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23 January 2017

Ms Melanie Brocklehurst
Committee Secretary
Joint Standing Committee On Trade
And Investment Growth
PO Box 6021, Parliament House
Canberra ACT 2600
Australia

Dear Ms Brocklehurst,

Thank you for your letter of 12 December 2016 regarding "New Inquiry: Australia's Trade and Investment Relationship with Indonesia".

With regards to our investments in Indonesia, Westpac Banking Corporation maintain a bank representative office in Jakarta. We presently have no other investments in the country.

Our strategic intent ultimately would be to upgrade this office beyond the Representative status, depending on regulatory requirements. The current regulatory framework does not allow for a foreign bank to establish a branch, or own more than 40% in a bank in Indonesia. Any changes in the relevant regulations would be welcomed by us.

We see great potential in the ongoing economic development of Indonesia, especially in agribusiness, consumer goods and clean energy. Westpac have both sponsored and participated in trade delegations of Australian businesses visiting Indonesia in 2015 and 2016. We look to continue supporting such activities led by the Australian government in coordination with the Australian Embassy in Jakarta, its AusTrade office and local chapter of the Australian Chamber of Commerce, as well as business lead initiatives through our membership of the Australian Indonesia Business Council and the Australian Mining Chamber.

Our strategy in Asia is to seamlessly connect our customers to the trade, capital and people flows across Asia and Australasia. Indonesia, being the third most populous country in the region plus the closest to our home country, will be a significant contributor to these growing flows over time.

Whilst there are many parts of Indonesia that require further infrastructure investment to make the country more accessible to Australian businesses beyond a few big cities and islands such as Jakarta, Bandung, Medan and Bali, we would welcome more Australian government support in providing a measure of credit support alongside Indonesian institutions such Indonesian EXIM Bank. Through our representative office, we would be pleased to assist in any discussions on how this can be structured and delivered to the relevant Australian businesses looking to invest in Indonesia or sell more to their trading counterparties there.

Please do not hesitate to call on Mr David Koh, Head of Corporate & Institutional Banking Asia if we can be of any further assistance.

Kind regards,

Balaji Swaminathan
General Manager International