

BI-Rate Held 6.00%

Synergy Maintaining Stability and Reviving Growth

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

- 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.

Policy Mix

- Stabilising the Rupiah through foreign exchange market intervention with a focus on spot DNDF transactions and SBN in the secondary market.
- Strengthening the pro-market monetary operations strategy for effective monetary policy, which includes optimising SRBI, SVBI and SUVBI.
- Deepening the money market and foreign exchange market by increasing the volume of repurchase agreement (repo) transactions and number of participants.
- Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by economic sector.
- Strengthening various aspects of consumer protection in terms of product innovation through digital literacy campaigns, including QRIS Jelajah Indonesia, and expanding cross-border QRIS payment linkages.

Bank Indonesia will maintain pro-growth macroprudential and payment system policies to foster sustainable economic growth.

Accomodative macroprudential policy stance to revive bank lending/financing to businesses and households.

Payment system policy will be oriented towards:

- Bolstering reliable infrastructure and reinforcing the structure of the payment system industry
- Expanding acceptance of payment system digitalisation

Outlook 2024

ECONOMIC GROWTH
In range 4.7% - 5.5%

CURRENT ACCOUNT
Low deficit in range 0.1% - 0.9% of GDP

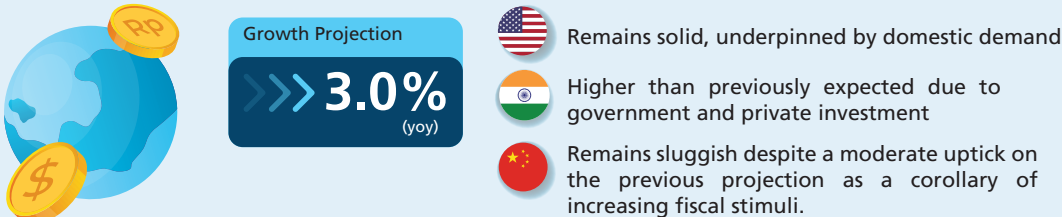
INFLATION
In range 2.5% ± 1%

CREDIT GROWTH
10% - 12%

Assesment

1. Global Economy

Global economic recovery momentum remains intact despite persistently high financial market uncertainty.



Commodity Prices:

- Higher transportation costs triggered by deepening geopolitical tensions
- Tighter supply caused by inclement weather

This has led to:

- Broad-based US dollar appreciation
- More limited inflow of foreign capital
- Increasing currency pressures in emerging market economies (EMEs)

Inflation and Monetary Policy:

- The rate of decline in inflation is restrained
- FFR is not expected to decrease until the second semester of 2024
- Rising of US Treasury (UST) yields in line with the long-term risk premia and inflation that remains above market expectations

2. Domestic Economy

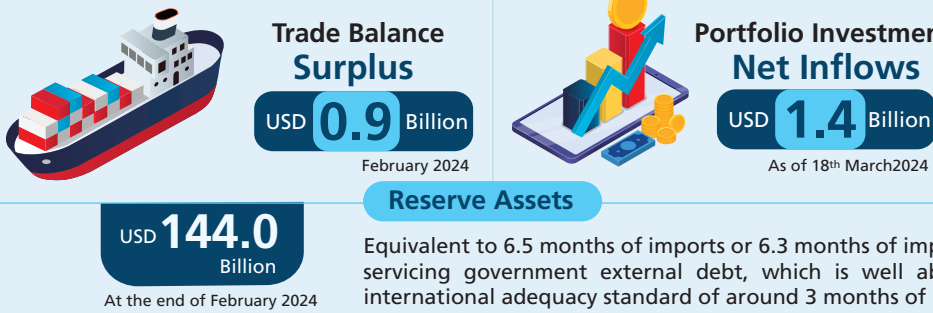
Solid national economic growth.

Supported by domestic demand in the form of household consumption and investment.

- Building investment exceeded the previous projection due to ongoing national strategic projects (PSN) in several regions along with private property developments
- Household consumption and non-building investment were maintained
- Goods exports have an opportunity to improve given weaker demand particularly of crude palm oil (CPO), iron and steel as well as coal
- Services exports posted solid growth

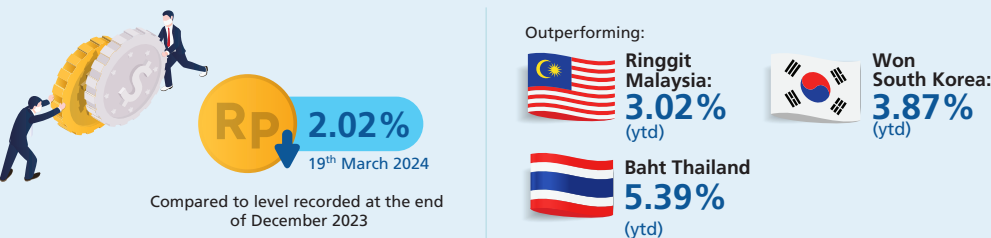
3. Indonesia's Balance of Payment

Balance of Payments (BOP) remains solid, thereby supporting external resilience.



4. Exchange Rate

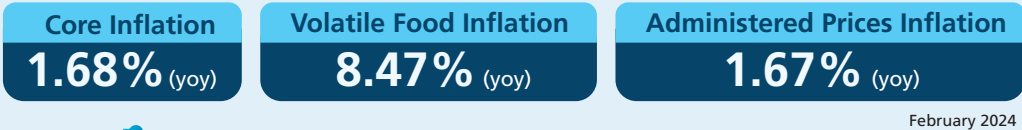
Rupiah stability has been maintained in line with BI stabilisation policy.



Moving forward, Rupiah stability will be maintained, while tracking an appreciating trend as foreign capital inflows return to domestic financial markets in line with positive investor perception regarding the promising economic outlook in Indonesia.

5. Inflation

Consumer Price Index (CPI) mantained low at 2.75% (yoy).



Low core inflation is expected in line with:

- Anchored inflation expectations
- Massive economic capacity in response to domestic demand
- Low imported inflation in line with Rupiah stability
- Positive impact of structural factors relating to digitalisation

Moving forward, Bank Indonesia is confident that headline inflation in 2024 will remain under control and within the target corridor.

6. Pro-market Monetary Operation

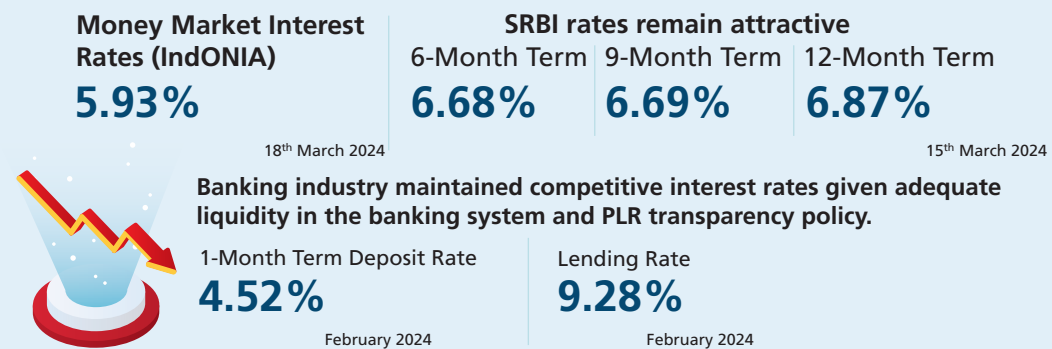
Bank Indonesia continues strengthening its monetary policy response and innovation to increase policy effectiveness in terms of controlling inflation and maintaining Rupiah stability.

	Bank Indonesia Rupiah Securities (SRBI)	Bank Indonesia Forex Securities (SVBI)	Bank Indonesia Forex Sukuk (SUVBI)	Non-resident holdings of SRBI
Position	Rp409.38 Trillion	2.31 USD Billion	387 USD Million	Rp85.02 Trillion

As of 19th March 2024

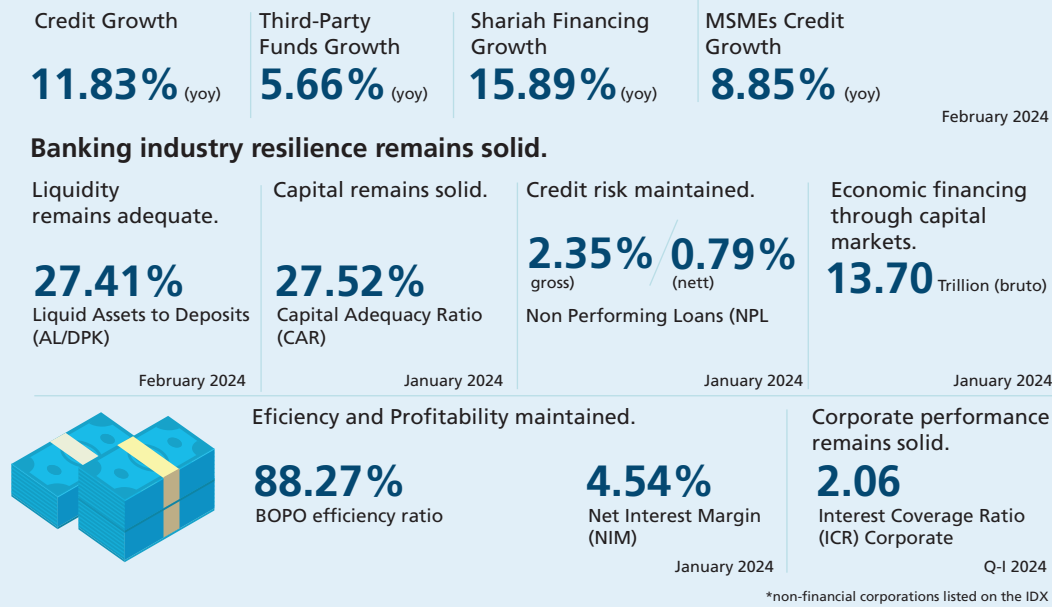
7. Policy Rate Transmission

Monetary policy transmission remains effective.



8. Financial System Stability

Loans disbursed by the banking industry continue tracking an upward trend, supported by efforts to strengthen economic growth.



9. Payment System

Payment system transactions continue to perform solidly.



Moving forward, Bank Indonesia will continue ensuring the availability, reliability and security of the BI and industry payment systems to provide payment transactions during the Ramadan and Eid-ul-Fitr 1445 H.

