

**ECONOMIC POLICY PACKAGE
PRE AND POST-IMF PROGRAM**

REPUBLIC OF INDONESIA

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GLOSSARY

Abbreviations

AG	Attorney General
APBN	Anggaran Penerimaan dan Belanja Negara
API	Angka Pengenal Importir
APIT	Angka Pengenal Importir Terbatas
BAPEKSTA	Badan Pelayanan Kemudahan Ekspor dan Pengolahan Data Keuangan, Departemen Keuangan
BAPEPAM	Badan Pengawas Pasar Modal, Departemen Keuangan
BAPEPTAL	Badan Pengatur Pasar Ketenagalistrikan
BAPPENAS	Badan Perencana Pembangunan Nasional
BCA	Bank Central Asia
BI	Bank Indonesia
BII	Bank Internasional Indonesia
BIN	Badan Intelijen Negara
BKPM	Badan Koordinasi Penanaman Modal
BNI	Bank Negara Indonesia
BPKP	Badan Pengawasan Keuangan dan Pembangunan
BPN	Badan Pertanahan Nasional
BPR	Bank Perkreditan Rakyat
BRI	Bank Rakyat Indonesia
BTN	Bank Tabungan Negara
BULOG	Badan Urusan Logistik
BUMN	Badan Usaha Milik Negara
CAMEL	Capital adequacy, Asset quality, Management, Earnings, and Liquidity

cct	Circuit
CMEA	Coordinating Minister for Economic Affairs
CMPW	Coordinating Minister for People's Welfare
CMPSA	Coordinating Minister for Politics and Security Affairs
DAK	Dana Alokasi Khusus
DGs	Directorate Generals
DJBC	Direktorat Jenderal Bea dan Cukai, Departemen Keuangan
DJLK	Direktorat Jenderal Lembaga Keuangan, Departemen Keuangan
DJP	Direktorat Jenderal Pajak, Departemen Keuangan
DNI	Daftar Negatif Investasi
DPR	Dewan Perwakilan Rakyat
FPT	Fit and Proper Test
FATF	Financial Action Task Force on Money Laundering
FSN	Financial Safety Net
GDP	Gross Domestic Product
GIS	Geographic Information System
GR	Government Regulation
HEPG	Hydro Electric Power Generation
IBA	Indonesian Banking Architecture
IBRA	Indonesian Bank Restructuring Agency
IMF	International Monetary Fund
JORR	Jakarta Outer Ring Road
KANWIL	Kantor Wilayah
KITE	Kemudahan Impor untuk Tujuan Ekspor
KKMB	Konsultan Keuangan Mitra Bank
Km	Kilometer

KPK	Komite Penanggulangan Kemiskinan
KPKD	Komite Penganggulangan Kemiskinan Daerah
kV	Kilovolt
kwh	Kilowatt hour
LoLR	Lender of the Last Resort
LPS	Lembaga Penjamin Simpanan
LTO	Large Taxpayer Office
MoA	Ministry of Agriculture
MoCI	Ministry of Communication and Information
MoEMR	Ministry of Energy and Mineral Resources
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoIT	Ministry of Industry and Trade
MoJHR	Ministry of Justice and Human Rights
MoM	Ministry of Manpower
MoSAE	Ministry of State Apparatus Empowerment
MoSOE	Ministry of State Owned Enterprises
MoSME	Ministry of Small and Medium Enterprises and Cooperatives
MoSRI	Ministry of Settlement and Regional Infrastructure
MoT	Ministry of Transportation
MoU	Memorandum of Understanding
Mw	Megawatt
NPIK	Nomor Pengenal Importir Khusus
NPL	Non Performing Loan
OJK	Otoritas Jasa Keuangan
PBI	Peraturan Bank Indonesia

PGN	Perusahaan Gas Negara
PLN	Perusahaan Listrik Negara
PMON	Pusat Manajemen Obligasi Negara, Sekretariat Jenderal Departemen Keuangan
PPATK	Pusat Pelaporan dan Analisa Transaksi Keuangan
PROPENAS	Program Pembangunan Nasional
RAPBN	Rancangan Anggaran Penerimaan dan Belanja Negara
REPETA	Rencana Pembangunan Tahunan
RG	Regional Government
SRG	Sistem Resi Gudang
SE	Surat Edaran
SPKD	Strategi Penanggulangan Kemiskinan Daerah
SKPN	Strategi Penanggulangan Kemiskinan Nasional
SS	State Secretariat
T/L	Tegangan Listrik
TDL	Tarif Dasar Listrik
TNI	Tentara Nasional Indonesia
UKMK	Usaha Kecil, Menengah, dan Koperasi

Economic Policy Post-IMF Program

Introduction

1. Over the last two years the Indonesian economy has made good progress. Indicators of recovery can be seen. By the end of 2003 the inflation rate is estimated to be under 6 percent, the exchange rate stable around Rp 8,500 per US\$, the 3 month Bank Indonesia Certificate (SBI) interest rate at or below 9 percent, national foreign exchange reserves in excess of US\$ 34 billion, and the government debt to GDP ratio approximately 67 percent.
2. Economic growth is beginning to increase supported by consumption and recently by export and investment activities. However, current economic growth is not sufficient to meet employment creation needs, raising income or reducing poverty. The most important priority in 2004 and after is to reach an economic growth rate that supports the aspirations of the people within a sustainable macroeconomic framework.
3. With this economic situation as background, the Government has decided to conclude its program with the IMF at the end of 2003. In 2004 and beyond the Government will not receive funds from the IMF nor have access to debt rescheduling through the facilities of the Paris Club. The Government has prepared a time frame for an economic recovery program and will be responsible for monitoring its outcome. The role of the IMF will be to provide advice on the implementation of our economic policy. According to the IMF Article IV, which applies to all members, the Government will take part in annual consultations. The government will also take part in *Post-Program Monitoring* a program for countries which have recently finished economic recovery programs with the IMF. The responsibility for economic policy will now rest entirely in the hands of the Government.
4. As part of the process of ending the economic program with the IMF the Government has prepared an economic policy package for 2003 and 2004 with the following objectives:

- a. Sustain and build on the macroeconomic stability that has been achieved;
 - b. Continue restructuring and reforming the financial sector;
 - c. Increase investment, exports and employment.
5. These three key priorities are detailed in the action plan matrices attached. Together with the RAPBN 2004 submitted to Parliament, these action plans reflect the government program to safeguard the transition post-IMF, so that economic recovery can continue in 2004 and beyond.