

Uncertain World Economy, Local based Industry is Backbone for National Economic Resilience

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YOGYAKARTA- The economic and financial uncertainties currently and in the future creates risks and challenges for domestic economic stability. Here cooperation between authorities or countries regionally and internationally is much required to guide monetary stability and financial system to support growth in each country.

This was said by Deputy Governor of Bank of Indonesia, Ardhayadi Mitroatmodjo, M.A., when giving general lecture for students of Accountant Profession Education Program, Faculty of Economics and Business UGM, at the Auditorium of Faculty of Cultural Sciences on Thursday (22/9). The event was guided by Chairman of Accountant Profession Education Program, Drs. Sugiarto, M.Acc., MBA.,Ak.

In line with the condition, the Bank of Indonesia, Ardhayadi said, gave a response by rates and mix of monetary policy and other macroprudentials to mitigata risks by still prioritising achievement of inflation target at 5%+% in 2011 and 4,5%+1% in 2012.

“For this, synergy between government, Bank of Indonesia, business sector, academicians and all aspects of the community to change challenge into opportunity,” said Ardhayadi.

Ardhayadi explained in the middle of worsening economic condition, domestic performance showed good endurance. BI predicted economic growth in 2011 and 2012 will reach 6,6% and 6,7% respectively, supported by export and growing investments.

“But economic growth in 2012 has lower potential than projected. Economic growth, trade volume and world commodity price after the drop of US rating is predicted to slow down, encouraging lower Indonesian economic growth,”



Amidst the economic condition that faces global and domestic risks, Ardhayadi said unbalanced global economic recovery, debt risk persistence in European peripheral region, and phenomenon of economic warming in emerging markets, still have the risk to cause global financial market to fluctuate. The dynamics in global financial market will rapidly affect domestic economy due to the open nature of our financial market.

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