

BI 7-Day Reverse Repo Rate Held at 3.50%

The BI Board of Governors Meeting agreed on 17th and 18th November 2021 to hold :

BI 7-Day Reverse Repo Rate at **3.50%**

Deposit Facility (DF) rates at **2.75%**

Lending Facility (LF) rates at **4.25%**

SYNERGY MAINTAINING STABILITY AND STRENGTHENING RECOVERY

The decision is consistent with the need to maintain exchange rates and financial system stability amid projected low inflation and efforts to revive economic growth. In addition, Bank Indonesia continues to optimise its policy mix towards maintaining macroeconomic and financial system stability, while supporting national economic recovery, and also continue to strengthen policy coordination with the Government and Financial System Stability Committee to maintain financial system stability and revive bank lending to the corporate and priority sectors, which will help catalyse economic growth and exports as well as economic and financial inclusion.

POLICY MIX

- Maintaining rupiah exchange rate policy to preserve stability in line with the currency's fundamental value and market mechanisms.
- Continuing the strengthening strategy for monetary operations to reinforce the effectiveness of the accommodative monetary policy stance.
- Strengthening prime lending rate (SBDK) transparency in the banking industry by deepening the assessment of the largest banks that dominate 70% of the credit market.

- Extending the 0% QRIS merchant discount rate (MDR) for micro merchants until 30th June 2022 to maintain QRIS acceptance and uptake as well as industry sustainability.
- Promoting trade and investment as well as socialising Local Currency Settlement (LCS) in conjunction with other relevant institutions. In November and December 2021, promotional activities will be organised in Japan, China, United States, United Kingdom, Russia, Brunei and Singapore.

1. GLOBAL ECONOMY

The global economic recovery is proceeding as expected despite disruptions in the global supply chain and the ongoing energy shortage.

Global Economic Growth

2021 FORECAST
5.7% (yoy)

Third Quarter of 2021

Entering the fourth quarter of 2021



Economic growth moderated in various countries including the United States, China and Japan.

The global economic recovery is expected to persist, as confirmed by several early indicators, such as:

- Purchasing Managers Index (PMI)
- Consumer confidence and retail sales
- As well as an easing of the energy shortage in China.

World trade volume and international commodity prices continue to rise, thereby supporting the export outlook in developing economies.

Financial Market

Global financial market uncertainty remains slightly elevated by concerns of an earlier tightening of global monetary policy in response to persistently higher inflation, which would restrict capital flows and intensify currency pressures in developing countries, including Indonesia.

2. DOMESTIC ECONOMY

Incremental domestic economic gains are expected to continue.

Third quarter of 2021

Fourth quarter of 2021

In 2022

The national economy grew 3.5% (yoy), after the Government reintroduced mobility restrictions to contain the Delta variant surge of coronavirus.

Bank Indonesia projects stronger economic growth, underpinned by solid exports, larger fiscal spending as well as increasing consumption and investment activity.

Bank Indonesia expects economic growth to continue accelerating on the back of greater mobility.

3. INDONESIA'S BALANCE OF PAYMENTS (BOP)

External sector resilience in Indonesia has been maintained in line with a solid Balance of Payments (BOP).

Current Account

The current account is expected to record a positive balance.



TRADE BALANCE
Surplus
USD 5.7 Billion

October 2021

Capital and Financial Account

Foreign capital inflows of direct investment and portfolio investment are predicted to maintain a capital and financial account surplus.



PORTFOLIO INVESTMENT
Net Inflow
USD 0.14 Billion

Until 16th November 2021

Reserve Assets:

End of October 2021:

USD 145.5 Billion

Position of reserve assets, equivalent to 8.5 months of imports or 8.3 months of imports and servicing government external debt.

4. EXCHANGE RATE

In response to Bank Indonesia's stabilisation measures, rupiah exchange rate movements remain under control despite global financial market uncertainty that has not yet fully subsided.



as of 17th November 2021

0.53% (ptp)

0.56% (average)

compared to October's level



The weaker rupiah stems from restrained foreign capital inflows despite the promising domestic economic outlook and maintained domestic supply of foreign exchange.

5. INFLATION

Inflation remains low, thereby reinforcing economic stability.



Consumer Price Index (CPI)

0.12% (mtm) | **1.66%** (yoy)

CORE INFLATION

0.07% (mtm) | **1.33%** (yoy)

VOLATILE FOOD

0.07% (mtm) | **3.16%** (yoy)

ADMINISTERED PRICES

0.33% (mtm) | **1.47%** (yoy)

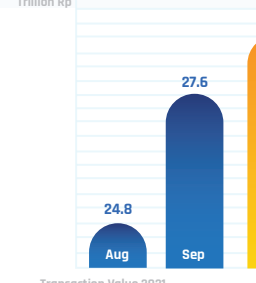
October 2021

9. PAYMENT SYSTEM

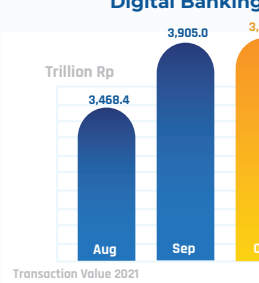
Bank Indonesia continues to accelerate digitalisation programs in accordance with the Indonesia Payment System Blueprint (BSP) 2025 towards greater integration of the digital economy and finance as well as financial and economic inclusion, while supporting the national economic recovery.

Non Cash

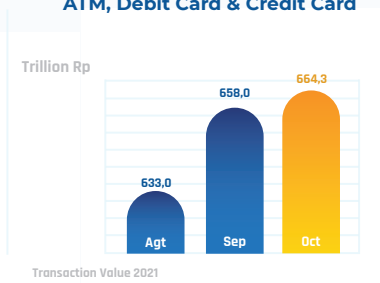
Electronic Money



Digital Banking



ATM, Debit Card & Credit Card



Cash

Currency in Circulation

Rp 854.3 Trillion

5.9% (yoy)

October 2021