TOWARDS A $7 TRILLION ECONOMY:
OPPORTUNITIES & CHALLENGES

The 6th Annual Indonesia Economic Forum, 2019
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Investing in Uncertain Times: From Infrastructure to Services.

Special Address: Jean-Pierre Diserens, CEO of Fidurhone SA and Secretary General Of CIFA.
Panelists: Sandiaga Uno, Entrepreneur, Former Vice Governor of DKI Jakarta; Thomas Trikasih Lembong, Former Chairman BKPM; Sumit Dutta, Country Manager and CEO of PT HSBC Indonesia
Moderator: Shoeb Kagda, Founder IEF.

“Indonesia is different from the rest of developing economies because of its solid macro-economic fundamentals. It is a high potential country but there are many such countries in the world. Indonesia needs to be a high performance country.”

Sumit Dutta
Investing in Uncertain Times: From Infrastructure to Services Summary

Investing in Uncertain Times: From Infrastructure to Services was one of the key issues discussed as Indonesia moves towards building a $7 Trillion Economy, the main theme for the 6th Annual Indonesia Economic Forum. The panelists for this discussion were Jean-Pierre Diserens, CEO of Fidurhone SA and Secretary General of CIFA; Sandiaga Uno, Entrepreneur, Former Vice Governor DKI Jakarta; Thomas Trikasih Lembong, Former Chairman BKPM; Sumit Dutta, President Director, PT HSBC Indonesia; and the moderator, Shoeb Kagda, Founder Indonesia Economic Forum.

The panel touched on Indonesia’s current status as a high potential country and discussed the current economic and social climate of the nation and the world.

Jean-Pierre Diserens shed some light on whether previous frameworks had managed to last decades after its conception. The global financial system, which has been heavily dependent on the US dollar, needs to be reformed given that the financial system faces a huge $700 trillion bubble. But what will take its place remains uncertain.

In the midst of all the global ructions, Mr. Thomas T. Lembong countered the negative financial headlines with a positive note. He stated that the worst of the global economic downturn is over and that a global economic rebound will occur. Mr. Sumit Dutta also shared a similar tone with Indonesia’s macroeconomic factors and painted a stable picture. Mr. Dutta indicated that in the last few years the Rupiah has remained stable, inflation is down 3%, interest rates are in the single digits, and the nation’s level of debt as percentage to GDP is the lowest in the Asia Pacific. In terms of political and social stability, Indonesia is one of the most stable countries. Though the nation has multiple advantageous factors Mr. Dutta emphasized that Indonesia needs to change its status from a high potential country to a high performance one.

Mr. Sandiaga Uno reminded the panel that employment and cost of living are high concerns among Indonesians. Although he noted that investment begets employment and that the growth rate of 5% is stable, he also shared concerns on whether the trickle-down effects reached constituents in addition to the lack of investment in energy and food.

During the end of the panel discussion, one of the questions enquired why foreign investment, particularly capital-intensive long-term industries are not investing in Indonesia. Mr. Dutta replied that complexity and repetitiveness in regulation is one of the main obstacles and suggested to simplify the process. Indonesia is not sufficiently integrated into the global economy today. Another question was in regard to what the youth can do to accelerate entrepreneurship. Mr. Uno replied that innovation and partnership with the private sector may help increase employment.

Mr. Lembong also added that it is imperative to promote a risk-taking culture, entrepreneurship, and a culture shift among the elites.