

## Summary

### **The 2nd Annual Meeting for Financial Policy Dialogue between GOI and JBIC, Jakarta-Indonesia, 24<sup>th</sup> of October 2011**

The 2<sup>nd</sup> Annual Meeting (the “Meeting”) for the Financial Policy Dialogue (the “Dialogue”) between the Government of Indonesia (“GOI”) and the Japan Bank for International Cooperation (“JBIC”), the international arm of Japan Finance Corporation, (each of GOI and JBIC being a “Party”, and collectively the “Parties”) was held at the Ministry of Finance of GOI in Jakarta, Indonesia on October 24, 2011.

Indonesia's Minister of Finance, H.E. Agus Martowardojo delivered an opening remarks to the Meeting, while Deputy State Minister of National Development Planning, H.E. Lukita Dinarsyah Tuwo delivered a keynote address. The meeting was attended by Chairman of Executive Agency for Upstream Oil and Gas Business Activity (“BPMIGAS”), H.E. Raden Priyono, and other government officials from the Ministry of Finance (“MOF”), Coordinating Ministry for Economic Affairs (“MENKO Perekonomian”), State Ministry of National Development Planning (“BAPPENAS”), Ministry of Energy and Mineral Resources (“MEMR”), Ministry of State Enterprises (“BUMN”), Investment Coordination Board (“BKPM”), Bank Indonesia, other relevant government entities such as PT PLN (Persero) (“PLN”), PT Pertamina, PT Pertamina Geothermal Energy (“PGE”), PT Sarana Multi Infrastruktur (Persero) (“SMI”) and Indonesia Infrastructure Guarantee Fund (“IIGF”), Indonesian Chamber of Commerce and Industry (“KADIN”) as well as the Embassy of Japan in Indonesia and JBIC's delegation led by its President and CEO, Mr. Hiroshi Watanabe.

In his Opening Remarks, Minister Agus Martowardojo highlighted some new policies in regards to infrastructure financing, particularly in support to the implementation of Public-Private Partnerships (or PPP) in Indonesia. The recently signed Central Java Power Plant contract has raised confidence that the government is capable of producing such good and mega PPP projects from a transparent, accountable and competitive process. Minister Agus Martowardojo also touched upon the Master Plan for the “Acceleration and Expansion of Indonesia's Economic Development 2011-2025”, aimed at accelerating economic growth rates in the range of 7 – 9 percent.

Mr. Hiroshi Watanabe, President and CEO of JBIC, expressed sincere gratitude for the warm-hearted attention, kindness and assistance given by GOI and the people of Indonesia to Japan in response to the great earthquake and tsunami disaster of March 11. Mr. Watanabe also provided an update of the economic recovery in Japan with reference to current issues in the international economy, such as the Eurozone sovereign debt crisis.

In the Meeting, JBIC explored its idea of “Enhancing Partnership of Infrastructure Development” with a view to accelerating timely preparation for and smooth implementation of quality infrastructure projects (or “quick-wins” as referred to in the GOI's Masterplan (MP3EI) announced in May 2011) in the private and/or PPP sector of Indonesia. JBIC also commits to enhance its credit scheme to accelerate timely preparation for and smooth implementation of quality infrastructure projects. GOI through MOF welcomed JBIC's commitment, so that the working team would commence the dialogue accordingly.

Noticing the current global situation and its probable effects on both countries, the Parties, through the working team, would continue to have dialogue on the theme of macro prudence and risk management which includes, but not limited to, (i) economic policy and experience of the Parties, (ii) risk management of public sector investment and financing.

Finally, the Parties agreed to explore further the appropriate agenda, in term of issues and urgencies, to be discussed at a time convenient for both Parties.