

## Indonesia

The outstanding stock of local currency (LCY) bonds outstanding in Indonesia reached IDR1,399 trillion (US\$123 billion) in 1Q14 on growth rates of 6.8% quarter-on-quarter (q-o-q) and 21.1% year-on-year (y-o-y). Growth was driven by the government bond market as the government adopted a frontloading policy in which the bulk of its bond auctions are conducted during the first 6 months of the year.

Table 1: Size and Composition of the LCY Bond Market in Indonesia

	Outstanding Amount (billion)						Growth Rate (%)			
	1Q13		4Q13		1Q14		1Q13		1Q14	
	IDR	US\$	IDR	US\$	IDR	US\$	q-o-q	y-o-y	q-o-q	y-o-y
Total	1,154,804	119	1,309,576	108	1,398,996	123	5.9	13.9	6.8	21.1
Government	958,369	98	1,091,356	90	1,181,628	104	6.2	11.6	8.3	23.3
Central Govt. Bonds	861,515	88	995,252	82	1,072,741	94	5.0	13.3	7.8	24.5
of which: <i>Sukuk</i>	74,185	8	87,174	7	96,764	9	17.7	39.6	11.0	30.4
Central Bank Bills	96,854	10	96,104	8	108,887	10	17.6	(1.2)	13.3	12.4
of which: <i>Sukuk</i>	4,855	0.5	4,712	0.4	5,377	0.5	40.5	36.1	14.1	10.8
Corporate	196,435	20	218,220	18	217,369	19	4.8	26.9	(0.4)	10.7
of which: <i>Sukuk</i>	8,387	0.9	7,553	0.6	7,194	0.6	21.9	55.1	(4.8)	(14.2)

(-) = negative, LCY = local currency, q-o-q = quarter-on-quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.
2. Bloomberg LP end-of-period LCY-US\$ rates are used.
3. Growth rates are calculated from LCY base and do not include currency effects.
4. The total stock of nontradable bonds as of end-March stood at IDR233.5 trillion.

Sources: Bank Indonesia, Indonesia Debt Management Office, Indonesia Stock Exchange, Otoritas Jasa Keuangan, and Bloomberg LP.

Corporate bond issuance declined 53.3% q-o-q and 64.9% y-o-y in 1Q14. Only eight companies issued new corporate debt in 1Q14; the issuers were predominantly financing institutions.

Table 2: Notable LCY Corporate Bond Issuance in 1Q14

Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)
Federal international Finance		
370-day bond	9.60	805
3-year bond	10.50	745
Protelindo		
3-year bond	10.50	1,000
Mitra Adiperkasa		
3-year bond	10.90	370
5-year bond	11.50	280
Toyota Astra Financial Services		
370-day bond	9.60	88
3-year bond	10.50	512
BCA Finance		
370-day bond	9.00	225
3-year bond	10.00	275
BFI Finance		
370-day bond	10.50	225
2-year bond	11.00	55
3-year bond	11.50	220

LCY = local currency.

Source: Indonesia Stock Exchange.

Total LCY corporate bonds outstanding issued by the top 30 corporate bond issuers in Indonesia reached IDR166.7 trillion at end-March, representing 76.7% of the LCY corporate bond market.

Table 3: Top 30 Issuers of LCY Corporate Bonds in Indonesia

	Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
		LCY Bonds (IDR billion)	LCY Bonds (US\$ billion)			
1.	PLN	15,573	1.37	Yes	No	Energy
2.	Indonesia Eximbank	11,135	0.98	Yes	No	Banking
3.	Adira Dinamika Multifinance	10,879	0.96	No	Yes	Finance
4.	Astra Sedaya Finance	10,391	0.91	No	No	Finance
5.	Federal International Finance	9,451	0.83	No	No	Finance
6.	Bank Tabungan Negara	8,850	0.78	Yes	Yes	Banking
7.	Bank CIMB Niaga	7,930	0.70	No	Yes	Banking
8.	Indosat	7,820	0.69	No	Yes	Telecommunications
9.	Bank Internasional Indonesia	7,000	0.62	No	Yes	Banking
10.	Bank Pan Indonesia	7,000	0.62	No	Yes	Banking
11.	Bank Permata	6,478	0.57	No	Yes	Banking
12.	Perum Pegadaian	5,739	0.51	Yes	No	Finance
13.	Jasa Marga	5,600	0.49	Yes	Yes	Toll Roads, Airports, and Harbors
14.	Bank Tabungan Pensiunan Nasional	4,985	0.44	No	Yes	Banking
15.	Medco-Energi International	4,487	0.39	No	Yes	Petroleum and Natural Gas
16.	Sarana Multigriya Finansial	3,926	0.35	Yes	No	Finance
17.	Indofood Sukses Makmur	3,610	0.32	No	Yes	Food and Beverages
18.	Agung Podomoro Land	3,600	0.32	No	Yes	Property, Real Estate, and Building Construction
19.	Bank Mandiri	3,500	0.31	Yes	Yes	Banking
20.	BCA Finance	3,250	0.29	No	No	Finance
21.	Toyota Astra Financial Services	3,195	0.28	No	No	Finance
22.	Antam	3,000	0.26	Yes	Yes	Petroleum and Natural Gas
23.	Telekomunikasi Indonesia	3,000	0.26	Yes	Yes	Telecommunications
24.	Bank OCBC NISP	2,907	0.26	No	Yes	Banking
25.	Bumi Serpong Damai	2,750	0.24	No	Yes	Telecommunications
26.	Indomobil Finance Indonesia	2,728	0.24	No	No	Finance
27.	Bank Jabar Banten	2,124	0.19	No	Yes	Banking
28.	Bank Rakyat Indonesia	2,000	0.18	Yes	Yes	Banking
29.	Garuda Indonesia	2,000	0.18	Yes	Yes	Infrastructure, Utilities, and Transportation
30.	BII Finance	1,824	0.16	No	No	Finance
<b>Total Top 30 LCY Corporate Issuers</b>		<b>166,730</b>	<b>14.67</b>			
<b>Total LCY Corporate Bonds</b>		<b>217,369</b>	<b>19.13</b>			
<b>Top 30 as % of Total LCY Corporate Bonds</b>		<b>76.7%</b>	<b>76.7%</b>			

LCY = local currency.

Notes:

1. Data as of end-March 2014.

2. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: AsianBondsOnline calculations based on Indonesia Stock Exchange data.