

BI-Rate Lowered by 25 bps to 5.25%

Maintaining Stability, Strengthening Economic Growth

Deposit Facility (DF) 4.50%

Lending Facility (LF) 6 00% rate lowered 25bps to

The decision is consistent with decreasing projection of inflation in 2025 and 2026 within the 2.5±1% target corridor, maintained rupiah exchange rate stability in line with economic fundamentals and the need to drive economic growth. Moving forward, Bank Indonesia will continue considering further room for interest rate reduction to nurture economic growth, while maintaining rupiah exchange rate stability and orienting monetary policy towards managing inflation within the target corridor based on global and domestic economic dynamics.



Bank Indonesia continues optimising accommodative macroprudential policy, using various strategies to increase credit/financing, lower interest rates and enhance liquidity management flexibility in the banking industry in pursuit of sustainable economic growth.



Payment system policy is oriented towards supporting economic growth by expanding the acceptance of digital payments, while strengthening the infrastructure and consolidating the structure of the payment system industry.

Policy Mix



Strengthening the rupiah stabilisation strategy in line with economic fundamentals, primarily through domestic foreign exchange market intervention with a focus on spot and domestic non-deliverable forward (DNDF) transactions as well as intervention in offshore non-deliverable forward (NDF) transactions, while also purchasing government securities (SBN) in the secondary market to maintain financial market stability.

Strengthening the pro-market monetary operations strategy to enhance monetary policy transmission

effectiveness, maintain adequate liquidity, accelerate money market and foreign exchange market

i. Strengthening the effective transmission of lower interest rates by managing the interest rate structure

of monetary instruments and forex swaps by attracting portfolio inflows to domestic financial assets.

ii. Maintaining adequate liquidity in the money market and banking industry through Bank Indonesia

Rupiah Securities (SRBI) auctions and purchasing government securities (SBN) in the secondary market. iii. Strengthening the function of Primary Dealers (PD) to increase Bank Indonesia Rupiah Securities (SRBI) transactions in the secondary market and repurchase agreement (repo) transactions between market



Strengthening prime lending rate (PLR) publication transparency with a focus on interest rates based on priority sectors in accordance with the scope of Macroprudential Liquidity Incentive Policy (KLM) policy.



Launching QRIS Cross-Border cooperation with Japan and initiating the QRIS Cross-Border sandbox with China on 17th August 2025.

ii. Strengthening education and socialisation of QRIS Tap, targeting users and



Strengthening and expanding international cooperation among central banks, including payment system connectivity and Local Currency Transactions (LCT), while promoting trade and investment in priority sectors in synergy with relevant



Bank Indonesia is also strengthening policy synergy with the Government to maintain stability and nurture economic growth in line with the Government's Asta Cita program.

2025 Outlook

Economic Growth In the **4.6 - 5.4%** range

Current Account Low deficit in the range 0.5% - 1.3% of GDP

Inflation In the $2.5 \pm 1\%$ range **Credit Growth**

In the 8% - 11% range

Assessment

Global Economy

Global economic uncertainty is escalating again, stoked by the announcement of higher reciprocal import tariffs imposed by the United States (US) on a number of advanced and developing economies.



Global economic development:

deepening and attract foreign capital inflows by:

- The US plans to impose higher reciprocal tariffs commencing on 1st August 2025, which is expected to impact the world economic growth outlook.
- Economic growth in the US, Europe and Japan is tracking a downward trend despite expansionary fiscal policy and accommodative monetary policy in the affected countries.
- Economic performance in China also remains sluggish, on the other hand, India's economy is projected to remain sound.





 A rebalancing of capital flows from the US to Europe and emerging markets as well as safe-haven assets, such as gold, continues in line with escalating economic risk in the US, including fiscal risk.

2. Domestic Economy

Economic growth in Indonesia must be strengthened constantly against a backdrop of global economic moderation.

- In the second quarter of 2025, economic growth was underpinned by non-building investment related to activities in the transportation sector. Export performance remained solid, supported by exports based on natural
- resources and manufacturing products. By sector, the plantation subsector along with government program support
- helped to maintain agricultural sector growth. Regionally, the economy of Sulawesi-Maluku-Papua (Sulampua) maintained

growth above 5%.

→ 3. Indonesia's Balance of Payment (BOP) BOP remains sound, thereby supporting external resilience.





Foreign capital inflows to SBN instruments

At the beginning of the third quarter of 2025 (as of 14th July 2025) recorded net inflows totalling USD 0.9 billion, thereby maintaining the net inflows of USD1.6 billion recorded in the second quarter of 2025.

USD 152.6 Billion

Equivalent to 6.4 months of imports or 6.2 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

Rupiah exchange rates are appreciating, underpinned by Bank Indonesia's stabilisation policy and maintained foreign capital inflows.

(as of 30th June 2025) appreciated:





In general, rupiah exchange rates are relatively stable against a basket of developing economies (DE) currencies, as major trading partners of Indonesia, and advanced economies (AE) currencies, excluding the US dollar, thereby supporting the competitiveness of Indonesia's exports.

Moving forward, Bank Indonesia expects the rupiah to remain stable, underpinned by Bank Indonesia's commitment to maintain rupiah stability, together with attractive yields, low inflation and the positive economic growth outlook for Indonesia.

5. Inflation

at the end of May 2025.

Rupiah in June 2025

Low Consumer Price Index (CPI) inflation was maintained in June 2025, thereby bolstering economic stability.

Consumer Price Index Inflation

Volatile Food Inflation

0.57% (yoy)

Remained low, supported by the adequate supply of key food commodities and close synergy to manage inflation between Bank Indonesia and the Central and Regional Government Inflation Control Teams.

Core Inflation

Decreased, as a result of monetary policy anchor expectations to the target corridor, accompanied by lower demand.

Administered Prices Inflation

1.34% (yoy)

Remained under control, despite higher prices of potable water and excise taxes on tobacco products.

Looking ahead, Bank Indonesia is confident that CPI inflation will remain under control and within

circulation in suitable amounts throughout all regions of the Republic of Indonesia, particularly in frontier, outermost and remote regions.

148.50%(yoy) Transaction Volume Growth Transaction Volume BI Fast Rp2,788.31 Trillion 42.87% (yoy) **BI-RTGS** -1.35 (yoy)

Bank Indonesia will continue ensuring the availability, reliability and security of the retail and wholesale payment systems operated by Bank Indonesia and the industry.

Cash Transaction



www.bi.go.id

the 2.5%±1% target corridor in 2025 and 2026.

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Bank Indonesia

Bank Indonesia continues strengthening its monetary policy response to maintain stability and drive economic growth.

The INDONIA money market reference rate trended downwards **5.77**% 5.14% 15th July 2025

→ 6. Policy Rate Transmission

5.85%

Bank interest rates The 1-month term deposit rate increased Lending rates remain high

SRBI rates tracked trended downwards

9.16%

5.86%

7. Pro-market Monetary Operation Bank Indonesia continues optimising its pro-market monetary operations strategy

Bank Indonesia Forex

6-Month Term

to support adequate liquidity in the money market and banking industry. **Instrument Position**

Bank Indonesia Rupiah Securities (SRBI) Rp782.62 Trillion

4.85%

Securities (SVBI) **USD3.53** Billion

through the secondary market totalling Rp102.58 trillion and the primary market totalling Rp42.32

Bank Indonesia Foreign Exchange Sukuk (SUVBI) **USD491**

12-Month Term

11st July 2025

as of 14th Juli 2025

Trillion (bruto)

June 2025

5.87%

Million In 2025 (as of 15th July 2025), Bank Indonesia has purchased SBN to the tune of Rp144.90 trillion,

trillion in treasury bills (SPN), including sharia SPN. 8. Financial System Stability

Loans disbursed by the banking industry must be increased to support

economic growth. Credit Growth **MSMEs Credit Funds Growth Financing Growth** Growth

7.77% (yoy)

Liquidity remains

adequate.

Funds (LA/TPF)

6.96% (yoy)

8.37% (yoy)

Bank Indonesia has disbursed KLM incentives totalling Rp376 Trillion Regional Government

Foreign Bank **Branches** Rp167.1 Trillion Rp166.7 Trillion Rp36.8 Trillion Rp5.8 Trillion

2.18% (yoy)

Banking resilience remains strong and supports financial system stability. Capital is maintained | Ratio was maintained low | through capital markets. at a high level. 2.29% 0.85% Rp99.94

Banks

27.05% (yoy) 25.48% Liquid Assets to Third-party Capital Adequacy June 2025

30.51% (yoy)

86.18%

May 2025

National Private

Commercial Banks

Efficiency and Profitability maintained.

Non-performing Loan (NPL) May 2025

Corporate performance*remains solid. Corporate Interest Coverage Ratio (ICR)

Operational Cost to Operating Income ratio (BOPO) Efficiency Ratio → 9. Payment System

Digital Transaction

Q-III 2025 data projection May 2025 *non-financial corporations listed on the IDX

11.67 Billion Transaction

Digital economic and financial transactions continued growing in the second quarter of 2025, supported by secure, seamless and reliable payment systems.



Rp47,481.04 Trillion



BankIndonesiaChannel

consistency to

Bank Indonesia will safeguard the adequate availability of rupiah currency fit for

Bank Indonesia