



Indonesian Chamber of Commerce and Industry

The Third Quarter 2006

Economic Report of Indonesia

Issued by
Indonesia Chamber of Commerce and Industry
In Cooperation with
JETRO

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Economic Indicator

Indicator	2002	2003	2004	2005	2006
GDP with constant 2000 price (trillion Rp)	1,506.1	1,579.6	1,660.6	1,749.60	447.4 (1)
GDP Growth (%)	4.38	4.88	5.13	5.60	4.59 (1)
Inflation (%)	10.03	5.06	6.4	17.11	3.33 (2)
Total Export (billion USD)	57.0	55.6	69.7	85.57	46.92 (3)
Non Oil and Gas Export (billion USD)	44.9	43.1	54.1	66.32	36.51 (3)
Total Import (billion USD)	31.2	29.5	46.2	57.55	28.84 (3)
Non Oil and Gas Import (billion USD)	24.8	22.6	34.6	40.16	19.87 (3)
Trade Balance (billion USD)	25.8	26.1	23.5	28.02	18.08 (3)
Current Account (billion USD)	4.7	4.0	2.9	0.93	-
Foreign Reserve (billion USD, year end)	32.0	36.3	35.9	34.72	41.13 (7)
Foreign Debt Position (billion USD)	131.3	135.4	136.1	133.50	131.8 (8)
Rupiah/USD (Bank Indonesia Middle Rate)	8,940	8,330	9,355.0	9,830.00	9,070 (7)
Total Government Revenue (trillion Rp)	299.0	341.1	380.4	516.22	539.4 (*)
Total Government Expenditure (trillion Rp)	322.2	378.8	397.8	542.40	559.3 (*)
Budget Deficit (trillion Rp)	-23.2	-37.7	-17.4	-26.18	-19.9 (*)
Base Money (trillion Rp)	138.3	136.5	199.7	239.80	247.7 (4)
Money Supply (trillion Rp)					
a. M1	191.9	207.6	253.8	281.90	304.7 (4)
b. M2	883.9	911.2	1,033.5	1,203.20	1,237.5 (4)
Banking Deposits (trillion Rp)	845.0	866.3	965.1	1,134.10	1,172.0 (5)
Banking Credits (trillion Rp)	365.4	411.7	553.6	689.70	699.9 (5)
Interest Rate (% , annually)					
a. One month SBI	12.9	8.1	7.4	12.75	12.25 (6)
b. One month Time Deposit	12.8	7.7	6.4	11.98	11.63 (5)
c. Working Capital Credit	18.3	15.8	13.4	15.92	16.25 (5)
d. Investment Credit	17.8	16.3	14.1	15.43	15.89 (5)
Investment Approval					
- Domestic (trillion Rp)	25.3	16.0	36.8	50.58	66.99 (3)
- Foreign (trillion Rp)	9.7	6.2	10.3	13.58	5.98 (3)
JSX Composite Index	424.9	742.5	1,000.2	1,162.60	1,351.7 (7)
JSX Market Capitalization (trillion Rp)	268.4	411.7	679.9	758.40	901.0 (4)

Source: BPS, BI, and JSX

1) 1st Quarter

2) January – July 2006

3) January – June 2006

4) Position at the end of June 2006

5) Position at the end of May 2006

6) Position on 26 of July 2006

7) Position at the end of July 2006

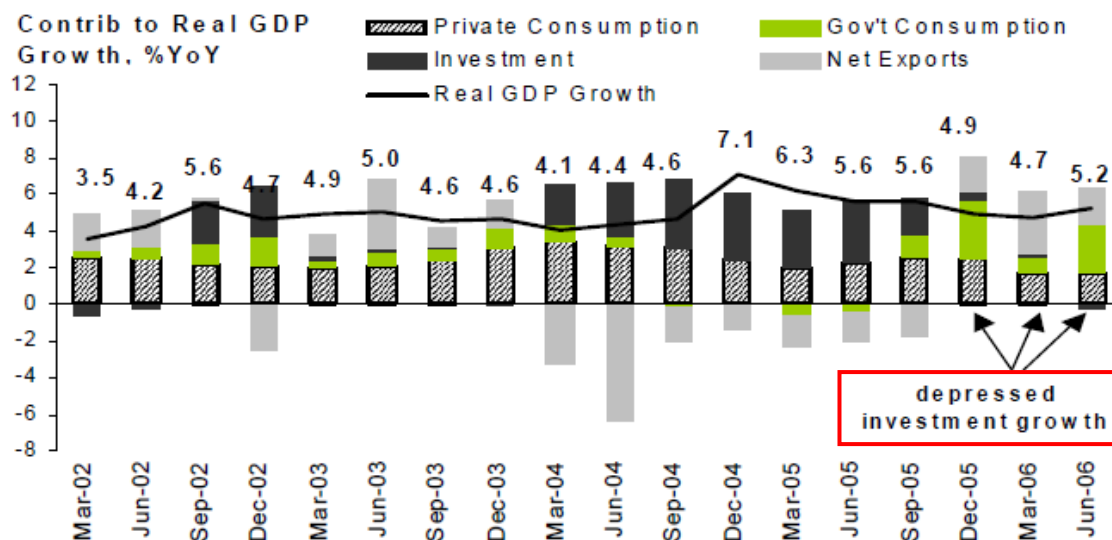
8) Position at the end of 1st quarter 2006

*) in 2006 State Budget

The Third Quarter 2006 Economic Report of Indonesia

(1) Contribution to Real GDP Growth (% YoY)

[GDP Contribution]



Data Source: City Group

Remarks:

It reveals that on year on year (yoy) base, the economic growth in the third quarter in 2006 is better than a quarter before. Despite this, the real investment declined by almost 1% and has been depressed for three consecutive quarters due to partly on the back of fuel and monetary adjustments, setbacks in public investment and structural reforms. But one encouraging trend is a significant increase in domestic investment approvals at three-fold in Jan-July, 2006.

Will this encouraging trend continue? The answer lies in many factors. One of them is business climate. All these years, the business climate in Indonesia is not favorable, and this, undoubtedly, has become the main factor to delay the investment growth in Indonesia. It can be easily stated that business climate reflecting several factors related to certain location and creating opportunity and incentive for investor to invest productively. In other word, favorable business climate is a certain climate to push a businessman to make an investment with the lowest cost and risk on one side, and gain long term profit on the other side. As an example, several studies pointed out that as a result of investment climate improvement during the 80's and 90's followed by a sharp decline in terms of investment cost and risk, then private investment as a part of GDP has jump to a high 200% in China and India.

In the report by World Bank concerning investment climate, it is said that many factors should be taken into consideration in an effort to improve investment climate, among other things the macro economic stability and low rate of corruption. This report, which is based on a

survey conducted toward over 26,000 companies in 53 countries, including Indonesia stated that even though the obstacles varied across countries and even among companies/sectors within the countries, the result in general reveal the importance of obstacles related to policy, including policy uncertainty and macro economic stability that must be considered in making a business/investment decision.

The result of survey conducted by World Bank was supported by annual survey result concerning the country's competitiveness done by The World Economic Forum (WEF) toward companies in over 100 countries (including Indonesia) in the world. In its recent report (*The Global Competitiveness Report 2006-2007*), based on percentage of respondent, it turned out that three business obstacles ranked at the highest position in Indonesia are lack of infrastructure and followed by inefficient government bureaucracy and unstable policy.

Interestingly, the status of private consumption as the main engine for economic growth in Indonesia after the Asian crisis seems to be over, as its share in GDP continues to decline. While, government expenditure and investment are likely to take over the place. Now the question is, will they continue to strengthen their position as the main growth engine? With respect to the government expenditure, it will depend on the capability of government to increase its annual budget, and unfortunately, as discussed before, the 2007 proposed budget relatively is smaller than the actual budget used in 2006. For investment, it will depend on various factors of which some important ones are already explained before.

(2) 2006 State Budget Revision & 2007 Draft Budget

STATE BUDGET	Draft Revision 2006 Budget		Proposed 2007 Budget		FINANCING	Draft Revision 2006 Budget		Proposed 2007 Budget	
	Rp tn	% of GDP	Rp tn	% of GDP		Rp tn	% of GDP	Rp tn	% of GDP
Total Revenues & Grants	651.9	20.9	713.4	20.2	Domestic Financing (net)	52.4	1.7	51.3	1.5
Tax Revenues	423.5	13.6	505.9	14.3	Government Bank Account	14.5	0.5	16.1	0.5
Non-tax + Grants	228.5	7.3	207.6	5.9	Privatization	3.0	0.1	2.0	0.1
Expenditures	689.5	22.1	746.5	21.1	Asset Sales	2.4	0.1	1.0	0.0
Central Government	470.2	15.1	496.0	14.0	Government Bonds (net)*	35.8	1.1	34.2	1.0
Interest Payments	83.5	2.7	85.1	2.4	Capital Injections	(3.3)	(0.1)	(2.0)	(0.1)
Domestic	58.4	1.9	58.3	1.7	External Financing (Net)	(14.8)	(0.5)	(18.2)	(0.5)
Subsidies	104.3	3.3	109.7	3.1	Official Loans	39.9	1.3	35.9	1.0
Fuel	62.7	2.0	68.6	1.9	External Debt Amortizations	(54.7)	(1.8)	(54.1)	(1.5)
Regional Government	219.4	7.0	250.6	7.1	Excess (Shortages)	0.0	0.0	0.0	0.0
Primary Balance	45.8	1.5	52.0	1.5					
Overall Balance	(37.6)	(1.2)	(33.1)	(0.9)	Total	37.6	1.2	33.1	0.9

Source: Ministry of Finance.

The 2007 draft budget shows that although in nominal value the government expenditure is going to increase next year, in real terms, it declines, from 22.1% to 21.1% of GDP. Although the decline is relatively small, it certainly will have a significant multiplier effect on the economy, especially when investment and household consumptions, other two main important economic engines from the aggregate demand-side are still weak. Theoretically, the increase in tax revenues as proposed by the 2007 draft budget will have a negative effect on consumption and hence economic activities, *ceteris paribus*, other economic growth determinant factors are

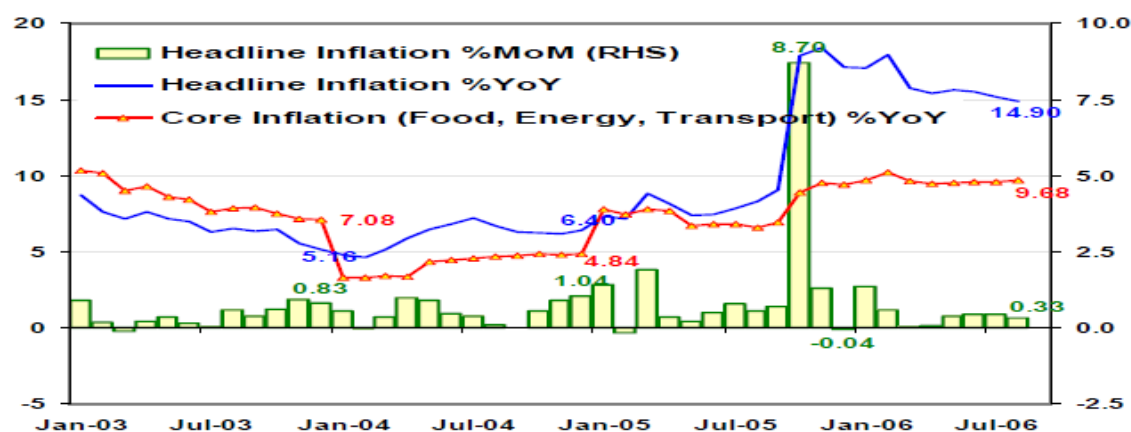
constant. This means that there is a need to increase other aggregate demand variables such as investment or net trade (export minus import) or government expenditure to compensate the likely decline in household consumption caused by the tax increases.

(3) Inflation Rate

[CPI - Consumer Products Index]

Expenditure Group	Jun-06		Jul-06		Aug-06		Weight (%)
	%mom	% yoy	%mom	% yoy	%mom	% yoy	
1. Food	1.12	17.00	0.99	15.77	-0.34	15.22	24.69
2. Process Food, Beverage, Cigarette & Tobacco	0.26	11.73	0.31	11.58	0.35	11.41	17.62
3. Housing	0.32	12.84	0.21	12.72	0.30	12.48	26.35
o/w. Fuel, Electricity and Water	0.28	26.58	0.15	26.26	0.08	24.81	5.76
4. Clothing	-0.08	9.77	0.36	9.56	0.35	9.47	6.37
5. Health	0.27	7.26	0.06	7.00	0.33	6.85	4.31
6. Education, Recreation and Sports	0.25	8.01	0.69	7.73	4.77	9.27	6.18
o/w. Education	0.00	9.83	0.71	9.16	7.35	11.68	3.10
7. Transportation, Communication and Finance	0.10	30.75	0.08	30.80	0.01	30.70	9.44
o/w. Transport	0.09	44.03	0.06	44.06	-0.01	44.00	14.47
Headline inflation rate (%)	0.45	15.53	0.45	15.15	0.33	14.90	100.00

Source: Indonesia Statistics Office (BPS).



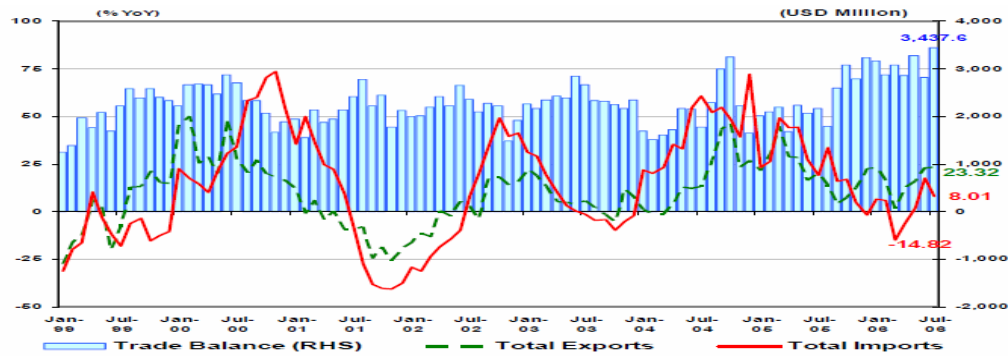
source: Indonesia Statistics Office (BPS).

[Remarks]

Inflation tends to decline, and it is greatly expected that the inflation rate for the whole year of 2006 will be under 8%. Of course this is a good signal as long as it is the result of the improvement in overall economic efficiency. But, if the decline is a reflection of the weakening aggregate demand, it may indicate that economic activities tend to slow down. If this is the case, then the better GDP growth in the third quarter as shown above will be over soon.

4) International Trade and Trade Balance

[Historical International Trade since January 2003]



Source: Badan Pusat Statistik (BPS).

[Remarks]

After rising by 23.3% mom in July, the trade surplus fell by 4.9% mom in August 2006, as exports rose only by 0.7% mom and imports rose by 4.4% mom. An increase in export value was mainly due to an increase in the value of non-oil and gas exports, which were up by 4.1% mom. Meanwhile the value of oil and gas exports decreased by 10.3% mom, from US\$ 2,056.2 million in July to US\$ 1.845.1 million in August 2006. In the said period, the export of oil products increased by 1.8%, whereas the decreased crude oil and gas reached each the level of 11.5% and 12.6%.

The continued surplus of oil & gas trade balance reached to the amount of US\$ 176.3 million in August 2006. In the last month the oil & gas trade balance reverted back to a surplus of US\$ 231 million after briefly dipping to a US\$365mln deficit in June as Import growth decelerated. This temporary deficit was due to domestic fuel refinery maintenance.

The August of 2006 recorded significant improvement in non-oil and gas exports to all major export destinations. The most rapidly growing markets for Indonesia's exports were Japan, European Union, Singapore, and the USA. These countries still make up about 60% of the market for non-oil and gas exports. Despite continued government efforts to diversify Indonesia's export markets, the market share controlled by these four trading partners demonstrated just how much Indonesia is reliant on traditional export destinations.

After getting slowdown, capital goods imports rose by 5.29% yoy for January-August 2006. It reflected improvement in investment environment while a pickup in imports of raw materials to +1.69% yoy for January-August 2006 signals an increase in economic activity.

Exports of primary commodities such as coal, palm oil and rubber, are still showing an increasing trend, due to strong world demand. Eventually, foreign exchange reserves increased again in the last month to US\$42.4billn at end of September 2006.

Key Economic Index

1. Macro Economic Index of Indonesia

Period	Actual Growth rate	Consumers price(yoy)	Consumers price (mom)	Money Supply (ML,yOy)	Exchange rate		Balance of Payment		Foreign currency deposit (US\$ Million)
					(Mid rate at end		(Trade Balance (US\$ Million)	Current Account (US\$ Million)	
					Rp/\$	Rp/Yen			
1997	4.9	11.05		22.2	4,650	36	11,764	-5001	17,427
1998	-13	2.77		63	8,025	70	21,511	4,097	n.a.
1999	0.3	2.01		23.2	7,100	69	24,662	5,782	24,352
2000	4.9	9.35		30.1	9,595	84	28,609	7,700	29,394
2001	3.8	12.55		9.6	10,400	79	25,359	6,901	28,015
2002	4.3	10.03		8	8,940	75	25,870	7,822	32,039
2003	4.9	5.06		16.6	8,465	79	28,508	7,594	36,296
2004	5.1	6.4		13.4	9,290	90	25,060	1,563	36,321
2005	5.6	17.11		11.1	9,830	82	27,959	929	34,724
2003									
1		8.7	0.8	8.0	8,876	74.5			32,181.9
2		7.3	0.2	7.7	8,905	75.6			32,217.8
3	5.5	7.1	(0.2)	9.1	8,908	74.5	5,504	1,285	32,133.5
4		7.5	0.2	9.0	8,675	72.6			33,626.4
5		6.9	0.2	13.9	8,279	69.6			34,109.6
6	4.8	6.6	0.1	12.2	8,285	69.1	6,241	2,325	34,056.6
7		5.8	0.0	13.3	8,505	70.8			33,683.4
8		6.4	0.8	14.7	8,535	72.9			33,489.7
9	3.7	6.2	0.4	14.2	8,389	75.5	6,558	2,360	34,017.6
10		6.2	0.6	17.0	8,495	78.1			34,739.5
11		5.3	1.0	14.0	8,537	78.1			35,063.9
12	4.1	5.1	0.9	16.6	8,465	79.2	5,404	1,624	36,295.7
2004									
1		4.8	0.6	20.1	8,441	79.6			35,975.4
2		24.6	(0.0)	20.7	8,447	77.2			36,000.7
3	4.4	5.1	0.4	20.8	8,587	82.1	3,576	(1,992)	37,419.2
4		5.9	1.0	17.8	8,661	78.6			37,080.7
5		6.5	0.9	16.7	9,210	83.8			36,469.6
6	4.4	6.8	0.5	20.5	9,415	86.8	5,299	973	34,851.0
7		7.2	0.4	21.1	9,168	81.9			34,810.5
8		6.7	0.1	18.4	9,328	85.1			34,821.9
9	5.1	6.3	0.0	16.1	9,170	82.6	6,550	2,038	34,802.2
10		6.2	0.6	16.5	9,090	85.6			35,353.2
11		6.2	0.9	11.0	9,018	87.4			35,927.4
12	6.7							544	
2005									
1		7.3	1.4	14.7	9,165	88.4	2,127		36,092.2
2		7.2	(0.2)	14.3	9,260	88.4	2,395		36,542.1
3	6.4	8.8	1.9	14.3	9,480	88.5	2,268	504	36,030.1
4		8.1	0.3	14.3	9,570	90.4	1,731		36,428.8
5		7.4	0.2	12.9	9,495	87.8	2,245		34,612.6
6	5.5	7.4	0.5	14.5	9,713	88.0	2,012	311	33,865.4
7		7.8	0.8	12.1	9,819	87.5	2,277		32,208.4
8		8.3	0.5	15.0	10,240	92.1	1,631		31,180.3
9	5.3	9.1	0.7	13.7	10,310	91.2	2,483	(1,078)	30,318.3
10		17.9	8.7	15.8	10,090	87.3	2,968		32,646.1
11		18.4	1.3	10.6	10,035	83.9	2,788		33,239.8
12	4.9	17.1	(0.0)	11.1	9,830	83.4	3,301	1,192	34,723.7
2006									
1		7.0	1.4	13.4	9,395	80.1	3,246		35,076.6
2		17.9	0.6	10.7	9,230	79.3	2,841		35,525.1
3	4.7	15.7	0.0	10.7	9,075	77.0	3,112	2,564	40,081.6
4		15.4	0.1	14.7	8,775	76.7	2,845		42,811.7
5		15.6	0.4	20.7	9,220	82.2	3,281		44,293.7
6	5.2	15.5	0.5	17.0	9,300	80.9	2,815	1,980	40,107.1
7		15.2	0.5	16.8	9,070	79.1	3,438		41,125.8
8		14.9	0.3		9,100	77.9	3,268		41,995.4
9		14.6	0.4		9,235				42,352.9

Source: BPS, Bank Indonesia, and Jetro

2. GDP of Indonesia

(1) GDP composition by Expenditure at Current Market Price (Unit: Triliun Rupiah)

	2003	2004	2005	2006Q1	2006Q2
1. Consumption (share)	1,372.1 67.1%	1,532.4 66.5%	1,785.6 65.4%	497.9 65.1%	517.9 64.5%
2. Public Expenditure (share)	163.7 8.0%	187.8 8.2%	225.0 8.2%	54.1 7.1%	70.2 8.7%
3. Investment (share)	354.0 17.3%	491.2 21.3%	607.0 22.2%	175.0 22.9%	183.8 22.9%
4. Export Import (share)	627.1 -471.0 7.6%	711.8 -620.2 4.0%	915.6 -797.3 4.1%	229.7 -191.3 4.9%	243.3 -211.8 3.9%
Total GDP (share)	2,045.9 100.0%	2,303.0 100.0%	2,729.7 100.0%	764.4 100.0%	803.4 100.0%

(2) GDP Composition by Industry at Current Market Price (Unit: %)

Industry	2003	2004	2005	2006Q1*	2006Q2**
1. Agriculture & Fishery (Growth at Constant Price)	15.92 4.3	14.66 4.1	13.39 0.6	13.51 3.9	13.29 5.0
2. Mining (Growth at Constant Price)	7.88 -0.9	8.67 -4.6	10.44 1.2	10.19 3.7	10.47 5.4
3. Manufacturing (Growth at Constant Price)	28.84 5.3	28.28 6.2	28.06 4.8	28.80 3.1	28.91 3.1
4. Electricity, water, gas (Growth at Constant Price)	0.96 5.9	0.98 5.9	0.92 4.8	0.89 5.8	0.89 5.7
5. Construction (Growth at Constant Price)	5.50 6.7	6.32 8.2	6.35 6.1	6.43 7.2	6.51 8.3
6. Commercial, hotel, restaurant (Growth at Constant Price)	16.51 5.3	15.83 5.8	15.75 8.6	15.02 4.7	14.93 4.6
7. Transportation & Telecom (Growth at Constant Price)	5.78 11.6	6.29 12.7	6.63 14.3	7.04 11.0	7.02 13.3
8. Finance & Lease (Growth at Constant Price)	8.52 7.0	8.60 7.7	8.36 7.3	8.32 5.4	8.19 5.1
9. Service (Growth at Constant Price)	9.68 3.9	10.37 4.9	10.10 5.6	9.80 5.4	9.79 5.9
Grand Total (Growth at Constant Price)	100 4.9	100 5.1	100 5.4	100 5.4	100 5.7

* Growth rate from first quarter 2005

** Growth rate from second quarter 2005

(3) GDP per Capita at Current Market Price (Unit: Triliun Rupiah)

	2003	2004	2005	2006Q1	2006Q2
Rupiah (Million)	9.43	10.51	12.45	n.a	n.a
Increase/Decrease	9.07%	11.41%	18.54%	n.a	n.a
US Dollar	1,099.00	1,166.00	1,308.00	n.a	n.a

Source : BPS - Statistics Indonesia

3. Investment to Indonesia

(1) Investment from Abroad (Unit: cases, Million Dollars)

YEAR	New investment		Expansion		Alteration		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
1994	401	14,751	215	5,222	48	3,752	444	27,046
1995	712	28,869	263	7,118	87	3,928	782	39,892
1996	842	18,294	263	5,754	117	5,883	947	29,941
1997	683	16,893	243	15,358	107	1,582	778	33,666
1998	908	8,479	205	2,386	127	2,698	958	13,635
1999	961	6,740	290	2,684	203	1,466	1179	10,894
2000	1316	10,167	382	3,935	202	1,316	1599	16,015
2001	1184	11,470	336	1,583	149	2,003	1375	15,202
2002	1022	4,296	283	3,688	129	1,811	1238	9,955
2003	1025	5,312	275	3,609	150	5,126	1175	14,278
2004	1069	5,421	287	3,092	157	1,903	1226	10,416
2005	1468	5,542	392	5,793	180	2,244	1648	13,579
2005 (Jan-Aug)	949	3,628	255	2,112	112	1,542	1061	7,282
2006 (Jan-Aug)	951	2,960	281	2,855	162	2,855	1113	8,652
Growth rate Jan-Aug 2006 against Jan-Aug 2005							4.9	18.8

(2) Domestic investment (Unit: cases, Million Dollars)

YEAR	New investment		Expansion		Alteration		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
1995	766	50,093	318	18,046	9	1,713	793	69,845
1996	792	83,307	278	16,935	18	473	807	97,401
1997	698	86,817	256	19,960	20	13,096	719	119,321
1998	314	50,080	91	10,245	10	425	323	57,999
1999	217	33,471	109	19,408	20	671	239	53,931
2000	297	84,496	136	6,800	24	463	415	95,643
2001	248	50,583	86	8,080	16	152	270	59,882
2002	162	12,437	65	9,941	26	2,852	196	25,936
2003	171	44,154	84	4,452	31	2,148	232	55,121
2004	176	27,553	108	12,562	23	3,986	199	44,101
2005	190	32,617	118	16,960	28	1,001	218	50,577
2005, Jan - Aug	127	22,792	79	9,877	18	641.7	145	33,311
2006, Jan - Aug	117	81,462	82	14,530	16	738.4	133	96,731
Growth rate Jan-Aug 2006 against Jan-Aug 2005							-8.3	190.4

(3) Investment from Japan (Unit: cases, Million Dollars)

YEAR	New investment		Expansion		Alteration		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
1994	68	759	63	700	7	103	75	1,562
1995	123	2,494	82	1,146	12	152	135	3,792
1996	132	3,762	81	2,288	13	1,605	145	7,655
1997	87	3,908	76	1,253	7	260	94	5,421
1998	70	372	48	719	8	240	78	1,331
1999	64	168	71	474	6	2	70	644
2000	82	1,066	111	861	11	27	92	1,819
2001	91	273	92	495	7	4	100	818
2002	75	320	62	189	5	1	82	519
2003	70	859	70	328	2	64	72	1,251
2004	70	304	69	1,375	5	8	75	1,688
2005	71	154	91	1,001	5	22	76	1,176
2005, Jan - Aug							n.a	n.a
2006, Jan - Aug	34	63	45	217.6	4	0.9	38	282

Source: BKPM and Jetro

4. Investment to Indonesia by country

(Unit: cases, Million Dollars)

Country	2001			2002			2003			2004			2005			2006 (Jan-Aug)		
	Cases	Amount	%	Cases	Amount	%	Cases	Amount	%	Cases	Amount	%	Cases	Amount	%	Cases	Amount	%
Japan	100	817.6	5.4	82	518.5	5.2	76	1,251.40	8.8	75	1,688.90	16.2	76	1,176.40	8.7	38	281.5	3.3%
Hong Kong	16	41.5	0.3	13	1,712.00	17.2	19	257.7	1.8	13	20.2	0.2	17	125.4	0.9	12	287.4	3.3%
Korea	296	373.4	2.5	246	378.3	3.8	200	166.2	1.2	209	419	4	309	417.3	3.1	220	607.0	7.0%
Taiwan	68	83.6	0.5	50	83.1	0.8	49	116.7	0.8	40	68.6	0.7	43	133.4	1	17	206.5	2.4%
China	39	6,053.50	39.8	43	46.3	0.5	66	264	1.8	34	24.6	0.2	84	205	1.5	55	90.3	1.0%
Thailand	4	3	0	6	6.4	0.1	5	10.1	0.1	11	99	1	8	20	0.1	10	117.7	1.4%
Singapore	160	1,169.90	7.7	166	3,376.50	33.9	177	801.4	5.6	158	617.5	5.9	203	3,933.20	29	135	962.2	11.1%
Malaysia	106	2,243.60	14.8	78	74.8	0.8	97	336.5	2.4	115	483	4.6	173	587.3	4.3	119	1,802.8	20.8%
India	30	6.9	0	37	5.4	0.1	29	7.1	0	29	7.1	0.1	18	30.8	0.2	26	68.9	0.8%
Saudi Arabia	6	1,502.00	9.9	2	0.2	0	4	0.9	0	4	3,018.00	29	3	1.4	0	4	1.4	0.0%
Australia	49	273.5	1.8	43	278.3	2.8	43	129.1	0.9	38	481.2	4.6	68	513.6	3.8	35	21.2	0.2%
USA	44	87.7	0.6	40	468.5	4.7	3.1	211.7	1.5	25	133.3	1.3	44	91.2	0.7	28	87.8	1.0%
United Kingdom	76	793.4	5.2	78	747.2	7.5	90	999.4	7	83	1,318.50	12.7	104	1,529.00	11.3	88	762.8	8.8%
Holland	36	88.8	0.6	27	244.1	2.5	35	353.6	2.5	35	258.7	2.5	54	472.3	3.5	27	29.7	0.3%
France	21	14.3	0.1	18	262.8	2.6	17	65.6	0.5	12	9.1	0.1	23	9.7	0.1	11	7.3	0.1%
Germany	33	43.2	0.3	16	35.8	0.4	16	172.2	1.2	24	34.7	0.3	30	42	0.3	8	10.5	0.1%
Switzerland	3	11.7	0.1	10	74.4	0.7	4	0.9	0	7	299	2.9	9	27.5	0.2	1	476.4	5.5%
Others	95	654.8	4.3	96	1,001.80	10.1	93	4,928.10	34.5	96	661.8	6.4	108	769.5	5.7	78	1,047.0	12.1%
Multiple Coun	193	939.5	6.2	187	641	6.4	187	4,205.50	29.5	218	773.4	7.4	274	3,494.20	25.7	201	1,783.3	20.6%
Grand Total	1,375	15,201.90	100	1,238	9,955.40	100	1,238	14,278.10	100	1,226	10,415.60	100	1,648	13,579.20	100	1,113	8,651.7	100.0%

Source: BKPM and Jetro

5. Investment to Indonesia by industry (Approval base)

(Unit: cases, Million Dollars)

Sector	2001		2002		2003		2004		2005		2006 (Jan-Aug)	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Agriculture	17	264.4	15	442.7	13	129.6	15	169.3	25	434	30	436.0
Livestock farming	3	16.7	1	23.3	4	13.9	5	39	2	27.8	8	26.8
Forestry	4	101.5	1	8.6	2	95.2	0	0.2	4	128.6	2	0.7
Fishery	8	6.9	9	4	7	26.8	12	133.9	8	15.3	3	77.4
Mining	21	119.7	14	49.3	10	18.4	21	97.8	61	775.9	55	204.4
Total Agri-Fishery	53	509.2	40	527.9	36	283.9	53	410.2	100	1,381.60	98	745.3
Foodstuff	34	323.9	29	267.7	42	516	43	740.4	62	642.6	26	721.8
Textile	64	391.6	55	104.1	44	129.7	45	412.6	85	139.5	63	110.6
Leather & footwear	29	32.6	7	13.8	10	37.2	7	20	10	80.9	10	31.8
Lumber	30	23.7	18	37.4	23	2445.9	9	15.5	17	108.3	7	48.4
Paper & pulp	13	742.1	10	12.6	11	1,299.90	15	60.4	15	227.7	14	299.8
Chemical & Pharmaceutical	31	2,310.10	32	1,871.40	26	3,038.20	34	3,416.70	42	2,879	33	882.5
Rubber & Plastic	46	231	34	284.5	28	77.6	31	182	33	164.4	23	64.1
Non-metal product	12	108	7	40.7	10	714.8	4	47.2	10	368.2	6	756.4
Basic metal, Electronic & El	105	652.3	100	355.3	94	324.3	83	1,019.90	101	694.9	54	553.9
Medical, Optical & Watch	1	31	3	3.2	4	4.8	1	2.9	2	16.1		1.9
Transporting instrument	43	327.7	44	275.8	20	159.7	26	427.9	33	629.1	21	332.1
Other manufacturing Industry	39	51.9	31	38	40	92.7	33	51.6	26	77.3	21	23.8
Total Industry	447	5,225.90	370	3,304.50	352	6,640.80	331	6,379.10	436	6,028	278	3,827.1
Electricity, Gas, Drinking w	4	37.3	2	90.2	2	362.9	3	275.5	2	22.5	9	724.7
Construction	30	48.5	43	325.9	43	903.6	46	964.2	91	1,777.20	25	1,870.7
Trade & Business	460	411.2	464	884.4	471	490.5	445	620.4	573	645.5	414	831.3
Hotel & Restaurant	53	6,892.60	50	260.2	69	613.5	77	616.4	87	259.2	46	147.3
Transportation, Telecom & Wa	84	376.4	72	3,718	55	4,592.10	58	579.1	68	3,107.30	58	234.9
Real Estate, Industrial Park	26	175	16	8.3	6	52.6	8	339.6	20	124.7	12	21.2
Other service industry	218	1,525.80	181	836	204	338.2	205	213.1	271	233.2	173	249.2
Total Service industry	875	9,466.80	828	6,123	850	7,353.40	842	3,608.30	1112	6,169	737	4,079.3
Grand Total	1,375	15,201.90	1238	9,995	1238	14,278.10	1226	10,415	1648	13,579.20	1,113	8,651.7

Source: BKPM and Jetro

6. Indonesia International Trade

Year	Export (FOB)						Total amount		Import (CIF)		Balance of Trade
	Non-oil & Gas		Oil & Gas		Total amount		Millions US\$	Growth	Millions US\$	Growth	Millions US\$
	Millions US\$	Growth	Millions US\$	Growth	Millions US\$	Growth					
1997	41,821	9.8	11,623	-0.8	53,444	7.3	41,680	-2.9	11,764		
1998	40,975	-2.0	7,872	-32.3	48,847	-8.6	27,337	-34.4	21,510		
1999	38,873	-5.1	9,792	24.4	48,665	-0.4	24,003	-12.2	24,662		
2000	47,757	22.9	14,367	46.7	62,124	27.7	33,515	39.6	28,609		
2001	43,685	-8.5	12,636	-12.0	56,321	-9.3	30,962	-7.6	25,359		
2002	45,046	3.1	12,113	-4.1	57,159	1.5	31,289	1.1	25,870		
2003	47,407	5.2	13,652	12.7	61,059	6.8	32,551	4.0	28,508		
2004	55,939	18.0	15,645	14.6	71,584	17.2	46,525	42.9	25,059		
2005	66,438	18.8	19,232	22.9	85,670	19.7	57,547	23.7	28,123		
2006 (jan-Aug)	50,312	17.2	14,315	16.8	64,627	17.1	39,933	2.6	24,694		

Source: BPS and Jetro

7. Indonesia Import by Products from Japan

Products	January - December 2005				January - June 2006			
	Amount	(+-)yoy	Share	% GDP	Amount	(+-)yoy	Share	% GDP
Total Amount	9,308,206	2.7	100	2.7	3,469,356	(28.7)	100	(28.7)
Food stuff	27,744	8.3	0.3	0.0	13,433	7.8	0.4	0.0
Textile products	155,087	(3.7)	1.7	(0.1)	69,141	(15.2)	2	(0.3)
Synthetic fibre garment	10,793	(17.2)	0.1	0.0	5,653	10.7	0.2	0.0
Chemical product	923,543	7.2	9.9	0.7	422,514	(8.7)	12.2	(0.8)
Organic compound	267,515	5.0	2.9	0.1	126,693	(4.2)	3.7	(0.1)
Plastic	343,309	7.0	3.7	0.3	151,391	(12.6)	4.4	(0.5)
Non-metallic products	90,058	(17.1)	1	(0.2)	41,114	(12.8)	1.2	(0.1)
Ceramic	67	59.9	0	0.0	15	(69.3)	0	0.0
Metallurgy product	1,466,905	28.0	15.8	3.5	684,091	(5.8)	19.7	(0.9)
Steel	1,056,072	47.3	11.4	3.7	444,881	(14.0)	12.8	(1.5)
Non-Ferrus metals	154,695	(6.1)	1.7	(0.1)	134,221	71.1	3.9	1.2
Metal product	265,138	(3.2)	2.8	(0.1)	104,989	(19.7)	3	(0.5)
General Machinery	2,752,76	6.8	29.6	1.9	918,118	(38.9)	26.5	(12.0)
Combustion engine	753,409	6.4	8.1	0.5	188,175	(56.6)	5.4	(5.0)
Office instrument	104,014	(30.9)	1.3	(0.6)	30,498	(42.5)	0.9	(0.5)
Automatic data process ins	6,024	19.6	0.1	0.0	3,398	26.7	0.1	0.0
Machine tool	340,188	60.2	3.7	1.4	117,358	(37.7)	3.4	(1.5)
Construction & mining mach	261,638	35.0	2.8	0.8	90,036	(41.6)	2.6	(1.3)
Heating & cooling machiner	72,368	(34.7)	0.8	(0.4)	20,057	(53.7)	0.6	(0.5)
Pump & cetrifugal separato	190,227	(15.0)	2	(0.4)	68,570	(33.3)	2	(0.7)
Loading equipment	174,187	21.7	1.9	0.3	62,397	(27.5)	1.8	(0.5)
Electric equipment	1,579,77	(10.4)	17	(2.0)	619,216	(21.5)	17.9	(3.5)
Heavy duty electric equipm	175,863	0.7	1.9	0.0	75,436	(9.5)	2.2	(0.2)
Visual equipment	3,713	36.5	0	0.0	876	(71.5)	0	(0.1)
TV	689	(53.9)	0	0.0	558	(7.9)	0	0.0
VTR	761	34.7	0	0.0	175	(32.3)	0	0.0
TV camera	2,264	242.7	0	0.0	143	(93.5)	0	0.0
Audio equipment	1,027	(24.9)	0	0.0	204	(61.4)	0	0.0
Radio	51	77.9	0	0.0	9	(62.6)	0	0.0
Audio visual equipment par	102,234	(24.2)	1.1	(0.4)	41,677	(8.2)	1.2	(0.1)
Telegraphic instrument	33,950	(18.8)	0.4	(0.1)	26,356	85.3	0.8	0.3
Electronic part	482,252	(11.7)	5.2	(0.7)	166,647	(30.7)	4.8	(1.5)
IC	355,387	(9.1)	3.8	(0.4)	111,709	(36.3)	3.2	(1.3)
Electric measuring device	106,786	23.2	1.2	0.2	35,396	(31.2)	1	(0.3)
Transportation equipment	1,333,789	(8.7)	14.3	(1.4)	327,831	(57.6)	9.5	(9.2)
Automobile	557,940	(13.1)	6	(0.9)	139,111	(59.1)	4	(4.1)
Passenger car	184,885	(45.3)	2	(1.7)	53,214	(58.5)	1.5	(1.5)
Bus & Trucks	302,681	30.1	3.3	0.8	70,975	(56.6)	2.1	(1.9)
Parts for automobiles	661,298	(3.5)	7.1	(0.3)	150,490	(59.5)	4.3	(4.5)
Motorcycle	1,680	87.2	0	0.0	853	78.1	0	0.0
Vessels	7,014	(14.9)	0.1	0.0	8,783	84.9	0.3	0.1
Presision equipment	106,417	3.5	1.1	0.0	34,383	(35.2)	1	(0.4)
Optical instrument	105,788	4.0	1.1	0.0	34,304	(35.0)	1	(0.4)
Copying machinery	692	(34.0)	0	0.0	56	34.7	0	0.0
Watch	629	(43.7)	0	0.0	81	(71.4)	0	0.0
Others	871,962	1.6	9.4	0.2	340	(18.8)	9.8	(1.6)
Paper & paper product	65,738	2.5	0.7	0.0	32,207	6.3	0.9	0.0
Rubber tire & tubes	59,397	10.8	0.6	0.1	34,787	18.0	1	0.1
Photograph instrument	29,818	(28.6)	0.3	(0.1)	11,504	(21.3)	0.3	(0.1)
Record & tapes	9,399	(67.6)	0.1	(0.2)	1,319	(67.9)	0	(0.1)

Source: Jetro

8. Indonesia Export by products to Japan

Product	January-December 2005				January-June 2006			
	Amount	(+ -)y	Share	% GDP	Amount	(+ -)yoy	Share	% GDP
Total amount	20,878,059	11.8	100	11.8	11,654,506	16.1	100	16.1
Food stuff	913,737	(0.7)	4.4	0.0	410,900	(13.3)	3.5	(0.6)
Meat	144	(55.0)	0	0.0	55	(35.7)	0	0.0
Fish & Crum	739,733	(2.9)	3.5	(0.1)	325,693	(15.8)	2.8	(0.6)
Shrimp	402,288	(6.4)	1.9	(0.2)	186,701	(12.2)	1.6	(0.3)
Wheat	0	0.0	0	0.0	0	0.0	0	0.0
Maize	0	0.0	0	0.0	0	0.0	0	0.0
Fruit	13,457	3.9	0.1	0.0	6,051	(13.3)	0.1	0.0
Vegetable	14,198	11.7	0.1	0.0	7,103	(3.6)	0.1	0.0
Alcoholic Beverage	144	(6.4)	0	0.0	62	(16.8)	0	0.0
Raw Materials	3,161,167	27.0	15.1	3.6	1,928,332	33.7	16.6	4.8
Soya bean	0	0.0	0	0.0	0	0.0	0	0.0
Lumber	122,622	(11.0)	0.6	(0.1)	51,707	(18.7)	0.4	(0.1)
Pulp	66,240	(11.0)	0.3	0.0	37,684	7.8	0.3	0.0
Iron ore	0	0.0	0	0.0	0	0.0	0	0.0
Non-ferrous metal	2,072,222	31.3	9.9	2.6	1,264,574	37.9	10.9	3.5
Fuel (mines)	10,750,076	18.6	51.5	9.0	6,201,534	25.6	53.2	12.6
Coal	1,625,792	51.8	7.8	3.0	835,237	16.9	7.2	1.2
Cruid oil	2,237,550	14.9	10.7	1.6	1,511,303	55.2	13	5.4
Petroleum product	1,371,573	35.6	6.6	1.9	846,715	41.3	7.3	2.5
Benzen	351,905	(26.6)	1.7	(0.7)	167,184	(13.5)	1.4	(0.3)
Heavy oil	1,013,116	92.1	4.9	2.6	673,981	67.2	5.8	2.7
Liquid petroleum	337,527	35.6	1.6	0.5	75,707	(57.5)	0.7	(1.0)
Liquid natural gas	5,177,601	8.1	24.8	2.1	2,932,832	18.6	25.2	4.6
Chemical products	597,824	11.7	2.9	0.3	317,349	1.7	2.7	0.1
Pharmaceuticals	12,499	(2.2)	0.1	0.0	6,125	(6.0)	0.1	0.0
Organic chemicals	166,568	24.9	0.8	0.2	84,908	(0.9)	0.7	0.0
Plastic	146,028	22.8	1.2	0.2	121,063	(10.0)	1	(0.1)
Textile Procuts	489,132	(0.9)	2.3	0.0	252	(2.2)	2.2	(0.1)
Clothes & Garment	130,386	0.7	0.6	0.0	76,311	8.6	0.7	0.1
Precious metal	123,788	13.7	0.6	0.1	74,317	23.0	0.6	0.1
Diamond	56	50.5	0	0.0	3	0.0	0	0.0
Metallurgical products	566,254	19.2	2.7	0.5	366,788	29.8	3.2	0.8
Steel	36,583	(1.6)	0.2	0.0	13,675	(46.0)	0.1	(0.1)
Copper & its alloy	12,405	102.0	0.1	0.0	3,677	75.8	0	0.0
Aluminum & its alloy	286,255	19.4	1.4	0.3	207,514	44.1	1.8	0.6
Machinery	2,055,628	(2.1)	9.9	(0.2)	1,019,663	(4.6)	8.8	(0.5)
Combustion Engine	99,223	23.2	0.5	0.1	53,519	2.9	0.5	0.0
Office instrument	286,656	(7.3)	1.4	(0.1)	104,454	(25.7)	0.9	(0.4)
Audiovisual equip	301,895	(36.2)	1.5	(0.9)	88,048	(51.5)	0.8	(0.9)
Telegraphic instr	20,978	(17.3)	0.1	0.0	14,295	29.1	0.1	0.0
Semi conductor pa	219,328	(5.7)	1.1	(0.1)	107,79	(7.8)	0.9	(0.1)
Electric measurin	3,438	(35.9)	0	0.0	2,340	30.6	0	0.0
Automobiles	1,642	(65.5)	0	0.0	1,170	0.5	0	0.0
Air craft	284	207.2	0	0.0	15	(91.8)	0	0.0
Optical instrumen	80,946	16.3	0.4	0.1	33,212	(23.8)	0.3	(0.1)
Others	2,220,454	(10.5)	10.6	(1.4)	1,083,710	(9.7)	9.3	(1.2)
Wooden crafts	1,032,470	(19.0)	5	(1.3)	447,072	(22.8)	3.8	(1.3)
Furniture	199,684	(1.3)	1	0.0	105,095	(4.0)	0.9	0.0
Travelling goods/	12,576	13.0	0.1	0.0	6,826	3.4	0.1	0.0
Gold	0	0.0	0	0.0	0	0.0	0	0.0

Source: Jetro