



Presentation Book Republic of Indonesia

"Sustaining Stability and Economic Growth amid Global Uncertainty"

October 2026



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Section 1

Indonesia's Story

*“Strong Fundamental Resilience Amidst
Heightened Global Uncertainties”*



Solid Policy Framework to Safeguard Stability and Support Sustainable Growth

Amid global challenges, Indonesia continues to demonstrate strong and resilient economic performance, supported by solid domestic demand, low and stable inflation, and a sound external resilient with ample foreign exchange reserves. Fiscal discipline remains intact, with the deficit projected at 2.68% of GDP in 2026, supporting a sound debt trajectory. Policy coordination between fiscal and monetary authorities, alongside ongoing structural reforms, is expected to sustain macroeconomic stability and support medium-term growth prospects.

- **New Paradigm to achieve growth:** Indonesia's new economic paradigm strengthens macroeconomic stability through prudent fiscal and monetary policy and a resilient financial system, while leveraging Danantara's catalytic role to mobilize private investment and achieve high and sustainable growth target.
- **Solid growth:** Indonesia's macroeconomic fundamentals remain solid, with growth accelerating to 5.29% (yoy) in Q2 2026 while inflation remains low and stable. Growth is expected to remain resilient at 4.9–5.7% in 2026 and strengthen further to 5.1–5.9% in 2027, supported by domestic demand, investment, and continued policy coordination
- **Low and Stable inflation:** Inflation remains under control, with CPI inflation stood at 3.28% (yoy) in September 2026, with annual inflation in 2026 and 2027 is projected to remain within the 2.5%±1% target range.
- **Sound external sector:** The external sector remains resilient, supported by ample foreign exchange reserves of USD146.3 billion, equivalent to 5.2 months of imports and the servicing of government external debt, at the end of September 2026.
- **Fiscal Discipline:** The fiscal stance is supporting priority development goals while maintaining fiscal discipline. The 2026 fiscal deficit is projected at 2.68% of GDP, well below 3% threshold, alongside a low debt-to-GDP ratio, with the deficit at the first half of 2026 at 0.76% of GDP. Policy priorities focus on improving spending quality, strengthening human capital, advancing food and energy security, and driving structural transformation through downstreaming and investment facilitation.
- **Central Bank Policy Mix:** Bank Indonesia's policy mix remains focused on strengthening stability and supporting economic growth. In September 2026, Bank Indonesia maintained the BI-Rate at 5.75%, the Deposit Facility rate at 4.75%, and the Lending Facility rate at 6.50%, while strengthening its integrated policy mix. Monetary policy remained pro-stability to safeguard Rupiah stability and inflation, while macroprudential and payment system policies remained pro-growth by supporting financing, market deepening, liquidity, and digital payments.
- **Growth-enhancing Structural Reforms:** Structural reforms continue to strengthen competitiveness and support growth through priority programs focusing on human capital development, food and energy security, housing and local economic development. Meanwhile, robust investment in downstream industries reflects Indonesia's ongoing transformation toward a more diversified and higher value-added economic structure.
- **Danantara:** Danantara supports Indonesia's macroeconomic management by acting as a strategic investment catalyst, with focus on generating sustainable commercial returns, strengthening the private sector's role and supporting Indonesia's priority programs.

Indonesia's National Transformation Strategy 2025–2029 focuses on strengthening governance, human capital, and industrial value creation to achieve inclusive and sustainable growth. Through structural reforms and grassroots development, it aims to build a resilient, equitable, and globally competitive nation toward Golden Indonesia 2045.

1 Asta Cita: The 8 Quick Impact Programs

8 National Priorities 2025-2029

1. Strengthening the Foundation of Pancasila Ideology, Democracy, and Human Rights
2. Consolidating the National Defense and Security System and Fostering National Self-Reliance through Self-Sufficiency in Food, Energy, Water, Islamic Economy, Digital Economy, Green Economy, and Blue Economy
3. Continuing Infrastructure Development and Improving Quality Employment Opportunities Promoting Entrepreneurship, Expanding the Creative Industry, and Developing Agro-Maritime Industries in Production Centers through Active Cooperative Involvement
4. Enhancing Human Resource Development, Science, Technology, Education, Health, Sports Achievements, Gender Equality, and Empowering the Roles of Women, Youth (Millennials and Generation Z), and Persons with Disabilities
5. Continuing Downstream Processing and Developing Natural Resource-based Industries to Increase Domestic Value-added.
6. Building from the Village and Grassroots for Economic Growth, Economic Equity, and Poverty Eradication
7. Intensifying Political, Legal, and Bureaucratic Reform, and Strengthening the Prevention and Eradication of Corruption, Drugs, Gambling, and Smuggling
8. Enhancing Alignment with A Harmonious Life in the Environment, Nature, and Culture, and Increase Religious Tolerance to Achieve A Just and Prosperous Society

Indonesia Economic Growth Framework 2026



Priority Sectors, Presidential Priority Programs, and Productivity Acceleration as Key Growth Drivers, aligned with Government Work Plan 2026 "Food and Energy Sovereignty, and Economic Transformation toward an Advanced Indonesia"

PRIORITY SECTORS

Agriculture

- downstream industrialization
- food security

Manufacturing Industry

- National automotive
- Semiconductor
- Labor-intensive revitalization

Digital

- Data Center: FDI
- Gig economy

Energy

- Energy security
- Clean energy

2026
ECONOMIC GROWTH
TARGET
5,4%

PRESIDENTIAL PRIORITY PROGRAMS

Nutritious Meal Program (MBG) — Demand Creation & Human Capital Development

Red-and-White Cooperatives (KDKMP) — Investment & Local Competitiveness

3 Million Housing Program

PRODUCTIVITY ACCELERATION

- Stronger labor-industry linkages (link & match initiatives)
- Improved ease of doing business
- Financial sector reform
- Expanded financing access for productive and export-oriented sectors

FINANCING:

Foreign direct investment (FDI) and non-state budget financing through the Danantara

SUPPORT:

Deregulation and bottleneck removal, Fiscal and monetary policy synergy, Financial sector stability

GROWTH POTENTIAL: 5,4% - 5,6%:

- ☐ Execution of strategic investment projects under Danantara
- ☐ Effective implementation of government priority programs

State Budget as of 31 August 2026 is Well Performed



Revenue grew high (25.4% yoy). Spending continued to increase (grew 17.1% yoy). The deficit was maintained within safe and manageable limits. The State Budget continues to play crucial role in driving economic growth.

ITEMS (IDR TN)	2025							2026						
	APBN	Realization as of 31 Jul	% of APBN	Growth (%)	Realization as of 31 Aug	% of APBN	Growth (%)	APBN	Realization as of 31 Jul	% of APBN	Growth (%)	Realization as of 31 Aug	% of APBN	Growth (%)
A. STATE REVENUE	3.005,1	1.429,2	47,6	(7,5)	1.639,0	54,5	(7,8)	3.153,6	1.733,9	55,0	21,3	2.055,6	65,2	25,4
I. Taxation Revenue	2.490,9	1.161,1	46,6	(3,2)	1.330,4	53,4	(3,6)	2.693,7	1.406,9	52,2	21,2	1.619,3	60,1	21,7
1. Tax Revenue	2.189,3	990,0	45,2	(5,3)	1.135,4	51,9	(5,1)	2.357,7	1.224,3	51,9	23,7	1.409,0	59,8	24,1
2. Customs & Excise	301,6	171,1	56,7	10,8	194,9	64,6	6,4	336,0	182,6	54,3	6,7	210,2	62,6	7,8
II. Non-Tax State Revenue (PNBP)	513,6	266,9	52,0	(21,1)	307,0	59,8	(20,1)	459,2	326,0	71,0	22,2	435,1	94,8	41,7
III. Grant Revenue	0,6	1,3	224,1	(83,1)	1,6	269,3	(88,4)	0,7	1,1	161,7	(17,3)	1,2	184,2	(21,6)
B. STATE EXPENDITURE	3.621,3	1.665,7	46,0	1,6	1.960,3	54,1	1,5	3.842,7	1.969,8	51,3	18,2	2.295,7	59,7	17,1
I. Central Government Expenditure	2.701,4	1.193,4	44,2	1,9	1.388,8	51,4	1,5	3.149,7	1.563,6	49,6	31,0	1.791,5	56,9	29,0
1. Ministries/Agencies Expenditure	1.160,1	582,6	50,2	(1,0)	686,0	59,1	(2,5)	1.510,5	792,2	52,4	36,0	912,4	60,4	33,0
2. Non-Ministries/Agencies Expenditure	1.541,4	610,8	39,6	4,9	702,8	45,6	5,6	1.639,2	771,4	47,1	26,3	879,1	53,6	25,1
II. Transfer to Regions	919,9	472,3	51,3	0,9	571,5	62,1	1,7	693,0	406,0	58,6	(14,0)	504,3	72,8	(11,8)
C. PRIMARY BALANCE	(63,3)	60,5	(95,6)	(66,3)	22,2	(35,1)	(86,3)	(89,7)	102,7	(114,5)	69,7	154,0	(171,7)	592,2
D. SURPLUS / (DEFICIT)	(616,2)	(236,5)	38,4	153,9	(321,3)	52,1	109,4	(689,1)	(235,6)	34,2	(0,3)	(240,1)	34,8	(25,3)
<i>% of GDP</i>	(2,53)	(0,99)			(1,35)			(2,68)	(0,91)			(0,93)		
E. BUDGET FINANCING	616,2	427,7	69,4	96,0	427,0	69,3	44,8	689,1	417,9	60,7	(2,3)	473,5	68,7	10,9

State Revenue

IDR2.055,69 T

▲ 25,4% (yoy)

State Expenditure

IDR2.295,7 T

▲ 17,1% (yoy)

Budget Deficit

(IDR240,1 T)

0,93% GDP

Primary Balance

Surplus

IDR154,0 T

Realization and Outlook of Macroeconomic Basic Assumptions 2026 Remain On-track



Macroeconomic assumptions remain broadly on track, with resilient growth and manageable inflation amid continued global uncertainties.

Indicators	APBN	2026 Realization	Outlook ^{*)}
Economic Growth (%)	5,4	5,45 ¹⁾	5,6 – 6,0
Inflation (%, yoy)	2,5	3,19 ²⁾	2,4 - 2,9
10-Year SBN Interest Rate (%)	6,9	7,17 (eop) ³⁾ 6,80 (ytd) ³⁾	6,7 – 7,1
Exchange Rate (IDR/USD)	16.500	17.635 (eop) ⁴⁾ 17.415 (ytd) ⁴⁾	17.000 - 17.500
Indonesian Crude Oil Prices (US\$/barrel, average)	70	89,2 ²⁾	75 – 85
Oil Lifting (thousand barrels per day)	610	575,6 ⁵⁾	602 – 610
Gas Lifting (thousand barrels of oil equivalent per day)	984	926,8 ⁶⁾	929 – 985

High economic growth, supported by strong investment, domestic demand, and government policy support.

Managed Inflation, supported by energy & food price policies to maintain people's purchasing power.

Weakened Rupiah, driven by geopolitical factors and the direction of global monetary policy.

SBN yield movement, influenced by global dynamics. The level and volatility can still be maintained.

Oil price dynamics are influenced by supply chain disruptions due to the Middle East conflict and the development of resolutions with the US.

Oil and gas lifting continues to be optimized amid volatile commodity market.

- ¹⁾ Realization of Q2 2026 (c-t-c)
²⁾ Realization as of Agustus 2026
³⁾ Realization as of 15 Sep '26

- ⁴⁾ BI middle rate as of 15 Sep 2026
⁵⁾ *lifting* MK + NGL ytd Juni 2026
⁶⁾ *lifting* gas (exc NGL) ytd Juni 2026
^{*)} Data SKK Migas/ESDM (NGL as oil)
^{**) MoF data (NGL calculated as gas)}

^{*)} NK RAPBN 2027

Built on resilient economic fundamentals, the 2026 Budget demonstrates Indonesia's ability to balance growth objectives with fiscal discipline, ensuring macroeconomic stability.

Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2025 Budget	2025 Realization	2026 Budget
 Economic Growth (%)	5.2	5.04	5.4
 Inflation (% yoy)	2.5	2.92	2.5
 10Y T-Bonds Rate (% average)	7.0	6.01	6.9
 Exchange rate (IDR/US\$, average)	16,000	16,782	16,500
 Oil Price/ICP (USD/barrel, average)	82	67.95	70
 Oil Lifting (tbpd)	605	577.6	610
 Lifting Gas (tboepd)	1,005	965.5	984

The 2026 Budget Posture

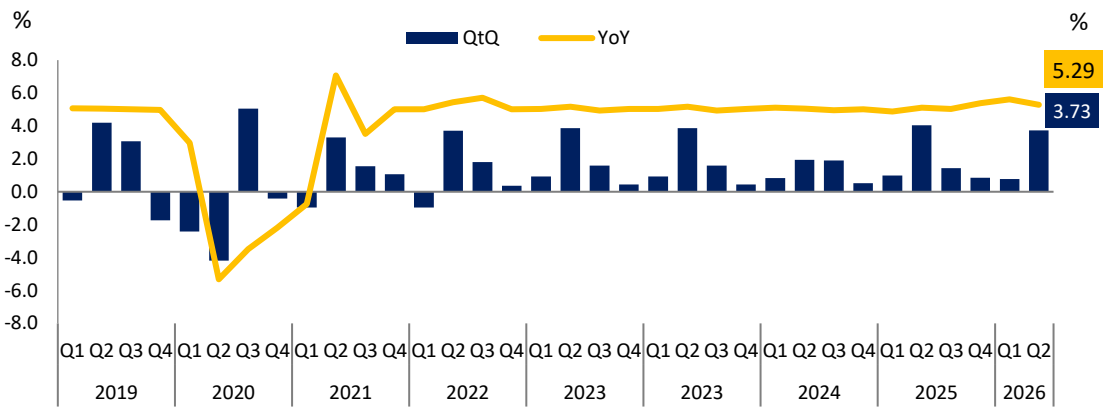
	Budget
A. Revenue	3,153.6
I. Tax Revenue	2,693.7
1. Tax	2,357.7
2. Custom and Excise	336.0
II. Non-Tax Revenue	459.2
III. Grants	0.7
B. Expenditure	3,842.7
I. Central Government Expenditure	3,149.7
1. Line Ministries Expenditure	1,510.5
2. Non-Line-Ministries Expenditure	1,639.2
II. Transfer to Region	693.0
C. Primary Balance	(89.7)
D. Surplus/(Deficit)	(689.1)
E. Financing	689.1

Indonesia's Macroeconomic Fundamentals Remain Resilient



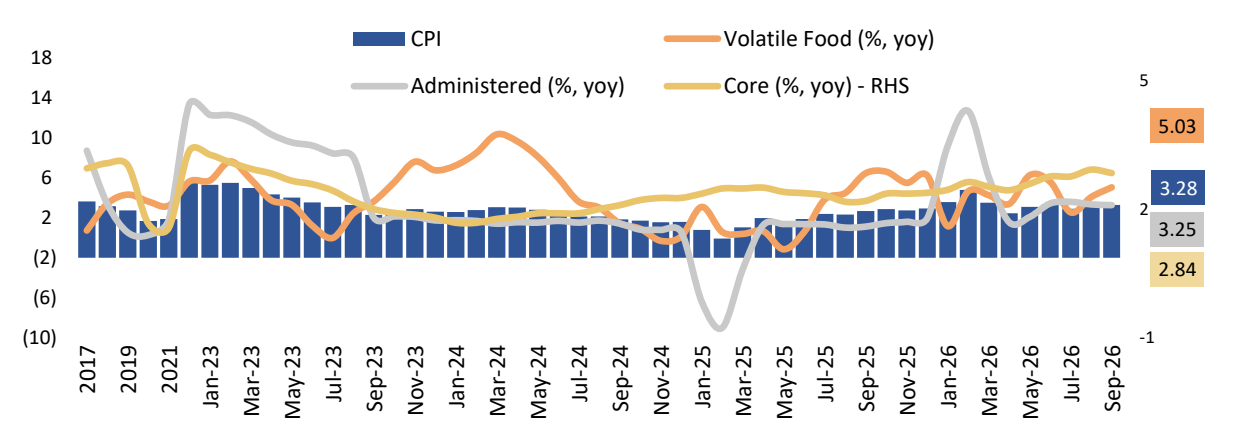
Indonesia's robust macroeconomic fundamentals underpin resilient growth of 5.29% in Q1 2026, supported by manageable inflation, a relatively stable rupiah, and a strengthened monetary policy framework, which reinforcing the economy's capacity for sustained long-term growth.

Resilient Economic Growth



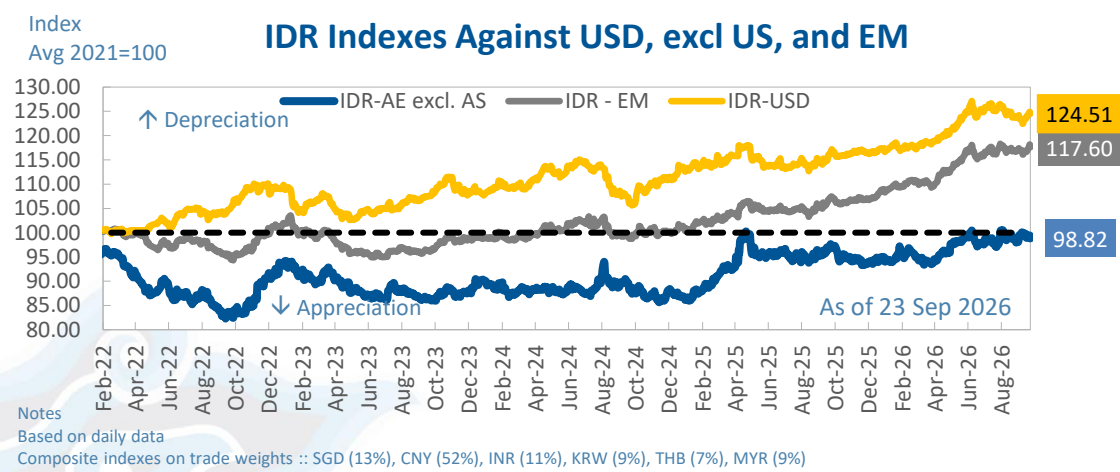
Source: Statistics Indonesia

Well Maintained Inflation Ensured Price Stability



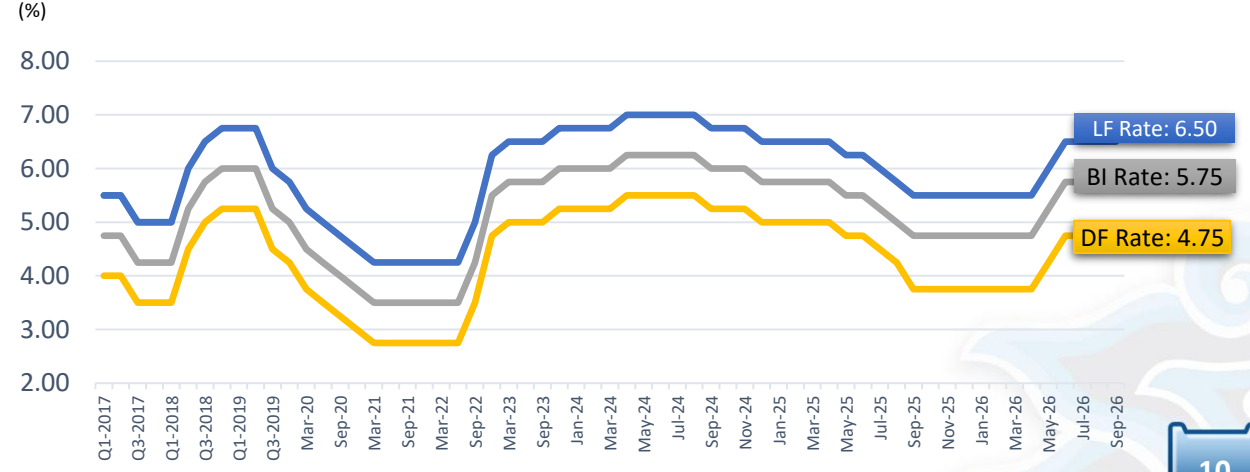
Source: Statistics Indonesia

Relatively Stable Rupiah Exchange Rate



Source: Bank Indonesia

Strengthened Monetary Policy Framework



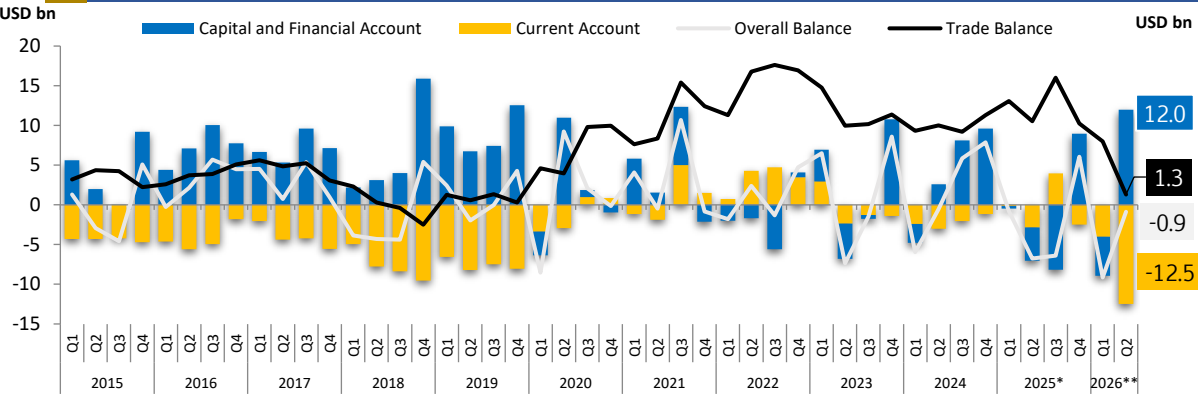
Source: Bank Indonesia



External Sector Remains Sound Amid Heightened Global Uncertainty

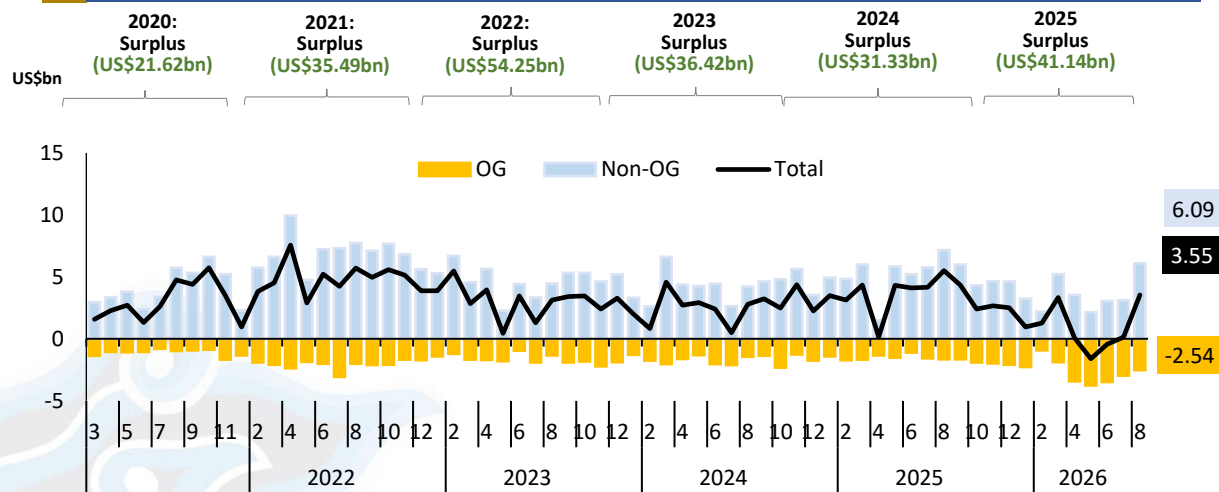
Indonesia's external sector remains resilient, supported by a balance of payments that remains maintained, a low current account deficit, a trade balance that stays in cumulative surplus, and adequate foreign exchange reserves that continue to bolster macroeconomic stability.

Indonesia's BOP performance must continue to be strengthened to support external resilience



Source: Bank Indonesia

Trade Balance Surplus Continues

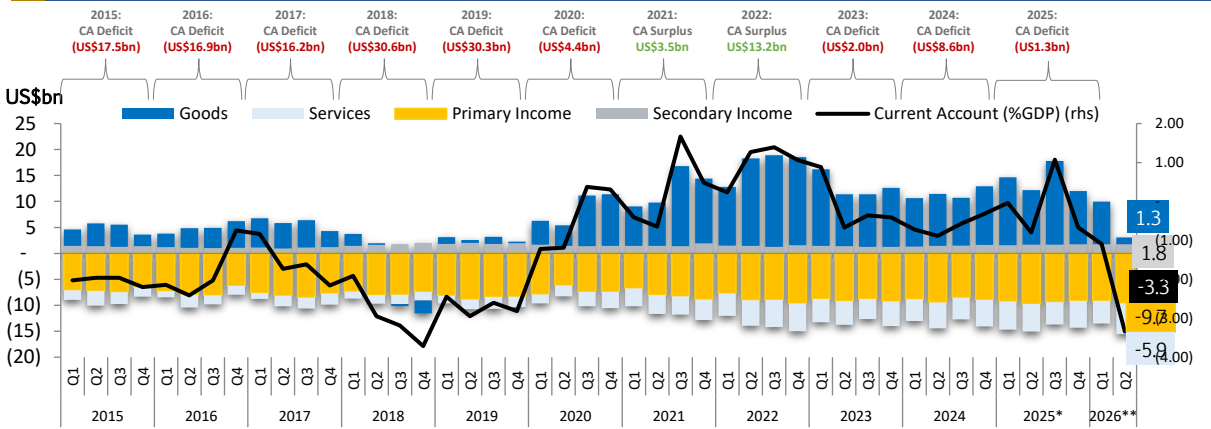


Source: Statistics Indonesia

* Preliminary Figure

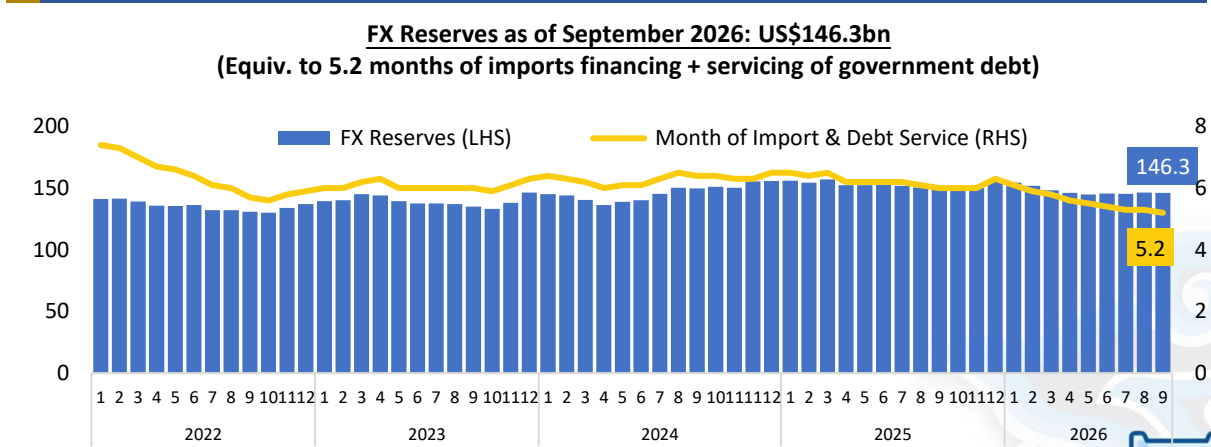
** Very Preliminary Figure

Current Account Deficit Remains at a Healthy Level



Source: Bank Indonesia

Official Reserve Assets Remained Adequate in September 2026



Source: Bank Indonesia

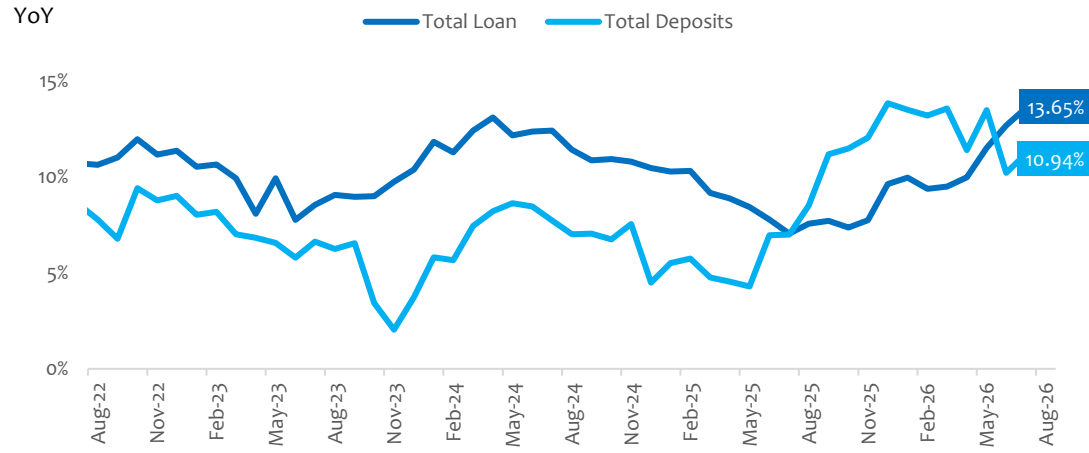


Banking Intermediation

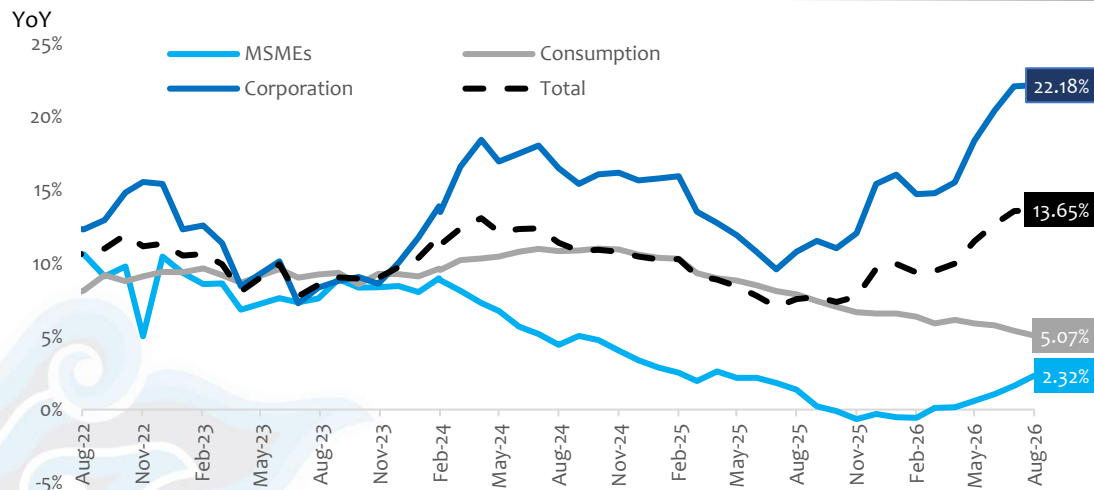
Banking intermediation strengthened further in August 2026, supported by sustained loan growth. The loan-to-deposit ratio remained within the prudent range of 78%-92%.



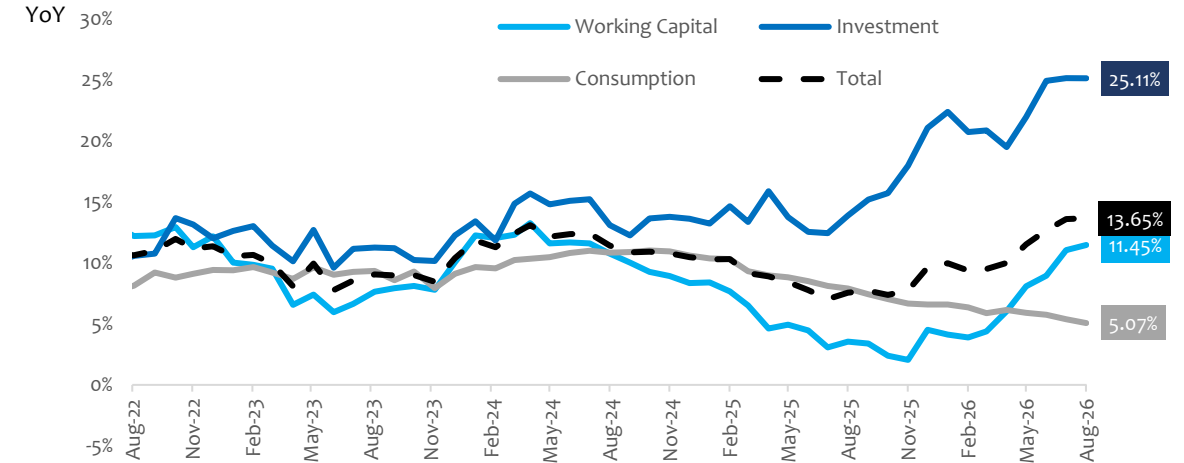
As of **August 2026**, banking loan expanded by **13.65% (yoy)** to **IDR9,178 trillion**, while deposit grew by **10.94% (yoy)** to **IDR10,413 trillion**.



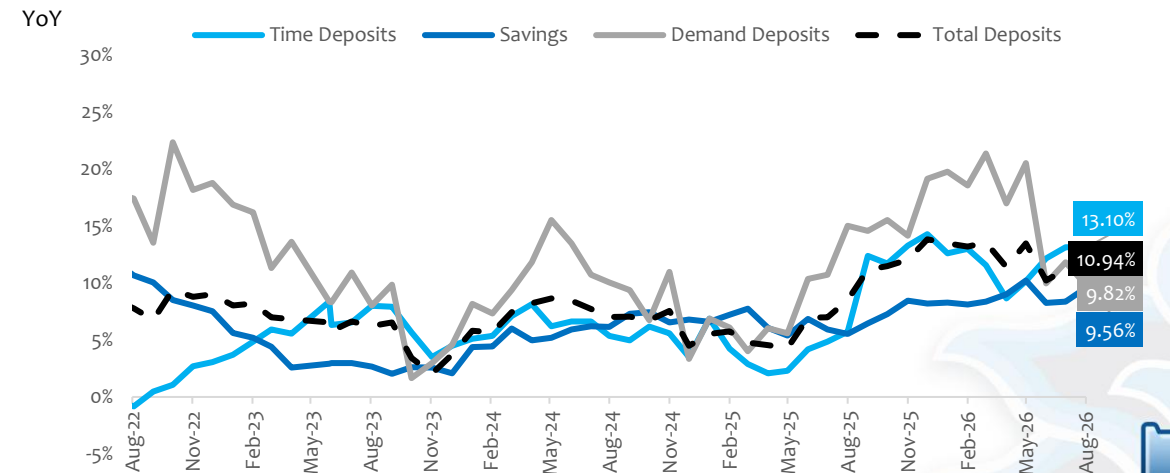
By segment, **corporate loan** remained robust, grew by **22.18% (yoy)**, while **MSME loan** continued to strengthen, grew by **2.32% (yoy)**.



Loan growth continued to be **driven by investment loan**, which grew by **25.11% (yoy)**, followed by **working capital loan** which recorded growth at **11.45% (yoy)**.



Deposit growth was primarily supported by **time deposit**, which increased by **13.10% (yoy)**, followed by **demand deposit and saving** at **9.82% (yoy)** and **9.56% (yoy)**, respectively.



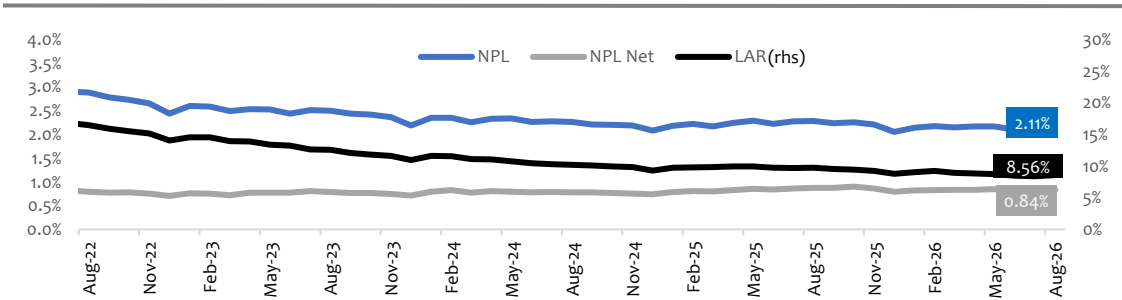


Banking Risk Profile and Profitability

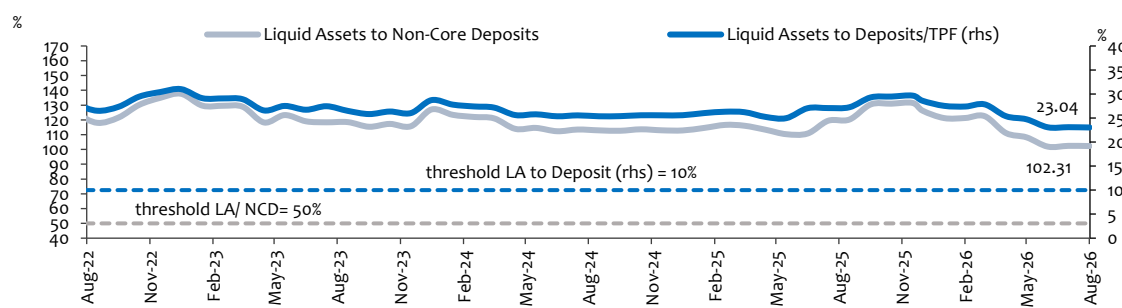
Indonesia's banking sector remained resilient in August 2026, supported by well-maintained credit quality, strong capital buffers, adequate liquidity, and stable profitability.



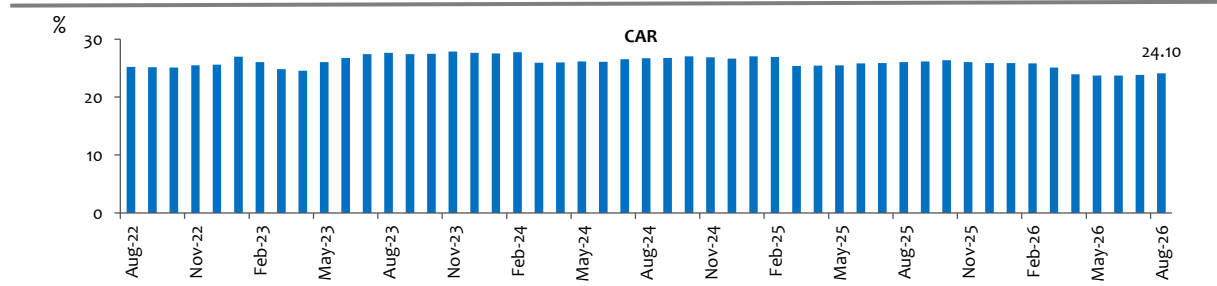
Credit risk remained manageable, with the gross non-performing loan (NPL) ratio at 2.11% and the loan-at-risk (LaR) ratio at 8.56% in August 2026.



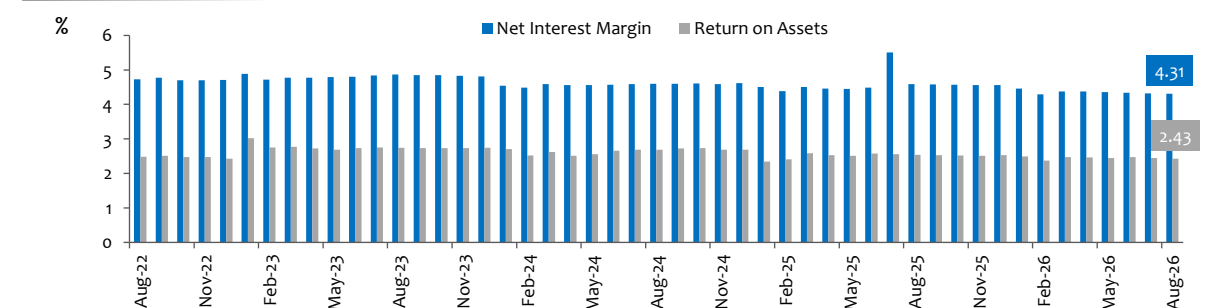
Liquidity remained ample, as reflected in the liquid assets-to-non-core deposit (LA/NCD) and liquid assets-to-deposit (LA/Deposit) ratios of 102.31% and 23.04%, respectively.



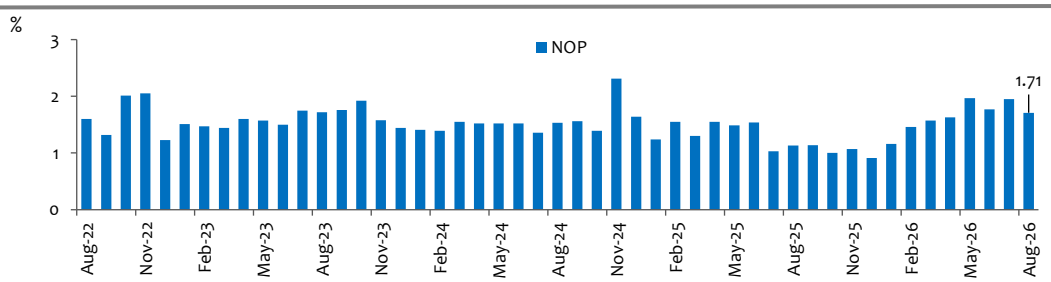
Capital buffers strengthened further, with the capital adequacy ratio (CAR) rising to 24.10% in August 2026.



As of August 2026, banking sector profitability remained stable, with the net interest margin (NIM) at 4.31% and return on assets (ROA) at 2.43%.



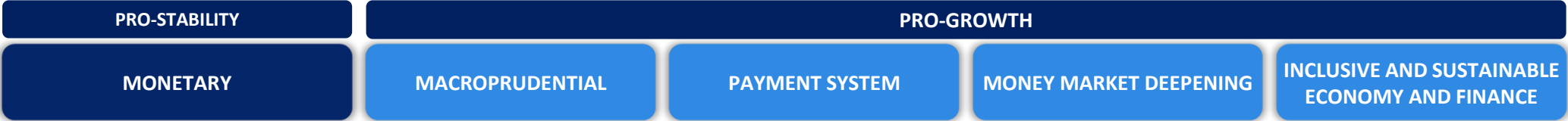
The net open position (NOP) also remained low at 1.71% in August 2026.





Bank Indonesia Policy Mix for Strengthening Stability and Supporting Economic Growth

Bank Indonesia's policy mix is calibrated to strengthening stability and supporting economic growth through a balanced combination of monetary, macroprudential, payment system, money market deepening, and inclusive green economy measures.



MONETARY

MACROPRUDENTIAL

- Strengthening the effective implementation of monetary policy to stabilise the Rupiah exchange rate, maintain inflation within the 2.5±1% target range in 2026 and 2027, and preserve adequate Rupiah liquidity by:
 - optimising the foreign exchange intervention strategy to strengthen Rupiah exchange rate stabilisation efforts through Non-Deliverable Forward (NDF) transactions in offshore markets as well as spot and Domestic Non-Deliverable Forward (DNDF) transactions in the domestic market, and
 - managing the interest rate structure in the money market in line with the BI-Rate and the rates of pro-market monetary operations instruments, accompanied by a stronger pro-market monetary operations strategy,
- Strengthening the effectiveness of Rupiah exchange rate stabilisation efforts, while supporting adequate Rupiah liquidity by:
 - increasing incentives for Conventional Swap Buy Hedging to Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, by increasing the premium reduction from 12.5% for all tenors to 15% for 3-month tenors, 20% for 6-month tenors and 25% for 12-month tenors[1],
 - increasing incentives for Domestic Non-Deliverable Forward (DNDF) hedging instruments with Bank Indonesia for underlying foreign funding transactions, including portfolio inflows, foreign loans by banks and foreign direct investment, by increasing the premium reduction from 15% to 25% for 6-month tenors and to 30% for 12-month tenors,
 - continuing to provide incentives for Local Currency Transactions (LCT) with partner countries to diversify foreign exchange transactions through: (a) a 10% increase in the premium for Swap Buy Hedging (Swap Sell Hedging to Bank Indonesia), and (b) a 10% reduction in the premium for DNDF Sell Hedging transactions
- Strengthening the effective implementation of accommodative macroprudential policy to foster lending/financing growth in pursuit of economic growth, while maintaining financial system stability by:
 - continuing preparations to implement the strengthened Macroprudential Inclusive Financing Ratio (RPIM) Policy to stimulate bank lending/financing to inclusive and sustainable sectors, effective from 1st October 2026, and
 - continuing synergy with the Government and other stakeholders to promote bank lending/financing through the Indonesia Intermediation Acceleration Program (PINISI),
- Accelerating digital payment acceptance through collaboration between the Coordinating Ministry for Economic Affairs, Bank Indonesia, the Financial Services Authority (OJK) and industry associations in hosting the Indonesia Digital Economy and Finance Festival and Indonesia Fintech Summit and Expo (FEKDI and IFSE) 2026 on 24-26 September 2026. The event marks the realisation of synergy among various programs and initiatives, namely:
 - National Coordination Meeting on Inflation Control (PI) and the Acceleration and Expansion of Regional Digitalisation (P2DD),
 - National Digital Transformation Festival, marking a milestone in synergy among various initiatives to expand cross-cutting digitalisation across government ministries/agencies,
 - inauguration of expanded QRIS Cross-Border cooperation with central banks in partner countries, and
 - initiation of the Indonesia Travel Pack, as well as
- Strengthening and expanding international cooperation in central banking, including payment system connectivity and local currency transactions, alongside the addition of Singapore as a new LCT partner in August 2026.



BI – Rate⁽¹⁾ 5.75% ➡

Deposit Facility (DF) rate⁽¹⁾ 4.75% ➡

Lending Facility (LF) rate⁽¹⁾ 6.50% ➡

Source: Bank Indonesia
 Note: (1) Board of Governors Meeting September 2026



Strong Investment in Downstream Industries Reflects Continued Industrial Transformation

Downstream industries continue to attract strong investment of Rp 300.1 trillion in 1st Semester 2026, driven primarily by Mineral and Coal, underscores the continued progress of Indonesia's downstream strategy.



Mineral IDR 206.5 T

Nickel	IDR 71.0 T	Steel Iron	IDR 30.2 T
Bauxite	IDR 53.8 T	Silica	IDR 5.9 T
Cooper	IDR 37.4 T	Others*	IDR 8.2 T

*) Others: Gold, Silver, Cobalt, Manganese, Coal, Buton Asphalt and Rare Earth Elements.



Plantations & Forestry IDR 54.4 T

Palm Oil	IDR 29.5 T	Rubber	IDR 5.0 T
Log	IDR 16.3 T	Others*	IDR 3.6 T*)

*) Other : Nutmeg, Pine, Coconut, Cocoa, and Biofuel



Oil & Natural Gas IDR 35.4 T

Oil	IDR 26.4 T
Natural Gas	IDR 9.0 T



Marine and Fisheries IDR 3.8 T

Commodities in this sector include Salt, Fish (Tuna, Skipjack, Mackerel) , Shrimp, Seaweed, Crab, and Tilapia.

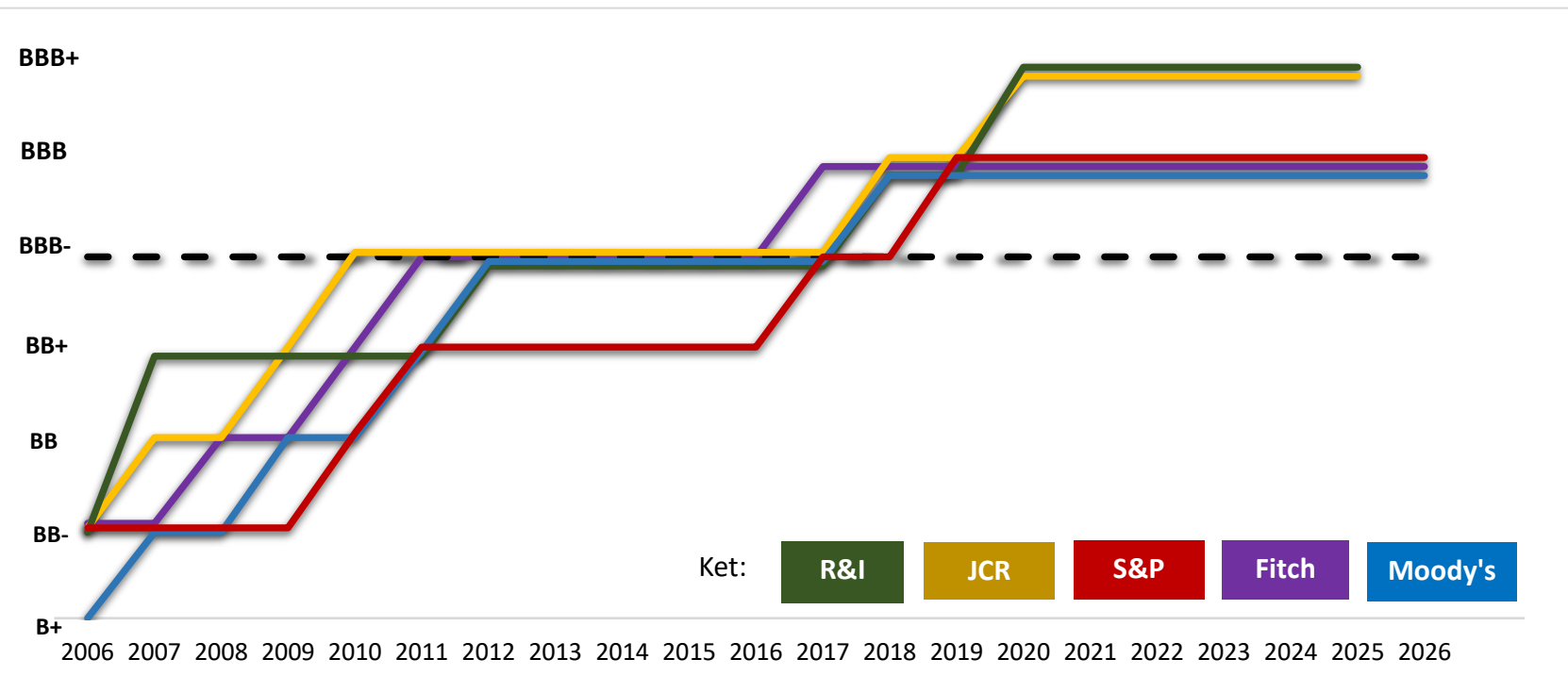
Investment Realization of Downstream Industry Sectors

Rp 300.1 Trillion ▲ 6.9% (YoY)

29.7% of Total Investment Realization 1st Semester 2026



Indonesia's Investment-Grade Ratings Remain Supported by Resilient Fundamentals



FitchRatings

BBB / Negative

March 2026, Rating Affirmed at BBB/Negative Outlook

The rating affirmation reflects Indonesia's record in maintaining macroeconomic stability, favourable medium-term growth, a modest government debt/GDP ratio and moderate external buffers. The outlook revision reflects increasing policy uncertainty and erosion of Indonesia's policy mix consistency and credibility amid growing centralisation of policymaking authority.

S&P Global

BBB / Stable

July 2026, Rating Affirmed at BBB/Stable Outlook

The stable rating outlook reflects our expectation that government revenue will continue to recover this year and export receipts will rebound with higher commodity prices. Policies to boost revenue and export earnings from the resource sector should also lift revenue over time, particularly if policy changes become more predictable and well-executed.

R&I

BBB+ / Stable

October 2025, Rating Affirmed at BBB+/Stable Outlook

Indonesia's economic fundamentals remain resilient, supported by demographic expansion, abundant natural resources and growing manufacturing sectors. The economy has been on a relatively stable trajectory, with the inflation rate kept in check. The government debt ratio remains at a low level, reflecting the government's fiscal policy in accordance with fiscal rules. R&I has a view that prudent fiscal and monetary policies have been maintained so far under the Prabowo administration.

JCR

BBB+ / Stable

September 2025, Rating Affirmed at BBB+/Stable Outlook

The ratings mainly reflect the country's solid domestic demand-led economic growth and restrained public debt. On the other hand, they are constrained by its weak revenue base. The economy's real GDP growth in 2024 remained at around 5%, the same level as the previous year. JCR holds that the government debt-GDP ratio, which rose due to measures aimed to combat the pandemic, will be maintained at current levels amid the ongoing fiscal consolidation efforts through tax reforms and budget allocation revisions.

MOODY'S

Baa2 / Negative

February 2026, Rating Affirmed at Baa2/Negative Outlook

The rating affirmation highlights Indonesia's economic resilience, supported by solid growth, structural strengths, and a track record of credible monetary and prudent fiscal policies that underpin macroeconomic and financial stability. The outlook revision reflects the assessment of rising risks to policy predictability, which have not yet materially affected credit fundamentals but could weigh on performance if prolonged.



Section 2

Macroeconomic

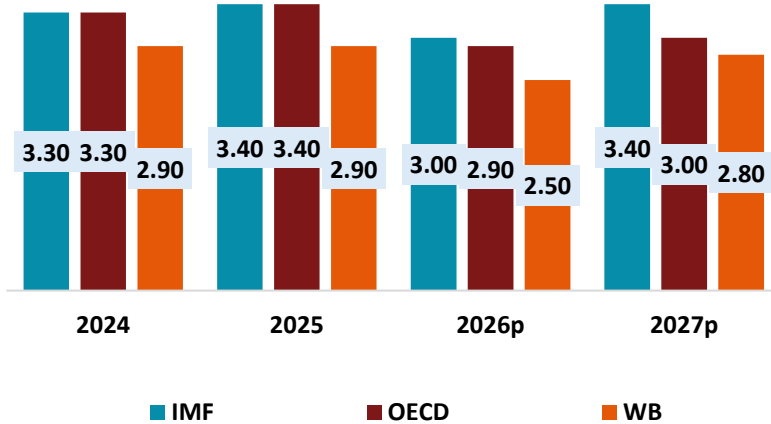
*“Solid Growth Prospects Supported by Continued
Economic Recovery Momentum”*

Indonesia's Projected Robust Resilience Amidst Evolving Global Dynamics



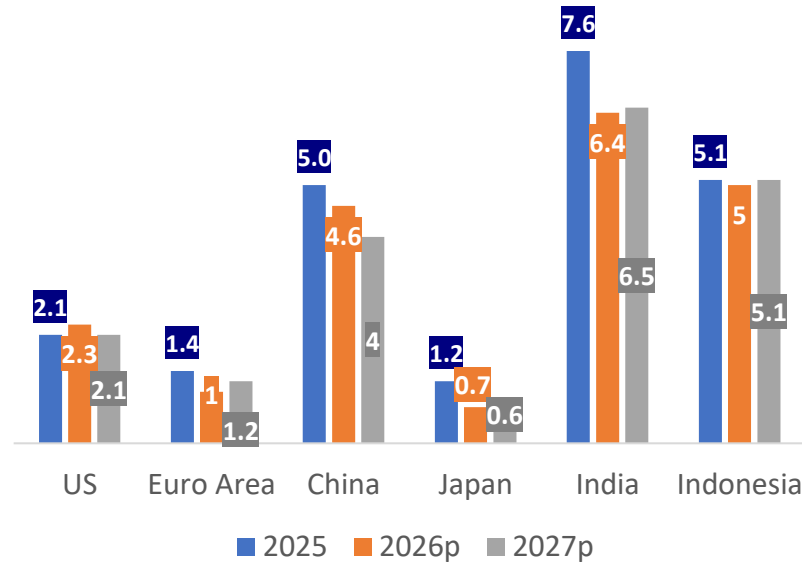
Indonesia's economy is projected to maintain a strong growth trajectory of 5.0%–5.1% through 2026 and 2027, consistently outperforming global and peer benchmarks. Supported by solid domestic fundamentals, Indonesia remains well-positioned to navigate global downside risks and persistent inflation.

Global GDP Growth Projection (% YoY)



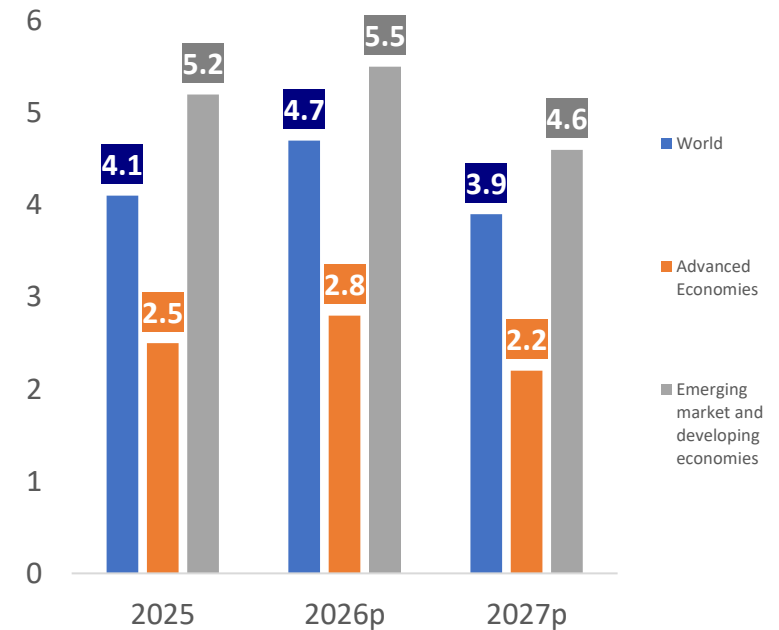
Source: GEP WB Jun'26, OECD Sept'26, WEO IMF Jul'26

Estimated GDP Growth of Selected Country 2025-2027 (% YoY)



Source: WEO IMF Jul'26

Global Inflation Projection (CPI) (% YoY)



Source: WEO IMF Jul '26

DOWNSIDE RISKS

1

Intensification of geopolitical Tensions

2

Eruption of domestic political tensions

3

Reevaluation of Technology Expectations

4

Disruption of the fragile balance of current trade policies

5

Repricing of borrowing costs triggered by fiscal vulnerabilities

6

Erosion of confidence in economic institutions

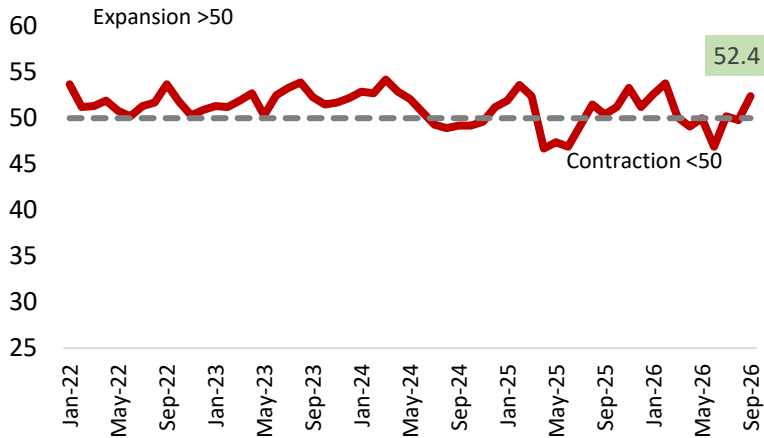
Source: WEO IMF Jul '26.

Indonesia's Leading Indicators Point to Steady Economic Stabilization

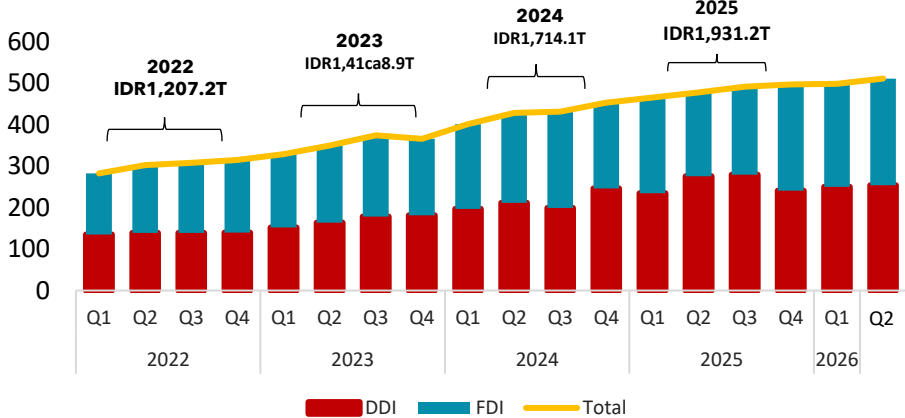


Indonesia's economic fundamentals remain resilient entering Q4-2026, supported by a recovering Consumer Confidence Index of 118.5 in August and stable Retail Sales. Domestic economic activity is further reinforced by solid investment realization reaching IDR 511.8 trillion in Q2-2026, bringing total H1 investment to IDR 1,010.6 trillion, alongside robust external buffers with Foreign Exchange Reserves at USD 146.5 billion in August and a continued trade surplus of USD 3.55 billion. While Manufacturing PMI stabilizes around 52.4, sound financial buffers ensure continued national economic stability.

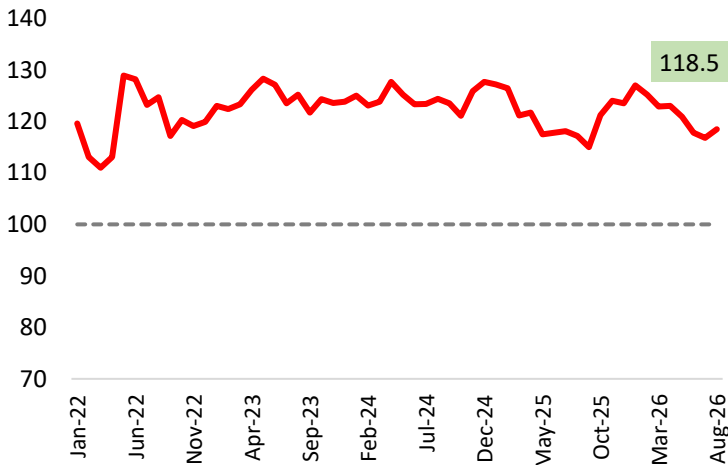
Manufacturing PMI



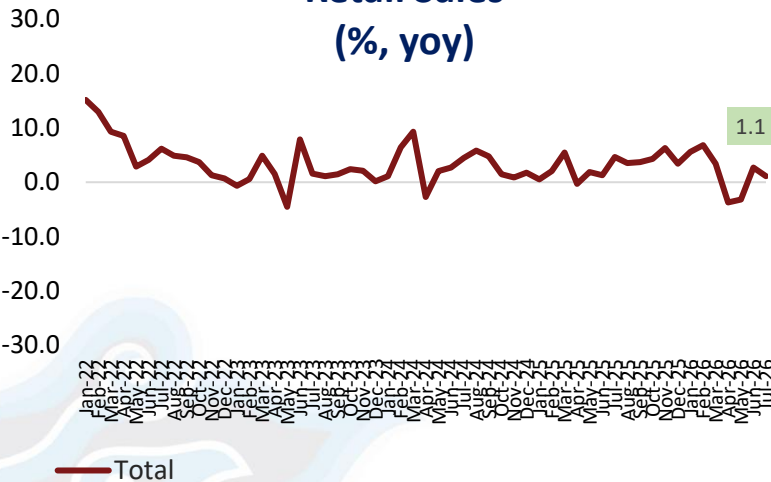
Total Investment (IDR Tn)



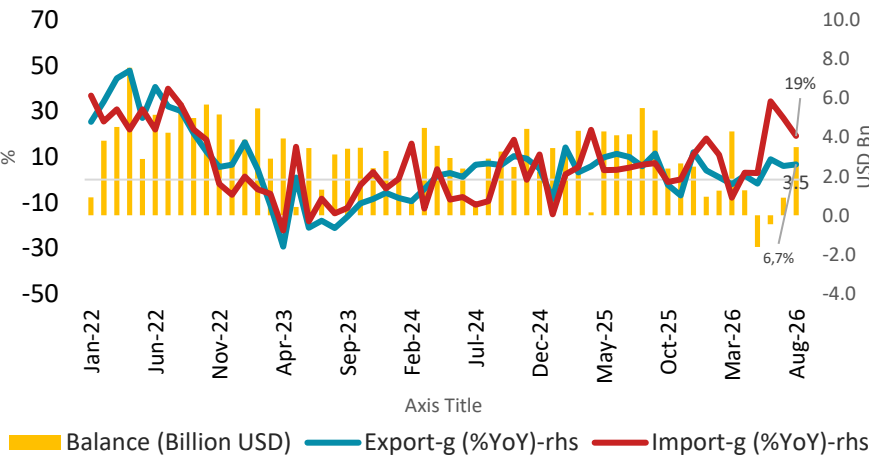
Consumer Confidence Index



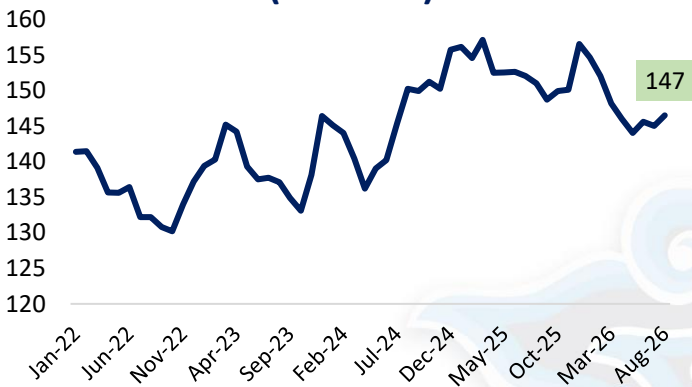
Retail Sales (% yoy)



Trade Balance (USD Bn)



Foreign Exchange Reserves (USD Bn)



Indonesia Economic Growth Framework 2026



Priority Sectors, Presidential Priority Programs, and Productivity Acceleration as Key Growth Drivers, aligned with Government Work Plan 2026 “Food and Energy Sovereignty, and Economic Transformation toward an Advanced Indonesia”

PRIORITY SECTORS

Agriculture

- downstream industrialization
- food security

Manufacturing Industry

- National automotive
- Semiconductor
- Labor-intensive revitalization

Digital

- Data Center : FDI
- Gig economy

Energy

- Energy security
- Clean energy

2026
ECONOMIC GROWTH
TARGET

5,4%

PRESIDENTIAL PRIORITY PROGRAMS

Nutritious Meal Program (MBG) — Demand Creation & Human Capital Development

Red-and-White Cooperatives (KDKMP) — Investment & Local Competitiveness

3 Million Housing Program

PRODUCTIVITY ACCELERATION

- Stronger labor–industry linkages (link & match initiatives)
- Improved ease of doing business
- Financial sector reform
- Expanded financing access for productive and export-oriented sectors

FINANCING:

Foreign direct investment (FDI) and non-state budget financing through the Danantara

SUPPORT:

Deregulation and bottleneck removal, Fiscal and monetary policy synergy, Financial sector stability

GROWTH POTENTIAL: 5,4% - 5,6%:

- ☐ Execution of strategic investment projects under Danantara
- ☐ Effective implementation of government priority programs

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

- ❑ Applicable to new investments, particularly in pioneer industries and core business activities.
- ❑ 18 eligible pioneer industries covering 169 KBLI classifications, strategically selected for their strong economic linkages, high added value, advanced technology adoption, and significant national economic impact.
- ❑ Corporate income tax incentives:
 - 100% corporate income tax exemption (full tax holiday) for up to 20 years, depending on the investment value.
 - Mini tax holiday: A 50% corporate income tax reduction for two years after the initial full exemption period.
 - After the tax holiday and mini tax holiday periods expire, investors remain eligible for a 50% reduction of the standard corporate income tax rate.
- ❑ Adjustment due to Global Minimum Tax (GMT) Implementation:
 - Indonesia has aligned its tax policies with the 15% Global Minimum Tax (GMT) framework set by the OECD/G20.
 - Companies benefiting from the Tax Holiday must comply with the minimum tax requirement, ensuring both regulatory stability and competitive investment incentives.

TAX ALLOWANCE

- ❑ Aims to increase direct investment in specific business sectors or designated regions.
- ❑ Incentives include:
 - 30% net income reduction based on total investment over six years.
 - Accelerated depreciation and amortization.
 - Reduced income tax on dividends paid to foreign investors (10% or lower).
 - Compensation for losses of up to 10 years.
- ❑ Criteria include high investment value for export, significant labor absorption, or high local content.

INVESTMENT ALLOWANCE

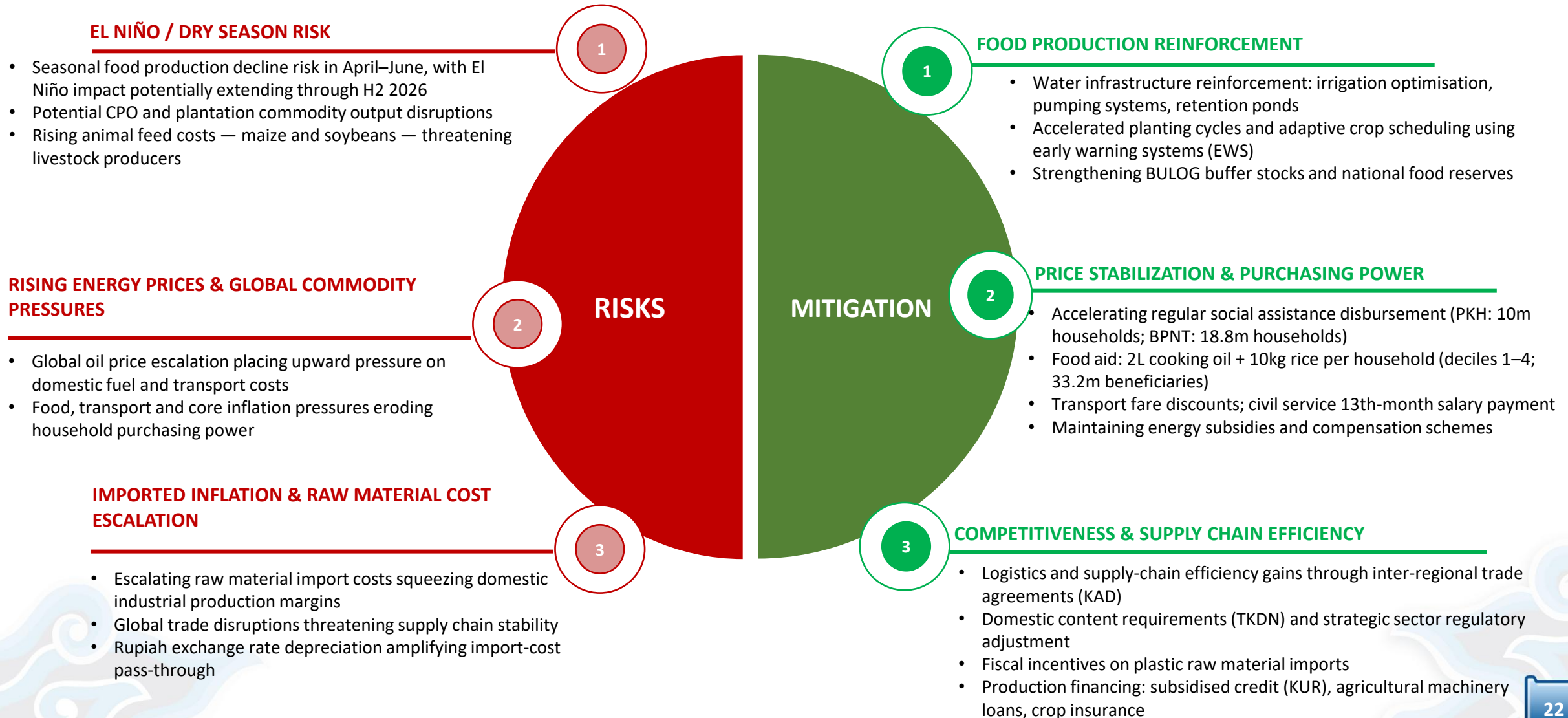
- ❑ Encourages investment in labor-intensive industries, supporting job creation and workforce absorption.
- ❑ Net income deduction of 60% of the investment in tangible fixed assets, including land, used for the taxpayer's main business activities.
- ❑ Deduction is spread over six years (10% annually) from the fiscal year when commercial production starts.
- ❑ Covers 45 labor-intensive industrial sectors, employing an average of 300 workers per tax year.

SUPER DEDUCTION TAX

- Super Deduction for Vocational Activities
- ❑ Encourages industries to participate in vocational programs, facilitating knowledge transfer and skill development.
 - ❑ Maximum reduction of 200% in gross income for costs related to work practice, apprenticeships, and learning activities.
- R&D Super Deduction
- ❑ Supports industry-driven innovation and the adoption of the latest technology in production processes.
 - ❑ Maximum gross income deduction of 300% for eligible R&D expenditures in Indonesia.



Proactive risk mitigation across food production, social assistance, and structural efficiency ensures domestic inflation remains contained despite external and climate headwinds



Policy Coordination & Synergy To Keep Inflation Firmly Anchored



The government (central and regional) and Bank Indonesia continue strengthening coordination and synergy through TPIP-TPID amid to control inflation amid against global headwinds. Policymakers remain confident that 2026 inflation, will remain within the $2.5 \pm 1\%$ target band.



MONETARY POLICY

Pro-stability and pro-growth monetary policy dan

- Rupiah stabilisation via FX interventions: spot, DNDF, secondary SBN
- Monetary operations via SRBI, SVBI, and SUVBI optimisation



FISCAL POLICY

APBN and APBD as fiscal shock absorbers

- Energy subsidies compensation transfers
- Food security budget: optimisation of government commercial reserves (SPHP distribution)
- Social protection programmes, including food assistance
- **Purchasing-power stimulus measures**
- Regional budget (APBD) and contingency reserve (BTT) optimisation

THE 4-PILLAR INFLATION CONTROL STRATEGY

K1

Price Affordability



- Expanded subsidised market operations and food price stabilisation (SPHP) Availability dan Affordability
- Social protection, food aid, electricity tariff discounts, transport subsidies

K2

Supply Availability



- Strengthening Government Food Reserves (CPP and CPPD)
- Subsidised credit (KUR) and agricultural machinery financing
- Subsidised fertiliser provision

K3

Distribution Efficiency



- Facilitating strategic food commodity distribution chains
- Sea-toll programme optimisation to reach remote 3TP areas
- Logistics cost subsidies

K4

Effective Communication



- TPID coordination by Ministry of Home Affairs via weekly meetings
- Zonal TPIP-TPID coordination meetings aligned with GNPPI



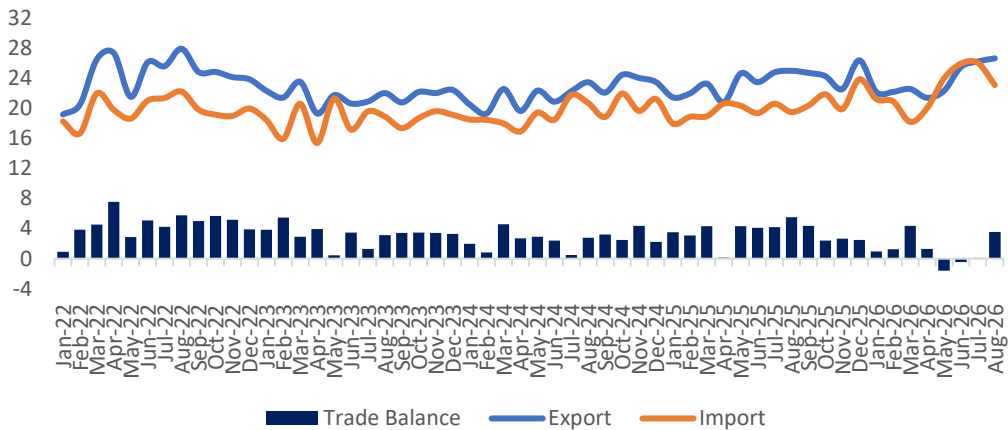
2026 INFLATION ANCHORED AT TARGET $2.5 \pm 1\%$



Task Force for Increasing National Exports to Strengthen Trade Balance

The government has established a task force to boost national exports to maintain export performance, strengthen the trade balance, and support economic growth. The initiative focuses on improving export industry productivity, expanding markets, simplifying processes, enhancing export financing, increasing MSME exports, and strengthening regulations while Indonesia continues to maintain a trade surplus for many consecutive months despite global uncertainty.

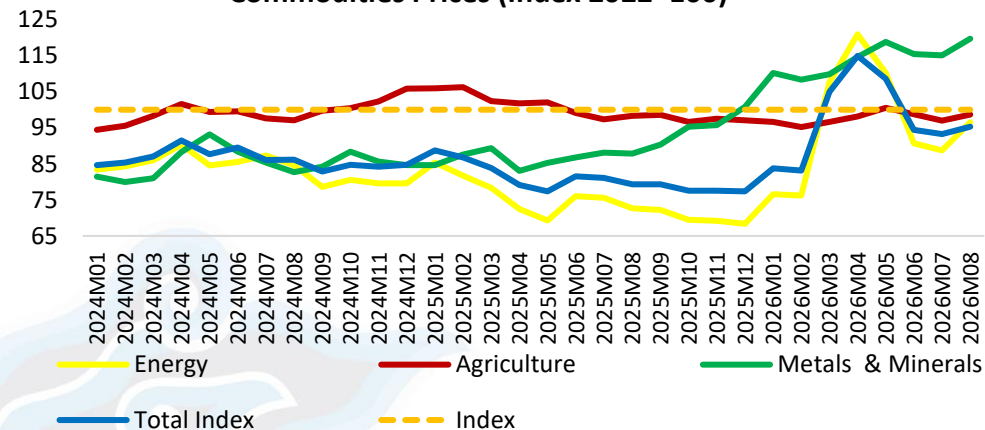
Performance of Indonesia's Export – Import (Billion USD)



Source: BPS

Commodities Prices Volatility

Commodities Prices (Index 2022=100)



Source: World Bank

VISION

TARGET

WORKING GROUP

DRIVERS

TASK FORCE FOR
INCREASING NATIONAL EXPORTS

"MAINTAIN AND IMPROVE NATIONAL EXPORT PERFORMANCE"

STRENGTHENING THE TRADE BALANCE
TO DRIVE NATIONAL ECONOMIC GROWTH

WG I

Increasing
Productivity and
Competitiveness of
Export
Industries

WG II

Diplomacy,
Promotion,
and
Development of Export
Market

WG III

Simplify,
Synchronize, and
Integrate of
Export's
Processes
and
Services

WG IV

Export
Financing

WG V

Increasing
MSME
Exports

WG VI

Regulations

AMIDST GLOBAL UNCERTAINTY, INDONESIA CONTINUES TO MAINTAIN A
POSITIVE CUMULATIVE TRADE SURPLUS IN 2026.



Local Currency Transaction (LCT)

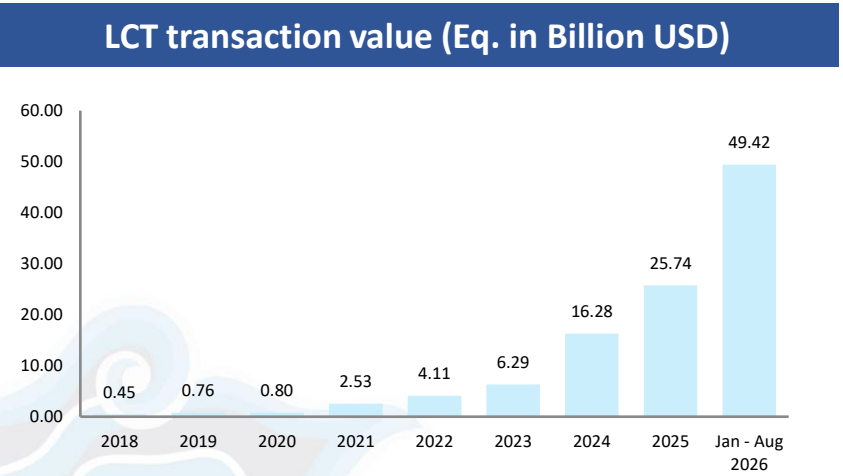
BI implemented the Local Currency Transaction Framework as an effort to improve market efficiency, to accelerate financial market development, and reduce exchange rate volatility...

- 1 LCT transaction is growing...
- a)

Currently, the implementation of Local Currency Transaction (LCT) cooperation between Indonesia has been established with Malaysia, Thailand, Japan, China, South Korea, and United Arab Emirates.
- b)

LCT Indonesia with Singapore and India is currently in the finalization stage of preparation.
- c)

The total value of LCT throughout 2026 (Jan-Aug) reached the equivalent of USD49,42 billion, representing a 201,68% (yoy) increase compared to transaction value in Jan-Aug of the previous year (eq. 16,38 billion)



Source: Appointed Cross-Currency Dealer (ACCD) Banks' Report

2 ...by expanding line of business and participants...

Line of Bussiness	Current Account, Capital Account, and Financial Account
Area of Cooperation	FX Market, Financial Market, and Cross-Border Payment
Expansion of Participants	a. LCT customer: Wholesale & retail b. ACCD* Banks,Payment Service Providers for Cross-Border Transaction, Portfolio Investment Company

*Appointed Cross-Currency Dealer

3 ...as well as stronger strategic synergy with government agencies.

Strategic Cooperation of National Task Force on Local Currency Transaction

a) Trade and Direct Investment

b) Banking and Financial Market

c) Expansion usage of LCT and Cross-Border Payment



National Task Force on Local Currency Transaction





Section 3

External Sectors

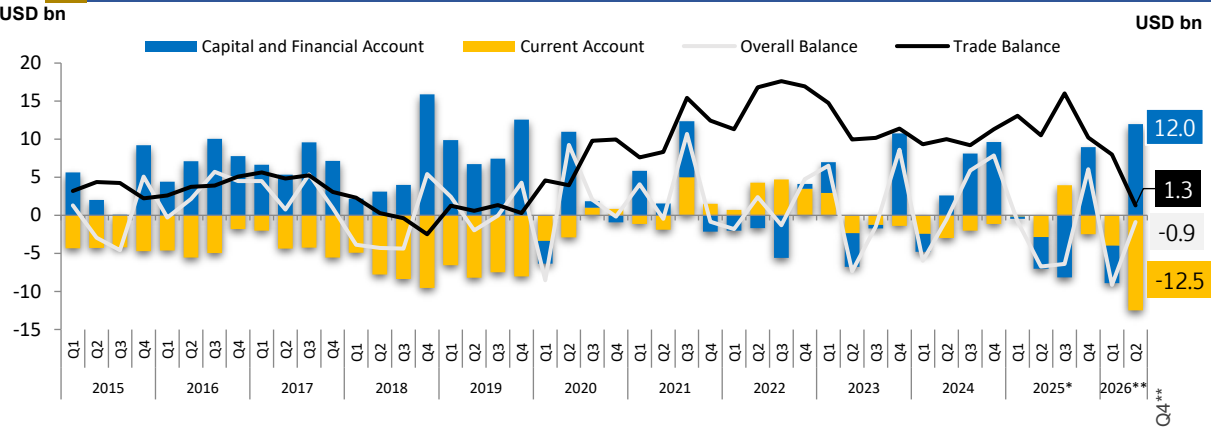
“Sound External Resilience Supported by a balance of payments that remains maintained and Ample Reserves”



External Sector Remains Sound Amid Heightened Global Uncertainty

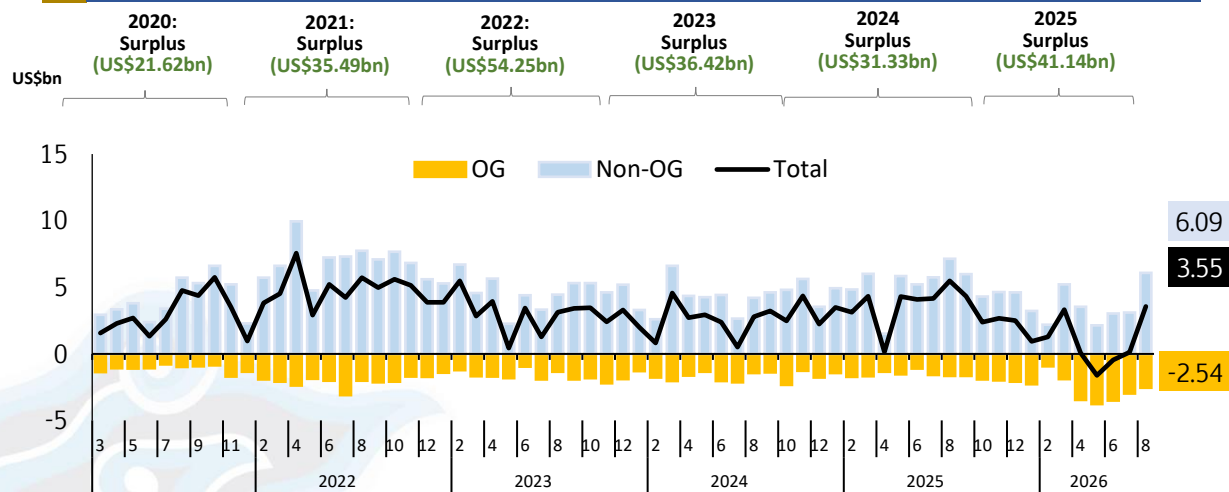
Indonesia's external sector remains resilient, supported by a balance of payments that remains maintained, a low current account deficit, a trade balance that stays in cumulative surplus, and adequate foreign exchange reserves that continue to bolster macroeconomic stability.

Indonesia's BOP performance must continue to be strengthened to support external resilience



Source: Bank Indonesia

Trade Balance Surplus Continues

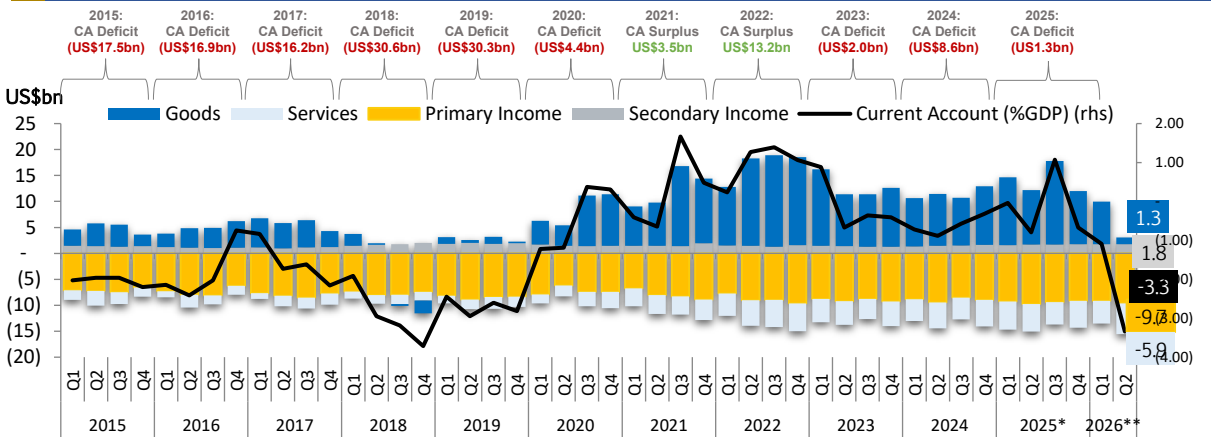


Source: Statistics Indonesia

* Preliminary Figure

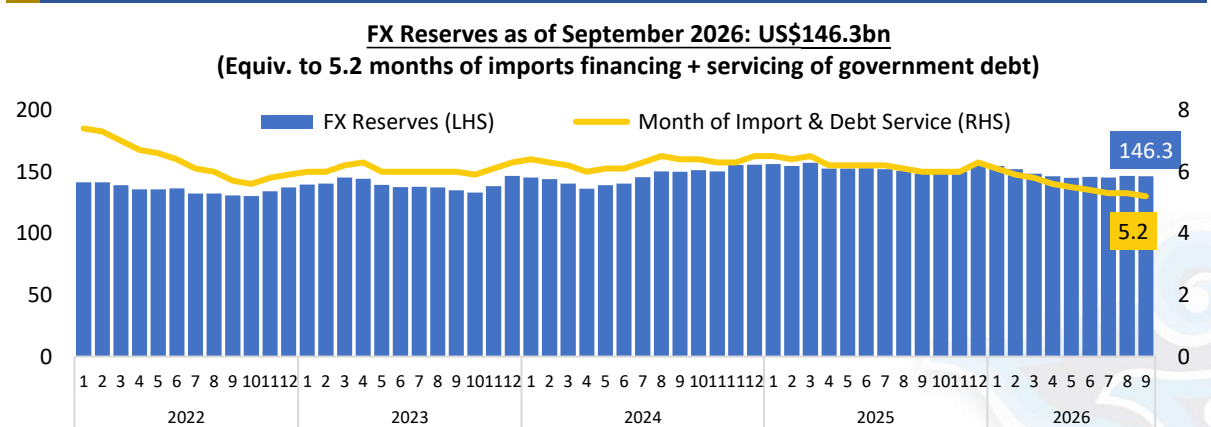
** Very Preliminary Figure

Current Account Deficit Remains at a Healthy Level



Source: Bank Indonesia

Official Reserve Assets Remained Adequate in September 2026



Source: Bank Indonesia

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 September 2026: **US\$146.3 bn**

Swap Arrangement

Bilateral

Malaysia

- RM/Rp swap arrangement with a size up to RM 24 billion / Rp 82 trillion (equivalent)

Singapore

- SGD/Rp swap arrangement with the size up to SGD 9.5 billion / Rp 100 trillion (equivalent)

China

- CNY 400 billion / Rp 878 trillion (equivalent)

Japan

- Precautionary line Indonesia-Japan CMIM-linked US\$ 9.104 billion

Regional

Chiang Mai Initiative Multilateralization (CMIM) Agreement

- Entitled to a maximum swap amount of US\$ 9.104 billion under CMIM IDLP
- Came into effect in 2010 with a pool of US\$ 120 billion
- Doubled to US\$ 240 billion effective July 2014

Global

IMF Global Financial Safety Net - GSFN

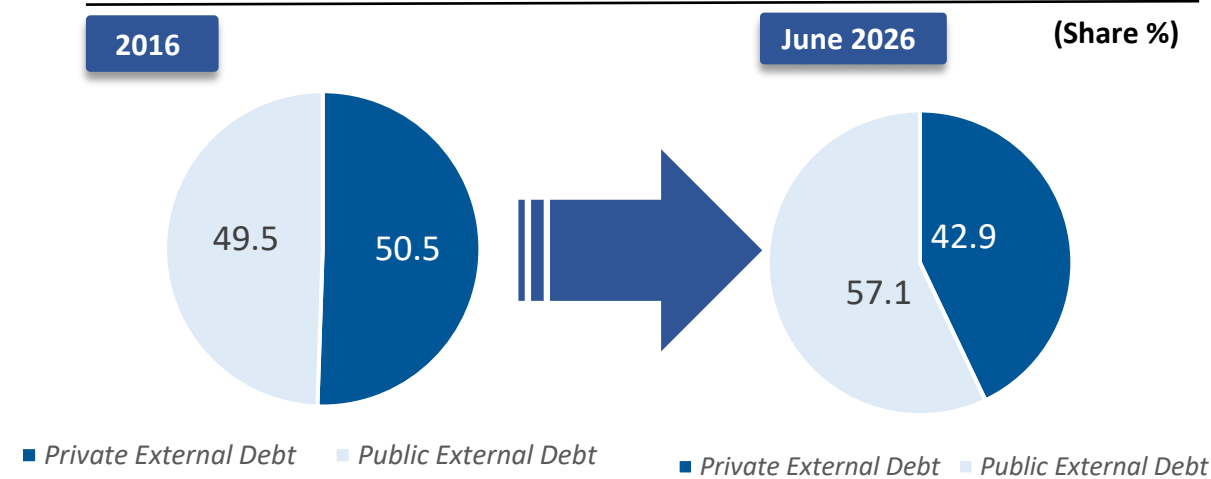
- Indonesia is entitled to access IMF facilities for crisis prevention and to address potential or actual balance of payments problems.
- Such facilities include the Short-Term Liquidity Line (SLL), Flexible Credit Line (FCL), Precautionary and Liquidity Line (PLL), Stand-By Arrangement (SBA), Extended Fund Facility (EFF), and Rapid Financing Instrument (RFI).

Healthy External Debt Profile

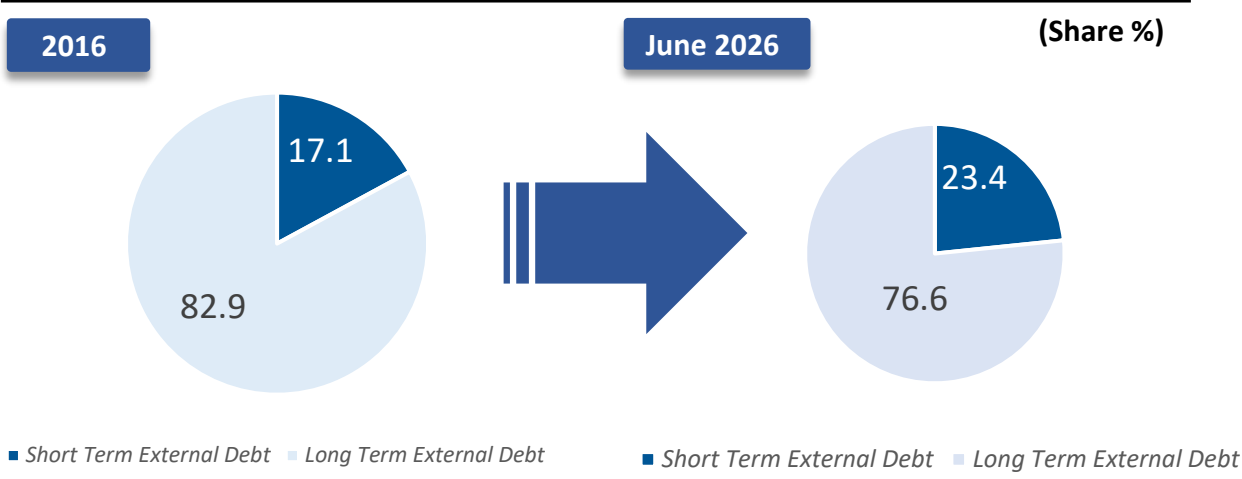


Indonesia's external debt remains manageable, supported by a sound structure dominated by long-term debt, contained debt levels, and low debt ratios relative to GDP and exports.

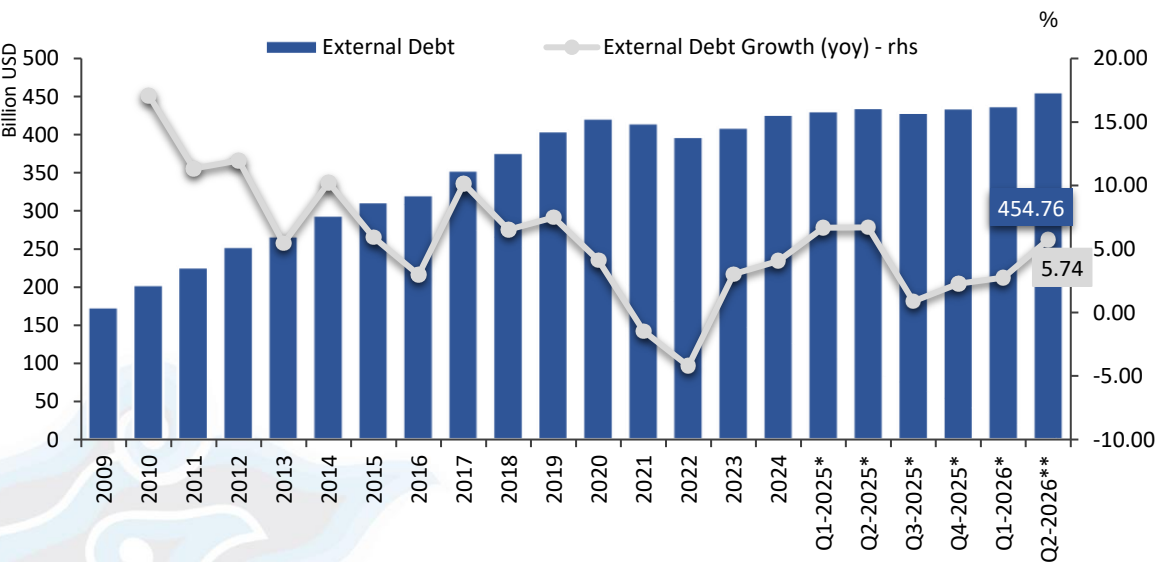
External Debt Structure



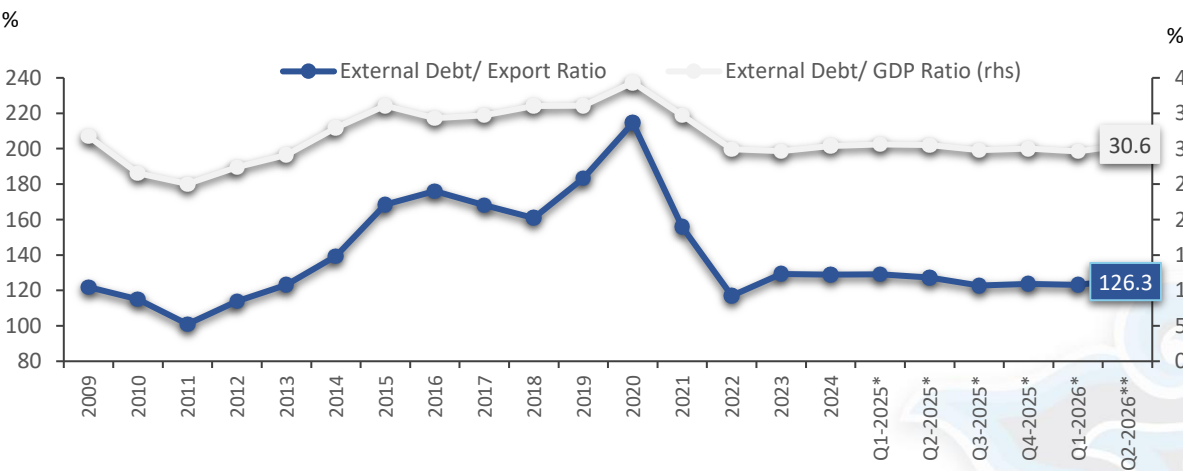
The Structure of External Debt is Dominated by Long-Term Debt



External Debt Remains Manageable



External Debt to GDP Ratio & Debt to Export Ratio



Source: Bank Indonesia, External Debt Statistics of Indonesia

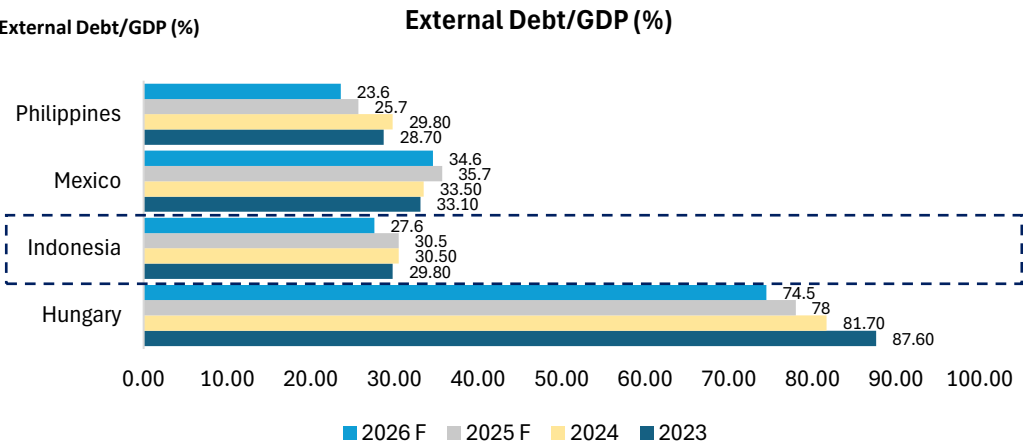
*Provisional Figures **Very Provisional Figures



Strengthened Private External Debt Risk Management

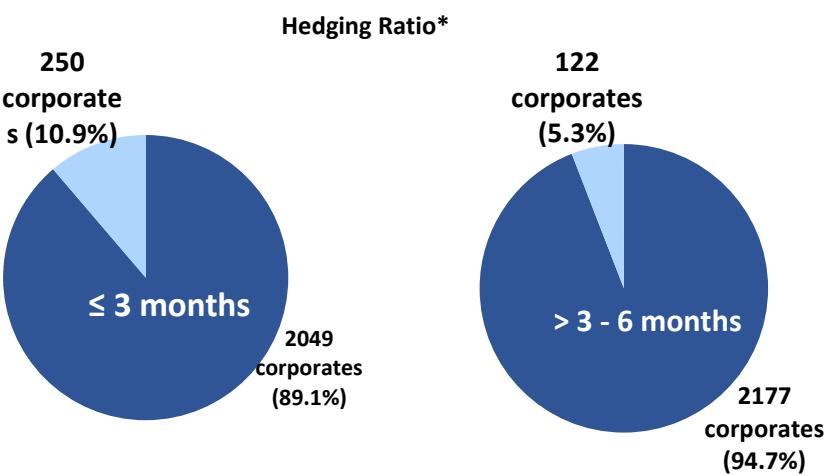
Indonesia's External Debt Risks Remain Well Contained, Supported by a Relatively Low Debt Burden and Strong Corporate Compliance with Prudential Requirements

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

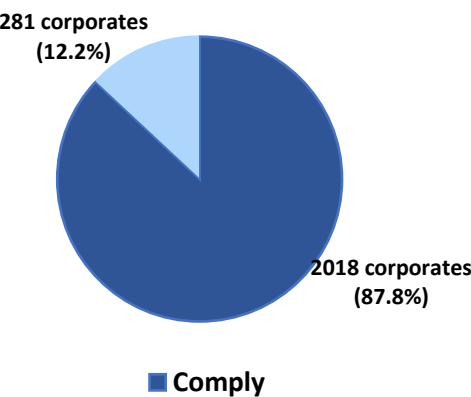


Source: Moody's Credit View Fundamental Data, Feb 2026

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio



Liquidity Ratio*



*Data as of Q1-2026, with total population 2,401 corporates
Source: Bank Indonesia

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	

Source: Bank Indonesia



Section 4

Fiscal

*“Solid Budget Performance with
Strong Commitment to Maintain
Fiscal Discipline”*

State Budget as of 31 August 2026 is Well Performed



Revenue grew high (25.4% yoy). Spending continued to increase (grew 17.1% yoy). The deficit was maintained within safe and manageable limits. The State Budget continues to play crucial role in driving economic growth.

ITEMS (IDR TN)	2025							2026						
	APBN	Realization as of 31 Jul	% of APBN	Growth (%)	Realization as of 31 Aug	% of APBN	Growth (%)	APBN	Realization as of 31 Jul	% of APBN	Growth (%)	Realization as of 31 Aug	% of APBN	Growth (%)
A. STATE REVENUE	3.005,1	1.429,2	47,6	(7,5)	1.639,0	54,5	(7,8)	3.153,6	1.733,9	55,0	21,3	2.055,6	65,2	25,4
I. Taxation Revenue	2.490,9	1.161,1	46,6	(3,2)	1.330,4	53,4	(3,6)	2.693,7	1.406,9	52,2	21,2	1.619,3	60,1	21,7
1. Tax Revenue	2.189,3	990,0	45,2	(5,3)	1.135,4	51,9	(5,1)	2.357,7	1.224,3	51,9	23,7	1.409,0	59,8	24,1
2. Customs & Excise	301,6	171,1	56,7	10,8	194,9	64,6	6,4	336,0	182,6	54,3	6,7	210,2	62,6	7,8
II. Non-Tax State Revenue (PNBP)	513,6	266,9	52,0	(21,1)	307,0	59,8	(20,1)	459,2	326,0	71,0	22,2	435,1	94,8	41,7
III. Grant Revenue	0,6	1,3	224,1	(83,1)	1,6	269,3	(88,4)	0,7	1,1	161,7	(17,3)	1,2	184,2	(21,6)
B. STATE EXPENDITURE	3.621,3	1.665,7	46,0	1,6	1.960,3	54,1	1,5	3.842,7	1.969,8	51,3	18,2	2.295,7	59,7	17,1
I. Central Government Expenditure	2.701,4	1.193,4	44,2	1,9	1.388,8	51,4	1,5	3.149,7	1.563,6	49,6	31,0	1.791,5	56,9	29,0
1. Ministries/Agencies Expenditure	1.160,1	582,6	50,2	(1,0)	686,0	59,1	(2,5)	1.510,5	792,2	52,4	36,0	912,4	60,4	33,0
2. Non-Ministries/Agencies Expenditure	1.541,4	610,8	39,6	4,9	702,8	45,6	5,6	1.639,2	771,4	47,1	26,3	879,1	53,6	25,1
II. Transfer to Regions	919,9	472,3	51,3	0,9	571,5	62,1	1,7	693,0	406,0	58,6	(14,0)	504,3	72,8	(11,8)
C. PRIMARY BALANCE	(63,3)	60,5	(95,6)	(66,3)	22,2	(35,1)	(86,3)	(89,7)	102,7	(114,5)	69,7	154,0	(171,7)	592,2
D. SURPLUS / (DEFICIT)	(616,2)	(236,5)	38,4	153,9	(321,3)	52,1	109,4	(689,1)	(235,6)	34,2	(0,3)	(240,1)	34,8	(25,3)
<i>% of GDP</i>	(2,53)	(0,99)			(1,35)			(2,68)	(0,91)			(0,93)		
E. BUDGET FINANCING	616,2	427,7	69,4	96,0	427,0	69,3	44,8	689,1	417,9	60,7	(2,3)	473,5	68,7	10,9

State Revenue

IDR2.055,69 T

▲ 25,4% (yoy)

State Expenditure

IDR2.295,7 T

▲ 17,1% (yoy)

Budget Deficit

(IDR240,1 T)

0,93% GDP

Primary Balance

Surplus

IDR154,0 T



Macroeconomics Assumption and Development Indicators Target 2026

Built on resilient economic fundamentals, the 2026 Budget demonstrates Indonesia's ability to balance growth objectives with fiscal discipline, ensuring macroeconomic stability.

Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2025 Budget	2025 Realization	2026 Budget
 Economic Growth (%)	5.2	5.04	5.4
 Inflation (% yoy)	2.5	2.92	2.5
 10Y T-Bonds Rate (% average)	7.0	6.01	6.9
 Exchange rate (IDR/US\$, average)	16,000	16,782	16,500
 Oil Price/ICP (USD/barrel, average)	82	67.95	70
 Oil Lifting (tbpd)	605	577.6	610
 Lifting Gas (tboepd)	1,005	965.5	984

The 2026 Budget Posture

	Budget
A. Revenue	3,153.6
I. Tax Revenue	2,693.7
1. Tax	2,357.7
2. Custom and Excise	336.0
II. Non-Tax Revenue	459.2
III. Grants	0.7
B. Expenditure	3,842.7
I. Central Government Expenditure	3,149.7
1. Line Ministries Expenditure	1,510.5
2. Non-Line-Ministries Expenditure	1,639.2
II. Transfer to Region	693.0
C. Primary Balance	(89.7)
D. Surplus/(Deficit)	(689.1)
E. Financing	689.1

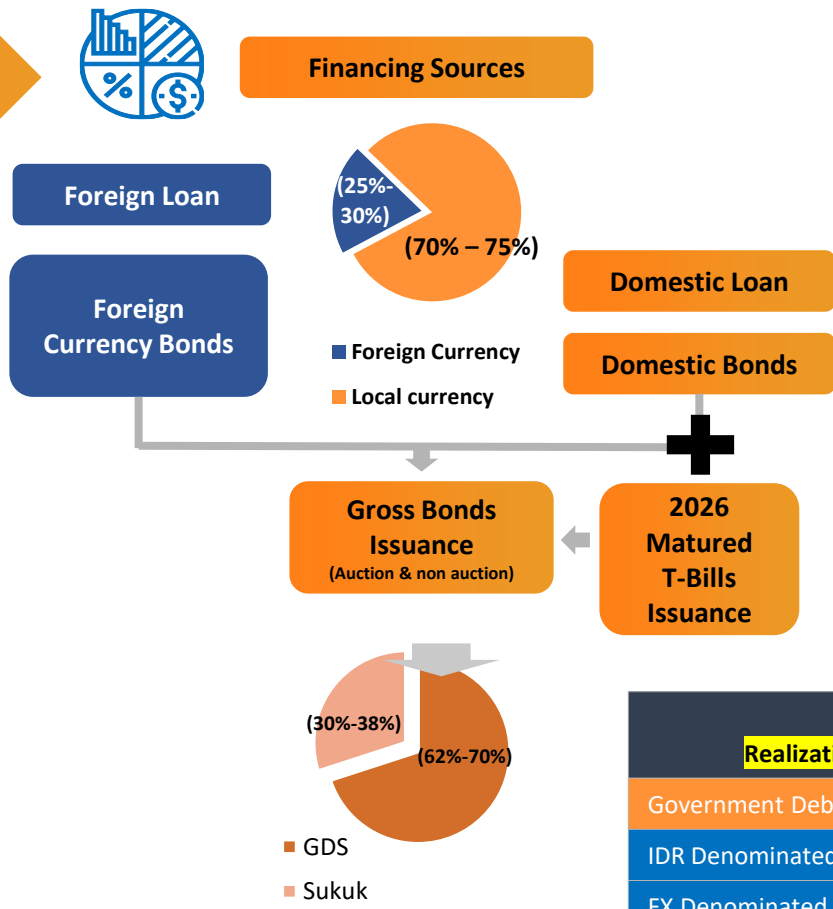


2026 Debt Financing Needs And Sources

The 2026 financing strategy is built on diversification, flexibility, and manageable risk, ensuring sustainable funding through a proportional mix between domestic and global sources.



*) 1st Semester Report Outlook



2026 GS Issuances	
Realization as of August 31 st (Trillion IDR)	
Government Debt Securities (SUN)	859.78
IDR Denominated	639.44
FX Denominated	220.34
Sovereign Sharia Securities (SBSN)	269.81
IDR Denominated	239.37
FX Denominated	33.44

Realization and Outlook of Macroeconomic Basic Assumptions 2026 Remain On-track



Macroeconomic assumptions remain broadly on track, with resilient growth and manageable inflation amid continued global uncertainties.

Indicators	APBN	2026 Realization	Outlook ^{*)}
Economic Growth (%)	5,4	5,45 ¹⁾	5,6 – 6,0
Inflation (%, yoy)	2,5	3,19 ²⁾	2,4 - 2,9
10-Year SBN Interest Rate (%)	6,9	7,17 (eop) ³⁾ 6,80 (ytd) ³⁾	6,7 – 7,1
Exchange Rate (IDR/USD)	16.500	17.635 (eop) ⁴⁾ 17.415 (ytd) ⁴⁾	17.000 - 17.500
Indonesian Crude Oil Prices (US\$/barrel, average)	70	89,2 ²⁾	75 – 85
Oil Lifting (thousand barrels per day)	610	575,6 ⁵⁾	602 – 610
Gas Lifting (thousand barrels of oil equivalent per day)	984	926,8 ⁶⁾	929 – 985

High economic growth, supported by strong investment, domestic demand, and government policy support.

Managed Inflation, supported by energy & food price policies to maintain people's purchasing power.

Weakened Rupiah, driven by geopolitical factors and the direction of global monetary policy.

SBN yield movement, influenced by global dynamics. The level and volatility can still be maintained.

Oil price dynamics are influenced by supply chain disruptions due to the Middle East conflict and the development of resolutions with the US.

Oil and gas lifting continues to be optimized amid volatile commodity market.

¹⁾ Realization of Q2 2026 (c-t-c)

²⁾ Realization as of Agustus 2026

³⁾ Realization as of 15 Sep '26

⁴⁾ BI middle rate as of 15 Sep 2026

⁵⁾ *lifting* MK + NGL ytd Juni 2026

⁶⁾ *lifting* gas (exc NGL) ytd Juni 2026

^{*)} Data SKK Migas/ESDM (NGL as oil)

^{**) MoF data (NGL calculated as gas)}

^{*)} NK RAPBN 2027

As of 31 August 2026, Tax Revenues Grows Strong, in Line with Increased Economic Activity



Total collections reached IDR 1,409.0 Trillion, achieving nearly 60% of the annual target driven by robust domestic consumption and improved tax administration.

Tax Revenue as of August 31, 2026

IDR1.409,0 T

59,8% target

▲ 24,1%

Non-Oil & Gas Income Tax

IDR722,2 T

(62,6% target)

▲ 16,6%

VAT & Luxury Tax

IDR591,5 T

(59,4% target)

▲ 38,9%

Oil & Gas Income Tax

IDR39,0 T

(70,6% target)

▲ 63,8%

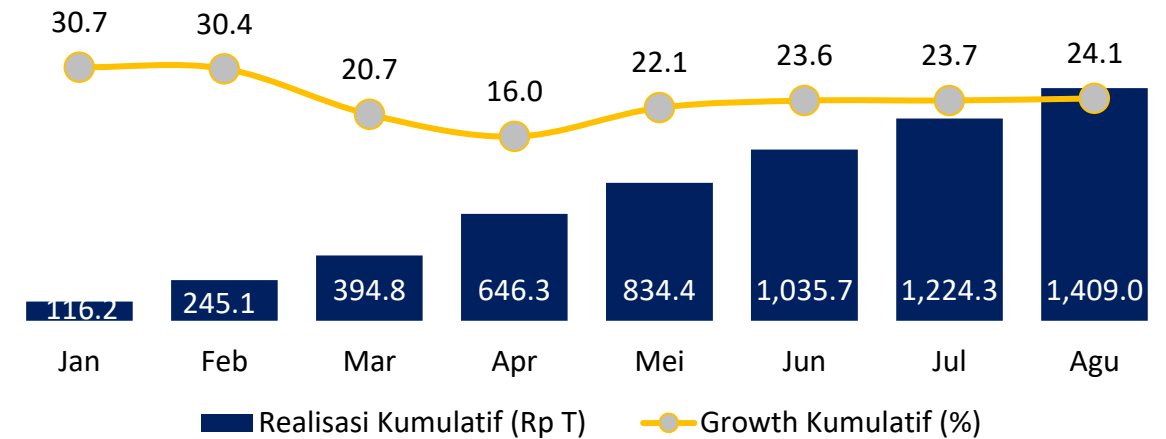
Other Taxes

IDR56,4 T

(36,8% target)

▼ -15,7%

Tax Revenue January - August 2026

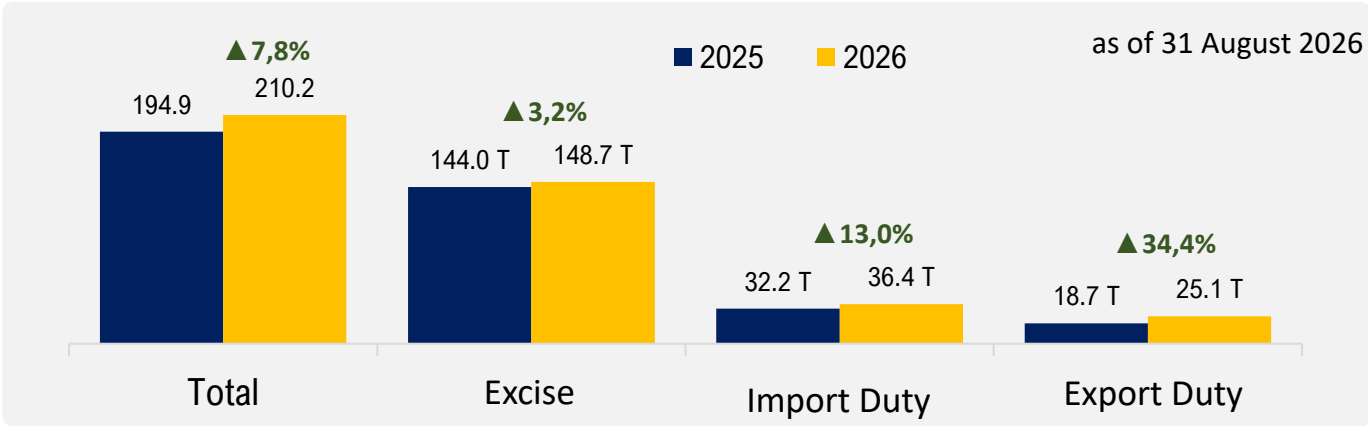
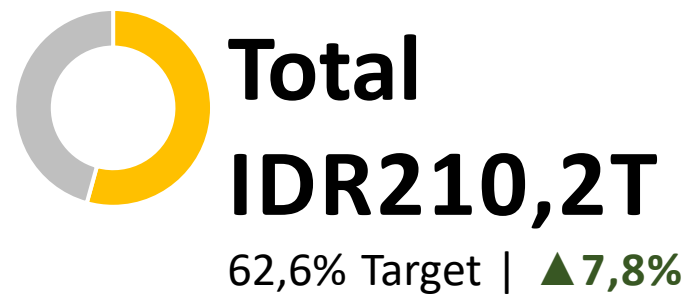


- Tax revenue continues to grow in line with **economic activity and the improving Coretax implementation.**
- Non-oil and gas income tax increased driven by an **increase in economic activity and the strengthening of tax administration.**
- Oil and gas income tax grows in line with the increase in oil prices.
- VAT & PPhBM increased sharply supported by **domestic consumption and strong purchasing power.**
- Other Taxes fell as **tax returns compliance** went up, where taxes owed were paid via deposits.

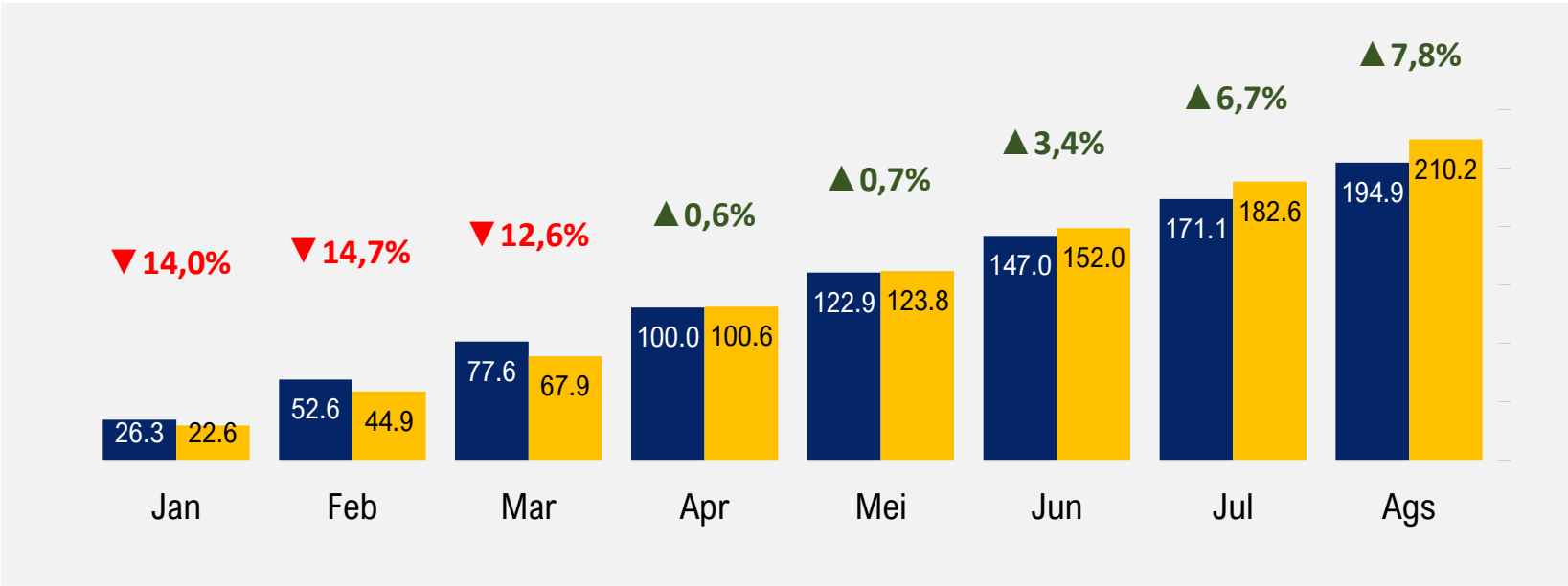
Customs and Excise Revenue Continues to Grow



Revenue realization grew consistently, up 7.8% on a cumulative basis



■ Accumulative Realization 2025 ■ Accumulative Realization 2026 ▲ ▼ (Accumulative Growth



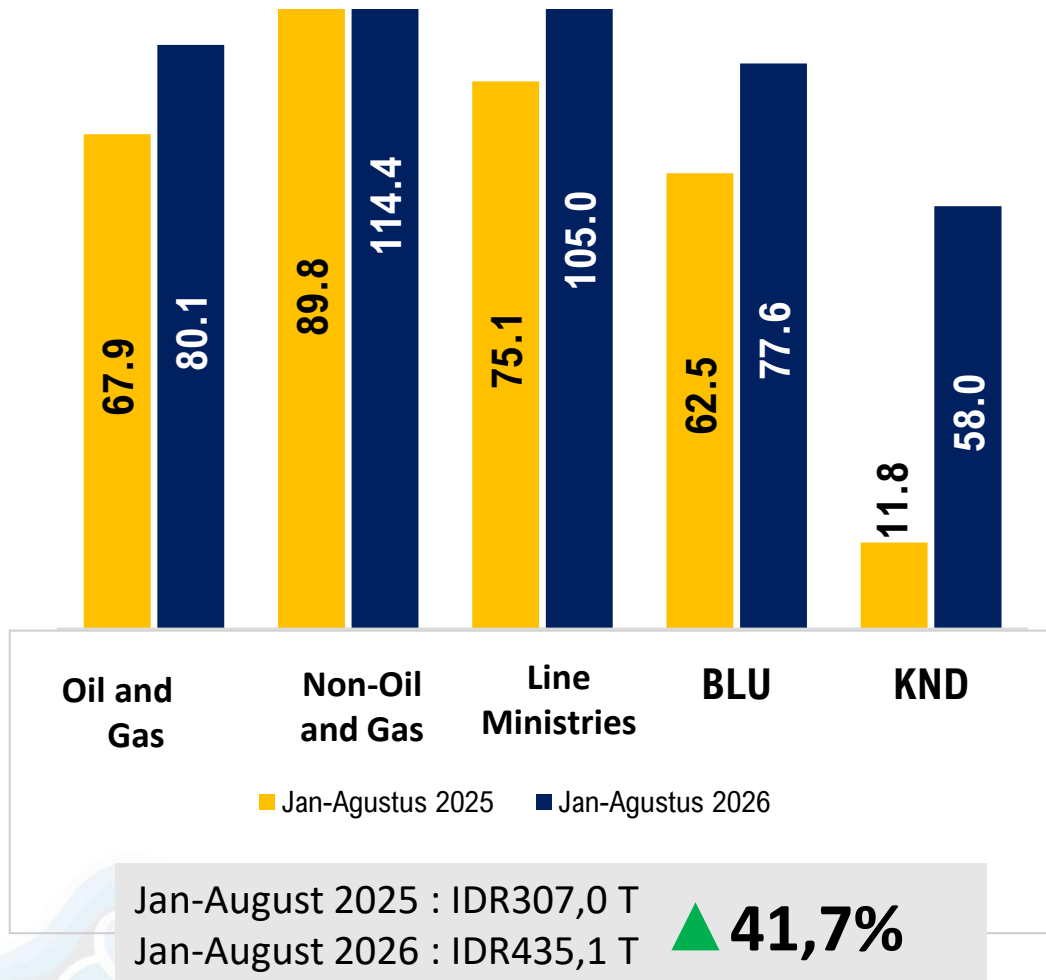
- Excise growth is driven by law enforcement and increased cigarette production and MMEA;
- Import Duties growth is driven by increase in volume and exchange rates;
- Export Duty grew driven by an increase in CPO export prices and volumes.

Non-tax Revenue (PNBP) Realization Grows High (41.7% Yoy)



Non-tax revenue surged, already achieving 94.8% of the state budget target, driven by strong performance in non-oil and gas and KND* revenues

IDR Trillion



IDR Trillion	APBN	Semester Report Outlook	Realization as of 31 Aug	% APBN	% Semester Report
Total Non-Tax Revenue	459,2	575,1	435,1	94,8	75,7
A. Natural Resources	261,2	279,4	194,6	74,5	69,6
1. Oil and Gas	117,4	138,1	80,1	68,3	58,0
2. Non-Oil and Gas	143,8	141,3	114,4	79,6	81,0
B. KND Revenue	1,8	56,4	58,0	3.221,7	102,8
C. Other PNBP Revenue	97,9	124,0	105,0	107,2	84,7
D. BLU Revenue	98,3	115,4	77,6	78,9	67,2

- The realization of PNBP revenue until 31 August 2026 reached IDR435.1 T (94.8% state budget/ 75.7% of Semester Report's outlook).
- Oil and Gas Revenue potentially grow as ICP increases. However, the current realization is only 58.0% of the outlook.
- Non-oil and gas revenue supported revenues with strong realization (81.0% of the outlook), above the average of total non-tax revenue.
- KND revenue, including BI surplus of IDR55 T, has been used to settle debt obligations in the context of handling the 97/98 crisis to BI.

*KND : Kekayaan Negara Dipisahkan/Separated State Assets

Central Government Expenditure Becoming More Productive



Central government spending acceleration was driven by stronger budget execution across ministries and higher social assistance disbursements.

Realization as of 31 August 2026 IDR1.791,5 T
(56,9% APBN), ▲ 29,0% (yoy)

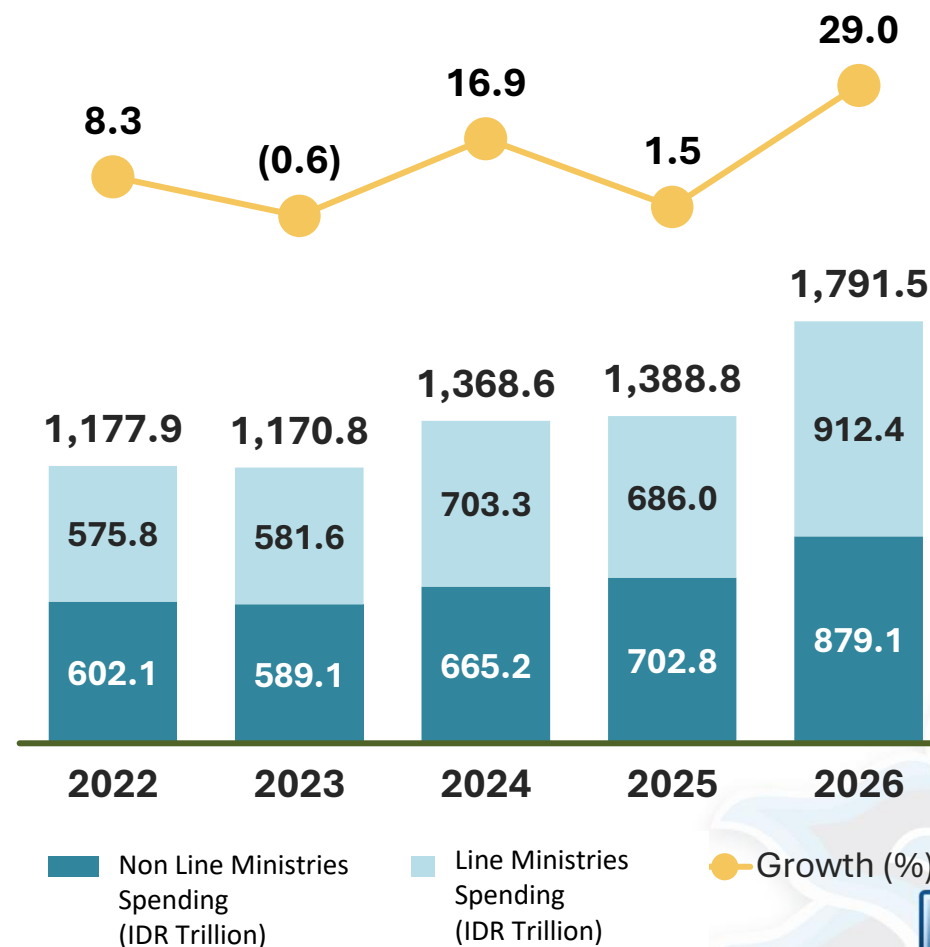
(Trillion IDR)

Central Government Spending	Realization as of 31 August 2025	APBN 2026	Realization as of 31 August 2026
Line Ministries Spending	686,0	1.510,5	912,4
Incl. social spending	101,1	162,5	104,5
Non-Line Ministries Spending	702,8	1.639,2	879,1
Incl. Subsidies	149,4	318,9	177,1
TOTAL	1.388,8	3.149,7	1.791,5

Central Government Spending is driven by:

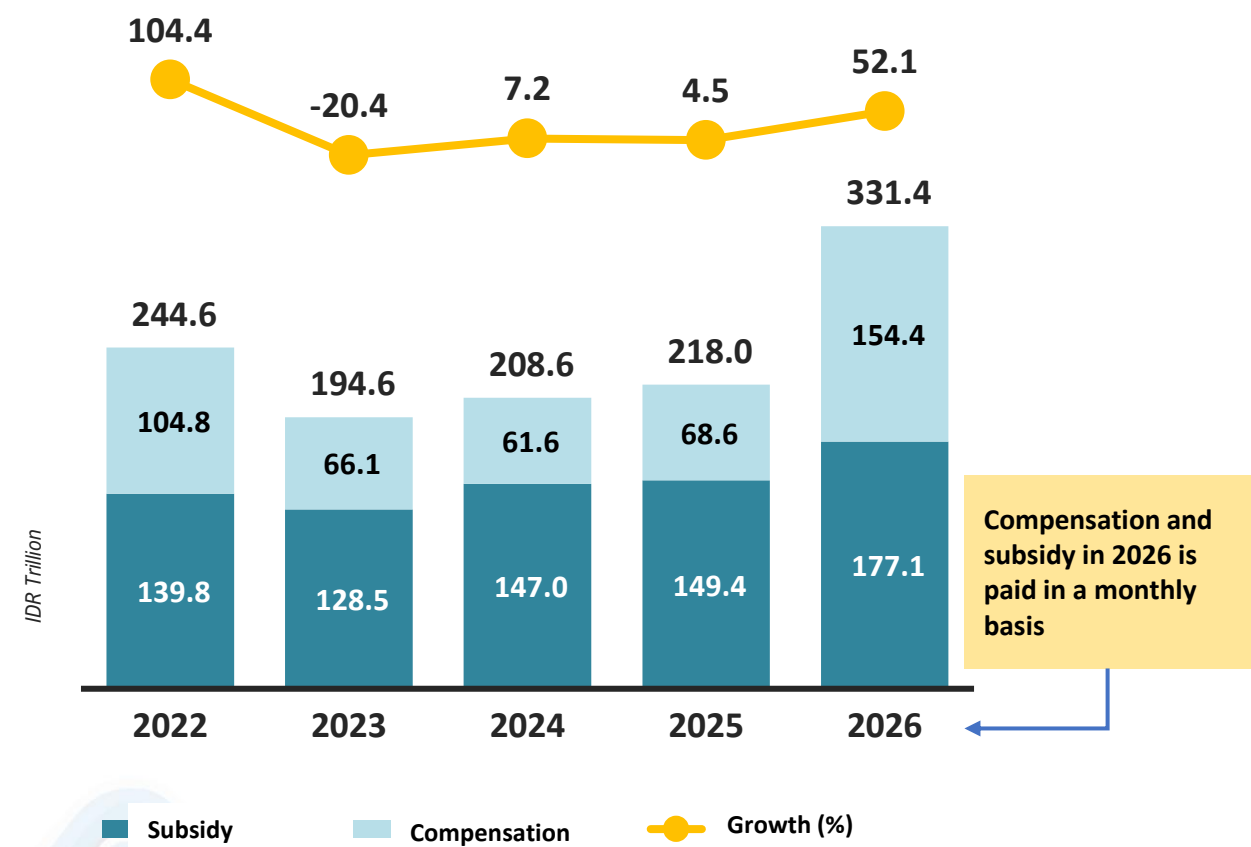
- **Line Ministries Spending IDR912,4 T** (60,4% of APBN), including MBG, social spending (PBI JKN, Sembako, PKH, KIP Kuliah), infrastructures, and education infrastructures.
- **Non-Line Ministries Spending IDR879,1 T** (53,6% of APBN), including pensions, electricity&fuel subsidy and compensation.

Central Government Spending as of 31 Agustus, 2022 – 2026 (IDR Trillion)



The state budget acts as a shock absorber amid global energy price volatility, safeguarding household purchasing power

Realization of Subsidy and Compensation as of 31 August 2026:
IDR331,4 T (74,2% of Budget)



The realization of subsidies and compensation is driven by:

- 1. Fluctuations in ICP, exchange rates, and the increase of subsidized fuel volume, LPG and electricity.
- 2. Oil price volatility due to global geopolitics dynamics can increase the realization of energy subsidies. Indonesia has **experience in dealing with these conditions in 2022 Russia-Ukraine conflict**
- 3. Non-Energy Subsidies are mainly driven by the increase in fertilizer subsidy payments.

People enjoy a variety of goods at subsidized prices				
Subsidized Goods		Growth		Growth
	Fuel Volume (thousand KL)		11.578,7 10.639,8	▲ 8,8%
	3 Kg LPG Volume (million kg)		5.044,9 4.917,8	▲ 2,6%
	Subsidized Electricity Customers (million customers)		43,3 42,4	▲ 2,1%
	Fertilizer Volume (million ton)		6,1 4,9	▲ 23,4%
	KUR Debtors (million debtors)		3,3 3,1	▲ 5,9%

2026

2025

Free Nutricious Program (MBG) is Acvieving Greater Precision, Supported By BGN Reform

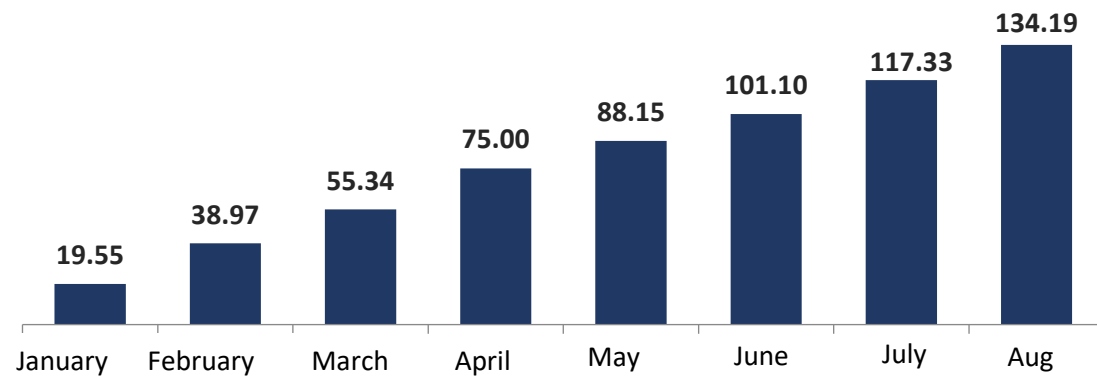


With realization reaching IDR 134.2 trillion, the MBG program successfully served 57 million beneficiaries in August while implementing stringent BGN reforms to ensure food safety and target precision.

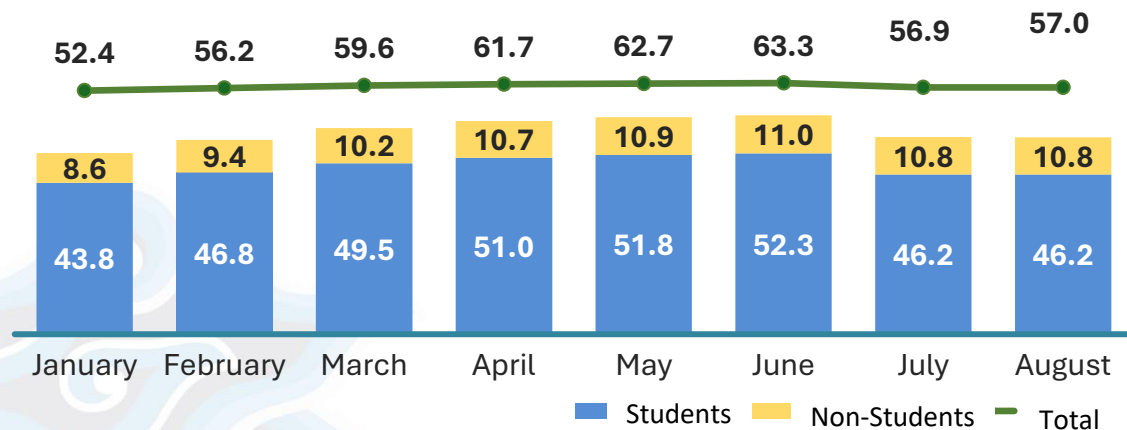
Real as of 31 Aug

IDR134,2 T

Realization (trillion IDR, as of 31 August 2026)



Beneficiaries in August reached 57 million recipients, through 27.485 SPPG



The MoF supports the BGN reform.

MoF also continues maintain strong coordination with BGN

LATEST BGN REFORM POLICY:

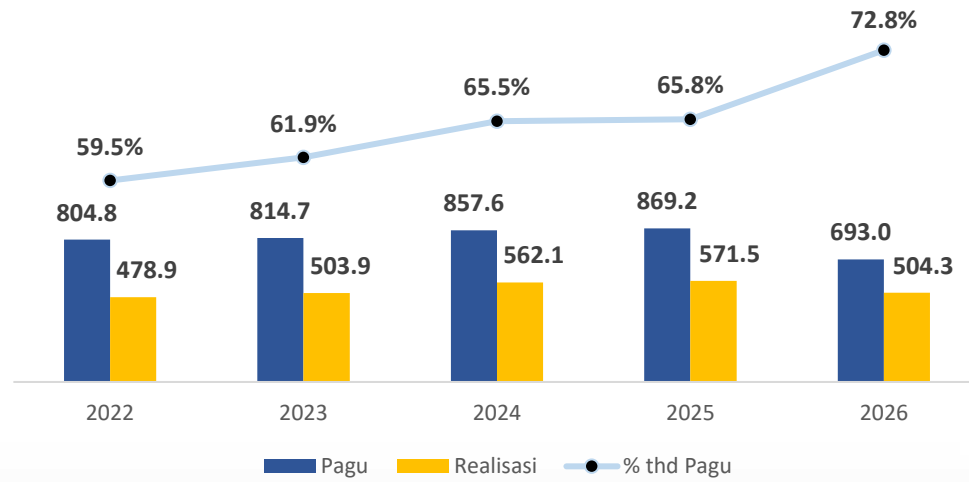
- Mandatory SLHS** → SPPG is required to have a Certificate of Sanitary Hygiene Suitability (SLHS) to improve MBG food safety.
- SPPG Closure** → SPPG without SLHS is closed, while still guaranteeing services for beneficiaries.
- Frontier, Outermost, and Underdeveloped regions (3T area)** → the priority is for SPPG in 3T areas with high stunting, as well as for toddlers, pregnant women, lactating mothers and students.
- Beneficiaries target by BGN** → The determination of beneficiaries was transferred from SPPG to BGN for a more optimal distribution of MBG.

Positive Performance of Transfer to Region (TKD) Distribution as of August 2026



The State Budget (APBN) and Regional Budget (APBD) are a single unit for regional development and public services provision

Realization of TKD Distribution (Trillion IDR)



Impact of TKD on Regional Public Services



4,3mn of regional govt personnel through salary payments



42,3mn students receiving BOS



5,8mn preschool students receiving BOP



15.553 SR SPAM Development/Expansion/Upgrade



992.000 student education equivalence program



616.000 teachers receiving allowance



Strengthen 50 regional hospitals



Improvement of **285,2 KM** roads

Initial 2026 TKD allocation IDR693 T

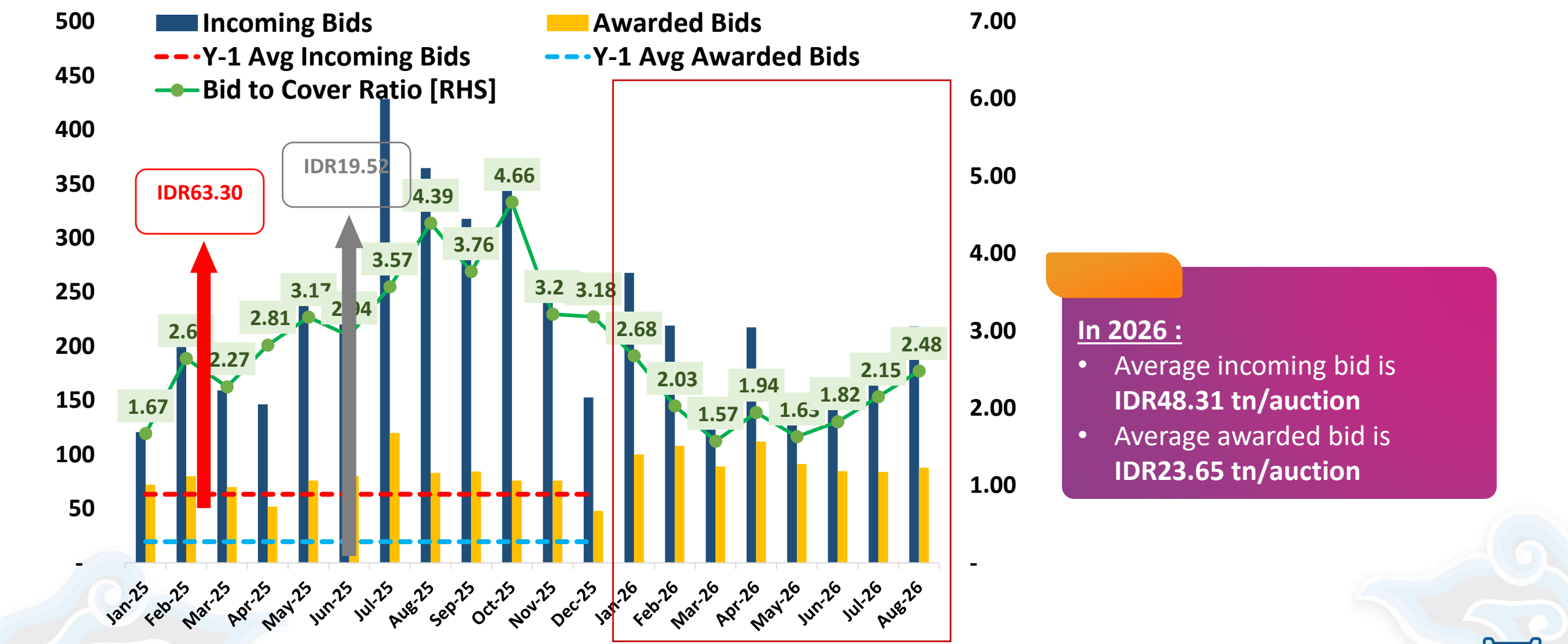
Current 2026 TKD allocation IDR715,34 T

(with additional TKD)

TKD Realization as of 31 August 2026:

- ☐ **TKD performance as of 31 August 2026 is 72,8% of budget**, stronger than 2025 (65,8%, after Inpres 1/2025).
- ☐ **Driving factors:**
 - Performance improvement of budget absorption and output of the local government.
 - Teacher allowances are now distributed monthly (previously quarterly).
 - Additional DAU&DBH allocation for regional ASN salaries.
- ☐ The additional TKD includes an additional amount for the Sumatra disaster of **IDR10,6 T** (KMK 59/2026) dan non-disaster of **IDR18,9 T** (KMK 198/2026)

Auction demand has remained robust in 2026, evidenced by an average incoming bid of IDR 48.31 trillion in government securities and a consistent bid-to-cover ratio.





Ownership Of Tradable Domestic GS

A strengthened domestic investor base continues to anchor Indonesia's government bond market, enhancing resilience and ensuring stability amid evolving global capital flows

Description	Dec-21		Dec-22		Dec-23		Dec-24		Dec-25		Aug-26	
Banks*	1.591,12	34,01%	1.697,43	31,97%	1.495,39	26,52%	1.051,40	17,41%	1.328,64	20,23%	1.123,89	16,07%
Govt Institutions (Bank Indonesia**)	801,46	17,13%	1.020,02	19,21%	1.095,51	19,43%	1.618,01	26,79%	1.641,66	24,99%	1.939,49	27,72%
Bank Indonesia (gross)	1.220,73	26,09%	1.453,58	27,38%	1.363,90	24,19%	1.486,85	24,62%	1.640,58	24,98%	1.717,71	24,55%
GS used for Monetary Operation	419,27	8,96%	433,57	8,17%	268,39	4,76%	(131,16)	-2,17%	(1,08)	-0,02%	(221,79)	-3,17%
Non-Banks	2.286,40	48,87%	2.591,98	48,82%	3.048,51	54,06%	3.370,11	55,80%	3.598,51	54,78%	3.932,29	56,21%
Mutual Funds	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	242,96	3,70%	246,13	3,52%
Insurance Company and Pension Fund	655,24	14,00%	873,03	16,44%	1.041,40	18,47%	1.145,27	18,96%	1.290,67	19,65%	1.440,11	20,59%
Foreign Holders	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	878,65	13,38%	907,79	12,98%
Foreign Govt's & Central Banks	233,45	4,99%	203,11	3,83%	229,16	4,06%	257,36	4,26%	236,80	3,60%	267,58	3,82%
Individual	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	537,33	8,18%	589,77	8,43%
Others	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	648,90	9,88%	748,48	10,70%
Total	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.568,81	100%	6.995,67	100%

52.55%

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

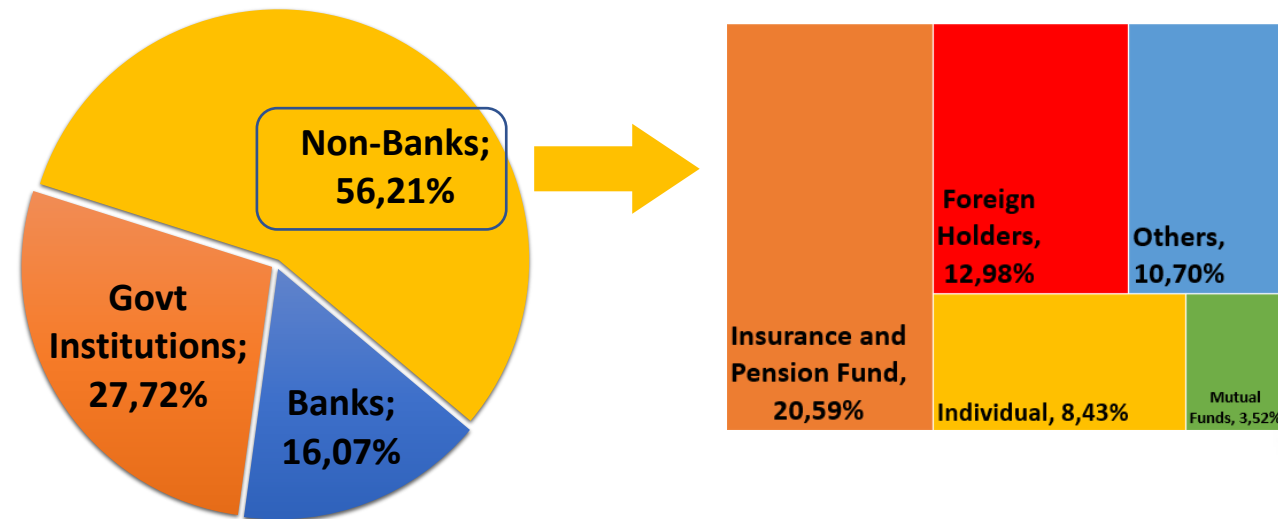
1) Non Resident consists of Private Bank, Fund/Asset Manager, Securities Company, Insurance Company, and Pension Fund.

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.

Source : SI-BISSSS



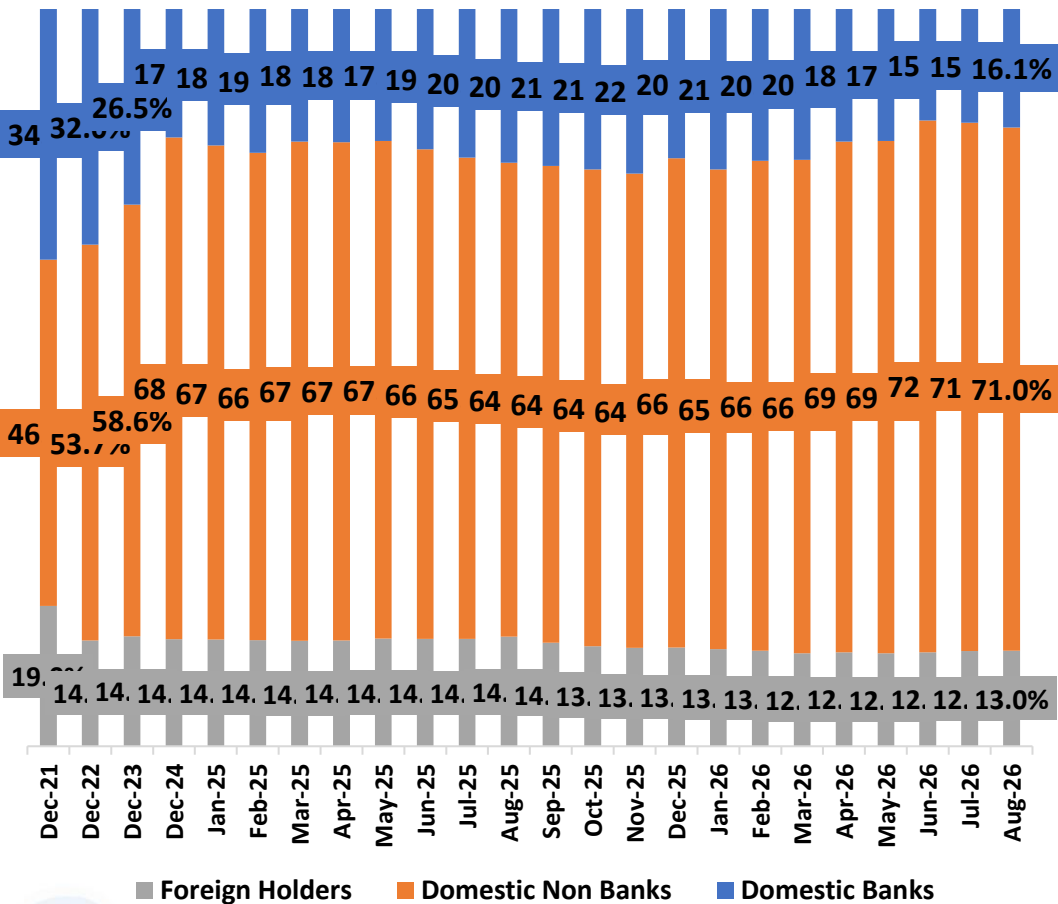


Holders Of Tradable Government Securities

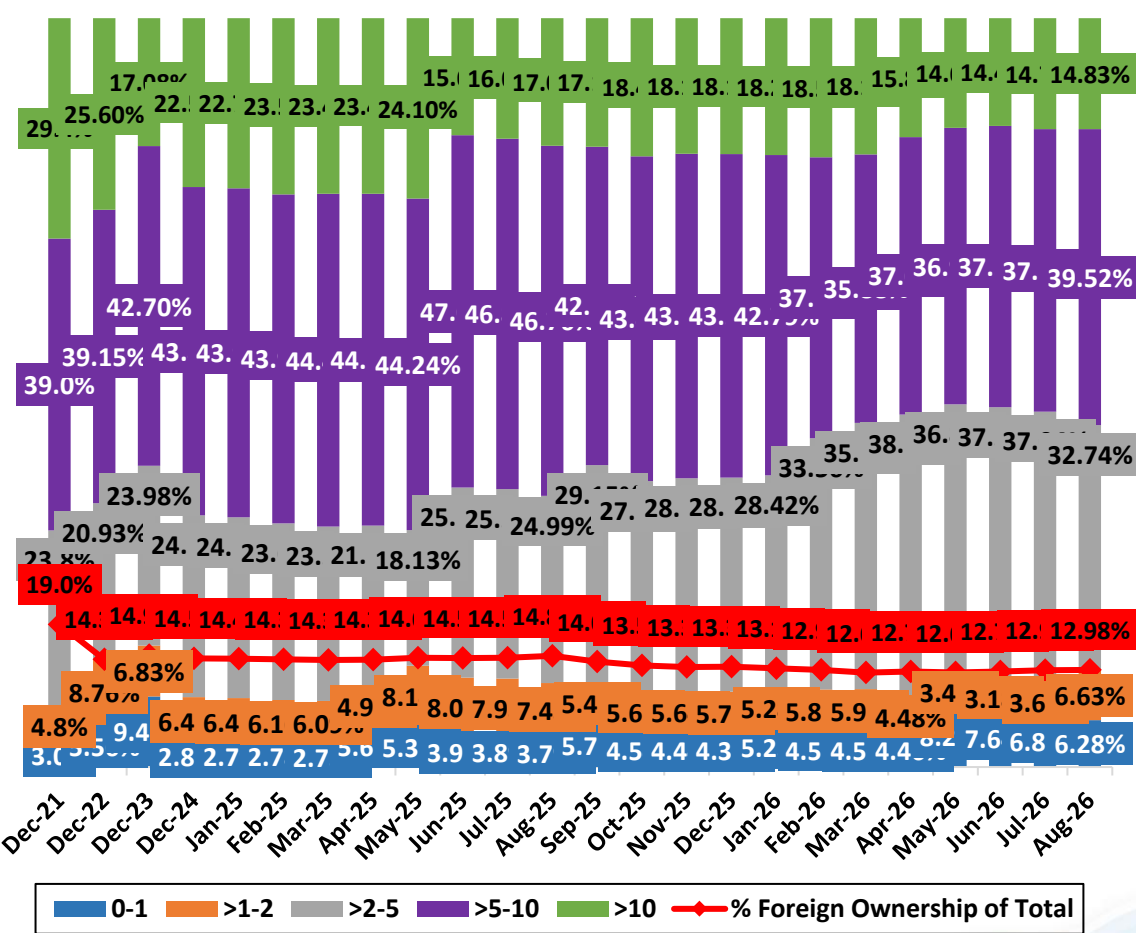
More Balance Ownership In Terms of Holders and Tenors

A diversified holder base and balanced tenor distribution continue to strengthen the resilience and stability of Indonesia's government bond market.

Holders of Tradable Gov't Domestic Debt Securities



Foreign Ownership of Gov't Domestic Debt Securities by Tenor



2026 Global Sukuk Transaction Summary (prefunding)



The successful USD 2.0 billion dual-tranche Sukuk issuance, underscores strong global investor confidence in Indonesia's economy and sustained access to diversified Islamic funding sources.

- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2025 and successfully priced a US\$ 2.00 billion Sukuk offering comprising of US\$ 1,100 million 5-year and US\$ 900 million 10-year tranche.
- The transaction was met with positive response from investors starting at point of books opening, generating a combined final order book exceeding US\$ 3.94 billion reflecting an oversubscription of 1.97x, with orderbooks peaking at USD \$5.8 billion. The transaction priced at 4.50% for 5-year and 5.00% for the 10-year tranche.

Issuer	Perusahaan Penerbit SBSN Indonesia III	
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US\$ Trust Certificate ("Sukuk") issued under a USD\$45 billion Trust Certificate Issuance Programme	
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)	
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)	
Pricing Date	19 November 2025	
Issue Date	01 December 2025	
Tenor	USD 5Y Sukuk	USD 10Y Sukuk
Maturity Date	December 1, 2030	December 1, 2035
Tranche Size	USD 1.1 billion	USD 900 million
Profit Rate	4.50% Fixed, Semi-annual, 30/360	5.00% Fixed, Semi-annual, 30/360
Re-Offer Price	100.00%	100.00%
Reoffer Spread	UST + 80.9 bps	UST + 88.7 bps
Reg S ISIN	US71567RBG02	US71567RBH84
144A ISIN	US71567WAD74	US71567WAE57
Use of Proceeds	The Republic intends to use the net proceeds it receives from the issue of the Certificates to meet part of its general financing requirements	
Other Details	USD200k/1k denoms., English / Indonesian Law	
Listing	Singapore Exchange Securities Trading Limited and Nasdaq Dubai	
Joint Bookrunners	Dubai Islamic Bank, Goldman Sachs, JP Morgan (B&D), KFH Capital, Standard Chartered Bank	
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk	

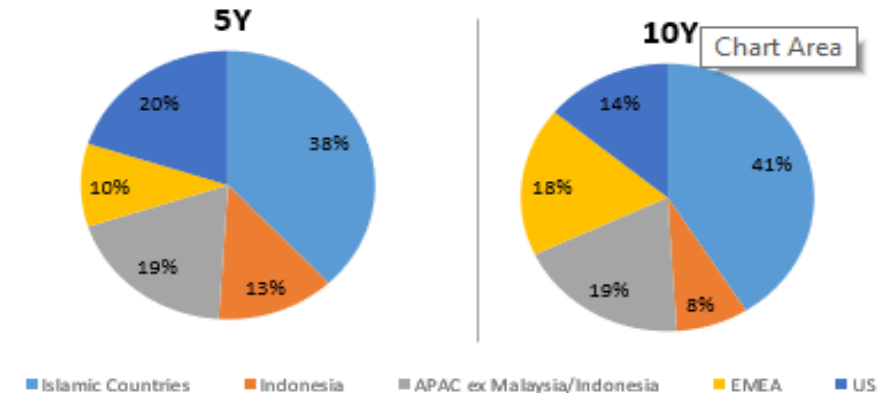
Source : SI-BISSSS

ORDERBOOK DISTRIBUTION

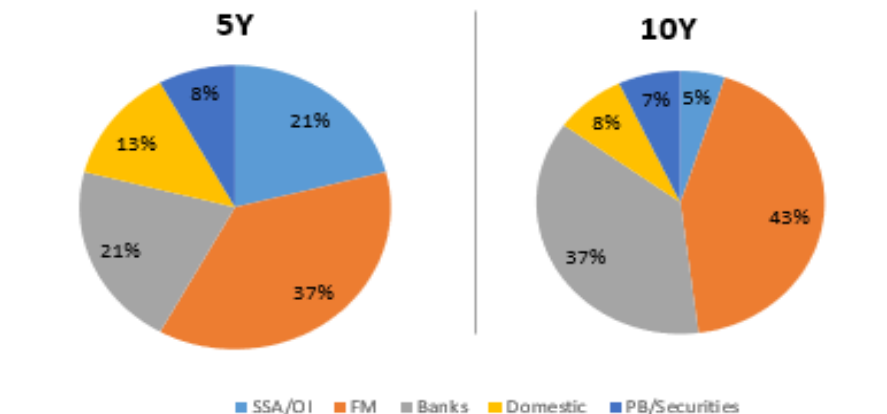
5-Year USD
US\$ 2.18bn+
From 103 accounts

10-Year USD
US\$ 1.76bn+
From 88 accounts

INVESTORS BY GEOGRAPHY (ALLOCATION)



INVESTORS BY TYPE (ALLOCATION)

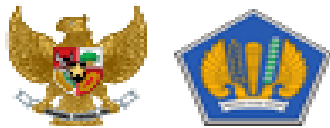


SEC 19 Deal Review



The successful US\$2.7 billion SEC-Registered Senior Notes issuance reflects strong global investor confidence in the Republic of Indonesia's economic fundamentals

US\$2.7Bn SEC-Registered Senior Notes Offering



Baa2 Stable (Moody's) / BBB Stable (S&P) / BBB Stable (Fitch)

US\$1,100MM 4.350% due 2031, US\$1,100MM 4.950% due 2036, US\$500MM 5.475% due 2056

Issuer	Republic of Indonesia (Ticker: INDON)		
Issue Type	Senior Unsecured Notes		
Format	SEC-Registered		
Ratings	Moody's Baa2 (Stable) / S&P: BBB (Stable) / Fitch BBB (Stable)		
Issue Size	US\$1,100MM	US\$1,100MM	US\$500MM
Tenor	Long 5-year	Long 10-year	Long 30-year
Maturity Date	Feb 21, 2031	Feb 21, 2036	Feb 21, 2056
Coupon	4.350%	4.950%	5.475%
Initial Price Guidance	4.700%	5.300%	5.800%
Final Price Guidance	4.400% (#)	5.000% (#)	5.500% (#)
Re-offer Yield	4.400%	5.000%	5.500%
Re-offer Price	99.770	99.602	99.627
Optional Redemption	1-month par call	3-month par call	6-month par call
Use of Proceeds	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the Republic		
Denominations	USD 200,000 / 1,000		
Governing Law	New York Law		
Expected Listing	SGX-ST and Frankfurt Stock Exchange		

Transaction Highlights



The long 30-year marked the tightest spread ever achieved for a 30-year tranche in the history of the Republic's SEC-registered offerings



The Republic of Indonesia demonstrated decisive market leadership by being the first Asian sovereign to tap the debt markets in 2026, enabling them to capitalize on favorable investor sentiment after the first week of the year saw the largest IG supply volume kickoff to any year on record



Leveraging on the Republic's resilient credit profile, the transaction attracted robust investor demand from the outset with final orderbook reaching over US\$>4.9Bn

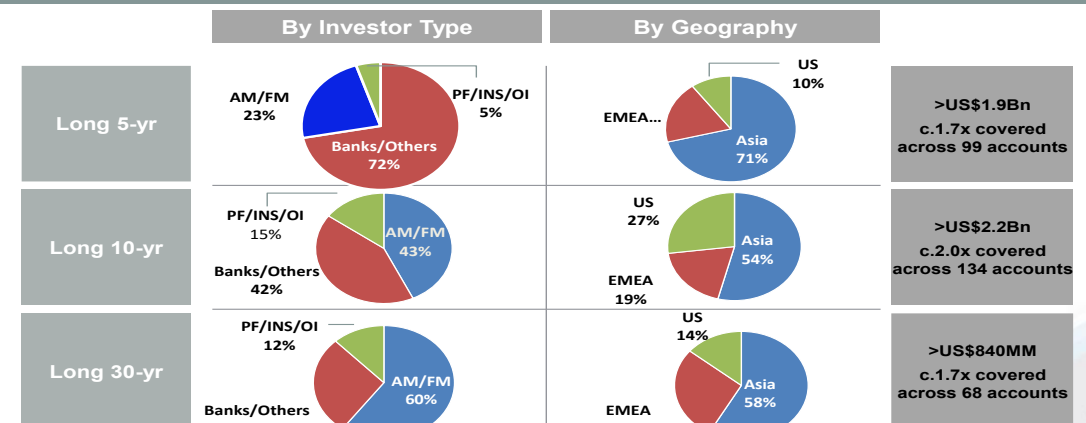


Strong and high-quality participation from real-money accounts allowed the Republic to tighten 30bps from the initial price guidance for all tranches



Despite the meaningful compression from IPG, the strength and quality of the orderbook allowed the Republic to balance competitive pricing without compromising on its size objective – underscoring investors' confidence in ROI's credit quality

Breakdown of Allocation



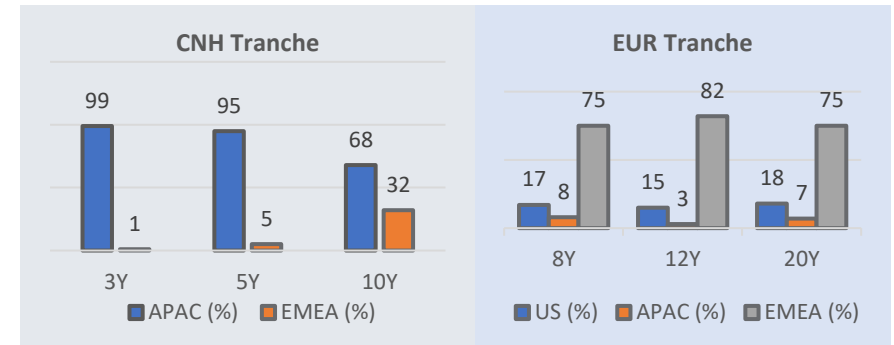
SEC 20 Deal Review



Taking advantage of the positive market backdrop and constructive feedback received, Indonesia successfully issued dual-currency CNH-EUR bonds with a strong orderbook and competitive pricing, reflecting sustained investor confidence

Series	RICNH0329	RICNH0331	RICNH0336	RIEUR0334A	RIEUR0338	RIEUR0346
Rating	Baa2 (Negative) Moody's / BBB (Stable) S&P / BBB (Stable) Fitch					
Tenor	3-year	5-year	10-year	8-year	12-year	20-year
Maturity Date	March 4, 2029	March 4, 2031	March 4, 2036	March 4, 2034	March 4, 2038	March 4, 2046
Pricing Date	February 25, 2026					
Settlement/ Issuance Date	March 4, 2026					
Issue Size	CNH4,5 billion	CNH3,5 billion	CNH1,25 billion	EUR1,2 billion	EUR800 million	EUR700 million
Coupon / Yield	2,450% / 2,450%	2,650% / 2,650%	3,050% / 3,050%	4,100% / 4,104% (MS+150bs)	4,460% / 4,473% (MS+165bs)	4,970% / 4,982% (MS+195bs)

Investor by Geography



Highlight

- **Investor confidence remains high.** Final CNH orderbook reached CNH 17.04 billion, with a bid-to-cover ratio of 1.84x. Meanwhile, the final EUR orderbook reached EUR 9.48 billion, with a bid-to-cover ratio of 3.5x.
- **Solid demand.** This enables pricing below the initial price guidance (IPG) with tightening credit spreads in both currencies, across all tenors, signaling that global market access remains competitive..
 - **CNH tranche**
3Y: 2,450% (-40 bps vs IPG); **5Y:** 2,650% (-35 bps vs IPG); **10Y:** 3,050% (-40 bps vs IPG)
 - **EUR tranche**
8Y: +150 bps area (-30 bps vs IPG); **12Y:** +165 bps area (-30 bps vs IPG); **20Y:** +195 bps area (-30 bps vs IPG)

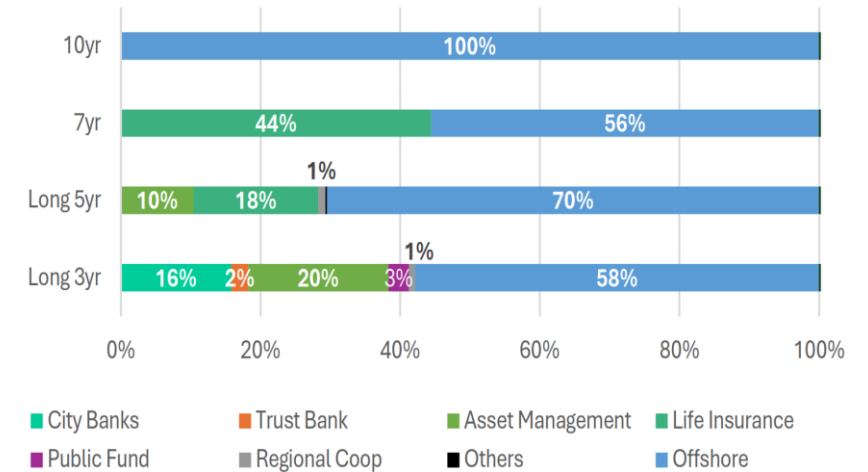


Indonesia's Samurai Bonds 2026– Deal Review

Leveraging momentum, solid demand, and stability in the Japanese market, the total issuance reached JPY 172.1 billion (equivalent to USD 1.08 billion)

Issuer	Republic of Indonesia			
Pricing Date	23 April 2026			
Issue Date	30 April 2026			
Format	Samurai			
Total Size	JPY 172.1bn			
Ranking	Senior, Unsecured			
Bond Rating	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)			
Tenor	3-year 2-month	5-year 2-month	7-year	10-year
ESG Label	-	-	BLUE	BLUE
Size (JPY bn)	JPY 126.3bn	JPY 39.3bn	JPY 4.5bn	JPY 2.0bn
Maturity Date	29 June 2029	30 June 2031	28 April 2033	30 April 2036
Re-offer Spread (YMS, TONA based)	+80bp	+90bp	+95bp	+105bp
Coupon	2.35%	2.67%	2.89%	3.23%
Issue Price	100%			

Investor Breakdown



Issuance Highlights

- The successful outcome of this issuance reflects strong investor confidence in Indonesia's macroeconomic stability and fiscal discipline, supported by proactive and effective engagement with Japanese investors, and the successful leveraging of market momentum.
- The issuance of Blue Bonds, our fourth since 2023, demonstrates Indonesia's continued commitment to advancing sustainable financing instruments in the global market, while further diversifying our funding sources.
- Supported by a solid order book, the final yields for the 7-year and 10-year tenors were successfully set at the lowest end of the Initial Price Guidance (IPG 7Y: TONA MS +95–100 bps; IPG 10Y: TONA +105–110 bps).

Strong Investor Demand and SDG commitment

US\$ 3.45 billion equivalent



Baa2 Negative (Moody's) / BBB Stable (S&P) / BBB Negative (Fitch)

US\$750mn 5.030% due 2031, US\$1.25bn 5.690% due 2036,
€600mn 4.500% due 2033, €650mn 5.125% due 2038

Format:	SEC Registered			
Issue Ratings:	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)			
Tranche:	US\$ 5-year	US\$ 10-year	€ 7-year SDG	€ 12-year
Issue Size:	US\$750mn	US\$1.25bn	€600mn	€650mn
Settlement Date:	29 May 2026			
Maturity Date:	29 May 2031	29 May 2036	29 May 2033	29 May 2038
Initial Price Guidance:	5.300% area	5.950% area	MS+170 bps area	MS+205 bps area
Final Price Guidance:	5.050%	5.700%	MS+145 bps (#)	MS+185 bps (#)
Pricing:	5.050%	5.700%	MS+145 bps	MS+185 bps
Reoffer Price:	99.913	99.925	99.659	99.868
Reoffer Yield:	5.050%	5.700%	4.558%	5.140%
Coupon:	5.030%	5.690%	4.500%	5.125%
Denominations:	US\$200,000 / US\$1,000		EUR100,000 / EUR1,000	

Use of Proceeds: US\$ 5Y & 10Y, EUR 12Y: General budgetary purposes
EUR 7Y **SDG**: The Republic of Indonesia's ("the Republic") intends to invest an amount equal to the net proceeds in projects that may qualify as eligible expenditures under the Republic's Sustainable Government Securities Framework

Listing: SGX-ST and Frankfurt Stock Exchange

Governing Law: New York Law

Key Transaction Highlights



The fourth Sustainable Development Goals ("SDG") Bond in EUR issued by the Republic, following the last EUR SDG offering in October 2025, showcasing the Republic's continuous commitment in supporting sustainable financing to achieve SDG targets by 2030



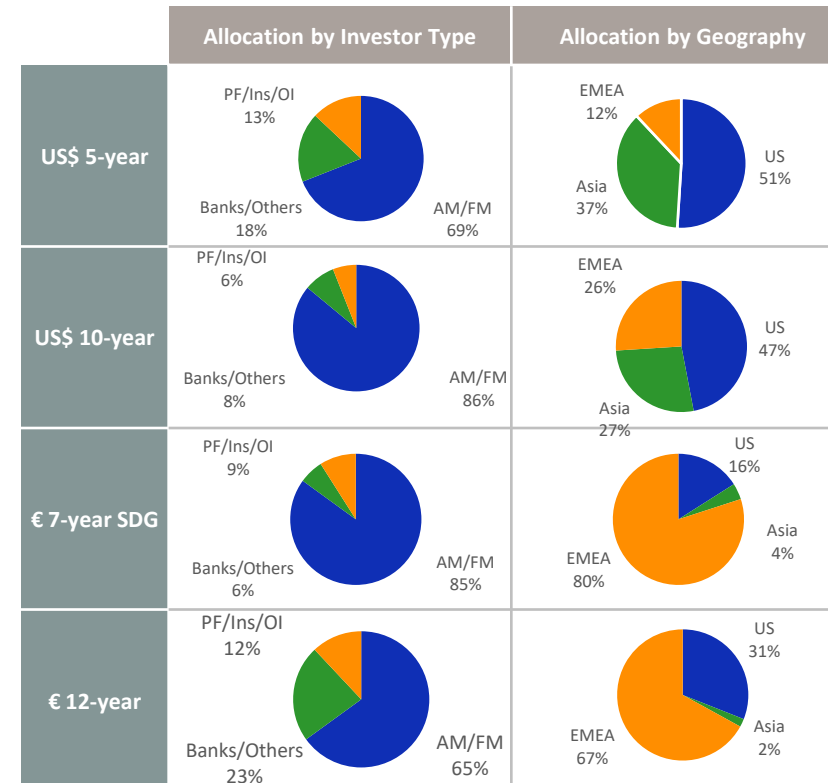
Successfully navigated significant intraday volatility supported by robust and ongoing confidence of global investors towards the country's economic stability, reinforcing the Republic's well-established reputation as a consistent and credible sovereign issuer in the global capital markets



The orderbook was well supported by global high-quality and real-money accounts, with the final orderbook size reaching over US\$5.2 billion for the USD tranches in aggregate and over €3.2 billion for the EUR tranches



The healthy momentum of the orderbook allowed final pricing to tighten by 20-25 bps from IPG for all tranches



>US\$1.7bn

c. 2.3x covered
across 101 accounts

>US\$3.5bn

c. 2.6x covered
across 134 accounts

>€1.1bn

c. 1.8x covered
across 55 accounts

>€1.2bn

c. 1.8x covered
across 44 accounts



Inaugural Panda Bonds Issuance

Taking advantage of favorable conditions in the onshore Renminbi market, Indonesia successfully completed its inaugural Panda Bond issuance totaling CNY 7 billion (approximately USD 1.03 billion) with a strong orderbook.

CNY 7 billion

RICNY0729 (3Y)
CNY5.6 billion

Tenor **3 Years**

Yield/Coupon **1.90%**

Maturity Date **30 July 2029**

RICNY0731 (5Y)
CNY1.4 billion

Tenor **5 Years**

Yield/Coupon **2.19%**

Maturity Date **30 July 2031**

Onshore Rating

AAA by Lianhae

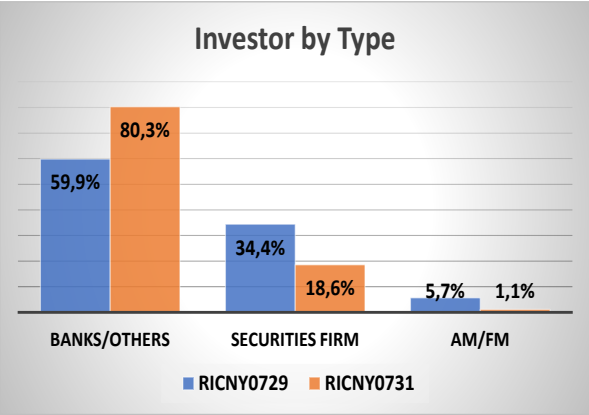
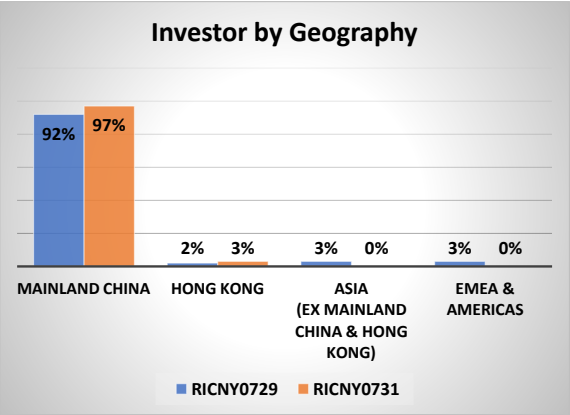
Pricing Date

23 July 2026

Settlement/
Issuance Date

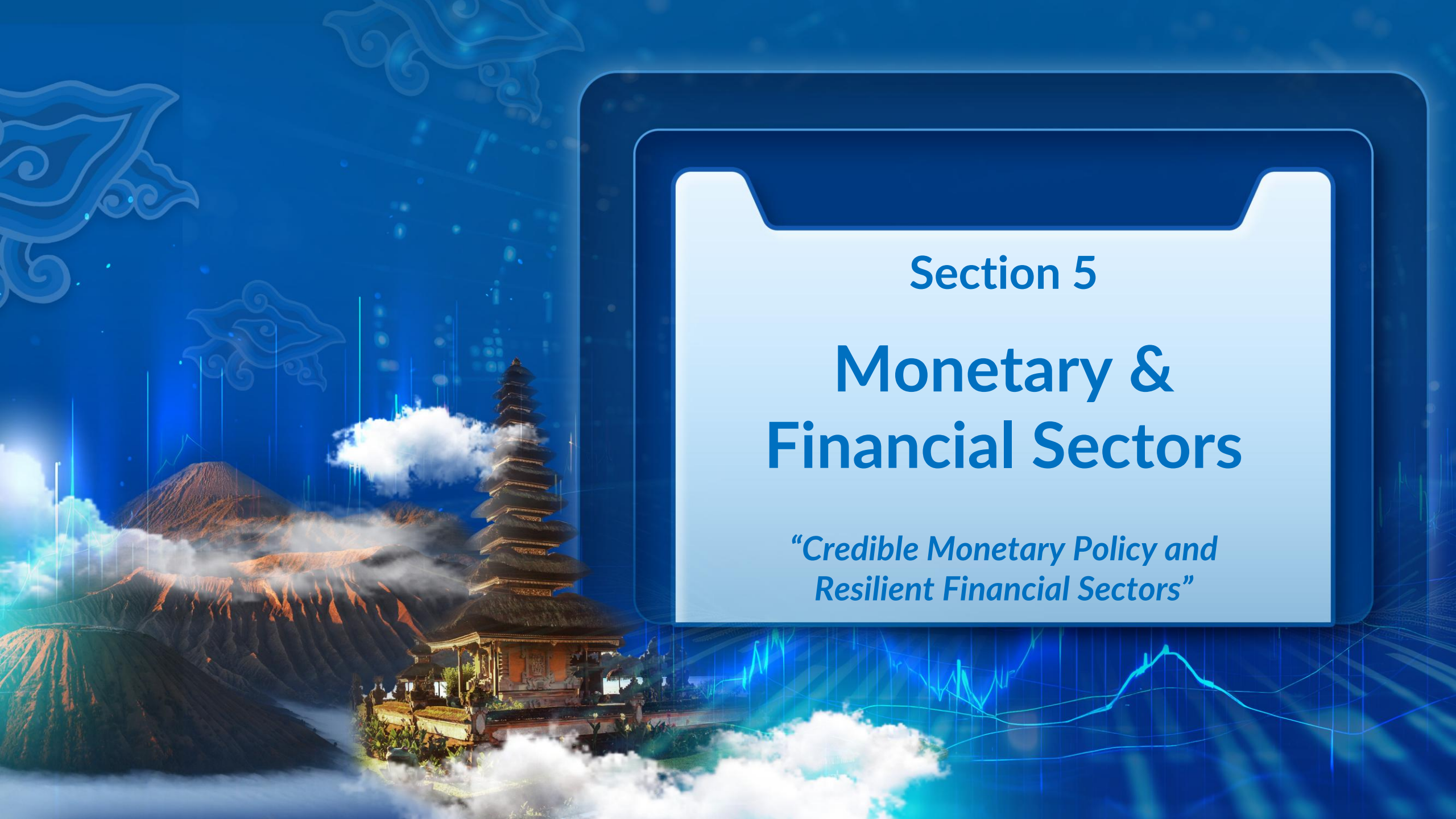
30 July 2026

Investor Statistics



Highlight

- This transaction represents the largest sovereign Panda Bond issuance to date, demonstrating the strong confidence of onshore Renminbi investors in Indonesia's economic fundamentals and fiscal outlook.
- The total orderbook reached CNY 17 billion (2.4x bid-to-cover ratio), comprising:
 - **3Y:** CNY12.38 bio (bid-to-cover ratio 2.2x)
 - **5Y:** CNY4,62 bio (bid-to-cover ratio 3.3x)
- The transaction achieved highly competitive final yields and established a benchmark for Southeast Asian sovereign issuers seeking access to the onshore Renminbi bond market.



Section 5

Monetary & Financial Sectors

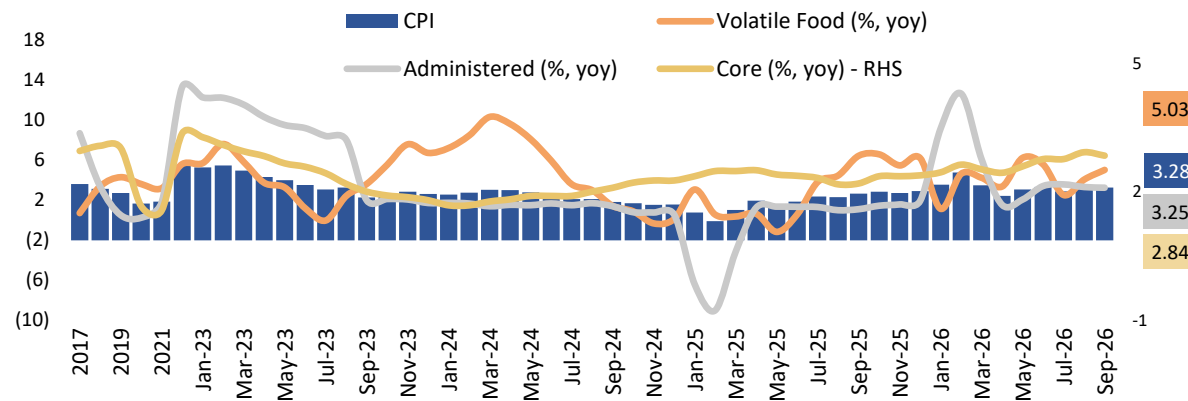
*“Credible Monetary Policy and
Resilient Financial Sectors”*



Inflation, Exchange Rate and Monetary Policy Framework

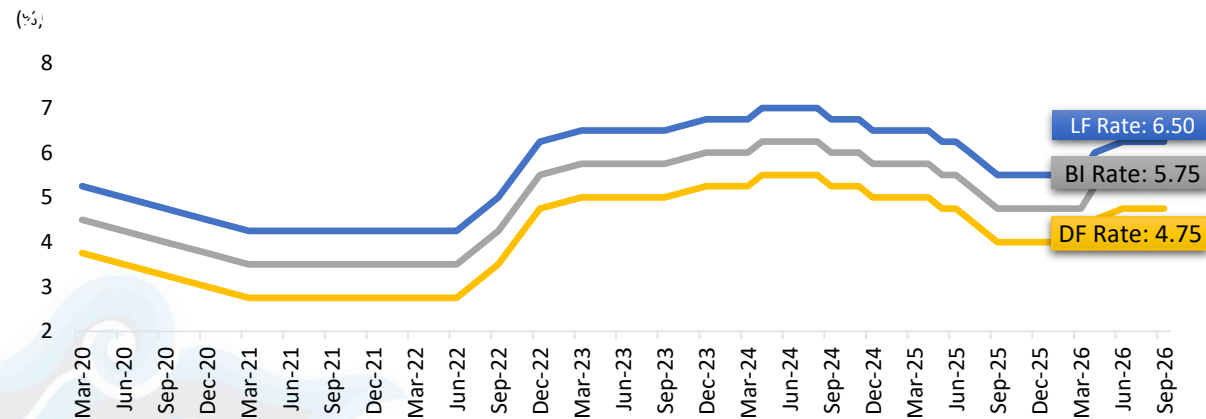
Inflation Remains within the Target Range, the Rupiah Relatively Stable, and Credit Growth Continues, Supported by a Strengthened Monetary Policy Framework.

Well Maintained Inflation Ensured Price Stability



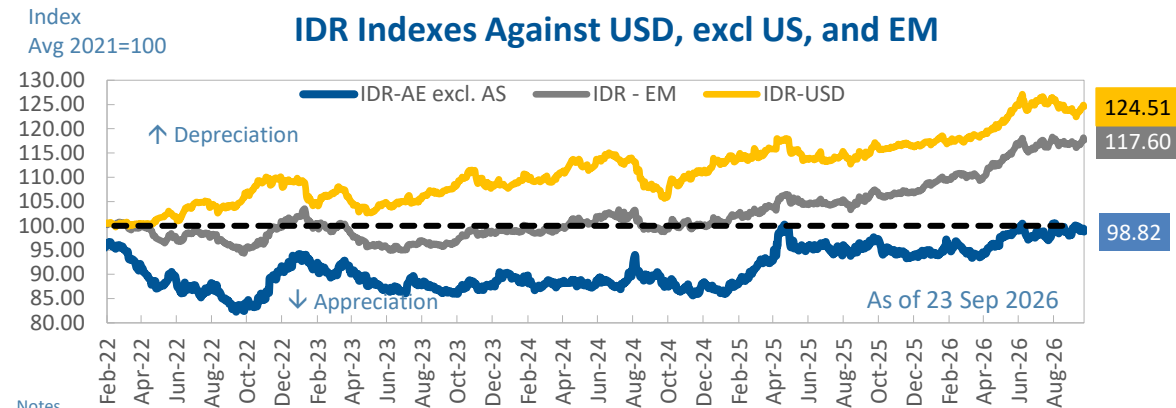
Source: Statistics Indonesia

Strengthened Monetary Policy Framework



Source: Bank Indonesia

Stable Rupiah Exchange Rate

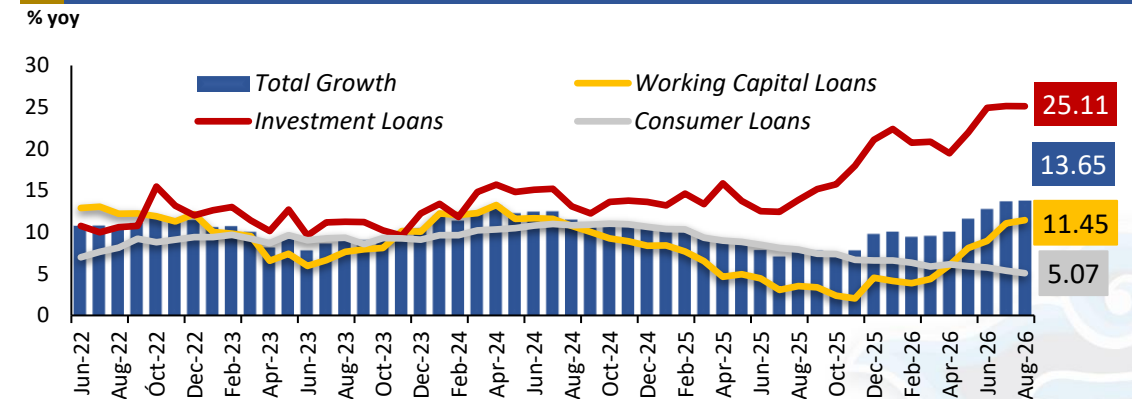


Notes

Based on daily data

Composite indexes on trade weights :: SGD (13%), CNY (52%), INR (11%), KRW (9%), THB (7%), MYR (9%)

Credit Growth Profile



Source: OJK, Bank Indonesia



Bank Indonesia Policy Mix for Strengthening Stability and Supporting Economic Growth

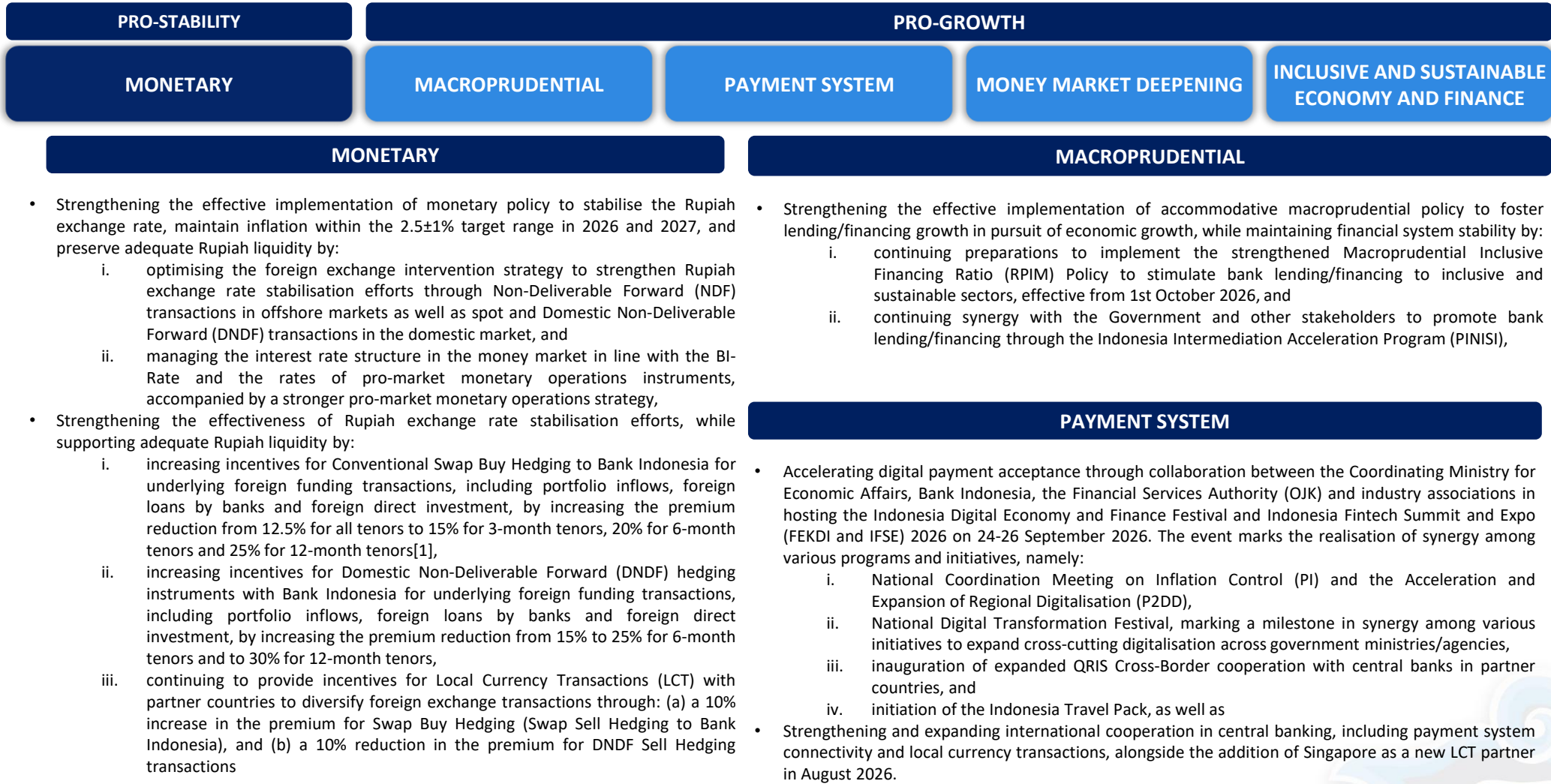
Bank Indonesia's policy mix is calibrated to strengthening stability and supporting economic growth through a balanced combination of monetary, macroprudential, payment system, money market deepening, and inclusive green economy measures.



BI – Rate⁽¹⁾ 5.75% ➡

Deposit Facility (DF) rate⁽¹⁾ 4.75% ➡

Lending Facility (LF) rate⁽¹⁾ 6.50% ➡



Source: Bank Indonesia
 Note: (1) Board of Governors Meeting September 2026

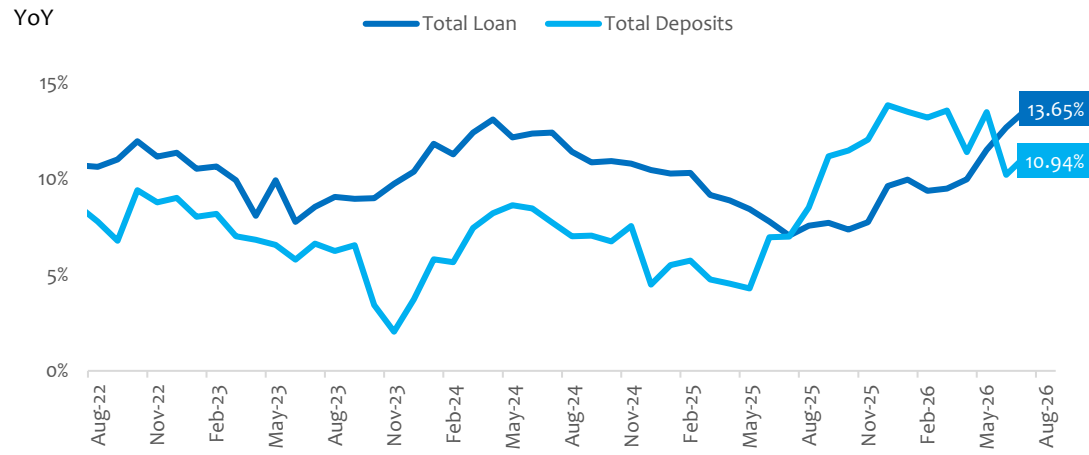


Banking Intermediation

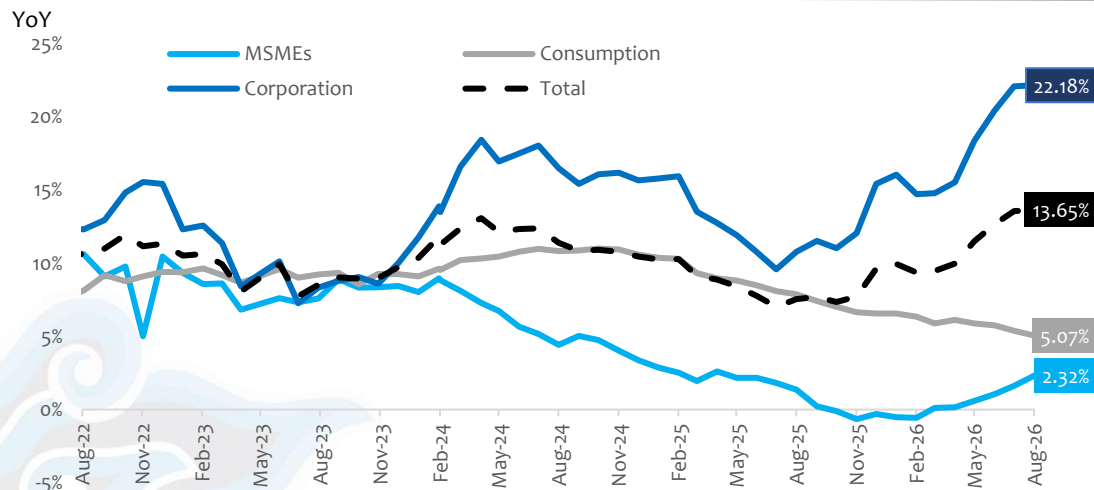
Banking intermediation strengthened further in August 2026, supported by sustained loan growth. The loan-to-deposit ratio remained within the prudent range of 78%-92%.



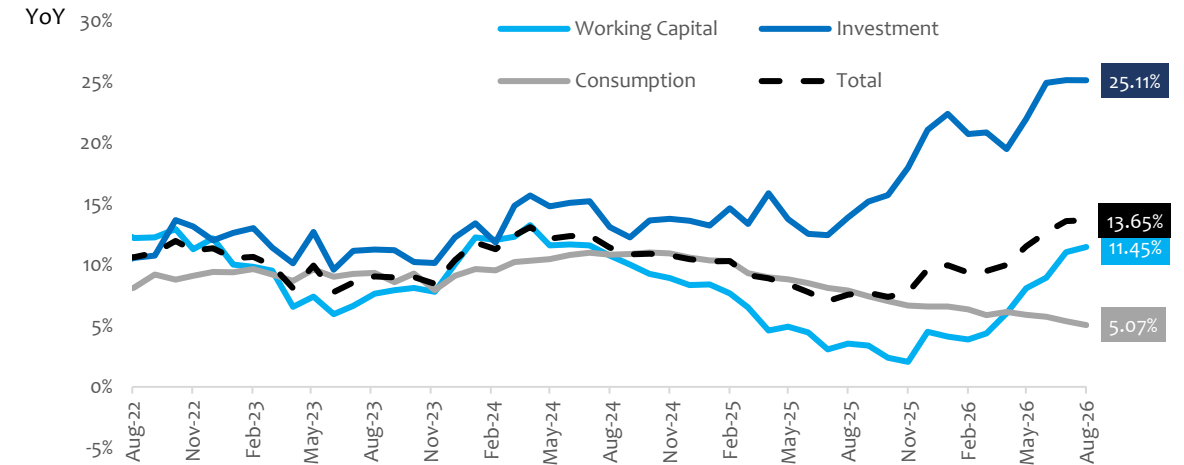
As of **August 2026**, banking loan expanded by **13.65% (yoy)** to **IDR9,178 trillion**, while deposit grew by **10.94% (yoy)** to **IDR10,413 trillion**.



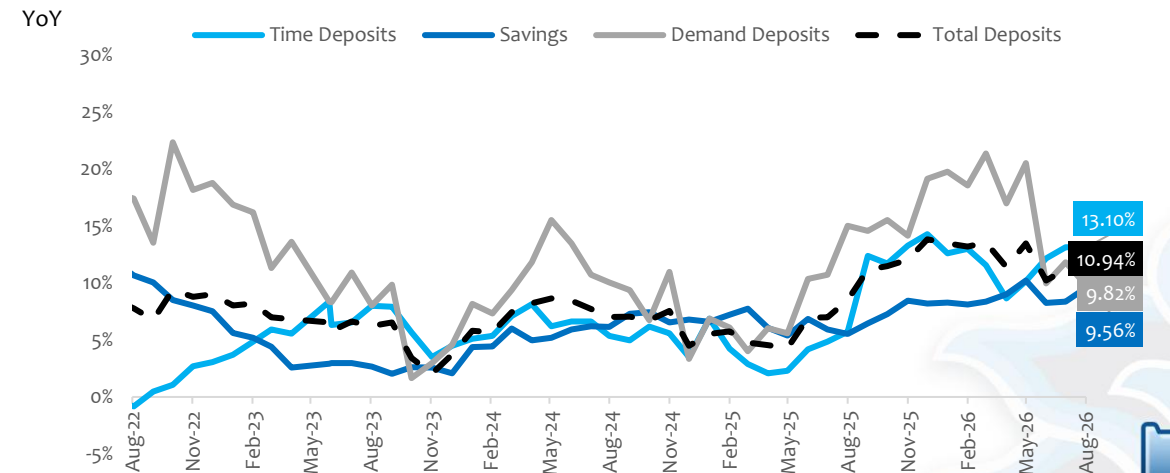
By segment, **corporate loan** remained robust, grew by **22.18% (yoy)**, while **MSME loan** continued to strengthen, grew by **2.32% (yoy)**.



Loan growth continued to be driven by **investment loan**, which grew by **25.11% (yoy)**, followed by **working capital loan** which recorded growth at **11.45% (yoy)**.



Deposit growth was primarily supported by **time deposit**, which increased by **13.10% (yoy)**, followed by **demand deposit and saving** at **9.82% (yoy)** and **9.56% (yoy)**, respectively.



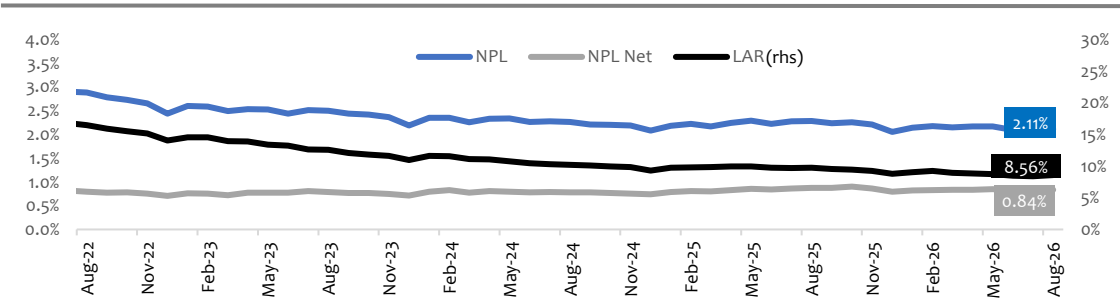


Banking Risk Profile and Profitability

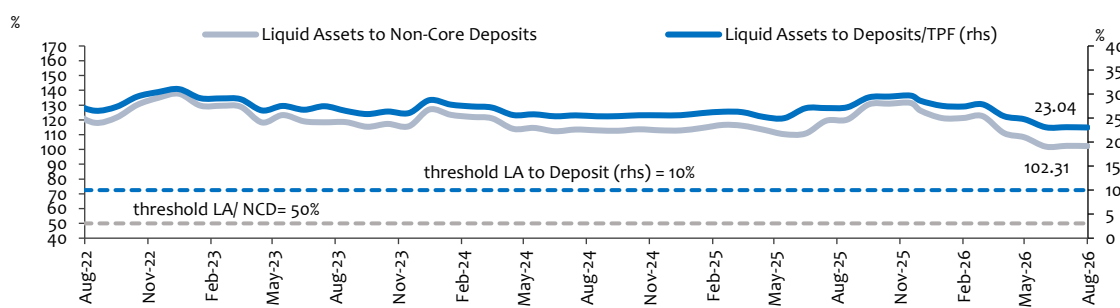
Indonesia's banking sector remained resilient in August 2026, supported by well-maintained credit quality, strong capital buffers, adequate liquidity, and stable profitability.



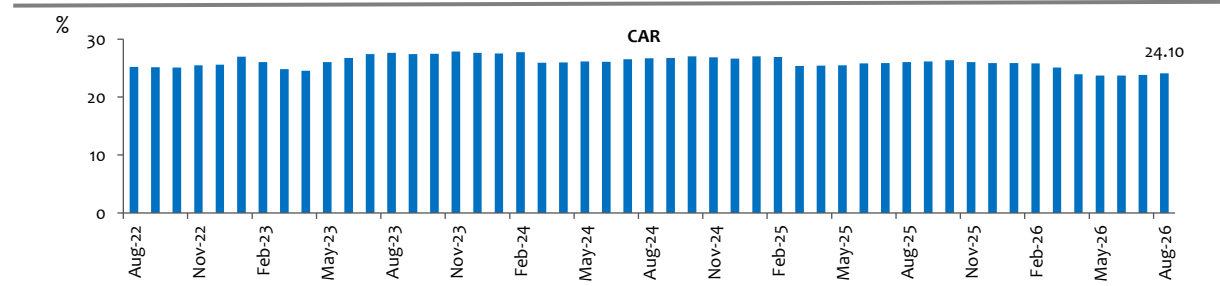
Credit risk remained manageable, with the gross non-performing loan (NPL) ratio at 2.11% and the loan-at-risk (LaR) ratio at 8.56% in August 2026.



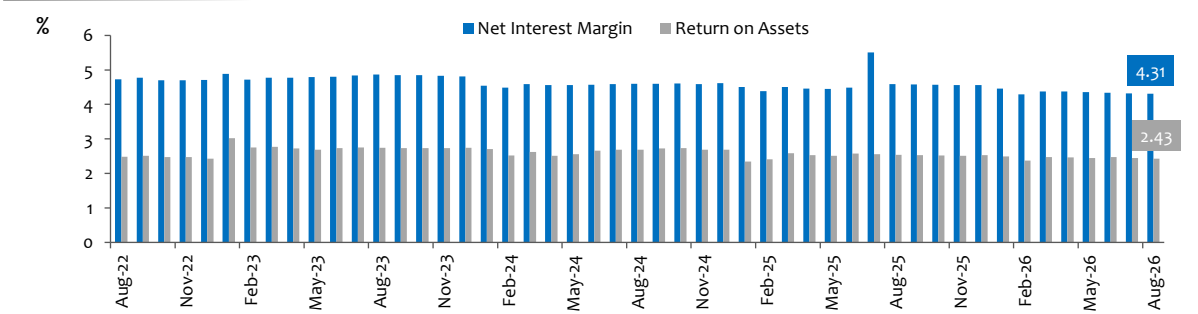
Liquidity remained ample, as reflected in the liquid assets-to-non-core deposit (LA/NCD) and liquid assets-to-deposit (LA/Deposit) ratios of 102.31% and 23.04%, respectively.



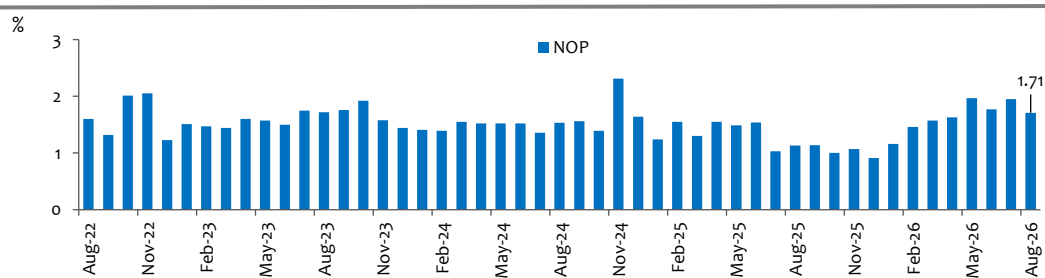
Capital buffers strengthened further, with the capital adequacy ratio (CAR) rising to 24.10% in August 2026.



As of August 2026, banking sector profitability remained stable, with the net interest margin (NIM) at 4.31% and return on assets (ROA) at 2.43%.



The net open position (NOP) also remained low at 1.71% in August 2026.



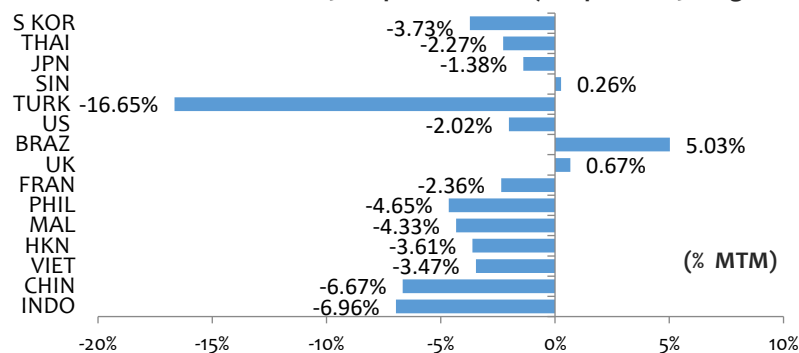
Indonesia Capital Market Performance



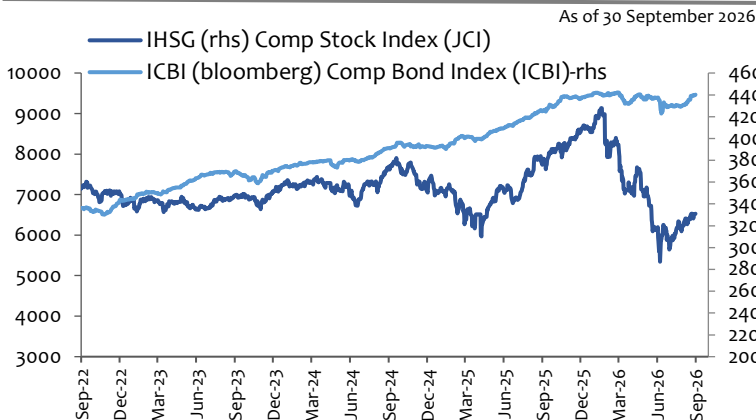
Indonesia's domestic capital market showed mixed performance in September 2026, with subdued equity market conditions alongside gradual improvement across the broader market. OJK continued to advance capital market reforms, strengthen supervision and enforcement, safeguard market integrity, and reinforce investor confidence.

By the end of September 2026, the Jakarta Composite Index (JCI) softened by **-6.96% (mtm)**, closed at **6,071.14**.

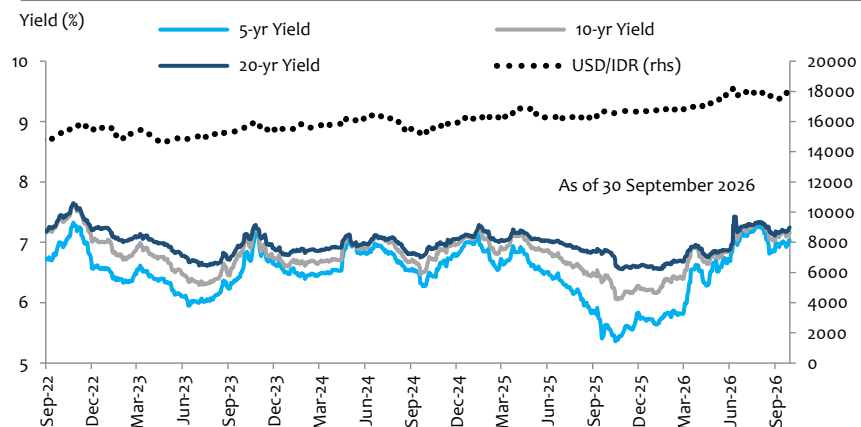
Stock Index Performance as of 30 September 2026 (compared to 31 August'26)



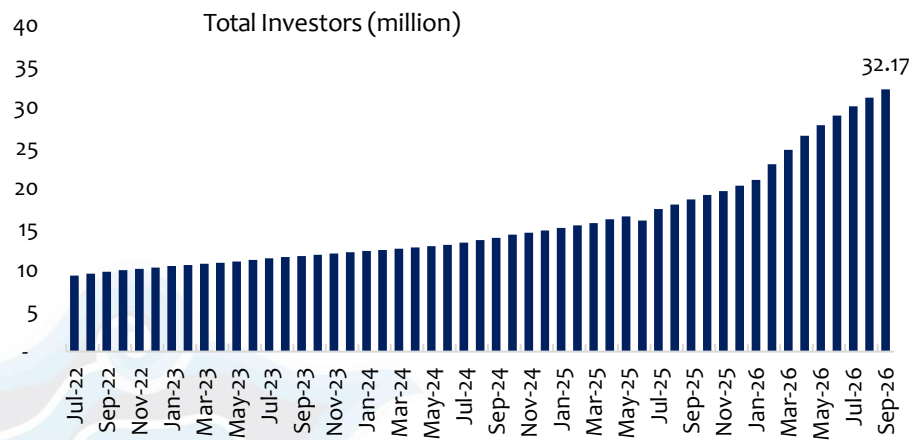
Meanwhile, the Indonesia Composite Bond Index (ICBI) closed at **439.05**, edged down by **0.2% (mtm)**.



Government bond (SBN) yields remained attractive, supported by competitive yields amid shifting risk sentiment.



The number of domestic capital market investors continued to increase, with **1.03 million new investors added in September 2026**. This brought the total investor base to **32.17 million**, grew by **57.96% (ytd)**.



OJK continues to strengthen supervision and enforcement in the capital market to uphold market integrity, enhance compliance, and maintain public confidence.

Enforcement Actions Following Case Investigations (YTD)

As of 30 September 2026

Administrative Fines (IDR Bn)	112.79
Written Warnings	18
Written Orders	5
License Suspensions	6
License Revocations	2
Registration Certificate Cancellation	1

Reporting Compliance (YTD)

As of 30 September 2026

- OJK has also imposed **administrative sanctions** for **reporting violations**, comprising fines totaling **IDR277 billion** and **222 written warnings**.
- These sanctions mainly due to delays in submitting periodic, incidental, governance-related, and supporting-professional reports.

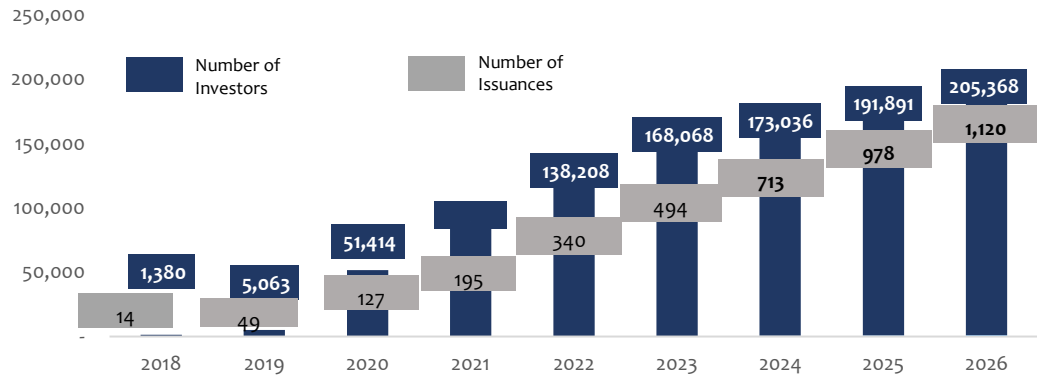


Securities Crowd Funding and Carbon Exchange

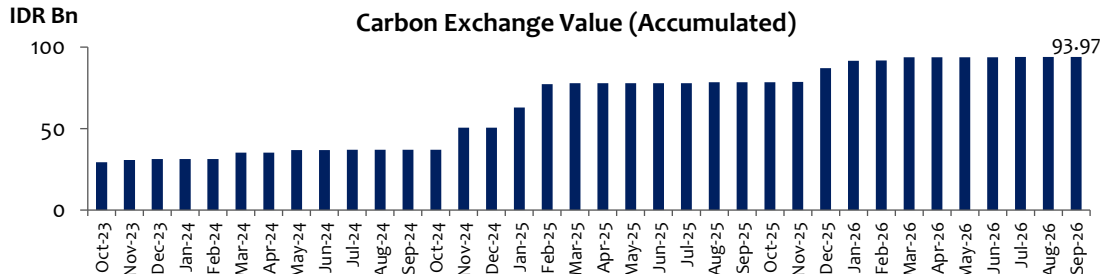
Securities Crowdfunding (SCF) and the Carbon Exchange continued to support the development of alternative financing and sustainable finance.



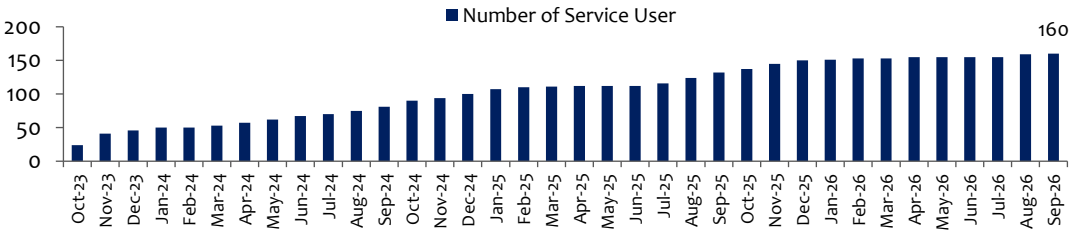
During September 2026, the SCF market recorded 9 new issuers. As of September 2026, SCF had attracted **205,368** investors, with a cumulative total of **1,120** securities issuances.



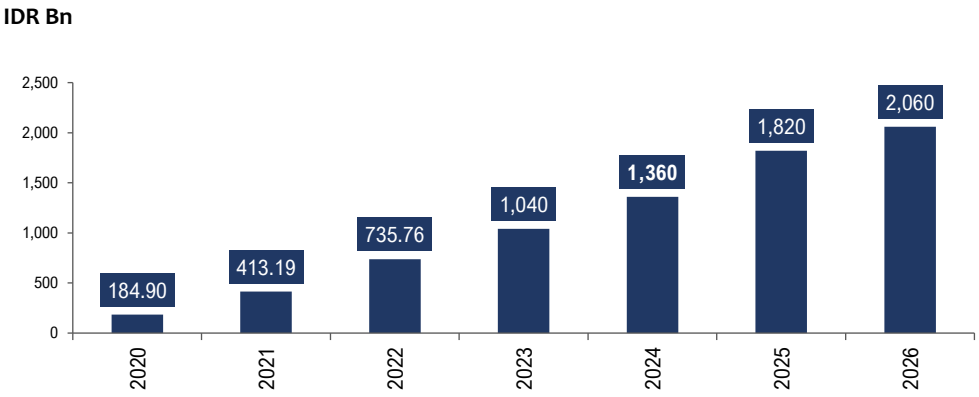
Since its launch in September 2023, the Carbon Exchange has recorded a **cumulative transaction value of IDR93.97 billion as of September 2026.**



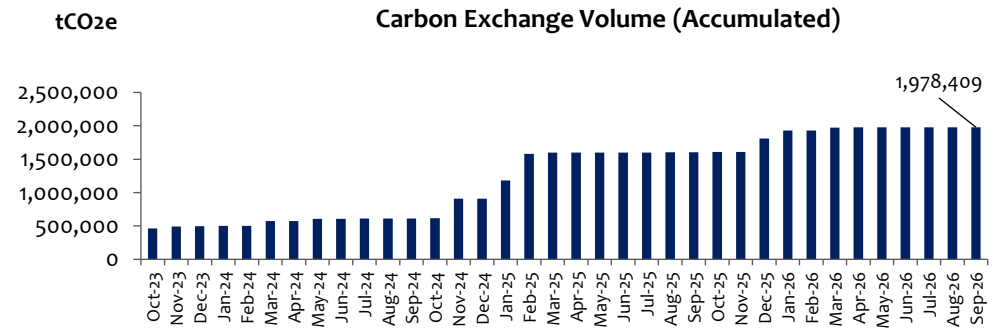
While the number of **registered service users** remained at **160**.



With these additions, the **cumulative funds raised** through SCF reached **IDR2.06 trillion** as of **September 2026**.



As of **September 2026**, cumulative **trading volume** reached **1.97 million tCO₂e**



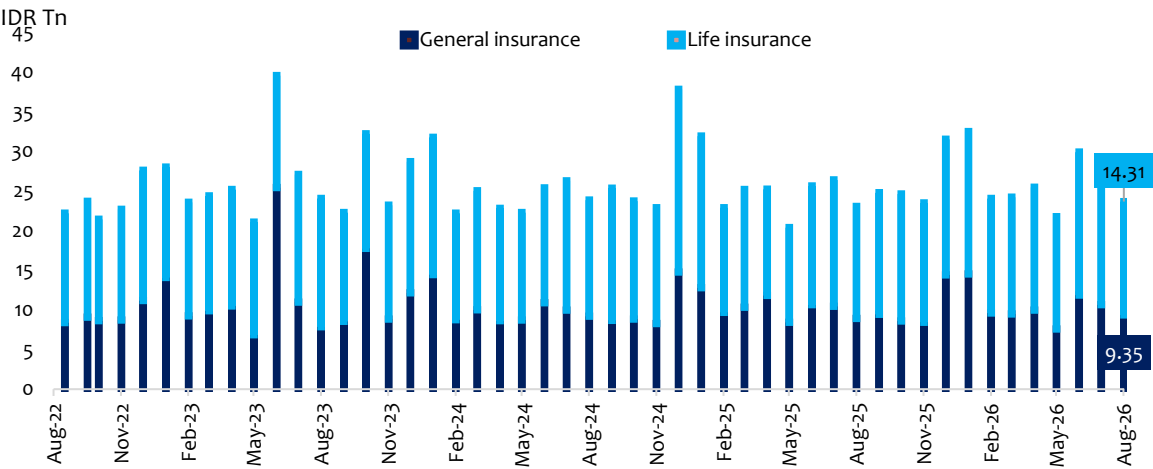


Insurance Sector

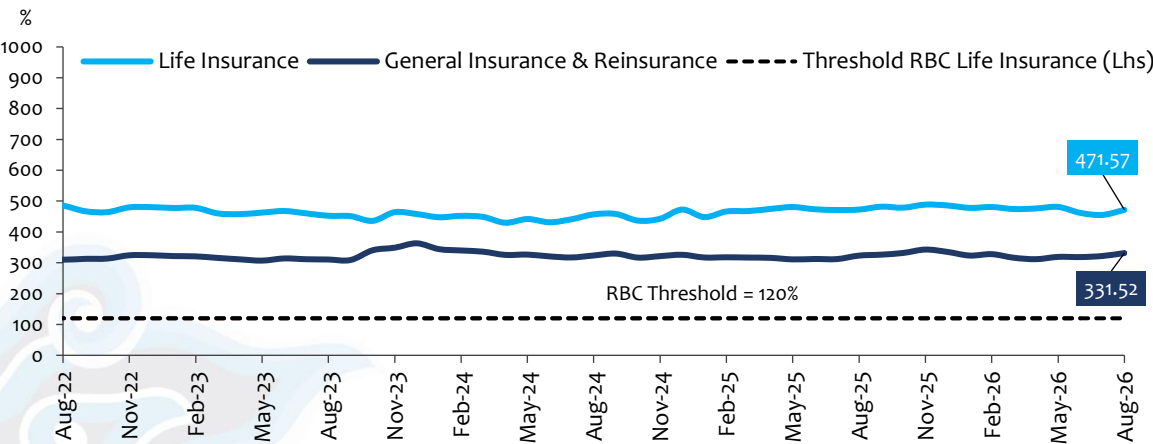
Indonesia's insurance industry maintained sound performance in August 2026, underpinned by asset growth and strong solvency buffers, while premium performance varied across segments.



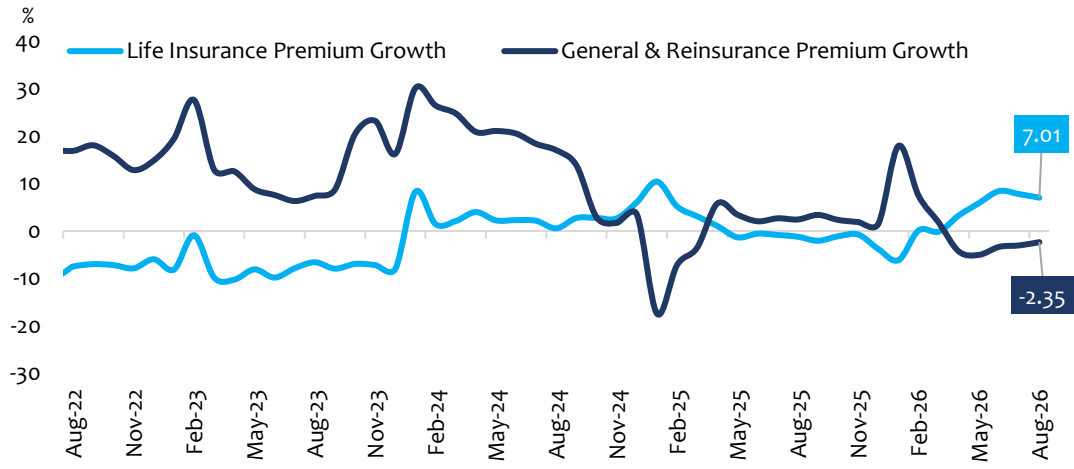
In August 2026, general and life insurance recorded premium income of IDR9.35 trillion and IDR14.31 trillion, respectively.



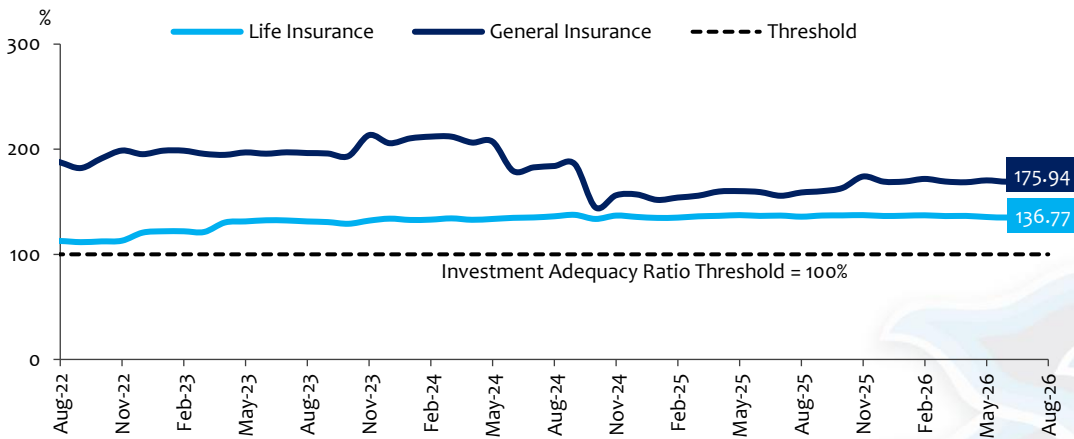
Solvency remained strong, with risk-based capital (RBC) ratios of 471.57% for life insurance and 331.52% for general insurance and reinsurance, well above the regulatory threshold.



Life insurance premiums expanded by 7.01% (yoy) to IDR125.75 trillion, while general insurance and reinsurance premiums stood at IDR99.61 trillion, representing an adjustment of 2.35% (yoy).



Investment adequacy ratios remained at adequate levels. In August 2026, the ratio stood at 175.94% for general insurance and reinsurance and 136.77% for life insurance.



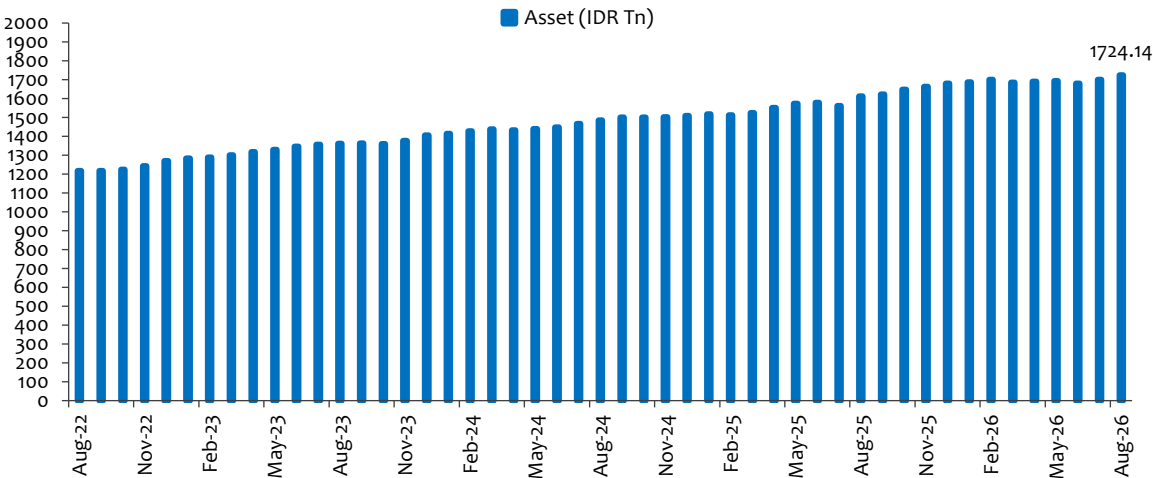


Pension Funds and Guarantee Institutions Performance

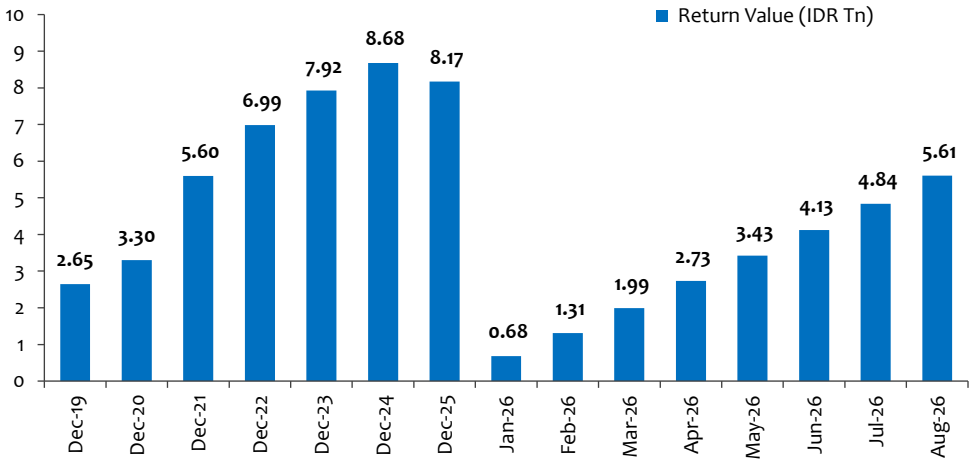
Pension fund assets continued to expand in August 2026, while guarantee companies maintained growth in accumulated return value.



Total **pension fund assets** grew by **6.99% (yoy)** to **IDR1,724.14 trillion** and increased by **2.66% (ytd)**, supported by higher investment in government securities.



As of **August 2026**, the **accumulated return value** of guarantee institutions reached **IDR5.61 trillion**, grew by **9.44% (yoy)**.



As of **August 2026**, the **total assets of guarantee institutions** was recorded at **IDR46.30 trillion**.

Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26
Assets Value (IDR Tn)	36.90	39.12	46.41	46.39	47.51	45.93	46.30
Growth YoY	46.66%	6.00%	18.64%	-0.05%	2.43%	-5.04	-5.17

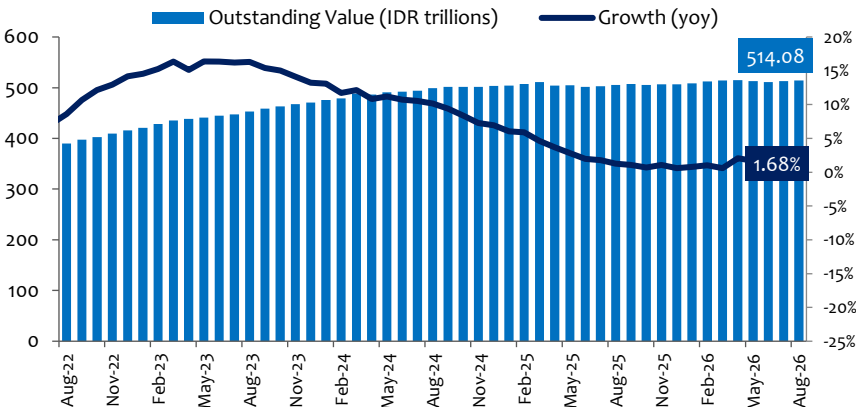


Financing Companies and P2P Lending

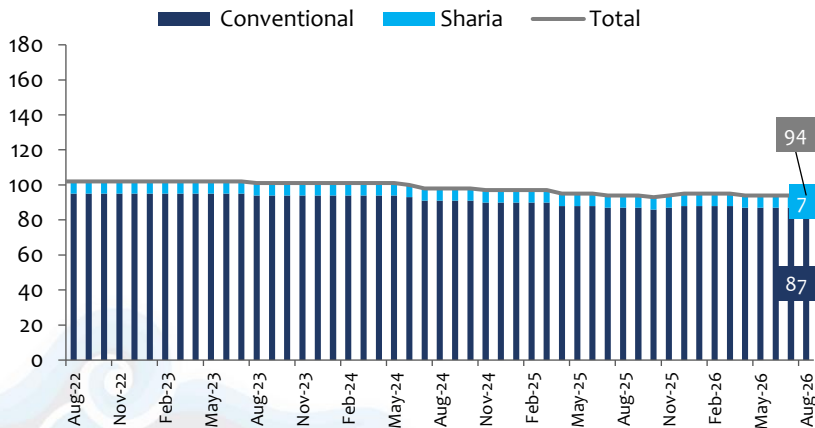
Financing companies and P2P lending continued to support broader economic activity, with manageable key risk indicators.



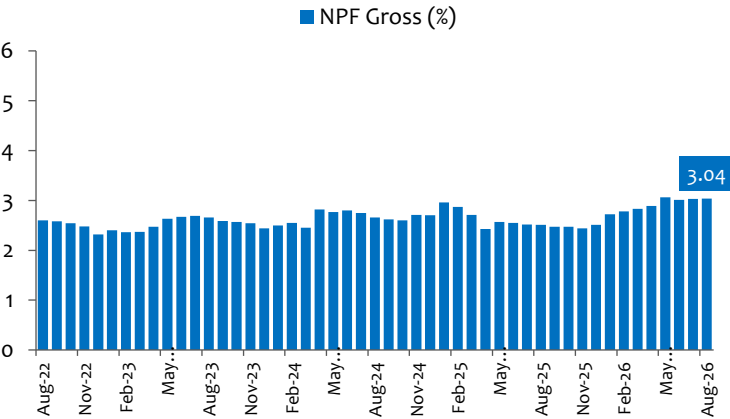
As of **August 2026**, the outstanding financing value of **Financing Companies** grew by **1.68% (yoy)**, supported by **5.40% (yoy)** increase in working capital financing.



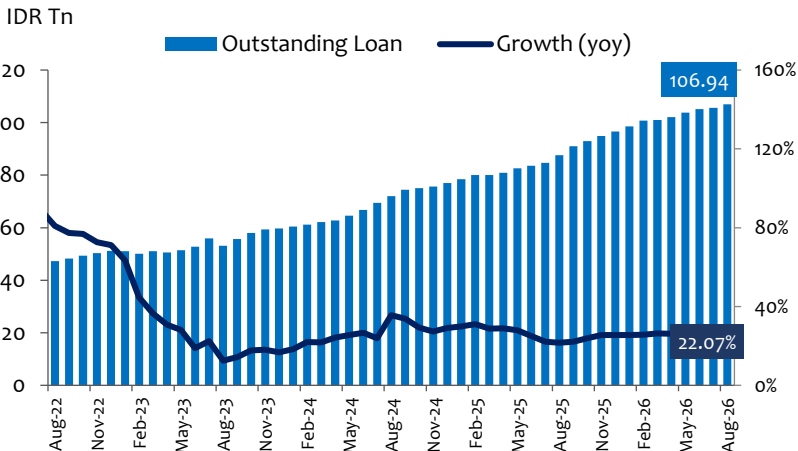
As of **August 2026**, there were **94 licensed P2P lending (fintech) providers**.



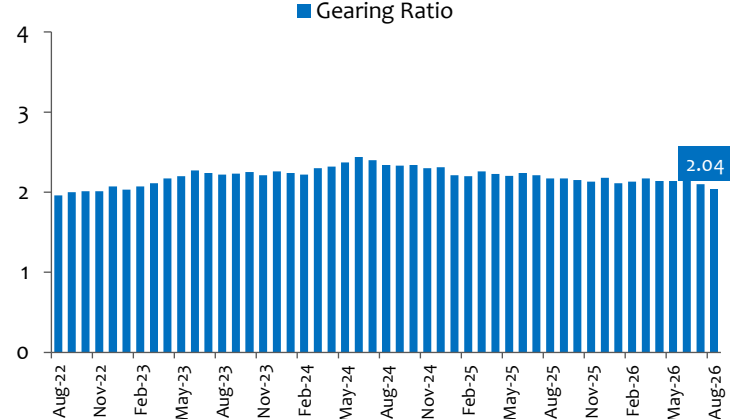
Financing Companies' credit risk remained manageable, with the **non-performing financing (NPF) ratio** was stable at **3.04%**.



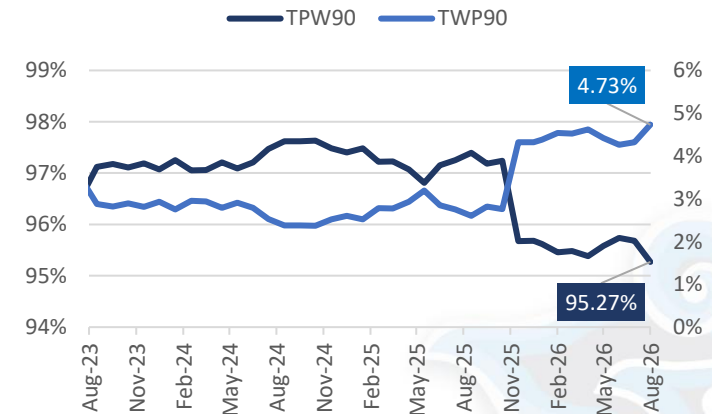
In the **P2P lending (fintech) industry**, outstanding financing grew by **22.07% (yoy)** to **IDR106.94 trillion** in August 2026.



Financing companies also maintained adequate solvency position, with **gearing ratio** recorded at **2.04 times**, well below the regulatory limit.



Meanwhile, the industry's aggregate 90-day payment default rate (**TWP90***) remained manageable at **4.73%**.





Buy Now Pay Later (BNPL) & Pawnshop Industry

BNPL and pawnshop financing continued to expand rapidly, broadening access to financing while maintaining manageable credit risk.



Buy Now Pay Later (BNPL)

BNPL in both banking sector and financing companies has recorded strong growth over the years, with nonperforming loans have remained at manageable level.

Banking Sector BNPL	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26
Outstanding Loan (IDR Tn)	10.54	15.39	22.12	26.39	31.56	31.41
Growth (%yoy)	#N/A	45.93	43.76	19.32	31.22	29.10
NPL (%)	1.91	1.97	4.17	2.02	2.31	2.41
No. of Accounts (million)	10.73	15.28	23.99	31.21	33.50	34.00

Financing Companies BNPL	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26
Outstanding Loan (IDR Tn)	4.74	4.96	6.82	11.94	13.62	13.61
Growth (%yoy)	#N/A	4.50	37.56	75.05	54.65	36.57
Gross NPF (%)	3.54	3.04	2.99	2.77	3.03	3.03
No. of Accounts (million)	12.44	11.44	15.22	20.45	26.64	27.71



Pawnshop Industry

Pawnshop industry has recorded strong growth over the years. As of August 2026, outstanding of pawnshop financing reached **IDR156.61 trillion**, representing growth of **44.60% (yoy)**.

Pawnshop Companies	Dec-22	Dec-23	Dec-24	Dec-25	Jul-26	Aug-26
Outstanding Financing (IDR Tn)	60.66	69.39	88.05	130.37	160.78	156.61
Growth (%yoy)	13.56	14.39	26.90	48.07	50.73	44.60

Source: OJK



Financial services technology innovation continued to progress, supported by prudent regulatory oversight and growing industry participation.



Based on **OJK Regulation No. 3/2024**, the OJK established the Regulatory Sandbox as a structured framework to evaluate, oversee, and support innovation in the financial services sector. As of **August 2026**, the number of sandbox applications reached **36**, with **two on-going participants**.

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
Number of Sandbox Applications Request	114	71	87	52	14	27	33	35	36
Number of Sandbox Participants (On Going)	28	14	20	18	5	4	3	2	2

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Oct-25	Nov-25	Dec-25	Jun-26	Jul-26	Aug-26
Innovative Credit Scoring	2	4	5	10	10	10	8	8	8
Aggregators	4	6	9	20	20	20	17	16	16
Total	6	10	14	30	30	30	25	24	24



As of **August 2026**, domestic crypto transaction value moderated by **12.87% mtm** to **IDR23.16 trillion**.

Crypto-assets	Dec-23	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
Transactions (IDR Tn)	27.25	94.08	32.68	28.58	20.52	23.16

Financial Literacy, Consumer Protection and Illegal Financial Activities



Consumer protection in financial services sector continued to be strengthened through expanded financial education and literacy initiatives, alongside enhanced consumer complaint handling and anti-scam measures.



From **January to September 2026**, OJK has conducted **4,711 financial education activities**, reaching **13,310,053 participants** nationwide.

Financial Education	4,711 Activities	Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities
	13,310,053 Participants		100% District/Municipalities
Sikapi Uangmu	291 Contents	National Movement of Financial Inclusion (GENCARKAN)	43,039 Programs
	3,001,396 Viewers		21,076 Financial Education Activities
Financial Education Learning Management System (LMSKU) OJK	23,868 Access		26,693 Digital Education Contents
	15,950 Certificates		



From **January to September 2026**, OJK has received **527,389 service requests**.

Number of Service Requests	527,389
Number of Service Requests on Consumer Protection Portal Application (APPK)	82,092
Banking	26,091
Fintech	36,435
Financing Institutions	16,758
Insurance	1,446
Capital Market and other NBFIs	1,362



From **January to September 2026**, OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **1,222 illegal financial entities**.

Number of Illegal Investments	242
Number of Illegal Online Lending	951
Number of Illegal Pawnshop	27
Number of Other Illegal Financial Activity	2



From **22 November 2024 to 30 September 2026**, the Indonesia Anti-Scam Centre (IASC) has received **702,342 reports**.

Number of Reports	702,342
Number of Blocked Accounts	702,833
Funds Blocked (IDR Bn)	825.2



Sharia Financial Services Sector

As of September 2026, Indonesia's sharia capital market continued to face pressure amid heightened global financial market volatility. Meanwhile, the sharia financing institutions remained stable.



SHARIA CAPITAL MARKET

SHARIA STOCKS	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Indonesia Sharia Stock Index	215.65	308.61	196.59	215.11	228.63	210.70
Growth (YTD %)	1.41	43.11	-36.30	-30.30	-25.92	-31.73
Market Capitalization (IDR Tn)	6,825.31	8,971.68	4,922.12	5,361.78	5,658.68	5,269.87
Market Share (%)	55.33	56.72	49.94	49.28	49.80	49.57
SHARIA BOND (SUKUK)	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Government Sukuk (IDR Tn)	1,627.68	1,703.60	1,806.98	1,745.84	1,763.02	1,763.02
Corporation Sukuk (IDR Tn)	55.27	88.21	101.64	95.14	94.40	97.60
Market Share (%)	11.63	16.44	17.59	17.07	17.02	17.32
SHARIA MUTUAL FUND	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Asset Under Management (IDR Tn)	50.55	83.44	81.64	86.13	84.79	84.30
Market Share (%)	10.12	12.36	12.50	13.20	12.99	13.23
SHARIA SCF	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26	Sep-26
Fundraising (IDR Bn)	715.47	1,041.64	1,147.80	1,164.09	1,177.47	1,190.37
Market Share (%)	52.50	57.43	57.86	57.93	57.69	57.68



SHARIA FINANCING INSTITUTIONS, VENTURE CAPITAL, FINTECH P2P LENDING AND MICROFINANCE (PVML) UPDATE

SHARIA PVML	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
Sharia Financing Institution Assets (IDR Tn)	33.88	36.55	37.50	37.66	37.78
Sharia Venture Capital Assets (IDR Tn)	3.74	3.98	4.26	4.28	4.08
Sharia Microfinance Assets (IDR Tn)	0.65	0.66	0.67	0.68	0.68



Sharia Financial Services Sector (cont'd)

Sharia banking financing maintained double-digit growth of 11.61% (yoy) in August 2026. At the same period, sharia insurance contributions also showed improvement compared to the previous month.

SHARIA BANKING SECTOR

Intermediation	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
Assets (IDR Tn)	980.30	1,067.73	1,075.18	1,070.27	1,089.68
Market Share (%)	7.72	7.69	7.36	7.35	7.44
Financing (IDR Tn)	643.55	705.22	741.27	744.51	748.70
Growth (YoY %)	9.92	9.58	11.29	11.82	11.61
Deposits (IDR Tn)	753.60	829.99	835.01	837.24	848.98
Growth (YoY %)	10.09	10.14	13.01	11.92	12.12
Capital and Liquidity	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
CAR	25.4	25.07	23.75	23.76	23.93
LA/Deposits	32.09	30.01	27.69	26.15	1.92
LA/NCD	154.52	142.13	130.18	121.82	124.17
Credit Risk	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
Gross NPF	2.12	2.16	2.27	2.27	2.30
Net NPF	0.79	0.83	0.78	0.76	0.79

SHARIA INSURANCE, GUARANTEE, PENSION FUND (PPDP) UPDATE

SHARIA PPDP	Dec-24	Dec-25	Jun-26	Jul-26	Aug-26
Sharia Life Insurance Assets (IDR Tn)	34.20	38.20	37.36	38.04	38.80
Sharia General Insurance Assets (IDR Tn)	9.46	10.41	10.61	10.62	10.70
Sharia Voluntary Pension Fund Assets (IDR Tn)	4.53	5.06	5.33	5.34	5.38
Sharia Guarantee Institution Assets (IDR Tn)	6.28	6.93	7.24	7.24	7.32



Section 6

Structural Reforms

*“Structural Reforms and Infrastructure
Development to Strengthen Long-Term Growth”*

Indonesia's National Transformation Strategy 2025–2029 focuses on strengthening governance, human capital, and industrial value creation to achieve inclusive and sustainable growth. Through structural reforms and grassroots development, it aims to build a resilient, equitable, and globally competitive nation toward Golden Indonesia 2045.

1 Asta Cita: The 8 Quick Impact Programs

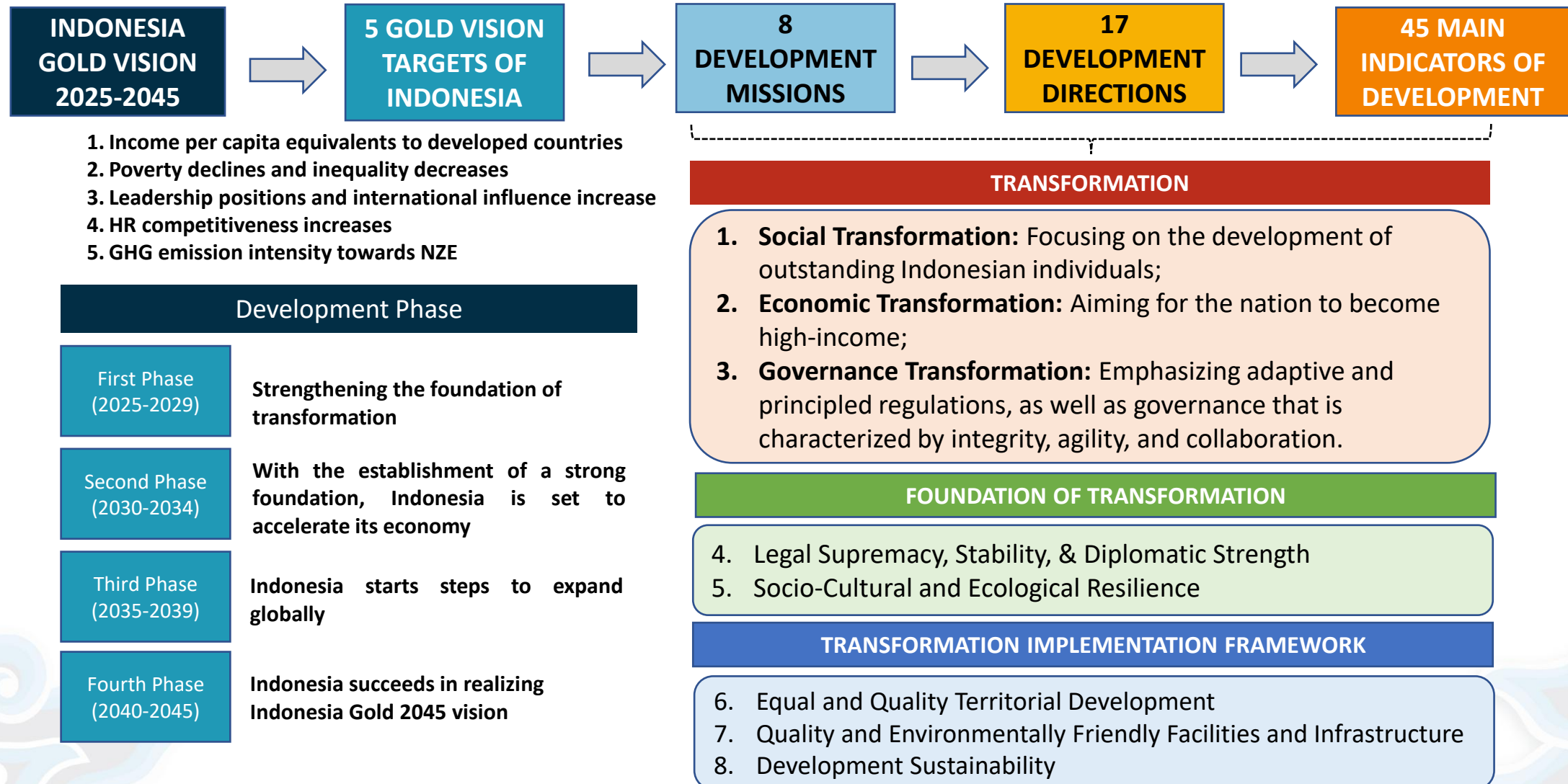
8 National Priorities 2025-2029

1. Strengthening the Foundation of Pancasila Ideology, Democracy, and Human Rights
2. Consolidating the National Defense and Security System and Fostering National Self-Reliance through Self-Sufficiency in Food, Energy, Water, Islamic Economy, Digital Economy, Green Economy, and Blue Economy
3. Continuing Infrastructure Development and Improving Quality Employment Opportunities Promoting Entrepreneurship, Expanding the Creative Industry, and Developing Agro-Maritime Industries in Production Centers through Active Cooperative Involvement
4. Enhancing Human Resource Development, Science, Technology, Education, Health, Sports Achievements, Gender Equality, and Empowering the Roles of Women, Youth (Millennials and Generation Z), and Persons with Disabilities
5. Continuing Downstream Processing and Developing Natural Resource-based Industries to Increase Domestic Value-added
6. Building from the Village and Grassroots for Economic Growth, Economic Equity, and Poverty Eradication
7. Intensifying Political, Legal, and Bureaucratic Reform, and Strengthening the Prevention and Eradication of Corruption, Drugs, Gambling, and Smuggling
8. Enhancing Alignment with A Harmonious Life in the Environment, Nature, and Culture, and Increase Religious Tolerance to Achieve A Just and Prosperous Society

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



Indonesia's Gold Vision 2045 outlines a long-term roadmap to become a sovereign, advanced, and sustainable country through five key targets, eight development missions, seventeen strategic directions, and forty-five main development indicators. The plan will be implemented in four phases from 2025 to 2045, supported by social, economic, and governance transformation along with strong legal foundations, equitable regional development, sustainable infrastructure, and environmental resilience.

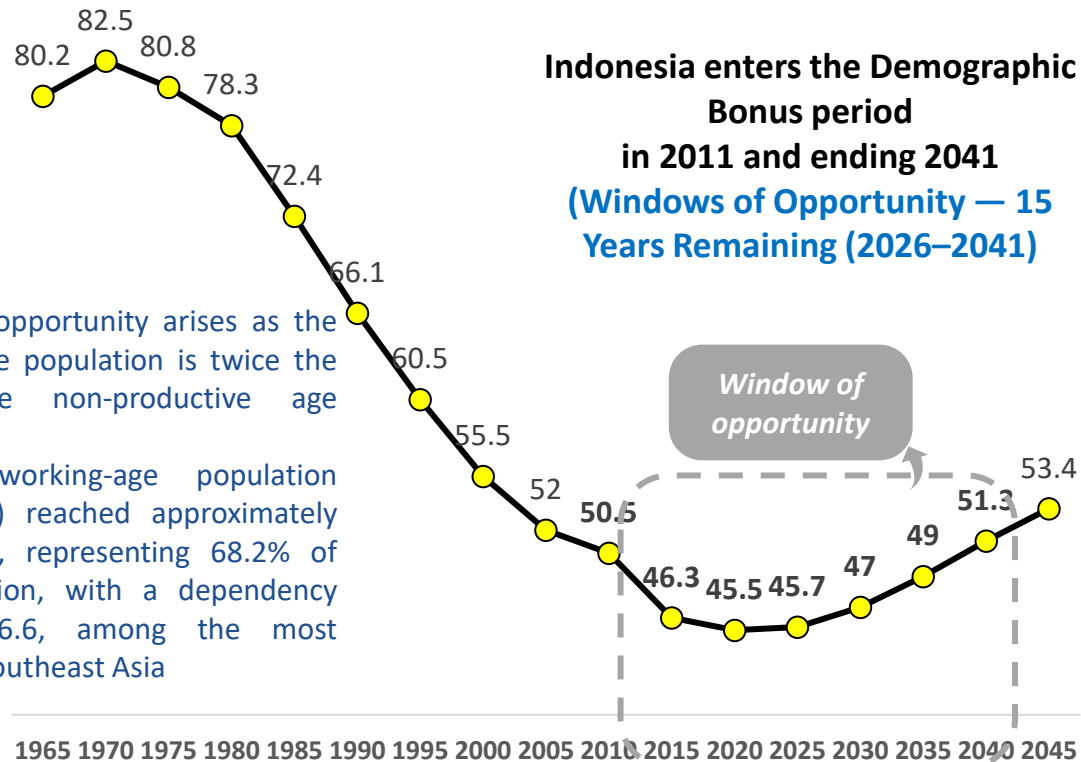


Indonesia Retains Powerful Structural Growth Drivers: Young Population and Resource Depth



Indonesia's demographic dividend provides a strong long-term growth foundation, with 194.9 million working-age people aged 15–64 representing 68.2% of its 285.7 million population, supported by a low dependency ratio of 46.6. With 15 years remaining in the demographic bonus period (2026–2041), Indonesia faces a narrowing window to convert labor force scale into sustained productivity gains. The country also holds a strategic commodity advantage as the world's largest nickel producer, generating 2.2 million tons or 59% of global supply in 2024, vital for EV supply chains.

THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



- A significant opportunity arises as the productive-age population is twice the size of the non-productive age population.
- Indonesia's working-age population (15–64 years) reached approximately 194.9 million, representing 68.2% of total population, with a dependency ratio* of 46.6, among the most favorable in Southeast Asia

*) Dependency Ratio is a comparison between the number of people aged 0-14 years plus the number of people aged 65 years and over (non-productive age population) compared to the number of people aged 15-64 years (productive age).

Source: BPS Preparation of Indonesian Population Projections SUPAS Results 2015-2045

SOCIAL CULTURAL CAPITAL

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

MARITIME WEALTH



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

Geographical Location Advantages



NATURAL WEALTH



125.57 million hectares of forest areas



Nickel with ore reserves 55 million tons (USGS 2025)



Coal reserves 32.2 billion short tons



Renewable energy potential 3,716 GW

Source: Bappenas



Indonesia's Policy Architecture for High-Quality, Sustainable Growth

Indonesia's economic engine maintained strong momentum in Q2 2026, with GDP expanding by 5.29% YoY. Domestic demand remained resilient, supported by 5.06% YoY household consumption growth and a 15.97% YoY increase in government consumption. Investment realization reached IDR 1,010.6 trillion in H1 2026 (49.5% of the full-year target), while supportive fiscal expansion remained prudent, with H1 state expenditure rising 17.8% YoY and the fiscal deficit well-contained at 0.76% of GDP.

NEW PATH OF GROWTH: HIGH GROWTH, INCLUSIVE, & SUSTAINABLE

1st ENGINE

Revitalizing the Conventional Economic Mechanism

- Manufacturing
- Agriculture
- Tourism



2nd ENGINE

Building a New Economic Engine

- Downstream minerals
- Digital economy
- Green economy



3rd ENGINE AS THE FOUNDATION

Enhancing Productivity & Competitiveness of Human Resources

- Upskilling
- Link & Match
- Vocational reform

ENABLER FOR ECONOMIC GROWTH



Macroeconomic Stability



Maintaining People's Purchasing Power



Efficiency & Investment Climate Support



Strengthening & Deepening the Financial Sector



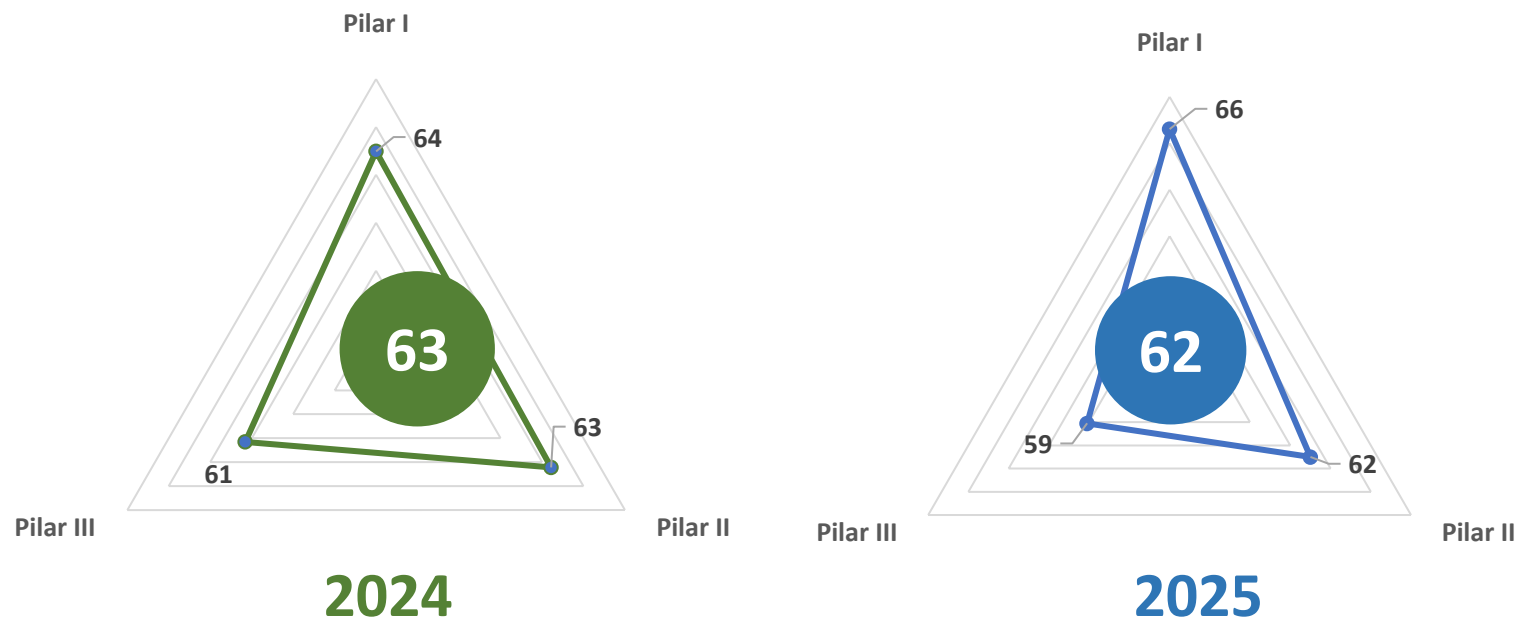
Enhancing Social Security & Social Safety Nets

Overview of Indonesia's 2025 World Bank B-READY Survey Results



The World Bank Group officially released the results of the 2025 B-READY Survey covering 101 countries. Overall, Indonesia obtained an average score of 62, marking a slight decline from the previous year's survey result of 63.

Comparison of Indonesia's B-READY Survey Result, 2024-2025



Pillar I – Regulatory Framework

Indonesia is positioned in the third quintile (ranked 41-60) with a score of **65.61**, an **improvement** compared to the 2024 result of 63.98.

Pillar II – Public Services

Indonesia is positioned in the second quintile (ranked 21-40) with a score of **62.00**, a **decline** from the previous year's score of 63.44.

Pillar III – Operational Efficiency

Indonesia is positioned in the third quintile (ranked 41-60) with an overall score of **59.01**, a **decline** compared to the previous year's score of 61.31.

The strategic alignment of PP 28/2025 and the revised Presidential Regulation on Investment Business Field (Perpres BUPM) fundamentally reshapes Indonesia's investment ecosystem through centralized operations, enhanced SLA certainty, and partnership-based MSME empowerment

INVESTMENT POLICY REFORM IN INDONESIA

PP 28/2025

"How investment operates"

Revision of PP 5/2021 that strengthens the operational aspects of business licensing through the confirmation of service time certainty (SLA), fictitious-positive principles, OSS centralization, and integration of licensing and investment facilities, to reduce uncertainty, overlapping authority, and improve process accountability.

Revision of Perpres BUPM

"Where & under what conditions investment is allowed"

Improving the regulation of investment sector openness and restrictions (Perpres 10 & 49 of 2021) by reducing restrictions, expanding incentives, and shifting MSME protection toward partnership-based empowerment, clarifying sectors, schemes, and limits for foreign and domestic investment.

➔ **Procedural and structural reforms carried out simultaneously to boost investor confidence**



Indonesia's investment policy has evolved from the framework under Government Regulation (PP) 10/2021 and PP 49/2021 toward a more advanced risk-based approach under PP 28/2025. The current framework emphasizes digitalized licensing through OSS RBA, enhanced cross-sectoral integration, strengthened supervision, and closer coordination between central and regional governments, while prioritizing green, digital, and downstream industries.

THE URGENCY OF REVISION

- ☐ To reflect current economic dynamics
- ☐ To create a more conducive investment climate
- ☐ To increase efficiency, support industrial transformation, and strengthen national competitiveness

THE OBJECTIVE OF REVISION

MORE OPEN, LESS RESTRICTIVE

- ☐ Easing of restrictions
- ☐ Strategic sectors are now more open to investment: health, trade, tourism, public works, and education.

MORE OPEN INVESTMENT OPPORTUNITIES IN SPECIAL ECONOMIC ZONES (SEZ)

- ☐ No minimum investment limit
- ☐ Simplified and fully digitalized business processes through the OSS Risk-Based Approach (OSS RBA) system
- ☐ Fiscal and non-fiscal incentives to support investment
- ☐ Various strategic SEZ zone options, including: tourism, production and processing, logistics & distribution, research & technology, and energy

THE STRATEGY

FISCAL INCENTIVES

- ☐ Tax Holiday, Tax Allowance, Investment Allowance
- ☐ Super Tax Deduction
- ☐ Customs Incentives

NON-FISCAL INCENTIVES

- ☐ Ease of Licensing & Infrastructure
- ☐ Support for Energy, Raw Materials, Immigration, and Employment

NEW PRIORITIES

- ☐ Green industry
- ☐ Digital industry



Implementation of OSS with Risk-Based Business Licensing

The implementation of Risk-Based Business Licensing (OSS RBA) under PP 28/2025 went fully live on October 5, 2025. In 2026, the system continues to be refined: KBLI 2025—the new national business classification standard replacing KBLI 2020 is being integrated into OSS with a deadline of June 18, 2026. Regulated sectors have expanded from 16 to 23, business license validity is now indefinite, and environmental approvals are fully digitalized through OSS, strengthening legal certainty for investors.

3 major changes in PP No 28/2025



Implementation of service time (SLA/Service Level Agreement) in the process of issuing business permits



Implementation of Fictitious-Positive policies



The licensing process is carried out electronically through the OSS RBA system

Single Preference Principle

PP No. 28/2025 serves as the primary regulatory reference, supported by integrated implementation across relevant ministries and regional authorities.

Regulation in PP 28/2025

Consists of 14 chapters:

- Two new chapters added (Basic Requirements and PBUMKU)
- Basic requirement reform
- Simplification of NSPK chapters and adjustment of sector names according to UUCK (Job Creation Law)
- Improvement and completion of norms

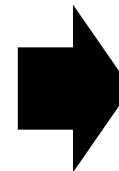
Improvement of Annexes I – IV:

- Provide clarity
- Substantial improvements to Annexes I and II
- Details of the requirements and obligations of PB and PB UMKU

Risk-Based Business Licensing Development

June 2025

Issuance of Government Regulation No. 28 of 2025



October 2025

OSS with Risk-Based Business Licensing (PP 28/2025) fully live since October 5, 2025; KBLI 2025 integration into OSS system to be completed by June 18, 2026

Government law updates

- 17 has been enacted
- 5 finished harmonisation process
- 3 is in harmonisation process

Debottlenecking Channel– P3M-PPE Task Force



Indonesia has established a Debottlenecking Channel as part of the “Government Program Acceleration to Support Economic Growth” (P3M-PPE) Task Force, established under Presidential Decree No. 4 of 2026, to provide a dedicated mechanism for businesses to report and resolve regulatory, licensing, investment, and cross-sectoral implementation issues that may hinder economic activity, while facilitating faster coordination among relevant ministries and government agencies.

170

Complaints Received

126

Complaints
Resolved

30

Under monitoring for
resolution

14

Complaint returned

HOW TO ACCESS DEBOTTLENECKING CHANNEL



Visit

<https://lapor.satgasp2sp.go.id/>



Business actors must have a NIB
(Business ID)



Maximum 2 issues per reporter,
accompanied by supporting
evidence



Complaints processed through
hearings led by the Minister of
Finance as Deputy Task Force
Chair or Echelon I/II
Coordination Meetings

*Based on the 13th Debottlenecking Channel Hearing of the P3M-PPE Task Force on August 12, 2026



Accelerating National Downstreaming: Phase II

A strategic investment of IDR 116 Trillion anchors Indonesia's Phase II downstreaming expansion, spreading 13 new infrastructure projects across energy, minerals, and food sectors to fortify economic sovereignty.

| Groundbreaking of 13 downstreaming projects as of April 2026



Energy Cluster

- Construction of **Gasoline Refineries** in **Dumai & Cilacap** to support national energy security
- Provision of strategic **Fuel Operational Tanks** in **Palaran, Biak, & Maumere**
- Construction of a **DME Plant** with 1.4 Million Tons/Year capacity in **Tanjung Enim**



Mineral Cluster

- Expansion of the integrated **Stainless Steel industry** in **Morowali (Central Sulawesi)**
- Capacity development of **Carbon Steel facilities** in **Cilegon (Banten)**
- Downstreaming of the **Buton Asphalt industry** in **Karawang (West Java)**
- Construction of **Copper & Gold Smelter and Refinery** in **Gresik**



Food CLuster

- Development of integrated **Palm Oleofood & Biodiesel industry** in **Sei Mangkei (North Sumatera)**.
- Establishment of a high value-added **Nutmeg Oleoresin processing plant** in **Central Maluku**
- Setting up integrated **Coconut Industry** in **Central Maluku** for export commodities

Continuing Phase I (February 2026); Phase III (6 more projects) planned, toward a total of 32+ national strategic downstreaming projects

Driving **industrial transformation** to ensure economic sovereignty and national resilience through **domestic value-added creation**.

Rp 116 Trillion

Total Investment Capital Expenditure

Key Strategic Impacts:

- Accelerating Import Substitution in Energy & Materials.
- Projected creation of high-value industrial job opportunities.
- Strengthening regional economies in 10+ strategic locations.



Indonesia's Trade Policy: Import Deregulation & Strategic Commodity Export Reform

Indonesia is reducing trade frictions through targeted import deregulation across 482 HS codes, particularly for selected industrial inputs, while maintaining product-specific safeguards. In parallel, the strategic-commodity export framework under PP No. 24/2026 is advancing toward a more centralized DSI-led model, with DSI having analyzed around 6,500 export declarations representing more than US\$14 billion by late August and full implementation targeted by the end of 2026

Deregulated Import Commodity Groups (482 HS)

Industrial Raw Materials/Auxiliary Materials (29 HS)

- ☐ Subsidized Fertilizers
 - ☐ Other Fuels
 - ☐ Plastic Raw Materials
 - ☐ Saccharin, cyclamate, alcohol-containing fragrances
 - ☐ Certain chemicals
 - ☐ Pearls
- 

National Program Support Products (2 HS)

- ☐ Food support programs (e.g., food trays)



Forestry Product (441 HS)

Forestry Products (441 HS) constitute 91% of deregulated codes — covering timber inputs for industrial use, with import declarations from KLHK still required to ensure legal traceability



Competitive Industrial Products (10 HS)

- ☐ Footwear
- ☐ Two-wheeled and Three-wheeled Bicycles



Import Deregulation Policy Output

The import regime continues to evolve under Permendag No. 16/2025 and its subsequent amendments, including Permendag No. 37/2025 and the latest Permendag No. 18/2026, promulgated on 4 June 2026. The latest amendment further refines import administration and supports the facilitation of goods flows through continued regulatory and system integration.. Commodity-specific import rules remain governed by the relevant MoT regulations, including their subsequent amendments.



Commodities Clustered Based MoT, as detailed :

1. MoT Regulation No 17 of 2025 on Import Policy and Regulation for **Textiles and Textile Products**;
2. MoT Regulation No 18 of 2025 on Import Policy and Regulation for **Agricultural and Livestock Products**;
3. MoT Regulation No 20 of 2025 on Import Policy and Regulation for **Chemicals, Hazardous Materials (B3), and Mining Materials**;
4. MoT Regulation No 21 of 2025 on Import Policy and Regulation for **Electrical and Telecommunications Products**;
5. MoT Regulation No 22 of 2025 on Import Policy and Regulation for **Certain Industrial Goods**;
6. MoT Regulation No 23 of 2025 on Import Policy and Regulation for **Consumer Goods**;
7. MoT Regulation No 24 of 2025 on Import Policy and Regulation for **Used Goods and Non-Hazardous (Non-B3) Waste**; and
8. MoT Regulation No. 19 of 2025 on Import Policy and Regulation **for Salt and Fishery Commodities** — subsequently amended by MoT Regulation No. 38 of 2025

SEPTEMBER 2026 UPDATE: STRATEGIC COMMODITY EXPORT REFORM

- ▶ PT Danantara Sumberdaya Indonesia (DSI) has operated since 1 June 2026 for coal, palm oil and ferroalloy under the new strategic-commodity export framework
- ▶ Transition is underway: by late August, DSI had analyzed ~6,500 export declarations
- ▶ Full centralized export implementation: targeted by end-2026 / 1 January 2027
- ▶ 2025 exports of the three commodities: US\$66.13bn (23.4% of national exports).

Indonesia's Labor Policy: Protection, Predictability & Workforce Readiness



Indonesia's labor framework is becoming more predictable through enhanced JKP protection under PP No. 6/2025 and formula-based minimum wage setting under PP No. 49/2025, both already in effect. For investors, the key 2026 watchpoints are the ongoing legislative process for labor-law alignment ahead of the 31 October constitutional deadline and continued investment in workforce readiness through apprenticeship, vocational training and reskilling programs.



JKP Enhancement — Job Loss Insurance

Financial Relief for Employers

- ▶ JKP contribution rate from 0.46% to 0.36%, with 0.22% funded by the Government and 0.14% through JKK recomposition.
- ▶ Investor Impact: stronger JKP coverage without increasing the total JKP contribution rate

Upgraded Protection for Workers

- ▶ 60% of reported wages for up to 6 months, subject to a maximum reported wage base of Rp5 million/month
- ▶ Vocational training access as stipulated under implementing regulations.
- ▶ Investor Impact: stronger worker income protection and smoother labor-market transitions.

MACRO CONTEXT: 2025 GDP 5.11% | Q1 2026 5.61% YoY | Q2 2026 5.29% YoY | H1 2026 5.45% | 2026 target 5.4% | Aug 2026 Inflation 3.19%

Formula-Based Wage Setting



- ▶ Formula: $\text{Inflation} + (\text{GDP Growth} \times \alpha)$ — Formula-based wage setting strengthens transparency and predictability in annual wage adjustments
- ▶ 2026 minimum-wage adjustments are determined under the formula-based national framework in PP 49/2025, improving predictability for wage planning
- ▶ DKI Jakarta UMP 2026: Rp5,729,876/month ((+6.17% YoY))
- ▶ Formula-based wage setting improves visibility for annual labor-cost planning



Human Capital Investment 2026

- ▶ National Apprenticeship Program: 150,000 fresh graduates
- ▶ Vocational Training: 220,000 SMK graduates
- ▶ Reskilling support: 50,000 workers affected by layoffs
- ▶ 2026 combined allocation: Rp6.26 trillion
- ▶ Focus: improving workforce readiness and alignment with industry demand

Labor Law Alignment — Formal Legislative Process Underway



- ▶ RUU Pelindungan Ketenagakerjaan entered Level I deliberations, with a Panja formed in September 2026
- ▶ Key areas include employment contracts, outsourcing, wages and severance
- ▶ Constitutional deadline: 31 October 2026
- ▶ Investor watchpoint: final provisions and transition arrangements remain under discussion

Key legal basis: PP No. 6/2025 on JKP; PP No. 36/2025 on the extension of JKK contribution adjustment for certain labor-intensive industries; and PP No. 49/2025 on wage-setting rules.



INDONESIA'S DIGITAL ECONOMY: USD600 BILLION OPPORTUNITY & REGIONAL INTEGRATION

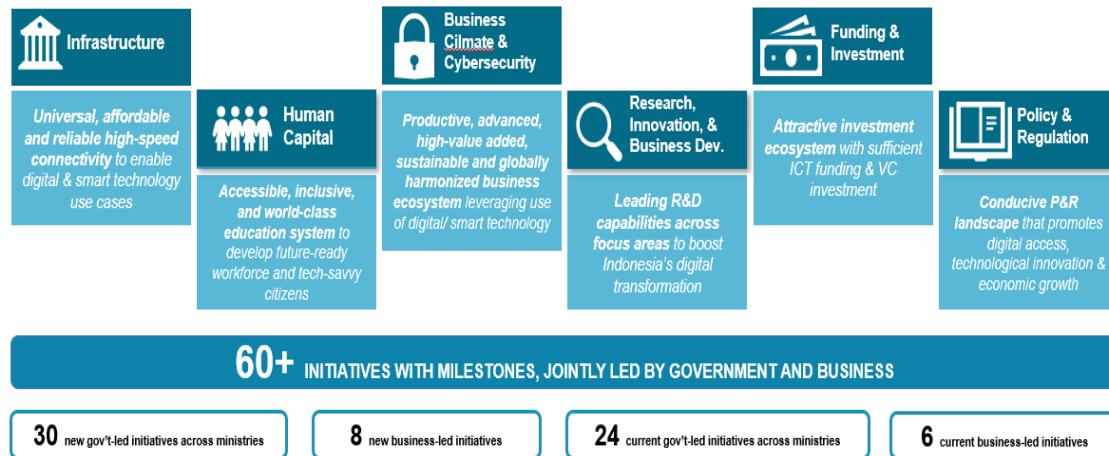
Indonesia's digital economy is supported by a national policy architecture targeting a USD600 billion market opportunity by 2030, alongside deeper regional integration through RCEP and ASEAN DEFA implementation. With DEFA negotiations successfully concluded and RCEP implementation being actively strengthened, Indonesia is building a larger and more interoperable regional digital market, while domestic initiatives such as QRIS continue to lower payment frictions and broaden digital adoption.

DOMESTIC

REGIONAL

Indonesia's Digital Economy: A USD 600 Billion Opportunity by 2030

- Indonesia's Coordinating Ministry for Economic Affairs launched the National Digital Economy Development Strategy White Paper in December 2023 — establishing the policy architecture for a digital economy projected to reach USD 600 billion by 2030, equivalent to 10% of GDP
- The White Paper operationalizes this ambition through six interconnected policy pillars spanning infrastructure, human capital, business climate & cybersecurity, research & innovation, funding & investment, and regulatory frameworks — with 60+ government-led and private sector initiatives currently in execution.
- Designed as a living document, the White Paper provides a structured, adaptive roadmap aligned with Indonesia's broader Golden Indonesia 2045 development vision



DIGITAL PAYMENT IMPLEMENTATION

From 1 October 2026: QRIS MDR 0% applies to all merchant categories for transactions up to Rp100,000; Micro Enterprises retain 0% MDR up to Rp500,000.

1. ASEAN DIGITAL ECONOMY FRAMEWORK AGREEMENT (DEFA):

Building a more Integrated Regional Digital Market

ASEAN DEFA negotiations successfully concluded after all outstanding issues were resolved at the 57th ASEAN Senior Economic Officials' Meeting in Manila on 27–29 May 2026. The agreement covers digital trade, cross-border data flows, electronic payments, personal data protection, digital business interoperability, talent mobility, emerging technologies including AI, and online safety and cybersecurity.



NEXT STEPS — DEFA

Signing: Scheduled for 10 November 2026

49th ASEAN Summit: 16–18 November 2026. Philippines

Entry into force: subject to completion of national procedures

Market implication: With successful implementation, DEFA could help unlock ASEAN digital-economy potential of up to USD2 trillion by 2030.

2. REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

► 15 economies across ASEAN, Australia, China, Japan, New Zealand and Korea — the world's largest trade bloc by GDP.

► Combined footprint: ~30% of global GDP | ~2.2 billion people

► Common regional framework for trade facilitation, e-commerce and rules of origin

► Indonesia signed RCEP on 15 November 2020; the agreement entered into force for Indonesia on 2 January 2023

► **September 2026:** RCEP Ministers reaffirmed stronger implementation and business utilisation to deepen regional trade and investment integration

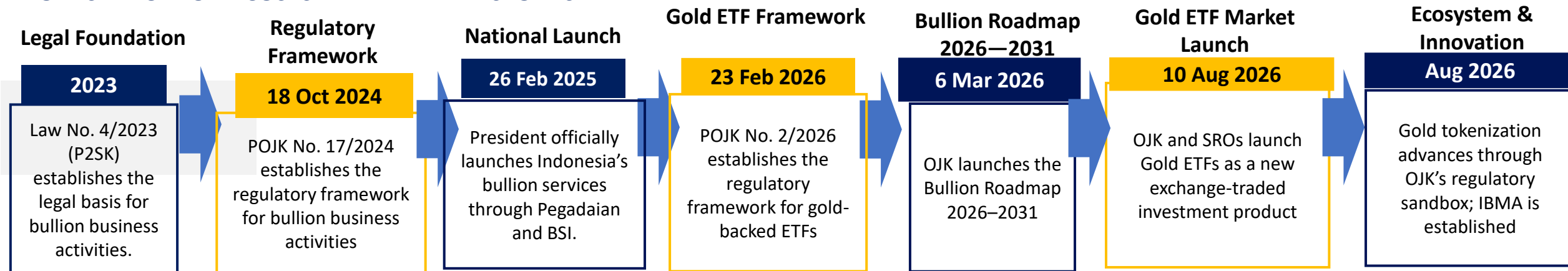
Source: Kemenko Perekonomian, National Digital Economy Development Strategy White Paper (Dec 2023) | ASEAN Secretariat: DEFA Conclusion Statement (1 Jun 2026), DEFA Study (Aug 2023), 5th RCEP Ministers' Meeting Statement (21 Sep 2026).

Indonesia's Bullion Ecosystem: From Regulation To Market Deepening



Indonesia's bullion ecosystem has moved from policy design to measurable market activity, with regulated institutions managing tens of tonnes of gold and serving millions of customers. The ecosystem has now entered a market-deepening phase, with Gold ETFs launched in August 2026 and further expansion in bullion financing, trading, custody and digital/tokenized products under the OJK Bullion Roadmap 2026–2031.

INDONESIA BULLION ECOSYSTEM – KEY MILESTONES



Strategic Rationale & Policy Foundation

Indonesia's bullion framework creates a regulated channel for mobilizing gold across the financial system, linking domestic gold holdings with savings, financing, trading and custody services. The framework supports gold-sector downstreaming and financial-market deepening by integrating activities across the gold value chain.

PT Pegadaian and Bank Syariah Indonesia (BSI) are the initial licensed bullion operators under OJK's framework. BSI reported managing 24.01 tonnes of gold as of June 2026.

Regulated Business Lines

- **Gold Saving;** gold savings products
- **Gold Financing;** gold-backed finance facilities
- **Gold Transaction:** trading of physical gold bar through licensed channels
- **Gold Deposit/Custody:** custody of physical gold



Market Validation Box

Customer Traction: Pegadaian bullion customers: 5.6 million (Feb 2026), up from 3.2 million at launch in Feb 2025. BSI bullion customers: +700% YoY (Jun 2026).

Product & Market Expansion: The OJK Bullion Roadmap 2026–2031 is advancing ecosystem development and financial-market deepening, with Gold ETFs now launched and gold tokenization progressing through OJK's regulatory framework and sandbox. IBMA, established in August 2026, further strengthens industry coordination and standardization.

Scale & Trajectory: National bullion banks managed approximately 177 tonnes of gold by August 2026, comprising 153 tonnes at Pegadaian and 24 tonnes at BSI. ICDX recorded 30.9 million grams of digital physical-gold transactions in Q1 2026, up 246% YoY

- ▶ Gold tokenization : relevant business model has passed OJK regulatory- sandbox testing; earlier sandbox activity included 3,750g of tokenized gold and approximately Rp8bn in transaction volume

The National Strategic Project (PSN)

The regulation governing the National Strategic Projects list has undergone fourteen amendments between 2016 and 2026, with directives from the President for the program to continue moving forward



Presidential Directives on National Strategic Projects

During a meeting held on 26 November 2024, the President directed that the National Strategic Projects (PSN) and Special Economic Zones (SEZs) be continued as key drivers of inclusive and sustainable economic growth.

Ideally, each province should have at least one Special Economic Zone (SEZ), which would result in Indonesia having a total of 38 SEZs nationwide. (Statement/Directive of the President during the inauguration of Batang Industropolis SEZ on 20 March 2025).



**)excluding the investment value of the 6 programs mandated by the President as per the updated 2025 National Development Plan (RKP), which is currently being calculated*

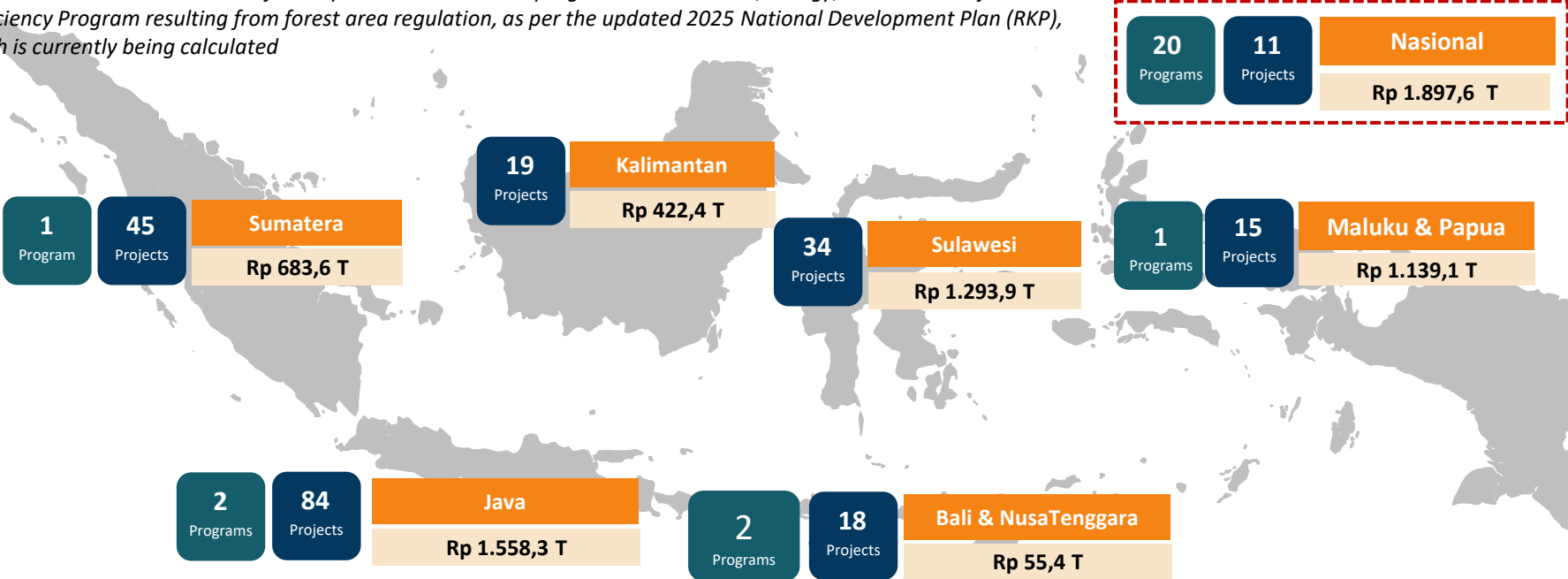


Distribution of National Strategic Project (PSN)

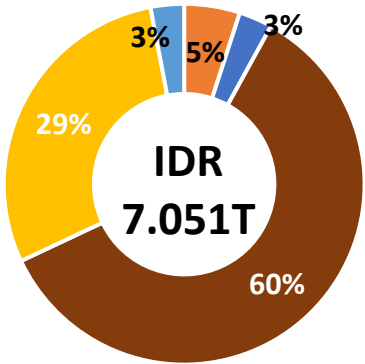


Distribution of National Strategic Projects Based on Coordinating Ministry for Economic Affairs Regulations No. 16/2025, No. 19/2025, and No. 4/2026, there are 226 Projects and 26 Programs designated as National Strategic Projects (PSN), with a potential investment value (CAPEX) of IDR 7,051.9 trillion.*

**Excludes the investment value of the 6 presidential directive programs and the Food, Energy, and Water Self-Sufficiency Program resulting from forest area regulation, as per the updated 2025 National Development Plan (RKP), which is currently being calculated*



Portion of the Investment Plan Scheme Funding



State Budget
SOE Budget
Private
Preparation Phase
Mix Financing

14 Sector of PSN



26 Programs of PSN



Source: KPPIP, Coordinating Ministry for Economic Affairs

PSN Completion Target in 2026



Of the 10 National Strategic Projects (PSN) targeted for completion in 2026, 4 projects had been completed as of August 2026, representing 40% of the annual completion target, while the remaining 6 projects are expected to be completed by December 2026. These projects span key sectors, including energy, industrial estates, transportation, irrigation, and water infrastructure, and are expected to support investment realization, regional development, and broader economic activity.

List of projects completed until August 2026

No	List of PSN	Sector	Location	Investment
1	Rehabilitation of the Rentang Irrigation Network	Dam and Irrigation	West Java	IDR 5,456 M
2	Development of Copper Commodity Processing and Refining Facilities by PT Amman Mineral Industri in West Sumbawa, West Nusa Tenggara	Energy	West Nusa Tenggara	IDR 20,600 M
3	RDMP Balikpapan (part of PSN No. 207: Upgrading of Existing Refinery/Refinery Development Master Plan (RDMP))	Energy	East Kalimantan	IDR 123,000 M
4	Development of Bauxite Processing and Refining Facilities by PT Borneo Alumina Indonesia in Mempawah, West Kalimantan Province, Phase I (part of the project for the development of bauxite processing and refining facilities into alumina, Phase I and Phase II, including supporting infrastructure and facilities, including alumina processing facilities resulting from refining activities (SGAR 1 and SGAR 2))	Energy	West Kalimantan	IDR 15,280 M

List of projects completed by December 2026

No	List of PSN	Sector	Location	Investment
1	Tanah Kuning Industrial Estate (PT ISI)	Industrial Estate	North Kalimantan	IDR 4,015 M
2	Kuala Tanjung Industrial Estate	Industrial Estate	North Sumatera	IDR 28,080 M
3	Sigli–Banda Aceh Toll Road	Road	Aceh	IDR 16,536 M
4	Cirebon–Semarang Gas Transmission Pipeline, Phase II (part of the PSN for the Development of the Cirebon–Semarang Gas Transmission Pipeline, Phase I: Semarang–Batang Section and Phase II: Batang–Indramayu Section, as well as the Sei Mangkei Special Economic Zone–Dumai Section)	Energy	West Java and Central java	IDR 2,790 M
5	LPG Storage Tank	Energy	East Indonesia	IDR 1,106 M
6	Regional Drinking Water Supply System (SPAM) Benteng–Kobema (Central Bengkulu, Bengkulu City, and Seluma)	Water and Sanitation	Bengkulu	IDR 910 M

Land Value Capture (LVC) as an Enabler for Alternative Financing

Land Value Capture enables infrastructure financing by leveraging the increase in land and property values created as a result of infrastructure development

Regulatory Framework for LVC

Through the issuance of Coordinating Ministry for Economic Affairs Regulation No. 3 of 2026, LVC is positioned as an innovative alternative financing mechanism for area-based infrastructure development and zonation corridor schemes. This policy creates significant opportunities to optimize the increase in land and area value generated by development initiatives undertaken by the Central Government, Regional Governments, and/or business entities, enabling the resulting economic benefits to be transformed into sustainable funding sources that support accelerated infrastructure provision and regional development

Recent Update for LVC Implementation

Land Value Capture Technical Guidance Socialization



- ✓ The Coordinating Ministry for Economic Affairs **conducted a national socialization on Ministerial Regulation No. 3 of 2026** concerning the implementation guideline for Infrastructure Financing through Land Value Capture (P3NK).
- ✓ **The event introduced** the regulatory framework, implementation mechanism, and potential application of the P3NK scheme.
- ✓ **More than 120 participants attended**, representing provincial and municipal governments across Indonesia.

Land Value Capture Discussion Forum with PwC Indonesia

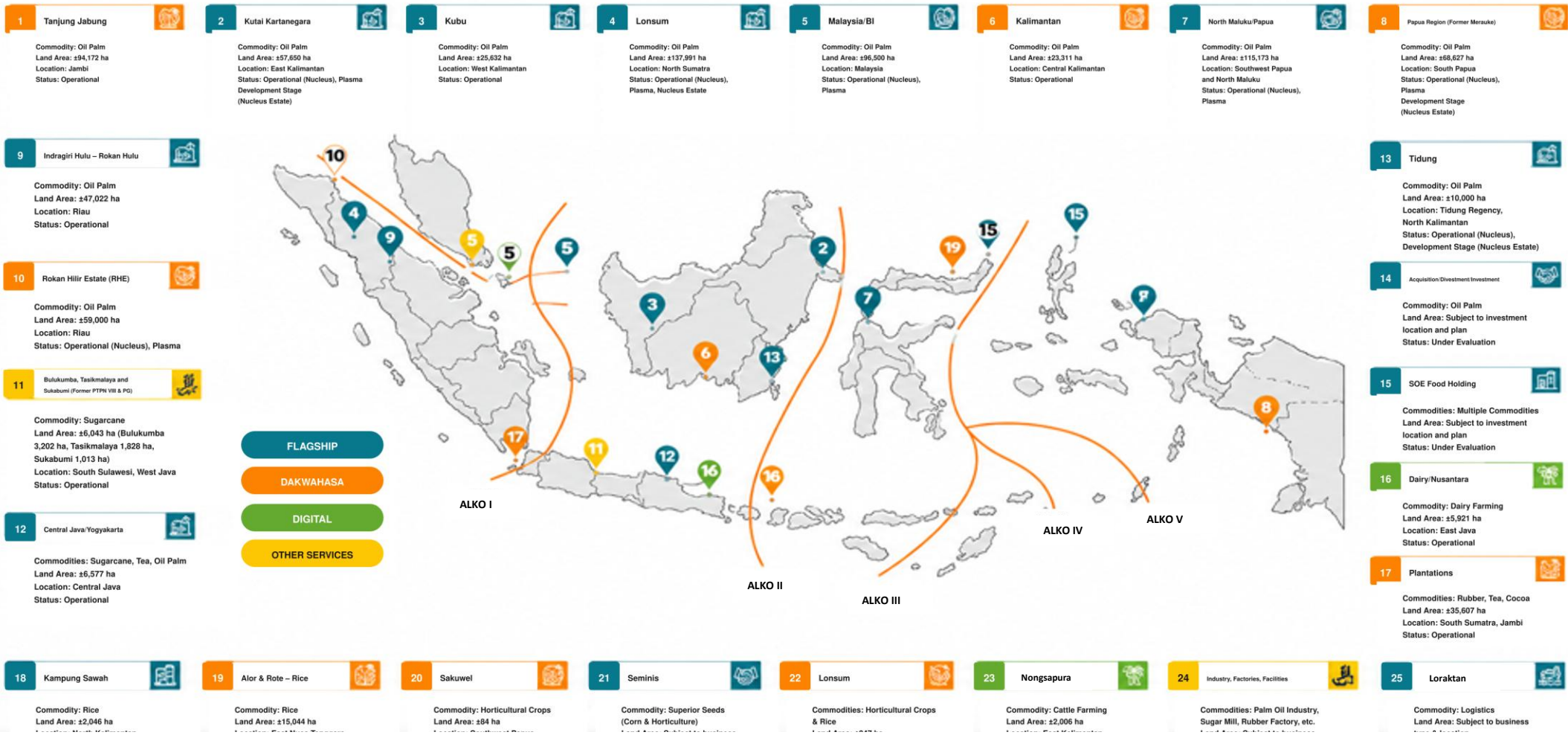


- ✓ A **discussion forum** was organized together with PwC Indonesia to **provide practical insights on implementing the P3NK scheme**.
- ✓ Participants included local governments, private sector representatives, development partners, and financial institutions
- ✓ The discussion explored implementation challenges and collaboration opportunities.



Achievement of Special Economic Zones

The cumulative investment achievement of 25 SEZs until the first quarter of 2026 has reached IDR 368 trillion with the creation of jobs of ±283 thousand people.



Cumulative achievement of all SEZs until TW II 2026

IDR 368 Trillion

Creation Employment

± 283K People

Business Entities & Business Actors

444

Industrial Estates as Key Drivers of Investment and Economic Growth in Indonesia

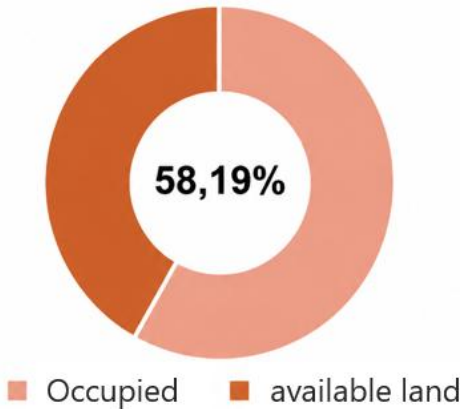


The continued expansion of industrial estates across Indonesia strengthens the country's capacity to accommodate new investment and promote more geographically diversified industrial development. Currently, industrial estates cover approximately 98,291.68 hectares, with 58.19% of available land occupied. Their economic footprint is substantial, representing IDR 6,744.58 trillion in investment and providing employment for around 2.35 million people. There will be 176 national industrial estates with the highest number on the island of Java (105 IE) and Sumatra (34 IE)



Aceh (1 IE)	North Sumatra (3 IE)	Jakarta (2 IE)	Central Kalimantan (1 IE)	South Sulawesi (3 IE)
Riau (5 IE)	Riau Islands (20 IE)	Yogyakarta (1 IE)	South Kalimantan (7 IE)	Central Sulawesi (9 IE)
West Sumatra (1 IE)	South Sumatra (1 IE)	Central Java (13 IE)	East Kalimantan (2 IE)	North Maluku (4 IE)
Bangka Belitung (2 IE)	Banten (19 IE)	East Java (14 IE)	North Kalimantan (1 IE)	Southeast Sulawesi (4 IE)
Lampung (1 IE)	West Java (56 IE)	West Kalimantan (5 IE)		North Sulawesi (1 IE)

1. Reach of Industrial Areas



2. Impact of Industrial Estate

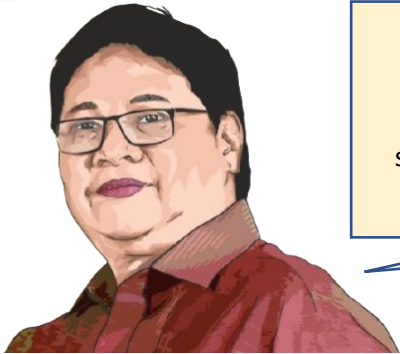
IDR6,744.58 T Investment Value	98,291.68 Ha Total Area Land
2.35 million people Labor Absorption	11,970 inhabitants Company / Tenant

Source: Ministry of Industry

Source: KPPIP, Coordinating Ministry for Economic Affairs

Driving Sustainable Growth: The Task Force Accelerates National Decarbonization Targets through Just Energy Transition Initiatives and Robust Investment Realization.

1 Background



A National Energy Transition Task Force is needed, encompassing initiatives such as **AZEC, JETP, and other policies related to energy transition and the green economy**, to ensure stronger synergy among various financing schemes, investments, and sustainable energy transition policies. This will support Indonesia's decarbonization targets and the development of a green economy.

Airlangga Hartarto
Coordinating Minister for Economic Affairs

3 Roles and Responsibilities

- **Develop a roadmap and policies** for the energy transition and green economy, including decarbonization.
- **Harmonize, adapt, and formulate regulations** that support the energy transition and green economy.
- **Ensure the effective implementation** of policies and regulations related to the energy transition and green economy.
- **Identify and coordinate financing mechanisms** from domestic and international sources to support the energy transition and green economy.
- **Promote investment and technology transfer** in the sustainable energy sector through collaboration with national and international strategic partners.
- **Manage the social, economic, and environmental impacts** of the energy transition and green economy, including those affecting the workforce in impacted sectors.
- **Develop human resource and research capacity** to support the energy transition and green economy.

2 Main Objective

To support the realization of a green economic transformation, as outlined in the 2025–2029 National Medium-Term Development Plan (RPJMN)





JETP Indonesia Stands as the Largest Individual Energy Transition Financing Effort

On 16 November 2022, Indonesia and the International Partners Group (IPG) — supported by 7 global financial institutions under GFANZ — launched JETP Indonesia, the world's largest individual country-level energy transition financing commitment at USD 21.8 billion



2030 TARGET

Target in 2030: CO2 emissions 250 MT (on-grid power sector)

Renewable energy: 44% share of power mix

Total Financing needed : USD 97.3 billion by 2030

400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030

largest individual energy transition financing effort

THE ENERGY TRANSITION AND GREEN ECONOMY TASKFORCE (SATGAS TEH) PLAYS A CENTRAL ROLE IN ADVANCING INDONESIA'S ENERGY TRANSITION AND SUPPORTING JETP IMPLEMENTATION

Governance and Coordination Framework, established under CMEA Decree No. 141/2025

Structure

Chairman

Coordinating Minister of Economic Affairs (CMEA)

Vice-Chairman

Coordinating Minister for Infrastructure & Regional Development (CMIRD)

Supervisory

Chairman of the Financial and Development Supervisory Agency (BPKP)

Members

18 lines ministries represented as members

Four Working Groups

Green Energy & Upstream Decarbonization

Led by,
MEMR Directorate General EBTKE

Green Industry and Downstream Decarbonization

Led by,
Ministry of Industry

Partnership, Finance and Green Investments

Led by,
Director General of Risk Management and Financing, Ministry of Finance

Social, Economy, Environment, and Human Resource Capacity Development

Led by,
Exec. Director for Policy Synchronization of Economic Priority Programs, National Economic Council

THE COMPREHENSIVE INVESTMENT AND POLICY PLAN (CIPP) 2023 PROVIDES THE TECHNICAL, FINANCING, POLICY, AND JUST TRANSITION ROADMAP — IDENTIFYING 400+ PRIORITY PROJECTS REQUIRING USD 66.9 BILLION INVESTMENT BY 2030.

Source: Coordinating Ministry for Economic Affairs

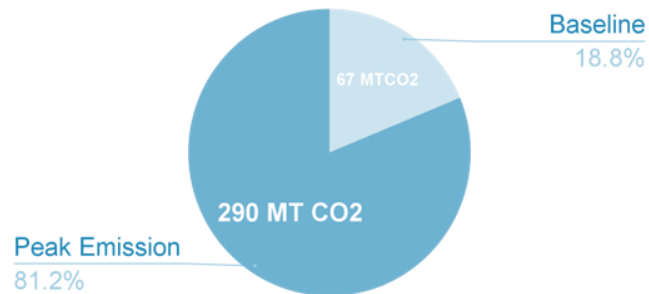
JETP Indonesia's Target & Investment Outlook



Indonesia aims to peak electricity sector emissions at no more than 290 MTCO₂ by 2030 and accelerate the transition toward cleaner energy. This transition is supported by a target of at least 34% renewable power generation and the mobilization of over USD 21 billion in public and private financing.

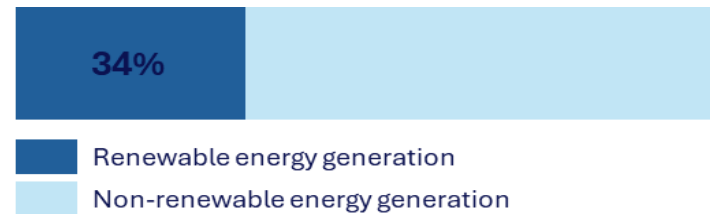
The shared targets for the electricity sector as outlined in the Joint Statement:

Total Electricity Sector Emissions



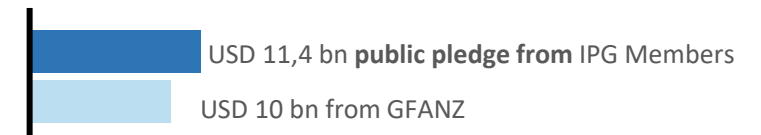
Achieve total electricity sector emissions peak at an absolute value of no more than 290 MTCO₂ in 2030 (down from the 2030 baseline of 357 MTCO₂) and **immediate decline** as it shifts the projected emissions peak into the future.

Power Generation in 2030



Accelerating the deployment of renewable energy so that renewable energy generation comprises at least **34% of all power generation by 2030**, roughly doubling total renewables deployment over this decade compared to current plans.

Funding Mobilization (USD)



Mobilizing **USD 21,4 billion in public and private financing** to decarbonize Indonesia's energy sector, of which USD 11,4 billion will be mobilized by the IPG members and the other USD 10 billion will be facilitated by GFANZ for private finance. The financing was later increased to USD 21.4 billion in total in 2026.

Investment Focus Area (IFA)



1. Promoting Energy Efficiency and Electrification Implementation



2. Development of electricity transmission and distribution



3. Dispatchable renewable energy acceleration



4. Variable renewable energy (VRE) acceleration



5. CFPP Repurposing



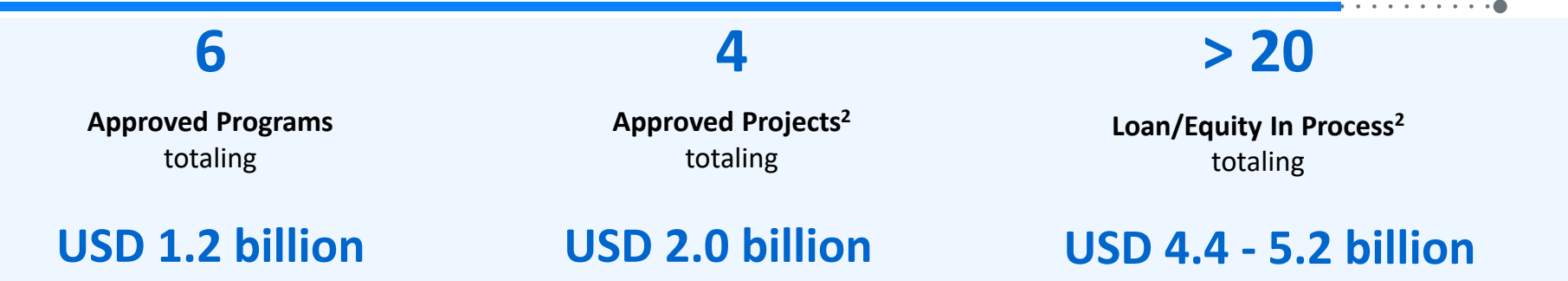
6. Development of renewable energy supply chains



JETP Indonesia: USD 3.4 Billion Mobilized of USD 21.8 Billion Pledge – December 2025

Indonesia has mobilized USD 3.4 billion from the USD 21.8 billion JETP pledge by December 2025, driven by growing pipelines of loans, equity, and grants. With multiple projects approved and over USD 4.4–5.2 billion in financing in process, momentum for energy transition financing is accelerating.

Loan/Equity¹



¹Programs are defined as non-project specific investment, such as Result Based Lending, Policy Based Loan, and equity investment

²Project costs estimated by FWG from published Indonesia generation cost data.

Grant/TA programs



MDB Guarantees³



³The LoI for the MDB Guarantee has been signed between the UK Government, the Government of Indonesia, and the IBRD, which means that this \$1 billion guarantee can now be accessed through the IBRD.

- **Notes:**
- 1. Certain grant programs are still in the process of confirming amounts
 - 2. **FX conversion** from respective currencies to USD (Source: WSJ) are as of **31 December 2025** and variety of FX depending on the signing or approval of the grants.
 - 3. The nominal differences from the previous publications are mostly due to FX fluctuations
 - 4. Nominal are rounded to the nearest one decimal

Implemented by



Trends of 4-wheeled Electric Vehicle Sales and Production in Indonesia



Driven by a phenomenal surge in electrified vehicle market share from under 1% to 26.8% by H1 2026, Indonesia's electric vehicle sector presents a highly lucrative and rapidly expanding landscape for global automotive investment

FOUR WHEELED VEHICLES SALES AND PRODUCTION 2019 – 2026 (3/4)

Sales

	2019		2020		2021		2022		2023		2024		2025		Apr 2026	
	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE
HEV (Hybrid Electric Vehicle)	787	0.1%	1.191	0.2%	2.472	0.3%	10.344	0.99%	54.179	5.39%	59.903	6.9%	65.323	8.13%	25.016	8.63%
PHEV (Plug In Hybrid Electric Vehicle)	25	0.0%	8	0.0%	46	0.0%	10	0.00%	128	0.01%	136	0.0%	5.235	0.65%	2.078	0.72%
BEV (Battery Electric Vehicle)	-	0.0%	125	0.0%	687	0.1%	10.327	0.99%	17.051	1.70%	43.188	5.0%	103.930	12.93%	48.042	16.58%
FCEV (Fuel Cell Electric Vehicle)	-	0.0%	-	0.0%	-	0.0%	-	0.00%	-	0.00%	1	0.0%	-	0.00%	-	0.00%
Total X-EV	812	0.1%	1.324	0.2%	3.205	0.4%	20.681	1.97%	71.358	7.09%	103.228	11.9%	174.488	21.71%	75.136	25.93%
ICE KBH2/LCGC	217.454	21.1%	104.650	19.7%	146.520	16.5%	158.206	15.10%	204.705	20.35%	176.766	20.4%	122.686	15.27%	37.823	13.05%
ICE NON KBH2	814.641	78.9%	426.053	80.1%	737.477	83.1%	869.153	82.93%	729.739	72.55%	585.729	67.7%	506.505	63.02%	176.825	61.02%
Total ICE	1.032.095	99.9%	530.703	99.8%	883.997	99.6%	1.027.359	98.03%	934.444	92.91%	762.495	88.1%	629.191	78.29%	214.648	74.07%
Total Market	1.032.907	100.0%	532.027	100.0%	887.202	100.0%	1.048.040	100.0%	1.005.802	100.00%	865.723	100.0%	803.679	100.0%	289.784	100.00%

Production

	2019		2020		2021		2022		2023		2024		2025		Apr 2026	
	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE	UNITS	SHARE
HEV (Hybrid Electric Vehicle)	-	-	-	-	-	-	3.009	0.2%	66.838	4.8%	70.621	5.9%	97.462	8.5%	30.126	7.46%
PHEV (Plug In Hybrid Electric Vehicle)	-	-	-	-	-	-	-	-	-	-	-	-	6.024	0.5%	1.411	0.35%
BEV (Battery Electric Vehicle)	-	-	153	0.0%	1.082	0.1%	10.289	0.7%	15.318	1.1%	20.752	1.7%	23.934	2.1%	23.161	5.74%
FCEV (Fuel Cell Electric Vehicle)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Total X-EV	-	-	153	0.0%	1.082	0.1%	13.298	0.9%	82.156	5.9%	91.373	7.6%	127.420	11.1%	54.698	13.55%
ICE KBH2/LCGC	245.029	19.0%	124.358	18.0%	177.514	15.8%	214.530	14.6%	231.590	16.6%	204.061	17.1%	155.534	13.6%	47.674	11.81%
ICE NON KBH2	1.041.819	81.0%	565.665	82.0%	943.371	84.1%	1.242.318	84.5%	1.081.971	77.5%	901.230	75.3%	864.646	75.3%	301.443	74.65%
Total ICE	1.286.848	100.0%	690.023	100.0%	1.120.885	99.9%	1.456.848	99.1%	1.313.561	94.1%	1.105.291	92.4%	1.020.180	88.9%	349.117	86.45%
Total Market	1.286.848	100.0%	690.176	100.0%	1.121.967	100.0%	1.470.146	100.0%	1.395.717	100.0%	1.196.664	100.0%	1.147.600	100.0%	403.815	100.00%

- EV vehicles have shown a significant upward trend in both market share and production within Indonesia's automotive industry during 2019–2025
- Currently, EV sales are dominated by BEVs, which accounted for 12.93% (103,930 units) in 2025, followed by HEVs at 8.13% (65,323 units). As of April 2026, BEV sales had reached 16.58% (48,042 units), followed by HEVs at 8.63% (25,016 units).
- EV production is still dominated by HEVs, which accounted for 8.5% (97,462 units) in 2025, followed by BEVs at 2.1% (23,934 units). As of April 2026, BEV production had reached 5.74% (23,161 units), followed by HEV production at 7.46% (30,126 units).
- By H1 2026, electrified vehicles (BEV+HEV+PHEV) reached 26.8% of the national market, with BEV sales alone hitting 69,739 units (15.9% share, +80.8% YoY) and HEV sales at 42,366 units.

Tourism in National Economic Growth



Driven by a strong year-on-year expansion in foreign tourist arrivals through August 2026 (+6.27% YoY), Indonesia's tourism sector sustains a robust recovery path—with foreign exchange earnings hitting ±USD 22.1 Billion in 2025—solidifying its trajectory toward achieving the 2029 target of a 4.9–5.0% GDP contribution.

1ST QUARTER 2026

✈️ FOREIGN TOURISTS

3.436.276

-13,09% m-o-m +8,62% y-o-y

📍 NATIONAL TOURISTS

319.513.392

+7,07% m-o-m +13,14% y-o-y

2ND QUARTER 2026

✈️ FOREIGN TOURISTS

4.017.313

+16,91% m-o-m +3,34% y-o-y

📍 NATIONAL TOURISTS

310.900.994

-2,70% m-o-m -6,18% y-o-y

August 2026

✈️ FOREIGN TOURISTS

1.599.660

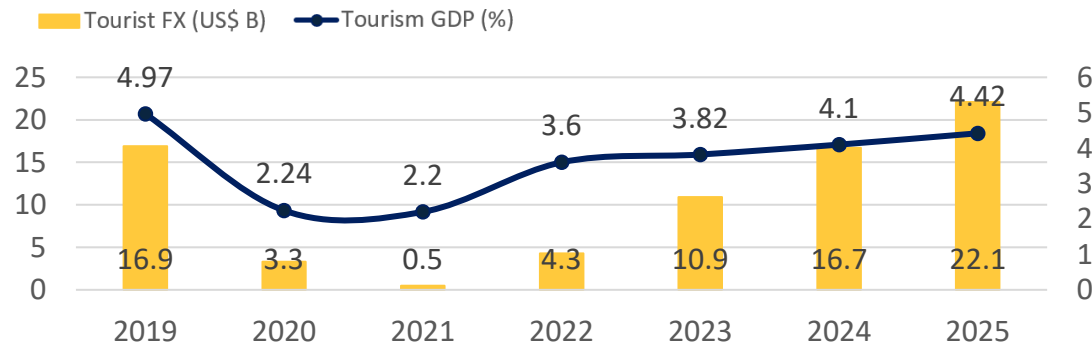
+4,89% m-o-m +6,7% y-o-y

📍 NATIONAL TOURISTS

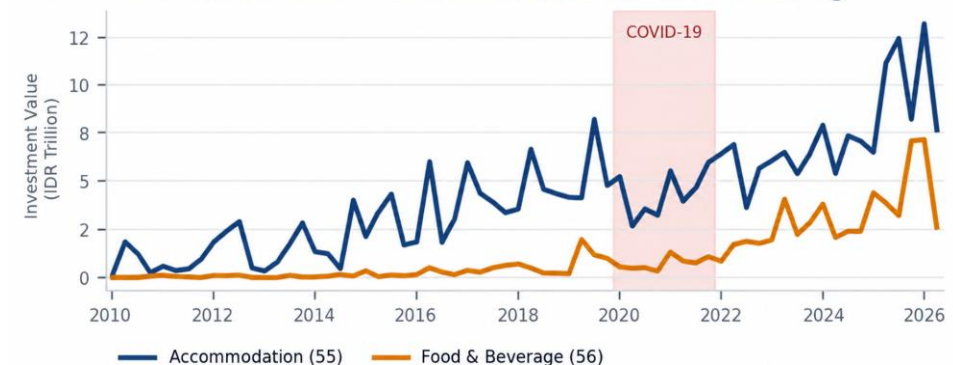
104.300.138

-2,9% m-o-m +11,4% y-o-y

Tourism GDP Grows in Line with Tourism Foreign Exchange Earnings



Total Investment: Accommodation vs Food & Beverage



TARGET 2029

★ Tourism foreign exchange is **US\$32–39.4 billion** (±Rp512–630 T) with a GDP contribution of **4.9–5.0%** · ASPA 2026: **US\$1,345 / visit** (±Rp21.52 million). This sector has strategic value because the foreign exchange generated not only enters the national economy, but also has a **high domestic retention rate and is immediately distributed to various real sectors**, such as accommodation, food and beverages, transportation, and MSMEs.

Investment Potential in the Tourism Sector



Supported by a vast network of international airports, priority destinations, and active Special Economic Zones (SEZs) across the archipelago, Indonesia's tourism sector presents a high-growth investment landscape—with GDP contribution projected to reach IDR 1,897 Trillion by 2035 and a booming hospitality segment expanding at an 18.3% CAGR through 2030



- Indonesia's tourism sector contributed around **IDR 1,143 trillion (4.80% of GDP)** in 2025 and has the potential to surge to **IDR 1,897 trillion by 2035**.
- The hospitality segment is growing much more aggressively, with the hotel, resort, and cruise ship market predicted to soar from **USD 7.4 billion (2024) to USD 20.3 billion in 2030 (CAGR 18.3%)**.
- The presence of new international airports, active tourism special economic zones (SEZs), and priority destinations are becoming investment magnets, hubs for connectivity infrastructure development, and key enablers of international tourists entering the domestic market.

Orchestrating the Strengthening of the Tourism Sector



To orchestrate robust growth in the tourism sector, the Government is deploying a comprehensive policy mix that combines immediate tactical interventions—such as regional international flight expansions, destination risk governance, and targeted fiscal incentives—with a structured four-pillar long-term development framework

ACTIVATION OF INTERNATIONAL ROUTES

Airport with New Route

Opening routes to nearby international hubs, such as Singapore and Malaysia, at:

- S.M. Badaruddin II Airport, Palembang
- General Ahmad Yani Airport, Semarang
- Supadio Airport, Pontianak
- Syamsudin Noor Airport, Banjarmasin
- H.A.S. Hanandjoeddin Airport, Belitung

MOU ON TOURISM INSURANCE

Labuan Bajo

MoU between JRP and the West Manggarai Regency Government to strengthen the safety and security of the destination.



Government + ADB study on tourism destination risk governance

FISCAL INVENTIVES

Government-Borne Article 21 Income Tax for the Tourism Sector

Optimization of Government-borne Income Tax for tourism sector workers.



Permanent employee

Gross max. Rp10 million / month



Temporary employee

Daily wages ≤ Rp. 500 thousand / month ≤ Rp. 10 million

Other Policies: Four Pillars for Strengthening Tourism



Tourism Human Resources

- Demand-driven training and certification
- Poltekpar graduate internship program
- Cross-ministry hospitality upskilling



Destination Governance

- Strengthening the role of Destination Management Organizations (DMOs)
- Digitalization of event permits
- Optimizing airport connectivity to enhance regional attractions



Accessibility

- Expansion of BVK facilities for potential foreign tourist markets
- Strengthening flight routes and frequencies
- Connectivity to secondary destinations



High-Quality Investment

- Revision of the 3rd Presidential Regulation on the BOP and Strengthening of the DMO
- Development of Tourism Special Economic Zones
- Establishment of the Quality Tourism Fund (IQTF)

OECD: Membership in the OECD as a Catalyst for Structural Reform in Indonesia



Indonesia's accession to the OECD is a strategic measure to ESCAPE THE "MIDDLE INCOME TRAP" and ACHIEVE "GOLDEN INDONESIA 2045" VISION. The process now entering the technical review stage and most regulations already aligned with OECD instruments. OECD membership is expected to serve as a catalyst for domestic reforms, strengthening governance, enhancing competitiveness, and boosting Indonesia's global credibility.

STRUCTURAL REFORM THROUGH OECD MEMBERSHIP – DOMESTIC REFORM CATALYST

01 Strengthening competitiveness and economic resilience

Enhance sound and equitable business competitiveness, accelerate the transformation of an inclusive digital economy, and achieve a sustainable and equitable economy.

02 Reform Credibility

Demonstrates Indonesia's commitment to implementing best practices and following international standards. This strengthens the reputation and credibility of Indonesia's economic reforms and ensures domestic policies remain relevant in the face of global dynamics.

03 Improved policy quality and institutional governance

Strengthen public policies and improve institutional governance according to international standards. This is expected to improve public services and accelerate Indonesia's transition to a developed country.

04 Signaling Indonesia's readiness as a global player

Accession and membership of the OECD shows Indonesia's readiness to stand alongside other global players and commitment to the principles of democracy, rule of law, and market openness and transparency.

POLICY DIVIDENDS

Stronger anti-corruption policy instruments with the ratification of **OECD Anti-Bribery Convention**.

Transparency of the Tax Sector. Increased funding for development. Tax optimization of multinational companies operating in Indonesia.

Public sector procurement becomes more transparent, hence improving the efficiency of state budgeting.

Better corporate governance and SOEs in order to increase the contribution of SOEs to the national economy.



MILESTONE

ACCESSION ROADMAP

Indonesia's **ACCESSION ROADMAPS**'s handover at the OECD MCM in **MAY 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN**.

INITIAL MEMORANDUM

Indonesia is optimistic about **COMPLETING ITS OECD ACCESSION** within the **NEXT 3 YEARS**, following the submission on 3 June 2025 of its **32-chapter INITIAL MEMORANDUM (IM)** outlining self-assessments of policies, regulations, and alignment with **240 OECD LEGAL INSTRUMENTS**.

ALIGNMENT

Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.

TECHNICAL REVIEW

ON PROGRESS: The OECD has initiated the **TECHNICAL REVIEW** stage of Indonesia's accession process since Q3 2025—targeted to be finished by 2028, involving information gathering through questionnaires, independent studies, and fact-finding missions

NEXT STEP

SUPPORT NEEDED: Concrete deliverables to support the assessment and fulfillment of OECD Technical Review requirements.

IEU-CEPA: Strengthening Economic Diplomacy, Expanding Market, Investment, and Partnership



IEU-CEPA will significantly expand market access by eliminating most tariffs, boosting Indonesia's exports and investment opportunities. It also strengthens economic diplomacy and partnerships with the EU, driving sustainable growth and greater global integration.

23 Sep 2025

Announcement of the Substantive Conclusion of the Negotiations

Q2-Q3 2026

Legal Scrubbing Batch 3 Finalization, Text translation

Q4 2026

Signing and Ratification

Q1 2027

Implementation and Entry into force (EIF)

IEU-CEPA TIMELINE

BENEFITS OF THE IEU-CEPA AGREEMENT

A. INCREASE MARKET ACCESS FOR INDONESIA TO THE EUROPEAN UNION



Liberalization of 98.61% of the European Union's tariff lines for Indonesia, covering 100% of the value of imports from Indonesia. On the other hand, Indonesia will eliminate 97.75% of its tariff lines for the European Union, covering 98.14% of Indonesia's import value from the European Union.

B. INCREASE IN INDONESIA'S ECONOMIC VALUE



The implementation of the IEU-CEPA is expected to substantially increase Indonesia's economic benefits, similar to the implementation of CEPA agreements in Vietnam and Singapore.

C. IMPLEMENTATION OF THE SCHENGEN VISA CASCADE POLICY



The implementation of the "Schengen Visa Cascade Policy" for Indonesian citizens through a five-year multiple-entry mechanism is expected to facilitate economic and investment cooperation, as well as improve Indonesians' access to education in Europe.*

INDONESIA'S KEY EXPORT COMMODITIES WITH ZERO TARIFF



Agriculture and Plantation Crops

(Palm Oil, Coffee, Cocoa, Rubber, and Rubber Products)



Fisheries and Seafood Products

(Fish, Lobster, Shrimp, etc.)



Forestry and Furniture

(Wood, Processed Wood, Wood Panels, etc.)



Textiles / TPT

(Garments, Fabrics, and Accessories); Footwear (Leather Shoes, Sneakers, Sports Shoes, Sandals)



Electrical and Electronic Components Machinery and Priority Spare Parts of Indonesia (Steel and Its Derivative Products).

Supporting Updates: September

On September 4, Indonesia and Ireland held a strategic dialogue to strengthen bilateral trade and investment cooperation and prepare for the implementation of the IEU-CEPA, concluding with the signing of a Lol on economic and business cooperation.

On September 10, Indonesia and EU discussed the acceleration of the signing and implementation of the agreement.

Indonesia-EAEU Free Trade Arrangement



On 21 December 2025, the Indonesia-EAEU Free Trade Agreement (FTA) was signed on the sidelines of the Supreme Eurasian Economic Council Meeting in St. Petersburg. The Agreement has completed the parliamentary approval process. Following the approval of the Indonesia-EAEU FTA by Commission VI of the House of Representatives (DPR RI) on 21 July 2026, the Government has finalized the ratification process through the issuance of the Presidential Regulation No. 62 of 2026. The Agreement is targeted to enter into force by the end of 2026, or earlier if possible.

- The Agreement substantially enhances bilateral market access, such as:
 - The EAEU provides market access for **90.50%** of its **13,127 tariff lines**, covering imports valued at approximately **USD 2.1 billion**.
 - Indonesia provides market access for **89.90%** of its **11,414 tariff lines**, covering imports valued at approximately **USD 1.4 billion**.
- Upon **entry into force (EIF)**, palm oil and its derivatives, footwear, shrimp, natural rubber, green coffee beans, silk, and essential oils will immediately benefit from zero tariffs.
- As part of the Agreement's implementation, both sides agreed to establish the **Indonesia-EAEU Business Council** to strengthen public-private collaboration, technical cooperation, trade facilitation, and private sector engagement.

EAEU Member States



GDP Global Share

4.1%

Indonesia-Canada Comprehensive Economic Partnership Agreement (ICA-CEPA)



Signed in 2025, ICA-CEPA is Indonesia's first comprehensive trade agreement in the North American region. This Agreement covers more than USD 1.4 billion in bilateral trade value, with both parties agreeing to liberalize more than 85% of tariff lines.

GOOD MARKET ACCESS



Canada provides a liberalization rate of:
90.55% (6,573 Tariff Posts/PT)

with a trade value of:

USD 1.4 billion

Several **priority Indonesian products** that Canada has given market access to: textiles, paper and its derivatives, wood and its derivatives, processed foods, swallow's nests, and palm oil.



Indonesia provides a liberalization rate of:
85.54% (9,764 Tariff Posts/PT)

with a trade value of:

USD 1.9 billion

Several **priority Canadian products** that Indonesia has given market access to: frozen beef, potatoes, seafood, and processed foods.

INVESTMENT

Providing protection, transparency and commitment to market access in priority sectors of both countries such as manufacturing, agriculture, fisheries, forestry, mining, infrastructure, energy and services.

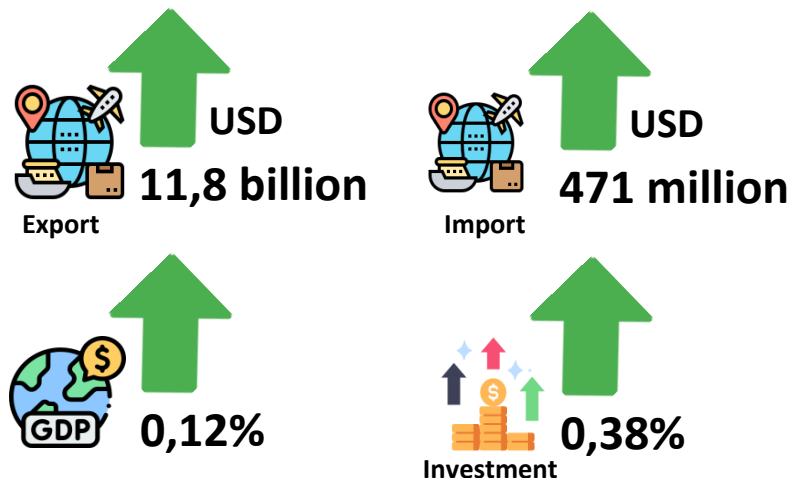
TRADE IN SERVICES

Providing preferential treatment for Indonesian and Canadian service providers, including in the business services, telecommunications, construction, tourism, and transportation sectors.

PROGRESS OF THE RATIFICATION PROCESS

The development process in Indonesia has received approval from the House of Representatives for ratification of the ICA-CEPA through a **Presidential Regulation** which is targeted to be finalized by September 2026.

I-CA CEPA IMPACT ANALYSIS PROJECTED FOR 2030



MOVING FORWARD

To ensure the ultimate optimization of ICA-CEPA, Indonesia and Canada have come upon agreement to focus on a concrete implementation of the agreement through the acceleration of dialogue on critical minerals and technical economy cooperation.

ASEAN DEFA: Strategic Digital Economy Momentum for Indonesia



ASEAN DEFA marks the first region-wide digital economy agreement, designed to create a digitally integrated, secure, interoperable, competitive, and inclusive regional economy. As an ASEAN Member State, Indonesia can frame DEFA as a strategic opportunity to strengthen participation in a safer and more seamless regional digital economy. ASEAN DEFA is planned to be signed by November 2026 during ASEAN Summit.

MILESTONES

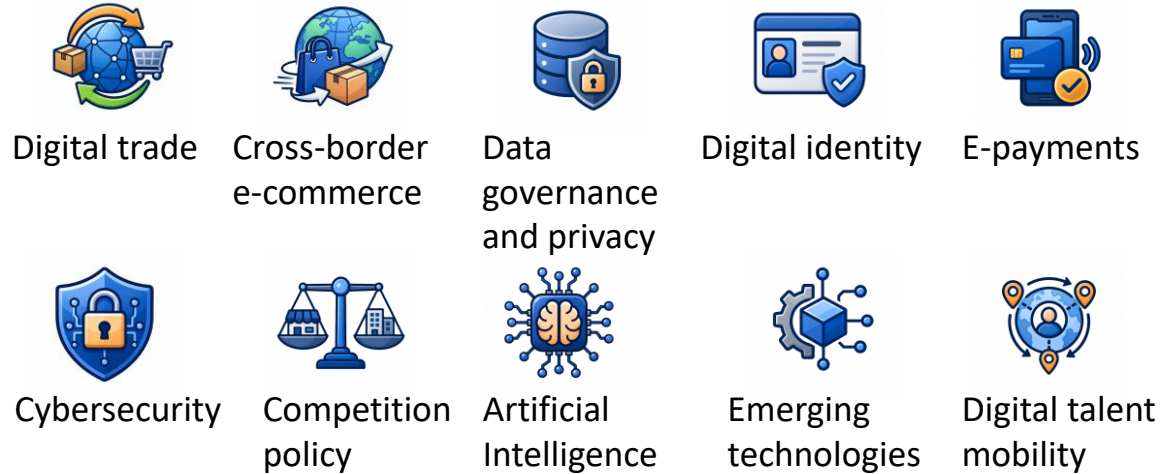


DEFA was initiated in
**Indonesia's 2023 ASEAN
Chairmanship**



ASEAN SEOM successfully resolved all outstanding issues during the **57th ASEAN SEOM Second Meeting in Manila, 27–29 May 2026**

REGIONAL DIGITAL ECONOMY FRAMEWORK



STRATEGIC RELEVANCE FOR INDONESIA

Connect

Align with regional digital connectivity

Trust

Support safer online transactions, data governance, privacy, and cybersecurity

Scale

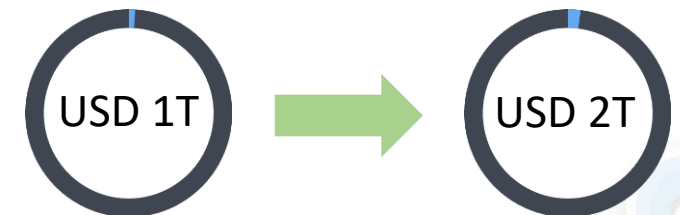
Enable businesses of all sizes, including MSMEs, to join the regional digital economy

Compete

Support innovation, investment, entrepreneurship, jobs, and sustainable growth

For Indonesia, DEFA is aligned with the implementation of the **National Digital Economy Strategy 2030** and supports **OECD accession**, particularly in strengthening digital infrastructure, developing digital talent, transforming MSMEs, and enhancing cybersecurity regulation. Through DEFA, Indonesia can strengthen its policies based on international practices, attract investment in high-technology sectors, reinforce national data sovereignty, and build an inclusive and competitive digital ecosystem, including for MSMEs.

PROJECTED ASEAN'S DIGITAL ECONOMY



By 2030 (current trends)
Projected baseline growth

With DEFA implementation
Potential to double through regional integration

Indonesia's Prospective CEPA Expansion to UK and China



Indonesia is accelerating exploratory work on I-UK CEPA and preparations for IDC-CEPA to broaden market access, strengthen supply chains and attract quality investment. These prospective Comprehensive Economic Partnership Agreements would connect complementary economies, with their scope still to be negotiated. The agenda also includes UK support for Indonesia's CPTPP accession and practical green cooperation with China. These efforts collectively support the 2025-2029 national plan and its growth target towards 8% by 2029.



I-UK CEPA: commercial opportunity

Bilateral trade (USD bn)



Trade remained relatively stable between 2021 and 2025. Indonesia's large market, natural resources and competitive manufacturing complement UK high-value products, services, technology and cross-sector expertise. I-UK CEPA is expected to improve market access, reduce regulatory barriers and deepen services, investment and supply-chain links.

Why the timing matters

UK Developing Countries Trading Scheme (DCTS) preferences end on 1 January 2027. UK exports to Indonesia face MFN tariffs of around 6-15%. London talks on 7-9 September 2026 also reinforced strategic commodity cooperation.



IDC-CEPA: a strong economic base

USD 64.82bn **+7.11% yoy**

2025 non-oil and gas exports to China

Realised FDI, 2025 (USD bn)



China was Indonesia's largest non-oil and gas export market. China and Hong Kong were both among its top three FDI origins in 2025. Trade relies on ACFTA and RCEP, with no bilateral trade agreement. Both sides will map IDC-CEPA's scope and involve business chambers and associations to address commercial needs.



Green cooperation and wider access

China's Green Partnership Agreement for Development (GPAD) is a forum for green trade and investment, particularly in developing economies. Indonesia emphasises practical implementation and tangible value added. Both sides support a stronger role for developing economies in shaping global green rules and standards.

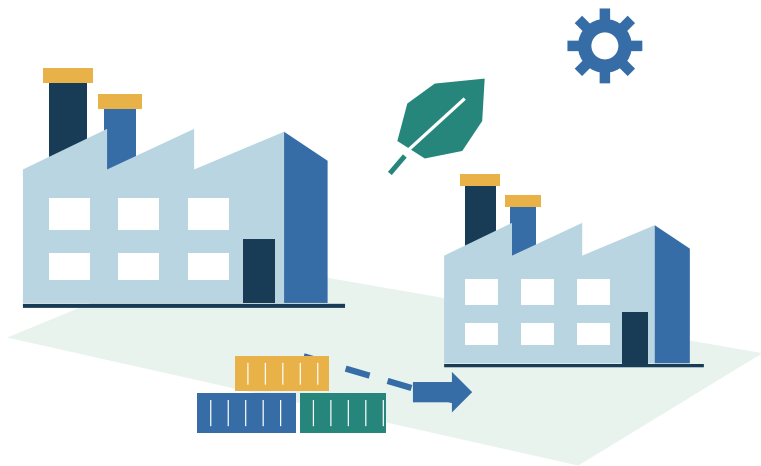
A wider partnership network

The UK and China initiatives sit alongside Indonesia's broader partnerships with the United States, European Union, Canada and Eurasia.

Indonesia and China are Advancing Industrial Park Investment



Indonesia and China are strengthening investment and supply-chain integration through the Two Countries Twin Parks (TCTP) programme. The partnership connects industrial locations with investors while promoting technology transfer, domestic value added and jobs. Business commitments now total approximately IDR 88.1 trillion, forming a pipeline that still needs to move into implementation. The priority is to turn these agreements into concrete projects through joint promotion, investment facilitation and cooperation between industrial parks.



Connecting investment locations

- Industropolis Batang SEZ
- Tanjung Lesung SEZ
- Bintan Industrial Estate

These locations presented projects and investment potential to Chinese investors, supported by business matching between public stakeholders, park operators and companies.

Approx. IDR 88.1tn Cumulative business commitments



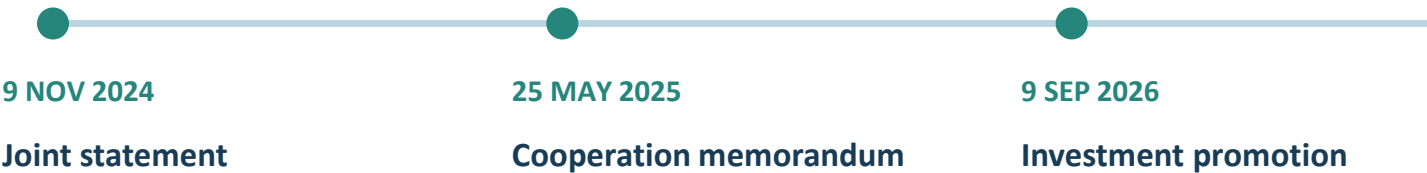
Earlier: 30 MoUs

Approx. IDR 37.1tn in commitments

New: RMB 19.4bn

Equivalent to approx. IDR 51tn

These are indicative business commitments, not realised investment.



The September 2026 conference in Xiamen formed part of the 26th China International Fair for Investment and Trade. It built on the 2024 joint statement and the 2025 TCTP cooperation memorandum.

Indonesia will facilitate investor-park coordination and address barriers quickly, while both sides strengthen joint promotion, park-to-park cooperation and project implementation.



Indonesia and Japan have completed two years of technical cooperation to strengthen Rebana as an integrated growth centre in West Java. The work connects industrial development with logistics around Patimban International Port and prepares the area for greener industry. Updated planning tools, stronger institutions and investment promotion provide a foundation for implementation. Rebana's investment and employment results show the scale of the area's development, while sustained coordination and consistent policies remain essential.



Port access links industry and logistics

8 of 12 strategic projects are complete



Completed infrastructure includes dams, toll road access and strategic industrial areas, strengthening Rebana's readiness as an integrated economic area.

IDR 131.62tn

Realised investment in Rebana

2021-H1 2026, cumulative

320,446

Jobs generated in Rebana

2021-H1 2026, cumulative



Planning a greener industrial platform

The updated Rebana Master Plan integrates industry and logistics. A dedicated Green Industry Hub Development Plan and Eco-Industrial Park Guidelines provide tools to accelerate sustainable industrial estate development.



Stronger institutions and investment promotion

The cooperation strengthens coordination and prepares a sustainability-based investment promotion strategy to attract domestic and global investors, particularly those supporting future industrial ecosystems.

From project completion to implementation

At the 29 September 2026 close-out in Jakarta, the completion report and post-project action plan were agreed. Local commitment and policy consistency remain crucial, while an Industrial Estates Bill is being prepared to support the green transition.

Offshore Skills and Technology Development as Part of Indonesia-Korea Cooperation



Indonesia and the Republic of Korea are strengthening workforce skills and technology in offshore plant services. The Korea-Indonesia Offshore Plant Service Training Center (KIOS Center) in Jakarta provides simulator-based training in operations, maintenance and cargo handling. The programme targets around 240 professionals by 2029 and supports the competitiveness of domestic companies. It is also intended to become a long-term platform linking government, academia, research institutions and industry across both countries.



Approx. 240

professionals targeted by 2029

A platform for knowledge exchange and stronger offshore technology capabilities.



Operations

Simulator-based learning develops competence in operating offshore facilities.



Maintenance

Training strengthens technical skills for maintaining offshore facilities.



Cargo handling

Practical training covers the loading and unloading of cargo in offshore services.

A bilateral framework for lasting capability

The MoU on Cooperation in the Field of Offshore Plant Service Industry was signed in Seoul on 1 April 2026. Its implementing arrangement provides official development assistance (ODA) for eco-friendly offshore industry capacity building. KIOS Center opened at Jakarta's maritime higher-education campus on 15 September 2026, establishing a base for sustained cooperation in skills and technology.



Government



Academia



Research



Industry

Indonesia's Economic Cooperation: List of Progress



Economic cooperation is one of the important instruments to support the domestic economy amidst increasing geopolitical uncertainty, changes in the direction of international trade, and growing fragmentation of the global economy. For Indonesia, strengthening economic cooperation is particularly important to expand market access, attract investment, strengthen supply-chain resilience, and support sustainable economic growth.



IMPLEMENTATION STAGE

1. Indonesia – Japan EPA
2. Indonesia – Pakistan PTA
3. Indonesia – Chile CEPA (TIG)
4. Indonesia – Chile CEPA (TIS)
5. Indonesia – Mozambique PTA
6. Indonesia – Australia CEPA
7. Indonesia – Korea CEPA
8. Indonesia – EFTA CEPA
9. PTA-D8
10. ASEAN TGA
11. ASEAN TSA
12. Indonesia – UAE CEPA
13. Indonesia – China FTA
14. Indonesia – Iran PTA
15. ASEAN – Japan CEP
16. ASEAN – India FTA
17. ASEAN – Hong Kong, China FTA
18. ASEAN – Australia-New Zealand FTA
19. RCEP
20. ASEAN – Korea FTA



RATIFICATION STAGE

1. Protocol to Amend IJEPA
2. ASEAN Framework Agreement on MRA
3. ASEAN MRA on Type Approval for Automotive Product
4. Second Protocol to Amend ASEAN-Australia New Zealand FTA
5. Protocol to Amend ASEAN MNP
6. Protocol to Amend ASEAN – Hong Kong FTA
7. ASEAN MRA for BCM
8. AFSRFA
9. Indonesia – Peru CEPA
10. Indonesia – Canada CEPA
11. Second Protocol to Amend ATIGA
12. 3.0 Upgrading Protocol ACFTA
13. Indonesia – EAEU FTA



NEGOTIATION STAGE

1. Indonesia–EU CEPA
2. Indonesia–Tunisia PTA
3. Indonesia–GCC FTA
4. ASEAN–Canada FTA
5. Indonesia–Mercosur CEPA
6. Review of the ASEAN–India FTA
7. Indonesia–Türkiye FTA
8. Indonesia–Mauritius PTA
9. Indonesia–Pakistan TIGA
10. Indonesia–Sri Lanka PTA
11. Indonesia–Bangladesh PTA

Key upcoming developments:

- **October 2026:** Targeted signing of the Indonesia-EU CEPA
- **November 2026:** Targeted signing of the ASEAN DEFA
- **Ratification/EIF:** Indonesia-EAEU FTA, ICA-CEPA, Indonesia-Peru CEPA, ATIGA Upgrade, and ACFTA 3.0
- **Medium-term technical process:** Reviews by OECD technical committees
- **Active negotiations:** Indonesia-GCC FTA



THANK YOU