



Submission No 101

Inquiry into Australia's Relations with Indonesia

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**JSCFADT Foreign Affairs Subcommittee
Inquiry into Australia's Relations with Indonesia**

Jubilee Australia – response to Questions taken on Notice, 30 April 2003

Questions are paraphrased from the record in Proof Hansard of 30 April 2003

1. What sort of amounts of debt relief were given to Nicaragua and Ethiopia by the Australian Government?

[Sen Sandy Macdonald, pFADT144]

The Australian Government announced on Good Friday 2000 that it would cancel the bilateral debts of Ethiopia and Nicaragua once they qualified for the Highly Indebted Poor Countries (HIPC) initiative. From early 2001 Australia stopped collecting on Nicaragua's (then) A\$7m debt to Australia, and in mid-November 2001 did the same in relation to Ethiopia's (then) A\$11.7m debt.

To date Australia has not resumed collecting on these debts, but they have not been cancelled as neither country has reached their HIPC "completion point" – the stage at which debt stock of HIPCs is actually reduced.

2. Have you got a breakdown of the major donor countries who have lent money to Indonesia?

[Mr Price, pFADT146]

Please find attached a table from the World Bank report "Indonesia: the imperative for Reform" of 2 November, 2001¹, which details Indonesia's external public debt, broken down by creditors, as of December 31, 2000. (Jubilee Australia has been unable to locate any more recent publicly available breakdown of Indonesia's debt.) Another attached table from the joint OECD/IMF/World Bank database details the nature of Indonesian debt as at May 2003.²

Based upon this information, the European Network on Debt and Development (EURODAD) provides a useful summary in percentage terms in a 2002 report³: of Indonesia's bilateral external debt, 65% is owed to Japan, 6% to each of the US and Germany, 3% to France, 9% to other European nations, and the remaining 11% to other non-European creditors (including Australia). Australia's holds around one percent of Indonesia's external bilateral debt.

From Australia's perspective, with bilateral debt of A\$1.64 billion, Indonesia is by far the largest developing country sovereign debtor to Australia⁴.

¹ [http://wbln0018.worldbank.org/eap/eap.nsf/Attachments/CGI11-2001-Stat/\\$File/Statistical+annex_final.pdf](http://wbln0018.worldbank.org/eap/eap.nsf/Attachments/CGI11-2001-Stat/$File/Statistical+annex_final.pdf), Table 15.

² http://www1.oecd.org/dac/debt/htm/jt_indo.htm

³ European Network on Debt and Development, *Towards a Sustainable Debt Workout for Indonesia*, April 2002, available at www.eurodad.org

⁴ According to EFIC's submission to the current inquiry (Submission no.1). All of Indonesia's bilateral sovereign debt to Australia lies with EFIC.

Table 15. External Public Debt Outstanding including Undisbursed as of December 31, 2000
(US\$ thousand)

Type of creditor/ creditor country	Debt outstanding			Present Value
	Disbursed	Undisbursed	Total	
PUBLIC AND PUBLICLY GUARANTEED DEBT				
<u>Bilateral Loans</u>				
Australia	739,793	28,730	768,523	507,206
Austria	243,622	59,495	303,117	187,556
Belgium	129,211	2,548	131,759	100,808
Brunei	82,262	0	82,262	40,874
Canada	423,558	24,259	447,817	273,997
China	18,846	4,444	23,290	14,409
Denmark	39,944	0	39,944	30,599
Finland	12,510	4,116	16,626	10,649
France	698,203	37,037	735,240	460,839
Germany, Fed. Rep. of	2,650,653	196,566	2,847,219	2,008,262
Italy	176,367	0	176,367	123,074
Japan	22,517,675	5,606,320	28,123,996	21,755,874
Korea, Republic of	80,476	4,771	85,246	65,787
Kuwait	51,369	15,546	66,915	40,377
Multiple Lenders	3,632,714	0	3,632,714	3,049,266
Netherlands	599,335	14,239	613,574	416,504
New Zealand	4	0	4	0
Norway	30,060	0	30,060	22,170
Other	20,366	0	20,366	14,985
Saudi Arabia	23,823	0	23,823	13,306
Singapore	1,194	0	1,194	1,146
Slovak Republic	3,421	0	3,421	3,362
Spain	339,554	61,694	401,248	224,122
Sweden	11,606	0	11,606	10,704
Switzerland	151,083	0	151,083	132,769
United Kingdom	24,794	395	25,190	25,570
United States	2,495,755	107,106	2,602,861	1,874,179
Total Bilateral Loans	35,198,198	6,167,267	41,365,464	31,408,393
<u>Bonds</u>				
Multiple Lenders	545,000	0	545,000	541,317
United States	426,000	0	426,000	435,507
Total Bonds	971,000	0	971,000	976,824
<u>Export Credits</u>				
Austria	660,963	14,543	675,506	559,774
Belgium	136,572	266	136,837	107,222
Denmark	37,569	0	37,569	28,191
Finland	42,026	0	42,026	32,450
France	665,608	20,873	686,480	483,804
Germany, Fed. Rep. of	14,734	0	14,734	8,053
Japan	38,977	0	38,977	36,796
Netherlands	227,140	0	227,140	180,979
Norway	44,005	0	44,005	30,333
Spain	50,806	0	50,806	36,621
Sweden	22,213	0	22,213	11,634
Switzerland	266,396	0	266,396	198,062
United Kingdom	549,336	62,467	611,803	397,168
United States	245,220	0	245,220	178,812
Total Export Credits	3,001,564	98,149	3,099,712	2,289,898

Continued

Table 15. External Public Debt Outstanding including Undisbursed as of December 31, 2000
(US\$ thousand)

Type of creditor/ creditor country	Debt outstanding			Present Value
	Disbursed	Undisbursed	Total	
Financial Institutions				
Australia	2,243	0	2,243	674
Austria	147,493	15,585	163,078	120,982
Belgium	2,228	461	2,689	1,946
France	176,095	39,071	215,166	148,535
Germany, Fed. Rep. of	2,020	79	2,098	1,780
Hong Kong	461,518	133,457	594,975	457,413
Japan	147,272	1,270	148,542	145,847
Multiple Lenders	6,885,475	0	6,885,475	6,843,055
Netherlands	59,966	8,076	68,042	50,744
Norway	40,595	8,544	49,139	27,526
Singapore	1,162,292	466,976	1,629,268	1,011,527
Spain	4,199	0	4,199	2,741
Switzerland	2,139	0	2,139	1,601
United Kingdom	389,484	37,862	427,346	269,024
Total Financial Institutions	9,483,019	711,379	10,194,398	9,083,395
Multilateral Loans				
ASDB "soft window"	648,714	150,525	799,239	353,831
Asian Dev. Bank	6,355,420	2,552,275	8,907,695	6,173,208
EEC	3,647	0	3,647	2,135
European Dev. Fund	1,236	393	1,628	971
IBRD	11,714,727	1,866,538	13,581,265	12,709,832
IDA	713,566	178,938	892,504	399,751
Intl. Fund Agr. (IFAD)	101,538	14,397	115,936	84,212
Islamic Dev. Bank	83,680	13,948	97,627	85,356
Nordic Invest. Bank	170,604	8,370	178,974	160,042
Nordic Investment Fund	11,301	0	11,301	10,237
Total Multilateral Loans	19,804,432	4,785,383	24,589,816	19,979,576
Nationalization				
Netherlands	15,876	0	15,876	14,723
Total Nationalization	15,876	0	15,876	14,723
Supplier Credits				
France	0	2,624	2,624	0
Japan	834,985	1,431	836,416	742,295
Singapore	0	6,246	6,246	1
Slovak Republic	0	10,413	10,413	0
United States	0	18,465	18,465	19
Total Supplier Credits	834,985	39,179	874,164	742,315
Creditor Types				
Bilateral Loans	35,198,198	6,167,267	41,365,464	31,408,393
Bonds	971,000	0	971,000	976,824
Export Credits	3,001,564	98,149	3,099,712	2,289,898
Financial Institutions	9,483,019	711,379	10,194,398	9,083,395
Multilateral Loans	19,804,432	4,785,383	24,589,816	19,979,576
Nationalization	15,876	0	15,876	14,723
Supplier Credits	834,985	39,179	874,164	742,315
Total	69,309,074	11,801,357	81,110,432	64,495,124

Notes:

- (1) Only debts with an original or extended maturity of over one year are included in this table.
(2) Debt outstanding includes principal in arrears but excludes interest in arrears.

Source: IBRD Debtor Reporting System, based on data provided by Bank Indonesia.

BANK FOR INTERNATIONAL SETTLEMENTS International Monetary Fund
Organisation for Economic Co-operation and Development THE WORLD BANK GROUP

Joint BIS-IMF-OECD-World Bank statistics on external debt (1)

Indonesia

Data last updated 30 May 2003

<i>(in millions of US dollars)</i>	STOCKS (end of period)						FLOWS (2)			
	2001	2002				2003	2001	2002	2002	
	December	March	June	September	December	March	Year	Year	Third Quarter	Fourth Quarter
External debt - all maturities										
A Bank loans (3)	31,634	30,239	29,258	28,035	27,780		-5,220	-5,681	-1,061	-784
B Debt securities issued abroad	1,756	1,781	1,890	2,390	2,540	2,545	-904	780	500	150
C Brady bonds										
D Non-bank trade credits (4)	10,776		11,241		11,402					
E Multilateral claims	29,326	28,789	29,449	28,852	29,007	28,334	-1,216	-1,041	-541	-93
F Official bilateral loans (DAC creditors)	25,917						418			
Debt due within a year										
G Liabilities to banks (5)	16,980	15,095	14,360	13,948	13,343					
H Debt securities issued abroad (6)	116	41	150	150	150	270				
I Non-bank trade credits (4)	1,957		1,804		1,665					
Memorandum items:										
J Total liabilities to banks (7) (locational)	35,126	33,666	33,294	31,786	31,200		-5,414	-5,955	-1,331	-1,187
K Total liabilities to banks (6) (consolidated)	33,793	31,345	30,207	29,185	28,233					
L Total trade credits	19,840		21,230		21,519		517	-501		-221
M Total claims on banks (8)	13,973	12,588	12,527	12,282	11,865		1,070	-2,406	-237	-509
N International reserve assets (excluding gold)	27,246	27,170	28,330	29,018	30,969	31,559				

(see also Background summary matrix)

Notes:

(1) From creditor and market sources, except for data on Brady bonds which are from debtor sources, all currencies included

- (2) Flow data for items B, C, E, F and L; exchange rate adjusted changes for items A, J and M; no data available for items D, G, H, I, K and N
- (3) From BIS locational banking statistics, which are based on the country of residence of reporting banks
- (4) Official and officially guaranteed. Break in series end 1998 due to reallocation of rescheduled export credits from line F to line D
- (5) From BIS consolidated banking statistics, which are based on the country of head office of reporting banks and which include banks' holdings of securities
- (6) Including debt securities held by foreign banks, which are also included in line G
- (7) From BIS locational banking statistics, which are based on the country of residence of reporting banks and which include banks' holdings of securities
- (8) From BIS locational banking statistics, which are based on the country of residence of reporting banks
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