

## **Boediono eyes 7% growth for Indonesia**

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*The Straits Times, 29 July 2009*

Indonesia's Vice-President-elect Boediono yesterday painted a brighter future for the country over the next five years.

The government is targeting average economic growth of 7 per cent a year, cutting poverty by half and sharply reducing unemployment.

It plans to achieve these targets by starting more infrastructure projects, increasing assistance for the poor and helping local businesses to grow, he told a forum in Singapore.

The plans will go hand in hand with the fight against corruption and improving governance under the government of re-elected President Susilo Bambang Yudhoyono, Mr Boediono said.

'Democracy has to deliver the goods for the people. Unless you do that, its legitimacy will be questioned,' he told the audience at the forum organised by the **S. Rajaratnam School of International Studies**.

Mr Boediono, 66, was central bank governor before he was picked by Dr Yudhoyono as his running mate in the July 8 presidential election. The Yudhoyono-Boediono team captured 61 per cent of the votes, far ahead of the other two rival teams.

Mr Boediono, who is also a former academic, is seen as someone who is without political ambitions, thrifty and leads a moderate lifestyle - attributes that sit well with Dr Yudhoyono's reform agenda.

In his speech yesterday, Mr Boediono said Indonesia has passed the worst handed down by the global economic crisis and expects 'respectable' economic growth of 4 per cent this year and 5 per cent next year. The economy grew 6.1 per cent last year.

The building of more roads, ports and power plants, accompanied by a rebound in exports and increased consumption in Indonesia, will help push growth to an average of 7 per cent a year to 2014.

The high growth rate will pare unemployment from 8.1 per cent to between 5 and 6 per cent by 2014.

The government also aims to reduce the percentage of people living below the poverty line from 15 per cent of the population to 8 per cent in five years' time. The government defines those who spend less than 200,262 rupiah (S\$29) a month on average as living below the poverty line. He declined to give further details, saying an informal team of advisers is working on these matters.

While he had no trouble dishing out numbers during the two-hour session, he was guarded when asked about non-economic issues such as Indonesian foreign policy.

He said that Indonesia wanted to be an 'anchor of political stability' in Asean but that he would leave the details to the incoming foreign minister, who has yet to be named.

He described bilateral ties between Singapore and Indonesia as stable and solid. But he also pointed to the unresolved issues of the Defence Cooperation Agreement (DCA) and the extradition treaty.

Both countries had agreed in April 2007 to introduce a DCA and an extradition treaty, but talks on their implementation have since stalled over technical issues.

At the start of the forum, Mr Boediono expressed his condolences to the family of Nanyang Technological University student David Hartanto Widjaja, 21, who fell to his death on March 2.

Mr Boediono said he hoped the process of law would soon establish the whole truth about the death - a case that has received widespread attention in the Indonesian media. A coroner's inquiry into Mr Widjaja's death was held and a verdict is expected today.