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### Jakarta Governor Election: Awaiting Final Result in another two months

- **The quick count results showed the incumbent Governor Basuki (Ahok) and vice Governor Djarot lead by a thin percentage (43%) to the challenger Anies Baswedan and Sandiaga Uno (39%), thus both candidates are going to the second round.** The other challenger Agus Yudhoyono and Sylviana Murni only received around 17% vote therefore has admitted defeat.
- **The rule on the Jakarta election is different from others.** Other regions commonly followed Regulation UU No 8 th 2015 that stated candidate with the largest vote will be the winner of the election. While DKI Jakarta election follows other regulation (DKI Jakarta Government UU No 29/2007) that stated the winner must have votes by over 50%.
- **The Jakarta election today is quite interesting and challenging since all candidates have somewhat equal political support from leading political parties in Indonesia.** This is because all candidates have political support from leading political parties in Indonesia. Agus and Sylvi are backed by the Democrat, PPP, PKB and PAN (28 seats out of 106 seats in the DKI House of Representatives). Ahok and Djarot are backed by PDIP, Hanura, Golkar and Nasdem (52 seats), while Anies and Sandi are backed by Gerindra and PKS (22 seats).
- **Despite of all the heightened tensions, the election yesterday are going well, reflecting stable political condition.** The attention will be focused on the second round candidates Ahok-Djarot and Anies-Sandi. Political parties backing both candidates have started to open coalition possibilities with the parties backing Agus in the hope of garnering votes. Democrats may lean more to Gerindra due to the recent high tension between Democrats and PDIP. Meanwhile PKB, PPP and PAN may shift their support for Ahok-Djarot considering the parties are in the coalition with the current government. Therefore this could still be anyone's game.
- **Second round Jakarta election will be held in April 19.** Political tension may still rise in the next couple months, however considering yesterday's election are going well, we expect the economic condition to remain stable and conducive. **We expect market to react neutral on the second round election's results.**

## Indonesia: Selected Economic Indicators

	2013	2014	2015	2016E	2017E
<b>National Accounts</b>					
Real GDP (% y-o-y)	5.6	5.0	4.8	5.0	5.0
Domestic demand ex. inventory (% y-o-y)	5.0	5.4	3.9	5.0	4.9
Real Consumption: Private (% y-o-y)	5.4	5.2	5.0	5.0	4.9
Real Gross Fixed Capital Formation (% y-o-y)	5.0	4.6	5.1	5.0	5.2
GDP (USD bn) — nominal	915	890	862	893	925
GDP per capita (USD) — nominal	3,668	3,530	3,374	3,453	3,577
Open Unemployment Rate (%)	6.3	5.9	6.2	5.6 (A)	5.5
<b>External Sector</b>					
Exports (% y-o-y, BoP Basis)	-2.8	-3.7	-15.4	-3.7	7.0
Imports (% y-o-y, BoP Basis)	-1.3	-4.5	-19.7	-4.4	6.6
Trade balance (USD bn, BoP Basis)	5.8	6.9	13.3	13.7	15.2
Current account (% of GDP)	-3.7	-3.2	-2.1	-2.0	-1.8
Central government debt (% of GDP)	21.3	23.6	25.0	27.8	30.2
International Reserves –IRFCL (USD bn)	99.4	111.9	105.9	116.4 (A)	114.0
Reserve Cover (Months of imports & ext. debt)	5.4	6.5	7.4	8.4 (A)	8.4
Currency/US\$ (Year-end)	12,189	12,440	13,795	13,436 (A)	13,555
Currency/US\$ (Average)	10,428	11,900	13,392	13,308 (A)	13,504
<b>Other</b>					
BI policy rate (% year end)	7.50	7.75	7.50	6.50* (A)	N/A
BI 7-Day Reverse Repo rate (% year end)	N/A	N/A	6.25	4.75 (A)	5.00
Consumer prices (% year end)	8.08	8.36	3.35	3.02 (A)	4.57
Fiscal balance (% of GDP; FY)	-2.24	-2.26	-2.70	-2.46 (A)	-2.60
S&P's Rating – FCY	BB+	BB+	BB+	BB+ (A)	BB+

Source: CEIC, E = Danamon Estimates, A = Actual, \*) Up to August 2016

## Economic and Market Research

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