

BI Rate Held at 6.00%

SYNERGY MAINTAINING STABILITY AND REVIVING GROWTH

The BI Board of Governors Meeting agreed on 16th-17th January 2024 to hold:

The decision remains consistent with the pro-stability focus of monetary policy, namely to:

- Strengthen Rupiah stabilisation policy.
- As a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024.

Bank Indonesia will maintain pro-growth macroprudential and payment system policies to:

- Foster sustainable economic growth.
- Revive bank lending/financing to businesses and households.

Payment system digitalisation will be accelerated to:

- Increase transaction volume.
- Expand digital economic and financial inclusion.



2024 OUTLOOK

ECONOMIC GROWTH
In the 4.7%-5.5% range

CURRENT ACCOUNT DEFICIT
In the range of 0.1%-0.9% of GDP

INFLATION
2.5% ± 1%

ASSESSMENT

1. GLOBAL ECONOMY

Global economic growth is moderating, accompanied by easing financial market uncertainty.



2. DOMESTIC ECONOMY

At home, the economic recovery in Indonesia remains intact, supported by domestic demand.

3. INDONESIA'S BALANCE OF PAYMENT

Indonesia's Balance of Payments (BOP) is projected to record a surplus in 2023, thereby bolstering external resilience.

4. EXCHANGE RATE

Rupiah stability has been maintained.

Rupiah exchange rate as of 16th January 2024

Relatively stable, losing just **1.24%** (ytd)

From end of December 2023

Outperformed other regional currencies, such as:

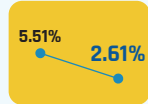


Rupiah performance will be supported by Bank Indonesia stabilisation policy and optimising the pro-market monetary operations strategy through the SRBI, SVBI and SUVBI instruments to attract portfolio inflows from abroad and deepen the money market.

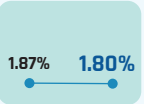
5. INFLATION

Inflation is falling and remains in the target corridor.

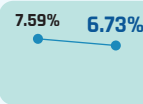
Consumer Price Index (CPI) Inflation



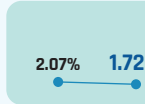
Core Inflation



Volatile Food Inflation



Administered Prices Inflation



6. SRBI, SVBI, AND SUVBI

Bank Indonesia continues strengthening its monetary policy response and innovation to increase policy effectiveness, to strengthen the external resilience of Indonesia's economy from the impact of global spillovers.

The Auction of:

Bank Indonesia Rupiah Securities (SRBI)

Rp296.03
Trillion

Bank Indonesia Forex Securities (SVBI)

896.50
Million Dollar AS

Bank Indonesia Forex Sukuk (SUVBI)

244
Million Dollar AS

As of 16th January 2024

Non Resident Ownership of SRBI Instrument in the Secondary Market

Rp75.44
Trillion

As of 16th January 2024

7. INTEREST RATE

Monetary policy transmission remains effective.

1-Month Term Deposit Rate
4.69%

December 2023

Lending Rate
9.25%

Prime Lending Rate
8.79%

November 2023

8. INTERMEDIATION

The bank intermediation function was robust in 2023, thereby supporting economic growth.

10.38% (yoy)
Credit Growth

15.80% (yoy)
Intermediation in the sharia banking industry

8.03% (yoy)
MSME Credit Growth

December 2023

9. FINANCIAL SYSTEM

Banking industry resilience remains solid.

Liquidity in the banking industry remain ample.

28.73%
Liquid Assets to Deposits (AL/DPK)

December 2023

The Capital Adequacy Ratio (CAR) in the banking industry was still high.

27.86%
Capital Adequacy Ratio (CAR)

November 2023

Credit risk was also mitigated effectively.

2.19% (bruto) / **0.75%** (neto)
Non-performing Loan (NPL)

December 2023

Efficiency and Profitability maintained.

76.8%
BOPO Efficiency Ratio (BOPO)

4.83%
Net Interest Margin (NIM)

November 2023

10. PAYMENT SYSTEM

Digital economic and financial transactions continue to perform solidly, supported by a secure, steady and reliable payment system.

Transactions Value

Electronic Money

Rp835.84 Trillion
43.45% (yoy)

Digital Banking

Rp58,478.24 Trillion
13.48% (yoy)

ATM, Debit Card & Credit Card

Rp8,178.69 Trillion
0.81% (yoy)

Currency in Circulation

Rp1,101.75 Trillion
7.33% (yoy)

December 2023



The value of QRIS transactions enjoyed impressive.



QRIS Transaction Amount
Rp229.96 Trillion
↑ 130.01% (yoy)



Number of Users
45.78 Million



Merchant QRIS dominated by MSMEs
30.41 Million

2023

POLICY MIX



Rupiah stabilisation through foreign exchange market intervention with a focus on spot and DNDF transactions, as well as government securities (SBN) in the secondary market.



Strengthening the pro-market monetary operations strategy for effective monetary policy.



Deepening prime lending rate (PLR) transparency policy.



Accelerating payment system digitalisation and expanding cross-border payment linkages towards:

- Synergising campaign activities to expand payment system digitalisation initiatives.
- Expanding QRIS implementation.
- Expanding Indonesia Credit Card (KKI) implementation for the (central and regional) government segment.



Strengthening and expanding international cooperation with other central banks, as well as facilitating investment, trade and tourism promotion in priority sectors in conjunction with relevant institutions.

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