

Indonesia

Total local currency (LCY) bond outstanding in Indonesia amounted to IDR2,497.1 trillion (USD184 billion) at the end of the fourth quarter (Q4) of 2017, an increase of 2.9% quarter-on-quarter (q-o-q) and 14.0% year-on-year (y-o-y). Central government and corporate bonds registered growth of 2.6% q-o-q and 7.7% q-o-q, respectively. *Sukuk* (Islamic bonds) comprised 16.7% of total LCY government bonds outstanding and 4.0% of total LCY corporate bonds outstanding at the end of Q4 2017.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2016		Q3 2017		Q4 2017		Q4 2016		Q4 2017	
	IDR	USD	IDR	USD	IDR	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	2,190,326	163	2,426,060	180	2,497,112	184	1.7	25.1	2.9	14.0
Government	1,878,648	139	2,066,296	153	2,109,783	156	0.7	25.2	2.1	12.3
Central Govt. Bonds	1,773,279	132	2,046,933	152	2,099,766	155	1.4	21.3	2.6	18.4
of which: <i>Sukuk</i>	245,708	18	329,039	24	342,989	25	2.4	54.3	4.2	39.6
Central Bank Bills	105,369	8	19,363	1	10,017	1	(9.9)	173.1	(48.3)	(90.5)
of which: <i>Sukuk</i>	10,788	1	12,626	1	10,017	1	14.3	71.8	(20.7)	(7.1)
Corporate	311,679	23	359,763	27	387,330	29	8.7	24.7	7.7	24.3
of which: <i>Sukuk</i>	11,578	1	13,958	1	15,387	1	7.8	18.1	10.2	32.9

(-) = negative, IDR = Indonesian rupiah, LCY = local currency, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, USD = United States dollar, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.
2. Bloomberg LP end-of-period LCY-USD rates are used.
3. Growth rates are calculated from an LCY base and do not include currency effects.
4. The total stock of nontradable bonds as of end-December stood at IDR241.3 trillion.

Sources: Bank Indonesia; Directorate General of Budget Financing and Risk Management, Ministry of Finance; Indonesia Stock Exchange; Otoritas Jasa Keuangan; and Bloomberg LP.

LCY corporate bond issuance in Q4 2017 amounted to IDR51.0 trillion, up from IDR43.4 trillion in Q3 2017. Sarana Multi Infrastruktur was the largest debt issuer during the quarter with sales of IDR7.0 trillion from multiple issuances.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2017

Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)
Sarana Multi Infrastruktur			PLN		
3-year bond	7.40	4,455	15-year bond	8.70	1,093
5-year bond	7.60	1,345	Waskita Karya		
Pupuk Indonesia			3-year bond	8.00	1,369
3-year bond	7.50	2,602	5-year bond	8.50	1,631
5-year bond	7.90	1,774	Federal International Finance		
Indosat			3-year bond	7.50	971
3-year bond	7.45	673	Pegadaian		
5-year bond	7.65	498	3-year bond	7.40	500
10-year bond	8.65	511	5-year bond	7.70	1,000

IDR = Indonesian rupiah.

Source: Indonesia Stock Exchange.

The top 30 corporate bond issuers had aggregate bonds outstanding of IDR274.9 trillion at the end of Q4 2017, representing 71.0% of the total LCY corporate bond stock. The top industries include banking (IDR130.1 trillion), finance (IDR70.9 trillion), and telecommunications (IDR25.6 trillion).

Table 3: Top 30 Issuers of Local Currency Corporate Bonds in Indonesia

	Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
		LCY Bonds (IDR billion)	LCY Bonds (USD billion)			
1.	Indonesia Eximbank	31,381	2.32	Yes	No	Banking
2.	Bank Rakyat Indonesia	23,559	1.74	Yes	Yes	Banking
3.	Bank Tabungan Negara	17,950	1.32	Yes	Yes	Banking
4.	Indosat	16,519	1.22	No	Yes	Telecommunications
5.	PLN	14,123	1.04	Yes	No	Energy
6.	Sarana Multi Infrastruktur	12,900	0.95	Yes	No	Finance
7.	Federal International Finance	12,562	0.93	No	No	Finance
8.	Bank Mandiri	11,000	0.81	Yes	Yes	Banking
9.	Pupuk Indonesia	9,076	0.67	Yes	No	Chemical Manufacturing
10.	Waskita Karya	9,057	0.67	Yes	Yes	Building Construction
11.	Telekomunikasi Indonesia	8,995	0.66	Yes	Yes	Telecommunications
12.	Adira Dinamika Multifinance	8,980	0.66	No	Yes	Finance
13.	Bank Pan Indonesia	8,625	0.64	No	Yes	Banking
14.	Astra Sedaya Finance	7,280	0.54	No	No	Finance
15.	Hutama Karya	7,115	0.52	Yes	No	Non-Building Construction
16.	Bank Maybank Indonesia	7,101	0.52	No	Yes	Banking
17.	Bank CIMB Niaga	7,018	0.52	No	Yes	Banking
18.	Sarana Multigriya Finansial	6,706	0.49	Yes	No	Finance
19.	Medco-Energi International	6,500	0.48	No	Yes	Petroleum and Natural Gas
20.	Bank OCBC NISP	6,159	0.45	No	Yes	Banking
21.	Bank Permata	5,810	0.43	No	Yes	Banking
22.	Perum Pegadaian	5,140	0.38	Yes	No	Finance
23.	Toyota Astra Financial Services	4,864	0.36	No	No	Finance
24.	Permodalan Nasional Madani	4,246	0.31	Yes	No	Finance
25.	Indofood Sukses Makmur	4,000	0.30	No	Yes	Food and Beverages
26.	Adhi Karya	3,997	0.29	Yes	Yes	Building Construction
27.	BFI Finance Indonesia	3,868	0.29	No	Yes	Finance
28.	Mandiri Tunas Finance	3,675	0.27	No	No	Finance
29.	United Overseas Bank Indonesia	3,400	0.25	No	Yes	Banking
30.	Bank Bukopin	3,305	0.24	No	Yes	Banking
Total Top 30 LCY Corporate Issuers		274,911	20.28			
Total LCY Corporate Bonds		387,330	28.57			
Top 30 as % of Total LCY Corporate Bonds		71.0%	71.0%			

IDR = Indonesian rupiah, LCY = local currency, USD = United States dollar.

Notes:

1. Data as of end-December 2017.

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.