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### **Indonesia Kicks Off Finance Track of G20 Presidency: Sustainable Global Leadership Driving Economic Recovery**

Indonesia officially kickstarted the finance track of its G20 Presidency today (09/12), hosting the 1<sup>st</sup> Finance and Central Bank Deputies (FCBD) Meeting, held over two days from 9-10<sup>th</sup> December 2021, with the Minister of Finance, Sri Mulyani Indrawati, and Bank Indonesia Governor, Perry Warjiyo, presiding over a press conference in Nusa Dua, Bali.

Currently, the world is blighted by elevated uncertainty brought about by the pandemic. An asynchronous and divergent recovery is emerging between advanced and developing economies struggling to recover as a corollary of limited access to vaccines. In addition, stronger global economic performance, particularly in advanced economies, coupled with a build-up of inflationary pressures, are pushing authorities towards earlier tapering, potentially exacerbating recovery divergence. Meanwhile, a prolonged pandemic poses the threat of a scarring effect. Therefore, a well calibrated, well planned and well communicated exit strategy and efforts to overcome the scarring effect are prerequisites of sustainable recovery. Consequently, the main agenda of Indonesia's G20 Presidency, as instructed by the President of Indonesia, will focus on three areas, namely health aspect, digital transformation and energy transition. In addition to establishing equitable vaccination programs, Indonesia's G20 Presidency is expected to successfully accelerate digitalization and steer global policy coordination, particularly in terms of green financing.

At the press conference, Finance Minister Sri Mulyani Indrawati said “Indonesia's G20 Presidency represents a great opportunity for Indonesia to show its resolve to lead global forums and address various international challenges and issues. Indonesia is determined to overcome global challenges yet to emerge, seek the best solutions and ensure all countries recover together, while promoting policy reform to support stronger, sustainable, balanced and inclusive post-pandemic economic growth. Indonesia’s G20 Presidency carries the overarching theme of Recover Together, Recover Stronger.” The Ministry of Finance and Bank Indonesia will encourage discussion around six priority agendas in the finance track as follows: (i) synchronizing exit strategies to support global recovery, (ii) containing the scarring effect of the pandemic on the economy to support stronger future growth, (iii) strengthening the payment system in the digital era, (iv) promoting sustainable finance, (v) expanding an inclusive financial system, and (vi) the international tax agenda.

Echoing those sentiments, BI Governor Perry Warjiyo took the opportunity to emphasise that this first meeting will play a pivotal role in ensuring the continuity of G20 leadership during the global economic recovery in the near and longer term. This will also be consistent with the Indonesia G20 presidency theme, Recover Together, Recover Stronger. In the high level seminar held in conjunction to the FCBD meeting, the troika of finance ministers, minister

Daniele Franco from Italy, minister Sri Mulyani Indrawati, and minister Nirmala Sitharaman from India, discussed the priority agenda in the face of economic challenges. How to recover together and to recover stronger to Secure Future Growth were discussed at the high-level meeting with panellists from the International Monetary Fund (IMF), Financial Stability Board (FSB), World Health Organisation (WHO), World Bank, Bank for International Settlements (BIS) and Organisation for Economic Co-operation and Development (OECD). Governor Perry added that the priority agenda in the finance track of the Indonesian G20 Presidency is very relevant with Bank Indonesia's mandate, including on international cooperation in normalising monetary policy, financial sector regulatory reform and payment system in the digital era which also includes Central Bank Digital Currency (CBDC).

During its G20 Presidency, Indonesia will also push ahead with several legacy issues, including: (i) integrating climate risks into global risk monitoring, (ii) strengthening the global financial safety net (GFSN), (iii) addressing capital flows volatility, (iv) continuing the Data Gaps Initiative (DGI), (v) enhancing financial sector regulatory reform, (vi) strengthening debt management and transparency, (vii) accelerating the infrastructure agenda towards sustainable and inclusive development, (viii) optimising financing support from multilateral development banks (MDBs), (ix) strengthening health system capacity in terms of pandemic prevention, preparedness and response, and (x) continuing Compact with Africa program.

The priority agenda and legacy issues of Indonesia's G20 Presidency are expected to balance global agenda with domestic priorities and concerns as well as to align the interests of various parties, including advanced and emerging economies.

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