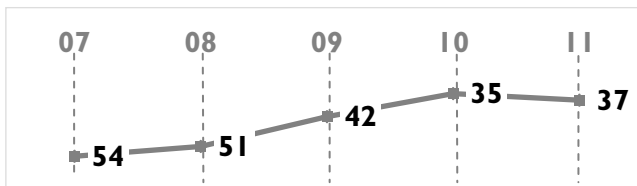


INDONESIA

OVERALL PERFORMANCE



CHALLENGES IN 2011

- Stimulate private investment in infrastructure development in the face of tight government budget.
- Tame inflation in the face of higher prices of oil, food stuffs and other commodities.
- Prevent a sudden reversal amid the surge of capital flows.
- Overcome logistical problems that have adversely affected firms' competitiveness.
- Mitigate the adverse effects of the earthquake and tsunami in Japan.

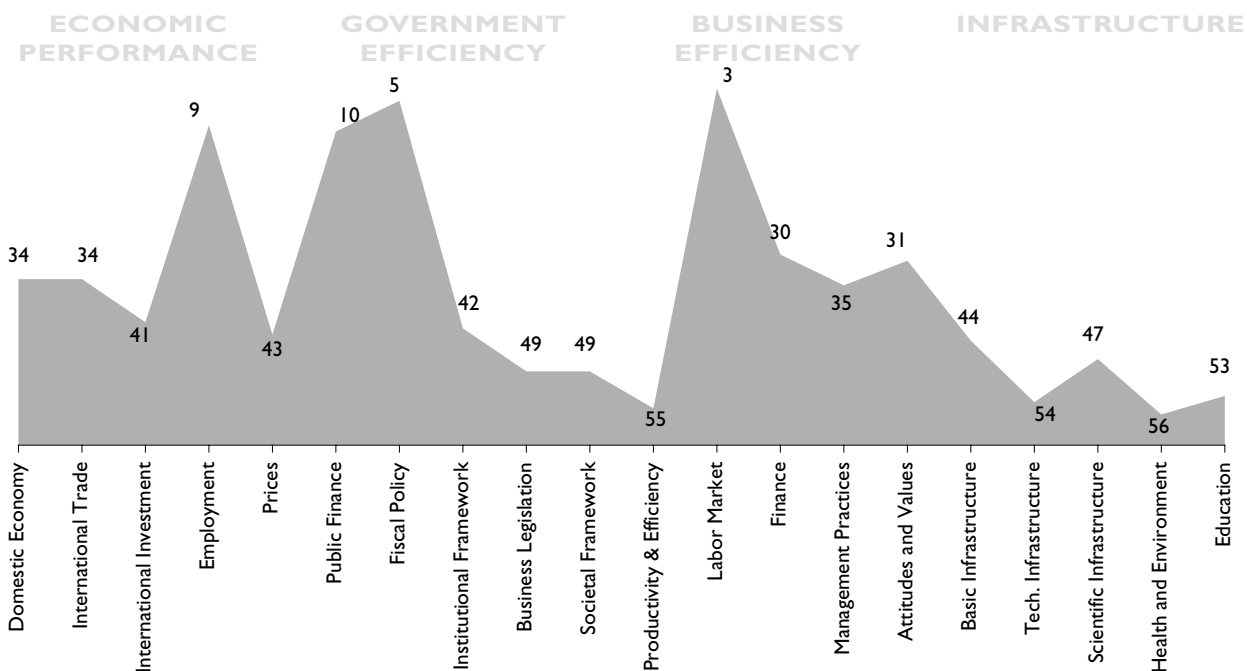
Provided by :

Centre of Strategic and International Studies

BASIC FACTS

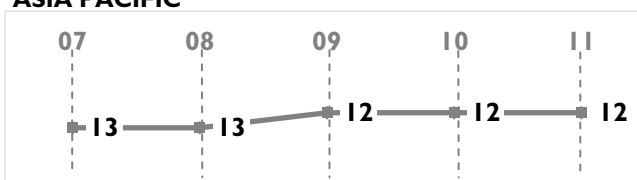
		Rank
Capital	Jakarta	
Land area (km ² '000)	1,904.6 (2009)	-
Exchange rate (per \$)	9.09 (2010)	-
Population (millions)	237.64 (2010)	4
GDP (\$ billions)	706.6 (2010)	18
GDP (PPP) per capita (\$)	4,299 (2010)	57
Real GDP growth (%)	5.8 (2010)	16
Consumer Price Inflation (%)	7.0 (2010)	53
Unemployment rate (%)	7.1 (2010)	26
Labor force (millions)	116.53 (2010)	4
Current Account Balance (%)	0.9 (2010)	31
Direct Investment		
Stocks Inward (\$ billions)	72.8 (2009)	40
Flows Inward (% of GDP)	1.8 (2010)	28

COMPETITIVENESS LANDSCAPE

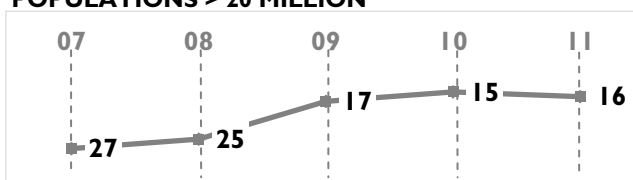


PEER GROUP RANKINGS

ASIA PACIFIC



POPULATIONS > 20 MILLION



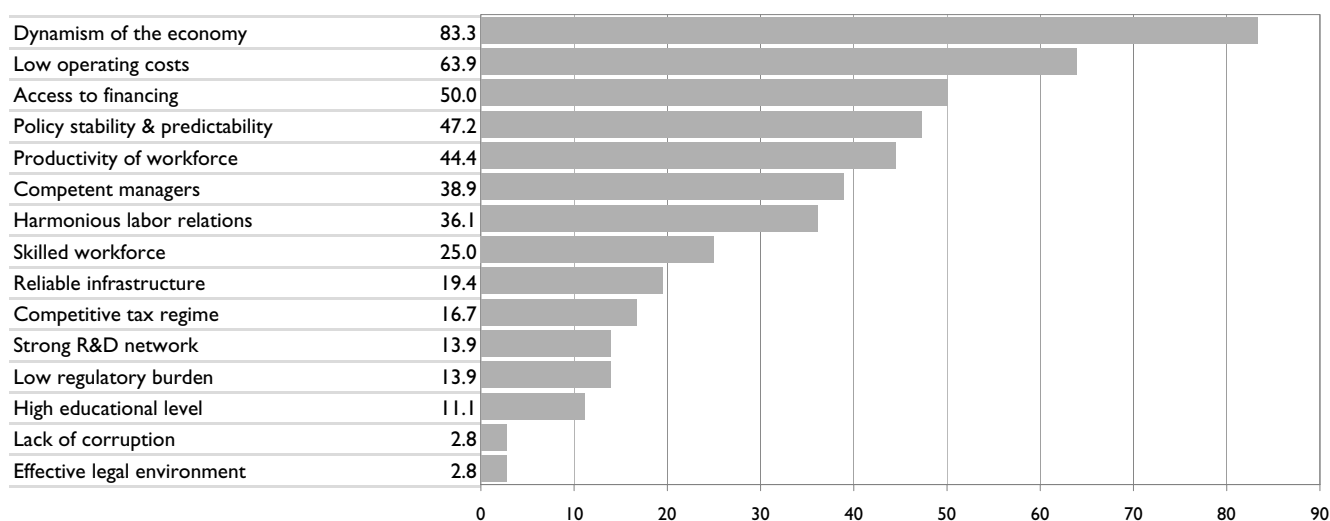
COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one year to the next.

IMPROVEMENTS	WCY		DECLINES	WCY	
	2010	2011		2010	2011
1.3.05 Direct investment flows inward (\$bn)	4.88	12.74	1.5.01 Consumer price inflation	2.8	7.0
1.3.06 Direct investment flows inward (%)	0.90	1.80	1.2.02 Current account balance (%)	1.89	0.89
3.3.11 Stock market capitalization (%)	19.36	33.04	2.1.02 Government budget surplus/deficit (%)	-1.58	-2.08
2.4.08 Government subsidies (%)	5.56	2.46	2.3.13 Bribing and corruption (Survey)	1.70	1.24
2.3.06 Foreign currency reserves (\$bn)	66.11	96.21	1.5.02 Cost-of-living index	66.90	83.20
4.5.01 Total public expenditure on education (%)	1.1	1.5	1.2.23 Tourism receipts (%)	1.45	1.17
1.1.13 Diversification of the economy (Survey)	4.42	5.95	2.3.11 Transparency (Survey)	4.58	3.71
1.2.08 Exports of goods (\$bn)	119.65	158.20	2.5.01 Justice (Survey)	3.75	3.05
1.3.01 Direct investment flows abroad (\$bn)	2.25	2.90	2.3.10 Government decisions (Survey)	4.12	3.37
1.1.14 Real GDP growth	4.6	5.8	2.3.09 Adaptability of government policy (Survey)	5.03	4.34
1.1.20 GDP per capita	2,332	2,973	2.4.11 Competition legislation (Survey)	5.12	4.48
1.2.12 Exports of commercial services (\$bn)	13.24	16.55	2.4.12 Parallel economy (Survey)	3.88	3.40
3.2.22 International experience (Survey)	4.73	5.90	4.3.21 Intellectual property rights (Survey)	4.18	3.71
3.3.16 Credit (Survey)	5.39	6.71	3.5.05 Need for economic and social reforms (Survey)	6.36	5.71
2.4.18 Unemployment legislation (Survey)	4.19	5.12	3.2.19 Attracting and retaining talents (Survey)	6.88	6.19

KEY ATTRACTIVENESS INDICATORS

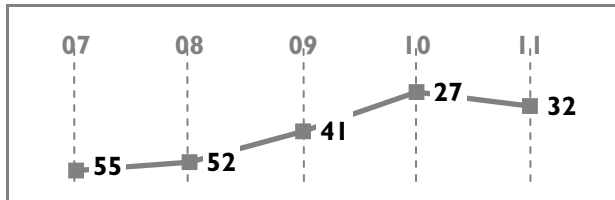
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



INDONESIA



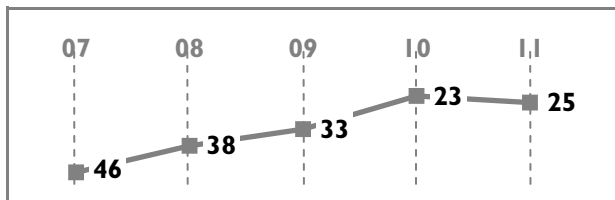
ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2010	2011
Domestic Economy	20	34
International Trade	34	34
International Investment	45	41
Employment	17	9
Prices	29	43



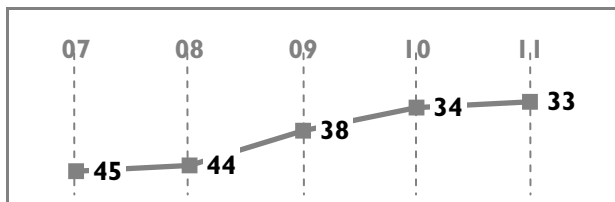
GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2010	2011
Public Finance	7	10
Fiscal Policy	4	5
Institutional Framework	34	42
Business Legislation	51	49
Societal Framework	52	49



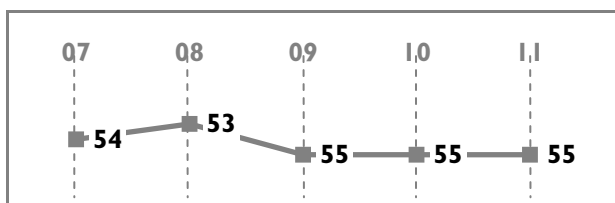
BUSINESS EFFICIENCY



Sub-Factor Rankings :	2010	2011
Productivity & Efficiency	47	55
Labor Market	9	3
Finance	34	30
Management Practices	40	35
Attitudes and Values	28	31



INFRASTRUCTURE



Sub-Factor Rankings :	2010	2011
Basic Infrastructure	43	44
Technological Infrastructure	52	54
Scientific Infrastructure	48	47
Health and Environment	56	56
Education	55	53

INDONESIA

STRENGTHS**Economic Performance**

1.1.14 Real GDP growth	16
1.3.14 Relocation threats of R&D facilities (S)	17
1.3.13 Relocation threats of production (S)	17
1.3.05 Direct investment flows inward (\$bn)	18
1.3.15 Relocation threats of services (S)	21
1.2.24 Exchange rates (S)	22
1.5.02 Cost-of-living index	23
1.1.19 Resilience of the economy (S)	23
1.1.13 Diversification of the economy (S)	24
1.2.08 Exports of goods (\$bn)	26

Government Efficiency

2.2.07 Effective personal income tax rate	4
2.2.01 Collected total tax revenues (%)	4
2.2.11 Employer's social security contribution rate	7
2.5.03 Ageing of society (S)	7
2.2.10 Employee's social security contribution rate	8
2.2.09 Consumption tax rate	10
2.2.12 Real personal taxes (S)	10
2.1.09 Management of public finances (S)	11
2.2.13 Real corporate taxes (S)	12
2.1.04 Total general government debt (%)	13

Business Efficiency

3.2.03 Remuneration in services professions (\$)	1
3.3.14 Stock market index (%)	6
3.2.04 Remuneration of management (\$)	7
3.2.06 Working hours	9
3.2.21 Foreign high-skilled people (S)	12
3.4.04 Corporate boards (S)	19
3.3.09 Stock markets (S)	20
3.3.08 Financial risk factor (S)	20
3.3.16 Credit (S)	21
3.3.05 Banking and financial services (S)	21

Infrastructure

4.1.24 Electricity costs for industrial clients	7
4.2.05 Mobile telephone costs	7
4.2.03 Fixed telephone tariffs	11
4.2.11 Fixed broadband tariffs	20
4.4.23 Sustainable development (S)	25
4.5.04 Pupil-teacher ratio (secondary education)	29

WEAKNESSES**Economic Performance**

1.1.21 GDP (PPP) per capita	57
1.1.20 GDP per capita	57
1.2.13 Exports of commercial services (%)	54
1.5.01 Consumer price inflation	53
1.3.08 Direct investment stocks inward (%)	52
1.2.21 Trade to GDP ratio	51
1.3.04 Direct investment stocks abroad (%)	49
1.3.02 Direct investment flows abroad (%)	45
1.2.09 Exports of goods (%)	44
1.3.16 Portfolio investment assets (\$bn)	44

Government Efficiency

2.4.20 Redundancy costs	58
2.4.15 Start-up days	56
2.3.13 Bribing and corruption (S)	53
2.4.02 Customs' authorities (S)	51
2.5.01 Justice (S)	50
2.3.07 Exchange rate stability	49
2.4.09 Subsidies (S)	48
2.5.04 Risk of political instability (S)	47
2.3.04 Country credit rating	46
2.3.03 Interest rate spread	46

Business Efficiency

3.1.01 Overall productivity (PPP)	58
3.1.04 Labor productivity (PPP)	58
3.3.01 Banking sector assets (%)	54
3.3.04 Investment risk	53
3.2.15 Female labor force (%)	49
3.2.07 Labor relations (S)	47
3.1.10 Small and medium-size enterprises (S)	46
3.1.09 Large corporations (S)	43
3.4.05 Auditing and accounting practices (S)	43
3.2.17 Skilled labor (S)	43

Infrastructure

4.4.01 Total health expenditure (%)	59
4.2.13 Internet bandwidth speed	58
4.2.12 Broadband subscribers	58
4.2.09 Computers per capita	58
4.5.01 Total public expenditure on education (%)	57
4.2.10 Internet users	57
4.2.04 Mobile telephone subscribers	57
4.3.02 Total expenditure on R&D (%)	57
4.1.15 Distribution infrastructure (S)	57
4.4.08 Medical assistance	56