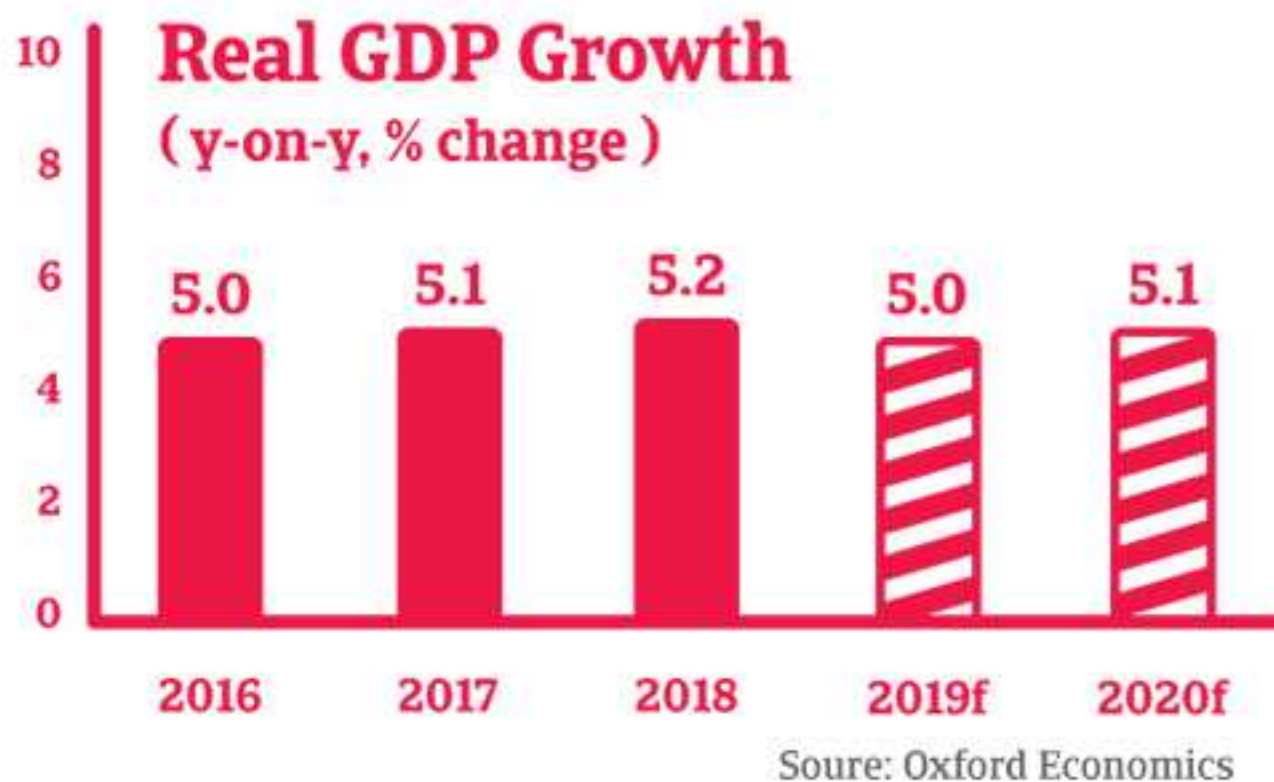


# How will Indonesia's economy fare in 2019?

We believe the economic outlook for Indonesia is relatively positive, with real GDP growth rates forecast to be stable.



## Debt dilemma

Foreigners hold 40% of Indonesia's sovereign bonds



The Indonesian rupiah is vulnerable to rising US interest rates



Indonesia's debt-to-GDP ratio is expected to remain at 35% over the next five years



The US Federal Reserve has signalled it will not raise interest rates in 2019



2.25% - 2.5%

## Homegrown demand

Domestic demand will drive the economy with private consumption forecast at 5.1% in 2019 and 2020.

What's fuelling private consumption?



Rising incomes



Job growth



Election-related spending



Social welfare spending

## Trade gets tougher

Export growth will continue to slow in 2019 driven by:



Reduced demand from China



Lower commodity and manufacturing prices

## Poll position

The Indonesian election was the world's most complicated single-day ballot with:

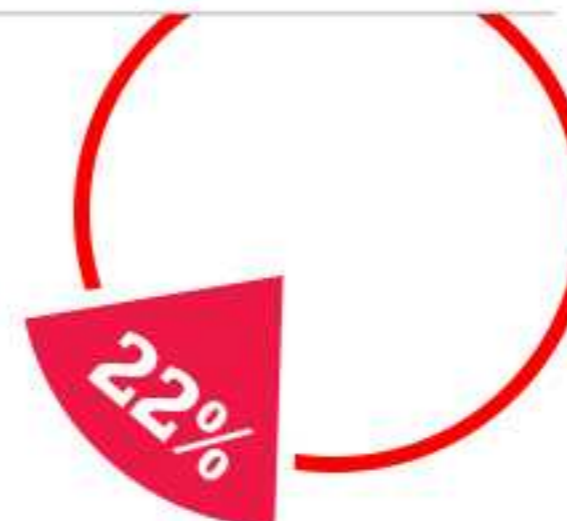


193 million eligible voters



800,000 polling stations

Indonesia is less vulnerable than other Southeast Asian countries to a downturn in global trade as exports account for just 22% of GDP.



The final result will be known by May 22 but incumbent President Joko Widodo is expected to win.

