
ASF 2013

23 – 25 October 2013
Taipei, Taiwan

INDONESIA

Chain of Pearls on the Equator



Association of Indonesian Securities Companies

Lily Widjaja

Coordinating Chairperson

- The largest archipelago in the world that straddles the Equator between the Indian Ocean and the Pacific Ocean



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- The fourth most populous country in the world: over 247 million in population (2012)
 - GDP US\$878.04 billion; GDP growth 6.2%; Inflation 4.2% (2012)
 - Over 17,000 islands
 - National Language: Bahasa Indonesia
 - Monetary Unit: Rupiah (Rp or IDR)
 - Religion: Islam, Protestant, Catholic, Hindu, Buddhist, and other beliefs
 - Motto: Unity in Diversity
 - Capital City: Jakarta
 - Paradise Island: Bali 😊

IDX Highlights

Facts...

	Market Turnover Rpbn	Daily Average Rpbn	JCI	Market Capitalization Rpbn	Listed Issuers
2002	120,763	493	424.95	268,423	331
2003	125,438	518	691.90	460,366	333
2004	247,007	1,025	1,000.23	679,949	331
2005	406,006	1,671	1,162.64	801,253	336
2006	445,708	1,842	1,805.52	1,249,074	344
2007	1,050,154	4,269	2,745.83	1,988,326	383
2008	1,064,528	4,436	1,355.41	1,076,491	396
2009	975,135	4,046	2,534.36	2,019,375	398
2010	1,176,237	4,801	3,703.51	3,247,097	420
2011	1,223,441	4,953	3,821.99	3,537,294	440
2012	1,116,113	4,537	4,316.69	4,126,995	459
2012 vs. 2002	824%	820%	916%	1,437%	39%

Facts...

Top 40 and Top 20

Market Capitalization and Stock Trading

	2008	2009	2010	2011	2012
Listed Issuers	396	398	420	440	459
Market Capitalization - Rpbn	1,076,491	2,019,375	3,247,097	3,537,294	4,126,999
Top 40	864,481	1,663,794	2,481,942	2,601,010	2,965,773
	80.31%	82.39%	76.44%	73.53%	71.86%
Top 20	715,545	1,372,175	1,910,279	2,092,354	2,394,065
	66.47%	67.95%	58.83%	59.15%	58.01%
Stock Trading - Rpbn	1,064,528	975,135	1,176,237	1,223,441	1,116,113
Top 40	936,620	865,070	889,156	919,933	797,429
	87.98%	88.71%	75.59%	75.19%	71.45%
Top 20	728,995	643,034	649,091	689,860	565,383
	68.48%	65.94%	55.18%	56.39%	50.66%

Facts...

Top 20 takes > 60% market share
Active brokers declined to 116

	2008	2009	2010	2011	2012
Market Turnover - Rpbn	1,064,528	975,135	1,176,237	1,223,441	1,116,113
Average Trading - Rpbn	4,436	4,046	4,801	4,953	4,537
Top 20 market share	62.32%	59.52%	66.77%	67.64%	67.43%
Active Broker	121	118	118	118	116

Facts...

Record high on 20 May 2013: 5,214.976

Rupiah depreciated to US\$1 = Rp10,924 as at end of Aug-13

Year	Exchange Rate	Market Turnover US\$m	Daily Average US\$m	JCI	Market Capitalization US\$m	Listed Issuer
2012	9,670	115,420	469.188	4,316.687	426,783	459
2Q-13	9,929	86,455	702.883	4,818.895	477,350	472
Jan-13	9,698	10,804	514.491	4,453.703	440,585	463
Feb-13	9,667	12,390	619.499	4,795.789	479,866	464
Mar-13	9,719	15,588	820.417	4,940.986	495,194	464
Apr-13	9,722	14,225	646.589	5,034.071	503,685	464
May-13	9,802	18,545	842.954	5,068.628	505,047	465
Jun-13	9,929	16,344	860.218	4,818.895	477,350	472
Jul-13	10,278	11,587	503.803	4,610.377	445,833	479
Aug-13	10,924	9,667	568.667	4,195.089	378,078	479
Sep-13	n/a	n/a	n/a	4,316.176	n/a	480

Regulatory Developments ...

- **Financial Services Authority (OJK)**
 - Started operations 2 January 2013
 - Supervises banking, capital markets, and non-bank financial industries
 - Capital markets and non-bank financial institutions integrated end of 2012
 - Banking supervision to integrate end of 2013
- **Education and Consumer Protection**
 - Blue-Print on Financial Literacy
 - Regulation # 1 on Consumer Protection issued August 2013
 - Socialization on Consumer Protection
 - FGD on Alternate Dispute Resolution
- **National Campaign on Financial Literacy**
 - Literacy Index
 - Utilization Index
- **Investor Protection Fund**
 - Established December 2012
 - Operating License granted September 2013

Challenges / Opportunities ...

The still very low number of domestic equity investors

- Equity Investors vs. Banking Account Holders
 - < 500,000 investors vs. > 127.8 million account holders in 2013
 - < 0.5% of total population vs. > 50% of total population
- Equity market capitalization surpassed banking 3rd funds in 2010

	GDP US\$bn	# Equity Investors	Market Capitalization US\$bn	% of GDP	# Account Holders	3rd Party Funds US\$bn	% of GDP
2008	510.23	125,152	98.31	19.3%	82,725,930	161.52	31.7%
2009	539.35	157,145	214.08	39.7%	88,086,017	211.58	39.2%
2010	706.56	191,602	361.67	51.2%	97,204,863	264.09	37.4%
2011	846.83	207,136	390.09	46.1%	101,503,564	312.12	36.9%
2012	878.04	237,498	426.78	48.6%	119,917,930	338.90	38.6%

Challenges / Opportunities ...

Lessons Learned from Past Crises

Year	Exchange Rate	Market Turnover US\$mn	Daily Average US\$mn	JCI	Market Capitalization US\$mn	Listed Issuer
2007	9,419	111,493	453.224	2,745.826	211,097	383
2008	10,950	97,217	405.071	1,355.408	98,310	396
2009	9,433	103,375	428.941	2,534.356	214,076	398
2010	8,978	131,013	534.748	3,703.512	361,673	420
2012	9,670	115,420	469.188	4,316.687	426,783	459
May-13	9,802	18,545	842.954	5,068.628	505,047	465
Jun-13	9,929	16,344	860.218	4,818.895	477,350	472
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Challenges / Opportunities ...

Integrated efforts to increase the Utilization Index

- **Low-Cost Products and Products Bundling**
 - Widen financial access
 - @ Rp100,000 or US\$10
 - Reduced 1 board lot from 500 shares to 100 shares
 - Other products bundling
- **Distribution Channel**
 - Capital market products via banks
- **KYC and Tax Number**
 - One-door KYC?
 - Waiver of Tax Number on Mutual Fund Purchase?

**Thank you
and
Have a blessed day!**