

Indonesia: Continuity and stability - BI Deputy Warjiyo is named governor

President Joko Widodo nominated Deputy Governor Perry Warjiyo to replace Gov. Agus Martowardojo whose term expires in May. The selection puts a premium on continuity, stability and depth of experience



Source: istock

May 2018

New central bank governor starts his 5-yr term

Continuity and stability

Dep. Governor Perry Warjiyo represents continuity, stability and wealth of experience

After 34 years at BI, Indonesia's central bank, Dep. Governor Warjiyo is well prepared to take the helm of the institution with his depth of experience in witnessing first-hand cycles that have buffeted BI and the economy. He carries not only deep knowledge of this experience but also a strong sense of monetary policymaking. His years at the central bank have been largely focused on crafting monetary policy mix. His research and position papers seen in the Bank of International Settlement (BIS) expounded on the importance, role and effectiveness of monetary policy tools. The mix includes interest rates, the FX rate and macro-prudential instruments as well as policies that address the twin goals of BI - price and financial system stability. In crafting the policy mix, the Dep. Governor and BI take into consideration linkages within the financial system but also linkages between the financial sector and the real economy. We believe that this selection is a choice for continuity, stability and knowledge. Other candidates also fit the criteria but the wealth of experience and understanding seems to have weighed in the deputy governor's favour. The next step in the selection process is parliamentary confirmation after a "fit and proper" test is conducted by next month.