

PRESS RELEASE

UPH AND KADIN INVITE MONETARY ECONOMY EXPERT STEVE HANKE

Jakarta, February 18, 2009 - University of Pelita Harapan (UPH) for the second time held a public lecture with Prof. Dr. Steve Hanke, an expert in international economics and monetary policy, from John Hopkins University, Baltimore, USA.

Public lecture held on Wednesday, February 18, 2009, at 09.30 am in Grand Ballroom of Hotel Aryaduta, Jakarta, organized in cooperation with the Chamber of Commerce and Industry (*Kamar Dagang dan Industri* - KADIN). Present on this occasion the Chairman of KADIN Indonesia, Mohamad S. Hidayat and members of KADIN. This lecture is open to the civitas academicians from various universities in Jakarta and around, executives and practitioners of economics, and public.

Topics to deliver in this lecture titled "How Bad is Indonesia's Monetary Mess", back grounded by the United States economic crisis that began as the financial crisis turned out to have a profound effect on world economies, including Indonesia, so the crisis was eventually turned into a global crisis.

What's wrong with the management of the economy especially the U.S. financial management and how the U.S. government to take steps to overcome the crisis, are interesting topic to be explored.

Because Indonesia is also one of the countries that have been affected (negatively) from the crisis in America so the improvement of American economy will certainly have an impact (positive) in the Indonesian economy. So how effective the U.S. government policy to get out of the crisis in a faster time, are also important points to be learned in overcoming the crisis in the country.

Another topic that is very interesting to be discussed is how effective the measures taken by the Government of Indonesia to maintain financial stability and stimulating the economy out of crisis?

Professor Dr. Steve Hanke, on the general lectures presented these topics to give a real and valuable input regarding countermeasures crises, including exchange rate management, interest rates, and fiscal stimulus and so on, so that

we can learn to take appropriate action and do the same mistake as in America. In a press conference held at the Hotel Aryaduta, Jakarta (16 / 2), Hanke said that there are two scenarios that might happen to the economy of Indonesia. The first scenario, according to which popular and fashionable, is deflation. While the second scenario, which is also very possible, is reflation economy.

Hanke said that Indonesia is now implementing a system in which intermediate exchange rate and monetary policy exchange rate policy mix. This is the reason why the intermediate exchange rate system is dangerous.

Hanke also alluded to the economic condition in Indonesia in an article published in the U.S. daily Wall Street Journal, entitled "Indonesian's Monetary Muddle". He concluded his article by stating the content that Indonesia now faced with two choices in dealing with economic problems now. Two solutions were termed as floating and fixing model.

Professor Hanke also will speak before the students on the campus of University of Pelita Harapan, Lippo Karawaci, on Wednesday (18 / 2) after giving a public lecture at Aryaduta Hotel.

Professor Dr. Steve Hanke is a Distinguished Professor at the University of Pelita Harapan. His first lecture delivered on March 26, 2008, entitled "The Federal Reserve's Bubble Machine" which was attended by thousands of participants. This lecture aims to help students and communities in order to obtain a better understanding of monetary conditions and the world economy, particularly in the United States and its impact on Indonesia, so it can anticipate future conditions and can take steps to correct it early.

Professor Hanke is a senior professor of applied economics at John Hopkins University, Baltimore, USA. He is known internationally as an expert of international economics, especially economic and monetary policy. He also served as a senior economic expert at the Council of Economic Advisers during the Reagan and leadership as an advisor to the Government in some countries of Latin America and Eastern Europe. Ten years ago he also had become the economic advisor to the leadership of President Suharto, who proposed to the application of policies Currency Board System to overcome the crisis in Indonesia.

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