



Mandiri Investment Forum 2018

Reform and Growth in the Political Years

JAKARTA

06 – 09 February 2018

Running for the eighth year, our annual investment forum, co-hosted by Bank Mandiri and Mandiri Sekuritas, aims to deliver the opportunity for investors to hear firsthand the issues of the day in an efficient manner. Just like last year, this four-day forum comprises of Macro Day, Corporate Day and Pre-conference site visits which discuss the current challenges and opportunities that Indonesia has to offer. Our last year's forum was attended by 500+ participants including 120 foreign institutional portfolio investors with an approximate Asset Under Management of USD4tn.

This year's forum will emphasize on the strategies of policymakers and private investors in navigating the economy amid global monetary tightening and the beginning of Indonesia's political years. The forum will also provide insights on the opportunities and challenges of investing in the country through a more-focused discussion during the Macro Day. Additionally, Macro Day will give you unprecedented access to presentations by top-notch ministers, central bankers, and business leaders, who will share their views regarding investment activities and economic condition within the country and throughout the region. To top it off, the Macro Day will also provide potential near-term direct investment opportunities at the government's top-listed sectors for investment.

Thematic trips will be held during the Pre-conference site visit starting on February 6, 2018, while the Corporate Day will focus on 1-on-1 and/or small group meetings between the management of mid/large-cap Indonesian companies and institutional investors on February 8 – 9, 2018.

MACRO DAY

Wednesday, 7 February 2018

This year marks the beginning of several important events for the economy. It is the start of the political year – the third simultaneous regional election and the start of the campaign for the presidential election – as well as the period of tax reform after the tax amnesty program. The effectiveness of fiscal spending will also be looked upon by investors while the contribution of private sector must take place to maintain the economic momentum. With regards to these issues, what are the risks and opportunities for private investment ahead? Meanwhile, monetary tightening cycle by advanced countries and US balance sheet reduction will pose a challenge of its own for Bank Indonesia to maintain stability. With regards to this matter, this conference aims to provide insights from policymakers and private players about the risks and rewards of the economy in 2018 and also discuss an important question: how to strike the right balance between tax reform and growth?

Some of our invited speakers include:

List of Invited Speakers - Government Officials

- Agus Martowardojo, Governor of Bank Indonesia
- Sri Mulyani Indrawati, Minister of Finance, Republic of Indonesia
- Aloysius K. Ro, Deputy of Business Restructuring and Development, Ministry of State Owned Enterprises (SOEs), Republic of Indonesia

List of Invited Speakers

- Chatib Basri, Chairman of Advisory Board Mandiri Institute and Former Minister of Finance of Republic of Indonesia
- Sean Darby, Jefferies Global Strategist
- Bejoy Das Gupta, Member of Advisory Board Mandiri Institute
- Hamdhani Dzulkarnaen, CEO PT Astra Otoparts Tbk
- Tevilyan Yudhistira Rusli, CFO PT Unilever Indonesia Tbk
- Agung Sedaju, Director of Technology and Commercial PT INKA (Persero)
- Jesus Felipe, Advisor in the Economic Research and Regional Cooperation Department, Asian Development Bank
- Djayadi Hanan, Executive Director of Saiful Mujani Research Center
- Burhanuddin Muhtadi, Executive Director of Indikator Politik Indonesia
- Arif Zulkifli, Editor in Chief of Tempo

The Agenda of the Macro Day, 7 February 2018

07.45 – 08.45 Registration

08.45 – 09.00 **Welcoming Remarks**
Kartika Wirjoatmodjo, **CEO Bank Mandiri**

09.00 – 10.00 **Keynote Address**

"Indonesia Outlook: Striking the Right Balance between Reform and Growth"

Sri Mulyani Indrawati, **Minister of Finance, Republic of Indonesia**

Revenue seems to be the main fiscal risk and this year's collection will be more challenging as there will be no penalty payment from tax amnesty program and commodity prices is expected to normalize. The government's ability to generate revenue through reform is the key to address the fiscal risk going forward. However, the pace of tax reform should be carefully considered as a too-tight reform may discourage business appetite, yet a loose reform could result another shortfall episode. Thus, we hope this session could provide a more comprehensive picture on government's tax reform plan while also address the equilibrium between reform and economic growth. Additionally, we also hope that the government could provide detail information about its spending priorities. This is especially considering a lower budget deficit target this year and the government's strategy to incorporate private investment to finance infrastructure projects.

10.00 – 12.00 **Panel I : "Global Outlook: Entering the Tightening Cycle"**

The global economic recovery seems to gain traction. Advanced economies continue to deliver convincing macro numbers while the adjustment in China's economy has not been as slow as anticipated. On the back of these positive developments, one thing could not be avoided: a faster monetary tightening cycle. The trend has started in the U.S. from the rise of Fed Fund rate followed by a plan to reduce a considerable amount of the balance sheet which will possibly be followed by other countries.

Aside from discussing about global prospect, this session will also provide insights on the impact of the monetary tightening cycle to Indonesia.

List of Speakers:

- M. Chatib Basri, Chairman of Advisory Board Mandiri Institute and Former Minister of Finance of Republic of Indonesia
- Bejoy Das Gupta, Member of Advisory Board Mandiri Institute
- Sean Darby, Jefferies Global Strategist

Moderator: Anton Gunawan, Chief Economist of Bank Mandiri

12.00 – 12.45 *"Monetary Focus: Navigating the Domestic Economy amid Risks"*

Agus D.W. Martowardojo, **Governor of Bank Indonesia**

Bank Indonesia has done a good job of managing economic stability. Inflation has been below 4% in the last 3 years whereas the degree of exchange rate volatility has been curbed. 2018 will be a different picture compared to 2017 and 2016. The monetary tightening cycle will begin, coupled by Indonesia's beginning political year. These events will obviously pose a challenge for central bankers, especially at the emerging markets, in managing exchange rate volatility. Through this session, we hope that the central bank could share the impact of the tightening cycle to the domestic economy and also highlight the potential risks and contingent plan to overcome them.

12.45 – 13.45 Lunch & Press Conference

13.45 – 14.10 *"The Role of SOEs in the Economic Transformation"*

Aloysius K. Ro, **Deputy of Business Restructuring and Development, Ministry of State Owned Enterprises (SOEs), Republic of Indonesia**

Currently, Indonesia is aimed to have growth acceleration towards 6%-7% and it needs reforms from the manufacturing sectors, not only from the fiscal and monetary side. The manufacturing reform needs some

parties to take part, including the SOEs which are long known for the contribution building the infrastructures to support the investment opportunities. Indonesia has also many SOEs that related to manufacturing industries, from oil and gas sector, financial institution to mining processing. Current SOEs' value creation and consolidation initiatives will be one of the enablers for the reform in the manufacturing.

In this key note address, some points will be discussed:

- SOEs experiences in transforming to be National champions that can transfer technology and knowledge;
- SOEs' consolidation to support domestic industrial/manufacturing development;

14.10 – 15.40

Panel II : *"Reviving Indonesia's Manufacturing Sector: Players' Perspectives"*

Another part in supporting the manufacturing sector reform, other than the SOEs, is the private sector. The role of private players to push manufacturing sector is a "must factor" in every country, including Indonesia. Nevertheless, the appetite of domestic players and investors to expand more on the sector seems to dim amid the easing demand environment. Not to mention the fierce competition from overseas players as the country's investment dependent on imported goods from basic to sophisticated products is high. Therefore, through this session, we want to hear directly from real sector players the needs and policies that could push the country's industry sector going forward and also the pattern or the benchmark from other countries success stories, including which one suits for Indonesia's industrial landscape.

List of Speakers:

- Hamdhani Dzulkarnaen, CEO PT Astra Otoparts Tbk
- Tevilyan Yudhistira Rusli, CFO PT Unilever Indonesia Tbk
- Agung Sedaju, Director of Technology and Commercial PT INKA (Persero)
- Jesus Felipe, Advisor in the Economic Research and Regional Cooperation Department, Asian Development Bank

Moderator: Andry Asmoro, Senior Economist of Bank Mandiri

15.40 – 17.10

Panel III: *"Laying Out the Political Heat Map Heading to the Presidential Election"*

The calendar will be full of political events in 2018. First, Indonesia will hold the third simultaneous regional election which will be larger compared to the ones held in 2015 and 2017. Seventeen provinces will participate with prominent regions such as the whole of Java (west, central, and east), Sumatera and Kalimantan. This year's regional election will account for 70% of the country's total population and nominal GDP. Moreover, after the regional election, Indonesia will start the political campaign period for the presidential election. Therefore, this session could give information about the political heat map, constellation and also highlight the risk that will be important for both domestic and foreign investors to navigate the economy.

List of Speakers:

- Djayadi Hanan, Executive Director of Saiful Mujani Research Center
- Burhanuddin Muhtadi, Executive Director of Indikator Politik Indonesia
- Arif Zulkifli, Editor in Chief of Tempo

Moderator: Kania Sutisnawinata, Deputy Editor in Chief of Metro TV

17.10 – 17.25

Closing Remarks

Kartika Wirjoatmodjo, **CEO Bank Mandiri**

CORPORATE DAY

Thursday – Friday, 8 – 9 February 2018

This segment of the conference will focus on 1-on-1 and/or small group meetings between the management of large and mid-cap Indonesian companies and institutional investors. This will include a sub-event of presentations from private companies, including state owned, to give view of their businesses amidst their preparation towards going public. List of Invited Public Companies:

No.	Company	Sector
1	PT Ace Hardware Tbk	Retail
2	PT Adaro Indonesia Tbk	Mining
3	PT Adhi Karya (Persero) Tbk	Construction
4	PT AKR Corporindo Tbk	Trade
5	PT Astra Agro Lestari Tbk	Plantation
6	PT Astra International Tbk	Automotive
7	PT Bank Central Asia Tbk	Banking
8	PT Bank Mandiri (Persero) Tbk	Banking
9	PT Bank Negara Indonesia (Persero) Tbk	Banking
10	PT Bank Rakyat Indonesia (Persero) Tbk	Banking
11	PT Bank Tabungan Negara (Persero) Tbk	Banking
12	PT Barito Pacific Tbk	Energy/Petrochemical
13	PT BFI Finance Tbk	Multifinance
14	PT Bukit Asam Tbk	Coal Mining
15	PT Bumi Serpong Damai Tbk	Property
16	PT Ciputra Development Tbk	Property
17	PT Garuda Maintenance Facility Aero Asia Tbk	Services
18	PT HM Sampoerna Tbk	Consumer-tobacco
19	PT Indocement Tunggul Prakarsa Tbk	Cement
20	PT Indofood Sukses Makmur Tbk	Consumer
21	PT Indosat	Telecommunications
22	PT Jasa Marga (Persero) Tbk	Toll Road
23	PT Kalbe Farma Tbk	Pharmaceutical
24	PT LinkNet Tbk	Telco communications
25	PT Medialoka Hermina	Health Care/Hospital
26	PT Mitra Adiperkasa Tbk	Retail
27	PT Mitra Keluarga Tbk	Health Care/Hospital
28	PT Netmediatama Indonesia	Media
29	PT Pakuwon Jati Tbk	Property
30	PT Pembangunan Jaya	Conglomerate
31	PT Perusahaan Gas Negara (Persero) Tbk	Oil & Gas
32	PT Prodia Widyahusada Tbk	Pharmaceutical
33	PT Puradelta Lestari	Property
34	PT Ramayana Lestari Tbk	Retail
35	PT Semen Indonesia (Perseo) Tbk	Cement
36	PT Sumber Alfaria Trijaya Tbk	Retail
37	PT Surya Citra Media Tbk	Media
38	PT Telekomunikasi Indonesia Tbk	Telecommunications
39	PT United Tractors Tbk	Heavy Equipment
40	PT Waskita Karya (Persero) Tbk	Construction
41	PT XL Axiata Tbk	Telecommunications
42	PT Perusahaan Listrik Negara (Persero)	Electricity