

Indonesia

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Incoming cabinet: The hits outweigh the misses

- Prabowo Subianto was sworn in as the eighth president on 20 October, with his vice president, Gibran Rakabuming Raka, the son of outgoing leader Joko Widodo.
- The cabinet appointments are thoughtful to the extent that key posts such as the Minister of Finance, SOE minister have remained under the old guard providing investors with a much-needed sense of personnel continuity.
- The size of cabinet is larger than in the past, but the onus is on the incoming administration to mitigate perceptions of bureaucratic hurdles and red tape.

Former Defense Minister Prabowo Subianto (73) was sworn in as Indonesia's eighth president on Sunday, 20 October, alongside his vice president, Gibran Rakabuming Raka (37), the son of outgoing leader Joko Widodo.

This marked a smooth transition of power to the new administration as Prabowo began his five-year term as president. In his inaugural speech, President Prabowo vowed to lead Indonesia toward greater self-reliance in food and energy, as part of his ambitious goal to achieve 8% economic growth. Specifically, the president emphasized the need to reduce dependency on imports, stating that by harnessing the country's abundant natural resources, including palm oil, cassava, and geothermal energy, Indonesia can achieve energy independence and emerge as a global food hub.

President Prabowo also unveiled the long-awaited Red and White (Merah Putih) cabinet in the evening, reappointing several key economic team members, including Sri Mulyani as Finance Minister, Airlangga Hartarto as Coordinating Minister for Economic Affairs, Erick Thohir as Minister of State-Owned Enterprises, and Bahlil Lahadalia as Minister of Energy and Mineral Resources, underscoring President Prabowo's commitment for stability and continuity.

The reappointment of Finance Minister Sri Mulyani is a positive move, hailed by investors, and signals the Prabowo-led administration's intent to maintain fiscal prudence. While Sri Mulyani's reputation precedes her, she has her task cut out in that President-Prabowo wants to step up fiscal spending and boost growth to 8% per annum. Interestingly, an additional Deputy Minister Anggito Abimanyu, a prominent economist and former head of fiscal policy from 2006 to 2010, was added to the Ministry of Finance. Mr. Abimanyu will work alongside the other two Deputy Finance Ministers, Suahasil Nazara and Thomas Djiwandono. He is

Lavanya Venkateswaran
Senior ASEAN Economist

+65 6530 6875

lavyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist

+65 6530 6818

Ahmad.Enver@ocbc.com

specifically tasked with ‘optimizing state budget revenue’, underscoring the importance of his priority for the incoming government.

President (period)	Soekarno (1945-67)	Soeharto (1967-98)	B.J Habibie (1998-99)	Abdurrahman Wahid (1999-01)	Megawati Soekarnoputri (2001-04)	Susilo B. Yudhoyono (2004-09, 2009-14)	Joko Widodo (2014-19, 2019-2024)	Prabowo Subianto (2024-29)
Ministerial post	Lowest: 10 Highest: 132	Lowest: 24 Highest: 44	37	36	33	34	34	48

Source: Ministry of the State Secretariat.

The cabinet is much larger than editions in the recent past. Ministerial posts have increased to 48 from 34. This, together with the deputy ministers (56), takes the total cabinet size to 109 – the largest cabinet since 1966.¹ The larger cabinet reflects the splitting of several ministries (e.g., the Ministry of Housing and Residential Areas and the Ministry of Public Works from the combined Ministry of Public Works and Housing) and the addition of new ministerial posts (e.g., the Coordinating Ministry for Food). In addition, the Ministry of Investment has now been expanded to become the Ministry of Investment and Down streaming, suggesting that emphasis remains on the downstream natural resources sector².

The cabinet appointments are thoughtful to the extent that key posts such as the Minister of Finance, SOE minister have remained under the old guard providing investors with a much-needed sense of personnel continuity. The extent to which this translates into policy continuity remains to be seen given that the incoming government has a list of priorities that differ slightly from the past administration. Furthermore, the onus is on the incoming administration to mitigate additional bureaucratic hurdles and perceptions of red tape associated with larger cabinets.

¹ The House of Representatives to remove the legal limit of 34 on the number of ministries a president may have, in September 2024.

² The ministry is tasked with generating increased downstream activities beyond the mining and metal sectors, such as in the marine sector (e.g., seaweed).

Appendix: Merah Putih Cabinet

Coordinating Minister		
1	Coordinating Ministry for Political Security Affairs	Budi Gunawan
2	Coordinating Ministry for Legal, Human Rights, Immigration and Corrections	Yusril Ihza Mahendra
3	Coordinating Ministry for Economic Affairs	Airlangga Hartarto
4	Coordinating Ministry for Human Development and Cultural Affairs	Pratikno
5	Coordinating Ministry for Infrastructure and Regional Development	Agus Harimurti Yudhoyono
6	Coordinating Ministry for Community Empowerment	Abdul Muhaimin Iskandar
7	Coordinating Ministry for Food	Zulkifli Hasan
Minister		
8	Ministry of State Secretariat	Prasetyo Hadi
9	Ministry of Home Affairs	Muhammad Tito Karnavian
10	Ministry of Foreign Affairs	Sugiono
11	Ministry of Defense	Sjafrie Sjamsoeddin
12	Ministry of Religious Affairs	Nasaruddin Umar
13	Ministry of Law	Supratman Andi Agtas
14	Ministry of Human Rights	Natalius Pigai
15	Minister of Immigration and Corrections	Agus Andrianto
16	Ministry of Finance	Sri Mulyani Indrawati
17	Minister of Primary and Secondary Education	Abdul Mu'ti
18	Minister of Higher Education, Science, and Technology	Satryo Soemantri Brojonegoro
19	Ministry of Culture	Fadli Zon
20	Ministry of Health	Budi Gunadi Sadikin
21	Ministry of Social Affairs	Saifullah Yusuf
22	Ministry of Manpower	Yassierli
23	Minister for Protection of Indonesian Migrant Workers/Head of the Indonesian Migrant Workers Protection Agency	Abdul Kadir Karding
24	Ministry of Industry	Agus Gumiwang Kartasasmita
25	Ministry of Trade	Budi Santoso
26	Ministry of Energy and Mineral Resources	Bahlil Lahadalia
27	Ministry of Public Works	Dudy Hanggodo
28	Ministry of Housing and Residential Areas	Maruarar Sirait
29	Minister of Villages and Development of Disadvantaged Regions	Yandri Susanto
30	Minister of Transmigration	M. Iftitah Sulaiman
31	Minister of Transportation	Dudy Purwagandhi
32	Minister of Communication and Digital	Meutya Viada Hafid
33	Ministry of Agriculture	Andi Amran Sulaiman
34	Minister of Forestry	Raja Juli Antoni
35	Minister of Marine Affairs and Fisheries	Sakti Wahyu Trenggono
36	Minister of Agrarian Affairs and Spatial Planning/Head of National Land Agency	Nusron Wahid
37	Minister of National Development Planning/Head of Bappenas	Rachmat Pambudy
38	Minister of State Apparatus Empowerment and Bureaucratic Reform	Rini Widyantini
39	Ministry of State-Owned Enterprises	Erick Thohir
40	Minister of Population and Family Development/Head of BKKBN	Wihaji
41	Minister of Environment/Head of Environmental Control Agency	Hanif Faisol Nurofiq
42	Minister of Investment and Downstream/Head of Investment Coordinating Board	Rosan Perkasa Roeslani
43	Minister of Cooperatives	Budi Arie Setiadi
44	Minister of Micro, Small and Medium Enterprises	Maman Abdurahman
45	Ministry of Tourism	Widianti Putri
46	Minister of Creative Economy/Head of Creative Economy Agency	Teuku Riefky Harsya
47	Minister of Women's Empowerment and Child Protection	Arifatul Choiri Fauzi
48	Minister of Youth and Sports	Ario Bimo Nandito Ariotedjo

Source: Ministry of the State Secretariat.

Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberhtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathannq4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyionq1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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