

PRESS RELEASE

**INDONESIAN CAPITAL MARKET SUPPORTS
GOVERNMENT STRATEGIC PROGRAMS**

The Opening of Indonesia Stock Exchange Trading Year 2025

Jakarta, 2 January 2025, Indonesia Financial Services Authority (OJK) encourages the Indonesian Capital Market to play a more active role in supporting various government strategic programs and national economic growth targets through prepared initiatives.

This was conveyed by OJK Chairman Mahendra Siregar, in his speech at the opening of the Indonesia Stock Exchange Trading Year at the Indonesia Stock Exchange Building in Jakarta on Thursday.

According to Mahendra, the Indonesian Capital Market's programs are focused on strengthening and developing the capital market, particularly through increasing market depth by improving the quantity and quality of listed companies.

This strategic program is implemented through various initiatives, including increasing the portion of free float shares and encouraging large-cap companies to list on the stock exchange.

Additionally, the capital market will strengthen regulations and systems in the public offering process to make it more efficient and transparent.

Another program prepared involves developing new products, infrastructure, and services. This includes enhancing the role of institutional investors in the primary and secondary markets.

In this context, OJK encourages the optimization of Asset-Backed Securities (EBA) to support liquidity for the 3-million-house program.

"To achieve this, we are ready to promote synergies to strengthen the schemes and ecosystem of EBA," said Mahendra.

He added that the Indonesian Capital Market will also develop new products and optimize the utilization of existing capital market products, including the carbon exchange and ESG-oriented products, as well as infrastructure and securities transaction services.

Another prepared program is strengthening stock exchange members and investment managers as a priority program through improving their capacity, governance, internal controls, risk management, and compliance, including IT and operational security.

Through this program, stock exchange members and investment managers are expected to play a greater role in expanding the penetration of capital market products beyond stocks. This effort is accompanied by enhanced investor protection to ensure trust in the market.

The Minister of Finance of the Republic of Indonesia, Sri Mulyani Indrawati, expressed the government's support for developing and strengthening the Indonesian Capital Market, particularly through market deepening initiatives via education and improving public financial literacy.

"Stock trading should now be introduced not just at the university level but even at elementary school levels, so they become familiar with the stock exchange," said the Minister of Finance.

Furthermore, Sri Mulyani emphasized the government's support for the Indonesian Capital Market, including improving the regulatory framework for the financial sector and finalizing derivative regulations of Law No. 4 of 2023 on Financial Sector Development and Strengthening (P2SK Law), as well as implementing carbon taxes and sectoral emission limit regulations to drive the development of the carbon exchange.

"We will work with relevant ministers to finalize derivative regulations under the P2SK Law and financial sector regulations that better accommodate innovation, creativity, and responsibility while maintaining good corporate and market governance principles," Sri Mulyani stated firmly.

Capital Market Performance

As of 30 December 2024, despite the Jakarta Composite Index (JCI) standing at 7,079.91 points, down 2.65% year-to-date (ytd), the market capitalization reached IDR 12.33 quadrillion, growing 5.74% ytd. In the bond market, the ICBI grew by 4.82% ytd, reaching 392.66.

In terms of capital raising, funds raised through public offerings as of 31 December 2024, amounted to IDR259.24 trillion, with 43 new issuers. The performance of mutual funds, measured by Assets Under Management (AUM), reached IDR840.6 trillion, an increase of 1.44% ytd. Funds raised through Securities Crowdfunding (SCF) reached IDR1.35 trillion across 16 SCF platforms, benefiting 708 SMEs.

A major achievement was seen in the growth of Single Investor Identification (SID), reaching 14.8 million SIDs, an increase of 22.21% ytd, surpassing the 2024 SID target. The majority of investors were under 40 years old, comprising 79% of total SIDs.

As of 30 December 2024, the carbon exchange recorded a transaction volume of 908,000 tons of CO₂ equivalent, with an accumulated transaction value of IDR50.64 billion since its launch on 26 September 2023. Currently, 100 companies have participated as service users, with over 1.35 million tons of CO₂ equivalent carbon units still available.

OJK will continue to monitor global and domestic developments and take necessary steps to maintain stability and drive sustainable growth.

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