

Indonesia

- Indonesia's Gross Domestic Product (GDP) growth edged down from 5.3% in 2Q2018 to 5.2% in 3Q2018 following softer consumer spending and export growth.
- To curb the widening trade deficit, Bank Indonesia (BI) raised its benchmark interest rate (BI 7-day Reverse Repo Rate) by 25 basis points (bps) to 6.00% on 15 November 2018.
- Export growth firmed to 3.6% in October from 2.4% in September due to higher non-oil & gas exports. Meanwhile, import growth accelerated to 23.7% from 14.2% over the same period. Indonesia registered a trade deficit of US\$1.8 billion in October compared to a trade surplus of US\$0.3 billion in September.
- The inflation rate edged up to 3.2% in October from 2.9% in September on the back of higher food prices and housing costs.
- Indonesia's GDP growth is expected to ease from 5.2% in 2018 to 5.1% in 2019 due to slower consumer spending.

Indonesia's Selected Economic Indicators

	2016	2017	2018F [^]	2019F [^]
Real GDP Growth (%)	5.0	5.1	5.2	5.1
Inflation (%)	3.5	3.8	3.3	3.8
Policy rate (%)	4.75	4.25	6.00	6.50

[^]Bloomberg consensus forecast

