

# FLASH NOTES

23 October 2019



## A new hope

*BATAVIA*  
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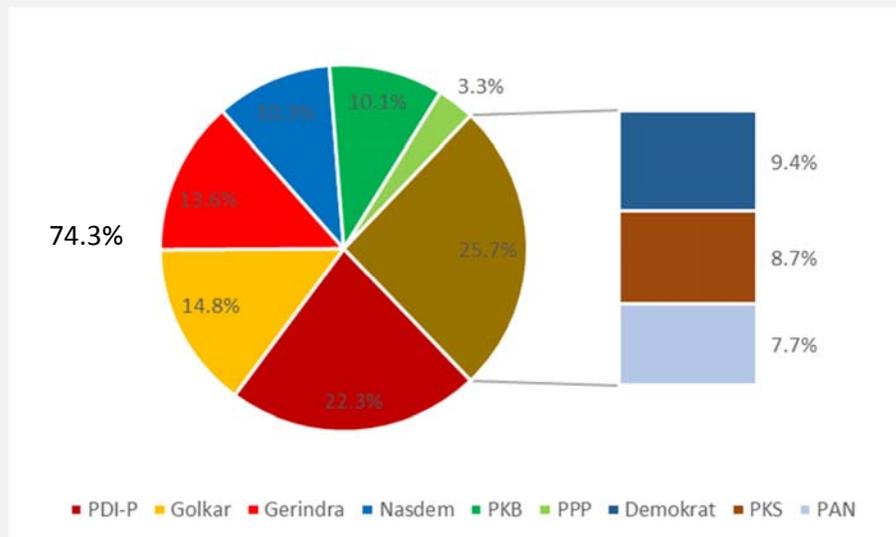
During inauguration, President Joko Widodo emphasizes the goal to become develop country and focus on 5 things i.e. human capital, infrastructure, regulation, bureaucracy and economic transformation. Meanwhile, he just announced full ministers in his 2<sup>nd</sup> term, which consist of professional/technocrat (21 out of 38) and coalition parties (PDI-P, Gerindra, Golkar, PKB, Nasdem and PPP).

Is 74% better than 61%? Stronger government coalition (by bringing Gerindra to coalition) is welcome to have better political support (especially in parliament), considering potential revision in multiple laws (Undang-undang). Economic growth without stable political condition is almost impossible. On the other side, there is a concern that the government may need to balance larger number of interest/group.

**Conclusion**

In general, we think this is neutral impact to the market as investors prefer ‘wait and see’. Hence, **execution is the key** to regain investor confidence. The good thing is low expectation to current government, so any achievement should be an upside.

**President Jokowi’s coalition**



Source: KPU