

BI-Rate Held 6.00%

Maintaining Stability, Strengthening Economic Growth

Deposit Facility 5.25%

Lending Facility 6.75%

The decision is consistent with the direction of monetary policy to control inflation in 2024 and 2025 within the 2.5 ±1% target corridor, while supporting sustainable economic growth. The focus of monetary policy is on strengthening Rupiah stability in response to heightened global economic uncertainty caused by the policy direction of the United States (US) and escalating geopolitical tensions in various regions. Moving forward, Bank Indonesia will remain vigilant of Rupiah exchange rate movements and the inflation outlook as well as emerging dynamic economic conditions when considering further room for monetary easing.



Bank Indonesia maintains pro-growth macroprudential and payment system policies to foster sustainable economic growth. Bank Indonesia will hold an accommodative macroprudential policy stance to revive bank lending/financing to priority sectors and create job opportunities, including the MSME sector and green economy, by strengthening the Macroprudential Liquidity Incentive (KLM) policy strategy, set to commence in January 2025, while maintaining prudential principles.



Payment system policy is directed towards bolstering growth, particularly in the trade and MSME sector, strengthening reliable infrastructure and reinforcing the structure of the payment system industry, while expanding acceptance of payment system digitalisation.

Policy Mix



Strengthening the pro-market monetary operations strategy to enhance monetary policy effectiveness, accelerate money market and foreign exchange market deepening and attract foreign capital inflows by:

- a. optimising Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Foreign Exchange Securities (SVBI) and Bank Indonesia Foreign exchange Sukuk (SUVBI) as pro-market instruments.
- b. strengthening the interest rate structure of monetary instruments to attract portfolio inflows to domestic financial assets.
- c. strengthening strategies to maintain competitive term-repo and forex swap transactions. d. strengthening the function of Primary Dealers (PD) to increase SRBI
- transactions in the secondary market and repurchase agreement (repo) transactions between market players. Stabilising the Rupiah through foreign exchange market intervention with





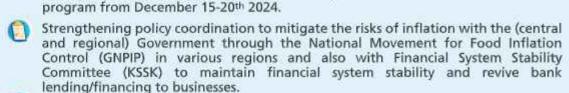
Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by KLM policy priority sectors.

Expanding BI-FAST services to include bulk transfers, requests for payment and direct debit, thereby fulfilling the needs of the public in terms of fast, convenient, affordable, secure and reliable economic and financial transactions, commencing December 21st 2024.

Strengthening strategies to maintain the availability of a seamless payment system

in all regions of the Republic of Indonesia, thereby fulfilling the needs of the public

during the Christmas and New Year festive period, which includes the SERUNAI



Strengthening and expanding international cooperation among central banks, including through payment system connectivity and local currency transactions (LCT), as well as promoting investment and trade in priority sectors.

Bank Indonesia continues optimising various pro-market monetary instruments

The implementation of Primary Dealers has also increased SRBI transactions in the secondary

to strengthen Rupiah stability and achieve the inflation target.

Bank Indonesia Forex

Securities (SVBI)

USD2.08

market along with repurchase agreement transactions between market players.

OUTLOOK	ECONOMIC GROWTH	CURRENT ACCOUNT DEFICIT	INFLATION	CREDIT GROWTH
2024	In the 4.7% - 5.5% range	Deficit in the range 0.1% - 0.9% of GDP	In the 2.5±1% range	In the 10% - 12% range
2025	In the 4.8% - 5.6% range	Deficit in the range 0.5% - 1.3% of GDP	In the 2.5±1% range	In the 11% -13% range

Assessment

Global Economy

2. Domestic Economy

Global financial market uncertainty is increasing, accompanied by the risk of world economic moderation.

Indonesia's domestic economy remains solid on the back of domestic

Positive investment growth is projected in the fourth quarter of 2024,

and private investment in response to government incentive support.

underpinned by the completion of various national strategic projects (PSN)

· Household consumption is projected to maintain growth, supported by solid

consumer confidence and the positive impact of local elections contested in

various regions. Government consumption is increasing in line with higher

· Non-oil and gas exports are expected to moderate as a corollary of the



demand.

- The restrictive inward-looking trade policies proposed by the US, through higher import tariffs as well as expanding the scope of commodities and countries, have heightened the risk of greater world trade fragmentation.
- Deepening of geopolitical tensions in various regions, with global economic growth in 2025 thus projected to moderate than
- Global inflation has increased compared with the previous forecast due to supply chain disruptions.
- Federal Funds Rate (FFR) reductions are expected to be delayed by high inflation.
 - yields for both short and long-term tenors.

→ 7. Policy Rate Transmission Expansionary fiscal policy is maintaining high US Treasury

Monetary policy transmission remains effective.

The IndONIA money market reference

SRBI rates remain attractive for portfolio inflows.

rate is still moving within the BI-Rate range.

6-Month Term 9-Month Term 12-Month Term 7.24%

7.17%

17th December 2024

Interest rates in the banking industry remained competitive.

Bank Indonesia Foreign

Exchange Sukuk (SUVBI)

USD386

Million

1-Month Term Deposit Rate Lending Rate 4.71% 9.22%

sluggish global economy. 3. Indonesia's Balance of Payment (BOP)

BOP remains sound, thereby supporting external stability.

spending activity towards the end of the year.

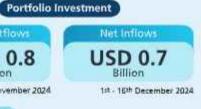




Trade Balance







Reserve Assets



End of Novemberr 2024

Equivalent to 6.5 months of imports or 6.3 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports.

→ 4. Exchange Rate

Bank Indonesia exchange rate policy remains oriented towards maintaining Rupiah stability against the impact of elevated global uncertainty. Exchange rate depreciation:



Indonesian Rupiah: 4.16%









geopolitical risk



. the strong US Dollar and escalating





of US policy less room for further FFR reductions

particularly concerning the direction

Moving forward, the Rupiah exchange rate is projected to remain stable in line with Bank Indonesia's firm policy commitment to maintain Rupiah stability, attractive yields, low inflation and a promising economic growth outlook for Indonesia.

Inflation was maintained.

Consumer Price Index Inflation 1.55% (yoy)

> Core Inflation 2.26% (yoy)

Volatile Food Inflation -0.32% (yoy)

Administered Prices Inflation 0.82% (yoy)

Furthermore, Bank Indonesia remains committed to strengthening monetary policy effectiveness to maintain inflation in 2024 and 2025 within the target range, while continuing to support efforts to strengthen economic growth.

Instrument Position

Bank Indonesia Rupiah

Securities (SRBI)

Rp940.67

Trillion

→ 6. Pro-market Monetary Operation

6.13%

7.14%

→ 8. Financial System Stability Credit growth remained high.

November 2024

Credit Growth

Third-Party Funds Growth | Sharia Financing Growth |

10.79% (you) 7.54% (you)

11.24%

4.02%

MSMEs Credit Growth

Non-resident holdings

13th December 2024

Rp233.85

of SRBI

Financial system resilience remains solid. Credit risk maintained.

Liquidity remains adequate.

25.57%

Funds (LA/TPF)

Capital remains solid.

Ratio (CAR)

2.20% 0.77% Liquid Assets to Third-party Capital Adequacy

Non-performing Loan (NPL)

Economic financing through capital markets. Rp165.58

October 2024

Q-III 2024 data projection

Efficiency and Profitability maintained. 79.04% **BOPO Efficiency Ratio**

4.61% Net Interest Margin (NIM) Corporate Interest Coverage Ratio (ICR)

Corporate performance* remains solid. 2.11

October 2024

→ 9. Payment System

Digital economic and financial transactions remained solid supported by secure, seamless and reliable payment systems.

Non-cash Transaction

Nominal of BI-RTGS Transaction 9.82% (yoy) Rp14,969.37 Trillion

-10.9% (yoy) 562.75 Million

Volume of Electronic Money Transaction

33.4% (yoy) 1.44 Billion Volume of Debit Card Transaction

21.1% (yoy) 41.15 Million

Number of Users 55.02 Million

Volume of Fast Transaction

69.90% (yoy) 338.61 Million

40.1% (yoy) 2.04 Billion

Volume of Digital Banking Transaction

Volume of Credit Card Transaction

Number of Merchant 35.1 Million



QRIS transactions are growing rapidly.



Cash Transaction

Volume Transaction

689.07 Million

186% (yey)





Bank Indonesia will continue ensuring adequate availability of Rupiah currency fit for circulation in sultable denominations throughout all regions of the Republic of Indonesia, particularly during the Christmas and





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New Year festive period.

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