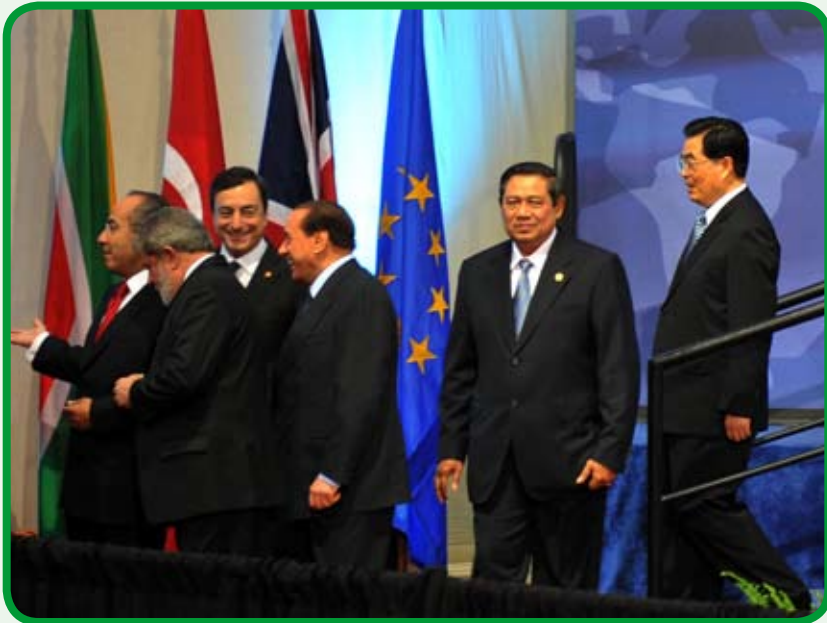


*Kumpulan
Pidato*

**Presiden RI
Susilo Bambang Yudhoyono**

STATEMENT
by
DR. SUSILO BAMBANG YUDHOYONO
PRESIDENT OF THE REPUBLIC OF INDONESIA
AT
THE G-20 SUMMIT
Washington DC, 15 November 2008
(Presiden berbicara setelah Presiden AS, Brazil, China, India)



Thank you, Mr. President.

From our discussions last night, we all agreed that we need to act fast, and in a concerted and coordinated manner. We must also focus on the priorities to restoring confidence and stability of the global financial

system. Equally important are our joint efforts to prevent further deterioration of growth. In the medium and long-run, we need to fix the international financial architecture to make it stable, less fragile and functioning better. Our people back home have high expectations that we will be able to deliver all of these.

Let me make the following points and suggestions.

I believe that our measures should involve three steps: short-term, mid-term, and longer term actions. We have to stop this bleeding, and provide the much needed new blood so that we can all function normally again.

Short-term actions should be simple and workable. And we need very close international coordination to put the measures to restore confidence into place.

Mid-term actions are necessary to revitalize economic growth and protecting the most vulnerable.

Longer-term actions are measures to solve the root cause of the problem in the current global system, and to prevent the same from happening in the future.

Our action must be pursued simultaneously at the national, regional and global level.

At the national level, like all other countries, Indonesia has quickly responded to the crisis, among others, by ensuring the availability of liquidity in the system, providing guarantees to maintain confidence in the banking sector. We also took necessary steps to unlock the credit crunch, including for trade financing, which is already affecting trade flows. Through fiscal and budgetary measures, we also provided social safety net to mitigate the impact of the financial crisis to the poorest segments of society. Learning from the crisis a decade ago where we lacked confidence, trust and coordination, we have also made sure that our response, both fiscal and monetary, brings together all the stakeholders, including the Central bank and business.

At the regional level, ASEAN and ASEAN plus 3 countries must better synchronize their policies, including Chiang Mai Initiative (CMI), which is a form of self-help reserve policy. This is necessary to ensure the continued flow of trade and investment in our region.

Through this summit and the next ones, we must be able to undertake coordinated and concerted efforts. We urge the international financial institutions to stand ready their balance sheets to pool and mobilize resources in a credible amount at the global level.

At the global level, we must do all we can to mitigate the damaging effects of this crisis to emerging market economies and less developing countries. Developed countries have better resources to undertake counter-cyclical measures to restore global growth, and this will very much help sustain their trade and investment in developing countries. The developing countries must also be able to carry out effective fiscal spending in the critical areas of infrastructure development, job creation, poverty reduction and other development goals.

Therefore, we urge the international community, especially advanced economies, reserve-rich countries and international financial institutions, to provide financial access and instruments with flexible mechanism to help them withstand the severe liquidity problem.

That is why we need to form a kind of a “Global Expenditure Support Fund” to support budget financing, on top of regular development assistance. This Fund should be made available for countries that are most vulnerable and most in need. It should also be given to countries that have a strong track record in adopting sound policies and fiscal sustainability. This way, these countries can sustain growth, while cushioning the poor from the devastation of the crisis and reach their MDG goals.

We also should encourage multilateral financial institutions to provide liquidity, credit and trade financing facility so that economic activities across the border can be maintained.

After prioritizing our fire fighting mission, our next steps should address the failures of the global financial system by providing disciplined



risk management and accurate information and disclosure. We urge the international financial institutions to adopt the international best practice in risk management, improving accountability, transparency and surveillance.

In pursuing these objectives, we should not waste time on whether we need more or less regulations : whether less or more, what we desperately need is BETTER and MORE EFFECTIVE regulation.

These new and enhanced international financial norms and regulations will certainly burden the emerging markets and developing countries. They will need transitional time to improve their capacity to adopt and to implement those norms. The international community should provide technical assistance to these countries.

The developing countries cannot feel that they are being punished for something that they did not cause. 10 years ago, when we faced the monetary crisis, we were forced to undertake stern measures to overcome the situation. What we have realized today is that the international financial architecture too needed to be reformed. What we need today is efficient, properly regulated financial system.

To be effective, existing multilateral institutions should reflect the new global economic constellation with the increasing role of the emerging markets, through their greater voice and representation. In

the longer-term, if we have to think outside the box, we may think about far reaching global governance which provides a way to reduce unnecessary speculation and dangerous bubble economy to avoid destructive risk-taking and in the financial market.

I would like to stress again that the world should take immediate actions to respond to this crisis. I would like to stress once again that urgent action is needed. And our action must be credible, furnished with strong will to implement it.

The cost of inaction will lead to further disruption to the global financial system, endangering everything that has been achieved during the last several decades. The longer we allow the crisis to unfold, more innocent victims will fall due to market instability. In particular, many small-open-emerging markets would suffer most from this crisis, even though they have undertaken reforms, conducted right policies and built sound institutions. We should not allow this to happen because emerging markets play a very important role in solving this crisis.

To conclude, upon issuing the declaration of this meeting, we as leaders should be able to put this declaration into action. Therefore we should task our ministers of finance to come up with a list of actions and a clear timetable for implementation, which consistently reflects our common responsibilities and differentiated capacities.

One final point. In revitalizing global economic growth, coordination of fiscal expansion and keeping markets open become a key priority. Concluding the Doha Development Agenda (DDA) round of negotiations with a balanced outcome and ensuring open regionalism in the various regional agreements, will provide collective confidence to keep markets open and ensure fair and equitable trade.

Let me state that Indonesia, with our limited resources, will do all we can to ensure that our achievements to reduce poverty, unemployment and debt to GDP ratio, which is now down to 32 % will not go to waste. Like any of us in this room, none of our development agenda and achievements can be sustained without regional and global cooperation.

I thank you.