

BI-Rate Increased 25 bps to 6.25%

Strengthening Stability and Maintaining Growth from Impact of Global Spillovers

Deposit Facility (DF) increased 25 bps to
5.50%

Lending Facility (LF) increased 25 bps to
7.00%

The decision to raise the B-Rate strengthens Rupiah stability against the impact of deteriorating global risk and as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024 and 2025 in line with the pro-stability monetary policy stance.

Policy Mix

Increasing the interest rate structure in the Rupiah money market in line with the BI-Rate hike, higher U.S. Treasury yield and global risk premium.

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

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Strengthening the pro-market monetary operations strategy for effective monetary policy, which includes optimising Bank Indonesia Rupiah Securities (SRBI), Bank Indonesia Forex Securities (SVBI) and Bank Indonesia Forex Sukuk (SUVBI).

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

Bank Indonesia will hold an accommodative macroprudential policy posture 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, while expanding acceptance of payment system digitalisation.



Strengthening the implementation of accommodative macroprudential policy:

i. Strengthening Macroprudential Liquidity Policy Incentives (KLM) to revive lending/financing by expanding the scope of priority sectors, namely downstream supporting sectors, construction and productive real estate, the creative economy, automotive sector, trade, electricity, gas and water supply as well as social services, while also adjusting the size of the incentive for each sector, effective from 1st June 2024.

ii. Maintaining the:

- (a) *Countercyclical Capital Buffer* (CCyB).
- (b) Macroprudential Intermediation Ratio (MIR).
- (c) Macroprudential Liquidity Buffer (MPLB).



Strengthening prime lending rate (PLR) transparency policy with a focus on interest rates by economic sector.



Strengthening digital literacy and risk management amongst payment system operators and users, including various innovations to support such initiatives, thereby strengthening payment system stability to support sustainable economic growth.

2024 Outlook

Economic Growth
In the 4.7% - 5.5% range

Current Account Deficit
Low deficit in the range 0.1% - 0.9% of GDP

Inflation
In the 2.5% ± 1% range

Credit Growth
In the 10% - 12% range

Assessment

1. Global Economy

Global economic and financial dynamics are changing rapidly with increasing risks and uncertainty as a corollary of changes in the direction of US monetary policy and deepening geopolitical tensions in the Middle East.

- Rising the US Treasury yields and broad appreciation of the US dollar globally caused:
- Persistently high inflation and solid economic growth in the US have triggered speculation of a higher for longer Federal Funds Rate (FFR).
 - The massive need for US debt.
 - Depreciation among other global currencies, including the Japanese Yen and Chinese Yen.

2. Domestic Economy

At home, Indonesia's economy remains resilient despite the build-up of global uncertainty.

Economic growth in the first two quarters of 2024 is expected to exceed growth recorded in the fourth quarter of 2023.

Building investment is outperforming the previous projection due to ongoing national strategic projects in several regions and private property development as a positive outcome of government incentives.

3. Indonesia's Balance of Payment (BOP)

Indonesia's BOP surplus supporting external resilience.

The goods trade balance in the first quarter of 2024 maintained a surplus.

Portfolio Investment

0.4 Net Outflows
Billion USD

Q-I 2024

1.9 Net Outflows
Billion USD

Q-II as of 22nd April 2024

Reserve Assets

140.4
Billion USD

At the end of March 2024

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

Bank Indonesia continues orienting exchange rate policy towards maintaining Rupiah stability against the impact of broad-based US dollar appreciation.

Rupiah depreciation was less severe at just:

RP 5.07 (ytd)
As of 23rd April 2024

Exceeding than:

Japan Yen: **8.91%** (ytd)

Thailand Baht: **7.88%** (ytd)

New Zealand Dollar: **6.12%** (ytd)

South Korea Won: **5.55%** (ytd)

Bank Indonesia will continue strengthening its monetary policy mix to mitigate the risks that could intensify inflationary pressures, including higher imported inflation as well as higher global energy and food prices.

5. Inflation

Consumer Price Index (CPI) maintained low at 3.05% (yoy).

Core Inflation 1.77% (yoy)
Volatile Food Inflation 10.33% (yoy)
Administered Prices Inflation 1.39% (yoy)

March 2024

Bank Indonesia will continue strengthening its monetary policy mix to mitigate the risks that could intensify inflationary pressures, and ensuring inflation is under control within the target range.

6. Pro-market Monetary Operation

Bank Indonesia continues optimising its pro-market monetary operations strategy to strengthen the monetary policy response 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	Rp393.66 Trillion	1.89 Billion USD	334 Million USD	Rp71.55 Trillion

As of 23rd April 2024

7. Policy Rate Transmission

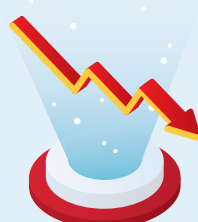
Monetary policy transmission remains effective.

Money Market Interest Rates (IndONIA)
5.93%

As of 23rd April 2024

SRBI rates up to:
6-Month Term **6.81%**
9-Month Term **6.82%**
12-Month Term **6.94%**

As of 19th April 2024



The banking industry maintained competitive interest rates given adequate liquidity in the banking system and PLR transparency policy.

1-Month Term Deposit Rate
4.53%

March 2024

Lending Rate
9.25%

March 2024

8. Financial System Stability

Loans disbursed by the banking industry continue tracking an upward trend.

Credit Growth **12.40%** (yoy)
Third-Party Funds Growth **7.44%** (yoy)
Sharia Financing Growth **15.26%** (yoy)
MSMEs Credit Growth **8.12%** (yoy)

March 2024

Financial system resilience remains solid and is strengthening credit growth.

Liquidity remains adequate. **27.18%**
Capital remains solid. **27.73%**
Credit risk maintained. **2.35%** (gross) / **0.82%** (nett)
Economic financing through capital markets. **34.96** Trillion (gross)

Liquid Assets to Deposits (AL/DPK)

March 2024

Capital Adequacy Ratio (CAR)

February 2024

Non-performing Loan (NPL)

February 2024

February 2024



Efficiency and Profitability maintained.

91.48%
BOPO Efficiency Ratio

4.49%
Net Interest Margin (NIM)

February 2024

Corporate performance remains solid.

2.11
Interest Coverage Ratio (ICR) Corporate

February 2024

*non-financial corporations listed on the IDX

9. Payment System

Financial system resilience remains solid and is strengthening credit growth in 2024.



Non-cash Transaction

BI-RTGS

6.62% (yoy) | **Rp42,005.48** Trillion



55.40% (yoy) | **Rp1,760.59** Trillion

Electronic Money

41.70% (yoy) | **Rp253.39** Trillion

Digital Banking

16.15% (yoy) | **Rp15,881.53** Trillion

ATM/Debit Card

-3.80% (yoy) | **Rp1,831.77** Trillion

Credit Card

7.71% (yoy) | **Rp105.13** Trillion



Impressive QRIS transaction growth.



Amount **Rp105.51** Trillion
175.4% (yoy)



Number of Users **48.12** Million



Number of Merchant **31.61** Million

Q-I 2024

Cash Transaction

Currency in Circulation:



13.15% (yoy)

Rp1,073.57 Billion

Q-I 2024

Bank Indonesia will ensure the availability of Rupiah currency fit for circulation in suitable denominations throughout all regions of the Republic of Indonesia.

Scan for further information

