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 team for their excellent collaboration with the Government of the Philippines in preparing the 51st 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.

In this opportunity, I would like to address this distinguished gathering on three important issues: on the challenges of the global economy, on the role of ADB in supporting member countries' needs and Indonesia's economic prospect.

Let me begin with the first issue.

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, the introduction of various inward-looking policies, and the rising geopolitical tensions in several regions are potential sources of risks.

In this 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.

This backdrop then brings me to the second issue.

ADB, as a flagship regional development bank, can play a greater role in supporting policymakers in its member countries to deal with the 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, increasing the use of various modalities is paramount. I fully support the mainstreaming of the result-based lending by 2019, as well as larger utilizatons 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 increased allocation of the Bank’s net allocable income to technical assistances.

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.

Now, let me turn to the last issue.

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 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 later this year.

Thank you.