water, electricity and household fuels	0.50	0.08
11	Communication and financial services	-0.16	-0.01

Inflation M-o-M



Inflation YoY

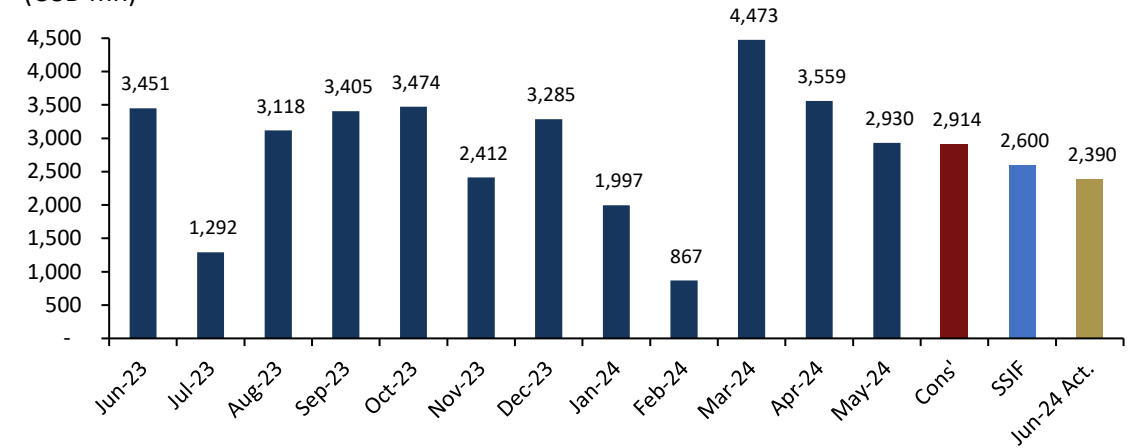


Balance of Trade

- Indonesia's trade surplus shrank from USD 3.45bn in June 2023 to USD 2.39bn in June 2024, falling short of market consensus of USD 2.9 billion and below our lower bound forecast of USD 2.6bn. This marks the smallest trade surplus since February, driven by exports growing at a much slower rate than imports. In the first half of 2024, the trade balance recorded a surplus of USD 15.45bn. Exports declined 2.76%, whereas imports increased 0.84%.
- Exports increased 1.17% YoY, marking the third consecutive month of growth but at the slowest pace in the sequence, significantly below market expectation of a 5.1% rise. Conversely, imports surged 7.58%, surpassing market projection of 5.50% increase.
- The relatively soft export growth aligns with the drop in PMI for three consecutive months, constraining production capacity for the upcoming months. While the surge in imports is encouraging, we view this as a monthly trend to replenish production inventory. Additionally, due to rising production costs, the YoY import growth in June (7.58%) was relatively low compared to other inventory stocking months in February (15.85%) and April (10.09%).
- Looking ahead, this below-expected trade surplus is likely to be a precursor of weaker IDR ahead, which would in turn apply pressure on our economic growth. That said, we forecast Indonesia's GDP growth to fall to 4.9% this year from 5.05% in 2023.

Indonesia Trade Balance

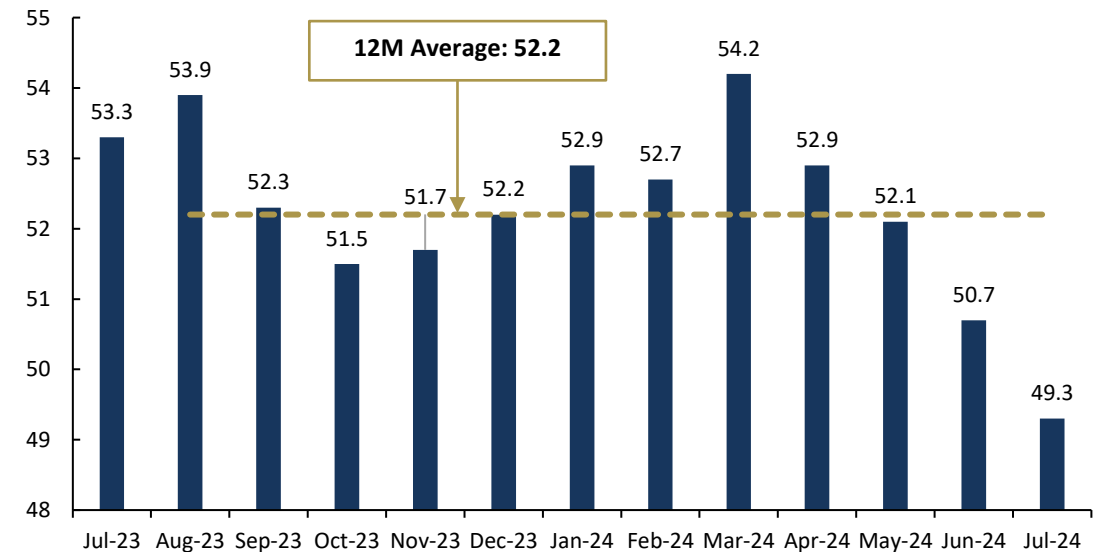
(USD mn)



Export, Import Value (USD mn)

Description	May-24	Jun-24	Jun-23	% (MoM)	% (YoY)
Export	22,324	20,841	20,599	-6.6	1.2
Agriculture, Forestry, and Fisheries	400	394	359	-1.5	9.9
Oil and Gas	1,419	1,231	1,260	-13.2	-2.3
Mining and Others	3,761	3,158	3,761	-16.0	-16.0
Manufacturing	16,292	16,057	15,220	-1.4	5.5
Import	19,400	18,451	17,151	-4.9	7.6
Consumption Goods	1,734	1,777	1,586	2.5	12.0
Capital Goods	3,509	3,000	3,203	-14.5	-6.3
Intermediate Goods	14,157	13,675	12,362	-3.4	10.6

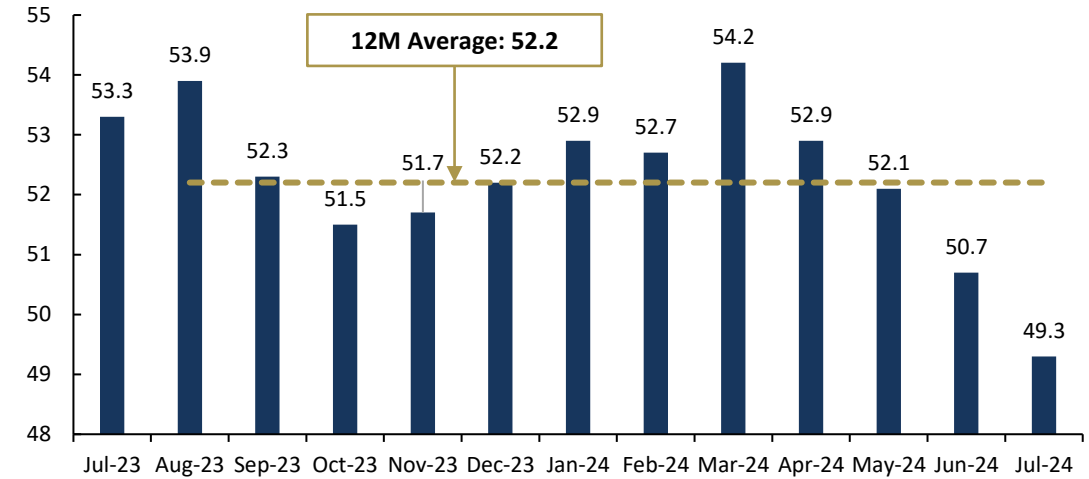
Indonesia Manufacturing PMI



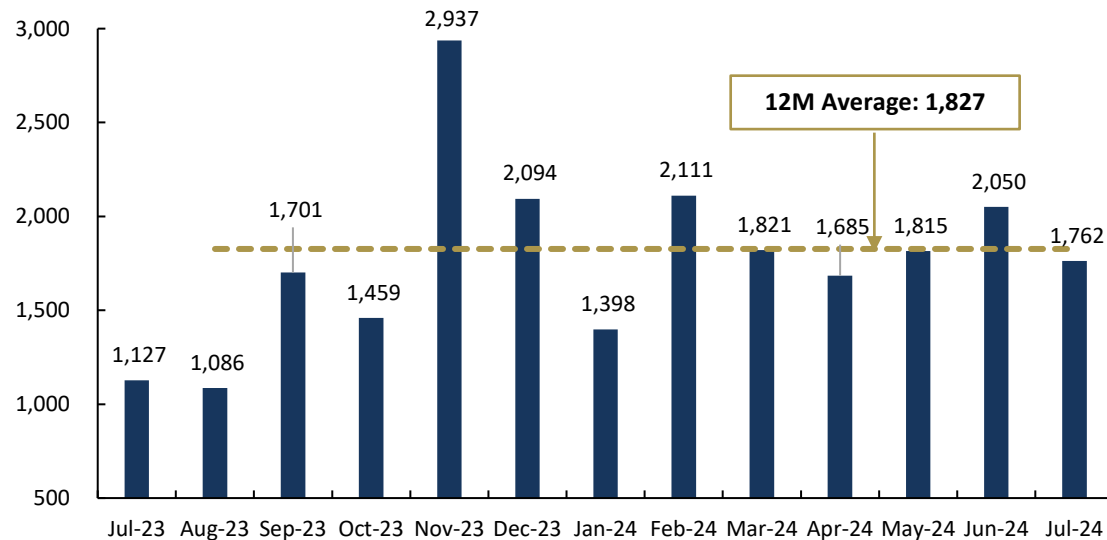
Indonesia Manufacturing PMI

- The S&P Global Indonesia Manufacturing PMI fell to 49.3 in July 2024, down from 50.7 in June. This marks the first contraction in factory activity since Aug-21, signaling a challenging period for the manufacturing sector.
- Manufacturing output decreased for the first time in over two years, indicating weakening production capabilities. New orders also declined after a year-long expansion, reflecting reduced demand for manufactured goods. Additionally, foreign sales experienced a drop, partly due to delays in shipping, which impacted export performance.
- A slight decrease in purchasing activity was recorded, marking the first drop in nearly three years as manufacturers adjusted to the lower demand. Employment shrank at the highest rate since Sept-21, indicating reduced labor demand and potential job losses within the sector. Backlogs of work decreased for the second consecutive month, suggesting a decline in pending orders.
- Lead times lengthened for the first time in three months, highlighting potential supply chain disruptions and logistical challenges. On the cost side, input price inflation softened but remained elevated, indicating persistent cost pressures. Output charges, meanwhile, rose at the steepest pace in three months, suggesting that manufacturers passed on some of the increased costs to customers.
- We expect industrial demand to weaken over the coming year due to poor market conditions, including low purchasing power and constrained global demand. With limited growth prospects both domestically and internationally, we anticipate Indonesia's PMI to hover around 50-51 until the end of the third quarter, aligning with our economic growth projection of 4.9% for this year.

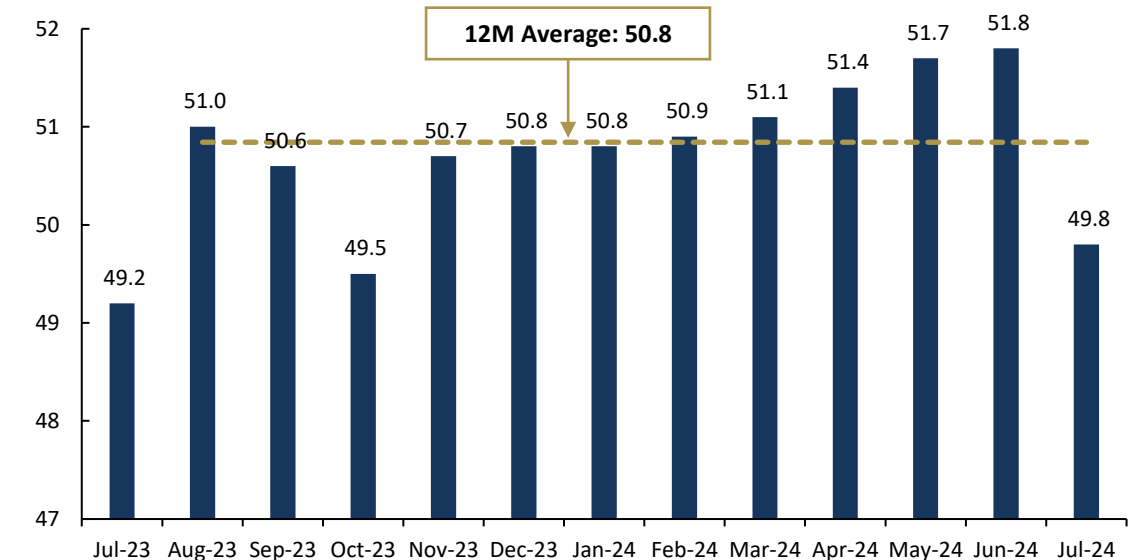
Indonesia Manufacturing PMI



Baltic Dry Index



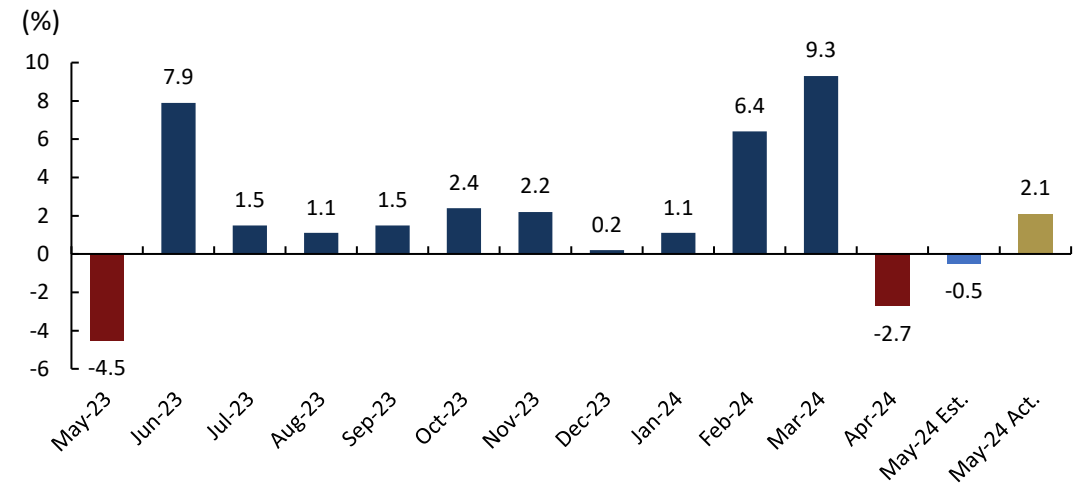
China Caixin Manufacturing PMI



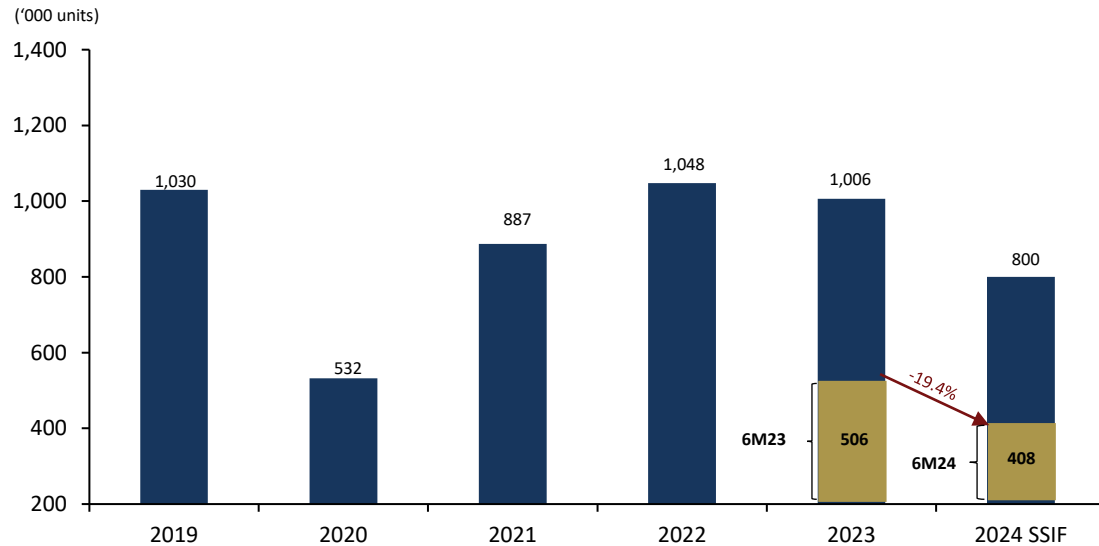
Indonesia Retail Sales Index

- In May 2024, retail sales in Indonesia increased 2.1% YoY, recovering from 2.7% decline in the previous month. This growth was primarily driven by a rebound in clothing sales (2.6% compared to -15.7% in April) and food sales (2.6% compared to -2.4%). However, this May figure is well below BI's expectation of 4.7% YoY, indicating a potential miss in consumption growth. This is inline with the drop in the Consumer Confidence Index to 125.2 from 127.7 in Apr-24.
- There was a faster increase in sales of automotive parts and accessories (11.0% compared to 6.5%) and fuels (6.5% compared to 3.3%). However, at the same time, sales continued to decline for cultural and recreational goods (-9.8% compared to -9.9%), information and communication (-3.4% compared to -6.0%), and home appliances (-6.4% compared to -6.0%). Since the dominance of ICT platforms for economic transactions is becoming more prominent nowadays, the decline in the ICT subgroup is an indication of tapering demand.
- On a monthly basis, retail sales dropped 3.5% in May, marking the first decline in four months, following 0.4% increase in April inline with the decline in consumption activities post Lebaran.
- BI expects retail sales to grow 4.4% in June. However, judging from the last three months of softer-than expected performance, we expect the YoY growth for June to hover between 1.5% and 2%. With this ongoing trend, we can expect economic growth this year to moderate, with our forecasted GDP growth for 2024 at 4.9%, down from 5.05% in 2023.

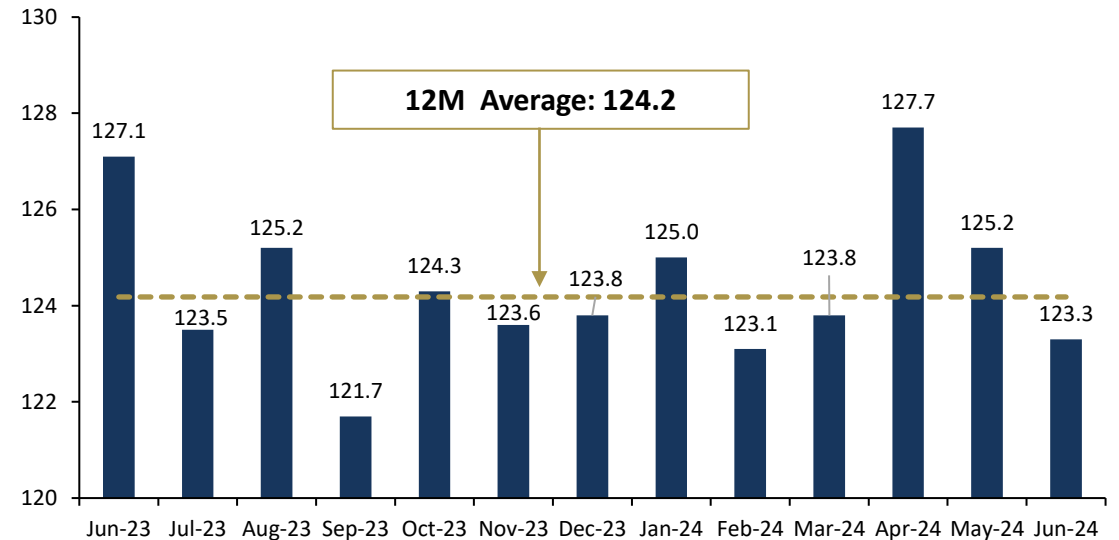
Indonesia Retail Sales Index Growth (YoY)



Indonesia Car Sales



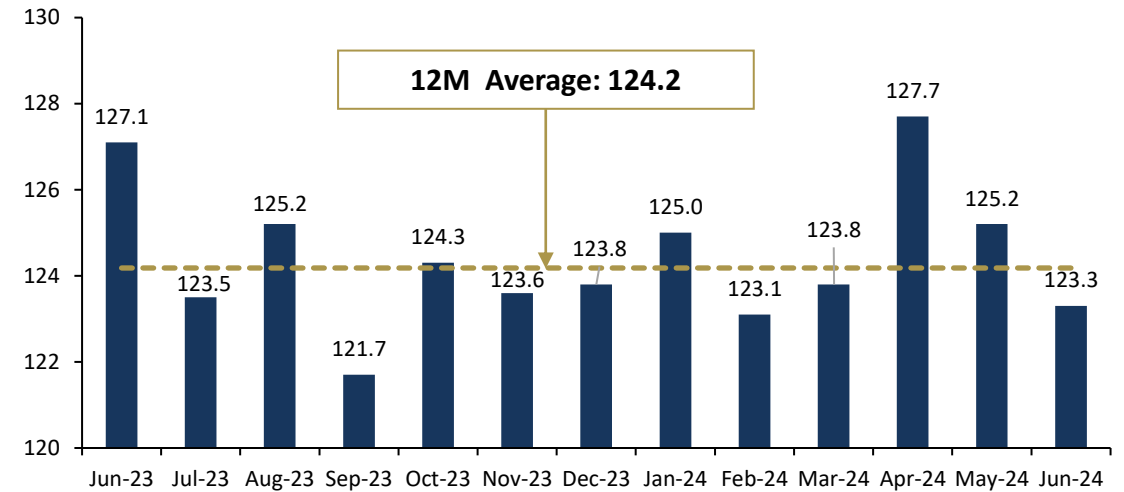
Indonesia Consumer Confidence Index



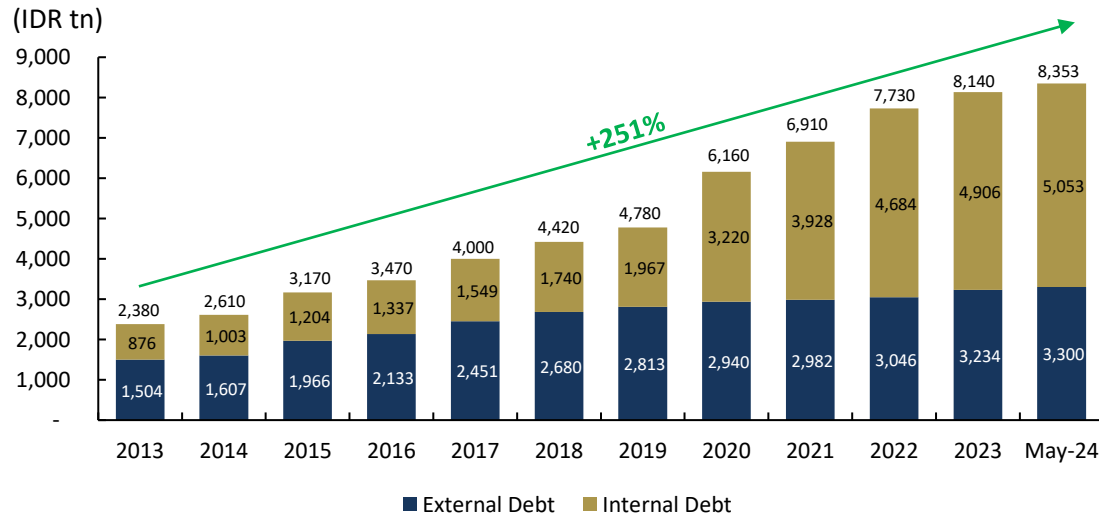
Indonesia Consumer Confidence Index

- In line with our projection, Indonesia's consumer confidence dropped from 125.2 in May to 123.3 in June 2024, reaching its lowest level since February, below 12 M average of 124.2. Subdued June inflation data had already suggested lagging demand, indicating tapering consumption.
- This confidence decline was due to weakening across almost all six sub-indices: the assessment of current economic conditions in the country fell 2.5 points to a four-month low of 112.9; the economic outlook decreased 1.2 points to a three-month low of 133.8; expectations for income over the next six months dropped 1.0 point to a five-month low of 138.0; perceptions of job availability decreased 2.8 points to a six-month low of 131.7; and job availability compared to six months ago dropped 6.8 points to its lowest level since at least May 2022, at 106.8. However, expectations for current income improved, rising 0.8 points to 120.8.
- Indonesia is likely to see a tapering of the index in the coming months, driven by a relatively tight monetary policy and a lack of domestic liquidity, due to ongoing high bond issuances reflected in rising government debts. This, coupled with the lagging effects on consumption, presents a potential obstacle to achieving the government's FY24 economic growth target of over 5%+ (SSI's projection: 4.8%).

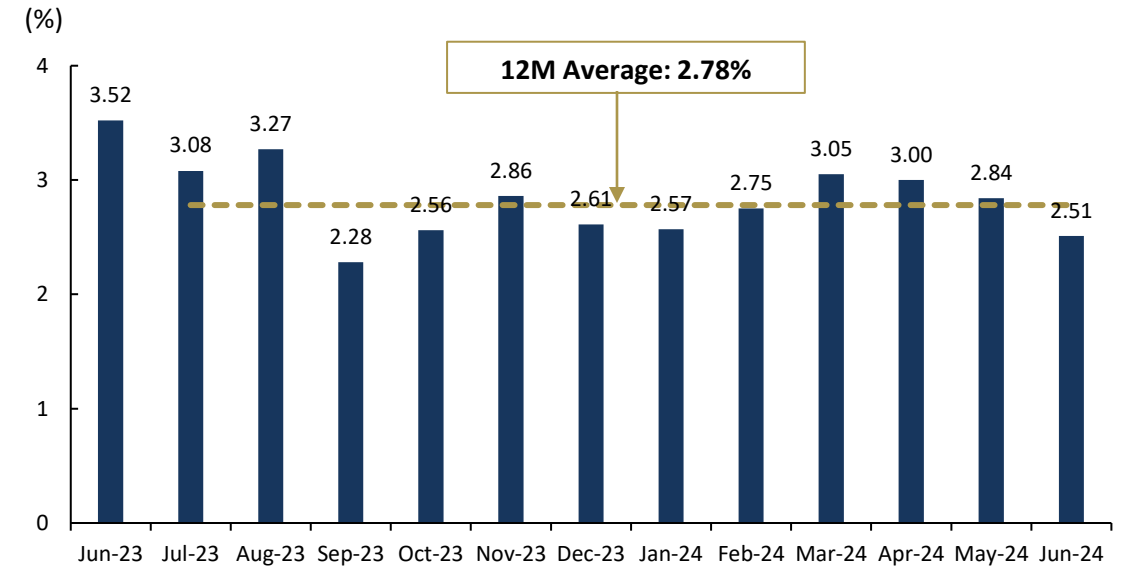
Indonesia Consumer Confidence Index



Total Government Debt: IDR 8,353 Trillion

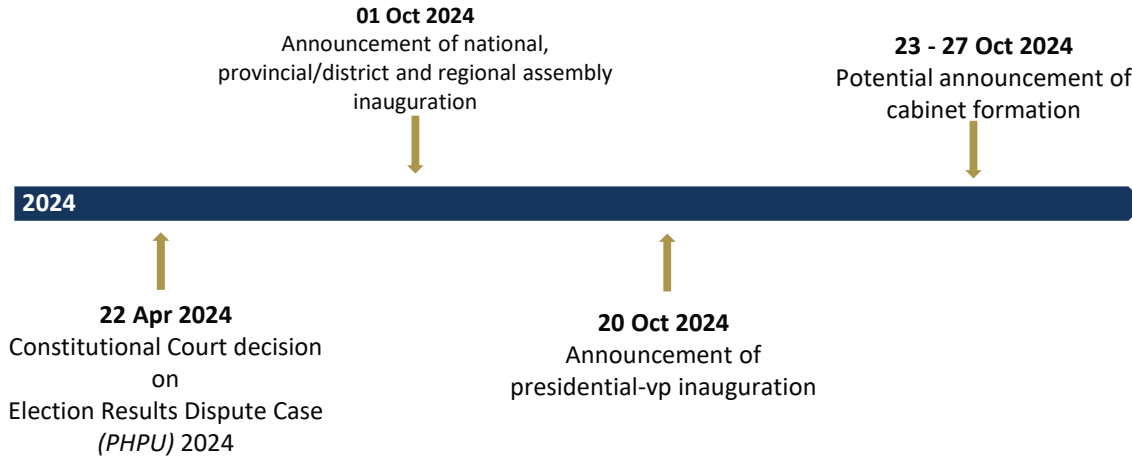


Indonesia Inflation (YoY)



Politics: Important Dates and Challenges

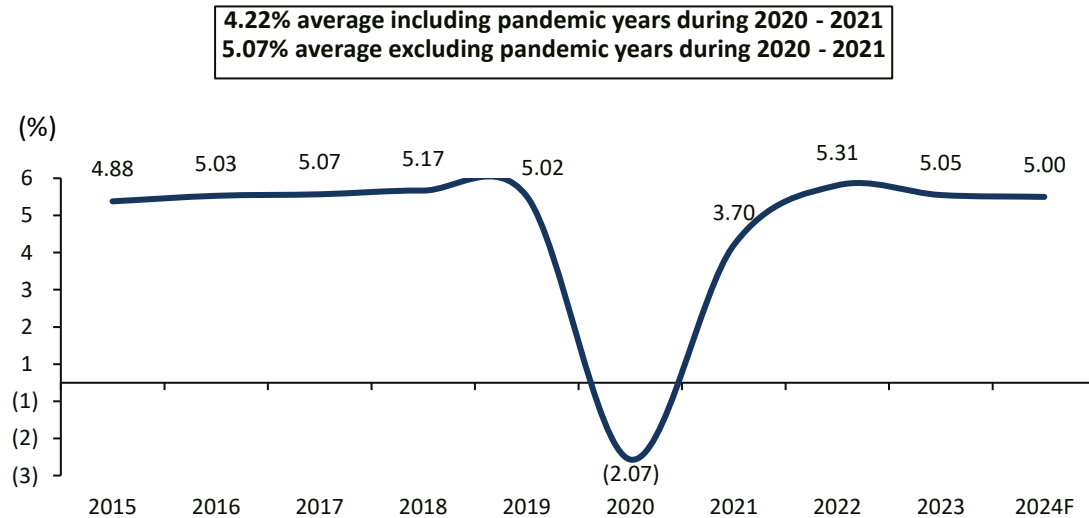
Political Events



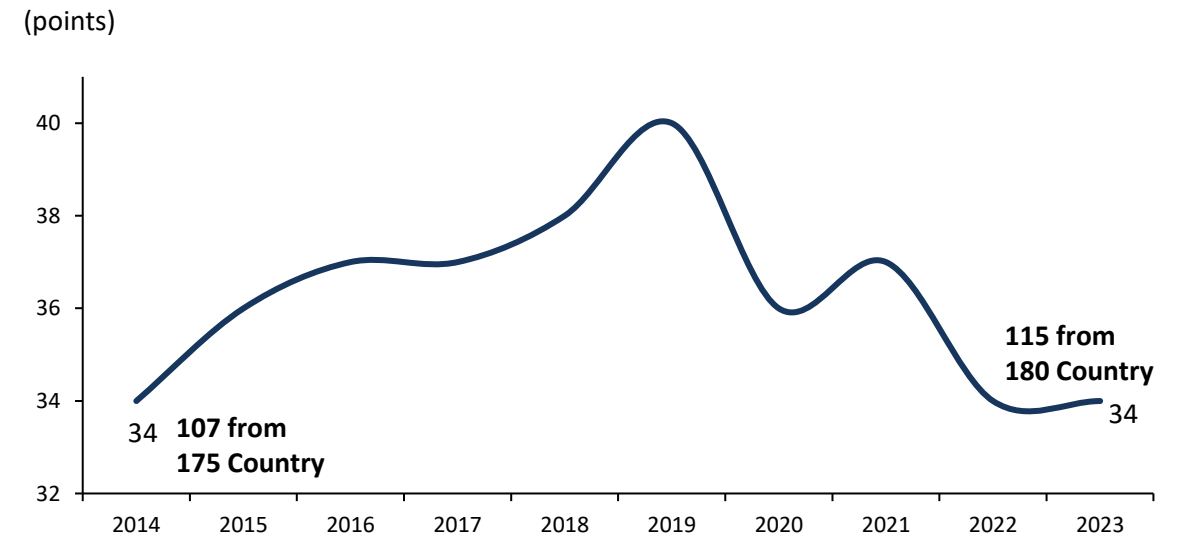
Prabowo's Campaign Promises: 8% GDP Growth & Free Launches



Indonesia GDP Growth 2015 - 2024F



Corruption Index Indonesia



Formation of Supreme Advisory Council Under Prabowo

History, Duties and Functions

The Supreme Advisory Council:

- ❑ Established on 25 Sept 1945 under Article 16 Paragraph 2 of the 1945 Constitution (pre-amendment), with 11 initial members.
- ❑ However, under Law No. 19 of 2006, a parallel advisory council was formed the Presidential Advisory Council.
- ❑ Prabowo plans to re-introduce a new Supreme Advisory Council, potentially with Jokowi as chairman.



Based on to Law No. 19 / 2006, functions & duties of the Council:

- ❑ The 9 members of Presidential Advisory Council provide advice and recommendations to the President.
- ❑ Upon the President's request, this council can attend cabinet meetings and official domestic and international visits.

Making a powerful come back: The Supreme Advisory Council



Chairman of the Supreme Advisory Council, 1945 - 2003

Name	Periode	Name	Periode
R. Margono Djojohadikusumo	Sept – Nov 1945	Wilopo	1968 - 1978
RAA Wiranatakusuma	1945 – 1948	Idham Chalid	1978 - 1983
Ario Soerjo	Apr – Nov 1948	Maraden Panggabeh	1983 - 1993
KPH Soetardjo Kartohadikoesoemo	1948 - 1950	Sudomo	1993 - 1998
Soekarno	1959 - 1966	Arnold Achmad Baramuli	1998 - 1999
RAA Wiranatakusuma	1967 - 1968	Achmad Tirtosudiro	1999 - 2003

Chairman of the Presidential Advisory Council, 2007 - Present



Ali Alatas
2007 - 2009



Emil Salim
2010 - 2014



Sri Adiningsih
2014 - 2019



Wiranto
2019 - present

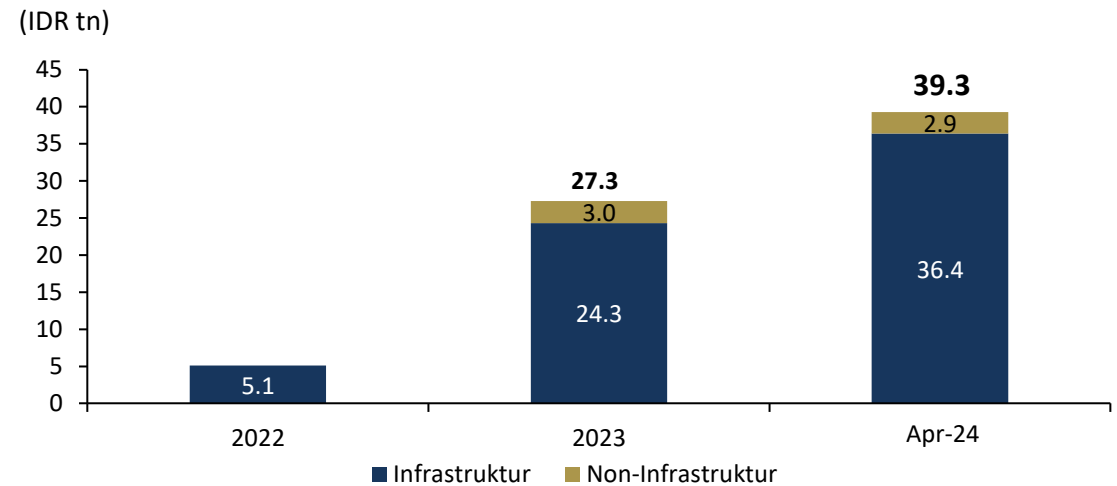
IKN: Progress and Challenges

Total Spending 2022-2045: IDR 541 Trillion



- ❑ IKN to cost IDR 541tn (USD 35bn), with the government only planning to cover 20%.
- ❑ Jokowi signed a new regulation granting investors cultivation rights (HGU) of up to 190 years in IKN.
- ❑ Investors need to submit requests for 95-year HGUs, extendable after evaluations by IKN authority.

IKN Phase 1 Budget (2022-2024): IDR 71.8 Trillion Total



Public Figures on IKN

OLD

Resigned on 3 June 2024

NEW



Bambang Susantono
Ex-Head of IKN Authority



Dhony Rahajoe
Ex-Deputy Head of IKN Authority



Basuki Hadimoeljono
Head of IKN Authority



Raja Juli Antoni
Deputy Head of IKN Authority



Soedradjad Djiwandono
Ex-Central Bank Governor
Expert Council Prabowo-Gibran

“IKN is not a Priority Program”

Prabowo: “IKN will take 25-30 years; handover IKN’s Development to Gibran”



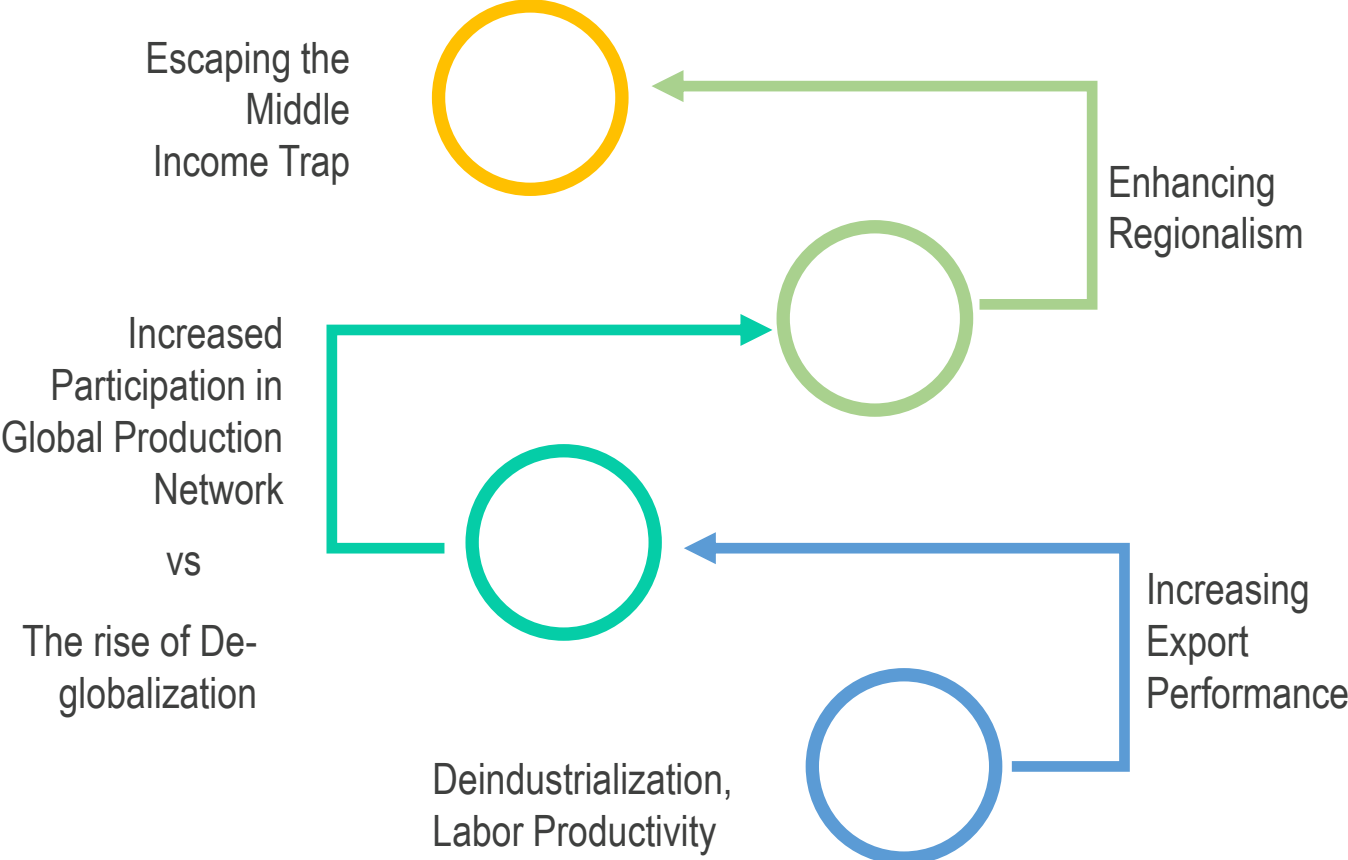
Gibran Rakabuming Raka
Vice President of Indonesia

Macro Forecasts

Macro	2023	2024F	State Budget 2024F	2025F
GDP (% YoY)	5.1	4.9	5.2	5.0
Inflation (% YoY)	2.6	3.2	2.8	3.5
Current Account Balance (% GDP)	-0.1	-0.7	n.a.	-1.2
Fiscal Balance (% to GDP)	-1.7	-2.7	-2.3	-2.9
BI7DRRR (%)	6.0	6.5	n.a.	6.0
10Y. Government Bond Yield (%)	6.6	6.9	6.7	7.2
Exchange Rate (USD/IDR)	15,252	16,000	15,000	16,200

Source: SSI Research

Future Economic Challenges





Thank You

Your Lifelong
Investment Partner

SSI Research Team

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