

RI PRESIDENT CAMPAIGNS FOR “LET’S SAVE” MOVEMENT

Financial Services Authority, Jakarta, October 31, 2016: President of the Republic of Indonesia Joko Widodo on Monday, at Jakarta Convention Center, launched a campaign for the “Let’s Save” movement to boost the culture of saving in various financial services products among the population and in order to support financing for national development.

The “LET’S Save” campaign was held by the Financial Services Authority (OJK) and the Financial Services Industry (IJK) to mark the World Savings Day that falls on October 31 every year.

The “Let’s Save” movement is part of the implementation of Presidential Regulation of the Republic of Indonesia (*Perpres*) No. 82/2016 on National Strategy for Financial Inclusion (SNKI) issued on September 1, 2016.

This movement was designed to revive the culture of saving and investing among Indonesia’s population. Through this movement, the general public is expected to know better about different types of financial products and services, which are facilities that they can use to save and invest in formal financial services institutions. Both activities (saving and investing) will increase domestic savings liquidity, which supports financing for national development and the independence of community economy.

Another reason why it is important to reinforce the culture of savings among the population is the fact that Indonesia’s ratio of savings to gross domestic product (GDP) is only around 31 percent, lower than those of Singapore, the Philippines, and China that stood at 49 percent, 46 percent, and 49 percent, respectively.

Moreover, the poor savings culture is evident from lower *Marginal Propensity to Save* (MPS/eagerness to save) even though Indonesia’s GDP per capita increased. The fact is also influenced by the level of access that the country’s population has to formal financial institutions, which according to the 2014 World Bank Data only stood at 36.1 percent, lower than that of other ASEAN countries such as Thailand, Malaysia and Singapore.

In his opening remarks, Chairman of OJK’s Board of Commissioners Muliaman D Hadad said that the “Let’s Save” movement did not only apply to putting money in savings accounts, but also to investing in products available from the non-banking financial industry and the capital market.

“We hope all levels of society can take advantage of financial industry products. They should not only open savings accounts at banks, but they should also utilize products offered by the non-banking financial industry. For example, they can save money by taking out insurance policies for their protection, for paying installments at financing institutions, for their retirement by opening up accounts at pension funds, or they can invest in gold at Pegadaian (the state-owned pawnshop), or in stocks and mutual funds at the capital market,” Muliaman said.

Expanding the definition of savings, he added, was a strategy that the OJK launched together with the Financial Services Industry in order to raise public access to the financial sector, which is expected to improve public welfare.

To celebrate the “Let’s Save” movement, during October 2016, the OJK and the Financial Services Industry held a series of financial inclusion activities with a tagline “Financial Inclusion for All.” During the Financial Inclusion month, the

financial services industry recorded that a total of 3.5 million new accounts were opened at financial services institutions, with details as follows:

- Number of third-party-fund accounts opened: 3,388,267 accounts
- Number of insurance policies taken: 12,482 policies
- Number of investment accounts opened at the capital market: 14,880 accounts
- Number of accounts opened at Pension Fund: 665 accounts
- Number of financing accounts opened: 14,321 accounts
- Number of gold savings accounts opened: 115,862 accounts

Currently, the OJK together with several ministries and the financial services industry have also carried out a number of initiatives to raise the public's financial access to the formal financial sector, especially for low-level communities that live in areas beyond the reach of financial services institutions.

The initiatives include as follows:

- a. Student Savings (SimPel) accounts; so far around 2 million students have participated in this program,
- b. *Laku Pandai* (financial services without offices towards financial inclusion) program, which has attracted 1,626,066 customers with total savings raised amounted to IDR 63 billion,
- c. Affordable mutual funds, with minimum investment only IDR 100,000,
- d. The JARING program, which aims to facilitate financing in the fishery and maritime sector,
- e. Micro-Finance services (*Laku Mikro*), which provide integrated services through a simple, fast, accessible, and affordable process. Today, 11 financial services institutions have joined the program and they offer the services through a total of 8,857 outlets.
- f. Microinsurance products that have simple features and administrative requirements for the public. They offer life, business, health, accident and fire coverage.
- g. Establishment of Regional Financial Access Acceleration Teams (TPAKD) whose roles are promoting wider financial access for the public. Today, 36 provincial/regency/city TPAKDs have been inaugurated.
- h. Let's Save in Stocks, a campaign for encouraging Indonesia's population to invest in the capital market through share savings.

In addition to the launching of the "Let's Save" campaign, the event also introduced a joint campaign for University Student and Youth Savings (SiMuda) accounts, which was a branding endeavour to promote the savings accounts already available at the banks that target university students and young people.

The "Let's Save" campaign also encourages all Indonesian students to have Student Savings (SimPel/Simpel IB) accounts.

For more information:

Agus Sugiarto, Head of Financial Literacy and Inclusion Department

Tel: 1 500 655 Email: agus.sugiarto@ojk.go.id Website: <http://www.ojk.go.id>