



Press Release

INDONESIA-OECD INTERNATIONAL SEMINAR: ENHANCING THE ROLE OF INSTITUTIONAL INVESTORS IN INFRASTRUCTURE FINANCING

Indonesia is currently the chair of APEC Finance Ministers Process with the theme of “Resilient Asia Pacific, Engine of Global Growth”. The theme was constructed to achieve the region’s ambition to build a stronger and more resilient regional economy against the background of current global economic and financial turbulence, and to ensure that the region remains on track to play a prominent role in driving global growth.

One of four main agendas in the APEC Finance Minister Tracks is infrastructure, high quality infrastructure being a platform to drive economic growth and development. The challenge is to achieve coordinated efforts to boost infrastructure investment in the region. Indonesia strongly believes that international collaboration on an infrastructure agenda could have positive implications for global economic recovery and strengthen our foundation for future growth. As a concrete step, the Ministry of Finance of the Republic of Indonesia, in collaboration with the OECD, hosted an international seminar on infrastructure financing in Indonesia on August 29th, 2013 at the Novotel Hotel, Palembang.

The event is part of the OECD project Long-Term Investment Project, which aims to facilitate long-term investment by institutional investors such as pension funds, insurance companies, and sovereign wealth funds, by addressing both potential regulatory obstacles and market failures (OECD LTI project www.oecd.org/finance/lti). Infrastructure is one of the main topics on the agendas of both the G20 and the APEC under the current and the next presidencies. The seminar included a review of the two agendas in detail, in particular discussing one of the key deliverables of the Russian presidency of the G20: the High Level Principles for Long Term Investment by Institutional Investors. The principles – to be presented to the G20 Leaders Summit in Saint Petersburg on 5-6 September 2013 - have been developed by the newly created OECD Task Force on Institutional Investors and Long-Term Financing, which is open to OECD, G20, FSB, and APEC members and is expected to develop further work on long term investment in the future.

The Palembang seminar was jointly led by Indonesia’s Vice Minister of Finance, Mahendra Siregar and the Deputy Secretary General of the OECD, Rintaro Tamaki. The seminar followed



on from the APEC Workshop on Infrastructure Financing that was held on August 28th, 2013. The seminar was attended by around 120 high level participants from both public and private sectors in the Asia Pacific region, as well as experts from financial institutions, international organizations, and academia. The seminar's participants and speakers examined the important role that can be played by institutional investors and sovereign wealth funds in providing long-term financing for infrastructure investment. Furthermore, the seminar provided a platform for dialogue about infrastructure among international forums, particularly between APEC and the G20.

In discussing infrastructure financing, participants agreed that the issue should not be viewed as an aid or development issue. Rather, it is crucial to approach it from a perspective of how the region can work cooperatively to better channel all available funds from both public and private sources towards more productive investments in infrastructure, in order to promote stronger growth and development. Productive investment in infrastructure can be realized through creating more transparent regulatory frameworks, better accessibility to capital, more supportive financial markets, and increased capacities in economies to absorb capital flows. In particular, based on work related to the OECD LTI project the panels deliberated on the vehicles and major initiatives to pool resources to finance infrastructure projects including green projects, and the need for a clear benchmark for measuring investment performance seen by many as one of the main barriers to invest in infrastructure.

For further inquiries, please contact:

- **Centre For Regional and Bilateral Policy - Fiscal Policy Agency, Ministry of Finance of The Republic of Indonesia**

R.M. Notohamiprodo Building 7th Floor, Jl. Wahidin No. 1 Jakarta 10710
Tel.: (+6221) 3451128; Fax.: (+6221) 3451205; Website: fiskal.depkeu.go.id
Email: apecindonesia@fiskal.depkeu.go.id

- **Organisation for Economic Co-operation and Development (OECD)**

2, rue André Pascal
75775 Paris Cedex 16, France
Tel.: +33 1 45 24 82 00; Fax: +33 1 45 24 85 00; Website: www.oecd.org
For enquiries on the OECD LTI project please visit www.oecd.org/finance/lti
Contact: marta.rilling@oecd.org