

Indonesia

The outstanding stock of local currency (LCY) bonds in Indonesia totaled IDR5,314.5 trillion (USD372.6 billion) at the end of December, expanding 4.4% quarter-on-quarter (q-o-q) and 17.7% year-on-year in the fourth quarter (Q4) of 2021. Much of the growth was driven by government bonds issued to support fiscal spending to strengthen the economic recovery.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2020		Q3 2021		Q4 2021		Q4 2020		Q4 2021	
	IDR	USD	IDR	USD	IDR	USD	q-o-q	y-o-y	q-o-q	y-o-y
Total	4,517,251	322	5,089,510	356	5,314,547	373	10.0	28.7	4.4	17.7
Government	4,091,542	291	4,667,501	326	4,884,206	342	11.6	33.6	4.6	19.4
Central Govt. Bonds	3,870,757	275	4,460,456	312	4,678,977	328	11.8	40.6	4.9	20.9
of which: <i>sukuk</i>	686,561	49	834,323	58	841,973	59	11.1	41.4	0.9	22.6
Central Bank Bonds	55,421	4	60,712	4	61,337	4	44.3	(45.9)	1.0	10.7
of which: <i>sukuk</i>	55,421	4	60,712	4	61,337	4	44.3	(22.1)	1.0	10.7
Nontradable Bonds	165,365	12	146,334	10	143,892	10	(1.4)	(20.7)	(1.7)	(13.0)
of which: <i>sukuk</i>	38,778	3	31,161	2	31,666	2	1.4	(11.4)	1.6	(18.3)
Corporate	425,709	30	422,008	29	430,341	30	(3.4)	(4.4)	2.0	1.1
of which: <i>sukuk</i>	30,341	2	36,143	3	34,813	2	(1.9)	0.7	(3.7)	14.7

(-) = 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:

- Bloomberg LP end-of-period LCY-USD rates are used.
- Growth rates are calculated from an LCY base and do not include currency effects.

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

LCY corporate bond issuance reached IDR31.2 trillion in Q4 2021, contracting 4.4% q-o-q but expanding 45.1% year-on-year. Corporate bond issuance outpaced maturities during the quarter, resulting in a slight q-o-q uptick in the total LCY corporate bond stock at the end of December. Indah Kiat Pulp & Paper led all new corporate issues in Q4 2021, tapping the bond market twice (October and December) and raising a total of IDR6.8 trillion.

Table 2: Notable Local Currency Corporate Bond Issuances in the Fourth Quarter of 2021

Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (IDR billion)
Indah Kiat Pulp & Paper ^a			Profesional Telekomunikasi Indonesia		
370-day bond	6.75	1,500	370-day bond	3.60	1,012
370-day bond	6.00	797	3-year bond	5.30	1,593
370-day <i>sukuk mudharabah</i>	6.75	500	5-year bond	6.10	744
370-day <i>sukuk mudharabah</i>	6.00	187	Permodalan Nasional Madani		
3-year bond	9.25	1,050	370-day bond	3.75	1,000
3-year bond	8.75	877	3-year bond	5.50	1,000
3-year <i>sukuk mudharabah</i>	9.25	449	5-year bond	6.25	1,000
3-year <i>sukuk mudharabah</i>	8.75	305			
5-year bond	10.00	450			
5-year bond	9.25	338			
5-year <i>sukuk mudharabah</i>	10.00	51			
5-year <i>sukuk mudharabah</i>	9.25	247			

IDR = Indonesian rupiah.

Note: *Sukuk mudharabah* are Islamic bonds backed by a profit-sharing scheme from a business venture or partnership.

^a Multiple issuance of the same tenor indicates issuance on different dates.

Source: Indonesia Stock Exchange.

The 31 largest corporate bond issuers in Indonesia had an outstanding aggregate bond stock of IDR315.8 trillion at the end of December, accounting for 73.4% of the corporate bond total. State-owned energy firm Perusahaan Listrik Negara continued to hold the top spot with outstanding bonds of IDR36.0 trillion, representing 8.4% of the corporate bond stock. State-owned firms comprised a majority of the list (18 out of 31).

Table 3: Top 31 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.	Perusahaan Listrik Negara	35,986	2.52	Yes	No	Energy
2.	Indonesia Eximbank	29,000	2.03	Yes	No	Banking
3.	Sarana Multi Infrastruktur	20,513	1.44	Yes	No	Finance
4.	Bank Rakyat Indonesia	20,144	1.41	Yes	Yes	Banking
5.	Sarana Multigriya Finansial	16,851	1.18	Yes	No	Finance
6.	Indah Kiat Pulp & Paper	6,747	0.47	No	Yes	Pulp and Paper
7.	Bank Mandiri	14,000	0.98	Yes	Yes	Banking
8.	Bank Tabungan Negara	15,975	1.12	Yes	Yes	Banking
9.	Permodalan Nasional Madani	9,423	0.66	Yes	No	Finance
10.	Indosat	11,779	0.83	No	Yes	Telecommunications
11.	Waskita Karya	10,577	0.74	Yes	Yes	Building Construction
12.	Astra Sedaya Finance	7,313	0.51	No	No	Finance
13.	Pegadaian	10,305	0.72	Yes	No	Finance
14.	Pupuk Indonesia	6,296	0.44	Yes	No	Chemical Manufacturing
15.	Tower Bersama Infrastructure	3,788	0.27	No	Yes	Telecommunications Infrastructure Provider
16.	Hutama Karya	6,500	0.46	Yes	No	Nonbuilding Construction
17.	Bank Pan Indonesia	13,427	0.94	No	Yes	Banking
18.	Wijaya Karya	7,500	0.53	Yes	Yes	Building Construction
19.	Semen Indonesia	7,078	0.50	Yes	Yes	Cement Manufacturing
20.	Telekomunikasi Indonesia	7,000	0.49	Yes	Yes	Telecommunications
21.	Sinar Mas Agro Resources and Technology	4,500	0.32	No	Yes	Food
22.	Federal International Finance	5,981	0.42	No	No	Finance
23.	Adira Dinamika Multi Finance	7,639	0.54	No	Yes	Finance
24.	Chandra Asri Petrochemical	4,589	0.32	No	Yes	Petrochemicals
25.	Bank CIMB Niaga	6,806	0.48	No	Yes	Banking
26.	Mandiri Tunas Finance	4,878	0.34	No	No	Finance
27.	Bank Pembangunan Daerah Jawa Barat Dan Banten	5,248	0.37	Yes	Yes	Banking
28.	Adhi Karya	4,316	0.30	Yes	Yes	Building Construction
29.	Medco-Energi Internasional	3,690	0.26	No	Yes	Petrochemicals
30.	Kereta Api Indonesia	4,000	0.28	Yes	No	Transportation
31.	OKI Pulp & Paper Mills	4,000	0.28	No	No	Pulp and Paper Manufacturing
Total Top 30 LCY Corporate Issuers		315,846	22.14			
Total LCY Corporate Bonds		430,341	30.17			
Top 30 as % of Total LCY Corporate Bonds		73.4%	73.4%			

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

Notes:

1. Data as of 31 December 2021.

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.