

PRESS RELEASE

**INDONESIAN CAPITAL MARKET READY TO CONTRIBUTE TO
NATIONAL ECONOMIC GROWTH IN 2023**

**The President of the Republic of Indonesia Opened the First Trading Day of
2023**

Jakarta, 2 January 2023. The President of the Republic of Indonesia, Joko Widodo expected that the Indonesian Capital Market to perform better in supporting the national economy as well as to overcome obstacles and address challenges in 2023.

This was expressed by the President as he opened the 2023 Indonesia Stock Exchange (IDX) stock trading at the Main Hall of the Indonesian Stock Exchange, Jakarta, on Monday.

“PPKM (Restrictions of Public Activities) was already revoked at the end of 2022. It was not for show-off, as there has been a study in the last 10 months showing how we have been successful in controlling the Covid-19 pandemic; as the restrictions have now been lifted, it is expected that Indonesia’s economic growth can outperform the growth in 2022,” the President said.

Thus, he asserted that Capital Market industry players are expected to continue in maintaining enthusiasm and optimism to journey toward 2023 as well as to keep supporting sustainable economic growth.

Chairman of the Board of Commissioners of the OJK (the Indonesian Financial Services Authority), Mahendra Siregar in his remarks mentioned how Indonesia’s economic performance, as reflected in the performance of its Capital Market, is far better than that of Asian and European countries.

As of 30 December 2022, the Jakarta Composite Index (JCI) reached 6,850.62 points, growing by 4.09 percent year-to-date. Alongside, market capitalization also grew by 15.06 percent year-to-date to reach IDR9,499 trillion, or 50 percent of Indonesia’s GDP in 2022.

Increased performance of the JCI was also followed by a growing number of retail investors in Indonesia that reached 10.30 million investors (Single Investor Identification/SID), a more than tenfold increase in the past 5 years. The retail investors are dominated by domestic investors (55 percent) and the majority are under the age of 30 (58.74 percent).

In 2022, precisely on 13 September, the JCI broke the highest record in history at 7,318.01 points. On 27 December 2022, market capitalization was at the highest ever in history at IDR9,600 trillion.

Mahendra said that increasing Indonesia’s Capital Market’s integrity, accountability, and credibility would be a priority going forward.

He maintained that, with such positive conditions, it is expected that investments in the Indonesian Capital Market will continue to improve in 2023.

“There is no wait-and-see for investments in Indonesia. It’s all about investment, investment, investment. We must make it stronger and push the momentum,” Mahendra said.

On the same occasion, the Indonesian Finance Minister, Sri Mulyani hoped that the President’s attendance at the opening of the 2023 IDX stock trading would boost the spirit and motivation of market players, self-regulatory organizations, and KSSK (the Financial System Stability Committee) in building investors’ integrity and credibility.

“2023 is the year of trials and tribulations for everyone in the financial sector and other sectors. The government and financial sector authorities will be tested to control inflation, prevent recessions, recover the economy after the pandemic, and increase sources of long-term financing,” Sri Mulyani said.

2022 Performance in Capital Market Regulation, Licensing, Supervision, and Law Enforcement

Throughout 2022, OJK continued to improve its performance in regulation, licensing, supervision, law enforcement, as well as investor protection in the Capital Market.

As of 30 December 2022, OJK issued 7 OJK Regulations and 12 OJK Circular Letters as well as 14,374 licenses and/or registration comprising 8 licenses for investment management, 2,999 licenses for capital market investment management products, 11,083 new and renewed licenses for securities representatives, 216 licenses for Capital Market supporting institutions and supporting professions, 63 new Issuers, and 6 SCF Providers.

Meanwhile, in the supervision and law enforcement side, OJK carried out 217 supervisory actions in the form of technical inspections and compliance audits, followed by the completion of 54 examinations of 162 cases related to Investment Management, Stock Tradings and Transactions, Securities Companies, Issuers and Public Companies, and Capital Market Supporting Institutions and Professions.

To follow up the supervisory actions, OJK has issued 1,057 letters of sanction consisting of 1 sanction in the form of cancellation of STTD (Registration) of Professions, 3 sanctions in the form of license revocation, 13 sanctions of license suspension, 89 sanctions of written admonitions, and 951 administrative sanctions in the form of monetary fines in a total of IDR151.09 billion. In addition, OJK also issued 19 Written Orders to take certain enforcement actions against violations of the laws and regulations in the Capital Market.

In protecting investors, OJK has also resolved 29 of 46 cases filed under OJK’s complaint handling mechanism while continuing to perform outreach and educational activities, consisting of 202 outreach activities on Capital Market policy and knowledge, 16 outreach activities on Information System, and 5 integrated outreach and educational activities on the Capital Market in 5 regions.

OJK also approved the development of infrastructure, business processes, and new products for market deepening while strengthening investor protection, including:

1. Removing investors’ code of domicile on real-time transaction data at the IDX, as a continuation of IDX Broker Code removal at the end of 2021;
2. Issuing effective statements on the issuance of new products in the Capital Market, namely Structured Warrants;

3. Better efficiency in the business process in the stock market, by eliminating one step in the transaction settlement instructions at the IDX; and
4. Implementing the new economy board at the IDX.
