THE G-20 DATA INITIATIVE:
Indonesia's Progresses and Challenges

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Outline :

1. THE G-20 DGI RECOMMENDATIONS

2. PROGRESS AND PLANS

3. KEY CHALLENGES/CONSTRAINTS

4. CONCLUSIONS

1. G-20 DGI RECOMMENDATIONS

Data Gaps Main Areas	Existing Statistical Framework and Ongoing Collection	Conceptual Framework Needs Further Development
Build-up of Risk in the Financial Sector	# 2 Financial Soundness Indicators (FSIs) # 5 Credit Default Swaps # 7 Securities Data	# 3 Tail Risk in the Financial System # 4 Aggregate Leverage and Maturity Mismatches # 6 Structured Products
Cross-border Financial Linkages	# 10 and #11 Coordinated Portfolio Investment Survey, International Banking Statistics, # 12 International Investment Positions	# 8 and #9 Global Network Connections and Systematically Important Global Institutions # 13 and #14 Financial and Nonfinancial Corporations' Cross Border Exposures
Vulnerability of Domestic Economies to Shocks	# 15 Institutional Sector Accounts # 17 Government Finance Statistics # 18 Public Sector Debt # 19 Real Estates Prices Indices	# 16 Distributional Information
Improving Communication of Official Statistic	# 20 Principal Global Indicators (PGIs)	

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Recommendation #2: Financial Soundness Indicator (FSI)

PROGRESSES

- Has reported all the core indicators, 12 encouraged indicators for deposit takers, 2 for Other Financial Corporations (OFCs), 2 for market liquidity, and 3 for real estate markets since June 2012, with historical data back to 2005 have been disseminated on the IMF's website.

- The frequency of FSI data reporting has been enhanced from annually to quarterly for deposit taker (start June 2012).

- Institutional coverage has been improved by including 2 data on OFCs: (i) OFCs' financial assets to total financial system assets and (ii) OFCs' financial assets to GDP (started June 2012).

- encouraged indicators for market liquidity have been reported on quarterly basis (i.e. average bid-ask spread in the securities market and average daily turnover ratio in the securities market) since December 2012

PLANS

- to broaden the coverage of deposit takers indicators by including the Rural Banks institution.

- to studying the possibility of compiling encouraged FSIs for non-financial corporations (NFCs) and households (HHs) for a longer-term plan.

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Recommendation #5: Credit Default Swaps

PROGRESSES

- Indonesia does not participate in the reporting of credit default swap data to the BIS on a semi-annual frequency.

- Various departments in BI and the MOF have used and analyzed CDS regularly for policy purposes.

Recommendation #7: Securities Data

PROGRESSES

- has reported regularly 23 series on debt securities statistics in the SDMX -EDI format to BIS data banks (22 quarterly and 1 annual) since Dec 2011. The longest series is started from 1995.

- Nineteen quarterly series cover the domestic market with a breakdown by currency, issuers, and instruments. Four series, three of which are on a quarterly basis, cover the international markets in foreign currencies with a breakdown by issuers.

- Data are available only for Domestic Debt Securities (DDS) issues in domestic currency and International Debt Securities (IDS) issues in foreign currencies. Thus, the sum of the DDS and the IDS in all currencies will be equal to the Total Debt Securities (TDS) in all currencies.

PLAN:

- The quality of data will be improved, e.g., by providing maturity breakdowns.

Recommendation #10 & #11: Coordinator Portfolio Investment Survey

PROGRESSES

- Indonesia has participated in the CPIS since its inception in 1997.

- The report consists of the required tables for portfolio investment assets, i.e.: by country of nonresident issuer (Tables 1, 1.1, 1.2, 1.2.A, and 1.2.B), and encouraged tables such as Table 2 on the currency breakdown of portfolio investment assets; Tables 3, 3.1, 3.2, 3.2.A and 3.2.B pertaining to report portfolio investment assets by sector of holder country of the nonresident issuer. can be accessed in http://www.imf.org/external/np/sta/pi/part.asp?iso=IDN

- Since January 2012, BI has implemented direct reporting system for non-bank (financial assets and equities). All data requirements for reporting Portfolio Investment (PI) under BPM6 and CPIS have been accommodated into the new direct reporting system.

- To facilitate the compilation of the CPIS, the system is also equipped with securities depository reports for nonbank financial enterprises. The new system, together with the International Transactions Reporting System (ITRS) and banks' securities depository report, will be the backbone for the CPIS compilation.

PLAN

- The quality of CPIS reporting will be improved (frequency, timeliness, and institutional sector of the foreign debtor) by 2014.

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Recommendation #12: International Investment Position

PROGRESSES

- Indonesia has disseminated the IIP since year 2002. The dissemination consists of standard presentation, i.e. instruments, institutional sectors and periods.

- Frequency of reporting is annually, with a timeliness of three quarters after the end of the reference year.

- Quarterly IIP is compiled for internal use e.g Flow of Funds Statistics compilation.

PLAN

- Quarterly IIP with a timeliness of one quarter after the end of the reference quarter will be published in 2014.

- Indonesia is in the process of moving to BPM 6. Some actions include:
  - Reviewing closely the nonbank direct reporting system for foreign financial assets and equities which was implemented in January 2012.
  - Integrating the foreign financial assets and equities reporting system with the reporting system of financial liabilities. The new integrated asset-liability reporting system is implemented fully in July 2013.
  - Reviewing and enhancing the compilation methodologies for financial assets and liabilities in BOP and IIP. Some were implemented in 2012.
  - Enhancing the IT infrastructure to support the parallel run of BOP and IIP in *BPM5* and *BPM6* and to produce the quarterly IIP with a shorter lag.

Recommendation #15: Sectoral Accounts

PROGRESSES

- Indonesia has not yet compiled sectoral accounts and balance sheets, but in the middle of developing these accounts lead by Statistic Indonesia (BPS). BPS and BI will collaborate jointly on the development of stocks and flows of financial assets and liabilities by institutional sectors.

PLAN

- Indonesia will compile:

(i) annual sectoral current and capital accounts, stocks of produced nonfinancial assets, and stocks and transactions of financial assets and liabilities by 2015,

(ii) quarterly sectoral stocks and transactions of financial assets and liabilities by 2017, following the conceptual framework of the 2008 SNA, to the extent possible, and the minimum details recommended in the Templates for Minimum and Encouraged Set of Internationally Comparable Sectoral Accounts and Balance Sheets, developed by the Working Group on Sectoral Accounts

Recommendation #17: Government Financial Statistics

PROGRESSES

- Indonesia (MoF) reports the budgetary central government cash-flow statements in GFSM 2001 format within one quarter after the reference month.

- No general government data are reported due to the long lags in the availability of state/local government data and the quality of these data.

- The MOF has formed a GFS team to develop an Indonesian version of the GFS Manual, which will accommodate the conceptual framework and system of GFS including a mapping rule of central and regional government's chart of accounts into a GFS chart of accounts.

- The conceptual framework of the Indonesian version of the GFS Manual will be adapted from the GFSM 2001 and will be updated once the new GFSM is issued by the IMF.

PLAN

- The MOF has set up a timetable to compile GFS following the GFSM 2001 by 2014 for central government and by 2016 for state/local government.

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Recommendation #18: Public Sector Debt

PROGRESSES

- Indonesia (MoF) has submitted the Public Sector Debt (PSD) Statistics to the World Bank and the IMF in January 2012. Now the Indonesian PSD Statistics - Quarterly data (Q1-2010 to Q2-2012) and annual data (2007-2009) - have published in the World Bank's website.
- The Indonesian PSD Statistics is a joint program by Ministry of Finance, Bank Indonesia and Ministry of State Own Enterprises (SOEs). The MOF is the coordinator of data submission.
- The Indonesian PSD Statistics consists of Gross Central Government Debt Position (Table 1), Gross Public Nonfinancial Corporation Debt Position (Table 2), Gross Public Financial Corporation Debt Position (Table 3) and Total Gross Public Sector Debt Position (Table 4) using templates provided by the World Bank.

PLAN

- Forward, the updating data will be submitted with a one quarter lag.

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Recommendation #19: Real Estate Price

PROGRESSES
- BI has provided data on commercial property price (covering big Jakarta) and residential property price (covering 14 cities) since 2009 to BIS.
- Data on Residential Real Estate Prices are also used for FSI reporting.
- In this period, BI has been in progress to review the Indonesia's Residential Property Price including the methodology in calculating the index. BI also plans to develop the methodology of measuring Commercial Property Price index.
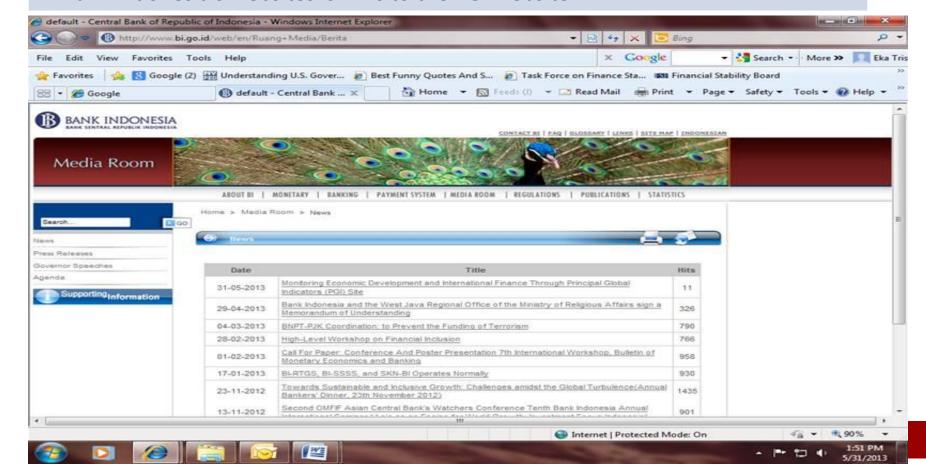
PLAN
- continue to improve the quality of data, by widening the coverage (from 14 cities to 16 cities) and conduct possibility studies to include secondary market's houses;
- review and exercise land and building tax data from the tax service office as another option in calculating the price of secondary houses.

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Recommendation #20: Principle Global Indicators

PROGRESSES

- Indonesian authorities support the efforts to enhance the Principal Global Indicators (PGI) and to increase the use of the PGI website by the Indonesian public.
- Bank Indonesia's websites is links to the PGI website

3. KEY CHALLENGES

- It is essential to increase awareness among Indonesian agencies of the different main data sources needed to implement the DGI.

- It is challenging to promote and encourage the use of the DGI datasets among policymakers and other users.

- There are some technical challenges, such as availability of data, particularly detailed data for each sector, differences between accounting standards and the GFS; these need to be addressed through system design, data collection, and/or mapping and identification of reciprocal accounts.

- Starting in January 2014, the role of the central bank in banking supervision will be transferred to OJK. The establishment of OJK is expected not to challenge the sustainability of FSI compilation. Since January 2013, BI and OJK has formed memorandum of understanding to facilitate the data exchange.

- There is a need for the G-20, IAG, and all international agencies, to build good and sustained cooperation not only with the Ministry of Finance and the Central Bank, but also with other relevant national authorities, i.e., the Statistics Office and Financial Supervisory Agency, to help develop common perception among national institutions.

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4. CONCLUSIONS

- Indonesia is in considerable progress to provide the G-20 DGI recommendations, although some additional efforts should be made to meet the G-20 recommendations.

- Among the G-20 DGI recommendations, Indonesia consider the most importent priorities as follows:
  - Recommendation No. 15 (Sectoral Account)
  - Recommendation No. 17 (Goverment Finance Statistics)
  - Recommendation No. 18 (Public Sector Debt)
  - Recommendation No. 10, 11, 12 (Cross Border Statistics)

- In implementing the G-20 DGI recommendations, Indonesia will focus on:
  - Improving data comparability and linkages.
  - Increasing the frequency of data reporting.
  - Enhancing data sharing and reducing the reporting burden.
  - Strengthening coordination at the national level