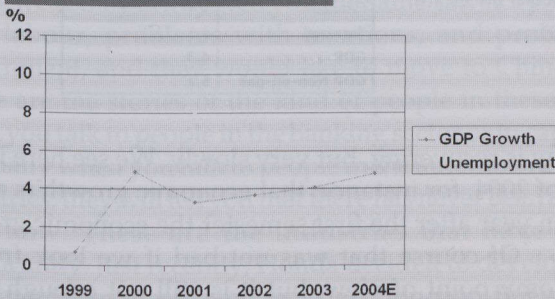


PRESENTATION BY UMAR JUORO, CENTER FOR INFORMATION AND DEVELOPMENT STUDIES

On this special occasion I would like to give a brief presentation about the outlook for the Indonesian economy, especially on investments activities, what are the constraints and what is likely to happen in the future, especially with the new Soesilo Bambang Yudhoyono administration. And as the previous speakers have said, there is a lot of improvement in Indonesia, especially with the economy. As was pointed out by Rizal Mallarangeng, the advisor to the still president Megawati, there has been a lot of improvement during her administration in terms of macro-economic stability.

Serious problem: low growth and high unemployment



There are still a lot of problems like unemployment, and slow investment, so there are serious problems that the Indonesian economy is facing at this time. Since the crisis in 1998, there has been quite significant progress, especially with economic growth, but you see here that growth is still below 5% p.a. The highest growth was actually not under Megawati but under Abdurrahman Wahid, in the year 2000, at around 4.9%. Of course, as an advisor to President Habibie, I have to say that this was because of Habibie's policies, as policies put in place in 1999 would be materializing in the year 2000. But anyway, our economic growth is actually around 4%, still not reaching the 5% level yet. Considering that every year there are new entries to the labour market, as well as a backlog of labour yet to be absorbed,