



**Manila**  
2018  
51<sup>st</sup> ADB ANNUAL MEETING  
3-6 MAY



## **INDONESIA**

**Sri Mulyani Indrawati**, Governor

Excellency Secretary of Finance Carlos G. Dominguez III, Chair of the Board of Governors,  
Excellency President Takehiko Nakao, Chairperson of the Board of Directors,  
Excellencies Governors and Alternate Governors,  
Distinguished Guest, Ladies and Gentlemen,

Let me begin by extending our appreciation to President Nakao and his ADB team for their excellent management of the annual meeting collaboration with the Government of the Philippines in preparing the Fifty-First ADB Annual Meeting here in Manila. I congratulate the Board of Directors, Management and all staff for another year of excellent performance of the Bank. I also would like to thank you the government and the people of the Philippines for the hospitality during this ADB Annual Meeting.

Governors, Ladies and Gentlemen,

The global economic condition is now on an optimistic trend. Key economies have shown better outlook, global trade and investment are improving, while commodity prices are moving in a positive direction. However, global challenges and uncertainties still remain. The changing phase of monetary policy normalization, the rise of protectionism, and the introduction of various inward-looking policies are potential sources of risks.

In that regard, coordinated effort amongst policymakers is needed to ensure that these economic challenges will not threaten the positive momentum for global recovery. Such policies should focus on strengthening the prospect for higher and more inclusive growth, building buffers to deal more effectively with the potential next downturn, improving financial resilience to contain market risks and stability concerns, as well as fostering international cooperation.

ADB, as a flagship regional development bank, can play a greater role in supporting policymakers in its member countries to deal with those global challenges through financial support, technical assistance and policy advice.

ADB should continue engaging with its member countries to develop better project planning and design, as well as to build stronger partnership. This should be demonstrated through closer dialogues and better understanding of the client countries' challenges and needs. Accordingly, the use of various modalities is paramount. I fully support the mainstreaming of the result-based lending by 2019, as well as larger utilizations of policy-based lending and multi-tranche financing facility in the future. Furthermore, the quality of ADB's assistance --particularly for project preparation-- needs to be improved in order to ensure better performance of ADB project implementation.

I welcome ADB's strong commitment to improve its pursuit of knowledge and experience sharing, both between ADB and member countries as well as among member countries. In that regard, I support the increasing cross-country experiences, especially among the developing countries.

As most of the ADB's member countries are prone to disaster risk, including Indonesia, I would kindly request ADB's assistance to support member countries in enhancing disaster risk financing strategy.

I also do appreciate and support the ADB's Strategy 2030. Under Strategy 2030, ADB will sustain its efforts to eradicate extreme poverty, given the region's unfinished poverty agenda, and expand its vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. We support the private sector expansion, more gender balanced orientation and greater focus on human capital development. We believe it is important to follow up the vision with a comprehensive plan on the needed resources, alternative tools and instruments to achieve the vision.

Indonesia's economy is resilient, last year our GDP grew by 5.07 percent—better than most emerging economies and among the highest in G20 nations. Inflation rate, which used to be pervasively double digits, has been kept low and stable at around 3.5 percent. Our debt to GDP ratio is well below 30 percent—among the lowest compared to peer countries. Furthermore, the poverty rate which reached almost a quarter of the population during the height of the Asian Financial Crisis is now at around 10 percent.

All of this is a testament of our strong economic fundamentals as the result of comprehensive and continued reforms. This entails seamless coordination of monetary, fiscal, and financial sector reforms. Our sound and discipline fiscal policy focuses on strengthening revenue collection from tax and non-tax revenues as well as better productive spending.

In closing, Indonesia will be hosting the World Bank–IMF Annual Meetings in Bali from October 12–14, 2018. On behalf of the Government and the people of Indonesia, I am pleased to invite all Governors and distinguished delegates from member countries to participate in the annual meetings. It is our great honor to welcome you all and extend the hospitality of the Indonesian people to all attending delegates in Nusa Dua, Bali later this year.

Thank you.