

About Investor Relations Unit of the Republic of Indonesia



Investor Relations Unit (IRU) of the Republic of Indonesia has been established through a collaborative effort between the Coordinating Ministry of Economic Affairs, the Ministry of Finance and Bank Indonesia since 2005. The primary objective of IRU is to actively communicate Indonesian economic policies and to address the concerns of investors, particularly those in financial markets.

As an important part of its communication strategy, IRU maintains a website hosted under Bank Indonesia website, which is administered by the International Department of Bank Indonesia. However, day-to-day activities of IRU are supported by all relevant government agencies, among others: Bank Indonesia, Ministry of Finance, Coordinating Ministry for Economic Affairs, Ministry of Investment, Financial Services Authority, Ministry of State-Owned Enterprises, and The Committee for Acceleration of Priority Infrastructure Delivery.

IRU also actively engages with investors by organizing a monthly Investor Conference Call. Additionally, it promptly addresses inquiries through email and telephone channels. Furthermore, IRU may also facilitates direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices. This multifaceted approach underscores the commitment of the IRU to foster transparent communication and address the needs of the investors.

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Executive Summary









The largest economy in Southeast Asia and 4th most populous country in the world



Solid economic growth supported by domestic demand. Regain the 5% growth momentum after pandemic



Inflation remains under control within the target corridor



Consistent implementation of structural reform and infrastructure development



Historically **prudent policy** dynamics and **track record of peaceful political transitions**

Despite challenging global developments, Indonesia's economic recovery momentum persists, driven by robust domestic demand. The country's economic performance has rebounded to pre-pandemic levels and is poised for further improvement, driven by enhanced growth prospects. Indonesia's robust economic growth was recorded in Q1 2024 at 5.11% (yoy) and projected to accelerate further in 2024. In April 2024, inflation posted 3.0% (yoy), still within the target corridor of 2.5%±1%. The external sector remains resilient and robust, supported by ample reserves and a sound balance of payments, accompanied by a healthy external debt profile. In addition, solid budget performance continues, reflected by a narrower 2023 fiscal deficit with a surplus in the primary balance and prudent debt management. Moving forward, 2024 fiscal policy is geared towards accelerating economic transformation. From the monetary policy perspective, Bank Indonesia continues to strengthen its monetary policy response and innovation to enhance policy effectiveness in terms of controlling inflation and maintaining Rupiah stability. Financial system stability also has been maintained, and the banking intermediation function proved robust in 2023, thereby supporting economic growth. For the purpose to promote strong, socially Inclusive, and environmentally friendly economic growth, the government consistently implementing the structural reform agenda, including infrastructure development, and improving the investment climate.

Update Rati	Update Rating 2023-2024										
FitchRatings	BBB (Stable)	March 2024									
Moody's	Baa2 (Stable)	April 2024									
S&P Global	BBB (Stable)	July 2023									
R&I Rating and lavvatument information, Inc.	BBB+ (Positive)	July 2023									
JCR	BBB+ (Stable)	March 2024									

Indonesia has been recognized as a full Investment Grade country by all three major rating agencies, Fitch, Moody's and S&P. The recent rating affirmations in April 2024 has put Indonesia's SCR from three main rating agencies at the same level (one notch higher from the lowest investment grade level). These affirmations highlight Indonesia's macro stability, promising growth prospects, and confidence on policy continuity

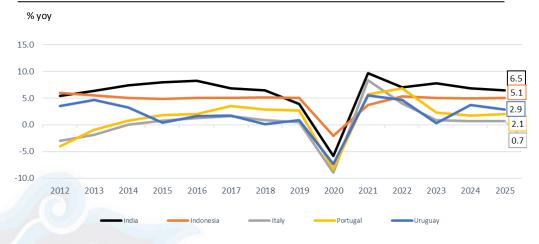
Indonesia's Economic Growth Remains Solid and Resilient, Supported by Domestic Demand



Strong GDP Growth¹



Favourable GDP Growth Compared to Peers²



- 1. Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption
- 2. Source: World Economic Outlook Database April 2023; * indicates estimated figure

Amidst increasing global uncertainty, Indonesia's economic performance remains solid and resilient to global spillover. Indonesia's economy grew by 5.11 % (yoy) in the first quarter of 2024, after recorded a 5.04% (yoy) growth in the fourth quarter of 2023, was driven by higher domestic demand. Sound performance recorded across most of economic sectors, particularly mining and quarrying manufacturing industry, wholesale and retail trade as well as supported by information and communication, financial and insurance services and other service.

Spatially, the highest economic growth was recorded in the regions of Sulawesi-Maluku-Papua (Sulampua), followed by Kalimantan, Bali-Nusa Tenggara (Balinusra), Java, and Sumatra. Robust economic growth is expected to persist in the second quarter of 2024, as reflected in a number of early indicators, such as consumer confidence, income expectations and the Manufacturing Purchasing Managers Index (PMI). Overall, economic growth in 2024 projected to be in the 4.7-5.5% range, supported by domestic demand, particularly consumption ahead of the upcoming general election, and increasing investment, specifically building investment given the ongoing national strategic projects (PSN), including the new capital city (IKN) development.

2024 Growth Projection

Institutions	GDP growth 2024
2024 Budget	5.2
Bank Indonesia	4.7-5.5
Consensus Forecast (March 2024)	4.9
World Bank (GEP, January 2024)	4.9
IMF (WEO, April 2024)	5.0
ADB (Asian Development Outlook, December 2023)	5.0

Conducive Environment





Focus to Drive a Strong and Sustainable Economy

Largest Economy in Southeast Asia

4th Most Populous country in the World; 70% in productive age

Manageable Inflation Rate Rising Middle Class and Affluent Customers

From commodity-based to manufacturing and service sectors via infrastructure development

Supporting investment-led growth through stronger manufacturing sector and more investment initiatives

Policies to maintain purchasing power to boost domestic economy post pandemic amidst heightened global uncertainty

Large and Stable Economy



Economic Transformation

Consistent Budget Reform

Reform-Oriented Administration

Fostering infrastructure development

Budget reform as part of larger economic reform initiative

Spending directed to accelerate economic transformation

Broadening Tax base and increasing compliance

Prudent debt management

Three main sources of financing for investment needs: State and regional budget, State Owned Enterprises and PPP

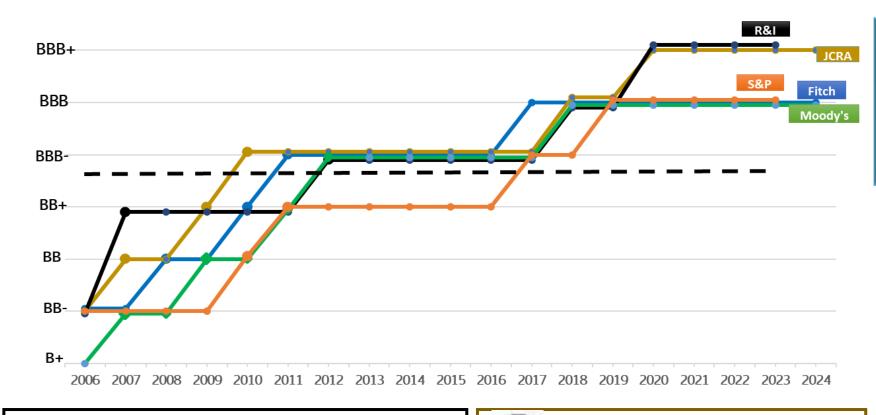
Continuing from 2015 policy, infrastructure spending will be higher than fuel subsidy

Infrastructure spending focused on accelerating basic infrastructure projects

Fiscal and non-fiscal incentives to attract infrastructure investment and promote PPP

Affirmation on Indonesia's Sovereign Credit Rating Amid Global Economy Uncertainties and Election Year





FitchRatings

BBB/Stable

March 2024, Rating Affirmed at BBB/Stable

"Indonesia's rating balances a favourable medium-term growth outlook and low government debt/GDP ratio against weak government revenue and lagging structural features, such as governance indicators, compared with 'BBB' category peers."

S&P Global Ratings

BBB / Stable

July 2023, Rating Affirmed at BBB/Stable

"The stable rating outlook reflects our expectation that Indonesia will achieve solid economic growth over the next two years. This will support prudent fiscal outcomes and stabilize debt".

R&I

BBB+/Positive

March 2024, Rating Affirmed at BBB+/Stable

commodity prices ".

"The ratings mainly reflect the country's solid domestic demand-led economic growth potential, restrained public debt and resilience to external shocks supported by accumulation of foreign exchange reserves. JCR holds that the debt will gradually decrease as the fiscal balance improves mainly increased revenue from economic growth and higher

July 2023, Outlook Revised To Positive; BBB+ Ratings Affirmed

"In R&I view, Indonesia's economy has been showing strong performance even amid uncertainties of the global economic environment. With the inflation rate that has fallen within the target range in 2023, the price stability is being restored. The government has achieved its target level of fiscal deficit a year earlier than originally planned and the government debt ratio stays on a downward trajectory. The stability of financial system has been maintained and the economy has resilience to external shocks".

Moody's

BBB+/Stable

Baa2/Stable

April 2024, Rating Affirmed at Baa2/Stable

"Indonesia's credit profile is supported by continued economic resiliency, backed by structural factors such as abundant natural resources and strong demographics, supporting stable and robust GDP growth, as well as by good policy credibility

Continuous Improvement of Indonesia's Competitiveness Rank



Based on the IMD (Institute for Management Development) World Competitiveness Yearbook 2023 report, Indonesia's competitiveness ranking in 2023 is in 34th position out of a total of 64 countries. This rank has increased from 2022 (No. 44).

All factors have increased compared to 2022: Economic Performance (+13), Business Efficiency (+11), Government Efficiency (+4), and Infrastructure (+1)

No.	Country	2019	2020	2021	2022	2023
1	South Korea	28	23	23	27	28
2	Indonesia	32	40	37	44	34
3	Japan	30	34	31	34	35
4	India	43	43	43	37	40
5	Philippines	46	45	52	48	52
6	Mexico	50	53	55	55	56
7	Brazil	59	56	57	59	60



Factors	2019	2020	2021	2022	2023
Economic Performance	25	26	35	42	29
Government Efficiency	25	31	26	35	31
Business Efficiency	20	31	25	31	20
Infrastructure	53	55	57	52	51

Continuous Improvement of Indonesia's Governance Rank



Indicator	Country	Year	Percentile Rank (0 to 100)
oice and Accountability	Indonesia	2012	_
		2015	-
		2020	
		2021	
		2022	
Political Stability and	Indonesia	2012	
Absence of		2015	
/iolence/Terrorism		2020	
		2021	
		2022	
Government	Indonesia	2012	
Effectiveness		2015	
		2020	——————————————————————————————————————
		2021	
		2022	
Regulatory Quality	Indonesia	2012	
		2015	
		2020	
		2021	
		2022	
Rule of Law	Indonesia	2012	
		2015	
		2020	
		2021	
		2022	
	Indonesia	2012	
Control of Corruption		2015	
Control of Corruption			
Control of Corruption		2020	
Control of Corruption			
Control of Corruption		2020	

Note: Percentile rank among all countries (ranges from 0 (lowest) to 100 (highest) rank)

Source: Worldwide Governance Indicators, 2023 Update (www.govindicators.org)

To achieve the vision of advanced Indonesia in 2045 with the goal of Advancing Towards a Sovereign, Developed, Equitable, and Prosperous Indonesia, the Indonesian government is actively promoting reforms in institutions and bureaucracy, as well as strengthening the national legal system and anti-corruption measures. These efforts are evident in the improving governance indicators in Indonesia.

Based on the latest World Bank Worldwide Governance Indicators (WGI), Indonesia's governance rank indicates a continuous improvement for the last 10 years. One of the indicator, the Government Effectiveness, recorded highest percentile rank compared to other five indicators, which marked Indonesia on the 73rd rank out of 214 countries (previously placed on 75th rank in 2021). This achievement inline with the ongoing structural reform that has been implemented across the country.

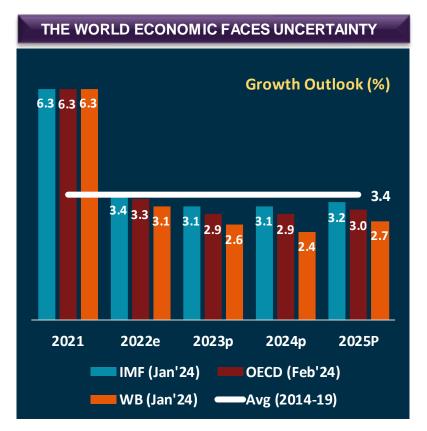
The government effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

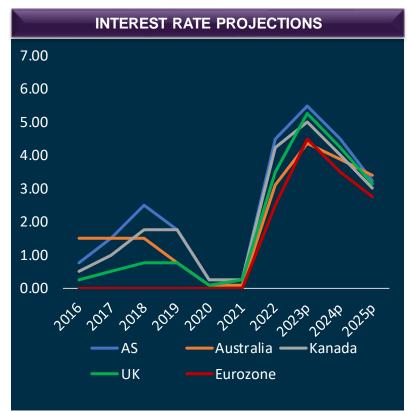
Meanwhile, corruption eradication indicators also indicate improvement, with a progressive increase in values over the past decade.

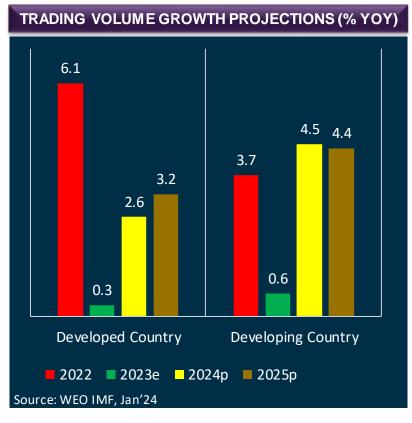


Global Conditions still Facing a Number of Challenges Ahead









Global Economic Risks

- Real estate crisis in China has put the global economy at risk
- Commodity prices become more volatile under renewed geopolitical tensions and disruptions linked to climate change
- Debt sustainability issues in developing countries
- Global financial conditions have tightened
- Fiscal buffers have eroded in many countries
- **■** Geoeconomic fragmentation

Economic Performance Remain Solid in 2024



GDP Growth Based on Expenditures (%, YoY)¹

			2018 2019						2020					2021	*			i	2022**	k			2024								
By expenditure	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1
HH. Consumption	5.0	5.2	5.0	5.1	5.1	5.0	5.2	5.0	5.0	5.0	2.8	-5.5	-4.0	-3.6	-2.6	-2.2	6.0	1.0	3.6	2.0	4.4	5.5	5.4	4.5	4.9	4.5	5.2	5.1	4.5	4.8	4.5
Non profit HH. consumption	8.1	8.8	8.7	10.9	9.1	17.0	15.3	7.4	3.5	10.6	-5.0	-7.8	-1.9	-1.9	-4.2	-3.6	4.1	2.9	3.2	1.6	5.9	5.0	6.0	5.7	5.7	6.2	8.6	6.2	18.1	9.8	18.1
Government consumption	2.7	5.2	6.3	4.6	4.8	5.3	8.2	1.0	0.5	3.3	3.9	-6.5	9.8	1.9	2.1	2.6	8.3	0.7	5.2	4.3	-6.6	-4.6	-2.5	-4.7	-4.5	3.3	10.5	-3.9	2.8	2.9	2.8
Gross Fixed Cap. Formation	7.9	5.8	6.9	6.1	6.7	5.0	4.6	4.2	4.1	4.5	1.7	-8.6	-6.5	-6.2	-5.0	-0.2	7.5	3.8	4.5	3.8	4.1	3.1	5.0	3.3	3.9	2.1	4.6	5.8	5.0	4.4	5.0
Exports	5.8	7.4	8.3	4.6	6.5	-1.1	-1.2	0.9	-0.6	-0.5	0.4	-13.6	-12.7	-7.4	-8.4	2.2	28.5	20.8	22.2	18.0	14.4	16.3	19.1	15.0	16.2	11.7	-2.9	-3.9	1.6	1.3	1.6
Imports	12.5	15.2	2 14.	2 7.4	12.1	-5.8	-5.9	-8.5	-8.1	-7.1	-6.0	-21.3	-25.0	-17.6	-17.6	5.2	33.2	31.1	32.6	24.9	16.1	13.1	25.7	6.5	15.0	4.2	-3.2	-6.8	-0.1	-1.6	-0.1
GDP	5.1	5.3	5.2	5.2	5.2	5.1	5.1	5.0	5.0	5.0	3.0	-5.3	-3.5	-2.2	-2.1	-0.7	7.1	3.5	5.0	3.7	5.0	5.5	5.7	5.0	5.31	5.0	5.2	4.9	5.0	5.05	5.1

GDP Growth by Sector (%, YoY)

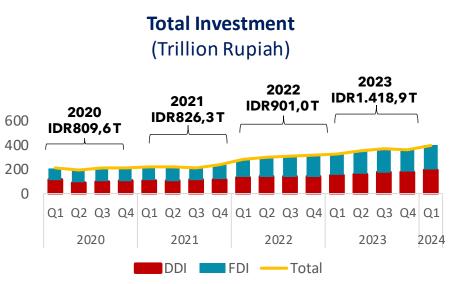
Py costors			2018	3				2019					2020					2021*	k			7	2022**	k			2023**	*			2024
By sectors	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1	Q2	Q3	Q4	Tot	Q1
Agriculture, forestry, and fishery	3.3	4.7	3.6	3.8	3.9	1.8	5.3	3.1	4.2	3.6	0.0	2.2	2.2	2.6	1.8	3.5	0.6	1.4	2.3	1.9	1.2	1.7	2.0	4.5	2.3	0.4	2.0	1.5	1.1	1.3	-3.5
Mining and Quarrying	1.1	2.6	2.7	2.2	2.2	2.3	-0.7	2.3	0.9	1.2	0.4	-2.7	-4.3	-1.2	-2.0	-2.0	5.2	7.8	5.2	4.0	3.8	4.0	3.2	6.5	4.4	4.9	5.0	7.0	7.5	6.1	9.3
Manufacturing	4.6	3.9	4.4	4.2	4.3	3.9	3.5	4.1	3.7	3.8	2.1	-6.2	-4.3	-3.1	-2.9	-1.4	6.6	3.7	4.9	3.4	5.1	4.0	4.8	5.6	4.9	4.4	4.9	5.2	4.1	4.6	4.1
Construction	7.4	5.7	5.8	5.6	6.1	5.9	5.7	5.6	5.8	5.8	2.9	-5.4	-4.5	-5.7	-3.3	-0.8	4.4	3.8	3.9	2.8	4.8	1.0	0.6	1.6	2.0	0.3	5.2	6.4	7.7	4.9	7.6
Wholesale and Retail Trade, Repair of Car and Motorcycle	5.0	5.2	5.3	4.4	5	5.2	4.6	4.4	4.2	4.6	1.5	-7.7	-5.1	-3.7	-3.8	-1.3	9.5	5.1	5.5	4.6	5.7	4.4	5.4	6.6	5.5	4.9	5.3	5.1	4.1	4.8	4.6
Transportation and Storage	8.5	8.7	5.7	5.5	7	5.4	5.8	6.7	7.6	6.4	1.3	-30.8	-16.7	-13.4	-15.1	-13.1	25.1	-0.7	7.9	3.2	15.8	21.3	25.8	17.0	19.9	15.9	15.3	14.7	10.3	14.0	8.7
Information and communication	7.8	5.1	8.1	7.1	7	9.1	9.6	9.2	9.8	9.4	9.8	10.8	10.7	11.0	10.6	8.7	6.9	5.5	6.2	6.8	7.2	8.1	6.9	8.7	7.7	7.1	8.0	8.5	6.7	7.6	8.4
Financial service	4.3	3.1	3.1	6.2	4.2	7.2	4.5	6.2	8.5	6.6	10.6	1.1	-0.9	2.4	3.2	-3.0	8.3	4.3	-2.6	1.6	1.6	1.5	0.9	3.8	1.9	4.5	2.9	5.2	6.6	4.8	3.9
Other Services*	5.4	6.2	6.7	6.4	6.2	6.8	7.3	6.4	6.2	6.7	4.6	-6.3	-1.4	-1.7	-1.2	-2.5	9.8	-0.8	3.4	2.3	3.3	4.0	7.9	4.9	5.0	4.5	7.1	3.3	4.9	5.0	9.4
GDP	5.1	5.3	5.2	5.2	5.2	5.1	5.1	5.0	5.0	5.0	3.0	-5.3	-3.5	-2.2	-2.1	-0.7	7.1	3.5	5.0	3.7	5.0	5.5	5.7	5.0	5.3	5.0	5.2	4.9	5.0	5.0	5.1

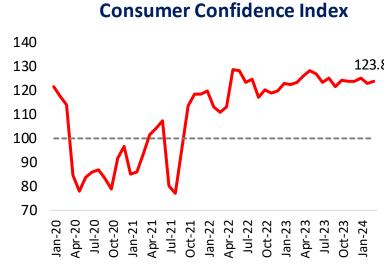
Source: Central Bureau of Statistics of Indonesia (BPS)
*Other services consist of 10 sectors (according to Standard National 2008)

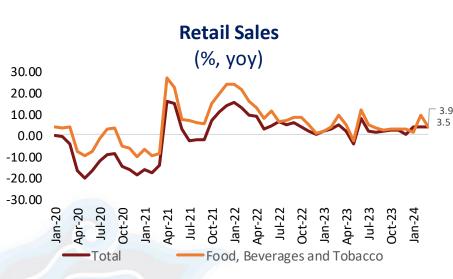
Indonesia's Leading Indicators Exhibit Favorable Outlooks

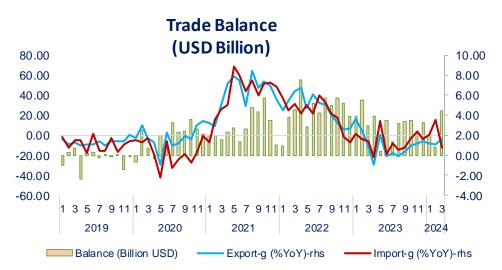














Short Term Mitigation and Policy Response Amidst Weakening Global Economic Prospect



Geopolitical Tensions:

Fragmentation, Protectionism, and War



- Increasing Economic Instability
- Widening of State Budget Deficit
- Widening the Current Account Deficit

Risk Mitigation and Policy Response

State Budget as Shock Absorber by Boosting Domestic Demand

Maintaining Household Consumption



Direct Cash Assistance to Mitigate the Adverse Impact of El Nino Encouraging Investment



Stimulus to Boost Property Market Sinergy of Real and Monetary Sector to Maintain the External Sector Resilience



- Issuing Presidential Decree No. 24/2023 concerning the Task Force for Increasing National Exports
- Issuing Government Regulations No. 36/2023 concerning Foreign Exchange Proceeds from Natural Resource Exports
- Expanding Local Currency Transaction (LCT) implementation

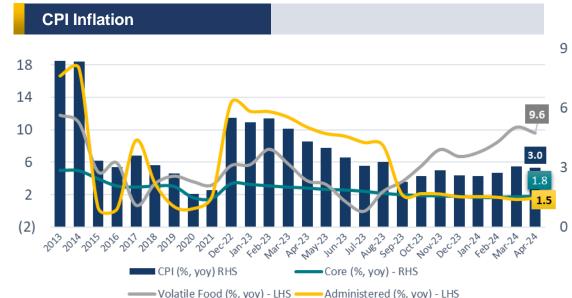
Inflation Remains Under Control Within The Target Corridor

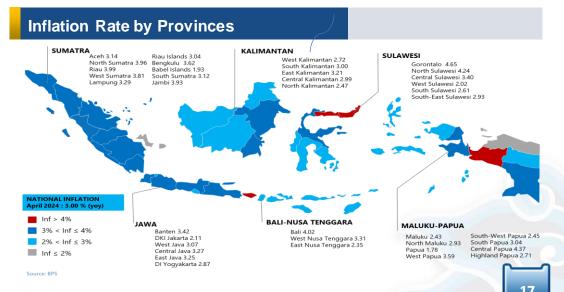


- Consumer Price Index (CPI) inflation in April 2024 remained also under control within the 2.5%±1% target corridor, recorded at 3.0% (yoy), slightly decrease from 3.1% (yoy) the month earlier, due to a decrease in the volatile food inflation.
- Core inflation continues to be low, recorded at 1.8% (yoy) in April 2024, stable from 1.8% (yoy) in the previous month
- Meanwhile, the **Volatile food (VF) inflation witnessed a decrease** to 9.6% (yoy) in April 2024 from 10.3% (yoy) in March 2024.
- Administered prices (AP) inflation remains manageable and recorded at 1.5% (yoy), slightly increase from 1.4% (yoy) the month earlier.
- 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, as well as the positive impact of structural factors relating to digitalization.
- The manageable inflation the target range is an outcome of monetary policy consistency and close synergy between Bank Indonesia and the (central and regional) Government in the National and Regional Inflation Control Teams (TPIP and TPID) through the National Movement for Food Inflation Control (GNPIP) across regions.
- Inflation is expected to remain manageable in the 2.5%±1% target corridor in 2024.

2024 Inflation Projection

Institutions	Inflation (%yoy) 2024
2024 Budget	2.8
Bank Indonesia	2.5%±1%
Consensus Forecast (April 2024) – average	3.0
IMF (WEO, April 2024) – end of period	2.6
ADB (Asian Development Outlook, December 2023)	3.0





^{*}According to inflation data published by BPS-Statistics Indonesia based on the Cost of Living Survey (SBH) using 2022 as the new base year

Synchronized Policies to Strengthen Inflation Controlling Effort



Indonesia's inflation achievements in 2022 and 2023 resulted from solid coordination and synergy between various institutions through TPIP-TPID. The 4K strategy and synchronized policies will continue to be implemented in 2024 to ensure inflation within the target range.



FISCAL POLICY

Optimizing the State Budget & Local Govt's Budget as a shock absorber

- Energy Subsidies and Compensation
- Food Security Budget Allocation includes optimizing CBP (govt's rice reserves) and CSHP (Govt's food stock for stabilizing prices purposes)
- Allocation to control inflation through optimizing the role of Local Govt's Budget and BTT (govt's unexpected spending budget)
- Social Security Program i.e Food aid (rice)
- Allocating fiscal incentives to control regional inflation



MONETARY POLICY

Pro-Stability and Pro-Growth Monetary Policy

- Front loaded, preemptive and forward looking interest rate policy.
- Rupiah exchange rate policy.
- Sale/Purchase of SBN (govt's treasury) in the secondary market (twist operation).



Price Affordability



- · Increase of Food Baazar (stock and price stabilization) program
- Food assistance, social security, subsidies and energy compensation



Supply Availability



- Strengthening Government Food Reserves (CPP) -> CPP will be maintained at around 1.2 million tons throughout the year
- · Access to KUR financing and machinery credit
- Provision of subsidized fertilizer



Swift Distribution



- Facilitating the food distribution from producer to consumer region (including optimizing sea toll and air bridge udara)
- · Providing assistance with logistics costs



Strengthening and expansion of inter regions trading agreement



Effective Communication



Monitoring Data and Detailing Data



Monitoring the market with the food task force (Satgas Pangan)



2,61% (within 3,0±1% target)

REALIZATION 2023



- Maintaining core inflation
- Maintaining volatile food inflation between 3-5%
- Managing administered price inflation



CONSISTENCY



INNOVATION



Policy Strategy to Maintain Purchasing Power as Part of a Social Protection Program



POLICY STRATEGY

1

ADDITIONAL RICE ASSISTANCE

2023

Target: 21,3 mio KPMBenefit: 10kg/KPM

Duration: 7 month (March-May, Sept-Nov 2023 and Dec 2023)

2024

Target: 22 mio KPMBenefit: 10kg/KPM

• Duration: 6 month (Jan-Jun 2024)

2

EL NINO DIRECT CASH ASSISTANCE (BLT)

BLT El Nino (2023)

■ Target: 18,8 mio KPM

Benefit: Rp200 thousand/month
 Duration: 2 month (Nov-Dec 2023)
 PLT Mitigation of Food Picks (202)

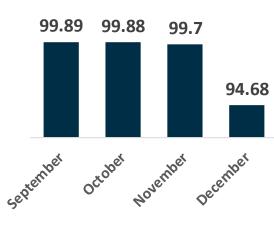
BLT Mitigation of Food Risks(2024)

Target: 18,8 mio KPM

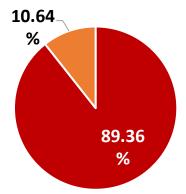
Benefit: Rp200 thousand/month

Duration: First phase for 3 month (Jan-Mar 2024)

DISTRIBUTION REALIZATION



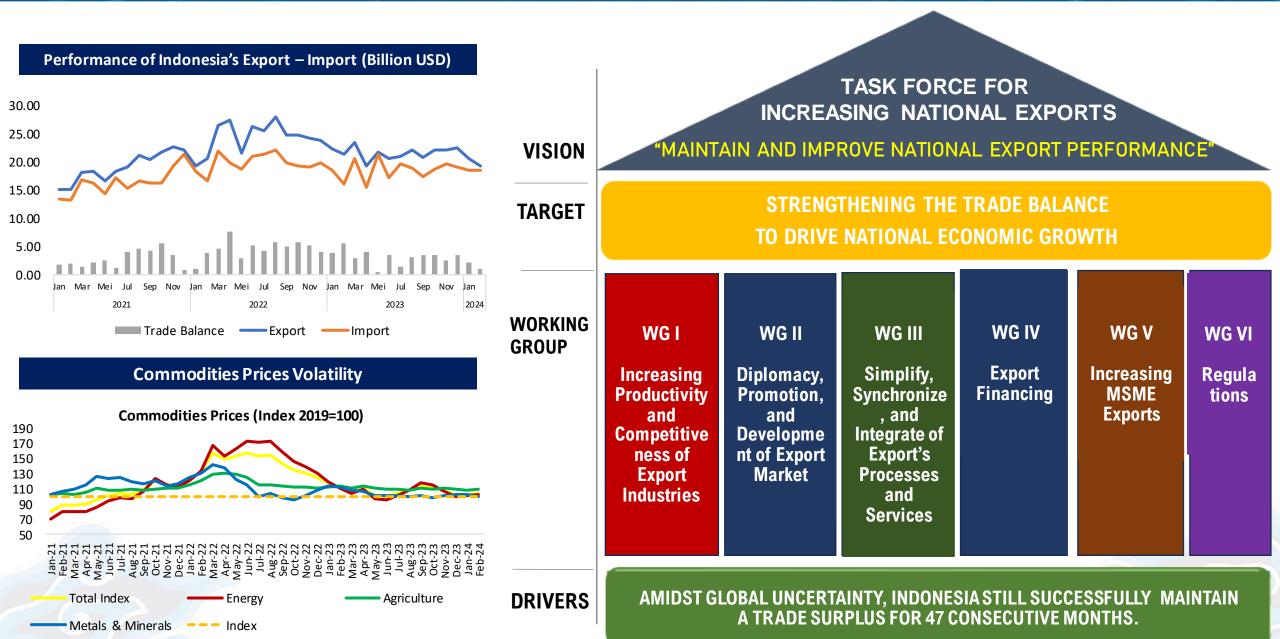
Rice Assistance's distribution for stage II period Sep-Dec 2023 reached 98.54% (per December 2023).



DCA El-Nino's distribution reached Rp6.72 Trillion or 89.36% (per 21 December 2023).

Task Force for Increasing National Exports to Strengthen Trade Balance





Outlook of Domestic Economy Remains Solid





2024 Economic Outlook

- The government set economic growth at 5.2% per the macro assumptions of the 2024 State Budget, align with Bank Indonesia forecast on economic growth at the range of 4.7-5.5% in 2024.
- Inflation will remain under control in the range of 2.5%±1% in 2024.
- Bank Indonesia projects the Balance of Payment (BOP) to remain sound, supported by a manageable current account in the range of 0.1% to 0.9% deficit of GDP in 2024.
- Bank Indonesia projects credit growth will accelerate to 10%-12% in 2024

	Economic Growth	兀 Inflation	CAD (% of GDP)	Credit Growth
2019 Realization	5.02%	2.72%	2.71%	6.08%
2020 Realization	-2.07%	1.68%	0.4%	-2.4%
2021 Realization	3.69%	1.87%	surplus 0.3%	5.24%
2022 Realization	5.31%	5.51%	surplus 1.0%	11.35%
2023	5.05%	2.61%*	surplus 0.4% - deficit 0.4%	9-11%
2024	5.2% ^{**)} 4.7-5.5% ^{***)}	2.5 ± 1%	Deficit 0.1% - Deficit 0.9%	10-12%

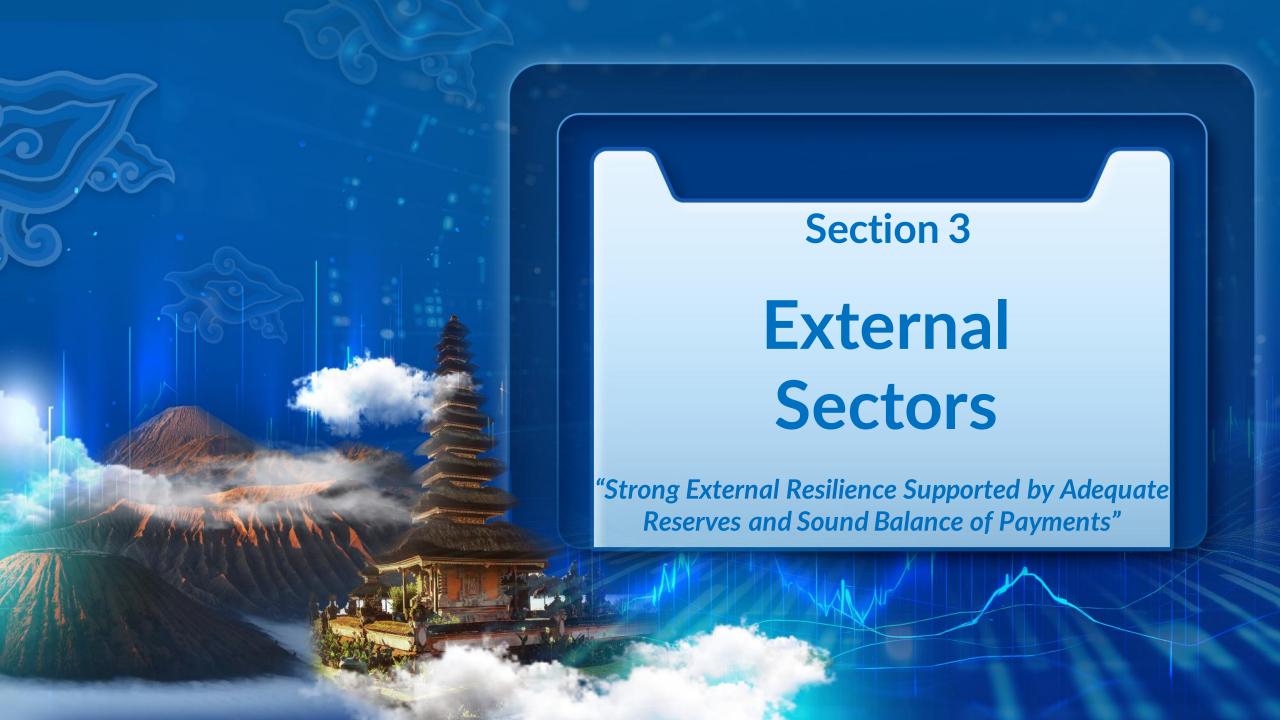
Indonesia's 2024 Economic Growth Forecasts by Various Institutions

Institutions	GDP growth 2024 (%)
2024 Budget	5.2
Bank Indonesia	4.7-5.5
Consensus Forecast (March 2024)	4.9
World Bank (GEP, January 2024)	4.9
IMF (WEO, April 2024)	5.0
ADB (Asian Development Outlook, December 2023)	5.0

^{*)} End of December 2023 realization

^{**)} As stipulated in 2024 Budget Law

^{***)} Pl Projection

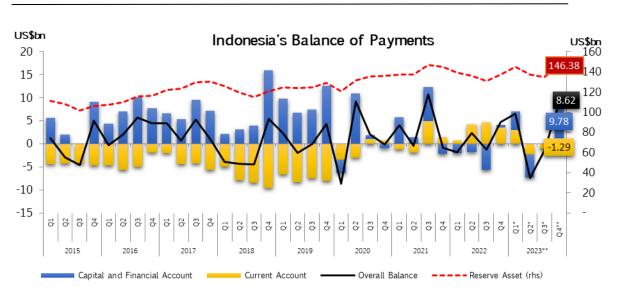


External Sector Remains Resilient

... Supported by Adequate Reserves and Sound Balance of Payments

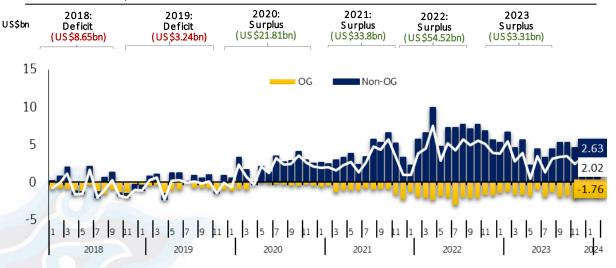


Balance Of Payment Remains Solid

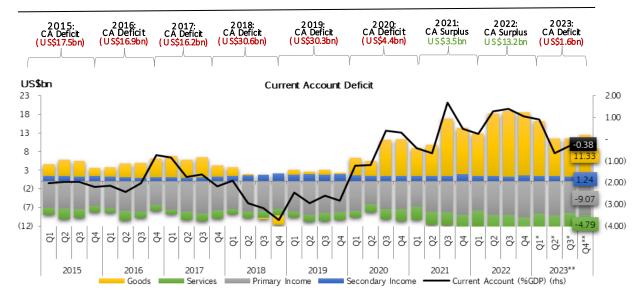


Source: Bank Indonesia

Trade Balance Surplus Continues



Current Account Recorded Low Deficit



Source: Bank Indonesia

Official Reserve Assets Increased to Reinforce External Sector Resilience

FX Reserves as of April 2024: US\$136.2bn (Equiv. to 6.0 months of imports + servicing of government debt)

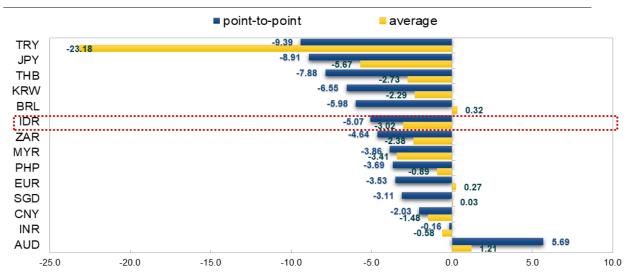


23

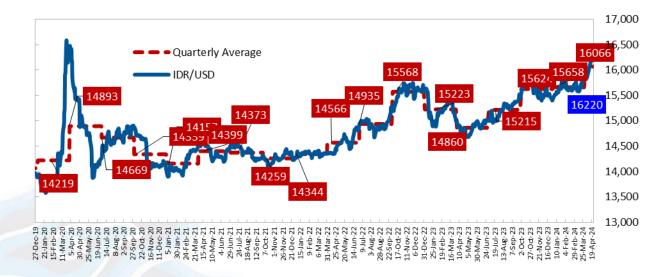
Exchange Rate Movement In Line With BI Stabilization Measures



Rupiah Exchange Rate Volatilty



Movement of Rupiah



- The Rupiah has remained relatively stable in April 2024 (as of 23rd April 2024) in response to the stabilisation policy implemented by Bank Indonesia and despite a rebalancing of foreign capital flows in the domestic financial markets in line with persistently high global financial market uncertainty.
- Rupiah stability has been maintained in line with the stabilization policy instituted by Bank Indonesia. As of 23rd of April 2024, Rupiah depreciation was less severe at just 5.07% from the level recorded at the end of December 2023, yet still outperforming the Japan Yen, Thailand Bath, South Korean that depreciated 8.91%, 7.88%, and 6.55% respectively.
- Bank Indonesia continues strengthening Rupiah stabilisation policy by optimising the full panoply of monetary instruments available, including foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions, purchasing SBN in the secondary market as required, maintaining adequate liquidity as well as instituting other measures as necessary. Meanwhile, Bank Indonesia continues optimising its pro-market monetary operations strategy through the SRBI, SVBI and SUVBI instruments to attract portfolio inflows from abroad.
- Bank Indonesia will continue strengthening coordination with the Government, banking industry and businesses to support the effective implementation of instruments that retain the proceeds of natural resources exports in accordance with Government Regulation Number 36 of 2023 concerning the Foreign Exchange Proceeds of Exports and the Exploitation, Management and/or Processing of Natural Resources.

Ample Lines of Defense Against External Shocks



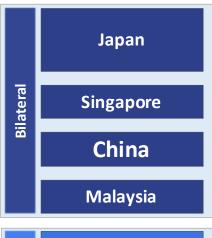
Bilateral, multilateral and regional international financial cooperation are also resulting in more ample lines of defense against external shocks

Ample Reserves

FX Reserve

- Ample level of FX reserves to buffer against external shock
- FX Reserves as of of April 2024: US\$136.2 bn

Swap Arrangement



- Renewed a 3-year USD22.8 billion swap line with Japan in October 2021
- The facility is available in USD and JPY
- Renewed a 1-year SGD/IDR swap arrangement with the size up to SGD 9.5 bn / IDR 100 tn (equivalent) in November 2023
- Renewed a 3-year swap arrangement and increased the size of swap line up to CNY 250 bn / IDR 550 tn (equiv.) in January 2022
- Renewed a 3-year RM/IDR swap arrangement with a size up to RM 8 billion / IDR 28 trillion (equiv.) in September 2022

Regional

Chiang Mai Initiative Multilateralization (CMIM) Agreement

- Entitled to a maximum swap amount of US\$ 22.76 bn under the ASEAN+3 (Japan, China, and Korea) FX reserves pool created under the agreement
- Came into effect in 2010 with a pool of US\$120 bn
- Doubled to US\$240 bn effective July 2014

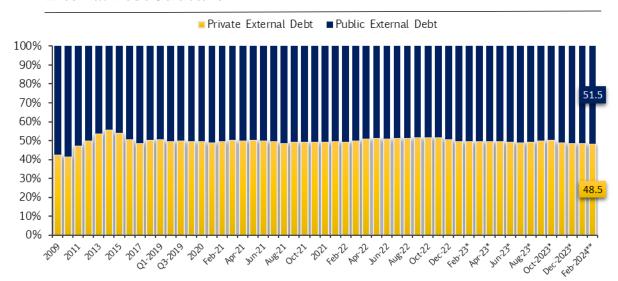
Global

IMF Global Financial Safety Net - GSFN

- Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem
- Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)

Healthy External Debt Profile

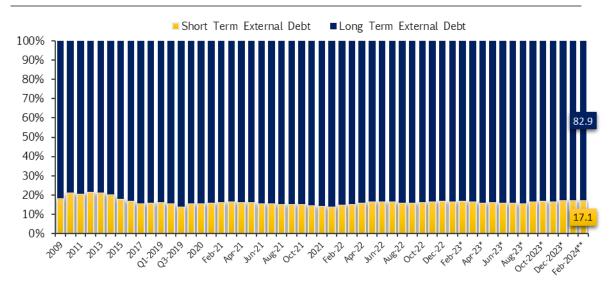
External Debt Structure



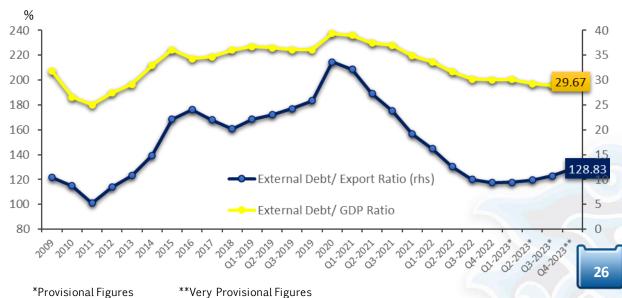
External Debt Remains Manageable



The Structure of External Debt is Dominated by Long-Term Debt



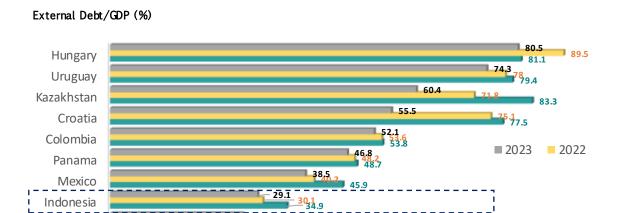
External Debt to GDP Ratio & Debt to Export Ratio



Strengthened Private External Debt Risk Management



Lower Debt Burden Indicator (External Debt/GDP) Compared to Peers Rating

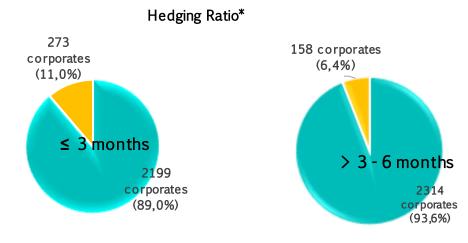


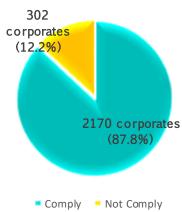
Source: Moody's Credit View Fundamental Data, September 2023

Regulation on Prudential Principle in Managing External Debt

Regulation Key Points	1 Jan 17 & beyond
Object of Regulation	Governs all foreign currency Debt
Hedging Ratio	
≤3 months	25%
> 3 – 6 months	25%
Liquidity Ratio (≤ 3 months)	70%
Credit Rating	Minimum rating of BB- (State-owned Enterprises)
Hedging transaction to meet hedge ratio	Must be done with a bank in Indonesia
Sanction	Applied

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio





*Data as of Q3-2023, with total population 2,472 corporates

Source: Bank Indonesia

Philippines



2024 Budget Performance



	2022	2023			2024		
Account (IDR Tn)	Audited	Preliminary Real.	Budget	% Growth to 2023 Realization	Real. as of 31 st March	% of Budget	Growth (%)
Revenue	2,635,8	2,783.7	2,802.3	0.7	620.0	22.1	(4.1)
Tax Revenue	2,034.6	2,154.2	2,309.9	6.7	462.9	20.0	(8.2)
Non Tax Revenue	595.6	612.6	492.0	(24.5)	156.7	31.8	10.0
Expenditure	3,096.3	3,121.2	3,325.1	6.1	611.9	18.4	18.0
Central Government Expenditure	2,280.0	2,239.7	2,467.5	9.2	427.6	17.3	23.1
Transfer to Region	816.2	881.4	857.6	-2.8	184.3	21.5	7.6
Primary Balance	(74.1)	102.5	(25.5)	502.0	122.1	(487.7)	(46.5)
Surplus (Deficit)	(460.4)	(337.4)	(522.8)	35.5	8.1	(1.5)	(93.7)
% to GDP	(2.35)	(1.62)	(2.29)		0.04		
Financing	591.0	356.7	522.8	31.8	84.0	16.1	(59.0)

Central Government Spending



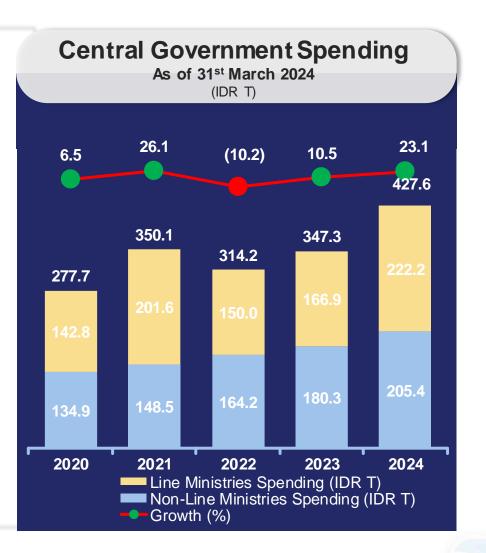
The realization until March 31 reached Rp427.6 trillion (17.3% of the budget, ▲ 23.1% year-over-year).

1 Line Ministries Spending IDR 222.1 T (20.4% of Budget)

Influenced by the distribution of social assistance and the implementation of elections

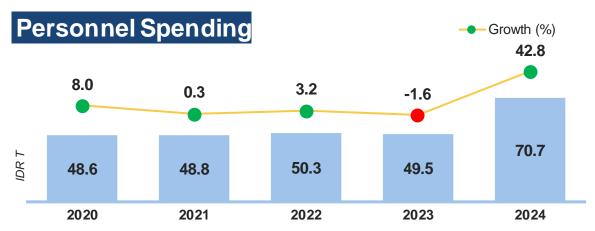
Non-Line Ministries IDR 205.4 T (14.9% of Budget)

Influenced by the realization of energy subsidies and pension benefit payments

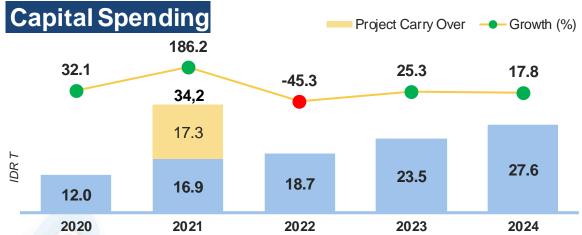


Line Ministries Spending Realization until March 31, 2024

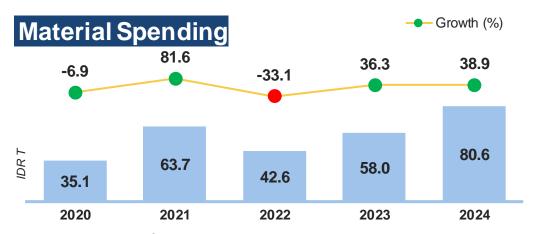




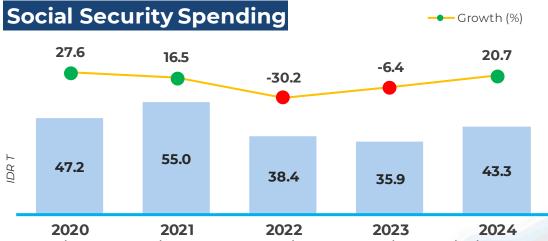
Government personnel spending at ministries/agencies is influenced by the Eid al-Fitr Allowance (THR) payment of Rp13.5 trillion and salary increases for civil servants/armed forces/police.



Capital expenditure in 2024 increased due to higher spending on defense facilities, infrastructure for the Attorney General's Office, and healthcare facilities



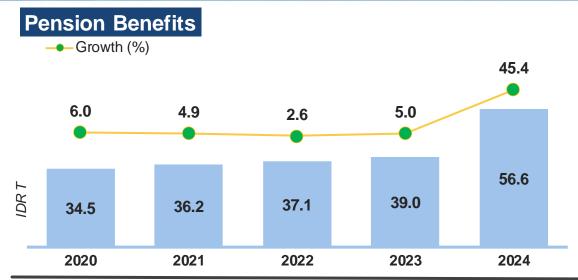
The realization of material spending in 2024 increased mainly due to the implementation and supervision activities of the 2024 General Election, as well as the Payment of School Operational Assistance (BOS).



March 2024 social assistance spending increased primarily due to PIP, KIP Kuliah, PKH phase I, food card program, and restructuring partnerships with distribution institutions causing low realization in 2023

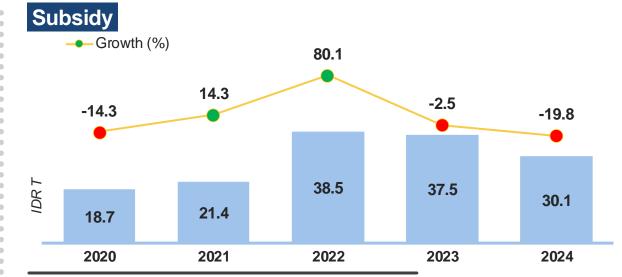
Non-Line Ministries Spending Realization until March 31, 2024





	2023	2024	
	Realization	Realization	Growth (%)
Pension Benefits	39.0	56.6	▲ 45.4
- Reguler	39.0	45.3	▲ 16.3
Taspen	34.1	39.7	▲ 16.5
Asabri	4.9	5.6	▲ 14.8
- Holiday Allowance		11.3	

The increase in pension benefits (year-over-year) is influenced by the payment of Eid al-Fitr Allowance for 3.5 million retired civil servants/armed forces/police amounting to Rp11.3 trillion, as well as pension increases



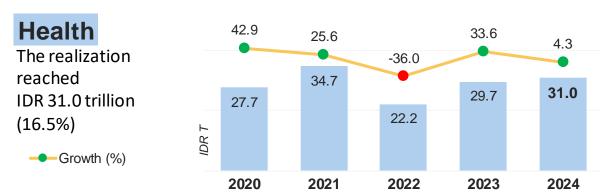
2023	2024	
Realization	Realization	Growth (%)
2.89	2.81	▼ 2.7
1.29	1.33	▲ 3.3
39.1	40.2	▲ 2.8
30.3	54.3	▲ 79.2
496.9	937.4	▲ 88.6
	Realization 2.89 1.29 39.1 30.3	Realization Realization 2.89 2.81 1.29 1.33 39.1 40.2 30.3 54.3

- he realization of subsidies until March 2024 amounted to Rp30.1 trillion.
- The realization of energy subsidies until March 2024 increased from Rp24.5 trillion to Rp27.9 trillion (13.8%)



The Priority Budget for The Year 2024 is Maintained to Respond to The Dynamics of Health and Food Security





The realization until March 2024 grew by 4.3%, mainly influenced by the realization of the Ministry of Health for the improvement of healthcare services



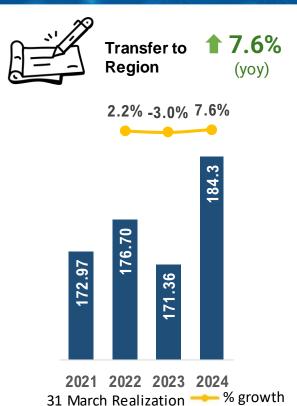
The realization until March 2024 grew by 91.7%, mainly influenced by the Village Fund



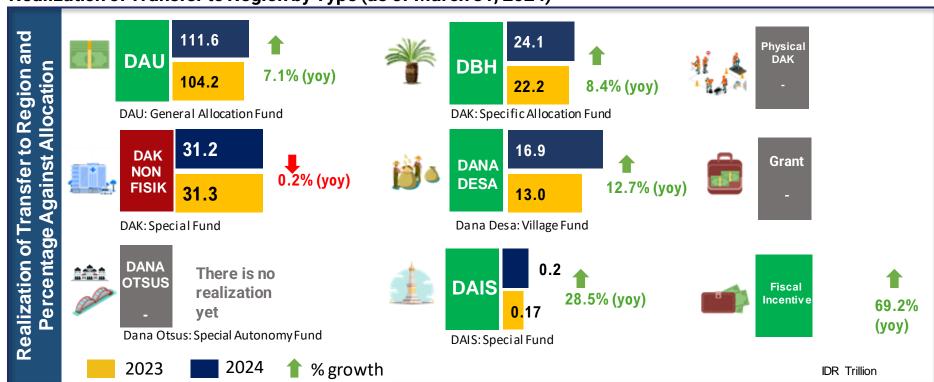


The support of The National Budget to Regional Budgets through Transfer to Region Increases





Realization of Transfer to Region by Type (as of March 31, 2024)





- Physical DAK, Special Autonomy Fund, and Grants have not been disbursed, waiting for the submission of disbursement conditions and/or not yet scheduled for disbursement.
- **DAU is higher**, leading to an increase in the realization of the DAU Block Grant portion.
- **DBH is higher**, indicating an increase in the budget for the Mineral and Coal Mining DBH for the fiscal year 2024

- Non-physical DAK is relatively the same as the disbursement in the previous year.
- Village Fund is higher, indicating an increase in compliance with the completion of Village Budgets (APBDes).
- Fiscal Incentives are higher, indicating an increase in the submission of disbursement conditions by regions

The Investment Financing in 2024 focuses on Priority Sectors for The Welfare of The Community



Until March 31, 2024, government investment financing amounting to IDR 22.9 trillion has been disbursed, including IDR 1.9 trillion for International Financial Institutions, IDR 6 trillion for FLPP mortgage loans for Low-Income Communities, and IDR 15 trillion for LPDP

BEASISWA



Contribution of the National Budget to Educate the Nation

- ☐ The total alumni as of March 31, 2024, amounted to 20,151 individuals (66.44% working in the public sector, 31.53% working in the private sector, and 2.03% in the social sector).
- The accumulated research funding by LPDP since 2013 amounted to **2,906** projects with a value of IDR **2.68** trillion.



FLPP Contribution of the National Budget to Low-Income Housing

The disbursement realization as of March 31, 2024, amounted to 4,229 housing units worth IDR 504 billion, and the disbursement until April 16, 2024, amounted to 51,134 housing units worth IDR 6.17 trillion



Contribution of the National Budget to the International Arena

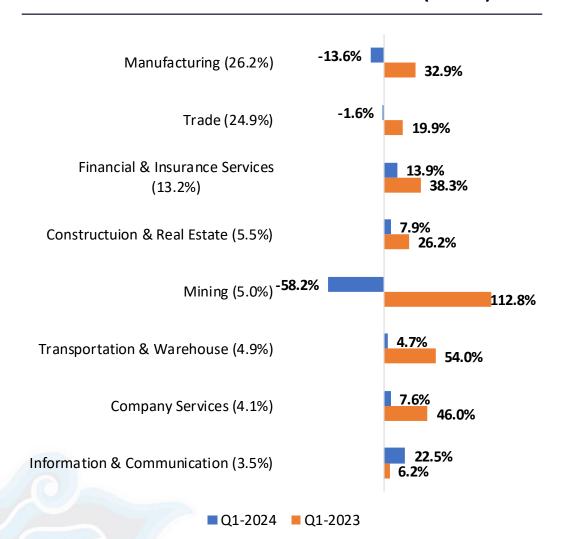
Given to: Islamic Development
Bank (IsDB); International
Development Association (IDA),
and International Fund for
Agricultural Development (IFAD).

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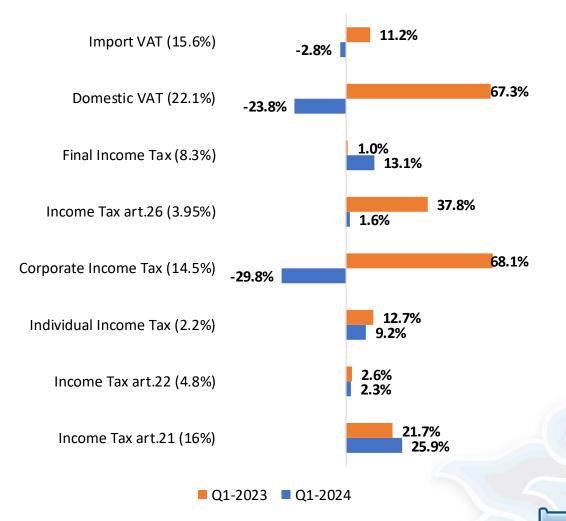
Most Major Sectors and Primary Types of Taxes Experience Positive Growth



Tax Revenue Realization in Main Sector (IDR tn)



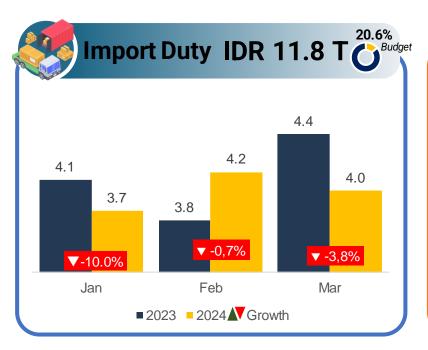
Tax Revenue Realization in Types of Tax Revenue (IDR tn)



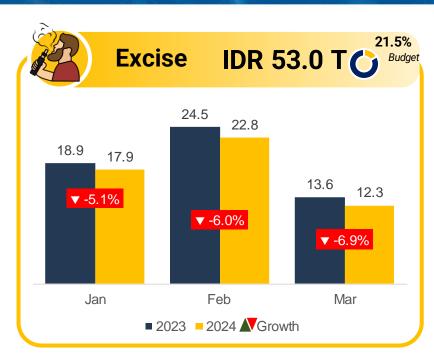
Customs And Excise Revenues



Customs and excise revenues reached IDR 69.0 trillion, 21.5% of the Budget target, down 4.5% (yoy), primarily due to decreased tobacco production







Import duty receipts until March 2024 decreased by 3.8% (yoy) due to:

- Increased imports of commodities with a 0% tariff rate, including the utilization of Free Trade Agreements (FTAs), resulting in a decrease in the average effective tariff rate.
- Customs duty receipts from key commodities also experienced a decline, including four-wheeled vehicles & spare parts, natural & synthetic gas, and mining & construction machinery.

Export duty receipts until March 2024 grew by 37% (yoy), influenced by:

- Copper BK grew by 530.9% (yoy) due to the relaxation of copper commodity exports.
- Palm oil product BK decreased by 68.8% (yoy) due to:
- A decrease in the average price of CPO in 2024 by 11.6% (yoy), from USD890/MT to USD787/MT.
- A decrease in the export volume of palm oil products by 13.7% (yoy) from 10.5 million tons to 9.1 million tons.

Excise receipts until March 2024 decreased by 6.9% (yoy), influenced by:

- Tobacco excise tax decreased by 7.3% (yoy) due to a 1.7% (yoy) decrease in production from November to December 2023 in line with the tobacco consumption control policy.
- Excise tax on MMEA grew by 6.6% (yoy), while ethyl alcohol grew by 16.2% (yoy) in line with the growth in production of both types of alcoholic beverages.

Source: Ministry of Finance

The Improvement in Non-Tax Revenue Performance



Non-Tax Revenue realization grew by 10%, driven by dividends from state-owned banks, despite a slowdown in natural resource revenue

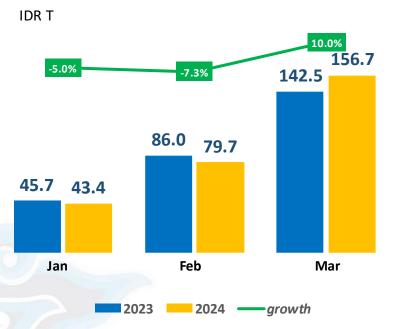
Realization as of 31 March 2024:

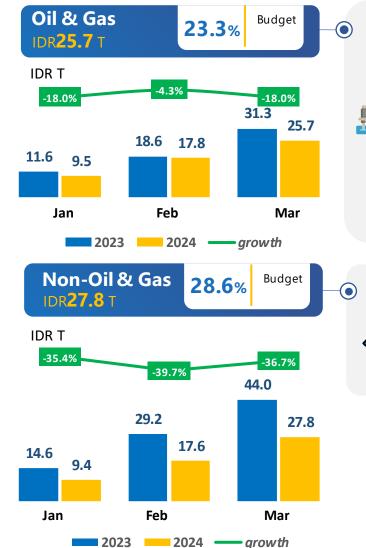
IDR**156.7** T

↑ 10.0% (yoy)

or **31.8%** from the 2024 Budget target

This achievement is mainly contributed by the Separated State Wealth Revenue, which comes from dividends deposited by state-owned banks





The realization contracted by 18.0% (yoy) due to ICP moderation (increased crude oil supply from the USA and changes in oil demand estimates in the first quarter of 2024) and oil lifting (due to delayed onstream, natural production decline, etc.)



The realization contracted by 36.7% (yoy) due to moderation in coal prices and a decline in coal production volume.

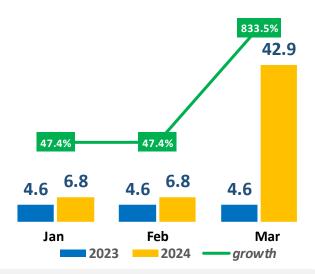
Good Performance in Non-Tax Revenue





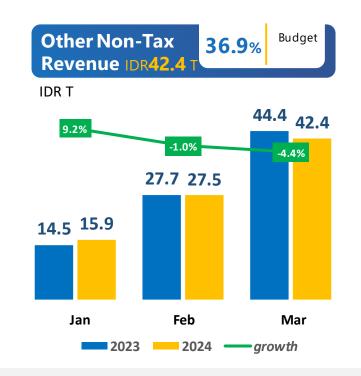


IDR T



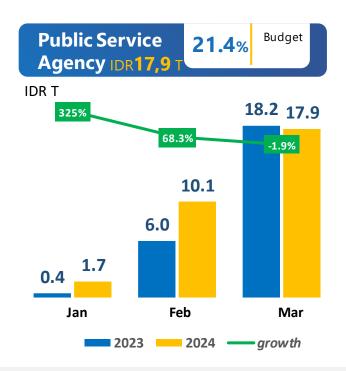


The realization grew significantly, primarily supported by banking dividend deposits, due to interim dividend payments before the Shareholder's Meeting.





The realization of Other Non-Tax State
Revenue contracted by 4.4% yoy, but NonTax Revenue from Ministries/Agencies grew
by 12.1% yoy, primarily derived from
increased revenue from transportation
services such as railways and ports, as
well as revenue from administrative and
legal services





The realization of Non-Tax State Revenue from Government Agencies and Regional Owned Enterprises Public Service Agency (BLU) contracted by 1.9% yoy, primarily due to a slowdown in revenue from BLU Special Fund Management, particularly from palm oil export levies. However, other BLUs such as Education and Health BLUs experienced an average increase of 35.3%

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Budget Financing On-Track





2024 Target



Realization



The realization of financing through debt issuance (net) as of **March 31**, **2024**, reached IDR 104.7 trillion, down by 53.6% (yoy).



-18.4

- "The financing needs through debt remain manageable, supported by the optimization of Government Bonds (auction and retail) and cash loans from multilateral and bilateral institutions, as well as the utilization of cash surplus
- Financing strategies are carried out flexibly and opportunistically in terms of timing, tenor, currency, and instruments, to obtain the most efficient and optimal financing."

Bonds (Nett)

Loan (Nett)

BUDGET PRIORITIES TO SUPPORT ECONOMIC TRANSFORMATION



SOCIAL PROTECTION 7.6%

IDR 37.9T* As of 29th Feb 2024

of Budget 2024 (IDR496.8)



- Distribution of PKH (Program Keluarga Harapan, or Family Hope Program) and Sembako Cards (Cards for Basic Food Needs): IDR 12.8T
- Contributions to the Unemployment Insurance Program: IDR 87.6 T
- emergency disaster response implementation: IDR 0.8 T
- Energy subsidies (for fuel, LPG, and electricity) amounted to IDR 14.3 T.
- Non-energy subsidies amounted to IDR
 0.4 T (including subsidies for warehouse receipt schemes)
- The Village Direct Cash Assistance (BLT Desa) amounted to IDR 0.9 T.

Holiday Allowance

DR 13.4T As of 24th March 2024 T IDR 48.7 T Total Holiday Allowance

- The distribution of holiday allowance (THR) comes from the State Budget for 625,112 employees in 4,722 work units, amounting to IDR 3.2 T
- The distribution of holiday allowance (THR) amounted to IDR 9.98 T for 3.07 million retirees through PT Taspen and IDR 168.6 million for 57.4 thousand retirees through PT Asabri

NEW CAPITAL CITY IDR 2.3T As of 29th Jan 2024 **5.8%** of Budget 2024 (IDR3.9T)



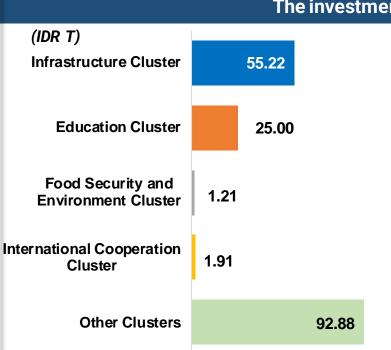
- The realization of the Infrastructure Cluster amounted to Rp0.4 trillion (out of a budget of IDR36.4 trillion) for:
 - ✓ Building construction in the Presidential Palace Area, Ministerial Areas, and other Ministries' Areas, as well as the Nusantara Capital City Authority Building.
 - ✓ Government employee apartment towers and military housing, Ministers' ground houses.
 - ✓ New Capital City Toll Road, roads, and bridges, including VVIP Airport.
 - Arrangement and Improvement of the Sepaku Semoi Dam Area, KIPP Reservoir, Flood Control. Rehabilitation of forests and land.
- The realization of the Non-Infrastructure Cluster amounted to IDR 1.9 trillion (out of a budget of IDR 2.9 trillion) for Planning, coordination, and relocation preparation, Promotion/socialization of IKN. Reporting, policy recommendations at the national level, Mapping, monitoring, evaluation. Support for POLRI security, and Operational activities of Nusantara Capital City Authority.

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The 2024 Investment Financing is Focused on Priority Sectors for The Well-being of The Community







Government Investment Financing is selectively provided to State-Owned Enterprises to support the implementation of government priority programs, including accelerating infrastructure development, providing affordable housing for low-income communities, and fostering the growth of Micro, Small, and Medium Enterprises











The investment financing for Public Service Agency and other legal entities is directed towards providing infrastructure land for National Strategic Projects, improving community access to education and sustaining educational development, enhancing national exports to global markets, preserving the environment, and strengthening Indonesia's position in international relations











Up to March 15, 2024, **an allocation of IDR1.87 trillion** (1.06% of the total allocation and an 8% increase from the previous disbursement period) has been disbursed for **the International Cooperation Cluster**



 Indonesia receives financing from the IsDB Group for project financing, trade financing, technical assistance operations, and special assistance operations.



• It also receives loans from IDA (International Development Association) for development in health, education, economic and regional development, including agriculture and fisheries.



 Additionally, Indonesia benefits from IFAD (International Fund for Agricultural Development) for various projects aimed at increasing food security.

Source: Ministry of Finance

Fiscal Incentives to Boost the Economy



The government provides fiscal incentives to create a conducive investment climate, especially for industry players in order to boost investment and strengthen domestic industrial structure

TAX HOLIDAY & MINI TAX HOLIDAY

- The criteria are new investment, taxpayers including pioneer industries, and income received from the main business activities carried out.
- There are 18 eligible pioneer industries that consist of 169 KBLI. Pioneer industries are defined industries possessing broad linkages, giving added value and high externality, introducing new technology, as well as possessing strategic value for the national economy.
- Income tax reduction are 100%
 & 50% (mini tax holiday) during the next 2 (two) years subsequent to the end of the CIT reduction periods above, the taxpayers are eligible for half of the CIT reduction percentages

TAX ALLOWANCE

- To increase direct investment activities for certain business fields and / or in certain areas.
- The facilities include a reduction in net income of 30% of the total investment for six years, accelerated depreciation and amortization, imposition of income tax on dividends paid to foreign tax subjects of 10% or lower and compensation for losses of up to 10 years.
- The criteria are having a high investment value or for export, a large absorption of labor; or have a high local content.

INVESTMENT ALLOWANCE

- To encourage investment in labor-intensive industries, supporting programs for job creation and absorption of Indonesian workers.
- Deduction from net income, of 60% of the invested amount tangible fixed assets, including land, that are used for the taxpayer's main business activities. The deduction is spread over six years (10% annually), starting from the fiscal year the commercial production commences
- There are 45 laborintensive industrial sectors and employ an average of 300 workers in 1 tax year.

SUPER DEDUCTION TAX



- Engaging industry in vocational activities to provide knowledge and encourage the transfer of knowledge
- A maximum reduction of 200% gross income from costs in the context of providing work practice, apprenticeship, and / or learning activities.

R & D Super Deduction

- Increase the role of industry in fostering innovation and the use of the latest technology in the production process
- Maximum gross income deduction of 300% over R&D costs carried out in Indonesia

2024 State Budget - Deficit 2.29% GDP

To accelerate inclusive and sustainable economic transformation





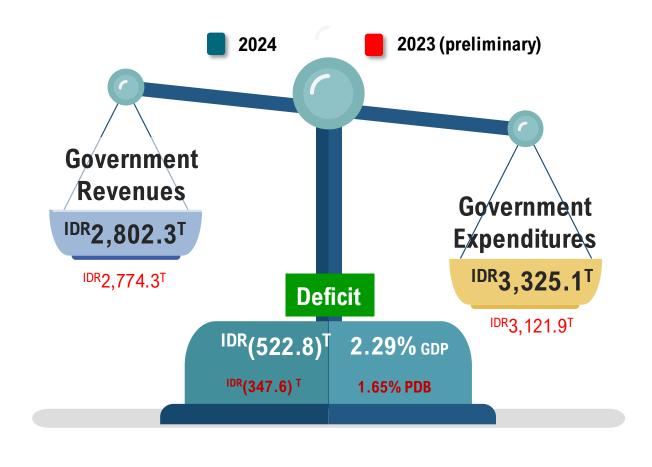


Tax Revenue

IDR2,309.9 T

Non-tax Revenue

IDR492.0 T



Government Expenditures



Central Governmeet

IDR2,467.5 T

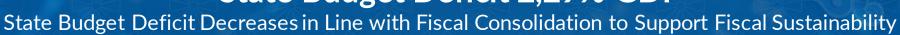
Regional Transfer & Village Funds

IDR857.6 T

State Budget Financing

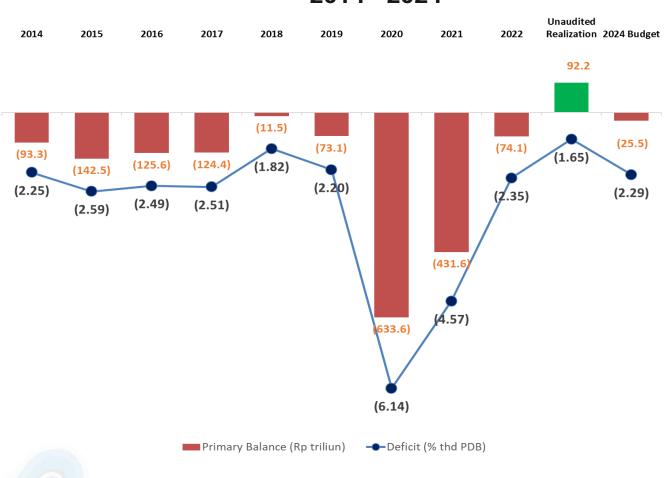
IDR522.8T

State Budget Deficit 2,29% GDP









2024 Financing Policies

- Primary balance approaching positivity. The State Budget (APBN), serving as a shock absorber in handling the pandemic, caused the negative primary balance to surge significantly, but was successfully reduced swiftly.
- APBN deficit and debt financing decreased and remained manageable amid increasing global interest rates and in line with fiscal consolidation.
- Effective and measurable investment financing to support economic transformation.
- Optimizing the use of SAL to anticipate global uncertainty.

The government has authority to allocate SAL (after receiving approval from Legislative) for budgetary purposes, either to finance additional expenditures or diminish debt financing. In 2024, as stated by the State Budget under Law 19/2023, the use of SAL will be IDR 51.4 trillion.

2024 Financing Needs & Sources

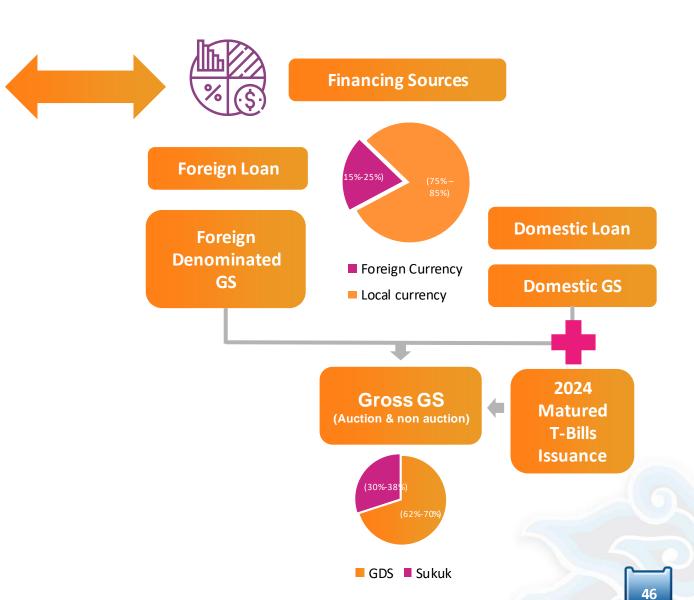






Budget Deficit (2.29% GDP)

- Investment financing
- On Lending
- Guarantees
- Other financing
- Debt repayment



Debt Financing

as of March 31, 2024



With prudent and accountable management, the realization of financing is well maintained in supporting the performance of the National Budget

Debt Financing Realization

Rp 104.66 (16,1%)

Government Securities (Net)

^{Rp} 104.02

Loan (Net) ^{Rp} 1.23

Note:

- 1. all numbers in trillion Rupiah
- 2. The percentage is the percentage of budget ceiling from National Budget year 2024

GS Financing Realization 2024



(Trillion IDR)

As of March 31st

Government Securities	325.68
Government Debt Securities (SUN)	246.01
IDR Denominated	214.20
- Prefunding	25.93
- Auction	164.35
- Private Placement	-
- Retail	23.92
FX Denominated	31.81
Sovereign Sharia Securities (SBSN)	79.67
IDR Denominated	79.67
- Prefunding	13.14
- Auction	66.53
- Private Placement	-
- Retail	-
FX Denominated	-

Primary Market Performance 2023-2024

Government Securities (GS)





In 2024:

- Average incoming bid is IDR39.94 tn/auction
- Average awarded bid is **IDR17.76** tn/auction

Ownership of Tradable Domestic GS



Description	Dec-2	20	Dec-2	1	Dec-2	2	Dec-2	3	Mar-2	4
Banks*	1,375.57	35.54%	1,591.12	34.01%	1,697.43	31.97%	1,578.26	28.14%	1,413.90	24.76%
Govt Institutions (Bank Indonesia**)	454.36	11.74%	801.46	17.13%	1,020.02	19.21%	999.44	17.82%	1,218.43	21.34%
Bank Indonesia (gross)	874.88	22.60%	1,220.73	26.09%	1,453.58	27.38%	1,363.42	24.31%	1,401.41	24.54%
GS used for Monetary Operation	420.51	10.86%	419.27	8.96%	433.57	8.17%	363.98	6.49%	182.98	3.20%
Non-Banks	2,040.83	52.72%	2,286.40	48.87%	2,591.98	48.82%	3,031.77	54.05%	3,077.44	53.90%
Mutual Funds	161.32	4.17%	157.93	3.38%	145.82	2.75%	177.95	3.17%	178.37	3.12%
Insurance Company and Pension Fund	542.82	14.02%	655.24	14.00%	873.03	16.44%	1,034.95	18.45%	1,061.31	18.59%
Foreign Holders	973.91	25.16%	891.34	19.05%	762.19	14.36%	838.52	14.95%	810.71	14.20%
Foreign Govt's & Central Banks	178.31	4.61%	233.45	4.99%	203.11	3.83%	227.35	4.05%	218.74	3.83%
Individual	131.21	3.39%	221.41	4.73%	344.30	6.48%	431.92	7.70%	453.79	7.95%
Others	231.57	5.98%	360.47	7.70%	466.65	8.79%	548.43	9.78%	573.26	10.04%
Total	3,870.76	100%	4,678.98	100%	5,309.43	100%	5,609.48	100%	5,709.77	100%

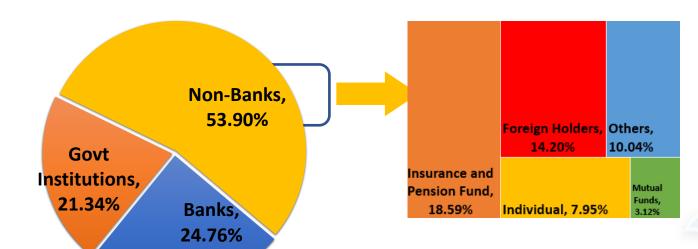
Portion of foreign ownership in the mid & long-term sector (≥ 5 years)

IDR1,092.02

on January 24, 2020, foreign holders reach a record high in nominal terms

Company, and Pension Fund.

Source: SI-BISSSS



¹⁾ Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance

²⁾ Others such as Securities Company, Corporation, and Foundation.

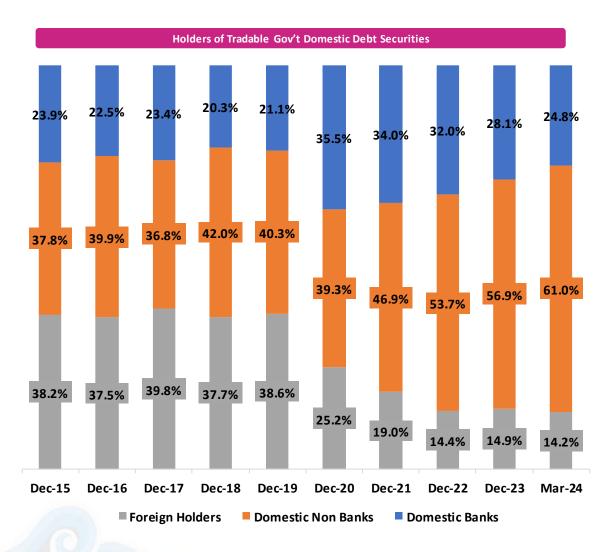
^{*)} Including the Government Securities used in monetary operation with Bank Indonesia.

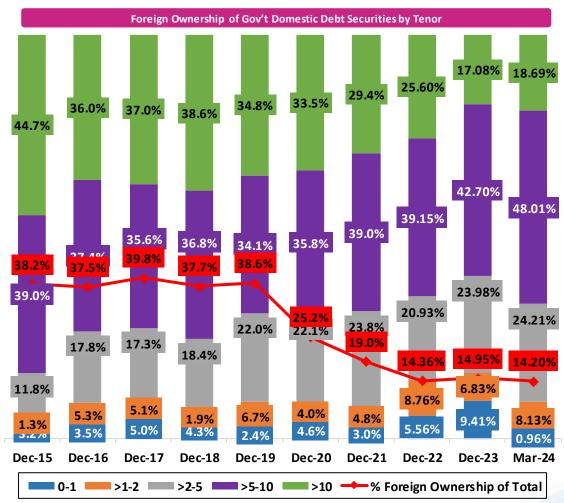
^{**)} net, excluding Government Securities used in monetary operation with Banks.

Holders of Tradable Government Secuirities



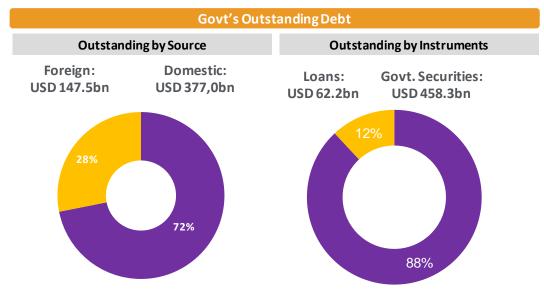
More Balance Ownership In Terms of Holders and Tenors

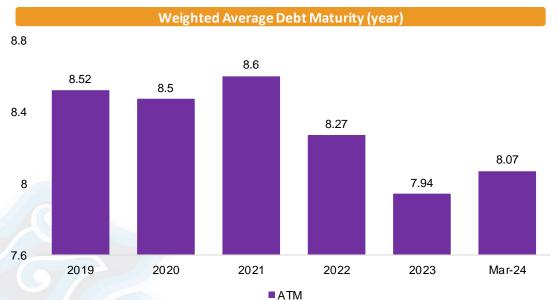


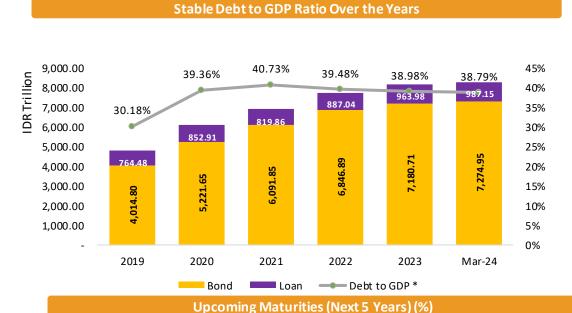


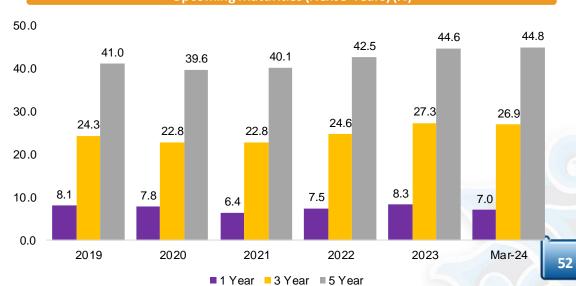
Disciplined Debt Portfolio Management (as of Mar 31, 2024)





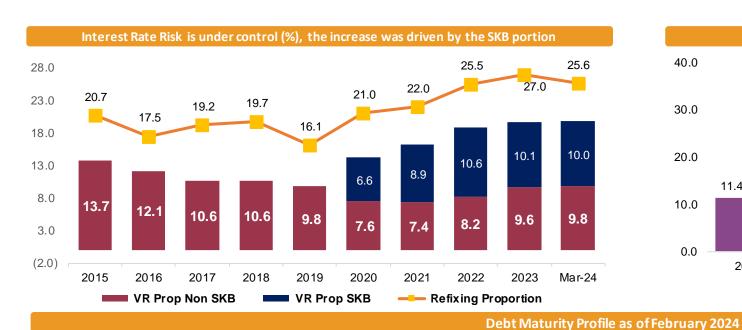


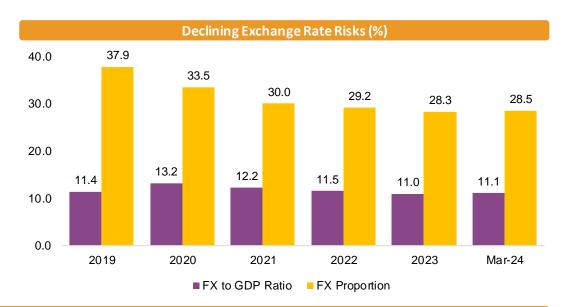




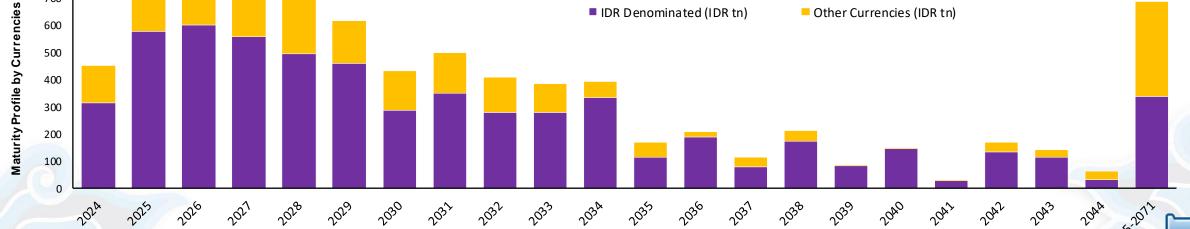
Well Balanced Maturity Profile with Strong Resilience Against External Shocks (as of Mar 31, 2024)











Government Guarantee For Infrastructure Development

Reflects strong commitment to national infrastructure development

financial



Government Guarantee Program

Credit Guarantee

Business Viability Guarantee (BVG)

PPP Guarantee

Political Risk Guarantee

Infrastructure Guarantee against infrastructure risk for National Strategic Projects (Presidential Decree No.58/2017) which are not covered by other type of guarantees

Power (Electricity) – Full credit guarantee for PT PLN's debt payment obligations under FTP 1

Clean water – Guarantee for 70% of PDAM's

Toll road – Full credit guarantee for PT Hutama Karya's debt payment obligations for the

Infrastructure - Full credit guarantee on SOE's

institution & guarantee for PT SMI's local

Public Transportation (Light Rail Transit) - Full credit guarantee for PT Kereta Api Indonesia's debt payment obligations for the development

Power (Electricity) – Guarantee for PT PLN's

obligations under Power Purchase Agreements

with IPPs (off-take and political risk) under FTP-2

Infrastructure - Guarantee for Governmentrelated entities obligations (line ministries, local

governments, SOEs, local SOEs) under PPP

10.000MW and 35GW programs*

debt principal payment obligations

development of Sumatra Toll Roads

borrowing from international

infrastructure financing

10.000MW and 35GW programs*

of LRT Jabodebek

contracts/agreements

Contingent Liabilities from Government Guarantee as of Q4 2023*

	Central Government Guarantee for Infrastructure Programs	Exposure/ Outstanding (USD bn)
1	Coal Power Plant 10,000MW Fast Track Program (FTP 1)	0.14
2	Clean Water Supply Program	0.01
3	Direct Lending from International Financial Institution to SOEs	3.11
4	Sumatra Toll Road	1.73
5	Renewable energy, Coals & Gas Power Plant 10,000 MW (FTP 2)	3.91
6	Public-Private Partnerships (PPP)	6.54
7	Regional infrastructure financing	0.11
8	Public Transportation (Light Rail Transit)	1.13
9	Electricity Infrastructure Fast Track Program (35 GW)	5.51
	Total	22.20

^{*)} Currency conversion at IDR15,416/USD1 and IDR16,769/EUR1 (29 Dec 2023)

	Central Government Guarantee for Infrastructure Programs	Outstanding (USD bn)
1	Coal Power Plant 10,000MW Fast Track Program (FTP 1)	0.14
2	Clean Water Supply Program	0.01
3	Direct Lending from International Financial Institution to SOEs	3.11
4	Sumatra Toll Road	1.73
5	Renewable energy, Coals & Gas Power Plant 10,000 MW (FTP 2)	3.91
6	Public-Private Partnerships (PPP)	6.54
7	Regional infrastructure financing	0.11
8	Public Transportation (Light Rail Transit)	1.13

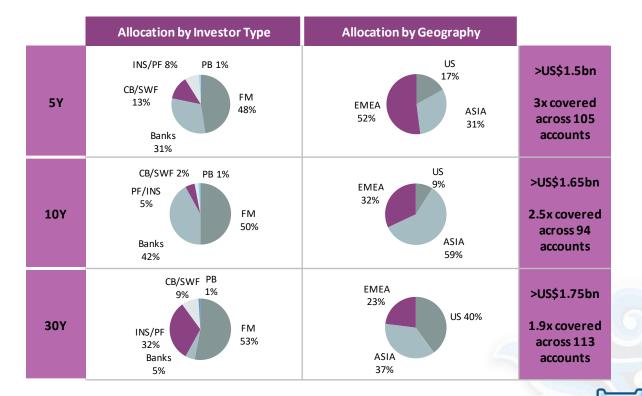
SEC14 Deal Review

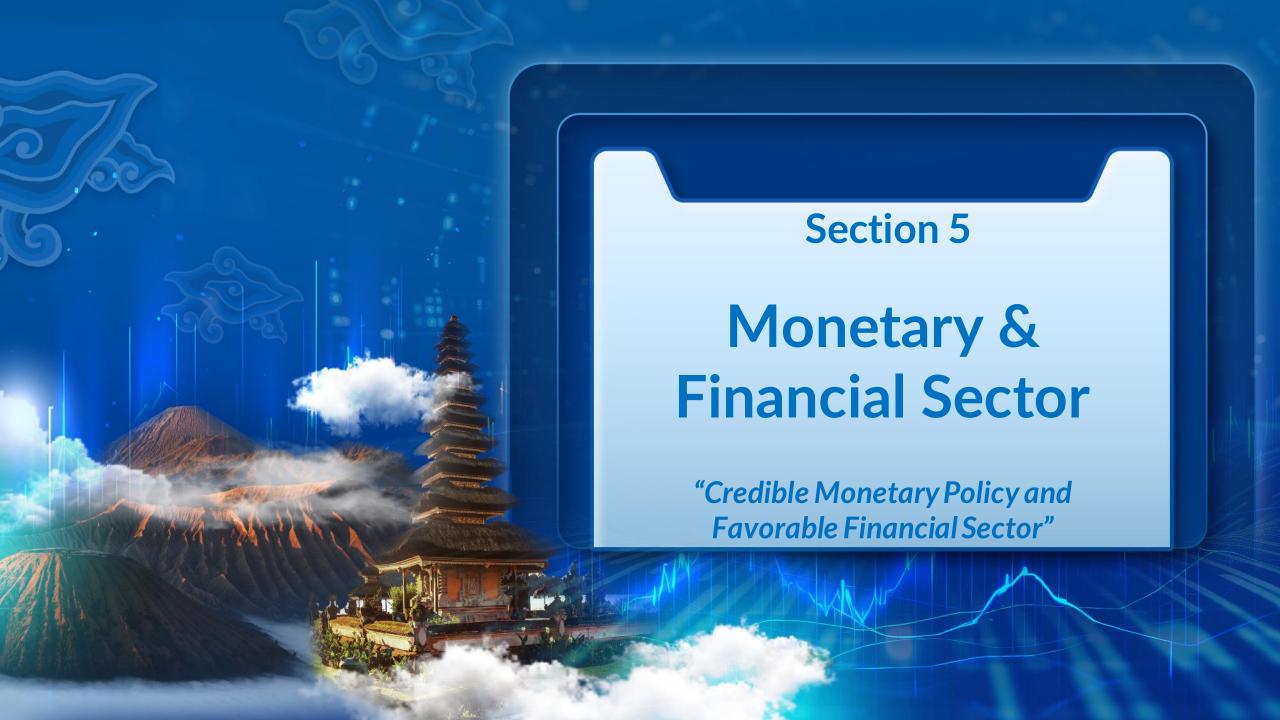


Issuer	Republic of Indonesia				
Issuer Rating	Baa2 (Moody's)/BBB (S&P)/BBB (Fitch)				
Format		SEC-Registered			
Pricing Date		January 3, 2024			
Settlement Date	January 10, 2024				
Issue Si ze	USD2.05 bn				
Tenor	Long-5 year	Long-10 year	Long-30 year		
Maturity	March 10, 2029	Februay 10, 2034	Februay 10, 2054		
Tranche Size	USD500 milion	USD650 milion	USD900 milion		
Coupon (p.a.)	4.400%	4.700%	5.100%		
Reoffer Price	98.852	98.810	98.481		
Reoffer Yield	4.650%	4.850%	5.200%		
JLM	ANZ, BofA Securities, Deutsche Bank, Morgan Stanley dan UBS				
Listing	SGX-ST and Frankfurt Stock Exchange				
Use of Proceeds	Net proceeds from the sale of the Bonds will be used for the general purposes of the Republic				

Key Transaction Highlight

- Benefiting from the Republic's robust credit profile, the offering drew significant investor interest from the get-go, with a high quality orderbook allowing significant IPG-FPG tightening
- The long 5-year, long 10-year and long 30-year tranches were priced 25bps, 20bps and 25bps respectively inside of its initial price guidance, achieving flat to negative new issue concessions
- The Republic achieved the tightest spreads across all tranches compared to the Republic's past SEC-registered offerings
- Pin-point pricing resulted in a stable first day morning of trading at Asia open, with bonds trading around reoffer price



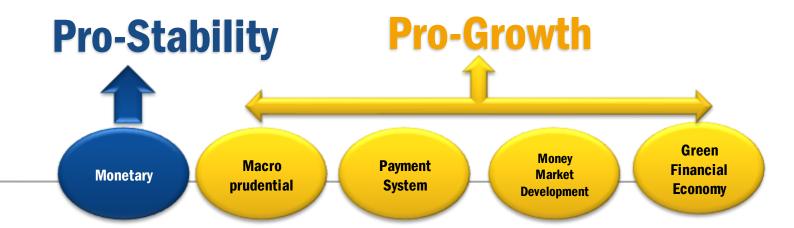


Bank Indonesia's Policy Mix Direction in 2024

Maintaining Stability, Reviving Sustainable Growth







- Focused on achieving the inflation target and maintaining Rupiah stability to ensure that global shocks cannot disrupt national economic stability or growth.
- Policy coordination between Bank Indonesia and the Government will be increased to strengthen external resilience to global shocks, control inflation and foster sustainable economic growth.
- 1. Forward-looking and pre-emptive interest rate policy to achieve the inflation target set by the Government at 2.5%±1% in 2024 and 2025
- 2. Rupiah stabilization policy to mitigate the impact of global shocks on achieving the inflation target as well as maintaining macroeconomic and financial system stability to support the national economic recovery.
- 3. A pro-market monetary operations strategy to strengthen the effectiveness of Bank Indonesia policy transmission to the financial markets and economy, which includes attracting foreign portfolio inflows.
- 4. Managing capital flows in accordance with international principles to support external economic stability in Indonesia and maintain adequate reserve assets.

- Enhancing the effectiveness of KLM and loosening all other macroprudential policy instruments to revive bank lending/financing to priority sectors in the economy.
- Maintaining loose liquidity conditions by reducing the MPLB to revive lending/financing and maintain financial system stability against the impact of global spillovers
- Strengthening the systemic surveillance of loan/financing disbursements and banking industry resilience to maintain financial system stability in close coordination with the KSSK
- Strengthening the coordination of BI macroprudential supervision with OJK microprudential supervision to maintain financial sector resilience, including risk mitigation of the global spillovers.

- Payment system policy in 2024 will remain oriented towards strengthening payment system stability and accelerating the national digital economy and finance further to support sustainable economic growth
- The direction of payment system policy remains in accordance with implementation of the Indonesia Payment System Blueprint (BSPI) 2025, which is currently being refined and extended to 2025-2030.

Pro-growth money market deepening policy will be maintained in 2024 by creating and maintaining a modern money market based on international standards, strengthening the transmission effectiveness of the Bank Indonesia policy mix, as well as reviving financing for sustainable economic growth

- Bank Indonesia will continue expanding and strengthening programs to develop a green and inclusive economy and finance to support sustainable economic growth.
- Bank Indonesia will also continue strengthening its role as a pioneer and driver of the sharia economy and finance as a new source of economic growth and to become a major world player

Bank Indonesia Policy Mix: April 2024 Maintaining Stability and Reviving Growth





The BI Board of Governors Meeting agreed on 23rd – 24th April 2024 to raise the BI-Rate by 25bps to 6.25%, while also increasing the Deposit Facility (DF) rate and Lending Facility (LF) rate by 25bps to 5.50% and 7.00% respectively. The decision to raise the BI 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.





Increasing the

interest rate

structure in the







Strengthening the







Rupiah money
market in line with
the BI-Rate hike,
higher U.S. Treasury
yield and global risk
premium to
maintain attractive
yields and portfolio
inflows to domes tic

financial assets for

investment, thus

strengthening

Rupiah stability.

Stabilising the Rupiahthrough foreign exchange market intervention with a focus on spot and Domestic Non-Deliverable Forward (DNDF) transactions, as well as government securities (SBN) in the secondary

market.

Strengthening the competitive SBN term-repo and FX swap transaction strategies to maintain adequate liquidity in the banking industry.

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).

Strengthening the implementation of accommodative macroprudential policy to revive lending/financing and support sustainable economic growth, while maintaining financial system stability by:

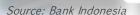
Strengthening Macroprudential Liquidity Policy Incentives (KLM) to revive lending/financing by expanding the scope of priority sectors, namely downstream supporting sectors, construction and productive real estate, the creative economy, automotive sector, trade, electricity, gas and water supply as well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

- (a) Countercyclical Capital Buffer (CCyB) at 0%,
- (b) MacroprudentialIntermediation Ratio (MIR) in the 84-94% range,
- (c) Macroprudential Liquidity Buffer (MPLB) at 5% with repo flexibility of 5% and the sharia MPLB at 3.5% with repo flexibility of 3.5%.

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.

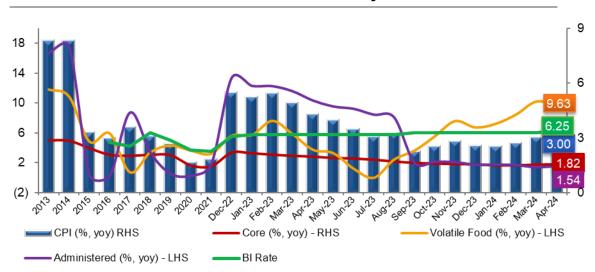
Raise the BI Rate at 6.25%



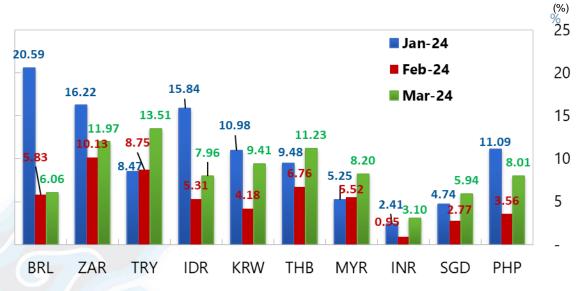
Manageable Monetary Environment Amid Heightened Global Uncertainty



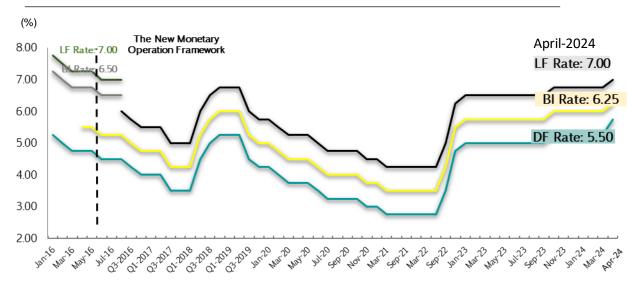
Well Maintained Inflation Ensured Price Stability



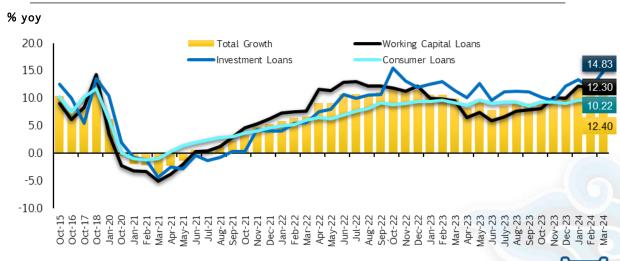
Rupiah Exchange Rate Volatilty



Strengthened Monetary Policy Framework



Credit Growth Profile



Banking Intermediation





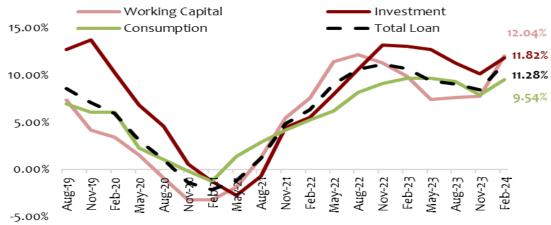
LOAN

In **February 2024**, bank loans and third-party funds (total deposits) rose to **11.28%** (yoy) and **5.66%** (yoy), respectively.

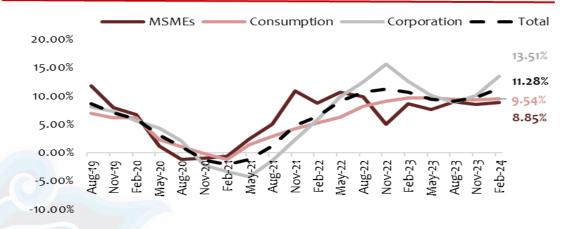


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All types of loans maintained a positive trend in **February 2024**, with **working capital** loans, in particular, growing by **12.04%** (yoy).

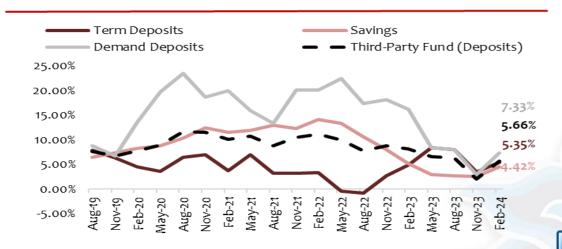


Loan growth by segmentation continued to improve in **February 2024**, with a major contribution from **Corporation loans**, with **13.51% (yoy)** growth.





Third-Party Funds (Total Deposits) grew in **February 2024**, driven by increased **Demand Deposits**, which recorded **7.33%** (yoy) growth.



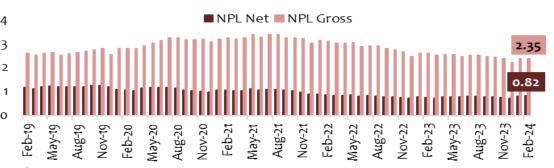
Banking Risk Profile and Profitability



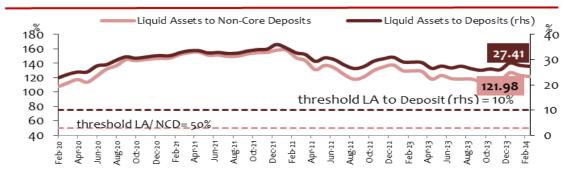
The banking industry has ample liquidity, robust capital, and manageable credit risk, while maintaining a consistent level of profitability.



The banking NPL ratios were manageable in **February 2024**, recorded at **2.35% gross** and **0.82% net**, significantly below the threshold.

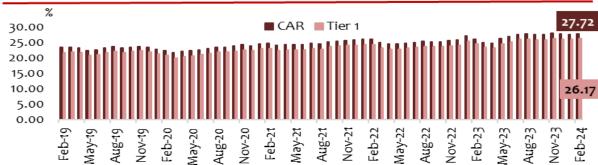


Liquid Assets to Non-Core Deposits and Liquid Assets to Third-Party Funds (Total Deposits) remained well above the thresholds.





The banking sector's Capital Adequacy Ratio (CAR) was steady with a value of **27.72%**, and Tier-1 capital stood at **26.17%** as of **February 2024**.



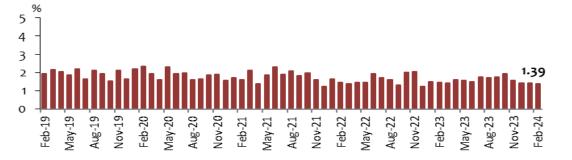


The banking industry's profitability remained, steady with NIM at **4.49%** and ROA at **2.52%** as of **February 2024**.





Net Open Position was maintained well below the maximum threshold of 20% and stood at 1.39% in February 2024.



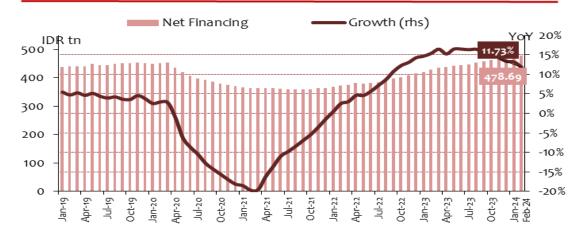
Multi-finance Companies



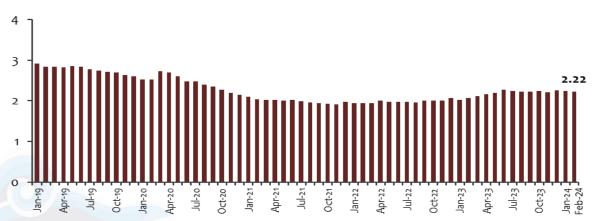
The performance of multi-finance companies continues to improve, as shown by growing net financing, a low gross Non-Performing Financing (NPF) ratio, and a stable gearing ratio.



In **February 2024**, net financing continued its increasing trend and stood at **IDR478,69 Tn** or growing by **11.73%** yoy.

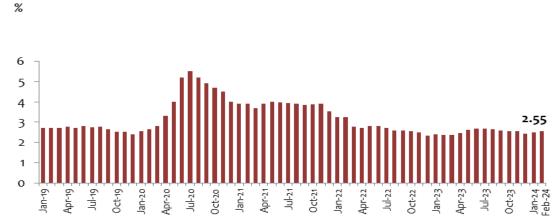


The gearing ratio of multi-finance companies stood at 2.22 times or well below the threshold in February 2024.



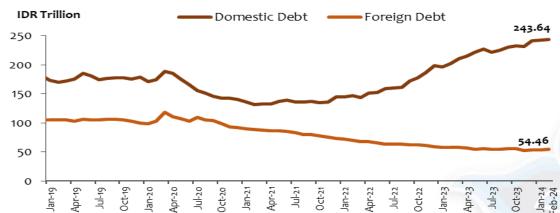


The Gross Non-Performing Financing ratio of multi-finance companies remained manageable at **2.55%** in **February 2024**, well below the 5% threshold.





Multi-finance companies' exposure to domestic debt was in an increasing trend in **February 2024**, whereas foreign debt experienced a declining trend.



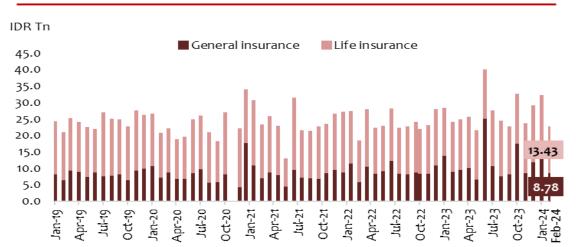
Insurance and Pension Funds

Insurance and pension funds remain positive, shown by adequate performance and manageable risks.



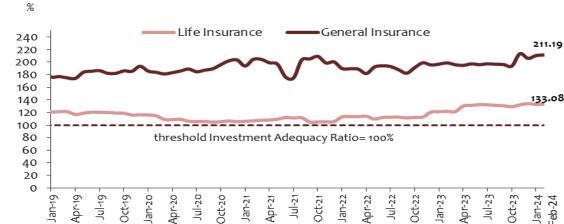


In **February 2024**, insurance premiums marked a total increase of **IDR22.21 Tn** (mtm) with General and Life insurance added premiums at **IDR8.78 Tn** and **IDR13.43 Tn**, respectively.



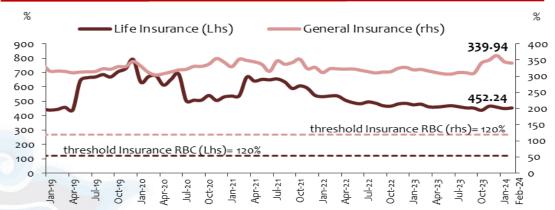


In **February 2024**, the Investment Adequacy Ratio of both Life Insurance and General Insurance stayed well above the threshold at **133.08%** and **211.19%**, respectively.



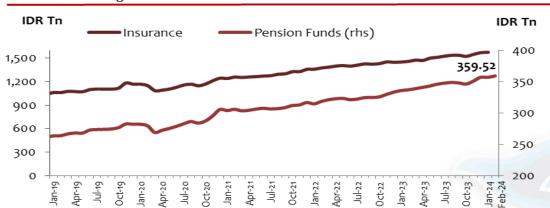


Risk-Based Capital (RBC) of the insurance industry remained well above the minimum threshold with **Life Insurance at 452.24%** and **General Insurance at 339.94%** in **February 2024**.





In **February 2024**, pension fund investment values increased and stood at **IDR359.52** Tn, while insurance investment values also showed an increasing trend



Domestic Capital Market Performance

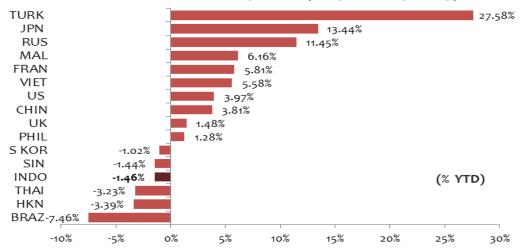
Indonesia's capital market proved to be resilient, supported by positive external performance and growing domestic demand.



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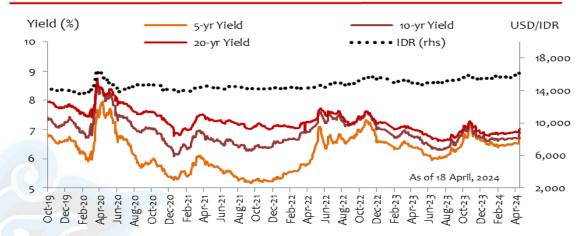
The global stock market showed mixed movements in April 2024, reflecting the ongoing geopolitical tensions in the Middle East.





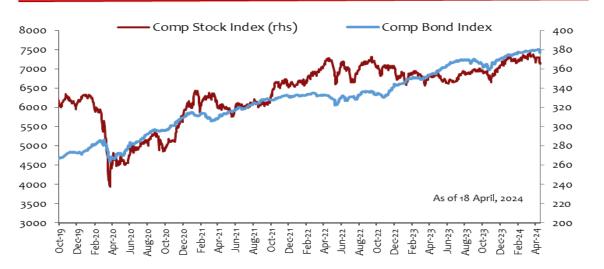


Indonesian government bond yields marked an upward trend in April 2024. While, Rupiah experienced a modest depreciation against the US dollar.



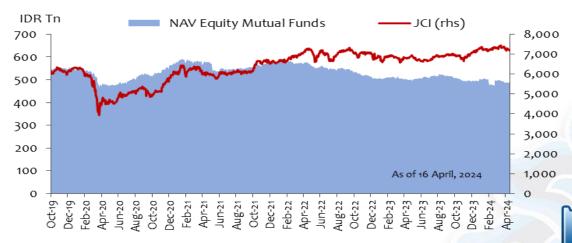


Indonesian stock and bond markets slightly weakened in April 2024, potentially reflecting cautious investor sentiment due to global factors





The Net Asset Value (NAV) of equity mutual funds remained stable, reflecting a steady movement in the capital market.



Domestic Capital Market Performance

Several capital market indicators remained positive

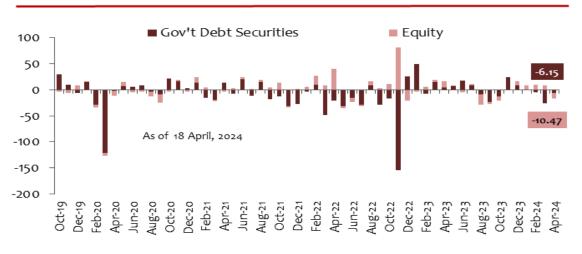




Non-resident portfolios of equity market and government bonds recorded a **YTD net sell of IDR16.62 Tn** as of 18 April 2024.



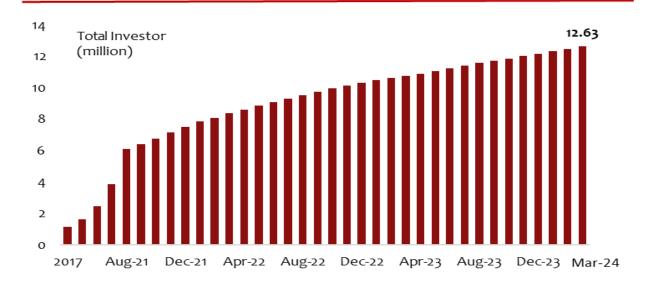
Total securities issuance reached IDR48.04 Tn (YTD) as of 28 March 2024.







Capital Market Investors continued to grow to 12.63 million by the end of March 2024, representing a 17.38% (yoy) increase.



Fintech (Peer to Peer Lending and Securities Crowdfunding)





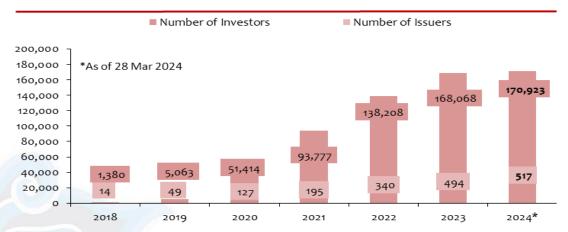


The outstanding loan of P2PL Fintech increased to **IDR61.10 Tn** or grew by **21.98%** (yoy) as of **February 2024**.



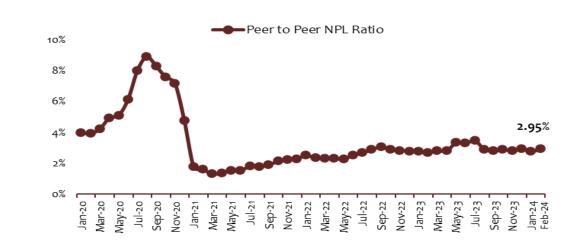


The total number of investors and issuers in Securities Crowdfunding increased to **170,923** and **517**, respectively, as of 28 March 2024.



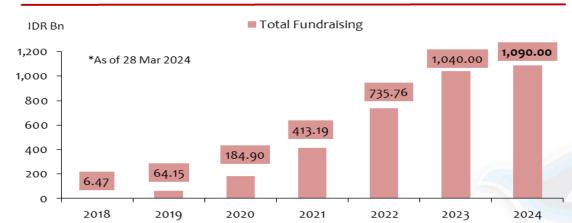


The Non-Performing Loan ratio of P2PL Fintech remained manageable at 2.95% in **February 2024.**





Continuing the positive trend, the total value of SCF fundraising stood at **IDR1.09 trillion** as of 28 March 2024.





Policy Continuation is Reflected in National Development Planning

1

The Development Agenda Will Still Proceed as Planned

7 DEVELOPMENT AGENDA 2020-2024

- Strengthening Economic Resilience for Quality and Fair Growth
- 2. Developing Regions to Reduce Gaps and Ensure Equity
- 3. Increasing Quality and Competitive Human Resources
- 4. Mental Revolution and Cultural Development

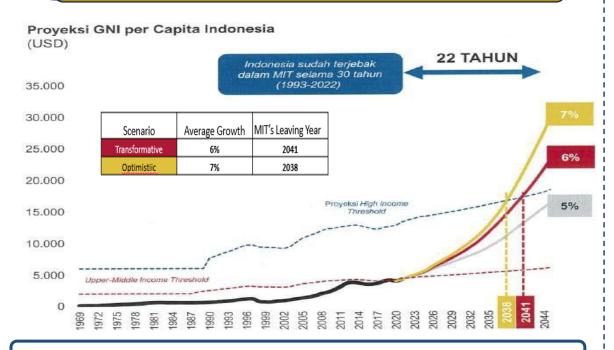
- 4. Strengthening Infrastructure to Support Economic Development and Essential Services
- 5. Building the Living
 Environment, Increasing
 Disaster Resilience, and
 Climate Change
- 6. Strengthening Political, Legal and Human Rights Stability and Transforming Public Services

GOVERNMENT WORK PLAN 2024

SUPPORTED BY 2024 STATED BUDGET (Law 19/2023)

RPJPN 2025 - 2045 \rightarrow RPJMN (PHASE I 2025-2029) AND IN THE SHORT TERM THROUGH THE ANNUAL RKP AND APBN POLICY

Transforming the Indonesian Economy to Achieve Vision 2045



ECONOMIC TRANSFORMATION

- 1. Science and Technology, Innovation and Economic Productivity
- 2. Green Economy Implementation
- 3. Digital Transformation
- 4. Domestic and Global Economic Integration
- 5. Cities as Centers of Economic Growth

Indonesia Gold Vision 2045 : Become a Sovereign, Advanced and Sustainable Country



INDONESIA GOLD VISION 2025-2045

5 GOLD VISION TARGETS OF INDONESIA





- 2. Poverty goes to 0% and inequality decreases
- 3. Leadership positions and international influence increase
- 4. HR competitiveness increases
- 5. GHG emission intensity towards NZE

Development Phase

First Phase (2025-2029)

Strengthening the foundation of transformation

Second Phase (2030-2034)

With the establishment of a strong foundation, Indonesia is set to accelerate its economy

Third Phase (2035-2039)

Indonesia starts steps to expand globally

Fourth Phase (2040-2045)

Indonesia succeeds in realizing Indonesia Gold 2045 vision

8
DEVELOPMENT
MISSIONS



17
DEVELOPMENT
DIRECTIONS



45 MAIN
INDICATORS OF
DEVELOPMENT

TRANSFORMATION

- **1. Social Transformation:** Focusing on the development of outstanding Indonesian individuals;
- **2. Economic Transformation:** Aiming for the nation to become high-income;
- **3. Governance Transformation:** Emphasizing adaptive and principled regulations, as well as governance that is characterized by integrity, agility, and collaboration.

FOUNDATION OF TRANSFORMATION

- 4. Legal Supremacy, Stability, & Diplomatic Strength
- 5. Socio-Cultural and Ecological Resilience

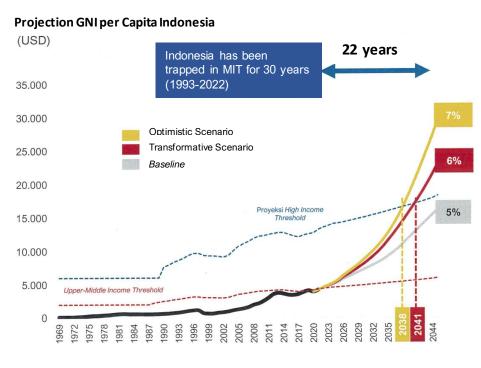
TRANSFORMATION IMPLEMENTATION FRAMEWORK

- 6. Equal and Quality Territorial Development
- 7. Quality and Environmentally Friendly Facilities and Infrastructure
- 8. Development Sustainability

Targets of Economic Transformation for Achieving Indonesia Gold 2045



Economic transformation aims to bring Indonesia out of the middle-income trap and into a high-income country. For this reason, the Indonesian economy must grow by an average of 6-7% in the next 20 years, high economic growth that is inclusive and sustainable



Scenario	Average Growth	Years Escape from MIT
Transformative	6%	2041
Optimistic	7%	2038

Economic Transformation

- 1. Science and Technology, Innovation and Economic Productivity
- 2. Green Economy Implementation
- 3. Digital Transformation
- 4. Domestic and Global Economic Integration
- 5. Cities as Centers of Economic Growth

First Phase (2025-2029)

Down streaming natural resources and strengthening innovation research and labor productivity

Second Phase (2030-2034)

Massively increasing productivity and expanding sources of economic growth

Third Phase (2035-2039) Economic power house that is integrated with global and domestic supply chains networks, as well as strong exports

Fourth Phase (2040-2045)

High income country

Main Government Policies to Promote Strong, Socially Inclusive, and Environmental-Friendly Economic Growth



MACRO STABILITY

STABILIZING PRICES

IMPROVING INVESTMENT CLIMATE

BOOSTING EXPORT

REVITALIZING CONVENTIONAL MACHINE

MACHINE

STRENGTHENING SOCIAL RESILIENCE + EM POWERMENT

1. INCREASING COMPETITIVENESS AND PRODUCTIVITY

Kartu Prakerja, Vocational Training, and Omnibus Law Job Creation

2. INFRASTRUCTURE DEVELOPMENT

PSN, MRT, High Speed Rail (The Woosh), Economic Zone Development, Capital City (IKN), Agraria Reform

3. INTERNATIONAL COORPORATION

4. FOOD SECURITY

Sustainable Palm Oil Development, Sustainable Rubber and Food Estate Development

1. INDUSTRIALIZATION

Downstream, Petrochemical Industry, Automotive Industry, Semiconductor Supply Chain, National Logistics Ecosystem

BUILDING NEW ECONOMY

2. DIGITALIZATION

Digital Talent Readiness, National Strategy for Digital Economy Development, Data Center

3. SUSTAINABILITY ENERGY TRANSISITION

AZEC, Plant Construction Electricity with New Renewable Energy (EBT), Bioenergy Utilization, Energy Infrastructure Additions

1. SOCIAL PROTECTION

2. MICRO FUNDING

3. CASH FOR WORK

Indonesia's Accession To The OECD: Instrument For Achieving The Golden Vision 2045





The President instruction "Indonesia should immediately become a member of the OECD"

"The advantages of Indonesia being a member of the OECD are increasing policy transparency and predictability, actively contributing to global standard formation, and aspiring to become a benchmark for quality and sustainable investment."

......Indonesia's Accession Journey to the OECD

1. Assessment of Country' Readiness

Assessment of countries' readiness to become OECD members has been conducted since 2017

2. Expressing Intentions to Join the OECD

- Direction of the President Indonesia at the Cabinet Meeting on 13 July 2023.
- CMEA sent a letter to the OECD Secretary General regarding intentions to Join the OECD on 14 July 2023.
- The OECD Secretary-General then delivered a response letter on 26 July 2023.

3. Meeting with OECD Representatives

- Meeting between
 CMEA with Heads of
 Representatives of
 OECD member
 countries in Jakarta, 24
 August 2023
- Meeting between Indonesian Ambassador in Paris and OECD Secretary-General, 31 August 2023

4. OECD Council Discussion from Sep 2023 – Jan 2024

- OECD Permanent Representatives Meeting in Paris, 13 September 2023.
 OECD Secretary
- OECD Secretary-General meeting with:
- 1. Minister for Industry on 2 October 2023.
- 2. Bappenas on 5 October 2023.
- 3. Minister of Finance on 10 October 2023.
- The last meeting was on 11 December 2023. The next meeting is scheduled on 29-30 January 2024

5. Accession Roadmap

- OECD has decided to open accession discussions with Indonesia on 20 February 2024.
- High-level strategic leadership has been informed and is ready to set up the next steps, including the establishment of the OECD National Team.
- Support in the next steps the Accession Roadmap, Technical Review, and other activities to fulfill all requirements.
- Ministerial-Level Meeting for the Adoption and Launch of the Accession Roadmap in May 2024.

• Adjustment

6. Assessment with

OECD

Multi-years process

→ Indonesia's target
around 3-4 years to
become official a
member of OECD.

Standards/Guidelines

Follow-up process

Indonesia's Strategic Contribution to OECD



POPULATION

Total Population Growth 269.58 284.44 297.43 308.37 317.23 324.05 2020 2025 2030 2035 2040 2045

In 2045, Indonesia's population will be around 324 million (fourth largest in the world)

NATURAL WEALTH



125.57 million hectares of forest areas



Nickel with ore reserves 5.24 billion tons



Coal reserves 36.30 billion tons



Renewable energy potential 3,716 GW

SOCIAL CULTURAL CAPITAL

Harmonious and tolerant – Community Collaboration (Gotong Royong) – Deliberation to reach a consensus – Family – Social solidarity – Independent spirit – Cultural diversity

MARITIME



16% of the world's coral reefs



25,000 species of flowering plants (10% of the world)



Capture fisheries potential 12 million tons



The largest mangrove forest 3.36 million hectares





Kartu Prakerja Program (2020-2023)



Large-scale and inclusive skilling, reskilling, and upskilling program

Kartu Prakerja Program is an inclusive training program with an end-to-end digital system to enhance the competencies of Indonesia's workforce. The program encourages lifelong learning, increases job opportunities, and helps prepare digital talent following the National Digital Economy Strategy.







Kartu Prakerja

>53 mio

Register on <u>www.prakerja.go.id</u> (verified email, phone, citizen ID number)

514 Districts/cities



Rp63,4 Trillion

Total budget allocation for 2020–2023

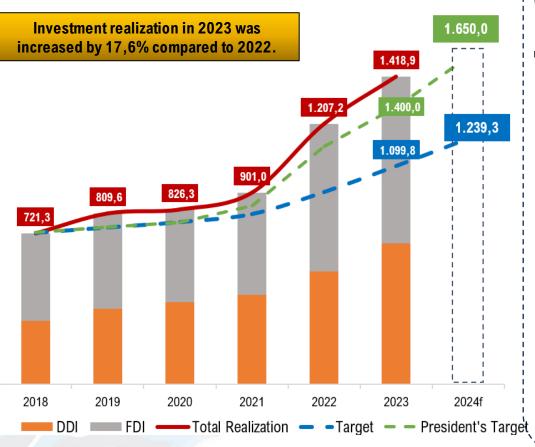
51% Women	3% With Disabilities
62% Aged 18-35	2% From 3T
86% Never attended training before	29% From 1-4 Deciles
64% From Rural Areas	Retired Indonesian Migrant Workers (PMI)

Kartu Prakerja Ecosystem

	<u>245</u>	Training Institutions		
G=	1.216	Training Including Future Jobs, Green Skills, and Programs Including Future Jobs, Green Skills, and Programs	nd	
2	38	Assessors (Higher Education Institutions, CSOs, Business Associations)		
	3	Job Portals Thousands of Job Vacancies Every D)ay	
	96%	of Participants Completed The Training		

Accelerating Investment Target by the Development of the New Capital City and National Strategic Infrastructure Projects

Indonesian Investment Targets and Realization (in Trillion IDR)



Indonesia's National Strategic Projects (PSN)



- Based on CMEA Regulation Number 8 of 2023, there are 204 Projects and 13 Programs as PSN with an estimated total investment value (CapEx) of IDR 5.918,86 trillion.
- Since 2016, 190 PSN have been expedited towards completion with investment value of USD96,18 Billion* and most of the projects have passed preparation stage.

New Capital City (Ibu Kota Nusantara)



Location: East Kalimantan, Indonesia Population: ~4 Million Area: 256,142 hectare

divided into 3 zones.

Est. Total Investment needs: ~Rp467 trillion.

For Infrastructure and support economic growth (Technology, Renewable energy, Industry, etc)





80% by Private Participation (Public-Private Partnerships (56%) and Private Investment (24%))

12

Fundamental sectors:

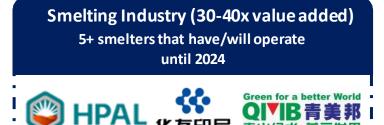
- 1. Renewable Energy
- 2. Telecommunications Network
- 3. transportation
- 4. Housing
- 5. Water Treatment
- 6. Waste Management

- 7. Technology Infrastructure
- 8. Commercial Infrastructure
- 9. Medical Facilities
- 10. Social and Public Facilities
- 11. Education
- 12. Green Industrial Zone

Source: Ministry of Investment, Target 2024 based on The National Medium-Term Development Planning (RPJMN) 2020 – 2024 and President's Target.

PROGRESS OF BEV ECOSYSTEM DEVELOPMENT IN INDONESIA



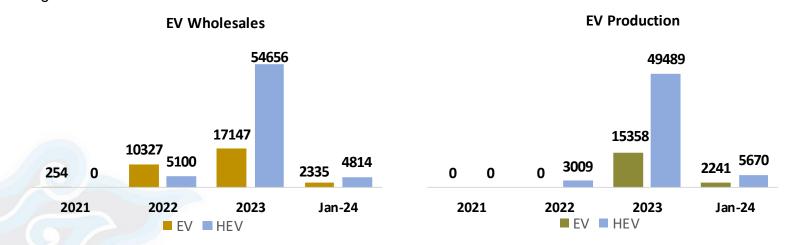


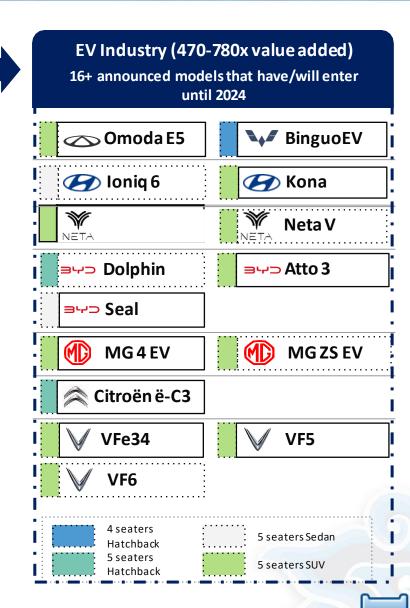




BATTERY ELECTRIC VEHICLES SALES (EV)

Throughout Jan-Des 2023, total BEV sales reached 17,147 units, dominated by Hyundai IONIQ with 7,449 units (43%) and Wuling Air with 5,578 units (33%). Meanwhile, the total production of EV cars will reach 15,358 units throughout 2023.

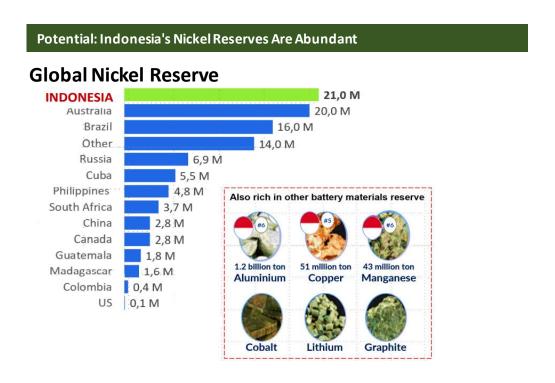




Promoting the Development Of Nickel-based Industries to Become a Global Battery and EV Supplier



Government Issues Presidential Decree No. 55 of 2019 to Accelerate the Use of Battery Electric Vehicles (BEV) on the Road & Government Regulation No. 74/2021. In order to strengthen the ecosystem of Battery-Based Electric Motorized Vehicles, the Government provides Incentive Support in the form of Government-borne VAT



Value added process Input Output Value-added Nickel Ore Battery Po to 150 times

Amount of Incentive for Battery-Based Electric Motorized Vehicles



- TKDN > 40%
- VAT incentive of 10%, so that the VAT that must be paid remains 1%



- TKDN > 20% 40%
- VAT incentive of 5%, so that the VAT that must be paid remains 6%

In Indonesia, the deepening of the electric vehicle industry structure is carried out through the obligation to gradually increase the domestic content level (TKDN) until 2030.

Supporting Regulation

☐ Regulation Of The Minister Of Finance Of The Republic Of Indonesia 38/2023

COMMODITY DOWNSTREAMING: VALUE ADDED AND BENEFITS

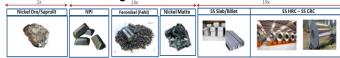


The industrial downstreaming program is intended to obtain a multiplier effect or multiple impacts from industrial downstreaming activities that have been proven to be real, including increasing the added value of domestic raw materials, attracting investment, generating large foreign exchange from exports, and increasing the number of labor absorption. The projected investment value in Indonesia's downstream roadmap reaches USD 545.3 billion. Some of the mineral downstream programs include the following commodities:

NICKEL ORE DOWNSTREAMING

The nickel ore export ban policy in the context of downstreaming, which was implemented in 2020, has succeeded in increasing our nickel downstream commodity exports to reach USD 14.53 billion in 2022...

Smelter Pirometalurgi



Smelter Hidrometalurgi



The value added from nickel ore to ferronickel and stainless steel billet is potentially 14 - 19 times higher. In addition, the nickel downstream products are also raw materials in the production of Electric Vehicle (EV) batteries with domestic added value reaching 470 - 780 times. The number of nickel smelters that have been operating in Indonesia by September 2023: for pyrometallurgy-based based as many as 44 smelters; and hydrometallurgy-based Hydrometallurgy-based as many as 4 smelters.

BAUXITE ORE DOWNSTREAMING

Bauxite ore export ban policy in the context of downstreaming which began to be implemented as of June 10, 2023. The refining and processing of bauxite into aluminum end products is targeted to increase national income from IDR 21 Trillion to IDR 52 Trillion.

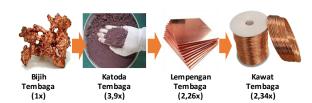


The added value from bauxite ore to aluminum has the potential to be 19-20 times higher; and the added value if processed into aluminum profile to be 68-70 times higher.

The downstream product of bauxite, aluminum, also plays an important role as a raw material for solar module frames, module supports, inverters and connectors in solar power plants.

COPPER DOWNSTREAMING

Copper ore export ban policy in the context of downstreaming that will be implemented in June 2024. The trade balance for copper commodities from upstream to downstream products is still in surplus status with a balance value of USD 6.1 billion.



The added value from copper ore to cathode is potentially 3.9 times higher; and the added value if processed into copper slab is 2.26 times higher. Then processed into copper wire to be 2.34 times higher. The number of copper smelters that have operating in Indonesia until September 2023 as many as 2 smelters (PT Smelting Gresik and PT Batutua Tembaga Raya)

TIN DOWNSTREAMING

The added value of tin ore if processed into tin ingot has the potential to be 1.8 times; while the added value if processed into tin solder is 2 times; and the added value if processed into tin chemical is 3 times higher.



Tin solder products are used in the electronics and automotive industries, while tin chemicals are used in the Polyvinyl chloride (PVC) industry as tin stabilizer additives for the manufacture of construction pipes, profiles, transparent PVC plastics and as a substitute material for lead (Pb).

Need to deepen the industrial structure for tin downstreaming

• Source: Ministry of Industry, MEMR, BPS (2023)

78

Indonesia's Increasing Role in the Global Semiconductor Supply Chain



DOMESTIC SEMICONDUCTOR PRODUCT INDUSTRY ECOSYSTEM



Currently, Indonesia only has 3 industries that play a role in the semiconductor supply chain, namely in the design and assembly and test sectors

Integrated Circuit (IC) Design House

Semiconductor Assembly & Test



xırka



PT. Infineon Technologies Batam - Export Orientation Production capacity 22 million units/week and plans to increase to 150 PT. Xirka Darma Persada million units/week in 2030)

International Technology Security and Innovation (ITSI) Fund - DOS Amerika Serikat

- The United States offered Indonesia to join as one of the partners (offers were given to 7 partner countries) in the International Technology Security and Innovation (ITSI) Fund to strengthen semiconductor supply chains during the Indonesian Ambassador's meeting in Washington D.C with the US Department of State (US DOS) on June 8, 2023. Total funding from US DOS is USD500 million or with an allocation of USD100 million per year for five
- In the initial stage, US DOS cooperated with the OECD to conduct a semiconductor ecosystem review which is an evaluation of the feasibility of the ATP downstreaming ecosystem (Assembling, Testing, and Packaging) of the semiconductor industry.

DOMESTIC INDUSTRY DEMAND FOR SEMICONDUCTORS

Mobile Phones and Laptop Production 2022



Mobile Phones: 40.2 million units



Laptop: 4 juta unit

The industry already exists in

The industry does not yet exist in

Indonesia

Indonesia

Produksi Home Appliances 2022







Total production realization: 125.03 million

units.











target by 2035:12 million units

Tax Holiday



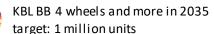
Solar capacity target 2030:

Semiconductors act one of them as a constituent component in the inverter in the solar panel unit.

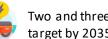
Solar Capacity Target

KBL BB Production Target





4680 MWP



Two and three wheeled KBL BB

INCENTIVES AND FACILITIES

Through Perka BKPM No.7 of 2020, the semiconductor manufacturing industry (KBLI 26120) can receive a tax holiday



Tax Allowance



Super Deduction



Special Economic Zones

Perka BKPM No.7 of 2020, The semiconductor manufacturing industry (KBLI 26120) can receive tax allowances.

RnD activities to focus on research on electronics, laptop computers, ICT, smart cards, electronic components and ICT components and vocational activities

Nongsa SEZ in Batam; Gresik SEZ in East Java, and Kendal SEZ in Central Java.

OPPORTUNITIES AND DIRECTIONS OF SEMICONDUCTOR ECOSYSTEM DEVELOPMENT

Strengthening and establishing fabless start-ups in 2024 in accordance with the use case specific needs of the industry in Indonesia.

Human Resource development partnerships supporting fabless, frontend and back-end industries from 2024.

Inviting the United States semiconductor industry to invest in Indonesia (Batam) starting from the back-end industry to build demand and ecosystem by 2024, according to the specificity of their respective businesses

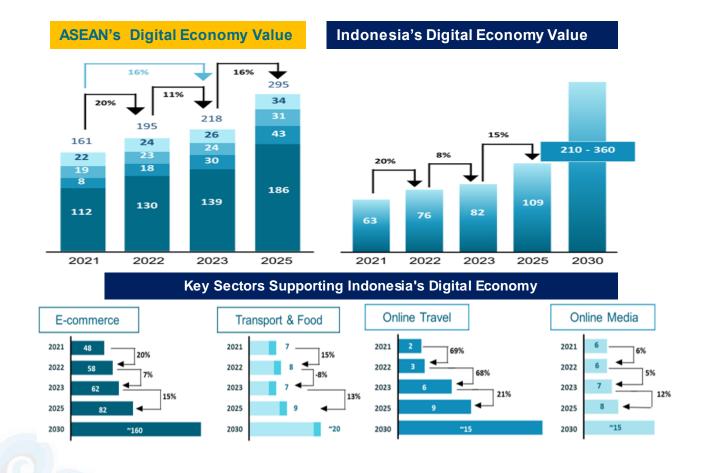
The creation of a semiconductor ecosystem that supports investment in the front-end industry (wafer fabrication) is expected to be established by 2026

Description: The front-end industry includes foundry (wafer fabrication) while the back-end industry includes the OSAT industry (Assembly and packaging, and Testing & Measurement). Semiconductor Product HS Code (BTKI 2017 and 2022): 85414010; 85414021; 85414022; 85414029; 85414090; 85415000; 85419000; 85429000; 85414100; 85414200; 85414300; 85414900; 85414900; 85415900

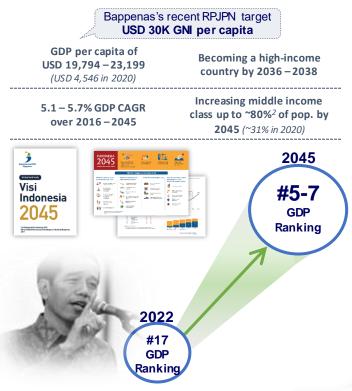
Digital Economy as a New Growth Engine



Indonesia aspires to be a developed country by 2045. The economic growth rate should be maintained at an average of 6% per year. This requires a breakthrough in digital economy development to become a catalyst.



Indonesia aspires to be a developed country and be rank 5 globally on GDP by 2045

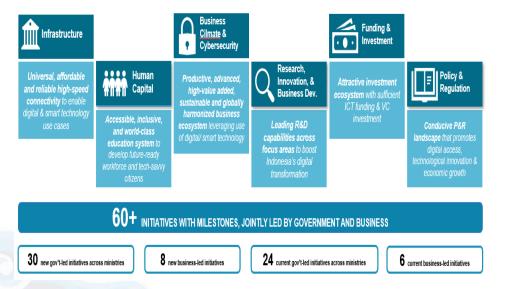


Digital Economy's Policy



DOMESTIC

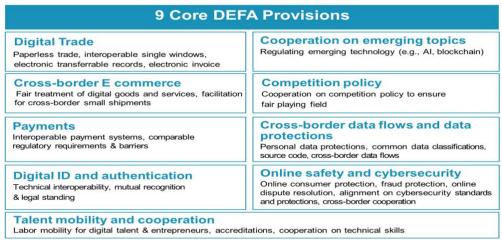
- Coordinating Ministry for Economic Affairs has launched the White Paper on the National's Digital Economy Development Strategy on December 6, 2023.
- The white paper aims to serve as guide for related stakeholders in developing the digital economy with a timeline until 2030 and is intended to be a living document.
- It outlines six main pillars for the development of the digital economy, which are: (1) Infrastructure; (2) Human Resources; (3) Business Climate and Cybersecurity; (4) Research, Innovation, and Business Development; (5) Funding and Investment; and (Policies and Regulations)



REGIONAL

• The White Paper on the National's Digital Economy Development Strategy has a central role as a guide for determining Indonesia's position in international forums, such as the ASEAN Digital Economy Framework Agreement (DEFA) and the Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

ASEAN Digital Economy Framework Agreement



Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

- The United States initiative launched by President Biden on May 23, 2022
- There are 14 participating countries: US Australia, Brunei Darussalam, Fiji, Philippines, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Singapore, Thailand, and Vietnam.



Government Effort in Accelerating Energy Transition

"Reducing Fossil Energy and Increasing Renewable Power Plant"





PRESIDENT INSTRUCTION

UNFCCC - COP21, DEC 2015 upd SEP 2022

Decreasing greenhouse gases emission up to 31,89% (with our own ability) or 43,2% (with International Assistance) in 2030 according to NDC

COP 28, DECEMBER 2nd, 2023

To achieve the net carbon sink target or net carbon absorption in the forestry and land sector by 2030, Indonesia has made systematic and innovative steps, one of which was by implementing a permanent moratorium on clearing forests covering around 66 million hectares of primary forest and peatland since 2019.

G20 SUMMIT GOAL

"Recover Together, Recover Stronger"

- 1. Inclusive Global Health;
- 2. Digital Economic Transformation; and
- 3. Sustainability Energy Transition.

COP28: Indonesia's Efforts To Achieve The Net Carbon Sink Target In The Forestry And Land Sector By 2030

MAIN STRATEGY

- 1. Rehabilitated 3 million hectares of degraded land and 3 million hectares of peatland
- 2. Invites all parties to strengthen South-South cooperation. This is because solidarity, equality, and collaboration are crucial in addressing global climate change.
- 3. Carbon Trading through the Carbon Exchange stated that the carbon exchange is a system that regulates the trading of carbon and/or ownership records of carbon units.

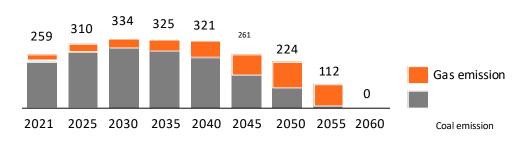


Developing New Renewable Energy: Early Retirement of Coal Fired Power Plant (CFPP) in Supporting Energy Transition

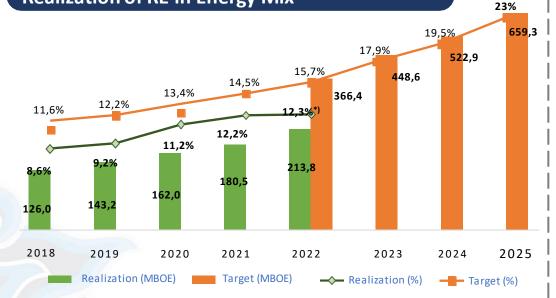


- Indonesia is committed to achieving Net Zero Emissions by 2060 or sooner.
- To facilitate this transition, there are at least 5 policy points that the Government is currently focusing on: (i) Clean energy acquisition, (ii) Renewable energy development; (iii) Energy source conversion; (iv) Carbon trading; and (v) Carbon tax.

Roadmap of Net Zero Emissions 2060



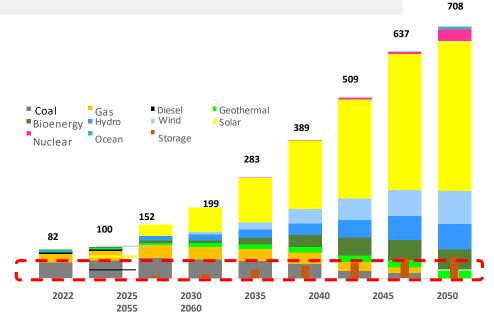
Realization of RE in Energy Mix



Installed Capacity of RE Power Plants in 2060: **708 GW.**Solar 421 GW, Wind 94 GW, Hydro 72 GW, Bioenergy

60 GW, Nuclear 31 GW, Geothermal 22 GW, Ocean Wave 8 GW.

60,2 GW Storage: Pumped Storage 4,2 GW, BESS 56 GW.



- To support NZE, the early retirement of CFPP will be carried out in stages, with the target that by 2060 there will no longer be operated.
- Several relevant stakeholders are currently preparing to implement PLTU early retirement, including the Ministry of Energy and Mineral Resources and PT PLN (Persero) which are preparing the roadmap and regulations, also the Ministry of Finance which is preparing the financing mechanism.

Road Map Towards Net Zero Emissions: Supply and Demand

2025: Emission Reduction 231.2 Million tons CO2

Supply:

- Solar Power Plant/PLTS utilization roof
- Accelerate waste to energy
- Biomass Power Plant (PLTBm) small scale
- Cofiring for Steam Power Plant (PLTU)
- Additional Water-Power Plant (PLTA)

(inline with RUPTL 2021-2030)

Demand:

- Induction Cooktop 8.1million Household
- Dimethyl etherreplaceLPGForRT
- Implementation of 300 thousand electric cars and 1.3 million electric motorbikes
- Gas Network for 5.2 million SR
- Mandatory biodiesel 30% year 2025

2035:Emission Reduction 388 Million tons CO2

Supply:

- Green Hydrogen from New Renewable Energy (EBT) start in 2031
- Battery Energy Storage System (BESS) massive in 2034
- Capacity installed for Geothermal Power Plant (PLTP)
 11 GW in 2035

Demand:

- Induction Cooktop for 28.2 million household
- 9.3 million electric cars and 51 million electric motorbikes
- Gas network utilization for 15.2 million SR
- Biofuel used is maintained at 40%
- Implementation of Energy Management and SKEM

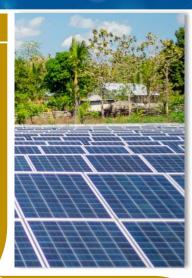
2050:Emission Reduction 1043.8 Million tons CO2

Supply:

- Green hydrogen For replacing gas natural fossil for high temperature heating process start from 2041
- Primary energy from EBT is higher than total fossilbased primary energy

Demand:

- Induction Cooktop for 46.6 million household.
- Use of 50.2 million electric cars and 163 million electric motorbikes.
- Gas network utilization for 22.7 million SR
- The use of biofuels in the industrial and transportation sectors is maintained at 40%



ivialidatory broditesti 50

2021 - 2025

2026 - 2030

2031-2035

2036 - 2040

2041-2050

2051 - 2060

Supply:

- Additional power plant after 2030 only from EBT.
- Pump storage start in 2025.

<u>Demand:</u>

- Induction Cooktop for 18.1 million household
- 2 million electric cars and 13 million electric motorbikes
- Gas Network for 10.2 million SR
- Biofuels in the industrial and transportation sectors to 40%
- Energy Management and SKEM for 11 RT equipment

2030:Reduced emissions of 327.9 million ton

<u>Supply:</u>

- Nuclear use for electricity starting in 2039
- The development of Variable Renewable Energy (VRE) in the form of PLTS is increasingly massive, followed by PLTB bot on shore and off-shore starting in 2037.

Demand:

- CCS for the cement and steel sectors starting from 2036
- Low carbon fuel for shipping
- Use of induction stoves for 37.9 million households.
- 23 million el ectric cars and 101 million electric motorbike:
- Gas Network for 20.2 million SR
- Biofuels in the industrial and transportations ectors are maintained at 40%

2040:Reduced emissions of 629.4 million tons of

Supply:

- Emissions in the electricity sector will reach zero and emissions of 129 million tons of CO2-ein the industrial and transportation sectors
- Stop using gas for electricity

Demand:

- Use of CCS in Industry 13 million tons of CO2
- Induction stove of 54.3 million.
- 175 million el ectric motorbikes and 65 million el ectric cars
- Gas network utilization for 22.7 million SR
- Projected demand for electricity consumption is
 1,942 TWh and electricity consumption per capita is
 5.862 kWh/capita

2060: Reduced emissions of 1798 million tons of CO2

Innovative technology low-emission like CCS/CCUS can be applied to certain condition of fossil power plants to speed up subtraction emission in transition to energy which more-clean and more-greener.

*)PLTU on WilusPLN and Non-PLN: Maximum 30 year And IPP 25-30 year (in accordance PPA)

Risk-Based Business Licensing Deregulation Measures to Encourage FDI



<u>Ex-ante Licensing</u> (satisfying all requirements in advance) is effectively replaced by ex-post licensing (the requirements are checked afterward), which will be particularly advantageous for low- and medium-risk businesses.

Starting a Business



The Government implemented OSS-RBA on **August 9, 2021,** based on Regulation 5 of 2021.

Low Risk

Medium Risk

High Risk

NIB Issued = 8,733,063 Period August 4, 2021 – April 26, 2024

Based on Business

Actor:

- Business Entity = 867,173
- Individual = 7,865,890

Based on Investment Type:

- FDI = 28,754
- DDI = 8,704,309

Based on Business Scale:

- Micro = 8,445,263
- Small = 207,852
- Medium = 25,670
- Large = 54,278

Action Plans

Short - Medium-term

- Accelerate the reduction of Ex Ante licenses toward Ex Post compliance (Risk-Based Approach)
- Towards technical regulations for risk management Third Party System
- Establish OSS as a national portal for business licenses with legal security

Long-term

Speed up better development approach (e.g., climate change, etc.)

Doing Business

RISK-BASED TARGETING — Optimizing Effectiveness and Cost of Monitoring:

- Resource and time limitations
- Focus on critical hazards that are more likely to arise
- Consider random inspections because blanket inspections are not appropriate, resulting in excessively costly (for countries and businesses)

INSPECTION:

- Based on the risk
- Inspection is carried out to ensure the implementation of operational and commercial activities according to business standards
- Exception in the implementation of supervision for Micro and Small Enterprises
- Implementation of inspections can be carried out by certified professionals (third parties).

The Progress of Development Monitoring/IPSNection Subsystem

Of the 44 modules in the monitoring (inspection) subsystem:

- 36 modules have been completed/embedded in the OSS RBA (go-live)
- 8 modules are still in the process of User Acceptance Testing (UAT)

Encouraging Investment: Indonesia Investment Authority (INA) to Accelerate FDI



Legal basis

- •Government Regulations Number 73 of 2020 concerning Initial Capital for the Indonesia Investment Authority
- •Government Regulations Number 74 of 2020 concerning the Indonesia Investment Authority
- •Government Regulations Number 49 of 2021 concerning Tax Treatment of Transactions Involving the Indonesia Investment Authority and/or Entities Owned
- Government Regulations Numbers 110 and 111 of 2021 concerning the Addition of State Equity Participation to the Capital of Investment Management Institutions



Update on Progress

- ☐ Fruitful partnerships with various institutional investors have resulted in >USD 25 billion in collective commitments. INA has deployed >USD 3 billion of capital to date together with investor partners and will potentially deploy close to USD 3.5 billion by the end of 2023
- ☐ Investment opportunity that has been completed (closed):
- Digital infrastructure: Mitratel's IPO for a total transaction size of USD 800 million together with ADIA, ADG, GIC
- Toll Road: Investment into SMR PPTR (Waskita Karya Toll Road) for an upfront transaction size of USD 400 million together with CDPQ, ADIA, APG
- Tourism/Digital: Investment into Traveloka for a total transaction size of USD 300 million with BlackRock, Allianz, and other leading institutions
- Healthcare: Investment into a significant minority stake in Kimia Farma Apotek and subscription into Kimia Farma (KAEF IJ)'s MCB for a total transaction size of USD 150 million with Silk Road Fund
- Infrastructure & Logistics: ESR and Mitsubishi Corp for a total transaction size of USD 100 million for three modern warehouse asses, Hutama Karya two-toll road assets in Trans Sumatera for a total transaction of USD 1 billion. DP World and Pelindo investment for the development of an international container terminal
- Green Energy: Anchor investor into the IPO of Pertamina Geothermal Energy (PGEO IJ) for a total transaction size of USD 490 million with Masdar
- ☐ Current cooperation agreements secured are:
- Toll Road: Investment platform with ADIA, APG for USD 2.75 billion.
- Seaports: Alliance agreement with DP World for developing container ports and supporting maritime logistics infrastructure amounting to USD 7.5 billion throughout the concession period.
- Green Sector: USD 2 billion investment for Optimizing blended finance in ETM programs such as ADB, SMI, PLN, Global Energy Alliance with CATL Green EV Fund
- Logistic Fund: USD 500 million Forming fund to invest into logistic assets across Indonesia with Manulife
- General: USD 10 billion investment framework agreement with ADG for various sectors in Indonesia
- General: USD 3 billion investment framework agreement with SRF for various sectors in Indonesia

The Government Focuses on Regulations and Procedures for Ease of Doing Business



Improvement in regulations in the context of structural reforms to the Job Creation Law and its derivative regulations can provide legal certainty to business actors.

Streamlining Administrative Procedures and a Positive Investment Climate

Ease of Doing Business Policy

Latest update

Impact on ease of doing business



Law No. 11 of 2020 concerning Job Creation



PERPPU 2 of 2022 concerning Job Creation has been issued



Providing legal certainty to business actors



Government Regulation No 5 of 2021



Revision of the Legal Draft and Appendix I/II



Improving risk-based licensing procedures (NSPK) and harmonization with other Government Regulations



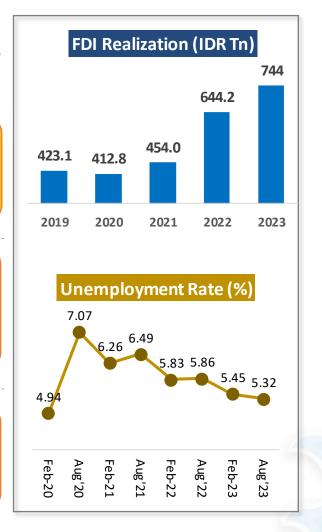
OSS RBA System



Assistance in conformity evaluation between Regulation and System



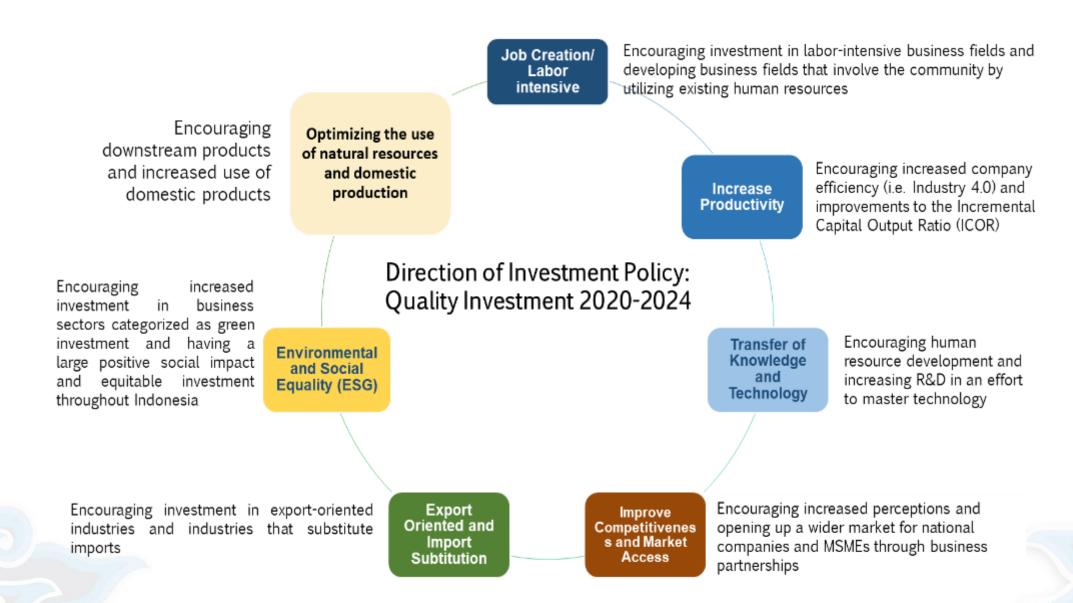
Better and smoother Business Licensing Services



Investment Policy Direction 2020-2024:







Investment Realization 2023

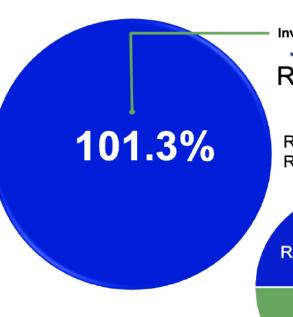




INVESTMENT REALIZATION JANUARY - DECEMBER 2023

(Upstream Oil – Gas and Financial Service Excluded)

Investment Realization



Jan - Dec 2023
Rp1,418.9 T

	YoY	
FDI	13.7%	
DDI	22.1%	
Total	17.5%	

Realization: 129.0% from Strategic Plan: Rp 1,099.8 T

Realization: 101.3% from President's Target: Rp 1,400

FDI Rp744.0 T (52.4%)

DDI Rp674.9 T (47.6%) Outside Java Rp730.8 T (51.5%)

Java Rp688.1 T (48.5%)

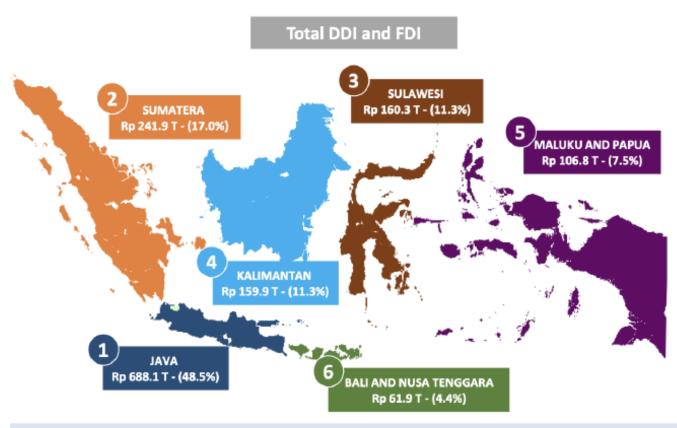


Investment throughout Jan-Dec 2023 absorbing Indonesian Labor

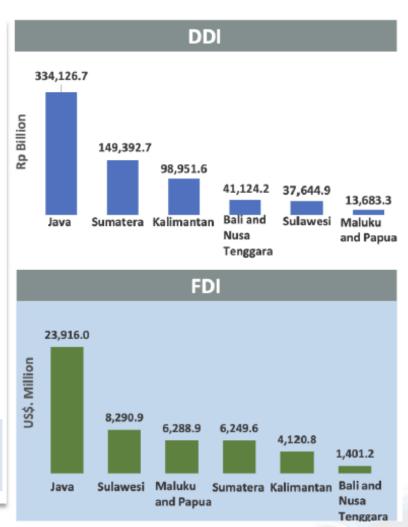
1,823,543

Investment Realization Distribution by Area January - December 2023





Based on regions in January - December 2023. the highest realization of both DDI and FDI was in the Java region. The next largest realization of DDI was in the regions of Sumatera. Kalimantan. Bali and Nusa Tenggara. Sulawesi. Maluku and Papua. Meanwhile. the next largest FDI is in the regions of Sulawesi. Maluku and Papua. Sumatera. Kalimantan. and Bali and Nusa Tenggara.



Source: Ministry of Investment (BKPM)

Investment Realization Trend in Java and Outside Java





Outside Java Rp375,0 T (46,3%)

Java Rp434,6 T (53,7 %)_.

2022

Outside Java Rp636,3 T (52,7%)

Java Rp570,9 T (47,3%) 2020

Outside Java Rp417,5 T (50,5%)

Java Rp408,8 T (49,5 %)_,

2023

Outside Java Rp730,8 T (51,5%)

Java Rp688,1 T (48,5%) 2021

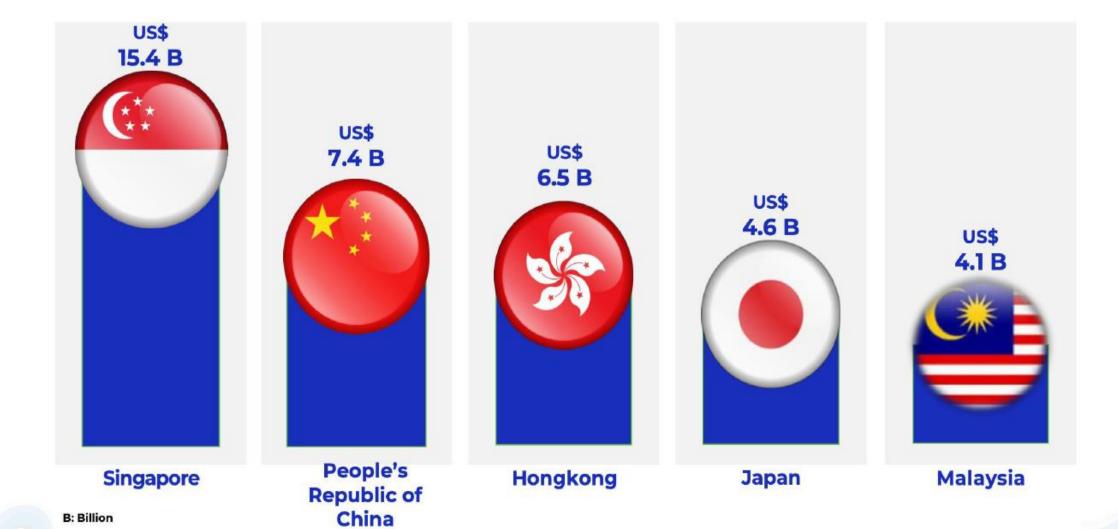
Outside Java Rp468,2 T (52,0%)

Java Rp432,8 T (48,0%)

Since QIII 2020, investment Realization outside Java have been always bigger compared to those in Java. This comes as a direct result of massive infrastructure development outside Java during President Jokowi's first period of assignment.

Investment Realization Based on Country of Origin January - December 2023





Source: Ministry of Investment (BKPM)

Investment Realization for Downstream Industry January - December 2023



Mineral		Oil and Gas	
Smelter	Rp 216.8 Trillion	Petrochemical	Rp 46.3 Trillion
- Nickel	Rp 136.6 Trillion		
- Bauxite	Rp 9.7 Trillion	Electric Vehicle Ecosystem	
- Copper	Rp 70.5 Trillion	Electric Vehicle Battery	Rp 9.7 Trillion
Agriculture CPO/Oleochemical Rp 50.8 Trillion		Total Downstreaming Realization Rp 375.4 T (26.5% from Total Investment Realization January-December 2023)	
Forestry			
Pulp and Paper	Rp 51.8 Trillion		J December 2020)

Source: Ministry of Investment (BKPM)

STAGES OF DEVELOPMENT OF THE NATIONAL CAPITAL CITY (IKN)



I. 2020-2024

Initial transfer to IKN

- Critical basic infrastructure is completed and operational (e.g water, energy, rail) for residents in the initial stages
- Build central infrastructure (e.g. Presidential Palace, MPR/DPR Building) and housing in the Main IKN area
- Transfer of earlystage civil servant
- Initiation of priority economic sectors

II. 2025-2029

Building IKN as a Resilient Area

- Public transportation facilities, both primary and secondary, can be used
- Expansion of residential areas for civil servants as well as central government offices
- The civil servant transfer process is expected to be completed
- Research and talent development as well as distinguished university
- Continuing development and maintenance of basic infrastructure

III. 2030-2034

Continuing IKN Development More Progressively

- Develop integrated utilities and rail access to Balikpapan Airport – KIPP
- Continued transfer for National Army members
- Develop industrial areas and other sectors in the superhub economic cluster
- Strengthening smart cities, digital centers, and 21st century education
- Increasing investment and production capacity



IV. 2035-2039

Building the Entire Infrastructure and Ecosystem of 3 Cities to Accelerate the Development of East Kalimantan

- Rapid developments in the education and health sectors as economic drivers
- Strengthening the sociocultural resilience of society and increasing the capacity of education and research institutions
- Increasing basic infrastructure capacity due to the increasing of population
- increasing capacity and diversifying economic clusters and infrastructure in partner areas

I. 2040-2045

Strengthening reputation as a "World City for All"

- Develo road-based public transportation from the IKN railway and surrounding areas
- Strengthening integrated infrastructure and utilities
- Growth stability in IKN population
- Achieving net zerocarbon emissions and 100% renewable energy
- Sustainable industrial development
- Become the leading city in the world in terms of competitiveness

12 FUNDAMENTAL SECTORS IN CAPITAL CITY (IKN)





Renewable Energy



Telecommunications Network



Transportation



Housing



Water Treatment



Waste Management



Technology Infrastructure



Commercial Infrastructure



Medical Facilities



Social & Public Facilities



Education Facilities



Green Industrial Zone

23 PIONEER INVESTORS HAVE IMPLEMENTED GROUNDBREAKING WITHOUT USING STATE BUDGET (APBN) TO THE AMOUNT OF IDR41 TRILLION



Groundbreaking 1

Konsorsium Nusantara - mixed use









Hospital

International Football training

Investor & NGO

~Rp 23.1 T

Estimated investment value

Groundbreaking 2



Hospital

mayapada hospital

Hospital

BPJS

headquarters

Ketenagakeriaan



ASTRA international

School

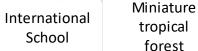
Relocatio

n

BANK INDONESIA

Office







VVIP Airport



PLTS 50 MW





Mixed use

AOUA

Office and transportation services

THE # PAKUBUWONO

Groundbreaking 3



Reforestation and rehabilitation



Hospital







Mixed use



Mixed use

headquarters



Military Base

Investors and government institutions

~Rp 13.1 T

Estimated investment value

Investors and government institutions

~Rp 5.9 T

Estimated investment value

