Presentation Book

Investor Relation Unit
Republic of Indonesia

"Navigating Global Dynamics through Policy Synergy to Maintain Stability and Strengthen Economic Growth"



August 2025

About Investor Relations Unit of the Republic of Indonesia

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

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

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

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Website: http://www.bi.go.id/en/iru/default.aspx

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Section 1

General Summary

"Indonesia's Resilient Economy Supported by Prudent Policy"

Executive Summary

Preserved Economic Resilience Amidst Global Uncertainty

- **Solid economic growth and outlook** supported by domestic demand.
- **Inflation remains under control** within the target corridor of 2.5%±1%
- **Resilient external sector** supported by high reserves, sound BOP, and prudent external debt management
- Historically **prudent fiscal policy** dynamics and **track record of smooth political transitions**
- **Continuous** structural reform and infrastructure development

Economic growth in Indonesia exceeded projections in the second quarter of 2025. The Consumer Price Index (CPI) inflation in August 2025 recorded 2.31% (yoy) inflation annually, which remains under control within the target corridor of 2.5±1%. **Indonesia's Balance of Payments (BOP) performance in the second quarter of 2025 was maintained,** with the current account deficit stood (USD 3.0 billion) remained low despite global economic moderation and slower commodity prices' growth. In 2025, BOP is expected to remain sound, underpinned by a maintained capital and financial account surplus and a manageable current account deficit in the 0.5%-1.3% of GDP range. Meanwhile, **Fiscal prudence is expected to continue in 2025, with the fiscal deficit projected at 2.53% of GDP**. **Monetary policy focuses on maintaining stability and strengthening economic growth**. Bank Indonesia will continue orienting monetary policy towards maintaining inflation within the target corridor and rupiah exchange rate stability in line with economic fundamentals, while considering further room to nurture economic growth based on global and domestic economic dynamics. **The financial system remains stable,** underpinned by ample liquidity, high capital, low credit risk, and solid banking industry resilience stress test results**.** To promote strong, inclusive, and environmentally sustainable economic growth, the government is consistently implementing structural reforms, including infrastructure development and efforts to improve the investment climate.

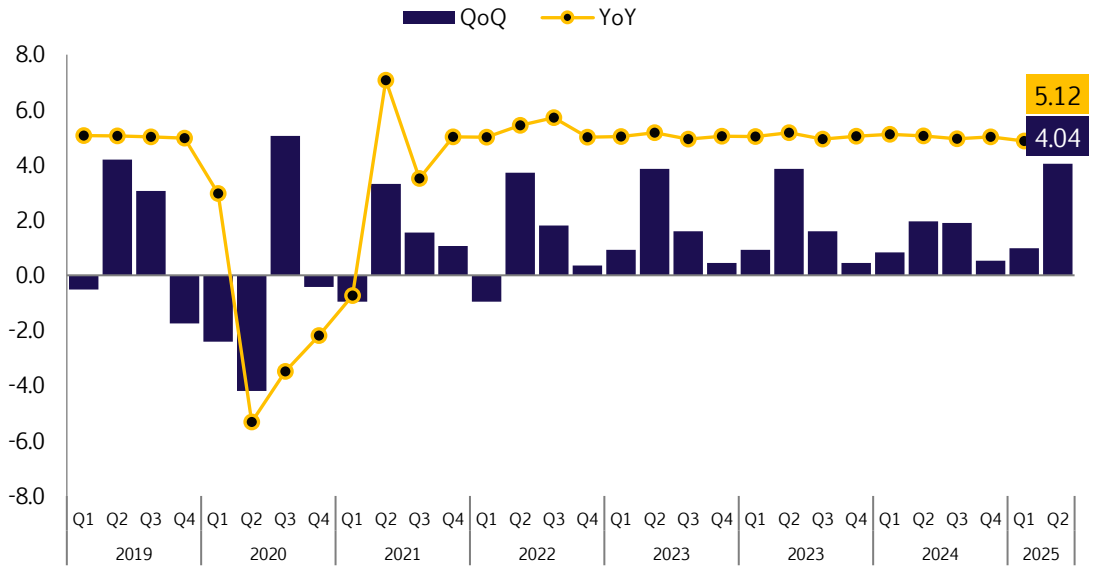
Rating Update 2024-2025

FitchRatings	BBB (Stable)	March 2025
Moody's	Baa2 (Stable)	April 2024
S&P Global	BBB (Stable)	July 2025
R&I	BBB+ (Positive)	September 2024
JCR	BBB+ (Stable)	March 2024

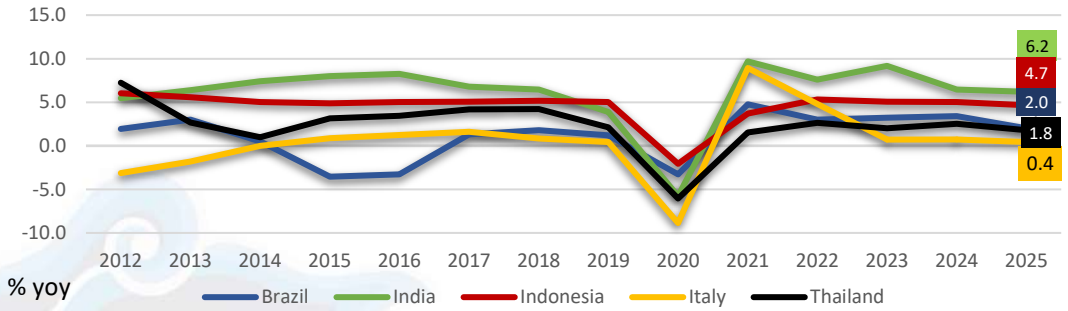
Indonesia has been recognized as a full Investment Grade country by all three major rating agencies — Fitch, Moody's, and S&P — as well as by other agencies, including R&I and JCR. These affirmations highlight Indonesia's macroeconomic stability and promising growth prospects, supported by sound fiscal, monetary, and structural policies.

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

Strong GDP Growth[1]



Favourable GDP Growth Compared to Peers[2]



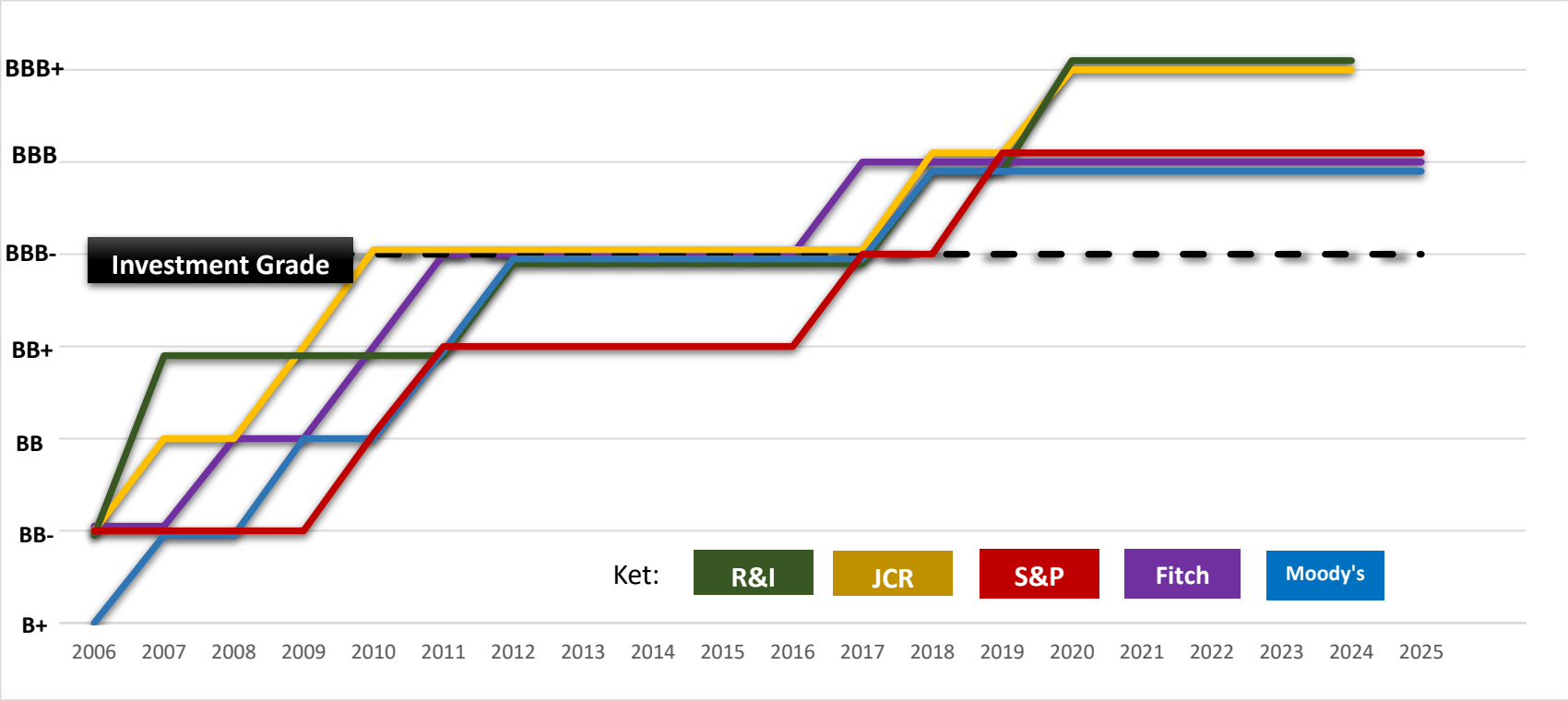
1. Source: Central Bureau of Statistics of Indonesia (BPS), ** Including non-profit household consumption
2. Source: World Economic Outlook Database – April 2025; * indicates estimated figure

Economic growth in Indonesia exceeded projections in the second quarter of 2025. Domestic economic growth in the second quarter of 2025 was recorded at 5.12% (yoy), accelerating from 4.87% (yoy) in the previous period. Spatially, the structure of the Indonesian economy in the second quarter of 2025 accelerated in all regions compared with conditions in the previous period, led by Java, followed by Sulawesi-Maluku-Papua (Sulampua), Sumatra, Kalimantan and Bali-Nusa Tenggara (Balinusra). In 2025, economic growth is projected to remain solid, supported by government consumption given greater spending towards the end of the year. Moving forward, national economic growth in Indonesia is projected to improve in the third semester of 2025, and overall, with Bank Indonesia projects economic growth overall in 2025 within the 4.6-5.4% range.

2025 Growth Projection

Institutions	GDP growth
2025 Budget	5.2
Bank Indonesia	4.6-5.4
Consensus Forecast (August 2025)	4.8
IMF (July 2025)	4.8
ADB (July 2025)	5.0

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



FitchRatings — BBB / Stable

March 2025, Rating Affirmed at BBB/Stable

Indonesia's 'BBB' rating reflects the country's favourable medium-term growth outlook and low government debt/GDP ratio. The rating is primarily constrained by a weak government revenue intake and lagging structural features, such as GDP per capita and governance indicators compared with 'BBB' category peers.

S&P Global Ratings — BBB / Stable

July 2025, Rating Affirmed at BBB/Stable

"Indonesia's BBB rating reflects the country's robust economic growth prospects, prudent policy settings, and relatively low net external and government debt burdens. Meanwhile, the stable outlook is supported by the government's commitment to maintaining the 3% annual fiscal deficit ceiling as a policy anchor."

R&I — BBB+ / Positive

September 2024, Rating Affirmed at BBB+/Positive

"R&I retains a high opinion of the Joko Widodo administration's prudent fiscal and monetary policies as well as the course of action it has taken to tackle the challenge coming from the structural issues facing the economy. The rating will be upgraded if R&I sees a sure sign that the new president will inherit the policy stance sought by the current administration and that the firm performance of the Indonesian economy and the improvement in fiscal position will be sustained under the new administration".

JCR — BBB+ / Stable

March 2024, Rating Affirmed at BBB+/Stable

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

Moody's — Baa2 / Stable

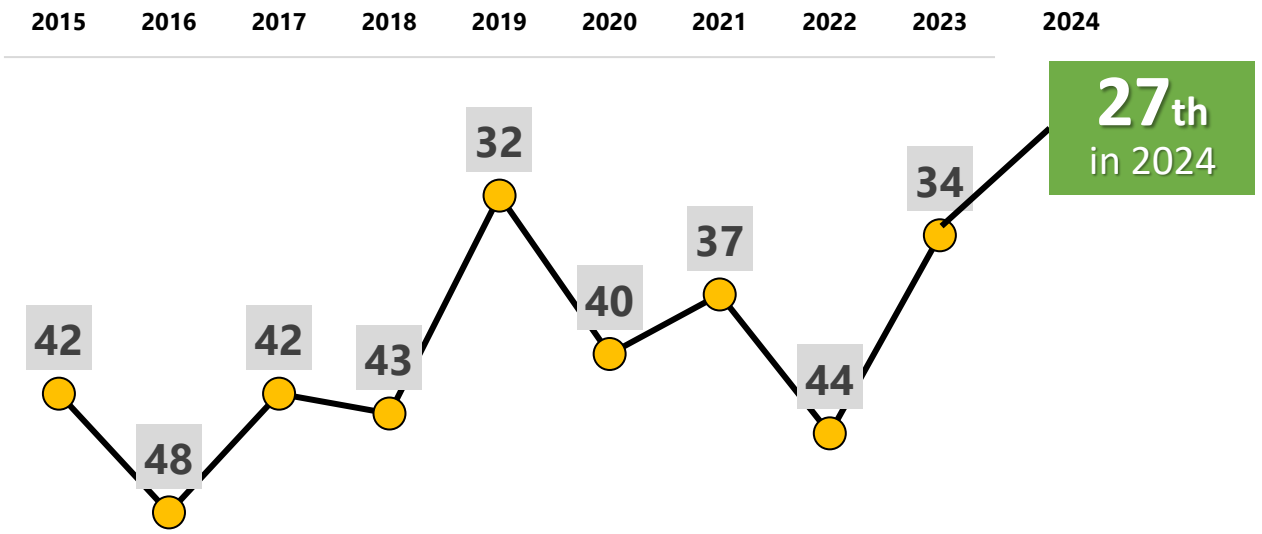
April 2024, Rating Affirmed at Baa2/Stable

Indonesia's credit profile is supported by its large economy, low fiscal deficit and modest debt burden. Credit challenges include weak revenue mobilization and a reliance on external funding. The rating is underscored by economic resiliency, monetary, and macroeconomic policy effectiveness.

Consistent Structural Reform Shape Indonesia's Competitiveness

Indonesia's Competitiveness Ranking In 2024 Is In 27th Position Out Of A Total Of 64 Countries, Boosted By Its High Scores In Business Efficiency (14), Government Efficiency (23), And Economic Performance (24).

IMD World Competitiveness Index 2015-2024

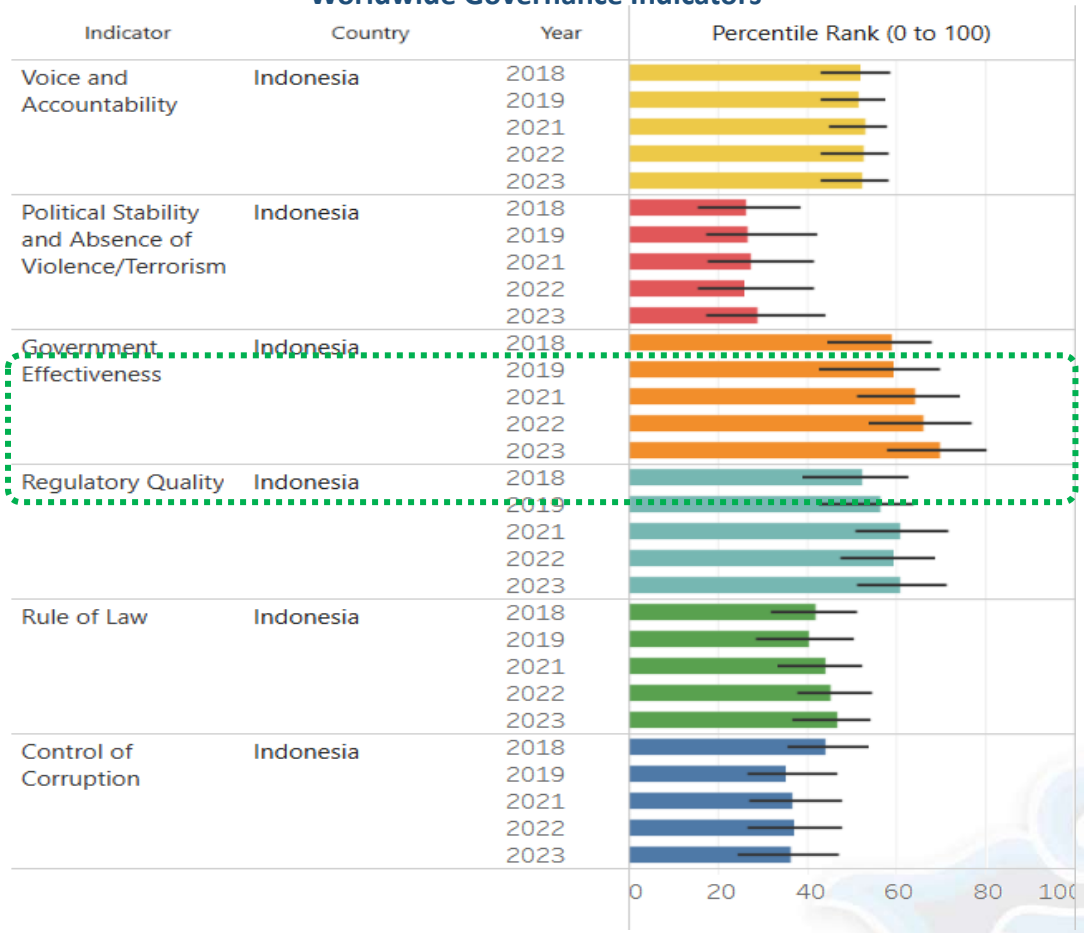


No.	Country	2019	2020	2021	2022	2023	2024
1	South Korea	28	23	23	27	28	20
2	**Indonesia**	**32**	**40**	**37**	**44**	**34**	**27**
3	Japan	30	34	31	34	35	38
4	India	43	43	43	37	40	39
5	Philippines	46	45	52	48	52	52
6	Mexico	50	53	55	55	56	56
7	Brazil	59	56	57	59	60	62

Source: IMD World Competitiveness Index 2015-2023

Indonesia's Governance Rank Indicates A Continuous Improvement For The Last Decades. One Of The Indicator, The Government Effectiveness, Recorded Highest Percentile Rank Compared To Other Five Indicators.

Worldwide Governance Indicators



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

Source: Worldwide Governance Indicators, 2024 Update (www.govindicators.org)



Section 2

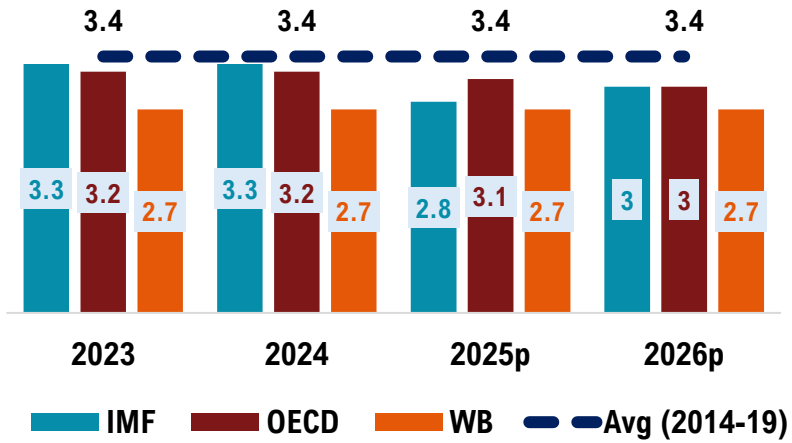
Macroeconomic

"Promising Growth Prospects Supported by Continued Economic Recovery Momentum"

Global Conditions still Face a Number of Challenges Ahead

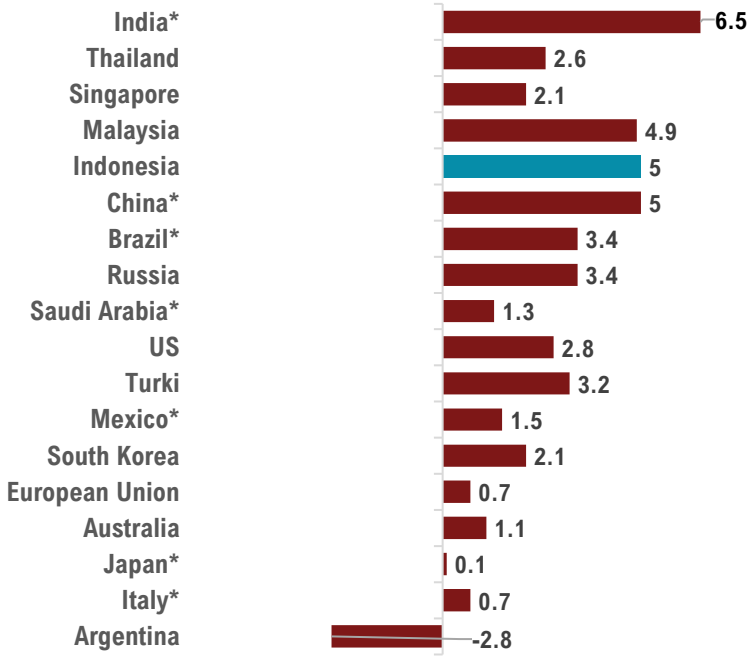
The global growth projection for 2025 is expected to slightly weaker compared to 2024, with inflation starting to moderate. Although global risks causing uncertainty remain high, Indonesia remains optimistic due to strong and relatively higher growth than other economies.

Global GDP Growth Projection (% YoY)



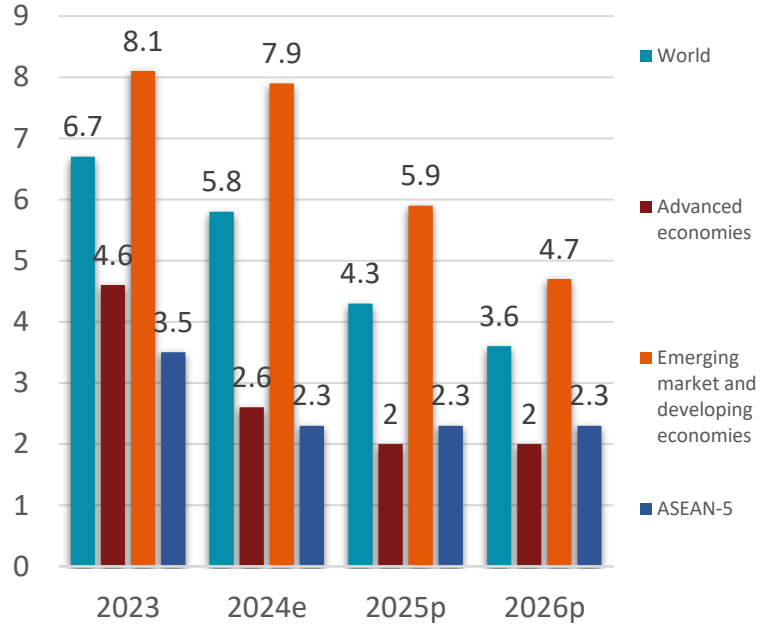
Source: WEO IMF Apr 25, GEP WB Jan 25, and OECD Int Report Mar 25

GDP Growth of Selected Country 2024 (% YoY)



Source: *WEO IMF Apr 25, GEP WB Jan 25, OECD Int Report Mar 25

Global Inflation Projection (Average CPI) (% YoY)



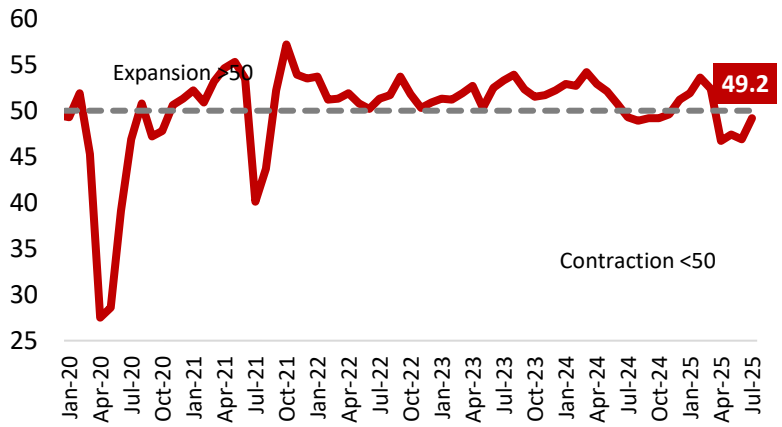
Source: IMF Data Mapper 25

DOWNSIDE RISKS

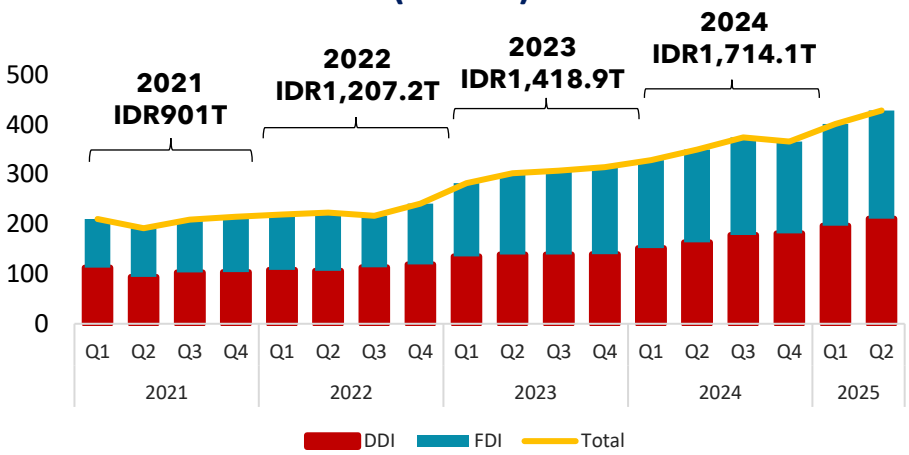
1. Ongoing global Geopolitical tensions
2. Economic Fragmentation: divergent and rapidly shifting policy on a country + Monetary Tightening in Developed Countries
3. Financial Market Volatility: financial instability
4. More limited international development assistance may increase the pressure on low-income countries
5. Demographic shifts and a shrinking foreign labor force
6. America's Protectionist Policy: Ratcheting up a trade war

Indonesia's Leading Indicators Exhibit Favorable Outlooks

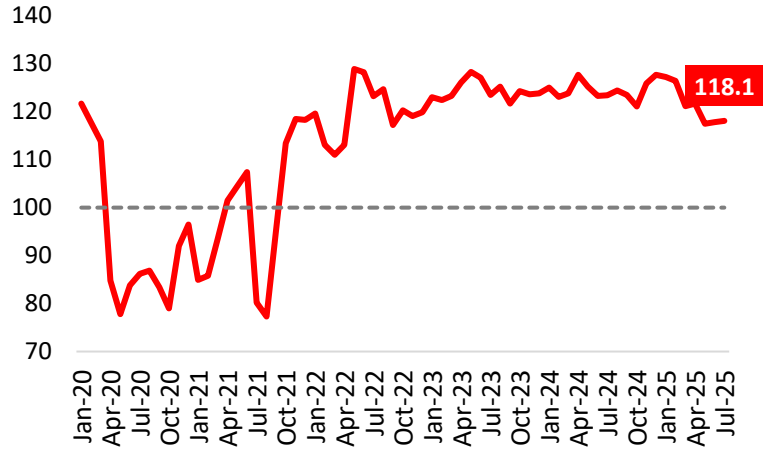
Manufacturing PMI



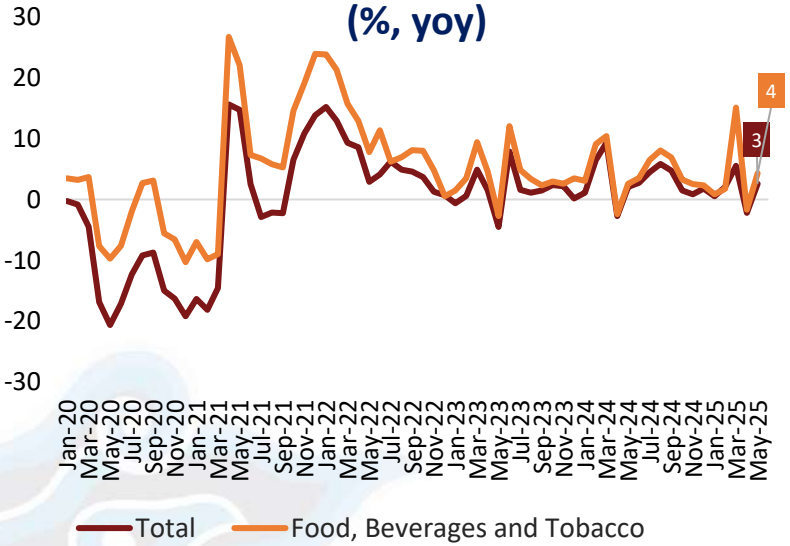
Total Investment (IDR Tn)



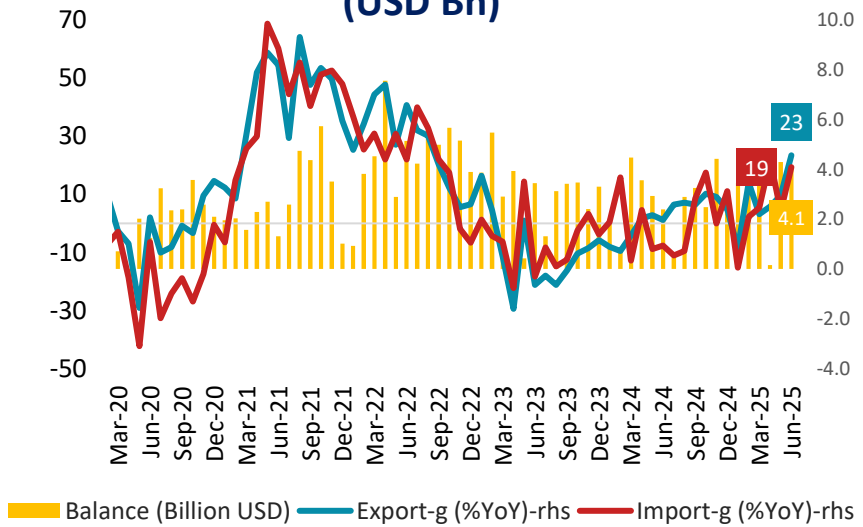
Consumer Confidence Index



Retail Sales (%, yoy)



Trade Balance (USD Bn)



Foreign Exchange Reserves (USD Bn)



Sources: BI, BKPM, BPS, S&P

Economic Performance Remains Solid in 2024

GDP Growth Based on Expenditure (%, YoY)

By Expenditure	2020					2021					2022					2023*					2024**					2025***	
	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2
HH. Consumption	2.83	-5.52	-4.05	-3.61	-2.63	-2.22	5.96	1.02	3.56	2.01	4.35	5.52	5.40	4.50	4.94	4.53	5.22	5.05	4.47	4.82	4.91	4.93	4.91	4.98	4.94	4.95	4.97
Non profit HH. consumption	-4.99	-7.78	-1.92	-1.92	-4.21	-3.65	4.06	2.87	3.20	1.62	5.91	5.03	5.99	5.72	5.66	6.29	8.78	6.40	18.37	10.03	24.13	9.79	11.46	6.06	12.48	3.07	7.82
Government consumption	3.87	-6.51	9.81	1.93	2.12	2.59	8.29	0.69	5.24	4.25	-6.58	-4.59	-2.41	-4.66	-4.42	3.33	10.52	-3.86	2.94	3.02	20.44	2.03	4.62	4.17	6.61	-1.37	-0.33
Gross Fixed Cap. Formation	1.70	-8.61	-6.52	-6.17	-4.96	-0.21	7.52	3.76	4.49	3.80	4.08	3.09	4.98	3.33	3.87	1.53	4.05	5.08	4.32	3.76	3.78	4.42	5.16	5.03	4.61	2.12	6.99
Exports	0.41	-13.59	-12.72	-7.45	-8.42	2.20	28.46	20.82	22.24	17.99	14.40	16.32	19.09	14.95	16.23	11.72	-2.84	-3.91	1.66	1.34	1.48	8.13	8.79	7.63	6.51	6.46	10.67
Imports	-6.05	-21.27	-25.03	-17.64	-17.60	5.18	33.20	31.08	32.61	24.86	16.06	13.06	25.73	6.49	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.50	7.79	11.92	10.36	7.95	4.17	11.65
Gross Domestic Product	**2.97**	**-5.32**	**-3.49**	**-2.17**	**-2.07**	**-0.69**	**7.08**	**3.53**	**5.03**	**3.70**	**5.02**	**5.46**	**5.73**	**5.01**	**5.31**	**5.05**	**5.11**	**5.05**	**4.95**	**5.05**	**5.11**	**5.05**	**4.95**	**5.02**	**5.03**	**4.87**	**5.12**

GDP Growth Based on Sector (%, YoY)

SECTOR	2020					2021					2022					2023*					2024**					2025***	
	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2	Q.3	Q.4	Total	Q.1	Q.2
Agriculture, Forestry, and Fishing	0.03	2.20	2.18	2.64	1.77	3.48	0.56	1.44	2.33	1.87	1.16	1.68	1.95	4.51	2.25	0.44	2.03	1.49	1.13	1.31	- 3.54	3.25	1.69	0.71	0.67	10.52	1.65
Mining and Quarrying	0.45	- 2.72	- 4.28	- 1.20	- 1.95	- 2.02	5.22	7.78	5.15	4.00	3.82	4.01	3.22	6.46	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46	3.95	4.90	- 1.23	2.03
Manufacturing	2.06	- 6.18	- 4.34	- 3.14	- 2.93	- 1.38	6.58	3.68	4.92	3.39	5.07	4.01	4.83	5.64	4.89	4.43	4.88	5.19	4.07	4.64	4.13	3.95	4.72	4.89	4.43	4.55	5.68
Electricity and Gas	3.85	- 5.46	- 2.44	- 5.01	- 2.34	1.68	9.09	3.85	7.81	5.55	7.04	9.33	8.05	2.31	6.61	2.67	3.15	5.06	8.68	4.91	5.35	5.39	5.02	3.42	4.77	5.11	0.90
Water Supply; Sewerage,	4.38	4.44	5.94	4.98	4.94	5.46	5.78	4.56	4.14	4.97	1.35	4.46	4.26	2.84	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.84	0.03	1.06	1.56	0.18	0.82
Construction	2.90	- 5.39	- 4.52	- 5.67	- 3.26	- 0.79	4.42	3.84	3.91	2.81	4.83	1.02	0.63	1.61	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48	5.81	7.02	2.18	4.98
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.50	- 7.68	- 5.14	- 3.66	- 3.79	- 1.28	9.50	5.12	5.54	4.63	5.74	4.44	5.37	6.57	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.85	4.82	5.19	4.86	5.03	5.37
Transportation and Storage	1.27	- 30.79	- 16.71	- 13.42	- 15.05	- 13.09	25.10	- 0.72	7.93	3.24	15.79	21.27	25.80	16.99	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64	7.92	8.69	9.01	8.52
Accommodation and Food Service Activities	1.92	- 22.01	- 11.86	- 8.91	- 10.26	- 7.28	21.54	- 0.14	4.97	3.88	6.57	9.79	17.79	13.77	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.15	8.32	6.61	8.56	5.75	8.04
Information and Communication	9.82	10.85	10.72	10.99	10.61	8.72	6.90	5.54	6.24	6.82	7.15	8.06	6.94	8.72	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.82	7.45	7.57	7.72	7.92
Financial and Insurance Activities	10.63	1.06	- 0.95	2.37	3.25	- 2.97	8.33	4.29	- 2.59	1.56	1.64	1.50	0.87	3.76	1.93	4.45	2.86	5.24	6.56	4.77	3.93	7.90	5.49	1.74	4.74	3.98	3.20
Real Estate Activities	3.81	2.31	1.96	1.25	2.32	0.94	2.82	3.42	3.94	2.78	3.78	2.16	0.63	0.39	1.72	0.37	0.96	2.21	2.18	1.43	2.54	2.16	2.32	2.97	2.50	2.94	3.71
Business Activities	5.39	- 12.09	- 7.61	- 7.02	- 5.44	- 6.10	9.94	- 0.59	0.89	0.73	5.96	7.92	10.79	10.42	8.77	6.37	9.59	9.37	7.62	8.24	9.63	7.96	7.93	8.08	8.38	9.27	9.31
Public Administration	3.16	- 3.21	1.82	- 1.56	- 0.03	- 2.24	9.94	- 9.95	0.99	- 0.33	- 1.29	- 1.52	12.48	1.77	2.52	2.13	8.18	- 6.24	1.63	1.51	18.89	2.81	3.94	1.16	6.40	4.79	4.69
Education	5.86	1.18	2.39	1.33	2.61	- 1.54	5.89	- 4.43	0.71	0.11	- 1.44	- 1.11	4.42	0.38	0.55	1.02	5.42	- 2.09	2.63	1.77	7.43	2.44	2.56	2.95	3.75	5.04	1.40
Human Health and Social Work Activities	10.33	3.67	15.26	16.53	11.56	3.38	11.68	14.04	12.16	10.45	4.53	6.51	- 1.70	2.49	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.57	7.65	5.20	8.11	5.78	3.80
Other Services Activities	7.09	- 12.60	- 5.55	- 4.84	- 4.10	- 5.15	11.97	- 0.30	3.35	2.12	8.25	9.26	9.13	11.14	9.47	8.90	11.89	11.14	10.15	10.52	8.92	8.85	9.95	11.36	9.80	9.84	11.31
Gross Domestic Product	**2.97**	**- 5.32**	**- 3.49**	**- 2.17**	**- 2.07**	**- 0.69**	**7.08**	**3.53**	**5.03**	**3.70**	**5.02**	**5.46**	**5.73**	**5.01**	**5.31**	**5.04**	**5.17**	**4.94**	**5.04**	**5.05**	**5.11**	**5.05**	**4.95**	**5.02**	**5.03**	**4.87**	**5.12**

Source: Central Bureau of Statistics of Indonesia (BPS)

Short-Term Mitigations and Policy Responses Amidst Weakening Global Economic Prospects

Q1 2025 Economic Stimulus

Incentive Type	Details
Electric Discounts (Jan – Feb)	**50% electricity discount for two months** for households with installed power between **450 VA and 2200 VA**
Automotive Incentive	➢ **Battery-Based Electric Vehicles (KBLBB):** • **10% VAT exemption** for CKD (Completely Knocked Down) KBLBB. • **15% Luxury Goods Sales Tax (PPnBM) exemption** for CBU and CKD imported KBLBB. • **0% Import Duty** for CBU (Completely Built-Up) KBLBB. ➢ **Hybrid vehicles receive a 3% Luxury Goods Sales Tax (PPnBM) incentive**.
Property Incentive (Jan – July 2025)	For **residential properties valued up to IDR 5 billion**, a 100% VAT discount applies to the first IDR 2 billion.
MSME Incentive	Extension of the validity period of the 0.5% final corporare tax exemption for MSMEs with a monthly turnover of less than IDR 500 million
Incentive for Intensive Sector Workers Industry	1. **Government-borne Income Tax (PPh21) incentives** for **labor-intensive sector workers earning up to IDR 10 million per month**. 2. Financing facilities for machine revitalization to boost productivity with a 5% interest subsidy. 3. Extension of 50% Discount on Work Accident Insurance is reinstated for 6 months (Aug' 25- Jan '26) for Labor Intensive Sector Workers

Q2 2025 Economic Stimulus

Incentive Type	Details
Transportation Discounts (5 June – 31 July)	1. Train Ticket Discount (30%) 2. Plane Ticket (PPN DTP 6%) 3. Sea Transportation Discount (50%) **Budget Allocation Rp0,94 Tn**
Toll Tariffs Discounts (5 June – 31 July)	20% toll tariff discount with estimated beneficiaries for 110 million vehicle. **Budget Allocation IDR 0,65 Tn (Non-APBN)**
Intensification of Social Assistance and Food Aid (June – July)	1. Additional food card program of Rp200k/month 2. Food assistance of 10 kg/month Est. beneficiaries for 18.3 million households. **Budget Allocation IDR 11,93 Tn**
Wage Subsidy Assistance (June – July)	1. Rp300rb for 17,3 million workers 2. 288k teachers from Kemendikdasmen 3. 277k teachers from Religion Ministry **Budget Allocation IDR 10,72 Tn**
Extension of Discount on Work Accident Insurance Contributions (Feb – May)	Extension of 50% Discount on Work Accident Insurance is reinstated for 6 months for Labor Intensive Sector Workers **Budget Allocation IDR 0,2 Tn (Non-APBN)**

Source: Coordinating Ministry for Economic Affairs

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**.

Source: Coordinating Ministry for Economic Affairs

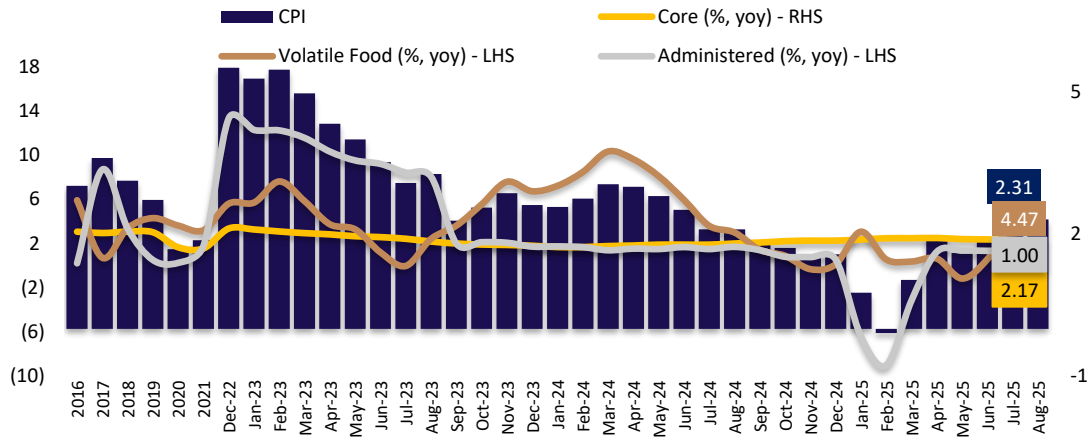
Inflation Was Maintained Within The Target Corridor

- **Consumer Price Index (CPI) in August 2025 was maintained within the 2.5±1% target corridor, recorded at 2.31% (yoy), a slight decreased from 2.37% (yoy) the month earlier.**
  - ❑ Core inflation relatively stable and recorded at 2.17% (yoy), slightly decreased from 2.32% (yoy) the previous month.
  - ❑ Meanwhile, the volatile food (VF) recorded inflation of 4.47% (yoy).
  - ❑ Administered prices (AP) inflation recorded 1.00% (yoy), slightly decreased from 1.32% (yoy) in May 2025
- **Inflation will remain manageable within the 2.5%±1% target corridor in 2025** and 2026 due to monetary policy consistency and close inflation control synergy between Bank Indonesia and the (central and regional) Government within the Central and Regional Government Inflation Control Teams (TPIP and TPID) through the National Movement for Food Inflation Control (GNPIP) in various regions.

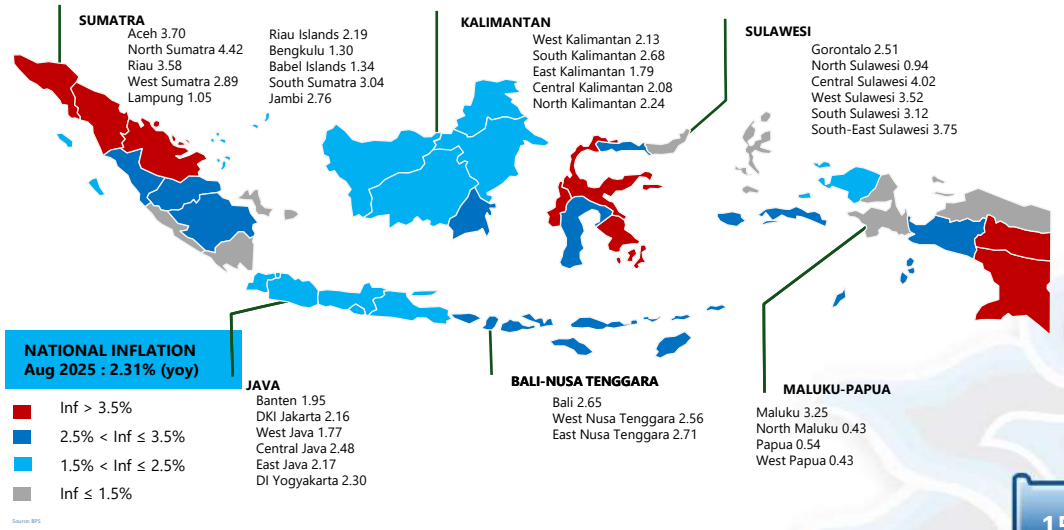
2025 Inflation Projection

Institutions	Inflation (% yoy)
2025 Budget	2.5
Bank Indonesia	2.5%±1%
Consensus Forecast (August 2025) – average	1.9
IMF (July 2025) – end of period	1.5
ADB (April 2025)	1.8

CPI Inflation



Inflation Rate by Provinces



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

Synchronized Policies to Strengthen Inflation Controlling Efforts

MONETARY POLICY

Support for pro-stability and pro-growth monetary policy

- Orienting monetary policy towards maintaining inflation within the target corridor and rupiah exchange rate stability in line with economic fundamentals, while considering further room to nurture economic growth based on global and domestic economic dynamics

FISCAL POLICY

Optimization of State Budget as shock absorbers

- Energy Subsidies and Compensation
- Food Security Budget including optimization of Government Rice Reserves (SPHP distribution)
- Social Assistance Program, including food assistance
- Food distribution facilitation
- Optimization of APBD and BTT

INFLATION CONTROL EFFORTS

K1 Price Affordability

- Improving the implementation of cheap market operations/easy food movements and the Food Supply and Price Stabilization (SPHP) program
- Food assistance, social protection, subsidies and energy compensation

K2 Supply Availability

- Strengthening Government Food Reserves (CPP) → CBP is maintained at around 1.2 million tons throughout the year
- Access to KUR financing and Agricultural Machinery Credit
- Provision of subsidized fertilizers

K3 Smooth Distribution

- Facilitating the distribution of strategic food commodities
- Optimizing the sea toll program to reach 3TP areas
- Providing assistance for logistics costs

K4 Effective Communication

- Orchestration of TPID for regional inflation control efforts by the Ministry of Home Affairs through weekly coordination meetings
- Implementation of TPIP-TPID Coordination Meetings per region which are carried out back-to-back with GNPIP.



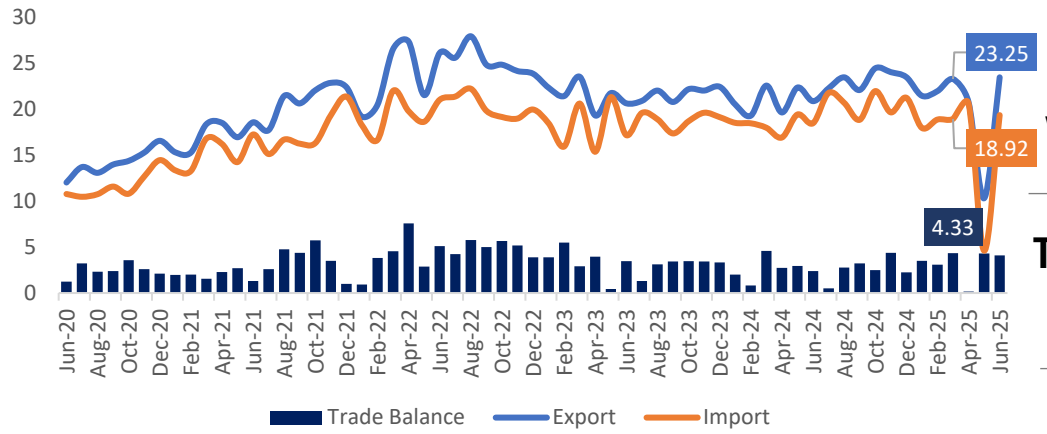
CPI INFLATION 2.5±1%

INFLATION 2025

MAINTAIN WITHIN THE TARGET

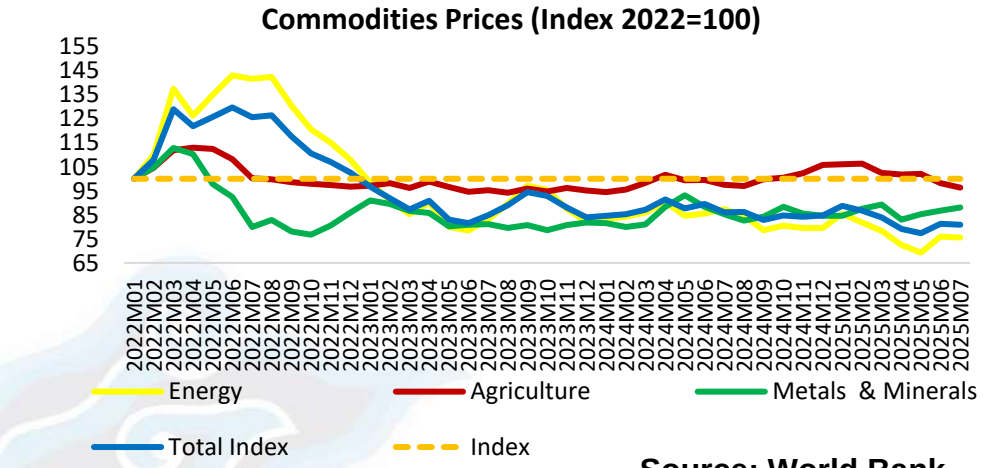
Task Force for Increasing National Exports to Strengthen Trade Balance

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



Source: BPS

Commodities Prices Volatility



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	WG II	WG III	WG IV	WG V	WG VI
Increasing Productivity and Competitiveness of Export Industries	Diplomacy, Promotion, and Development of Export Market	Simplify, Synchronize, and Integrate of Export's Processes and Services	Export Financing	Increasing MSME Exports	Regulations

AMIDST GLOBAL UNCERTAINTY, INDONESIA STILL SUCCESSFULLY MAINTAIN A TRADE SURPLUS FOR 47 CONSECUTIVE MONTHS.

Main Provisions of the Revised Government Regulation (PP) 8/2025

To enhance the management of Export Proceeds from Natural Resources (DHE SDA), the Indonesian government issued Government Regulation No. 8/2025 on February 17, 2025. This regulation requires exporters in the mining (excluding oil and gas), plantation, forestry, and fisheries sectors to deposit 100% of their DHE SDA into the Indonesian financial system for 12 months.

1 **REGULATED SECTORS:**
Mining, Plantations, Forestry and Fisheries

2 **EXPORT VALUE SUBJECT TO FOREIGN EXCHANGE PROCEEDS FROM NATURAL RESOURCES (DHE SDA):**
Applicable to export values of USD250,000 or more

3 **DHE SDA DEPOSIT REQUIREMENT:**
Export proceeds must be deposited into a special account no later than the end of the third month after the PPE (Export Declaration) is issued.

4 **DHE SDA PLACEMENT OBLIGATION:**
100% of DHE SDA must be placed for 12 months, except for the oil and gas sector

5 **INSTRUMENTS FOR DHE SDA PLACEMENT:**
1. Special DHE SDA Accounts
2. Banking Instruments
3. Financial Instruments from LPEI
4. Bank Indonesia Instruments

6 **PERMITTED USES OF DHE SDA:**
1. Conversion to Rupiah
2. Government obligations
3. Foreign Currency Dividends
4. Payment for Imported Goods and Services
5. Repayment of Foreign Currency Loans

7 **DHE SDA UTILIZATION BY EXPORTERS:**
Can be used by exporters and counted as a reduction in the required DHE SDA placement amount.

8 **INCENTIVES FOR PLACING DHE SDA:**
- Special tax rates for exporters.
- Incentives for exporters, export-import financing institutions (LPEI), and banks.
- Exporters may qualify as "exporters with good reputation", granting them additional benefits.

9 **DHE SDA SUPERVISION AND IMPLEMENTATION:**
- Supervised by the Directorate General of Customs and Excise, the Ministry of Finance, Bank Indonesia, and the Financial Services Authority (OJK).
- Monitored through an integrated information system.

10 **SANCTIONS FOR NON-COMPLIANCE:**
Suspension of Export Services

11 **REGULATORY OVERSIGHT FOR EXPORTERS:**
Exporters will be monitored by Bank Indonesia and/or the Financial Services Authority (OJK).

12 **TRANSITIONAL PROVISIONS:**
DHE received after the implementation of PP 8/2025 will follow the new regulations, regardless of whether the PPE date is before or after the regulation takes effect.

Utilizing LCT to Maintain Indonesian Exchange Rate Stability

Implementation Progress

- 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.
- Singapore and India are still in the process of negotiating their Operational Guidelines.
- In 2024, LCT transactions across the majority of partner countries exhibited a consistent upward trend, reaching a recorded total of USD 16.23 billion.



STRENGTHENING LCS INTO LCT

Line of Bussiness	Current Account, Capital Account, and Financial Account
Scope of Collaboration	Money Market, Foreign Exchange, including Cross-Border Payment
Expand Participants	LCT (including QR) and ACCD Bank users
Currency Arrangement	FEA Flexibilities and Pricing Credibility





LCT NATIONAL TASK FORCE PILLAR

- Trade and Direct Investment
- Banking and Financial Markets
- Expanding the use of LCT and Payment Transactions between countries



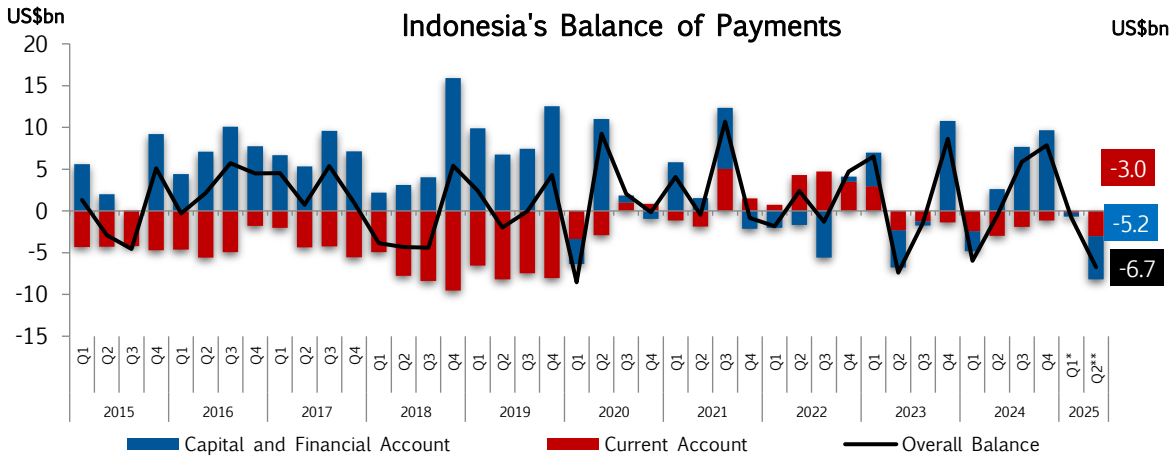
Section 3

External Sectors

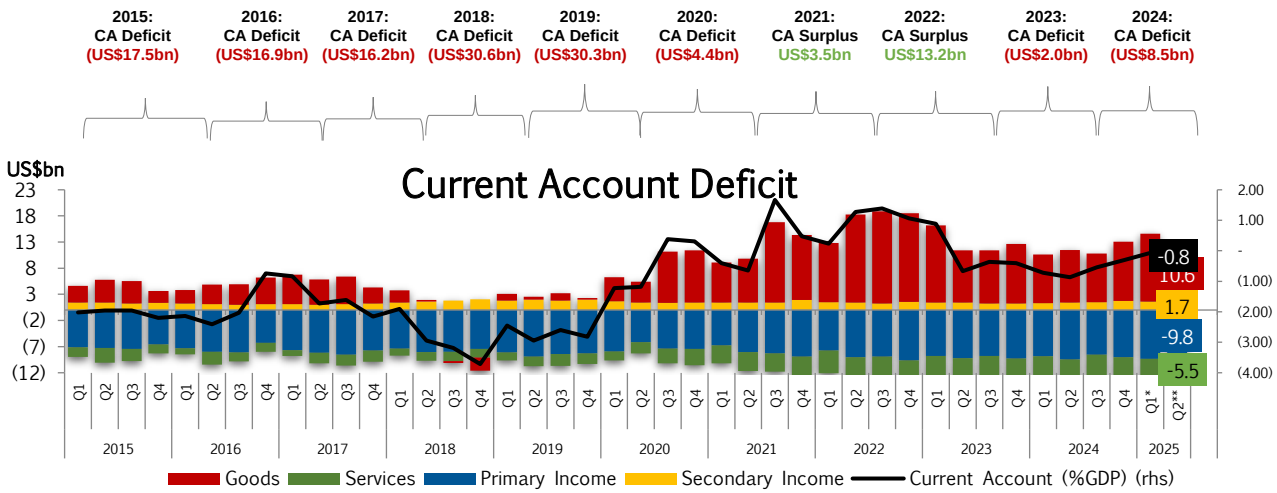
"Strong External Resilience Supported by High Reserves and Sound Balance of Payments"

External Sector Remains Resilient
… Supported by High Foreign Reserves and Sound Balance of Payments

Balance Of Payment Remains Solid

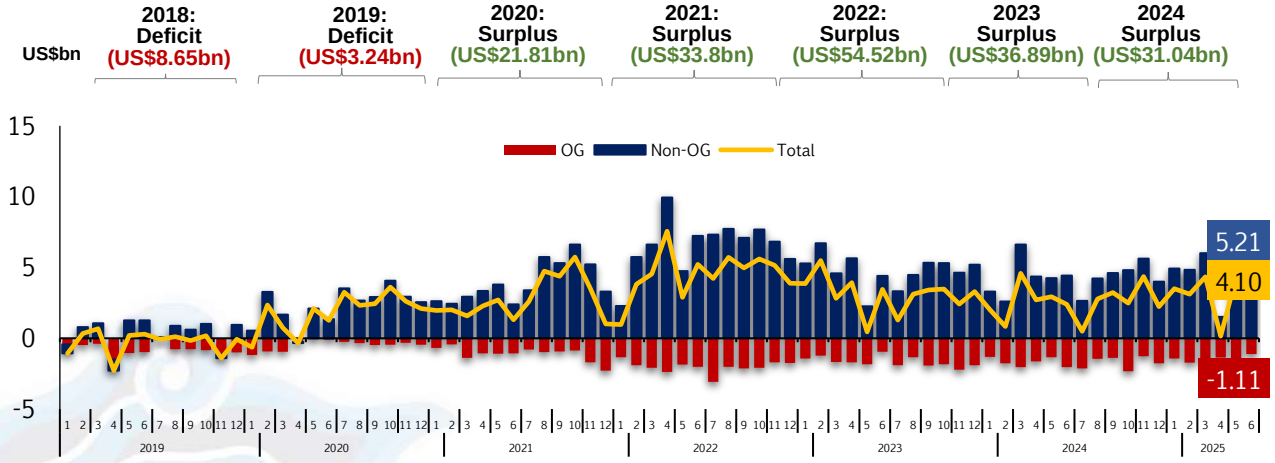


Current Account Recorded Low Deficit



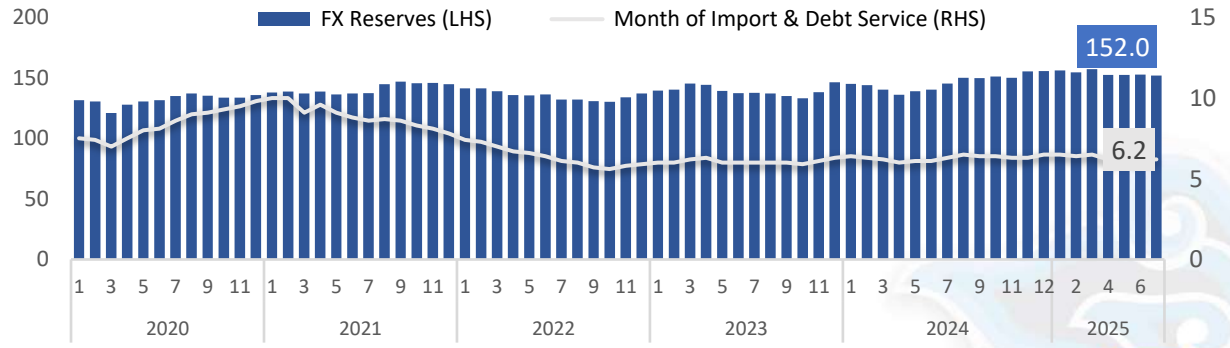
Source: Bank Indonesia

Trade Balance Surplus Continues



Official Reserve Assets Increased to Reinforce External Sector Resilience

FX Reserves as of July 2025: US$152.0bn
(Equiv. to 6.2 months of imports financing + servicing of government debt)



Source Central Bureau of Statistics of Indonesia

* Preliminary Figure

** Very Preliminary Figure

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 of July 2025: **US$152.0 bn**

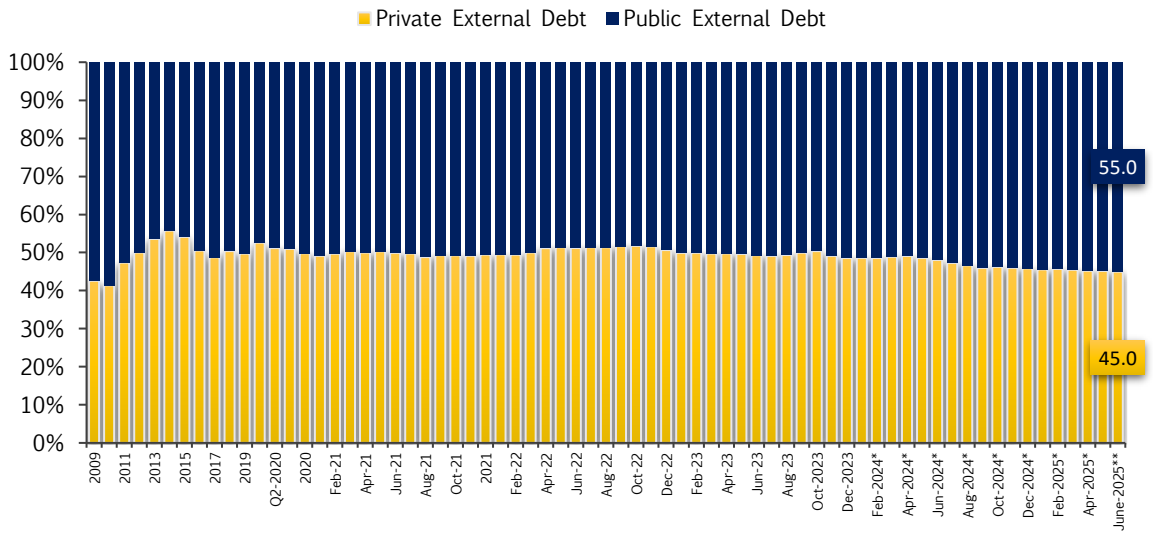
Swap Arrangement

Bilateral	**Japan**	• Renewed a 3-year USD22.76 billion swap line with Japan in October 2024 (The facility is available in USD and JPY)
	Singapore	• Renewed a 3-years SGD/IDR swap arrangement with the size up to SGD 9.5 bn / IDR 100 tn (equivalent) in November 2024
	China	• Renewed a 3-year swap arrangement and increased the size of swap line up to CNY 400 bn / IDR 55 tn (equiv.) in January 2025
	Malaysia	• Renewed a 5-year RM/IDR swap arrangement with a size up to RM 24 billion / IDR 82 trillion (equiv.) in October 2024
	Korea	• Renewed a 3-year BCSA with the Republic of Korea amounting to KRW10.7 trillion or Rp115 trillion (equiv) in March 2023
Regional	**Chiang Mai Initiative Multilateralization (CMIM) Agreement**	• Entitled to a maximum swap amount of US$ 22.76 bn under the ASEAN+3 (Japan, China, and Korea) FX reserves pool created under the agreement • Came into effect in 2010 with a pool of US$120 bn • Doubled to US$240 bn effective July 2014
Global	**IMF Global Financial Safety Net - GSFN**	• Indonesia is entitled to access IMF facilities for crisis prevention to address potential (actual) BOP problem • Such facilities include Flexible Credit Line (FCL) and Precautionary and Liquidity Line (PLL)

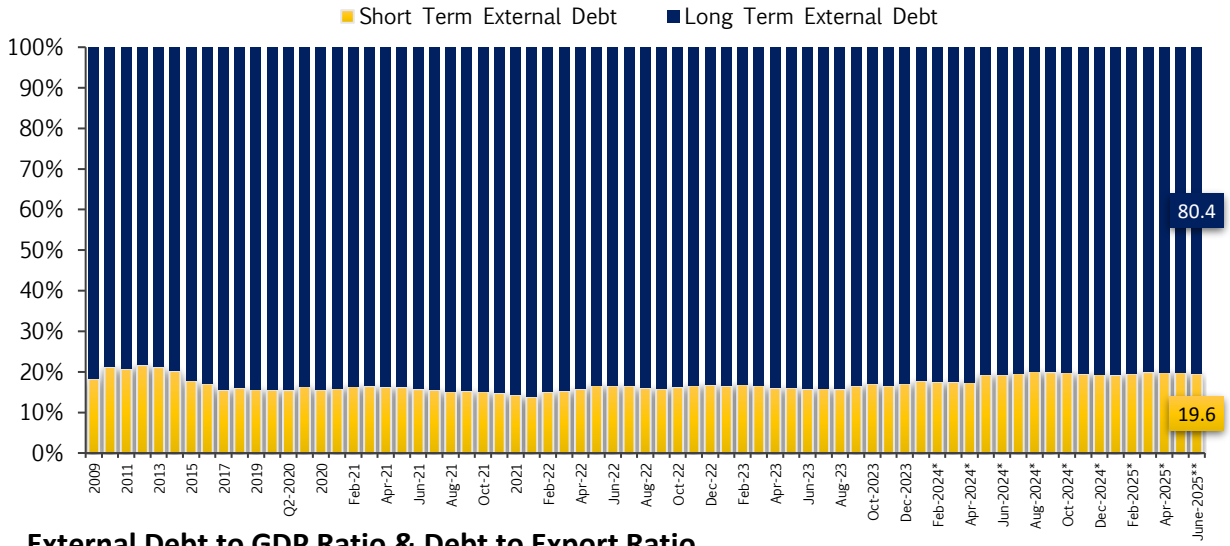
Source: Bank Indonesia

Healthy External Debt Profile

External Debt Structure



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

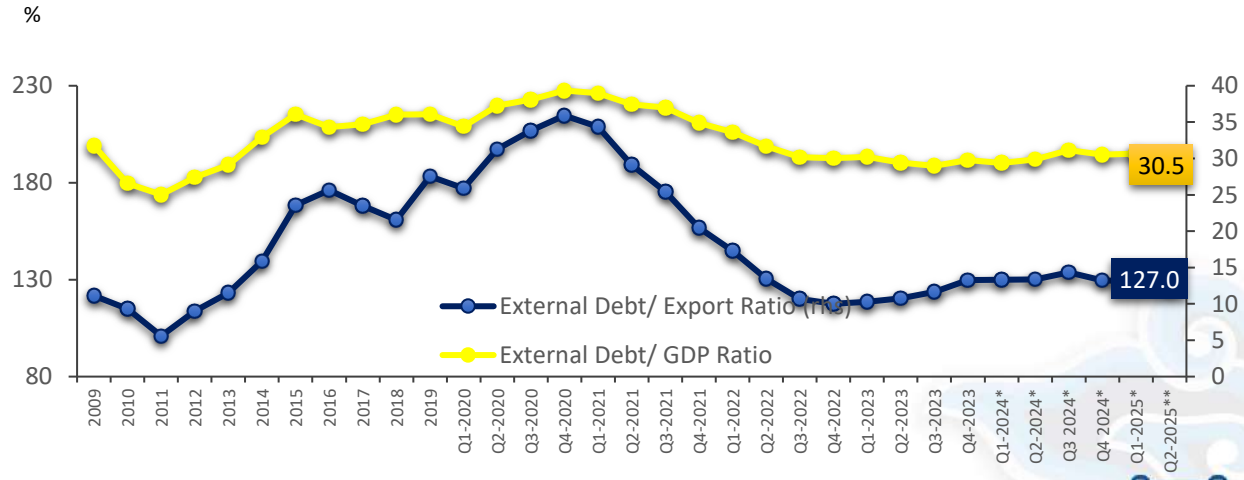


External Debt Remains Manageable



Source: Bank Indonesia, External Debt Statistics of Indonesia

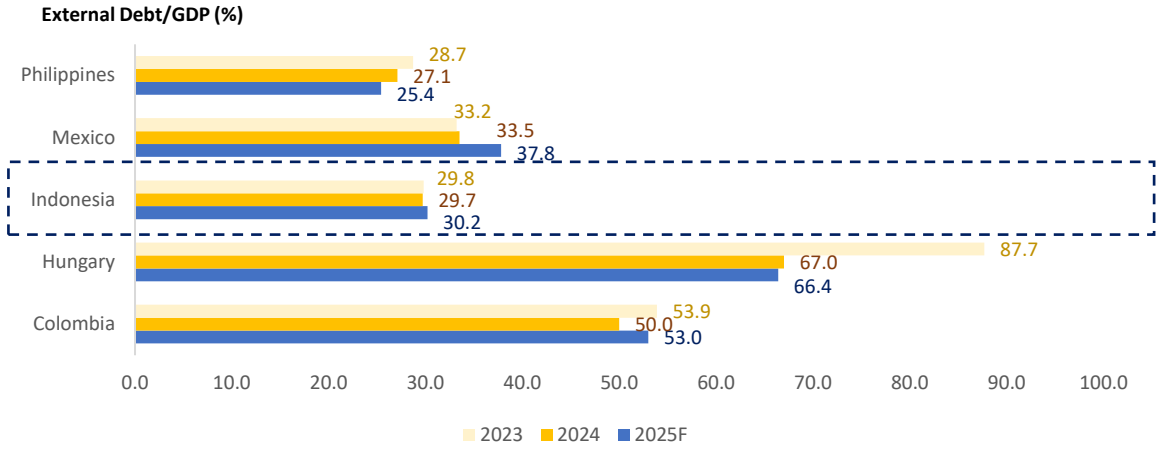
External Debt to GDP Ratio & Debt to Export Ratio



*Provisional Figures **Very Provisional Figures

Strengthened Private External Debt Risk Management

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



Source: Moody's Credit View Fundamental Data, May 2025

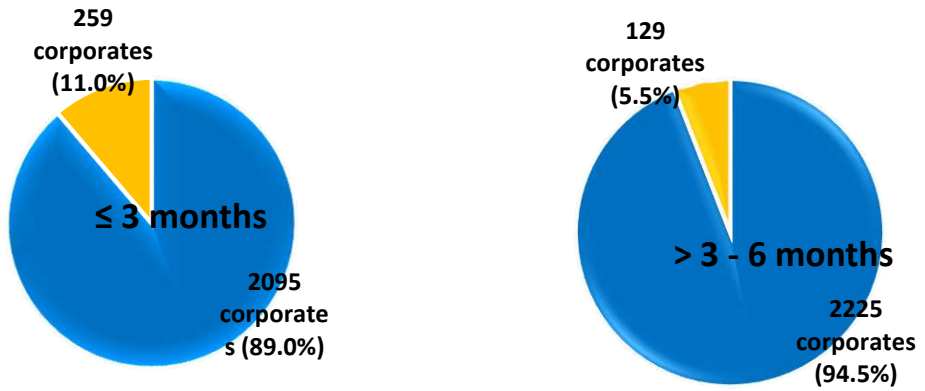
Regulation on Prudential Principle in Managing External Debt

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

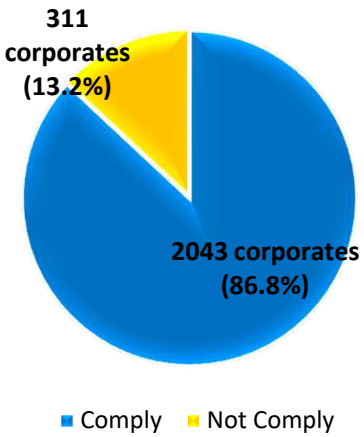
Source: Bank Indonesia

Encouraging Corporates Compliance on Hedging Ratio & Liquidity Ratio

Hedging Ratio*



Liquidity Ratio*



*Data as of Q4-2024, with total population 2,365 corporates

Source: Bank Indonesia



Section 4

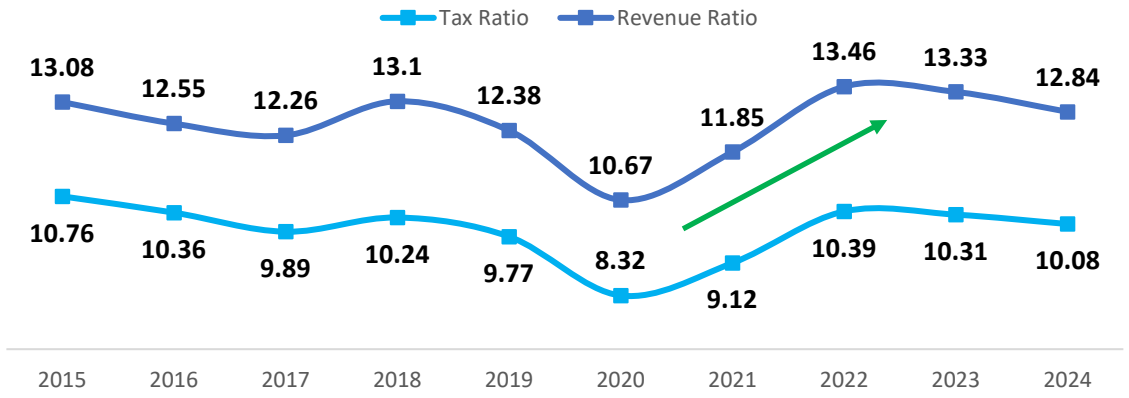
Fiscal

"Solid Budget Performance with Strong Commitment to Maintain Fiscal Credibility"

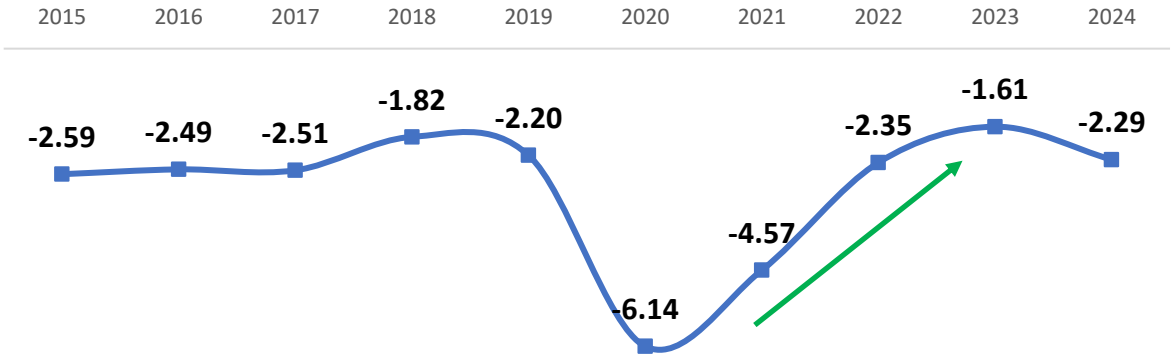
Fiscal Discipline Continues to be Maintained

Continue robust economy growth and tax reform has been able to offset the adverse impact of the moderating commodity prices

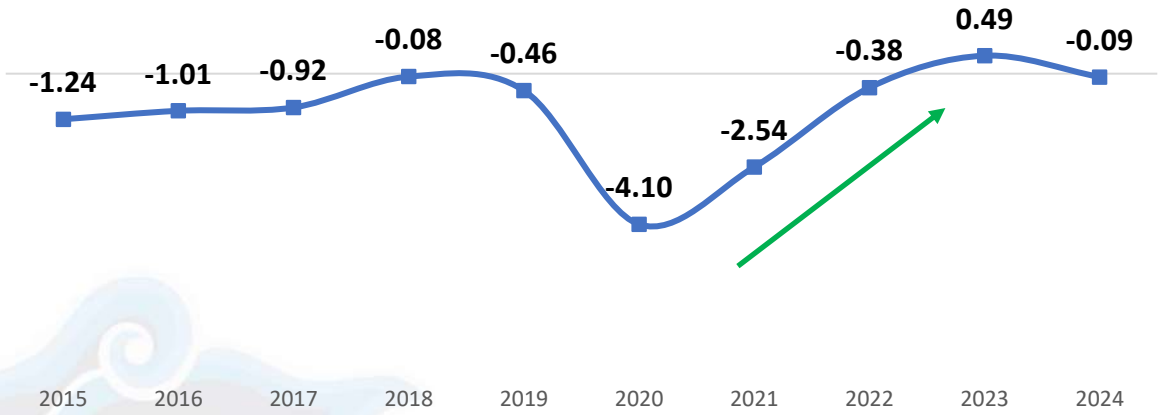
Revenue and Tax ratio increases in line with stronger recovery (% GDP)



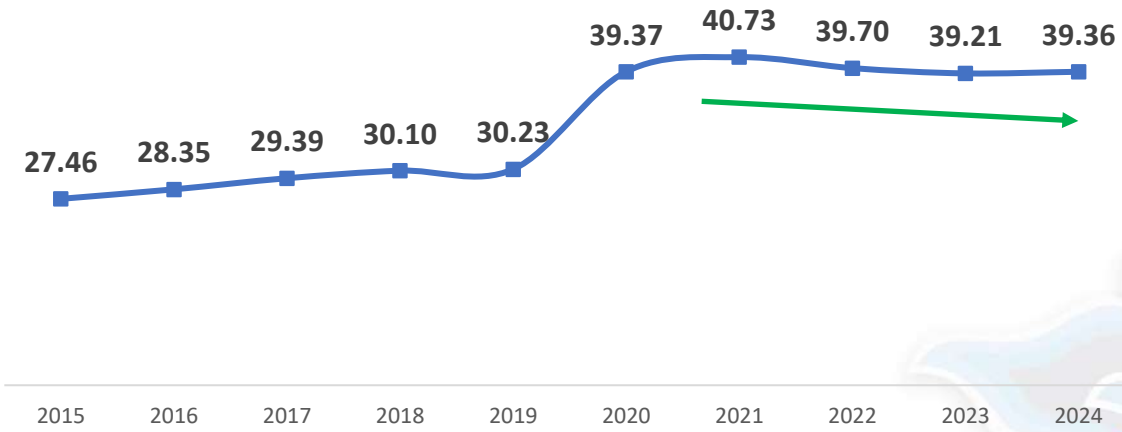
Overall budget position improved significantly (% GDP)



Surplus Primary Balance (% GDP)



Debt Ratio Declines(% of GDP)



Source: Ministry of Finance

The 2025 Budget
Deficit Outlook at 2.78%

Macroeconomic Assumption for the Budget

Indicator	Assumptions		
	2024 Budget	2024 Realization	2025 Budget
Economic Growth (%)	5.2	5.0	5.2
Inflation (%, yoy)	2.8	1.6	2.5
10Y T-Bonds Rate (%, average)	6.7	6.8	7.0
Exchange rate (IDR/US$, average)	15,000	15,847	16,000
Oil Price/ICP (USD/barrel, average)	82	78.1	82
Oil Lifting (tbpd)	635	571.1	605
Lifting Gas (tboepd)	1,033	973	1,005

The 2025 Budget Posture

	Budget	Outlook
A. Revenue	**3,005.1**	**2,865.5**
I. Tax Revenue	2,490.9	2,387.3
1. Tax	2,189.3	2,076.9
2. Custom and Excise	301.6	310.4
II. Non-Tax Revenue	513.6	477.2
III. Grant	0.6	1.00
B. Expenditure	**3,621.3**	**3,527.5**
I. Central Government Expenditure	2,701.4	2,663.4
1. Line Ministries Expenditure	1,160.1	1,275.6
2. Non-Line-Ministries Expenditure	1,541.4	1,387.8
II. Transfer to Region	919.9	864.1
C. Primary Balance	**(63.3)**	**(109.8)**
D. Surplus/(Deficit)	**(616.2)**	**(662.0)**
E. Financing	**616.2**	**662.0**

Developments In Basic Macroeconomic Assumptions

Indicator	2024		2025	
	Budget	Realization	Budget	June Realization
Economic Growth [1] (%)	5.2	2024: 5,03%	5.2	4,87 (yoy)
Inflation [2] (%, yoy)	2.8	1.57	2.5	1,9 (yoy) -0.37 (mtm)
10Y T-Bonds Rate [3] (%, *average*)	6.7	7.0 (eop) 6.8 (ytd)	7.0	6,93 (eop) 6,56 (ytd)
Exchange rate [4] (IDR/USD *average*)	15.000	16.162 (eop) 15.847 (ytd)	16.000	16.428 (eop) 16.304 (ytd)
ICP Indonesia [5] (USD/barel, *average*)	82	71.6 (eop) 78.1 (ytd)	82	70,05 (eop) 69,33 (ytd)
Oil Lifting [5] (tbpd)	635	579.7	605	567.9
Gas Lifting [5] (tboepd)	1.033	978.8	1.005	985,7

Note: [1] As of 31 Mar 2025
[2] As of June 2025
[3] As of 18 July 2025
[4] As of 18 July 2025
[5] As of June 2025

Economic Growth
Domestic demand continues to support the national economy; however, various global risks are being closely monitored and anticipated through well-targeted government policy responses

Inflation Rate
The risk of food inflation due to extreme weather conditions must be anticipated, and inflation control coordination needs to be strengthened

Rupiah exchange rate and SBN Yield
Developments in the economy, financial markets, and global geopolitics—particularly the policy stance of major central banks, especially the Federal Reserve—continue to influence the outlook.

Indonesia Crude Oil Price (ICP)
Oil price movements are affected by geopolitical factors that constrain demand and distribution, amidst OPEC+ policies to increase production..

Oil and Gas Lifting
Optimization of existing wells is pursued through increased drilling activity and enhanced facility maintenance.

The First Semester performance of the 2025 State Budget is on Track

State Budget posted a IDR204.2T Deficit

Account (IDR trillion)	2025			
	Budget	Real. as of May 31	Real. as of June 30	% of Budget
Revenue	**3,005.1**	**995.3**	**1,201.8**	**40.0**
Tax Revenue	2,490.9	806.2	978.3	39.3
1. Tax	2,189.3	683.3	831.1	38.0
2. Costume and Excise	301.6	122.9	147.0	48.7
Non Tax Revenue	513.6	188.7	222.9	43.4
Expenditure	**3,621.3**	**1,016.3**	**1,406.0**	**38.8**
Central Government Expenditure	2,701.4	694.2	1,003.6	37.1
1. Line Ministries Spending	1,160.1	325.7	470.5	40.6
2. Non-Line Ministries Spending	1,541.4	368.5	533.0	34.6
Transfer to Region	919.9	322.0	402.5	43.8
Primary Balance	**(63.3)**	**192.1**	**52.8**	**(83.4)**
Surplus (Deficit)	**(616.2)**	**(21.0)**	**(204.2)**	**33.1**
% to GDP	*(2.53)*	*(0.09)*	(0.84)	
Financing	**616.2**	**324.8**	**283.6**	**46.0**

Source: Ministry of Finance

REVENUE IDR1.201,8 T
40,0% of target

EXPENDITURE IDR1.406,0 T
38,8% of allocation

DEFICIT IDR204,2 T
0,84% of GDP

PRIMARY BALANCE Rp52,8 T

State Revenue was Accelerating in Q2 2025

Fulfilling the expenditure needs of Ministries/Agencies and non-Ministries/Agencies in the First Semester of 2025

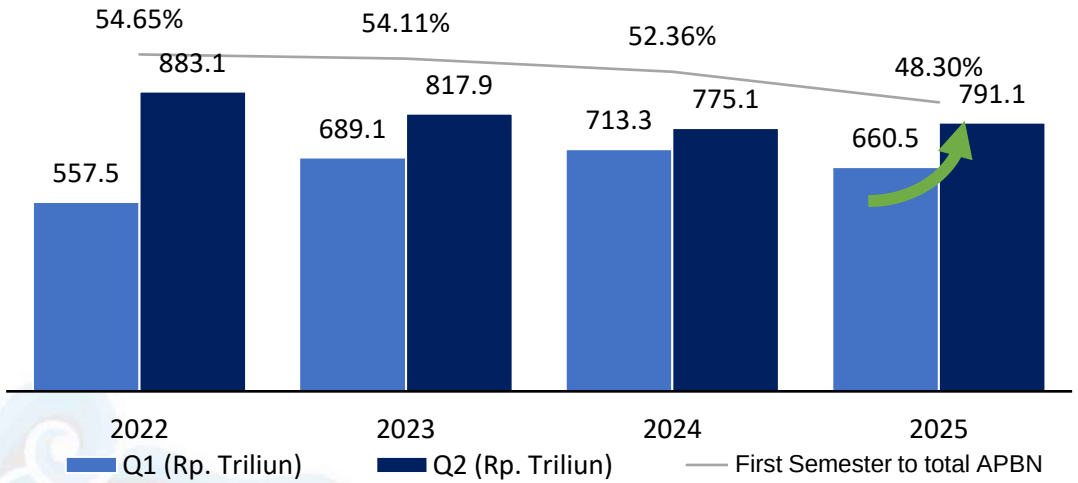
State revenue – First semester
Gross = Rp 1,451.6 T; Net = Rp1,201.8 T

State Revenue influenced by:

- The slowdown in global **economic and trade growth**
- Implementation of **tax administration** adjustments
- Decline in **oil & gas prices** and natural resource commodity production
- Enforcement of 12% **VAT limited to luxury goods and state-owned enterprise (SOE) dividends**

Q1 and Q2 Realization

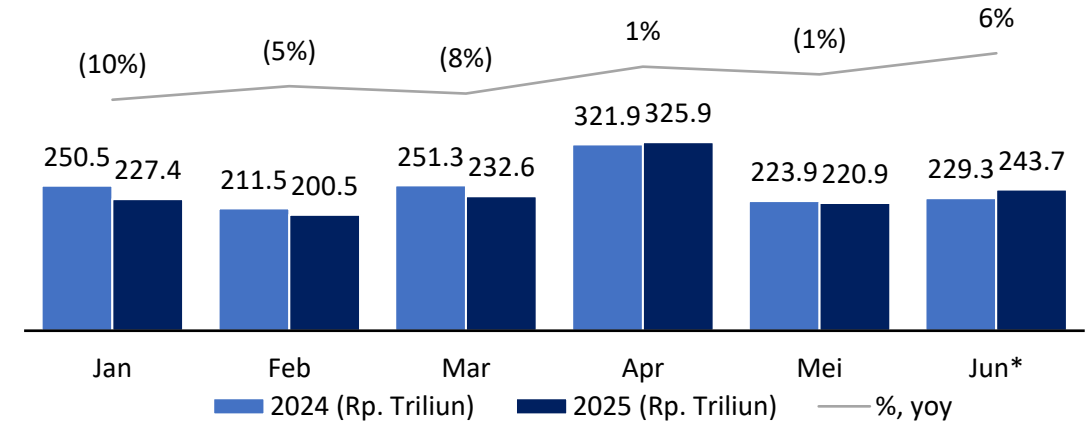
(IDR Trillion , % Growth YoY)



Average Monthly Gross Revenue:
Rp 241.8 T

Monthly realization

(IDR Trillion , % Growth YoY)



Acceleration in Q2, particularly in tax revenue

- Monthly state revenue experienced negative growth **in the first three months** due to tax administration adjustments, global economic conditions, and fluctuations in ICP and energy commodity prices
- **Positive** performance was recorded in April and June, supported by tax and customs revenues related to the **manufacturing, financial, and mining sectors**
- In general, state revenue performance in the **second quarter was better** compared to the first quarter of 2025

Tax Revenue Realization Recorded Positive Performance in Q2 2025

Tax revenue shows a positive trend in the last month

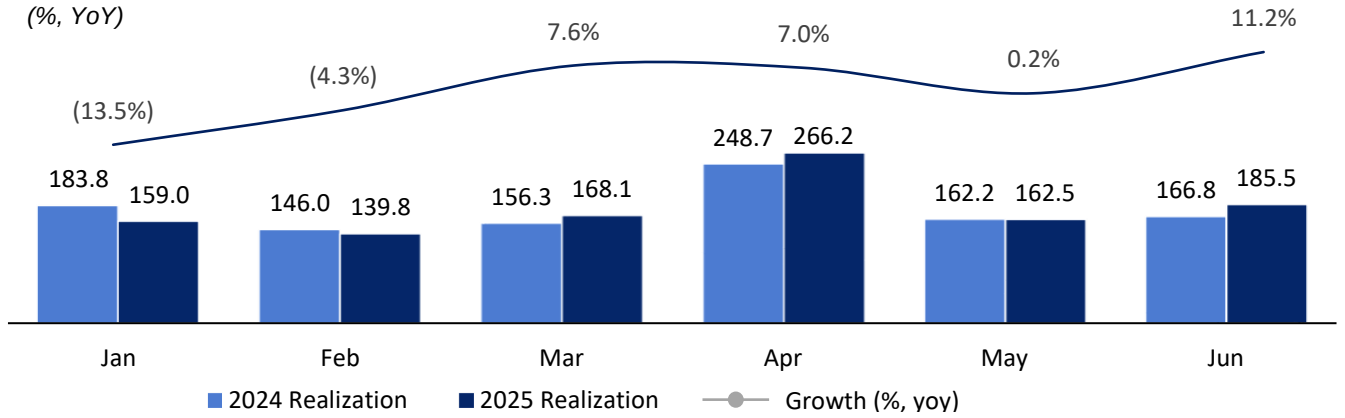
Gross realization until June 2025

Corporate Income Tax	Rp221.58 T	6.5%
Individual Income Tax	Rp14.09 T	35.4%
VAT & Luxury Goods Sales Tax	Rp443.93 T	(4.5%)
Land & Building Tax	Rp11.67 T	250.9%
	Rp1.081,24 T	

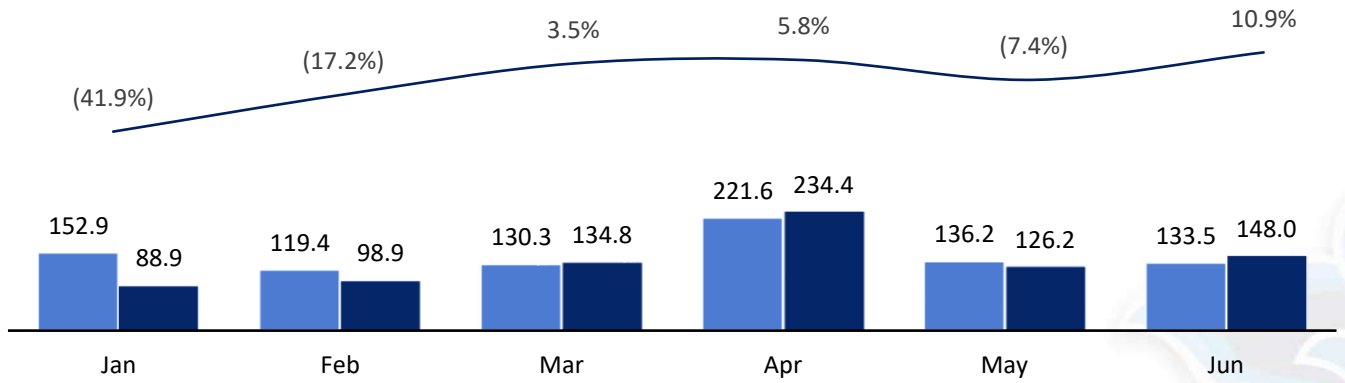
Net realization until June 2025

Corporate Income Tax	Rp152.49 T	(11.7%)
Individual Income Tax	Rp14.03 T	35.6%
VAT & Luxury Goods Sales Tax	Rp267.27 T	(19.7%)
Land & Building Tax	Rp11.53 T	247.2%
	Rp831,27 T	

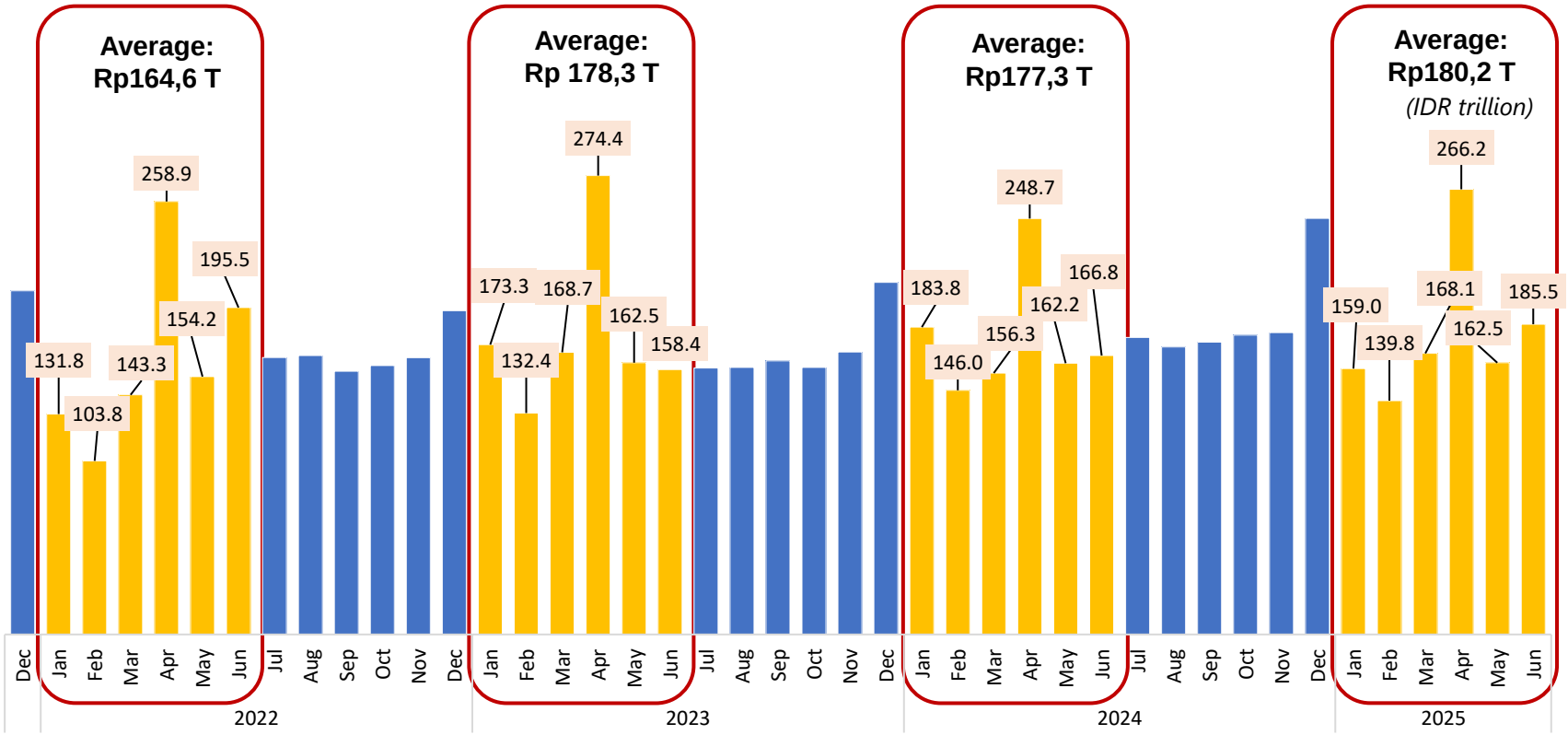
Annual gross tax (%, YoY)



Annual net tax (%, YoY)



Gross Tax Revenue in the First Semester of 2025 Recorded a Positive Performance



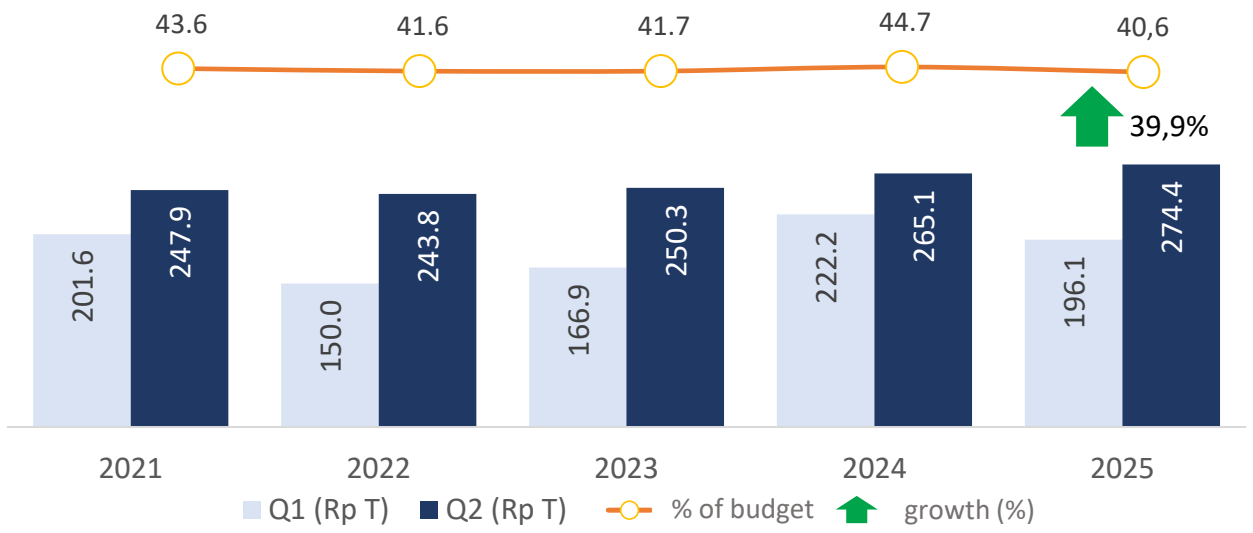
Gross Tax Revenue

First Semester of 2025	Grew by 1,6%	First Semester of 2025
IDR1.063,8 T	→	IDR1.081,2 T

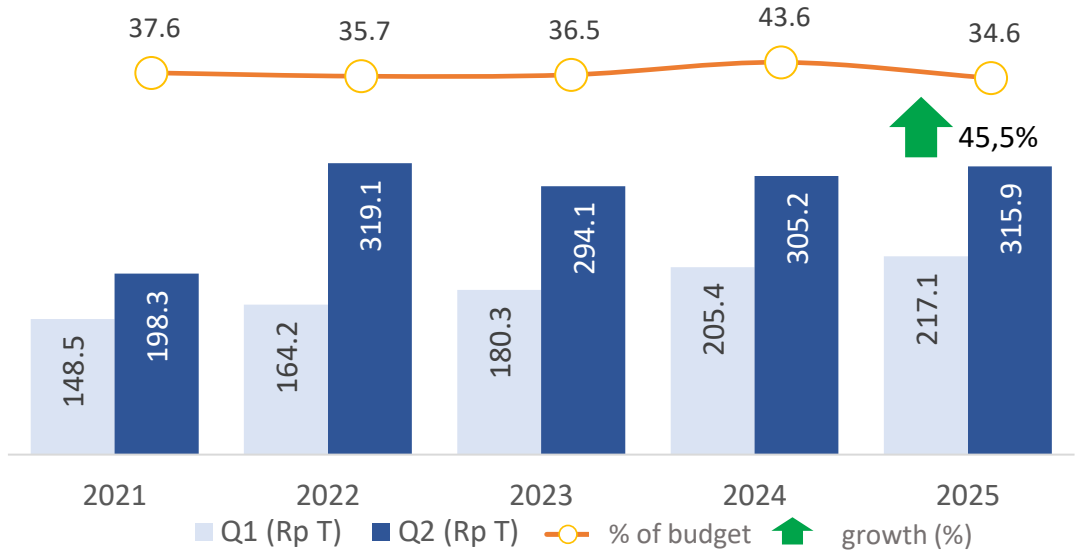
1. Gross tax revenue in the **first semester** of 2025 reached IDR 1,081.2 trillion, representing a **growth of 1.6%** compared to the same period last year. The positive performance of tax revenue has been consistently maintained since March 2025
2. This growth in tax revenue was supported by **positive performance in key sectors**, including:
   a. Tobacco processing industry
   b. Banking
   c. Petroleum refining industry
   d. Four-wheeled vehicle industry
   e. Electricity sector
   f. Palm oil industry
   g. Online trade

Central Government Expenditure Accelerated in Q2 2025 at IDR 1,003.6 Trillion (37.1% of budget)

Line Ministries Expenditure (IDR 470.5 T)



Non-Line Ministries Expenditure (IDR 533.0 T)



Line Ministries Expenditure Policy in Q1 2025

- New Ministries Restructuration
- Preparation for the implementation of priority programs
- Phase I Stimulus Package (electricity discount, tax incentives, etc)
- Payment of Holiday Allowance for Pembayaran THR ASN/TNI/Polri

Line Ministries Expenditure in Q2 2025, was accelerated by:

- Completion of Organizational Structure Drafting for Newly Established Ministries/Agencies
- Payment of 13th-Month Salary for Civil Servants, Military, and Police
- Disbursement of Phase II Stimulus Package (additional basic food assistance cards, food assistance, and wage subsidy assistance)

Non-Line Ministries Expenditure Policy in Q1 2025

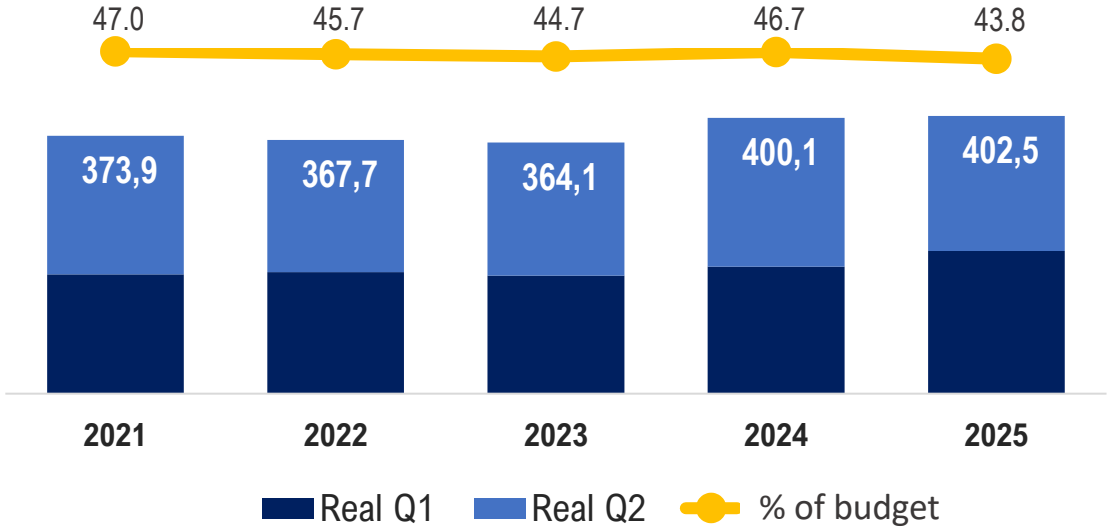
- Payment of Holiday Allowance for Retirees
- Payment of Subdidies

Non-Line Ministries Expenditure in Q2 2025, was accelerated by:

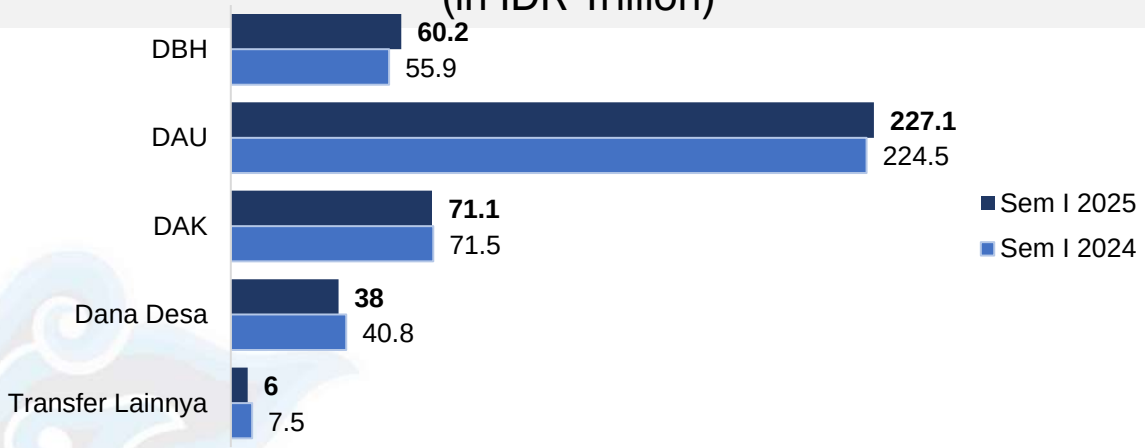
- Payment of 13th-Month Pension
- Payment of Outstanding Q4 2024 Compensation
- Payment of Subsidies

Transfer to Region Realization is Influenced by Local Governments' Performance in Meeting Disbursement Requirement

First Semester Realization of Transfer to Regions for 2021-2025 (in IDR Trillion)



First Semester Realization of Transfer to Regions by Type (in IDR Trillion)



Transfer to Region in the first semester of 2025 of IDR 402.5 T (43.8% of budget) is determined, among other factors, by:

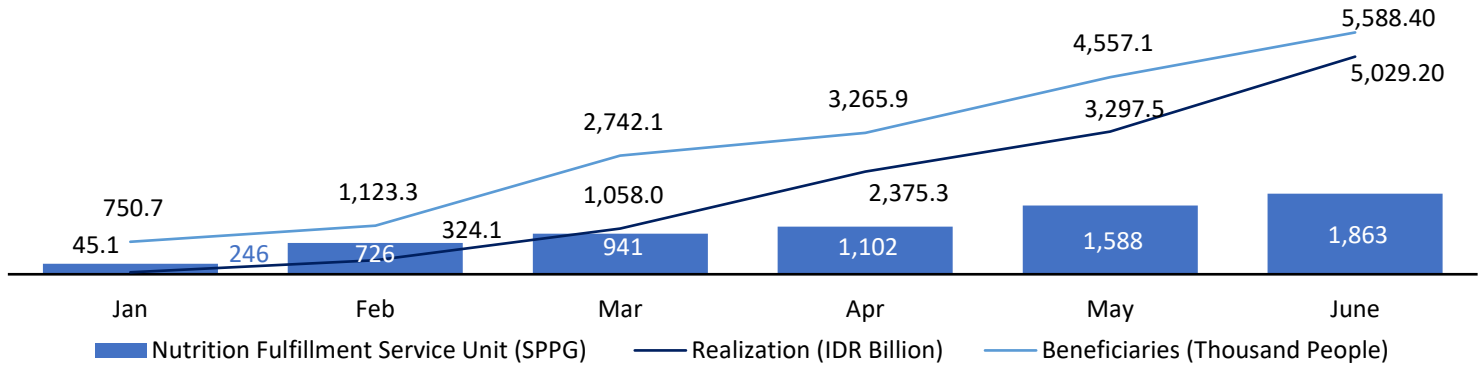
- **Revenue Sharing Fund (DBH) disbursement were higher**, mainly in line with the increase in DBH allocations.
- **General Allocation Funda disbursement also rose, consisting of the DAU Block grant**, which is used for the payment of salaries for regional civil servants and government contract employees (PPPK), as well as the fulfillment of disbursement requirements for the DAU Specific Grant.
- **Special Allocation Fund (DAK) disbursements** were influenced by local governments' performance in submitting the required documents for Non-Physical DAK disbursement and by recommendations from the respective supervising ministries/agencies.
- **Village Fund disbursements** were affected by policy adjustments on Village Fund usage through village-owned enterprises (BUMDes) to support food security, and by disbursement policies to back the Desa Merah Putih Cooperative program.
- **Other Transfers** (Fiscal Incentive Fund, Special Autonomy Fund, and Yogyakarta Special Privilege Fund) were influenced by local governments' compliance in fulfilling the disbursement requirements.

Target and Realization of Free Nutritious Meal Program

Expenditure Realization of Badan Gizi Nasional (BGN)/ National Nutrition Agency

IDR 5.0tn

Progress of the free nutritious meal program, January to June 2025





As of June 30, 2025:

- **5.59 million beneficiaries (students and pregnant women)**
- **Served by 1,863 active nutrition units/ community kitchens**

2025 MBG Objective

Target Beneficiaries 2025:

- **15.5 million school children**
- **2.4 million pregnant/breast feeding women and toddlers.**



Budget Allocation
IDR 71tn

Target Beneficiaries:
82.9 million people, served by 32 thousands SPPG



Budget Allocation
IDR 171tn

- Source: Ministry of Finance

Priority Program Realization: Advancing Education for Future Growth



Flagship School

IDR 2tn

- Construction of 4 Garuda Excellence Senior High Schools
- Development of the Endowment Fund for Garuda Excellence Senior High Schools

Progress

- Two locations are ready (Bangka Belitung and East Central District, NTT)
- Early stage of contruction

Taruna Nusantara School

Infrastructure of Taruna Nusantara Senior High School

(Cimahi, Malang, Magelang)

Realization : IDR 95.74 Bn

IDR1.2tn



Sekolah Rakyat (School for Poor) Academic Year 2025 - 2026

Ministry of Social Affairs
Operational Cost: IDR 1.2tn

Phase 1a. (July) 63 Locations

Phase 1b. (Sept) 37 Locations

Progress

Ministry of Public Works and Housing

Phase I IDR 396.9 Bn	**Renovation of social rehab centers, training facilities, and local government buildings** **Realization: IDR 327.1bn**



School Improvement

Ministry of Primary and Secondary Education

IDR16.97tn

Procurement process for 10,440 education units (78% public & 22% private)

Realization : IDR 587 Bn

Progress:

Six vocational schools revitalized at a cost of IDR 13.9 billion

Progress

Ministry of Public Works (Revitalization of Madrasahs)

IDR2,52tn

Procurement process for 2,120 madrasahs

Realization : IDR 44.4bn

Progress:

Phase I: Entering tender stage

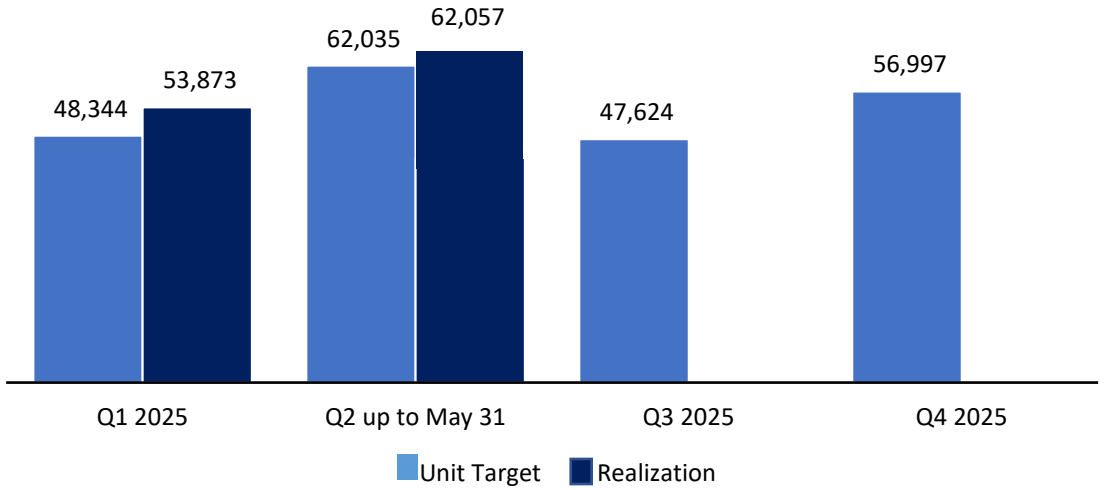
Phase II: Finalizing detailed engineering design (DED)

- Source: Ministry of Finance

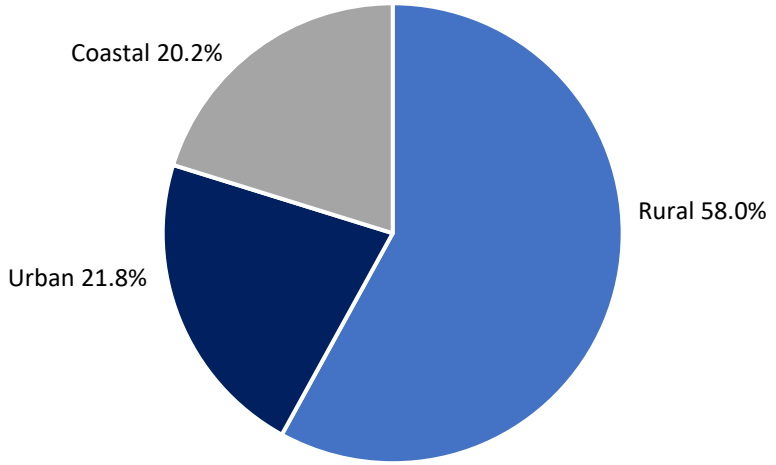
The Distribution of Low-income Community Housing through the Low-Income Subsidized Mortgage Program (FLPP) is on Track

As of June 30, 2025, a total of IDR 18.8 tn has been disbursed. Cumulatively in **FY 2025 to-date, 115,930 housing units worth IDR 18.8** tn have been distributed across 379 regencies/cities.

FLPP 2025 distribution



Distribution by region



Raising the goal for building affordable homes for low-income communities

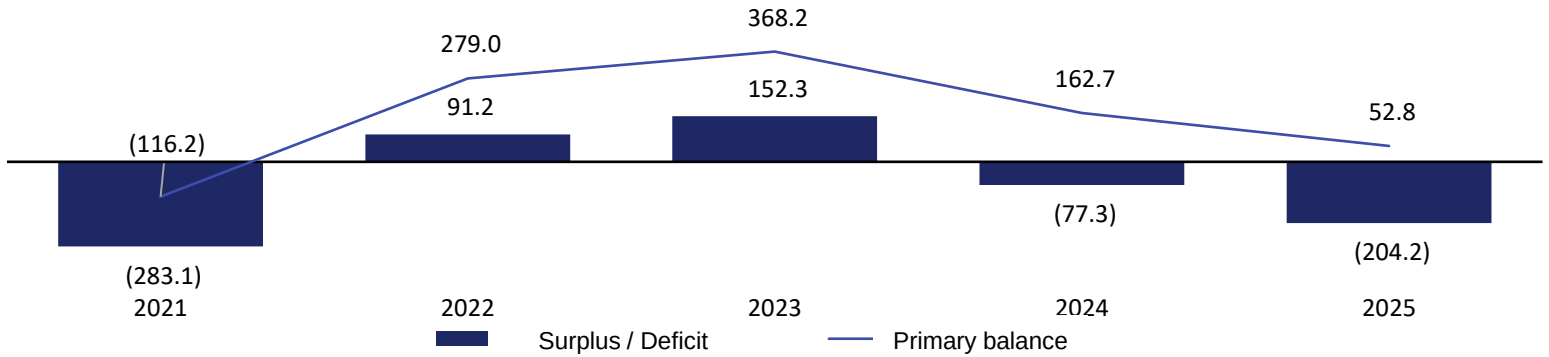
- In 2025, IDR 18.77 tn was allocated with a target of distributing 220,000 housing units
- An additional FLPP allocation is planned to support the 3 million housing program
- Total FLPP distribution from 2010 to 2024 reached 1,598,879 housing units, valued at IDR 151.22tn
- FLPP distribution is carried out by BP Tapera through Banking FLPP distribution is dominated on the islands of Java, Sumatra and Sulawesi which reach 47.6%, 25.2% and 13.9% respectively in accordance with the distribution of the population which is majority in the 3 large islands

- Source: Ministry of Finance

Well-managed Financing to Meet State Budget Needs and able to Maintain State Budget Resilience Amidst Global Volatility

Budget deficit and primary balance – semester I 2021 – 2025

(IDR trillion)



Debt and non-debt financing realization up to first semester 2025[2]

Items (trillion)	2024			2025			
	Perpres 206/2024	Real Smt I	% thd Perpres 206/2024	Budget	Real Smt I	Budget (%)	Growth (%)
I. Government Securities (Net)	554.7	206.2	37.2	642.6	308.6	48.0	49.7
II. Loans (Net)	11.6	8.5	73.1	133.3	6.9	5.1	(19.3)
Total debt financing	566.3	214.7	37.9	775.9	315.4	40.7	46.9

- Semester-I 2025, **the primary balance remained positive**, and the **deficit was maintained** at 0.84% GDP
- Semester-I 2025, net debt financing reached 40.7% of budget, with controlled costs and risks
- Debt financing was carried out in a prudent, flexible, opportunistic, and measured manner, considering timing, size, instruments, and currency mix
- **Cash balance remained ample**, supported by a substantial Treasury Surplus (SAL)

2025 Financing Needs & Sources

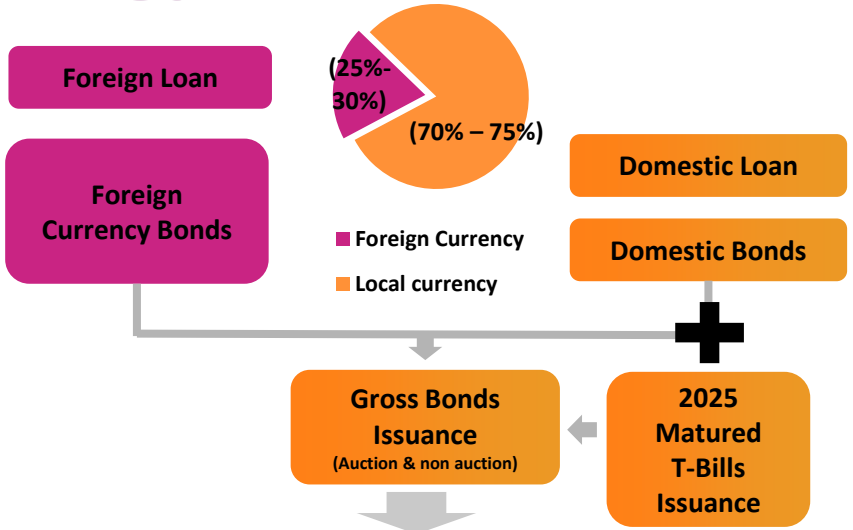
Financing Needs

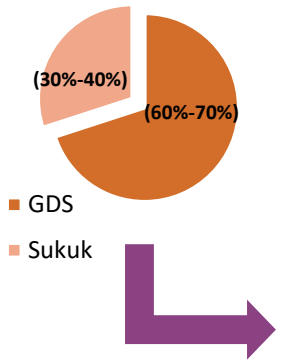
Budget Deficit (2.53% GDP)
Outlook Budget Deficit (2.78% GDP)*

+

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

Financing Sources



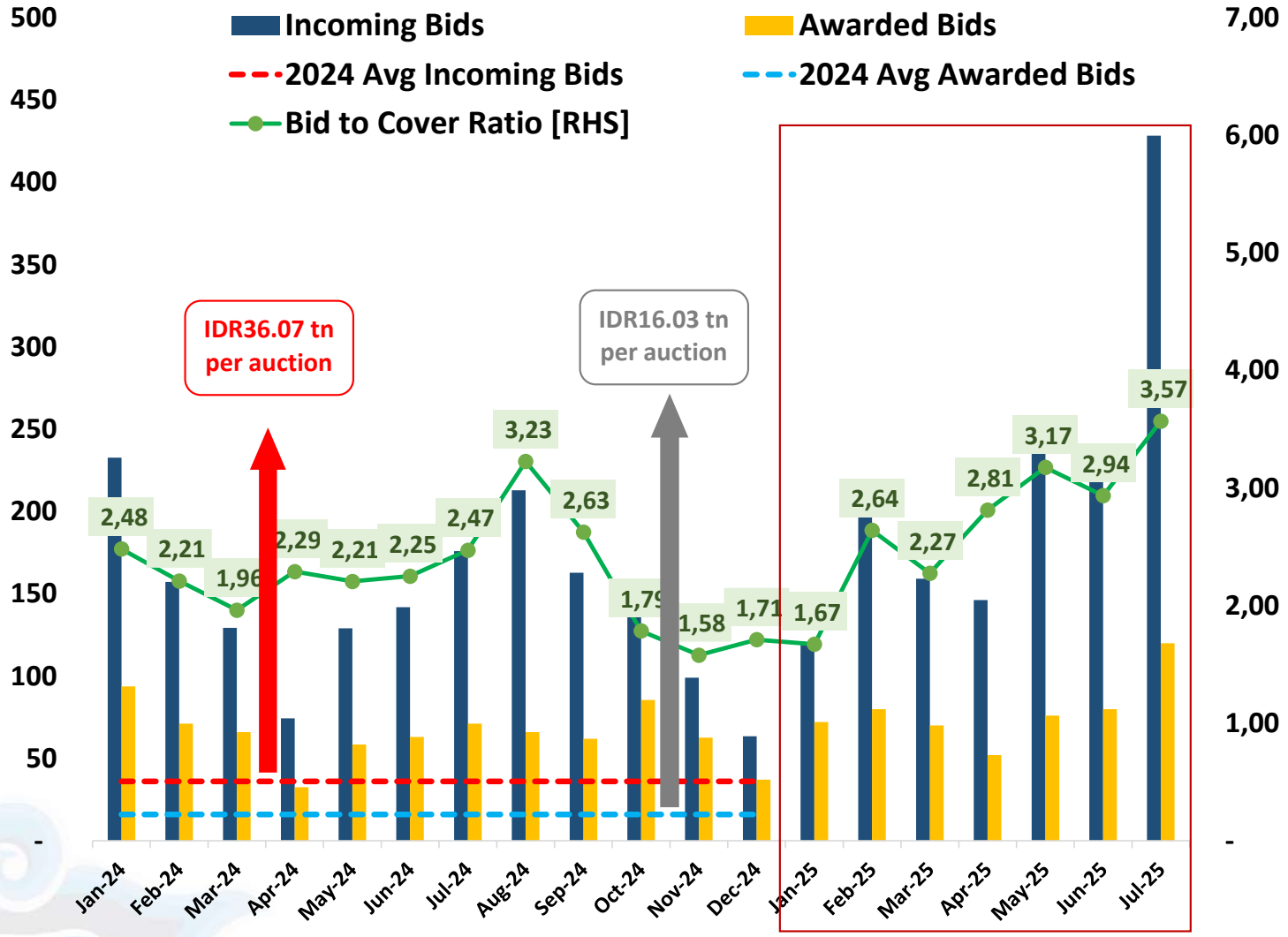


2025 GS Issuances Realization as of July 31st (Trillion IDR)	
Government Debt Securities (SUN)	540.11
IDR Denominated	472.56
FX Denominated	67.55
Sovereign Sharia Securities (SBSN)	288.61
IDR Denominated	208.30
FX Denominated	44.43

Note: Realization of issuances including prefunding in 2024

Primary Market Performance 2024 - 2025

Government Securities (GS)



In 2025 :

- Average incoming bid is **IDR57.11 tn/auction**
- Average awarded bid is

Ownership of Tradable Domestic GS

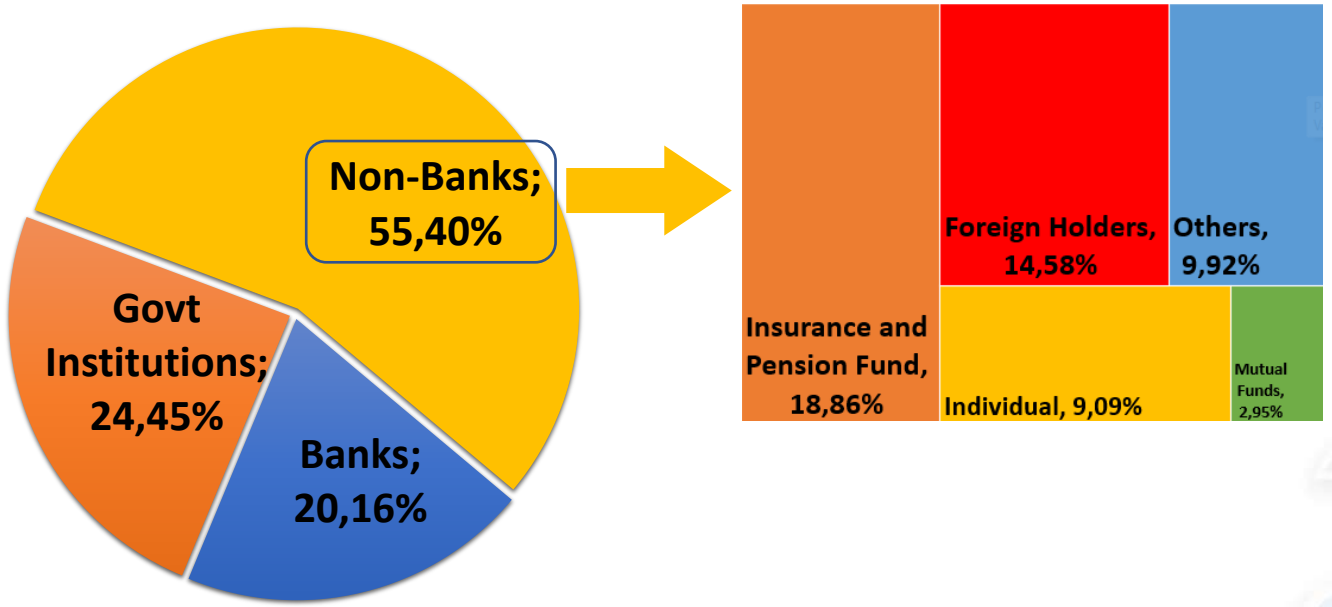
Description	Dec-20		Dec-21		Dec-22		Dec-23		Dec-24		Jul-25	
Banks*	1.375,57	35,54%	1.591,12	34,01%	1.697,43	31,97%	1.495,39	26,52%	1.051,40	17,41%	1.293,85	20,16%
Govt Institutions (Bank Indonesia**)	454,36	11,74%	801,46	17,13%	1.020,02	19,21%	1.095,51	19,43%	1.618,01	26,79%	1.569,34	24,45%
Bank Indonesia (gross)	874,88	22,60%	1.220,73	26,09%	1.453,58	27,38%	1.363,90	24,19%	1.486,85	24,62%	1.606,36	25,02%
GS used for Monetary Operation	420,51	10,86%	419,27	8,96%	433,57	8,17%	268,39	4,76%	(131,16)	-2,17%	37,02	0,58%
Non-Banks	2.040,83	52,72%	2.286,40	48,87%	2.591,98	48,82%	3.048,51	54,06%	3.370,11	55,80%	3.556,18	55,40%
Mutual Funds	161,32	4,17%	157,93	3,38%	145,82	2,75%	177,80	3,15%	186,99	3,10%	189,47	2,95%
Insurance Company and Pension Fund	542,82	14,02%	655,24	14,00%	873,03	16,44%	1.041,40	18,47%	1.145,27	18,96%	1.210,69	18,86%
Foreign Holders	973,91	25,16%	891,34	19,05%	762,19	14,36%	842,05	14,93%	876,64	14,52%	935,71	14,58%
Foreign Govt's & Central Banks	178,31	4,61%	233,45	4,99%	203,11	3,83%	229,16	4,06%	257,36	4,26%	254,27	3,96%
Individual	131,21	3,39%	221,41	4,73%	344,30	6,48%	435,28	7,72%	542,50	8,98%	583,32	9,09%
Others	231,57	5,98%	360,47	7,70%	466,65	8,79%	551,98	9,79%	618,71	10,24%	636,99	9,92%
Total	3.870,76	100%	4.678,98	100%	5.309,43	100%	5.639,41	100%	6.039,52	100%	6.419,37	100%

62.89% 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.

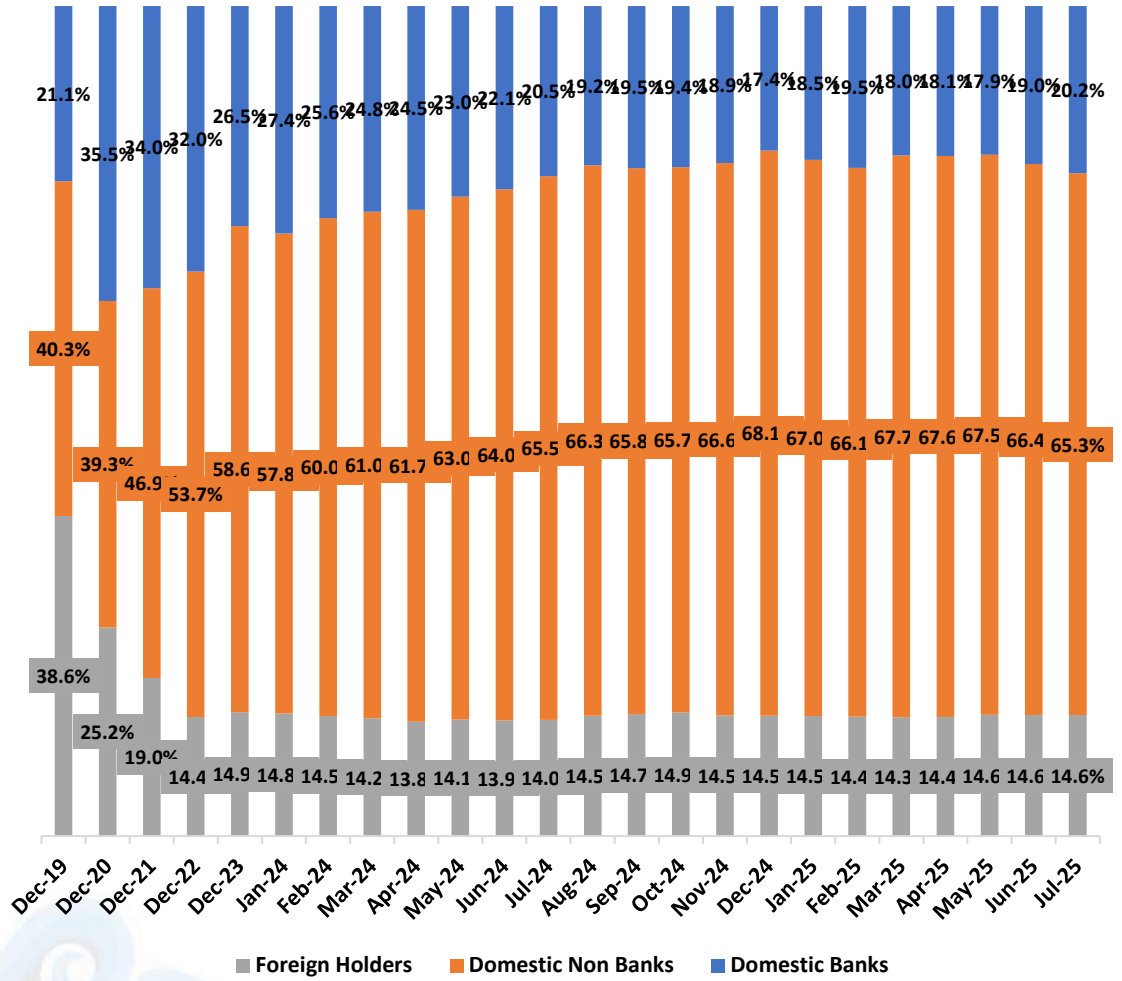
Source : SI-BISSSS



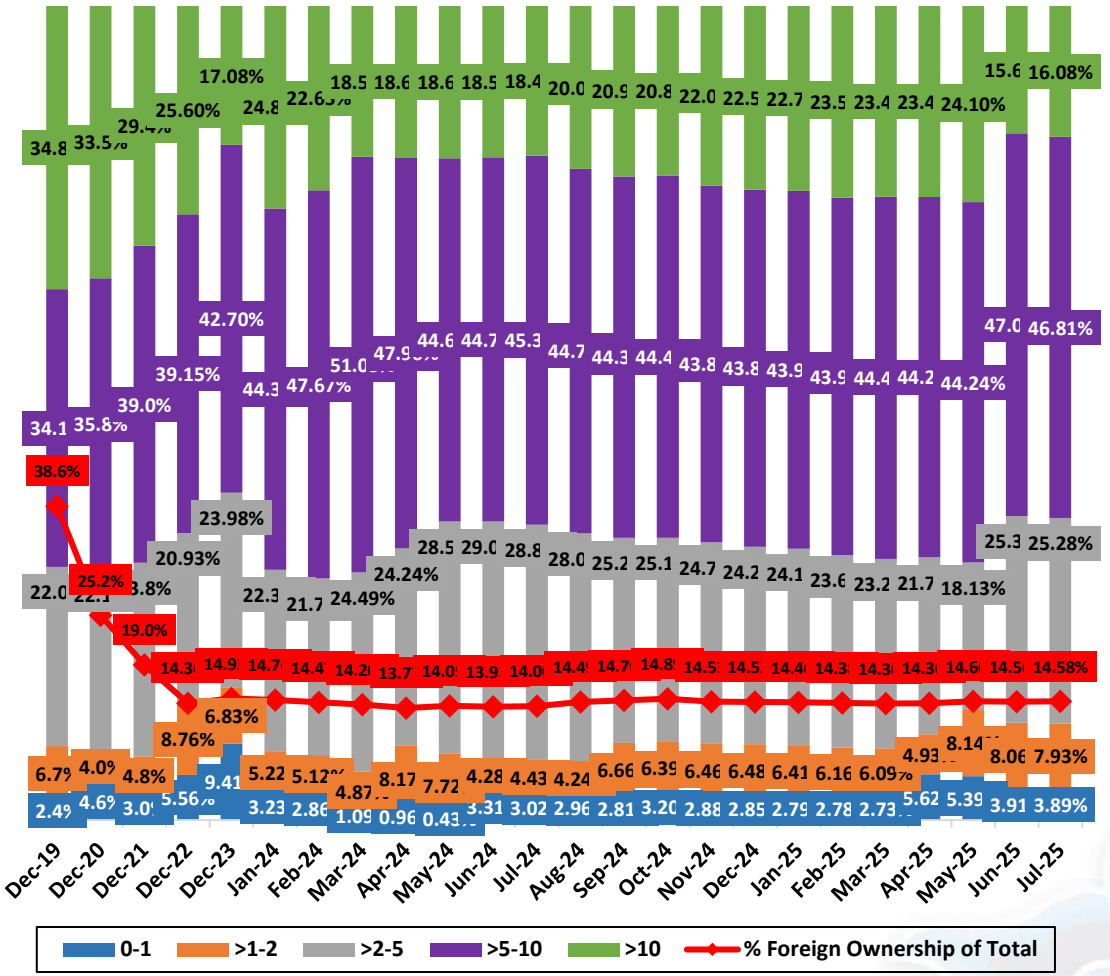
Holders of Tradable Government Secuirities

More Balance Ownership In Terms of Holders and Tenors

Holders of Tradable Gov't Domestic Debt Securities



Foreign Ownership of Gov't Domestic Debt Securities by Tenor



Source : SI-BISSSS

Government Guarantee For Infrastructure Development

Reflects strong commitment to national infrastructure development

Government Guarantee Program

Credit Guarantee	• **Power (Electricity)** – Full credit guarantee for PT PLN's debt payment obligations under FTP 1 10.000MW and 35GW programs* • **Clean water** – Guarantee for 70% of PDAM's debt principal payment obligations • **Toll road** – Full credit guarantee for PT Hutama Karya's debt payment obligations for the development of Sumatra Toll Roads • **Infrastructure** - Full credit guarantee on SOE's borrowing from international financial institution & financing guarantee for PT SMI's local infrastructure • **Public Transportation (Light Rail Transit)** – Full credit guarantee for PT Kereta Api Indonesia's debt payment obligations for the development of LRT Jabodebek • **Jakarta-Bandung High Speed Train** – Full credit guarantee in order to fulfill obligation of sharing amount of capital into joint corporation or to financing the cost overrun of KCJB project.
Business Viability Guarantee (BVG)	**Power (Electricity)** – Guarantee for PT PLN's obligations under Power Purchase Agreements with IPPs (off-take and political risk) under FTP-2 10.000MW and 35GW programs*
PPP Guarantee	**Infrastructure** – Guarantee for Government-related entities obligations (line ministries, local governments, SOEs, local SOEs) under PPP contracts/agreements
Political Risk Guarantee	**Infrastructure** – Guarantee for infrastructure risk of National Strategic Projects (Presidential Decree No.3/2016 and its changes) which are not covered by other type of guarantees

Contingent Liabilities from Government Guarantee as of Q1 2025**

No	Central Government Guarantee for Infrastructure Programs	Exposure/ Outstanding (USD billion)
1	Coal Power Plant 10,000MW Fast Track Program (FTP 1)	0,04
2	Renewable energy, Coal and Gas Power Plant 10,000 MW (FTP 2)	3,99
3	Electricity Infrastructure Fast Track Program (35 GW)	5,59
4	Direct Lending from International Financial Institution to SOEs	3,13
5	Public –Private Partnerships (PPP)	6,67
6	Sumatera Toll Road	1,60
7	Light Rail Transit Jabodebek	1,32
8	Jakarta-Bandung High Speed Train	0,30
9	Clean Water Supply Program	0,01
10	Regional Infrastructure Financing	0,03
	Total	22.67

- Maximum new guarantee issuance for the period 2025-2029 is set at 0.6% of GDP per year.
- Starting from 2008 the Government has allocated a contingent budget with respect to these guarantees. The allocated fund is then transferred to a guarantee reserve fund. This reserve fund can be used to serve any claims that may arises from the guarantees.

*) MOF provides both credit guarantees and BVGs for 35GW program
**) Currency conversion of IDR16,588.00/USD1, IDR17,892.65/EUR1 and IDR 110.29/JPY1 (27 March 2025)

2025 Global Sukuk Transaction Summary
(Prefunding)

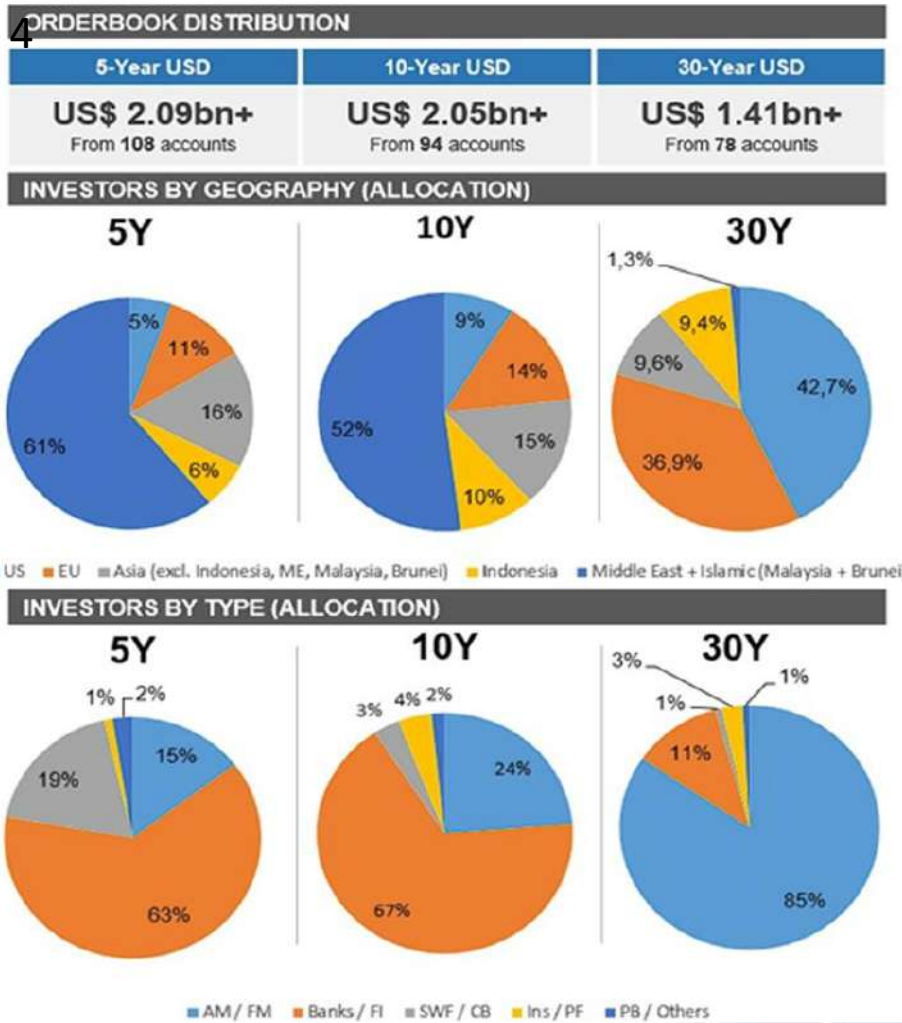
- The Republic of Indonesia (the "Republic") approached the markets for its second Sukuk issuance in 2024 and successfully priced a US$ 2.75 billion Sukuk offering comprising of US$ 1,100 million 5.5-year, US$ 900 million 10-year, and a 30-year US$ 750 million tranche.
- The transaction received positive response from investors since the start of bookbuilding, generating a combined final order book exceeding US$ 5.5 billion reflecting an oversubscription of 2.0x. The transaction is priced at 5.0% for 5.5-year, 5.25% for 10-year, and 5.65% for 30-year tranche.
- Several notable achievements of this transaction include:

1. This marks the fourth time the Republic has accessed the USD debt capital markets, making it the sole Asian sovereign to successfully access the USD market four times throughout 2024 indicating sustained investor's interest in the Republic's issuance.
2. The final price represents the tightest ever print on a spread basis compared to U.S. Treasuries across the 10-year and 30-year tenorsfrom the Republic for both its Conventional and Sukuk issuances historically.
3. The final order size is the largest USD issuance in ASEAN this year and helped the Republic raise a total of $5.1 billion USD Sukuk Issuance, this marks the largest amount that the Republic has managed to raise in a single year via Sukuks historically.
4. Higher allocation to investors from Middle East, Malaysia, and Brunei on the 5.5-year and 10-year tranche.

ssue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US$ Trust Certificate ("Sukuk") issued under a USD$45 billion Trust Certificate Issuance Programme		
ssuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)		
ssue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)		
Pricing Date	18 November 2024		
ssue Date	25 November 2024		
Tenor	5.5Y Sukuk	USD 10Y Sukuk	USD 30Y Sukuk
Maturity Date	25 May 2030	25 Nov 2034	25 Nov 2054
Tranche Size	USD 1.1 billion	USD 900 million	USD 750 million
Profit Rate	5.00% Fixed, Semi-annual, 30/360	5.25% Fixed, Semi-annual,30/360	5.65% Fixed, Semi-annual 30/360
Re-Offer Price	100.00%	100.00%	100.00%
Reoffer Spread	UST + 72 bps	UST + 83.4 bps	UST + 103.8 bps
Reg S ISIN	USY68613AD30	USY68613AE13	USY68613AF87
144A ISIN	US71567TAD46	US71567TAE29	US71567TAF93
Use of Proceeds	The Obligor will use the net proceeds it receives from the issue of 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	Deutsche Bank, Dubai Islamic Bank, J.P. Morgan, KFH Capital, Standard Chartered Bank (B&D)		
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk		

Confidential

4



Source: Ministry of Finance

SEC16 - Global Bond Transaction Summary

- **Landmark return to the USD and EUR Capital Markets** – The transaction marked the Republic's return to the G3 primary markets in just less than two months, demonstrating the Republic's strong access to the international capital markets and a testament to the high credit quality. This represented the Republic's largest deal printed in the international markets since 2021, surpassing the initial target size and meeting the Republic's price objectives.
- **First-mover advantage to capitalize on deep investor liquidity in the full opening week of 2025** – The Republic is the first sovereign issuer to open the Asia ex-Japan G3 bond market this year, on the back of generally positive risk sentiment and global macro backdrop.
- **High-quality robust orderbook laid foundations for a sharp pricing outcome** – Initial Price Guidance (IPG) was announced for the USD tranches at Asia open, followed by IPG for EUR tranches at London open within the same day.

Transaction Summary

Issuer	**Republic of Indonesia (the "Republic")**			
Issue Format	SEC Registered, Senior Unsecured, Fixed Rate Notes off SEC Shelf			
Issuer Ratings	Baa2 (Stable) / BBB (Stable) / BBB (Stable) (Moody's / S&P / Fitch)			
Issue Ratings	Baa2 / BBB / BBB (Moody's / S&P / Fitch)			
Pricing Date	January 8, 2025			
Settlement Date	January 15, 2025 (T+5)			
Tenor	**5Y USD**	**10Y USD**	**8Y EUR**	**12Y EUR**
Maturity Date	January 15, 2030	January 15, 2035	January 15, 2033	January 15, 2037
Issue Size	USD 900 million	USD 1.1 billion	EUR 700 million	EUR 700 million
Coupon	5.25% S/A, 30/360	5.60% S/A, 30/360	3.875% Ann Act/Act (ICMA)	4.125% Ann Act/Act (ICMA)
Re-Offer Price / Yield	99.783 / 5.30%	99.622 / 5.65%	99.716 / 3.917%	98.835 / 4.251%
Reoffer Spread	CT5+83.3bps	CT10+96.3bps	MS+145bps	MS+170bps
Par Call	1-month	3-months	6-months	6-months
Other Details	USD200k/1k denominations (USD), EUR100k/1k denominations (EUR), New York Law			
Listing	SGX-ST and Frankfurt Stock Exchange			
Use of Proceeds	The Republic intends to use the net proceeds from the sale of the Bonds for the general purposes of the Republic			
Joint Lead Managers	ANZ, BofA Securities (B&D), HSBC, J.P. Morgan and Standard Chartered Bank			
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk			

Orderbook Distribution

USD 5Y	USD 10Y	EUR 8Y	EUR 12Y
Books > $2.05bn (incl. $2.45mm add'l "prop" per HKSFC code) from 105 accounts)	Books > $2.20bn (incl. $3.4mm add'l "prop" per HKSFC code) from 114 accounts	Books > €1.2bn from 63 accounts	Books > €1.2bn from 57 accounts

Investors by Geography



Investors by Type



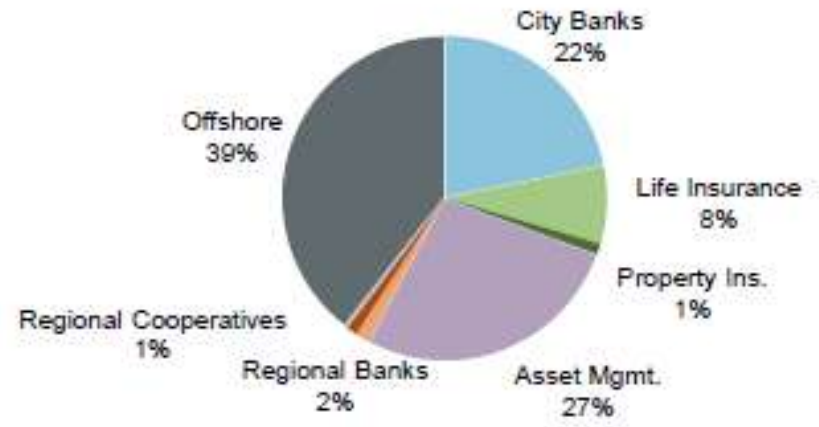
2025 Samurai Bond Transaction Summary

- The Republic of Indonesia ("RoI") successfully priced a JPY 103.2 billion multi-tranche Samurai Bonds transaction, marking RoI's eleventh consecutive year accessing the Samurai market. Notably, for the third consecutive year, the 20-year tranche was labeled as a Blue Bond under RoI's renewed Sustainable Government Securities Framework, underscoring the nation's continued commitment to sustainable development. With this transaction, RoI became the first sovereign issuer in the Samurai market in 2025.

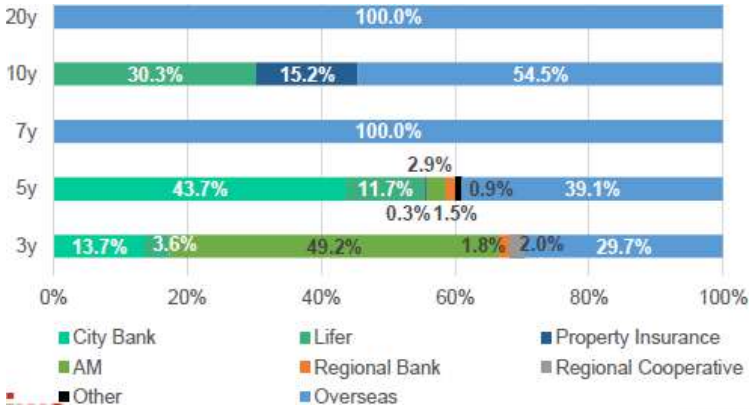
- Despite the substantial impact of the Bank of Japan's rate hikes on the Japanese bond market since last year—along with heightened market volatility and pronounced global uncertainty following "Liberation Day" in early April 2025—RoI's robust creditworthiness and strong presence in global capital markets elicited solid demand from both domestic and international investors.

- Reflecting the volatile market environment, investor demand skewed toward the shorter tenors, consistent with other recent cross-border JPY transactions, with more than 80% of orders placed in the 3- and 5-year tranches across a wide range of investors. The longer-dated tranches (7-, 10-, and 20-year) were well supported by offshore investors, while 45% of demand for the 10-year tranche came from domestic investors (mainly life insurers).

Investor Breakdown



Issuer	Republic of Indonesia				
Pricing Date	May 23rd 2025				
Issue Date	June 2nd 2025				
Format	Samurai				
Total Size	JPY 103.2bn				
Ranking	Senior, Unsecured				
Bond Rating	Baa2(Moody's) / BBB(S&P) / BBB(Fitch)				
Tenor	3 year	5 year	7 year	10 year	20 year
ESG Label	-	-	-	-	BLUE
Size (JPY bn)	JPY 54.9bn	JPY 34.3bn	JPY 3.7bn	JPY 6.6bn	JPY 3.7bn
Maturity Date	3rd July 2028	2nd July 2030	2nd June 2032	1st June 2035	2nd June 2045
Re-offer Spread (YMS, TONA based)	75bp	93bp	98bp	105bp	125bp
Coupon	1.56%	1.87%	2.05%	2.35%	3.26%
Issue Price	100%				



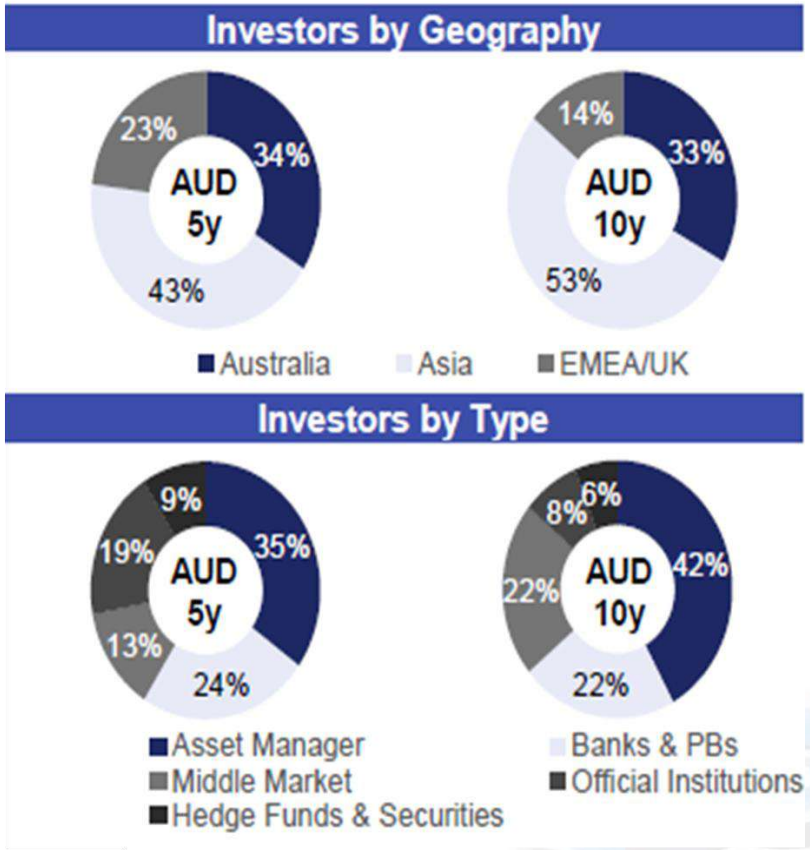
2025 Debut Issuance Kangaroo Bonds

This transaction marks the first AUD sovereign bond offering rated in the BBB category, yet it generated strong investor interest, as the Republic's credit quality offered valuable investment diversification.

Series	RIAUD0830	RIAUD0835
Rating	Baa2 / BBB / BBB (Moody's / S&P / Fitch)	
Tenor	5Y	10Y
Mty Date	Aug 14, 2030	Aug 14, 2035
Pricing Date	August 7, 2025	
Settlement/ Issuance Date	August 14, 2025 (T+5)	
Size	AUD500 mio	AUD300 mio
Coupon	4,400% p.a. (semi-annual)	5,300% p.a. (semi-annual)
Yield	4,427% (SQ ASW +90bps)	5,380% (SQ ASW +135bps)

Highlights :

- ***Strong orderbook.*** Total order reached AUD8,02 bio *(5Y:* AUD3,76 bio *; 10Y:* AUD4,26 bio*)* with *bid-to-cover ratio 5Y:* 7,52x dan *10Y:* 14,2x**.**
- ***Impeccable Timing.*** Managed to price *inside the USD curve*:*
  - *Yield* AUD 5Y: 4,427% *equiv.* USD *yield* 4,294 (vs 4,342 % if issued in USD)
  - *Yield* AUD 10Y: 5,380% *equiv.* USD *yield* 4,998% (vs 5,030% if issued in USD)
- ***Spread tightening across all transches:***
  - 5Y tenor, tightened by 25 bps (IPG 115 bps -> LY 90 bps)
  - 10Y tenor, tightened by 30 bps (IPG 165 bps -> LY 135 bps)
- ***Enhancing Engagement with Australian Investors.*** ~1/3 of the allocation was given to Australian investors as a form of domestic support, paving the way for Indonesian corporations and other emerging market issuers.



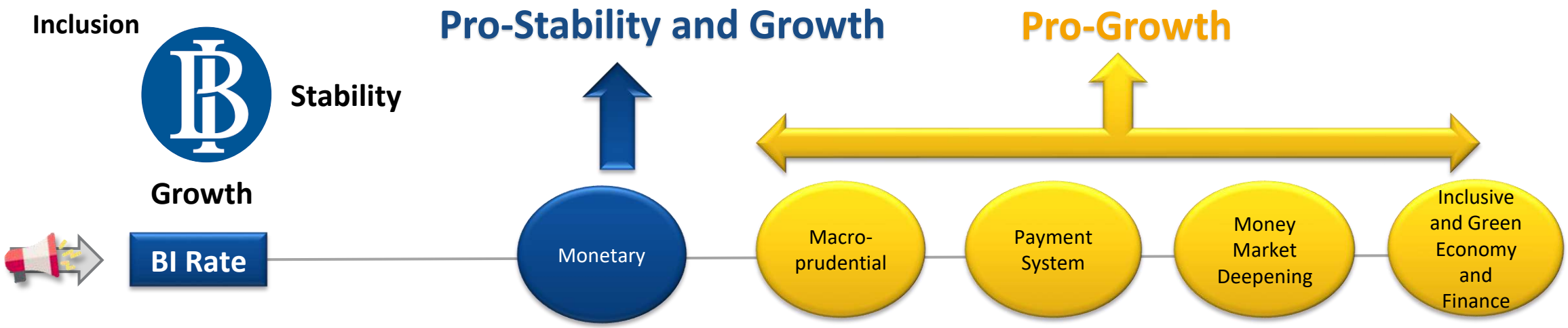


Section 5

Monetary & Financial Sector

"Credible Monetary Policy and Resilient Financial Sectors"

Bank Indonesia Policy Mix: August 2025
Maintaining Stability, Strengthening Economic Growth



The Bank Indonesia Board of Governors decided on 19-20th August 2025 to lower the BI-Rate by 25 bps to 5.00%, while also lowering the Deposit Facility (DF) rate by 25 bps to 4.25% and the Lending Facility (LF) rate by 25 bps to 5.75%. The decision is consistent with projections of decreasing inflation in 2025 and 2026 within the 2.5±1% target corridor, maintained rupiah exchange rate stability in line with economic fundamentals and the need to drive economic growth commensurate with economic capacity.

BI-Rate Lowered by 25 Bps to 5.00%,

Strengthening the pro-market monetary operations strategy to enhance the effective transmission of lower interest rates, increase liquidity, accelerate money market and foreign exchange market deepening and attract foreign capital inflows by:

- strengthening the effective transmission of lower interest rates by managing the interest rate structure of monetary instruments and forex swaps by maintaining the attractiveness of portfolio inflows to domestic financial assets,
- maintaining adequate liquidity in the money market and banking industry through Bank Indonesia Rupiah Securities (SRBI) auctions in a measured manner and purchasing government securities (SBN) in the secondary market, and
- strengthening the function of Primary Dealers (PD) to increase Bank Indonesia Rupiah Securities (SRBI) transactions in the secondary market and repurchase agreement (repo) transactions between market players.

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

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

Expanding digital acceptance by:

(i) strengthening awareness among users and merchants concerning the implementation of QRIS Cross-Border cooperation with Japan for the outbound Indonesian corridor,

(ii) developing QRIS Cross-Border cooperation with Japan for the inbound Indonesian corridor and preparing for the implementation of QRIS Cross-Border cooperation with China, and

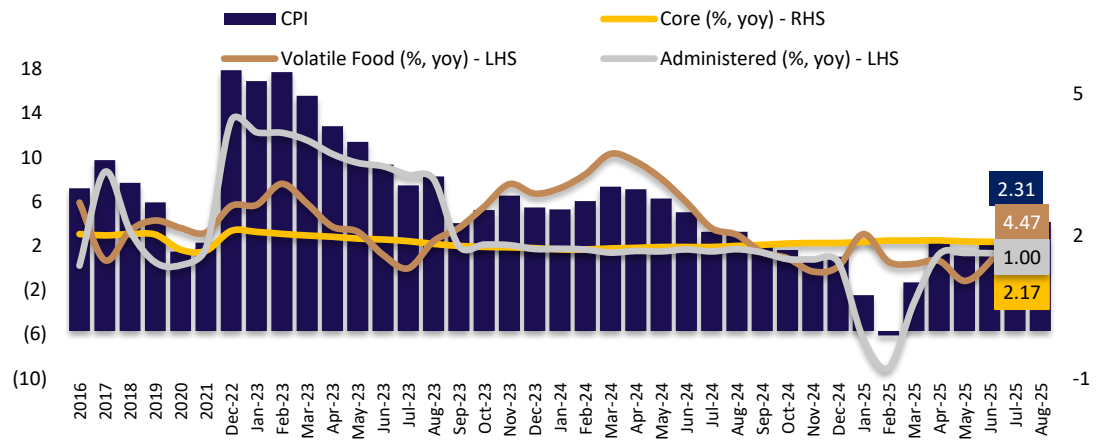
(iii) expanding implementation of QRIS Tap by increasing digital adoption in various sectors and regions,

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

Source: Bank Indonesia

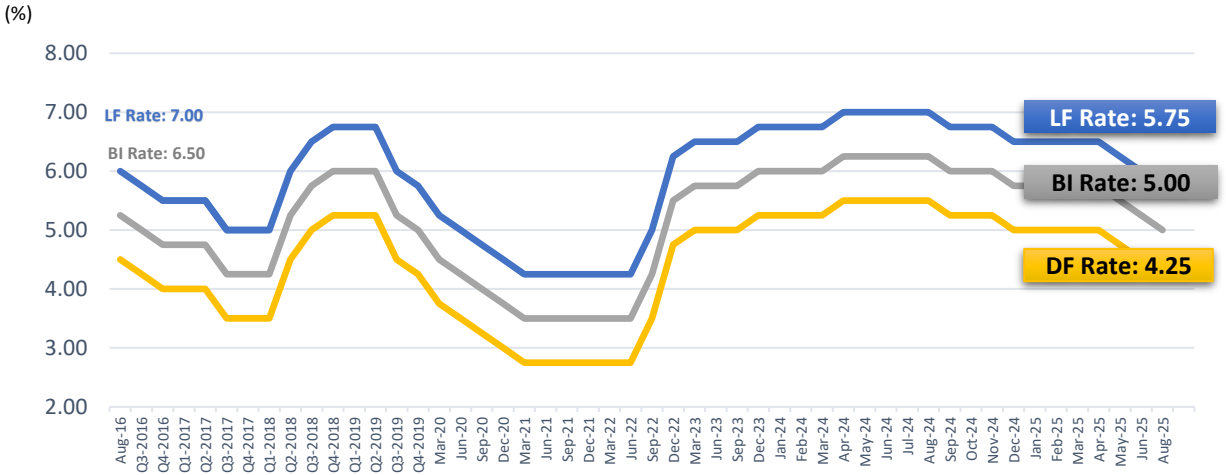
Manageable Monetary Environment Amid Persistently High Global Uncertainty

Well Maintained Inflation Ensured Price Stability



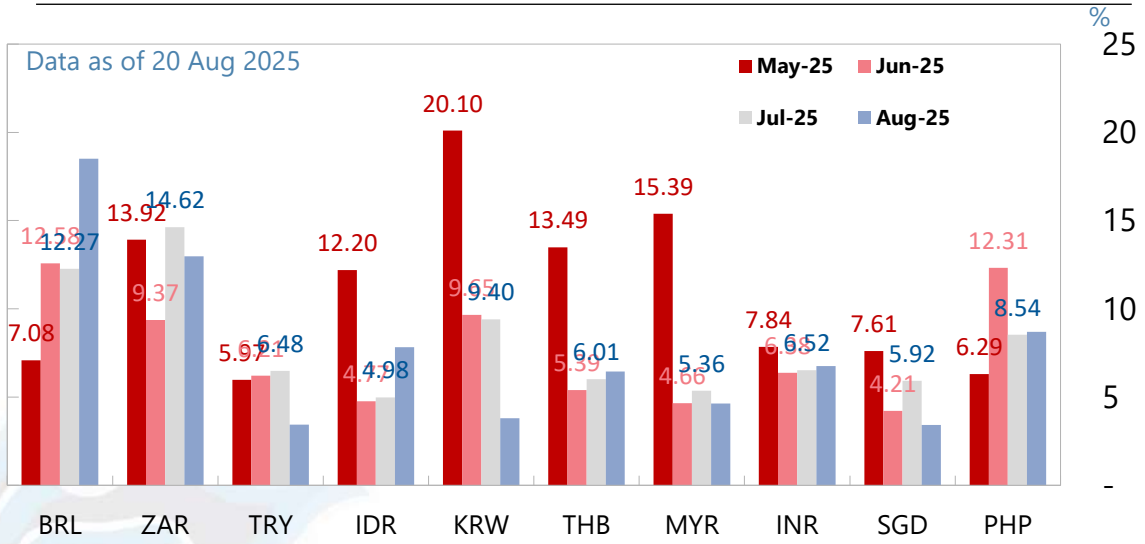
Source: BPS

Strengthened Monetary Policy Framework



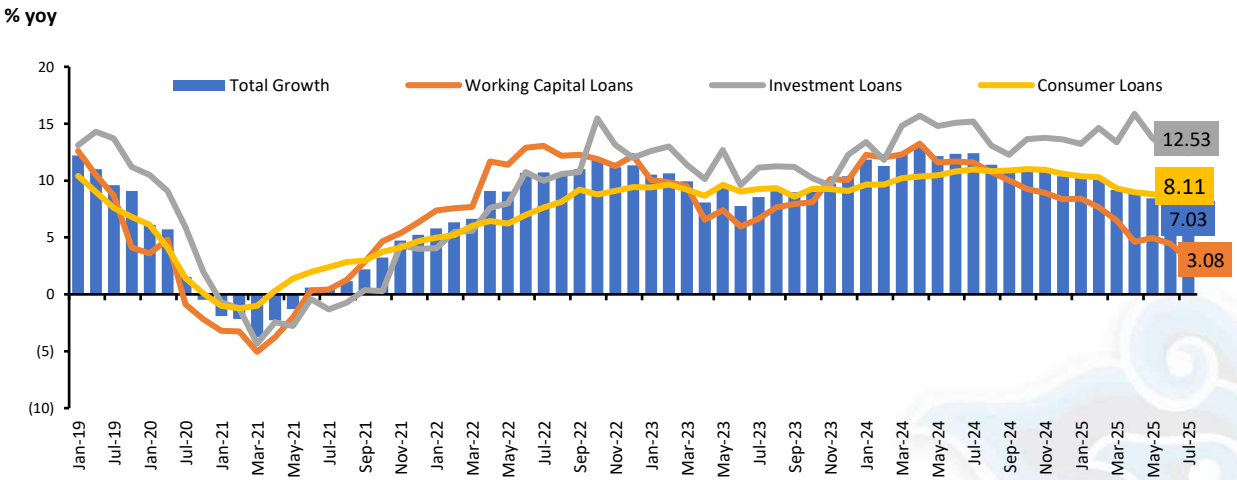
Source: Bank Indonesia

Rupiah Exchange Rate Volatilty



Source: Reuters, Bloomberg, calculated.

Credit Growth Profile

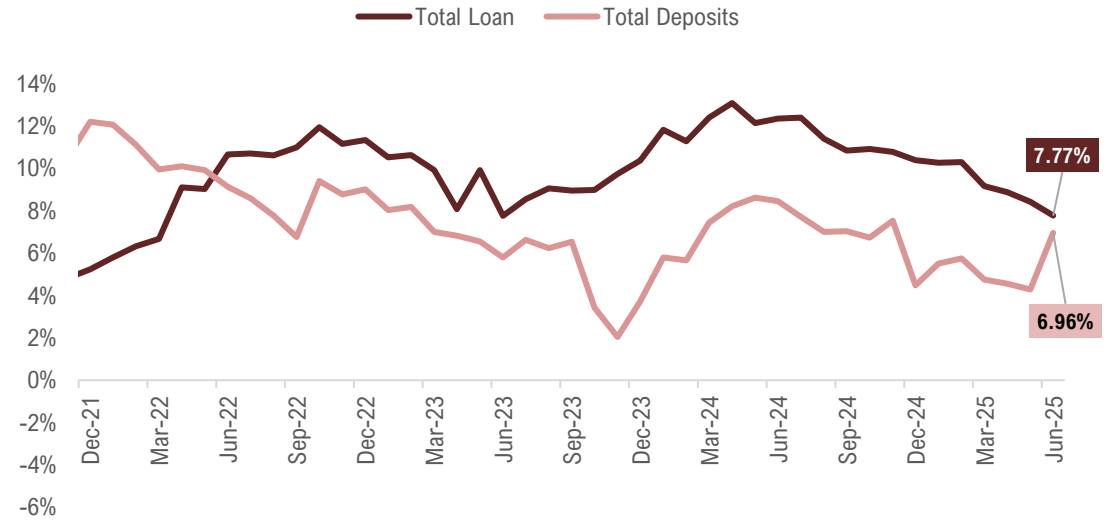


Source: OJK, Bank Indonesia

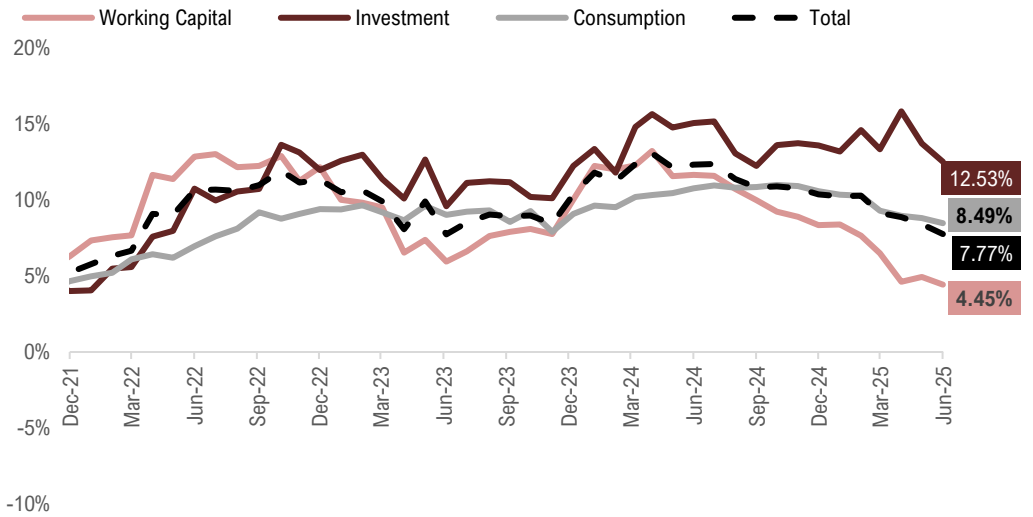
Banking Intermediation

Despite global economic challenges, banking intermediation and total deposits continue to grow, driven by increased demand for investment and corporation loans.

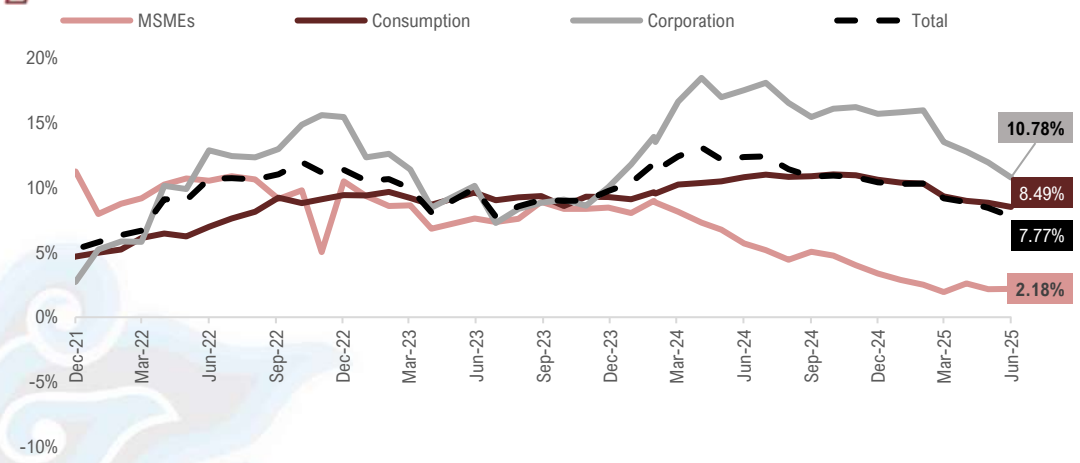
In **June 2025,** banking intermediation remained stable with a well-managed risk profile, as **bank credit and total deposits** grew moderately **by 7.77% (yoy) and 6.96% (yoy),** respectively.



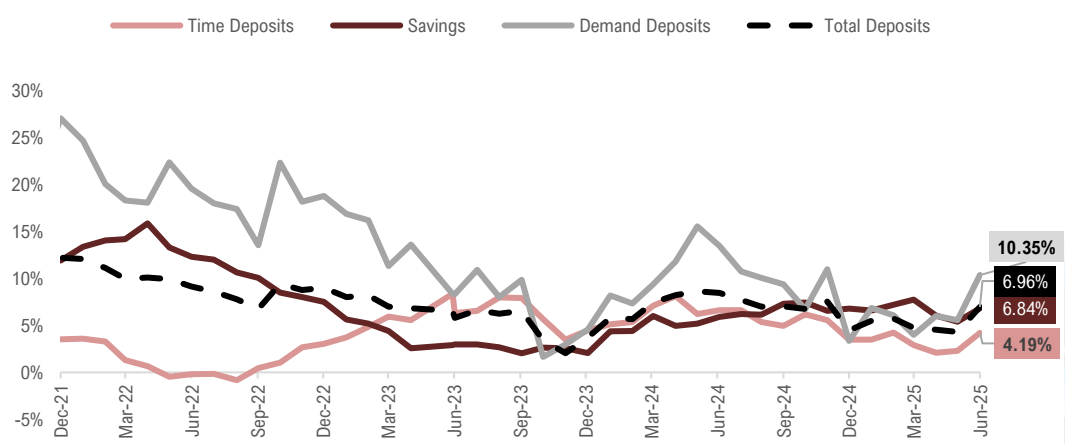
Majority types of loans continued to grow in **June 2025,** with **investment loans,** in particular, recorded the highest growth, increasing by **12.53%** (yoy).



Loan growth remained stable in **June 2025,** with major contribution from **Corporation loans,** with **10.78% (yoy)** growth**.**



Total deposits grew in **June 2025** primarily driven by **Demand Deposits** which grew by **10.35%** (yoy)**.**

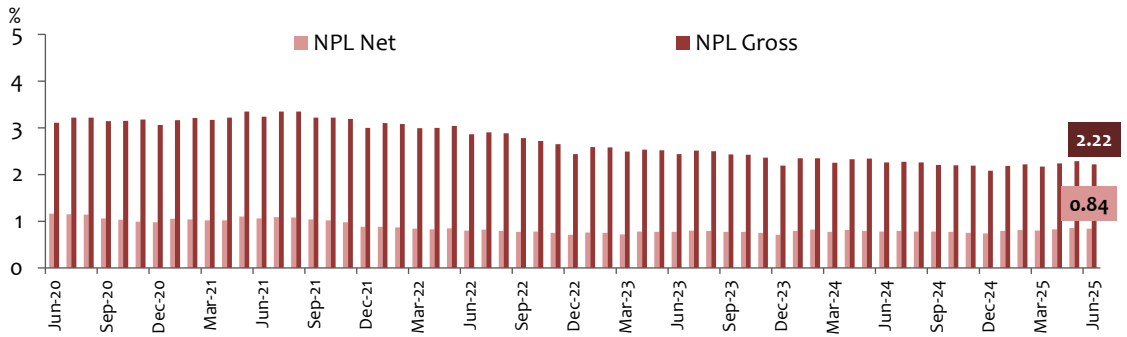


Source: OJK

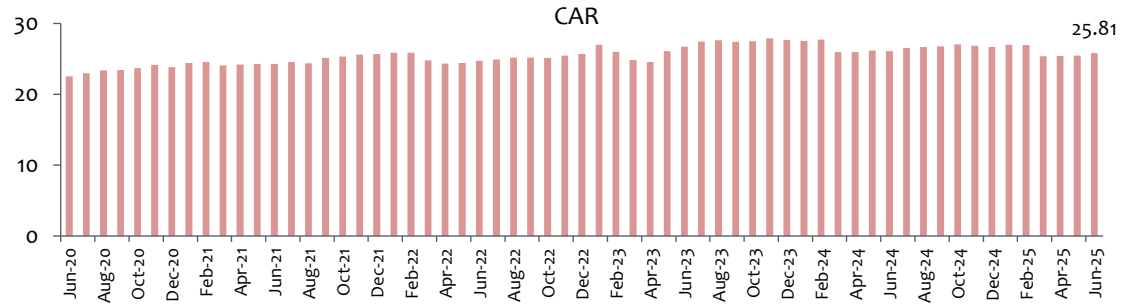
Banking Risk Profile and Profitability

The banking industry has ample liquidity, resilient capitalization, and manageable credit risk, while maintaining a consistent level of profitability

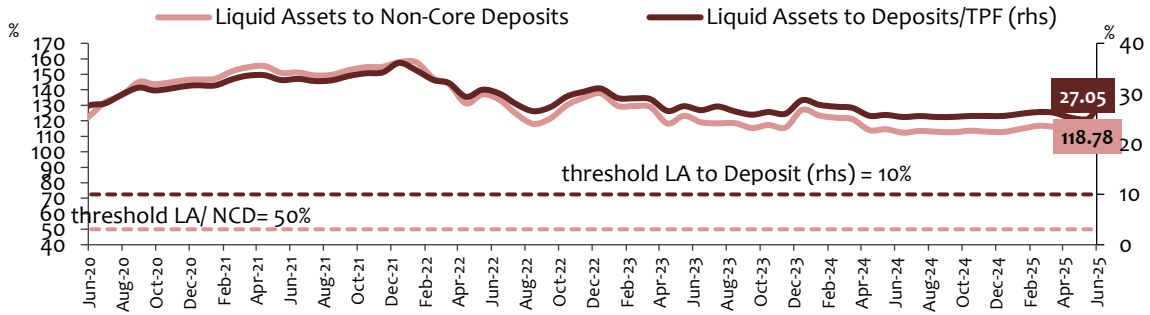
Credit quality remained sound **in June 2025,** with the **gross NPL ratio at 2.22% and the net NPL at 0.84%,** both well below the regulatory threshold.



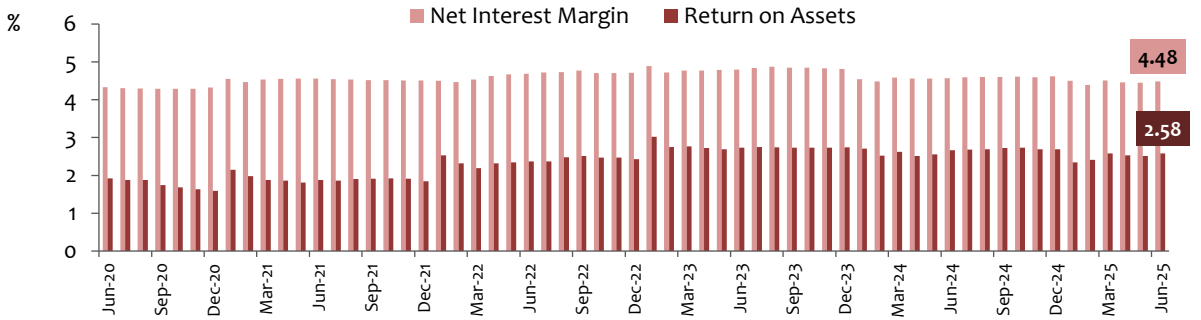
The banking sector's Capital Adequacy Ratio (CAR) remained strong at **25.81%** as of **June 2025.**



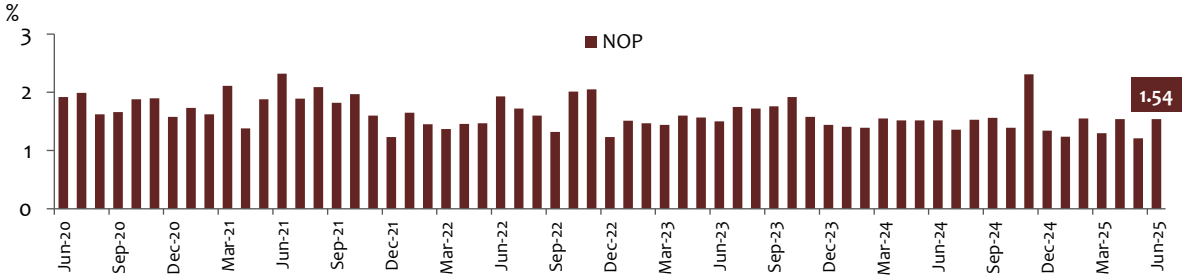
Liquid Assets to Non-Core Deposits and Liquid Assets to Third-Party Funds (Total Deposits) remained well above the thresholds.



The banking industry's profitability remained stable with NIM at **4.48%** while ROA grew moderately at **2.58%,** as of **June 2025.**



Net Open Position was maintained well below the maximum limit of 20% and grew moderately at **1.54%** in **June 2025.**

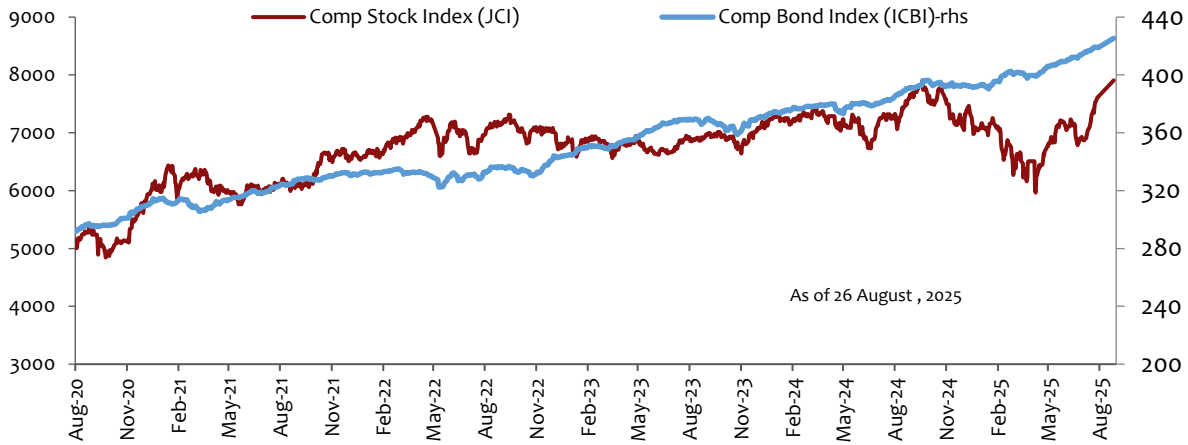


Source: OJK

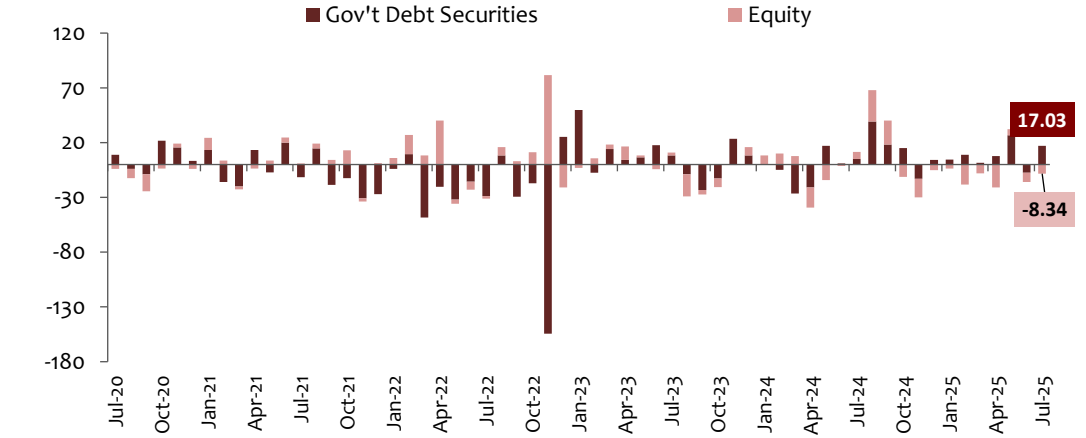
Domestic Capital Market Performance

Continued pressure on the global stock market impacts Indonesia's capital market in the short term but remained resilient

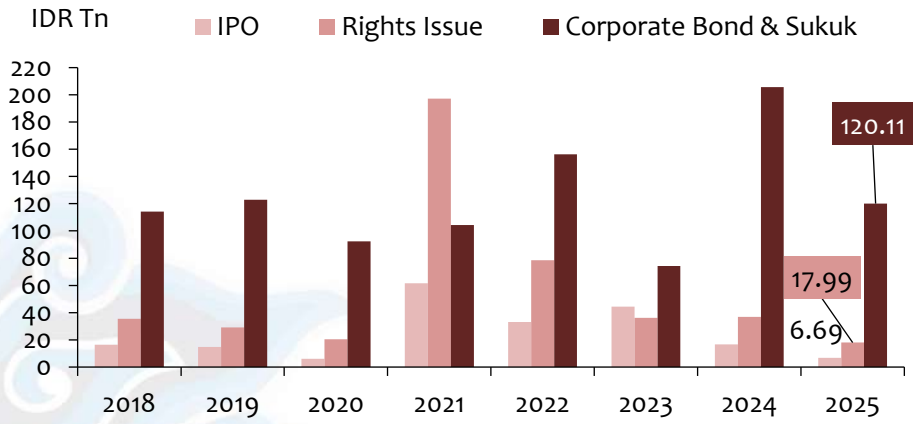
As of **26 August 2025,** the composite bond and composite stock index experienced positive growth



Non-resident portfolios of government bonds recorded a **YTD net buy of IDR55.32 Tn,** while equity market recorded a **YTD net sell of IDR61.91 Tn,** as of **July 2025.**

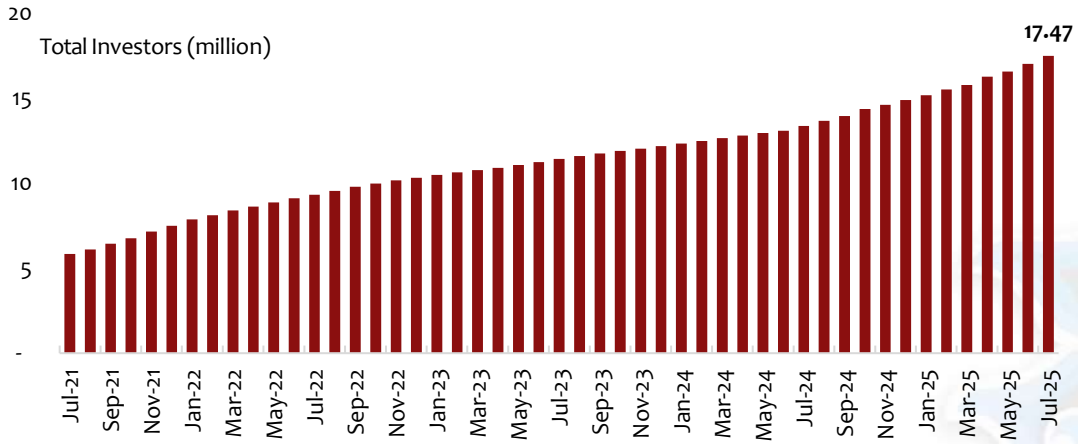


Total securities issuance reached **IDR259.24 Tn (YTD)** as of 30 December 2024, and **IDR144.78 Tn** as of **July 2025.**



Source: OJK, KSEI

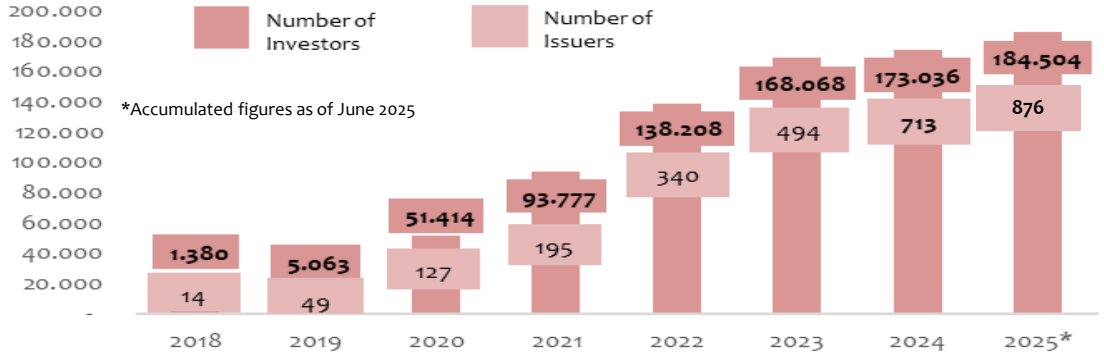
Capital Market Investors continued to grow to **17.47 million** by the end of **July 2025,** recording a **30.86% (yoy) increase.**



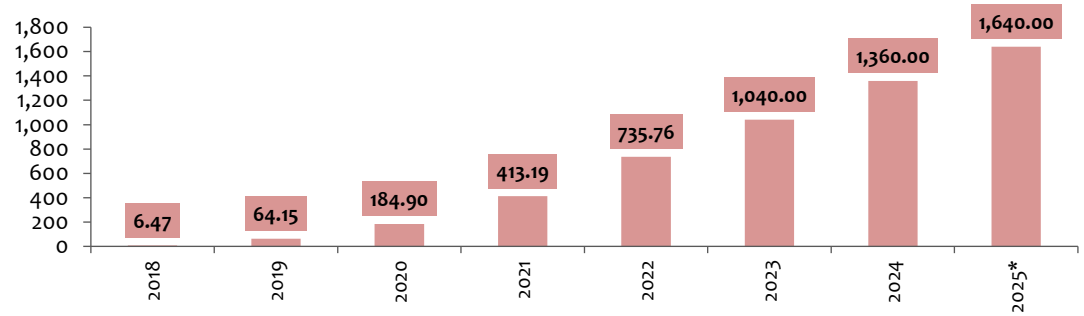
Securities Crowd Funding and Carbon Exchange

Securities Crowdfunding (SCF) and Carbon Exchange grew steadily

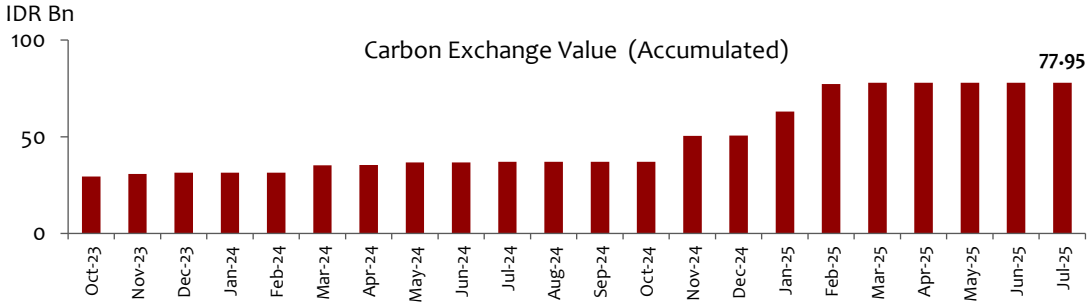
The total number of investors and issuers in Securities Crowdfunding increased to **184,504** and **876**, respectively, as of **July 2025**.



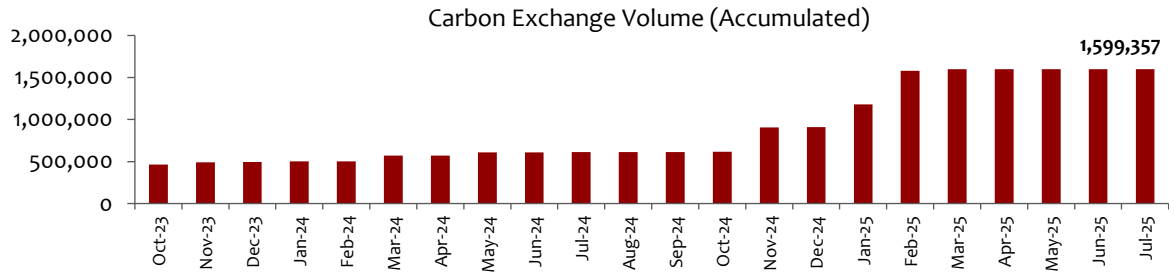
Continuing the positive trend, the total value of SCF fundraising stood at **IDR1.64 Tn** as of **July 2025**.



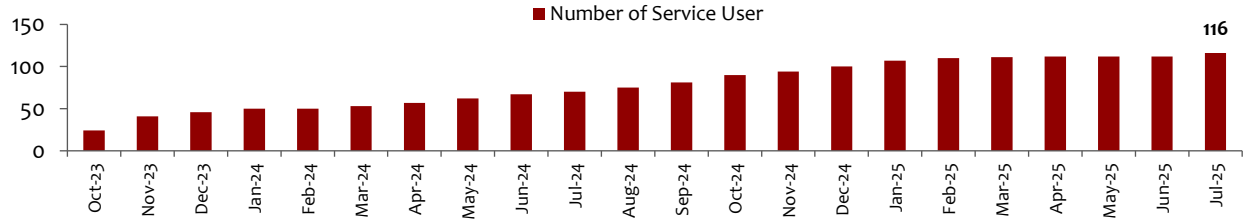
Since its launch in September 2023, the Carbon Exchange has achieved an accumulated transaction value of **IDR77.95** billion as of **July 2025.**



The traded volume in Carbon Exchange recorded a total of **1,599,357 CO2** Ton as of **July 2025.**



The number of service users in Indonesia's Carbon Exchange increased from 26 in September 2023 to **116** in **July 2025.**

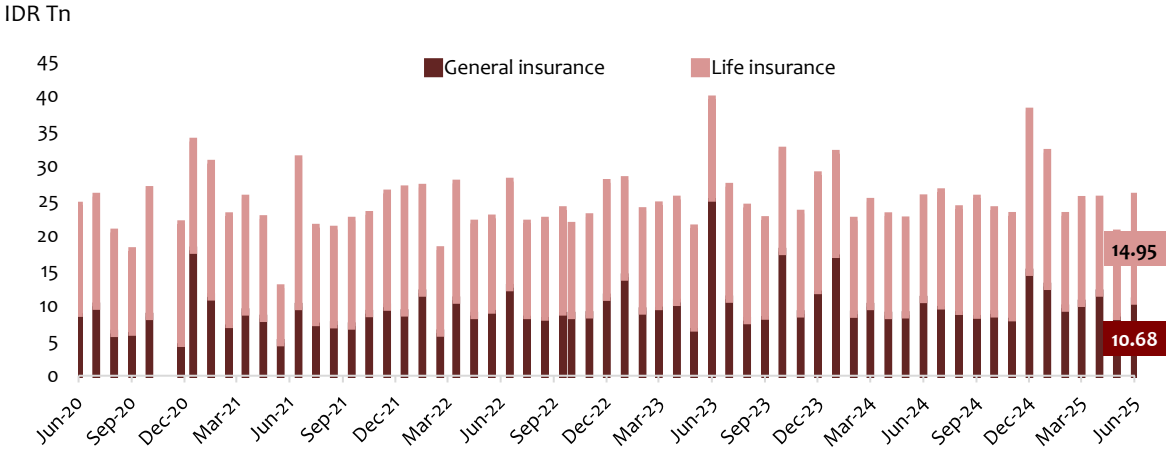


Source: OJK

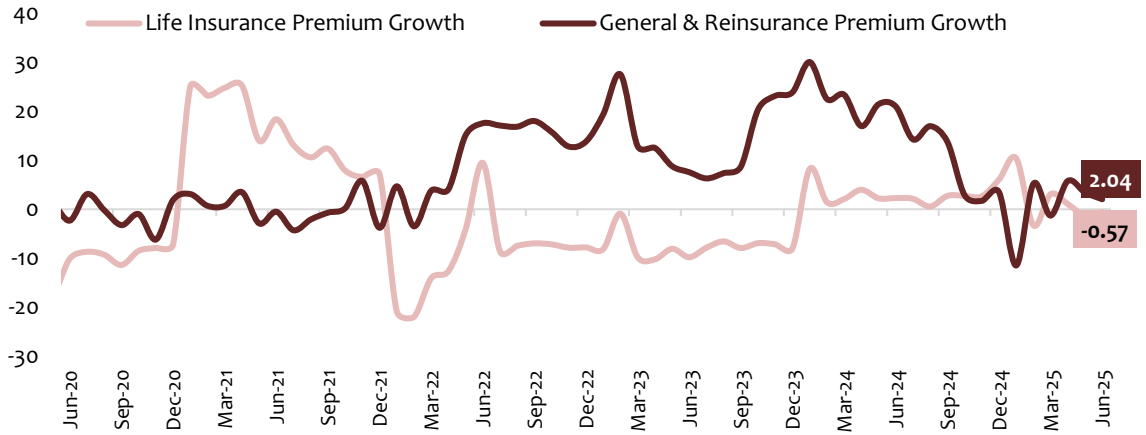
Insurance Sector

Insurance sector continued to expand, shown by adequate performance and manageable risks

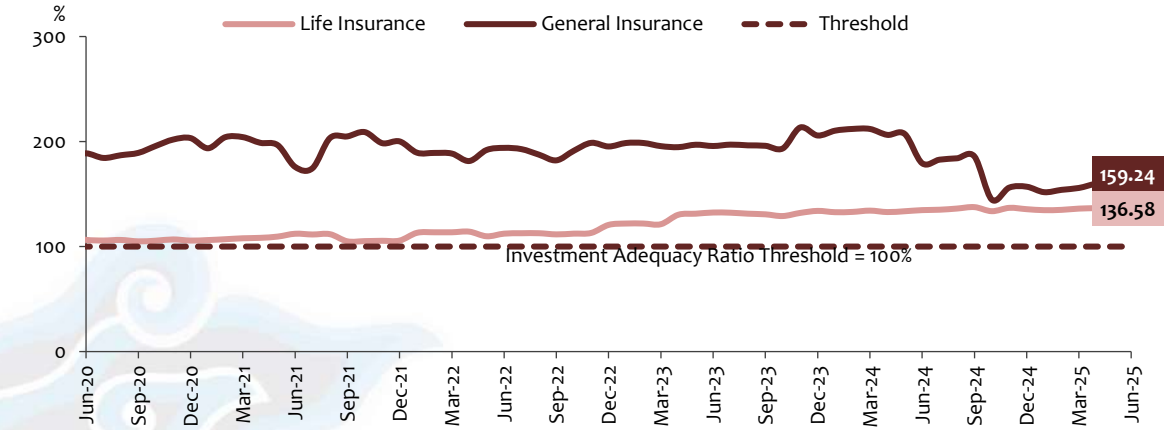
In **June 2025,** insurance premiums marked a total increase of **IDR25.63 Tn** (mtm) with General and Life insurance premiums added **IDR10.68 Tn** and **IDR14.95 Tn,** respectively.



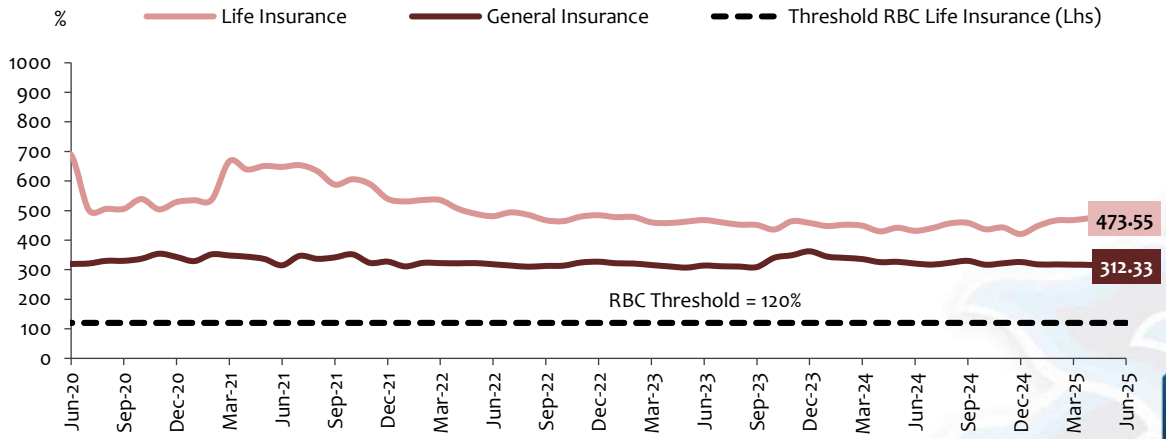
Life Insurance Premium Growth slightly declined at **-0.57%** yoy in **June 2025,** while General & Reinsurance grew by **2.04%** yoy**.**



In **June 2025,** the Investment Adequacy Ratio of both Life Insurance and General Insurance increased above the threshold of **136.58%** and **159.24%,** respectively.



Risk-Based Capital (RBC) of the insurance industry increased well above the minimum threshold with Life Insurance increased at **473.55% and** General Insurance grew at moderately at **312.33%** in **June 2025.**

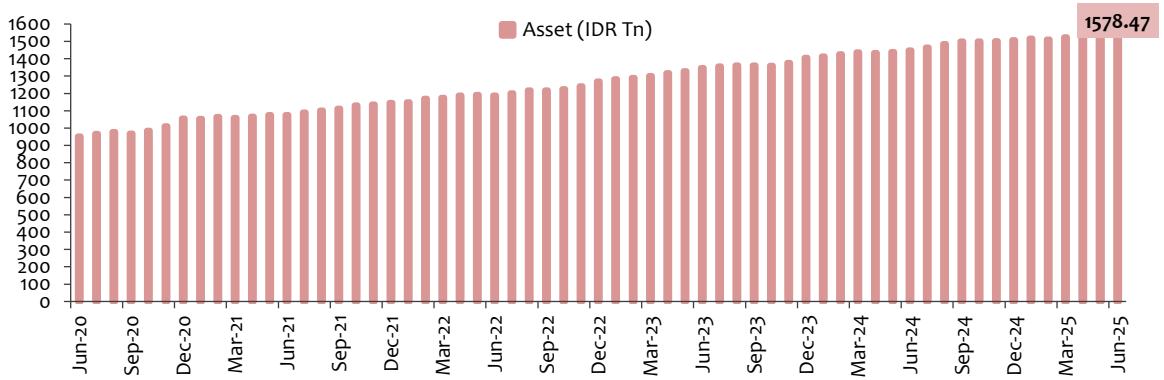


Source: OJK

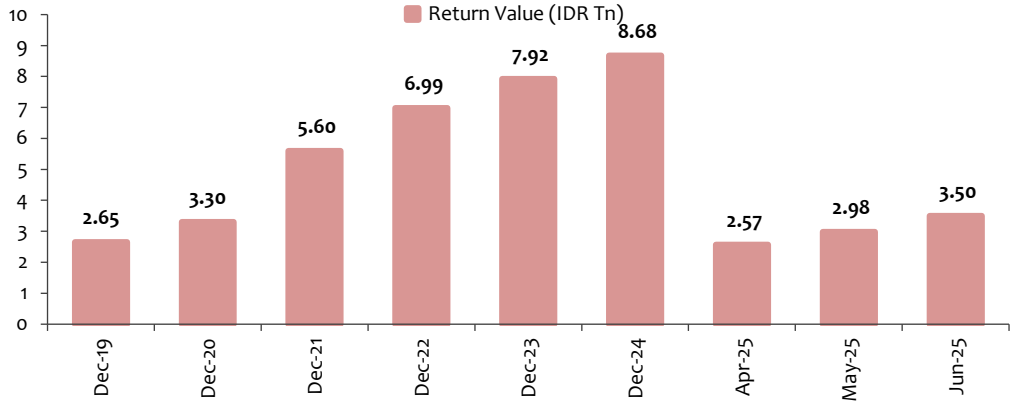
Pension Funds and Guarantee Institutions Performance

Pension funds and Guarantee Institutions remain positive shown by adequate performance and manageable risks

In **June 2025,** Pension funds total asset increased to **IDR1,578.47 Tn.**



In **June 2025,** Guarantee Institutions Accumulated Return Value grew at **IDR3.50 Tn YTD.**



Number of Participants in Pension Funds reached to **29.01** Million in **June 2025.**

Pension Funds	Dec-21	Dec-22	Dec-23	Dec-24	Apr-25	May-25	Jun-25
Number of Participants (Million)	26.23	27.27	28.09	28.94	29.00	28,84	29,01

In **June 2025** Guarantee Asset Value reached **IDR47.27 Tn.**

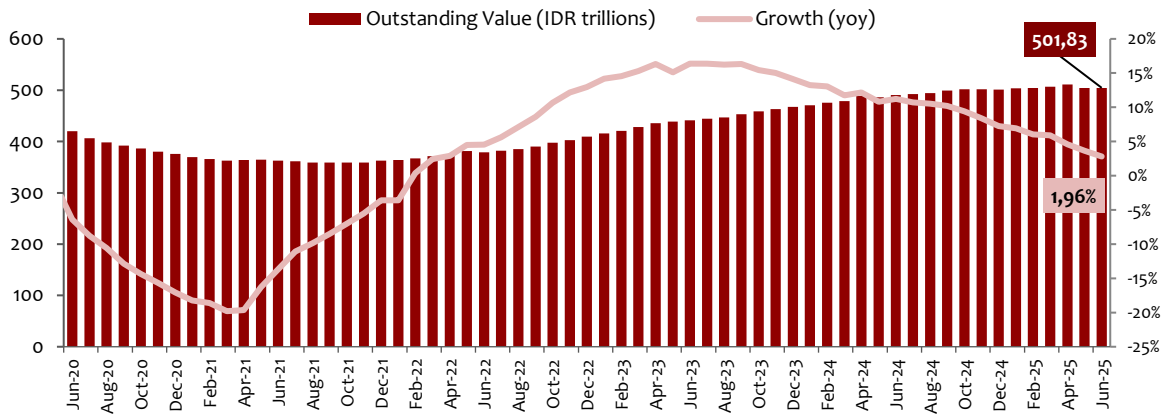
Guarantee Institutions	Dec-21	Dec-22	Dec-23	Dec-24	Apr-25	May 25	Jun-25
Assets Value (IDR T)	36.90	39.12	46.41	46.39	47.34	47,32	47,27
Growth YoY	46.66%	6.00%	18.64%	-0.05%	-0.58%	0,53%	-0,04%

Source: OJK, KSEI

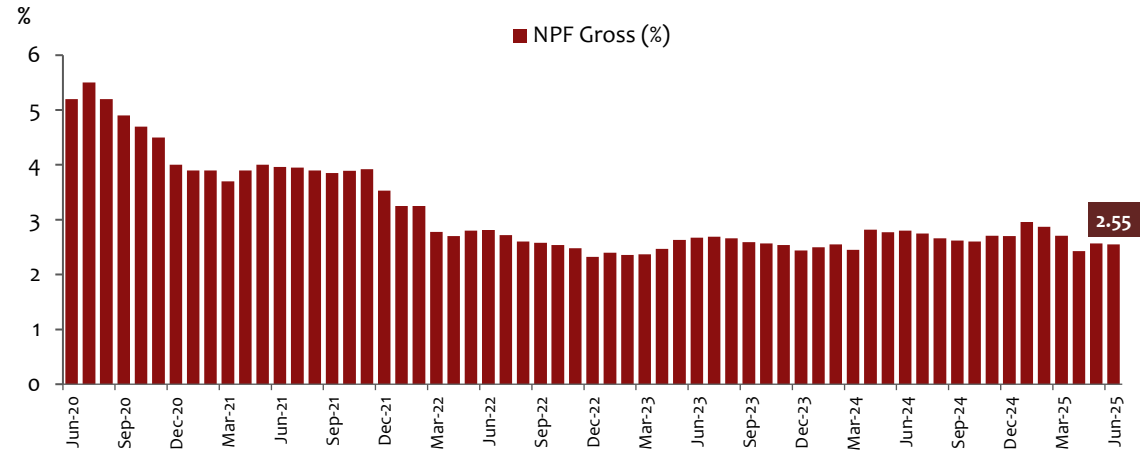
Financing, P2P Lending, Venture Capital, Microfinance Institutions

The performance of financing institutions continue to improve, as shown by growing net financing, a stable gross Non-Performing Financing (NPF) ratio, and a stable gearing ratio.

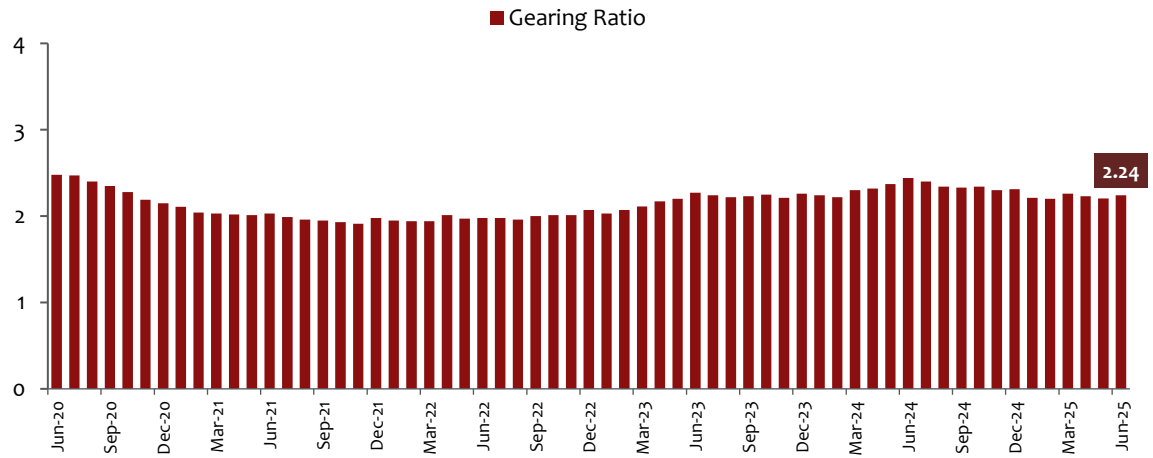
In **June 2025**, net financing grew at a moderate level by **1.96% (yoy)** to **IDR501.83 Tn**.



The risk profile of Finance Companies remained sound, with the **gross Non-Performing Financing (NPF) ratio recorded at 2.55%** in June 2025, well below the 5% threshold.



As of June 2025, the gearing ratio of financing institutions stood at **2.24 times** below the 10 times threshold.

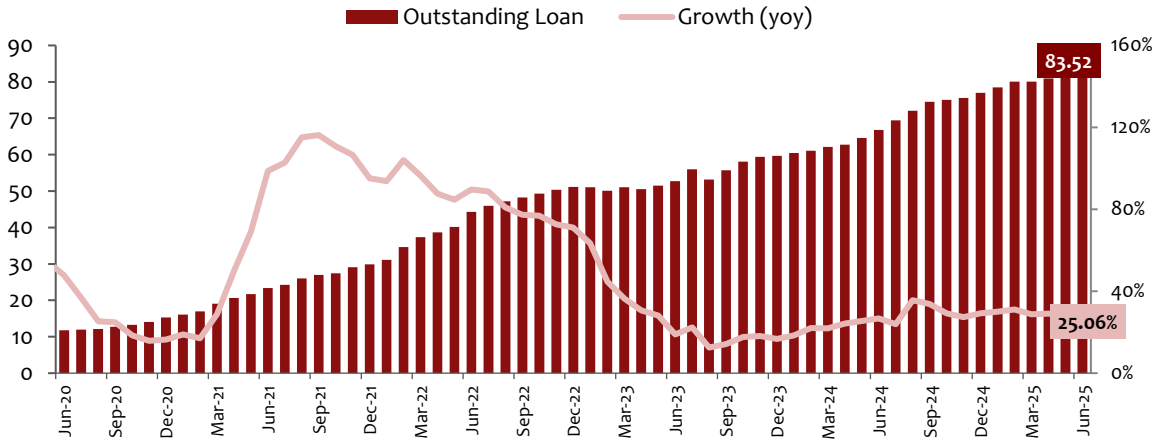


Source: OJK

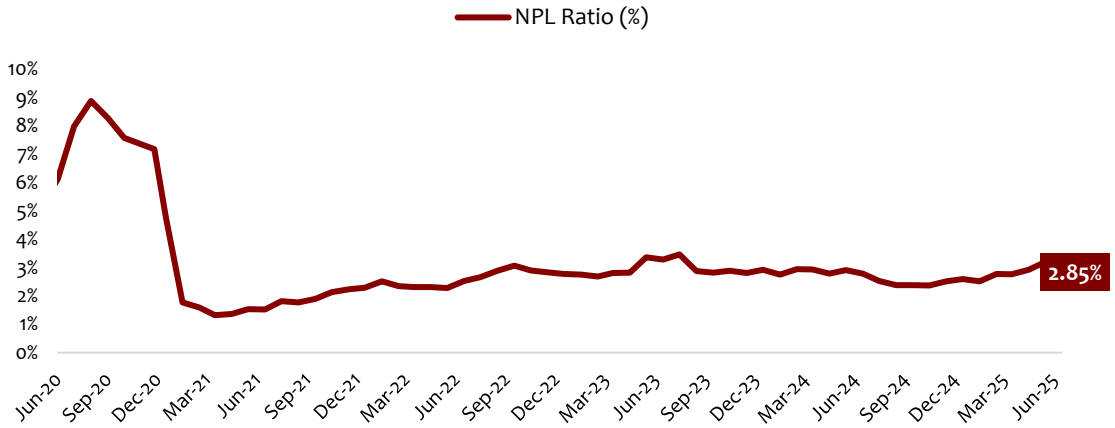
Financing, P2P Lending, Venture Capital, Microfinance Institutions

Peer to Peer Lending (P2PL) Fintech intermediation remains positive with a manageable NPL ratio

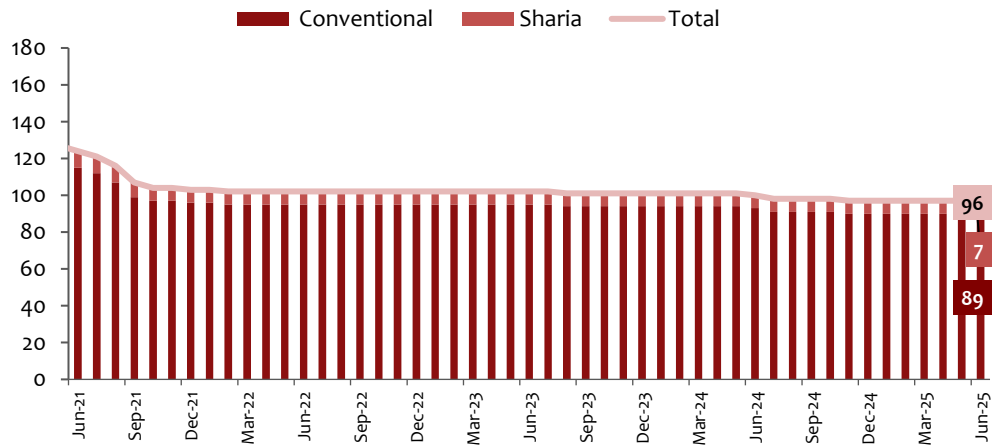
The outstanding loan of P2PL Fintech increased to **IDR83.52 Tn** (**25.06%** yoy) as of **June 2025.**



The Non-Performing Loan ratio (TWP90) of P2PL improved to **2.85%** in **June 2025.**

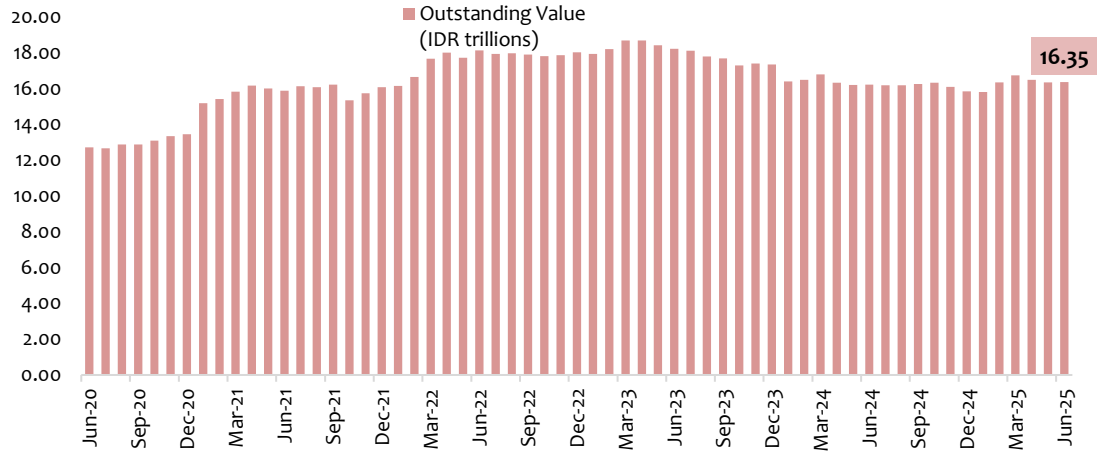


There are a total of **96** fintech platforms, consisting of **89 conventional** platforms and **seven sharia** platforms in **June 2025.**

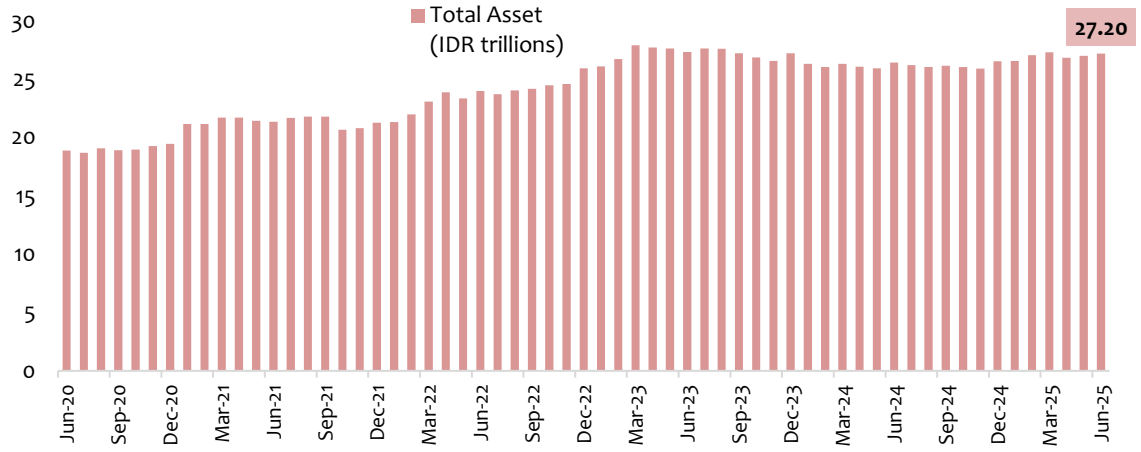


Financing, P2P Lending, Venture Capital, Microfinance Institutions

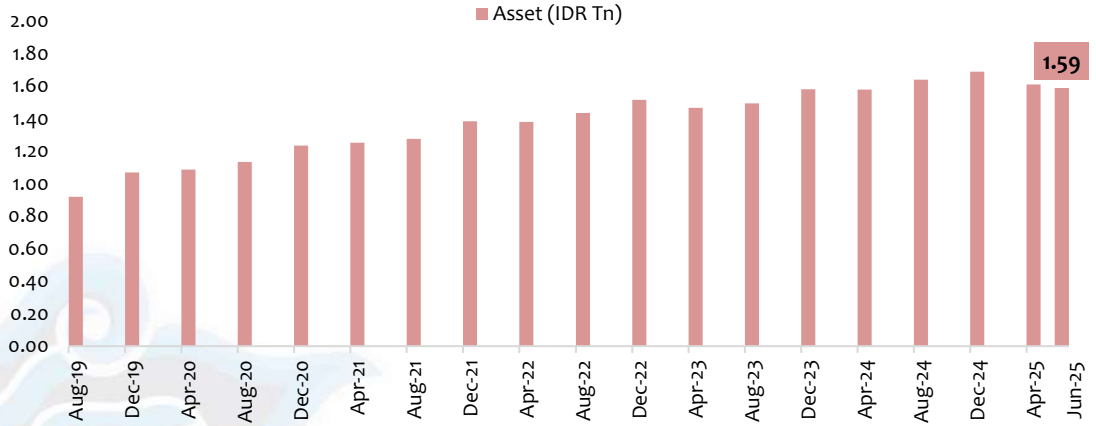
The venture capital corporation experienced stable performance, with financing reaching **IDR16.35 Tn** as of **June 2025**.



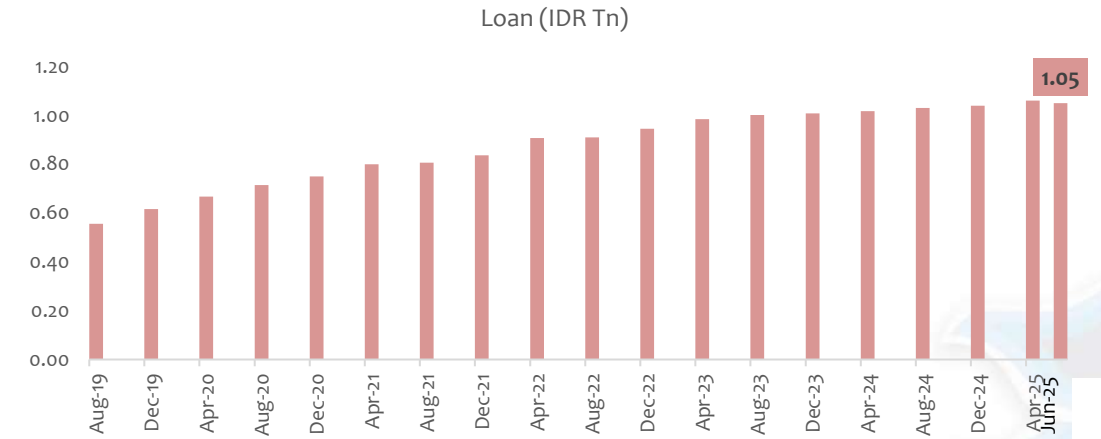
Total assets in the venture capital corporation grew at **IDR27.20 Tn** in **June 2025**, reflecting a steady position.



Microfinance assets remained stable at **IDR1.59 Tn** as of **June 2025**.



Microfinance loans remain stable at **IDR1.05 Tn** as of June **2025**.



Source: OJK

Financial Services Technology Innovation and Crypto-Assets

Based on OJK Regulation No. 3/2024 concerning the Regulatory Sandbox, the number of sandbox applications reached **18** (YTD), with **eight** accepted participants as of **June 2025.**

Regulatory Sandbox	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	June-25
Number of Sandbox Applications Request	114	71	87	52	14	18
Number of Sandbox Participants	28	14	20	18	5	8

Type of Registered FSTI Providers	Oct-24	Nov-24	Dec-24	Jan-25	May-25	June-25
Innovative Credit Scoring	2	4	5	7	10	10
Aggregators	4	6	9	10	19	20
Total	**6**	**10**	**14**	**17**	**29**	**30**

In **June 2025**, the crypto-assets market recorded a total transaction value of **IDR32.31 Tn.**

Crypto-assets	Dec-23	June-24	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Mar-25	Apr-25	May-25	Jun-25
Transactions (IDR Tn)	27.25	40.85	42.34	48.00	33.67	48.44	81.41	94.08	32.45	35.61	49.57	32.31

Source: OJK

Financial Literacy, Consumer Protection and Illegal Financial Activities

OJK conducted **3,212** financial education activities, reaching **6,359,861** participants nationwide as of **July 2025** (YTD).

From **1 January 2025 to 25 July 2025,** Sikapi Uangmu, published **191** financial education contents, attracting **1,239,309** viewers, and **7,617** users accessed the Learning Management System for Financial Education (LMSKU)

Financial Education	3,212 Activities	**Sikapi Uangmu**	191 Contents
	6,359,861 Participants		1,239,309 Viewers
Team for Acceleration of Regional Financial Access (TPAKD)	552 District/Municipalities	**Financial Education Learning Management System (LMSKU) OJK**	7,617 Access
	100% District/Municipalities		3,771 Certificates

In **July 2025,** OJK as a part of The Illegal Financial Activities Eradication Task Force (Satgas Pasti), has closed down **1,840** illegal financial entities (YTD).

Number of Illegal Investments	284
Number of Illegal Online Lending	1,556
Total Number of Illegal Financial Entities	1,840

From **1 January 2025 to 14 July 2025,** OJK had received **24,975** service requests through the Consumer Protection Portal Application (APPK).

Number of Service Requests	268,908
Number of Service Requests on Consumer Protection Portal Application (APPK)	24,975
Banking	9,487
Fintech	9,367
Financing Institutions	4,994
Insurance	795
Capital Market and other NBFIs	332
Service Requests Completed	89.61%

Source: OJK

Sharia Financial Services Sector

In June 2025, the sharia financial services sector recorded a mixed performance across segments. The Indonesia Sharia Stock Index (ISSI) increased by -5.19% ytd, while the outstanding value of government sukuk declined to IDR1,695.28 Trillion and the total assets of sharia financing institutions rose to IDR36.52 Trillion.

SHARIA CAPITAL MARKET

SHARIA STOCKS	Dec-24	Mar-25	Apr-25	May-25	Jun-25
Indonesia Sharia Stock Index	215.65	201.42	215.04	226.01	226.85
YTD	1.41%	-6.60%	-0.28%	4,81%	5,19%
Market Capitalization (IDR Tn)	6,825.31	6,403.94	6,863.05	7,192.40	7,578.21
Market Share (%)	55.33	57.63	58.71	57.98	62.33
SHARIA BOND (SUKUK)	**Dec-24**	**Mar-25**	**Apr-25**	**May-25**	**Jun-25**
Government Sukuk (IDR Tn)	1,627.68	1,655.59	1,673.09	1,562.65	1,695.28
Corporation Sukuk (IDR Tn)	55.27	62.53	62.97	64.88	79.38
Market Share (%)	11.63	12.65	13.05	13.33	15.60
SHARIA MUTUAL FUND	**Dec-24**	**Mar-25**	**Apr-25**	**May-25**	**Jun-25**
Asset Under Management (IDR Tn)	50.55	53.26	59.94	57.22	55.83
Market Share (%)	10.12	10.78	10.94	11.18	10.94
SHARIA SCF	**Dec-24**	**Mar-25**	**Apr-25**	**May-25**	**Jun-25**
Fundraising (IDR Bn)	715.47	802.48	841.32	865.94	894.29
Market Share (%)	52.50	54.01	55.04	55.31	55.87

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

SHARIA PVML	Dec-24	Mar-25	Apr-25	May-25	Jun-25
Sharia Financing Institution Assets (IDR Tn)	33.88	36.51	36.29	36.42	36.52
Sharia Venture Capital Assets (IDR Tn)	3.74	4.16	3.94	3.85	3.83
Sharia Microfinance Assets (IDR Tn)	0.65	0.65	0.64	0.64	0.64

Source: OJK

Sharia Financial Services Sector (cont'd)

Sharia banking intermediation remained steady, with capital buffers and liquidity positions reflecting a sound financial footing and credit-risk metrics remaining stable. This overall resilience has supported consistent growth in financing and deposits. Meanwhile, Sharia insurance, guarantee, and pension fund assets have continued to expand, demonstrating strong uptake in Sharia-based protection and retirement solutions.

SHARIA BANKING SECTOR

Intermediation	Dec-24	Mar-25	Apr-25	May-25	Jun-25
Assets (IDR Tn)	980.30	960.82	954.51	942.71	967.33
Market Share (%)	7.72	7.42	7.44	7.31	7.41
Financing (IDR Tn)	643.55	652.36	653.44	661.22	666.04
Growth (YoY %)	9.92	9.20	8.87	9.18	8.38
Deposits (IDR Tn)	753.60	730.37	734.90	725.43	738.84
Growth (YoY %)	10.09	5.68	7.08	5.99	6.98

Capital and Liquidity	Dec-24	Mar-25	Apr-25	May-25	Jun-25
CAR	25.40	25.10	25.30	24.8	25
LA/Deposits	32.09	29.05	28.46	24.79	27.95
LA/NCD	154.52	138.55	136.87	118.03	133.33

Credit Risk	Dec-24	Mar-25	Apr-25	May-25	Jun-25
Gross NPF	2.12	2.22	2.25	2.28	2.24
Net NPF	0.79	0.86	0.89	0.92	0.89

SHARIA INSURANCE, GUARANTEE, PENSION FUND (PPDP) UPDATE

SHARIA PPDP	Dec-24	Mar-25	Apr-25	May-25	Jun-25
Sharia Life Insurance Assets (IDR Tn)	34.20	33.77	34.52	34.48	34.89
Sharia General Insurance Assets (IDR Tn)	9.46	9.55	9.64	9.59	9.73
Sharia Voluntary Pension Fund Assets (IDR Tn)	4.53	4.63	4.65	4.73	4.77
Sharia Guarantee Institution Assets (IDR Tn)	6.28	6.54	6.54	6.61	6.68

Source: OJK



Section 6

Structural Reforms

"Consistent implementation of reform agenda and progressive infrastructure"

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 GOLD VISION 2025-2045 → 5 GOLD VISION TARGETS OF INDONESIA → **8 DEVELOPMENT MISSIONS** → **17 DEVELOPMENT DIRECTIONS** → 45 MAIN INDICATORS OF DEVELOPMENT

1. **Income per capita equivalents to developed countries**
2. **Poverty declines and inequality decreases**
3. **Leadership positions and international influence increase**
4. **HR competitiveness increases**
5. **GHG emission intensity towards NZE**

Development Phase

First Phase (2025-2029)	**Strengthening the foundation of transformation**
Second Phase (2030-2034)	**With the establishment of a strong foundation, Indonesia is set to accelerate its economy**
Third Phase (2035-2039)	**Indonesia starts steps to expand globally**
Fourth Phase (2040-2045)	**Indonesia succeeds in realizing Indonesia Gold 2045 vision**

TRANSFORMATION

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

FOUNDATION OF TRANSFORMATION

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

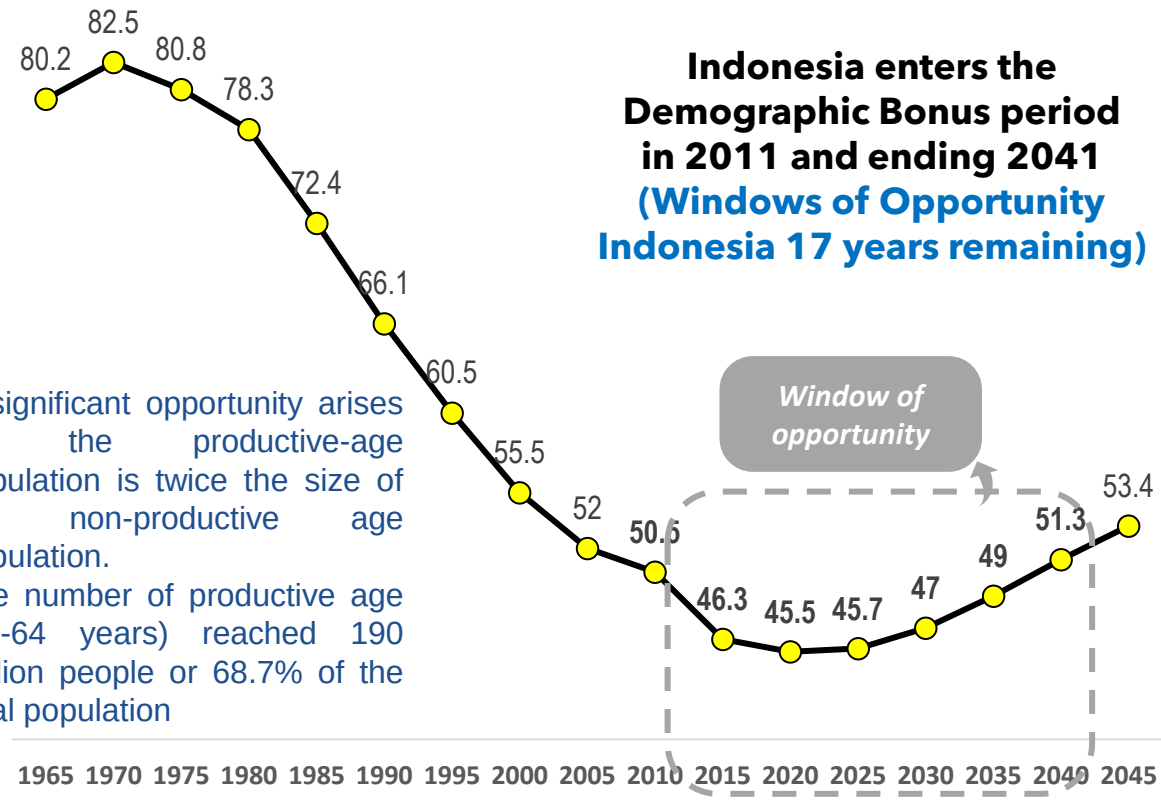
TRANSFORMATION IMPLEMENTATION FRAMEWORK

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

Source: RPJPN 2025-2045

Indonesia Has A Demographic Bonus And Abundant Natural Resources

THE PEAK OF INDONESIA'S DEMOGRAPHIC BONUS



Indonesia enters the Demographic Bonus period in 2011 and ending 2041 (Windows of Opportunity Indonesia 17 years remaining)

- A significant opportunity arises as the productive-age population is twice the size of the non-productive age population.
- The number of productive age (15-64 years) reached 190 million people or 68.7% of the total population

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

- **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 5.24 billion tons**
- **Coal reserves 36.30 billion tons**
- **Renewable energy potential 3,716 GW**

Source: Bappenas

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

This policy framework aims to ensure strong, inclusive, and sustainable economic growth by balancing conventional economic revitalization, fostering new economic engines, and enhancing human resource productivity.

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

1st ENGINE
Revitalizing the Conventional Economic Mechanism





2nd ENGINE
Building a New Economic Engine



3rd ENGINE AS THE FOUNDATION
Enhancing Productivity & Competitiveness of Human Resources

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

Risk-based Business Licensing

Indonesia has recently issued Government Regulation No. 28 of 2025 (PP 28/2025), which revokes the previous PP No. 5 of 2021. The new regulation strengthens the Risk-Based Business Licensing framework, aiming to provide businesses with clearer procedures, greater legal certainty, and a more transparent regulatory environment

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**

Source: Coordinating Ministry for Economic Affairs

Single Preference Principle

PP 28/2025 is a single reference; there are no additional requirements or permits issued by ministries, institutions, regional governments, or area managers that are not regulated in PP 28/2025

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:

- Memberikan kejelasan
- Substantial improvements to Annexes I and II
- Details of the requirements and obligations of PB and PB UMKU

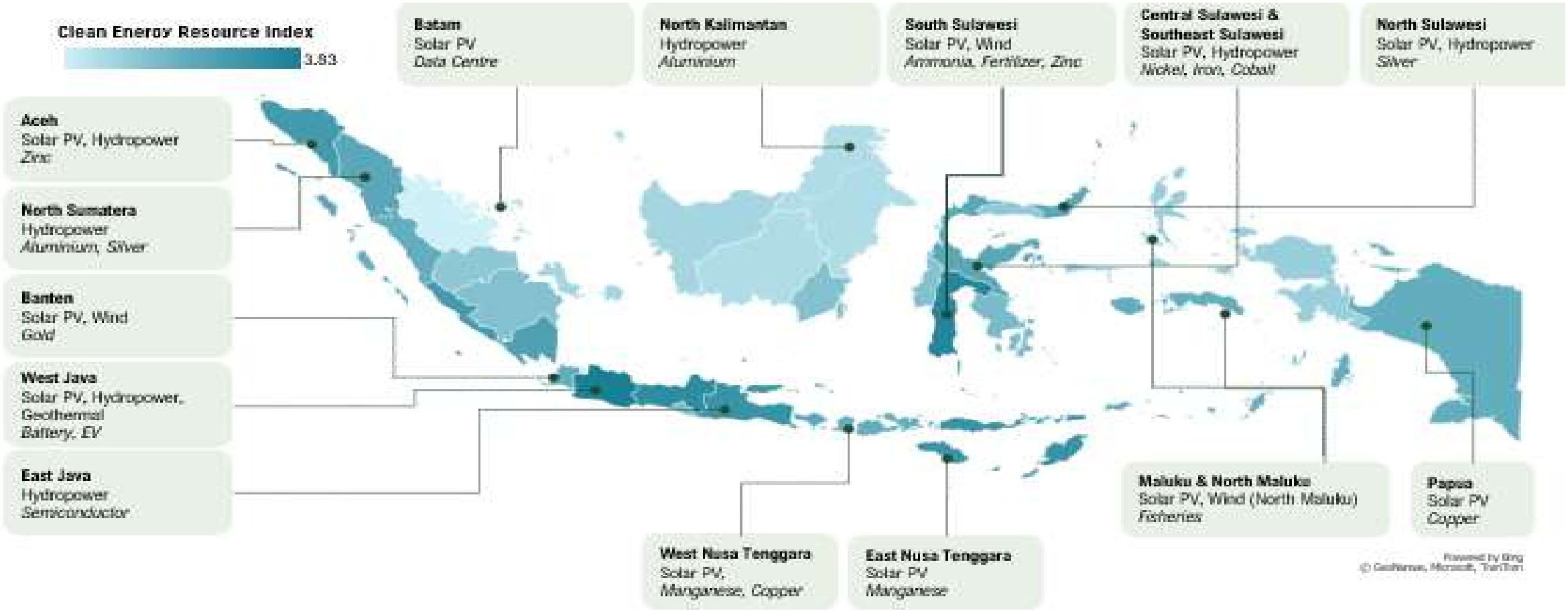
Risk-Based Business Licensing Development

June 2025
Issuance of Government Regulation No. 28 of 2025

June – October 2025
Implementation process of Government Regulation No. 28 of 2025:

- Issuance and adjustment of Implementing Regulations (Ministerial Regulations/Technical Agency Regulations)
- Adjustment of OSS and INSW Systems

Policy Package To Support Investment



To achieve the target of realizing quality investment, the Indonesian Government has been preparing an economic package aimed at securing existing investment and attracting new investment by guaranteeing the availability of environmentally friendly energy together with the relevant Ministries/Institutions.

Indonesia has great potential in developing clean energy. Each region has clean energy sources ranging from Solar Photovoltaic, hydropower, geothermal and wind energy. This potential could be the first step to attract investors in developing a more environmentally friendly industry.

Trade Policy: Deregulation On Import Policy

Following the President's instructions on deregulation policies aimed at facilitating trade for businesses, enhancing Indonesia's competitiveness, creating jobs, and accelerating investment in labor-intensive sectors to drive economic growth, new regulations on Import Policies and Regulations have been established.

Deregulated Import Commodity Groups (482 HS)



Industrial Raw Materials/Auxiliary Materials (29 HS)

- ❑ Pupuk Bersubsidi
- ❑ Bahan Bakar Lain
- ❑ Bahan Baku Plastik
- ❑ Saccharin, cyclamate, alcohol-containing fragrances
- ❑ Certain chemicals
- ❑ Pearls



Competitive Industrial Products (10 HS)

- ❑ Footwear
- ❑ Two-wheeled and Three-wheeled Bicycles



National Program Support Products (2 HS)

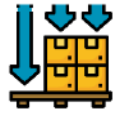
- ❑ *Food Tray*



Forestry Product (441 HS)

Import Deregulation Policy Output

Ministry of Trade (MoT) Regulation No. 36 of 2023 in conjunction with Ministry of Trade Regulation No. 8 of 2024 will be revoked, and the following will be issued:



MoT Regulation No 16 of 2025 on Import Policies and Regulations for General Import Provisions



Coomodities Clustered Based MoT, as detailed :

1. MoT Regulation No 17 of 2025 on Import Policy and Regulation for **Textile and Textile Production**;
2. MoT Regulation No 18 of 2025 on Import Policy and Regulation for **Agriculture and Farming Goods**;
3. MoT Regulation No 19 of 2025 on Import Policy and Regulation for **Salt and Fish Commodity**;
4. MoT Regulation No 20 of 2025 on Import Policy and Regulation for **Chemicals, Hazardous Materials, and Mining Materials**;
5. MoT Regulation No 21 of 2025 on Import Policy and Regulation for **Electricity Goods and Telematics**;
6. MoT Regulation No 22 of 2025 on Import Policy and Regulation for **Certain Industrial Goods**;
7. MoT Regulation No 23 of 2025 on Import Policy and Regulation for **Consumption Goods**; and
8. MoT Regulation No 24 of 2025 on Import Policy and Regulation for **Used Goods and Non-Hazardous and Non-Toxic Waste**.

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**.*

Structural Reform through OECD Membership (Domestic Reform Catalyst)

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.

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.

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.

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.

- 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** so the state budget is more efficient.
- **Better corporate governance and SOEs** so that SOEs can contribute more to the national economy.





- Indonesia's **Accession Roadmap's** handover at the OECD MCM in **May 2024** made **INDONESIA AS THE FIRST OECD MEMBER CANDIDATE IN ASEAN.**
- Indonesia submitted the **32 CHAPTERS OF INITIAL MEMORANDUM**, containing Indonesia's self-assessment on its policy, regulations, and standard alignment to **240 OECD LEGAL INSTRUMENTS** on **3 June 2025**.
- Along with the IM submission, Indonesia also submitted a letter of intention to **ACCEDE TO THE OECD ANTI BRIBERY CONVENTION** to the OECD, aimed to strengthen national anti-corruption and bribery legal framework.
- Based on the self-assessment, **MOST OF INDONESIA'S REGULATIONS ARE INLINE** (fully/partially aligned) with OECD legal instruments.
- Indonesia is optimist to complete OECD Accession within the next 3-4 years after the submission of the Initial Memorandum OECD MCM on 3 June 2025

Policy Support in the Field of Manpower

One of the policy packages related to economic stimulus in order to maintain business continuity and provide protection for workers from the risk of layoffs is the policy of providing a reduction in Jaminan Kecelakaan Kerja (JKK)/Work Accident Insurance contributions, and protection for laid-off workers through the enhancement benefit of Jaminan Kehilangan Pekerjaan (JKP)/Job Loss Insurance Program.

Government Policies

Enhancement Benefits of the JKP Program

- Cash benefits increased to 60% of flat wages for 6 months
- Job training benefits increased to IDR 2.4 million
- Ease of participation requirements and benefit claims
- Benefits of access to job market information and job guidance
- Protection for workers affected by layoffs due to company closure/bankruptcy
- JKP contributions are partly covered by the Central Government

Fifty Percent (50%) reduction in JKK contributions

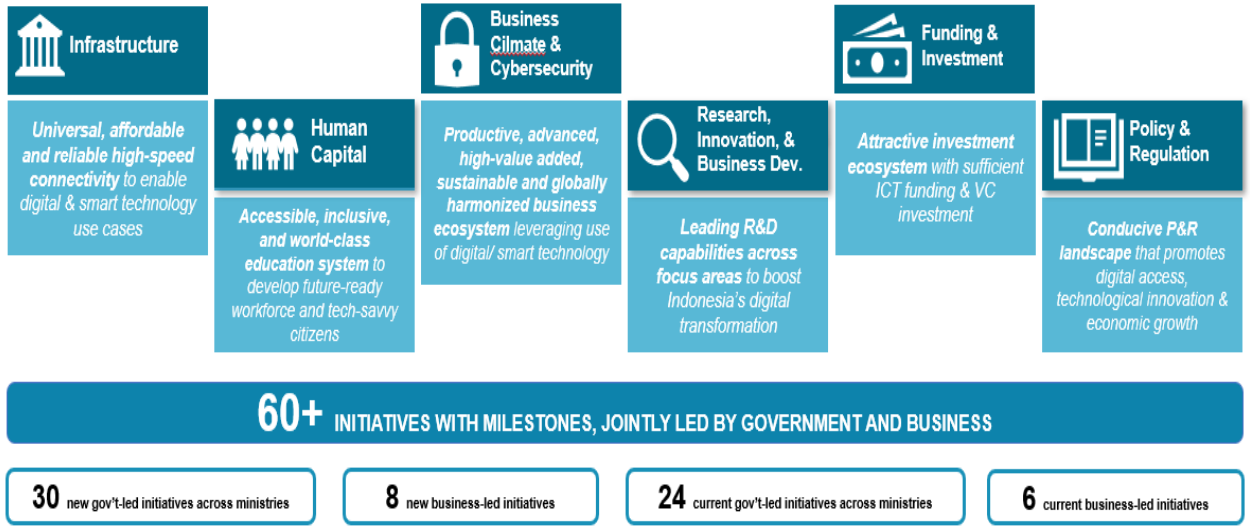
- JKK contribution relaxation policy in the form of a 50% discount has been reinstated for periode from August 2025 to January 2026
- The discount is given to certain labor-intensive industrial companies with a minimum workforce of 50 people, including:
  - food, beverage, and tobacco industry;
  - textile and apparel industry;
  - leather and leather goods industry;
  - footwear industry;
  - children's toy industry; and
  - furniture industry.
- The reduction in contributions does not reduce the JKK benefits received

This employment policy effective as of February 2025 based on: (i) Government Regulation No. 6 of 2025 on Amendments to Government Regulation No. 37 of 2021 concerning the Implementation of the Jaminan Kehilangan Pekerjaan (JKP)/Job Loss Insurance Program, and (ii) Government Regulation No. 7 of 2025 on Adjustment of Jaminan Kecelakaan Kerja (JKK)/Work Accident Guarantee Contributions for Certain Labor-Intensive Industrial Companies in 2025.

Digital Economy's Policy

DOMESTIC

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



Source : White Paper on The National's Digital Economy Development Strategy

REGIONAL

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

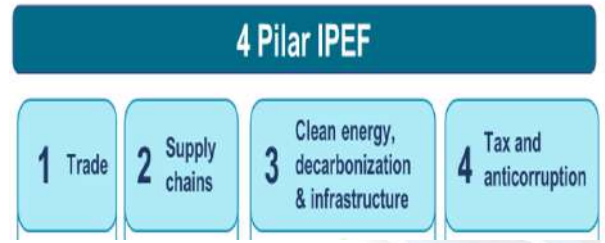
ASEAN Digital Economy Framework Agreement

9 Core DEFA Provisions

Digital Trade Paperless trade, interoperable single windows, electronic transferrable records, electronic invoice	**Cooperation on emerging topics** Regulating emerging technology (e.g., AI, blockchain)
Cross-border E commerce Fair treatment of digital goods and services, facilitation for cross-border small shipments	**Competition policy** Cooperation on competition policy to ensure fair playing field
Payments Interoperable payment systems, comparable regulatory requirements & barriers	**Cross-border data flows and data protections** Personal data protections, common data classifications, source code, cross-border data flows
Digital ID and authentication Technical interoperability, mutual recognition & legal standing	**Online safety and cybersecurity** Online consumer protection, fraud protection, online dispute resolution, alignment on cybersecurity standards and protections, cross-border cooperation
Talent mobility and cooperation Labor mobility for digital talent & entrepreneurs, accreditations, cooperation on technical skills	

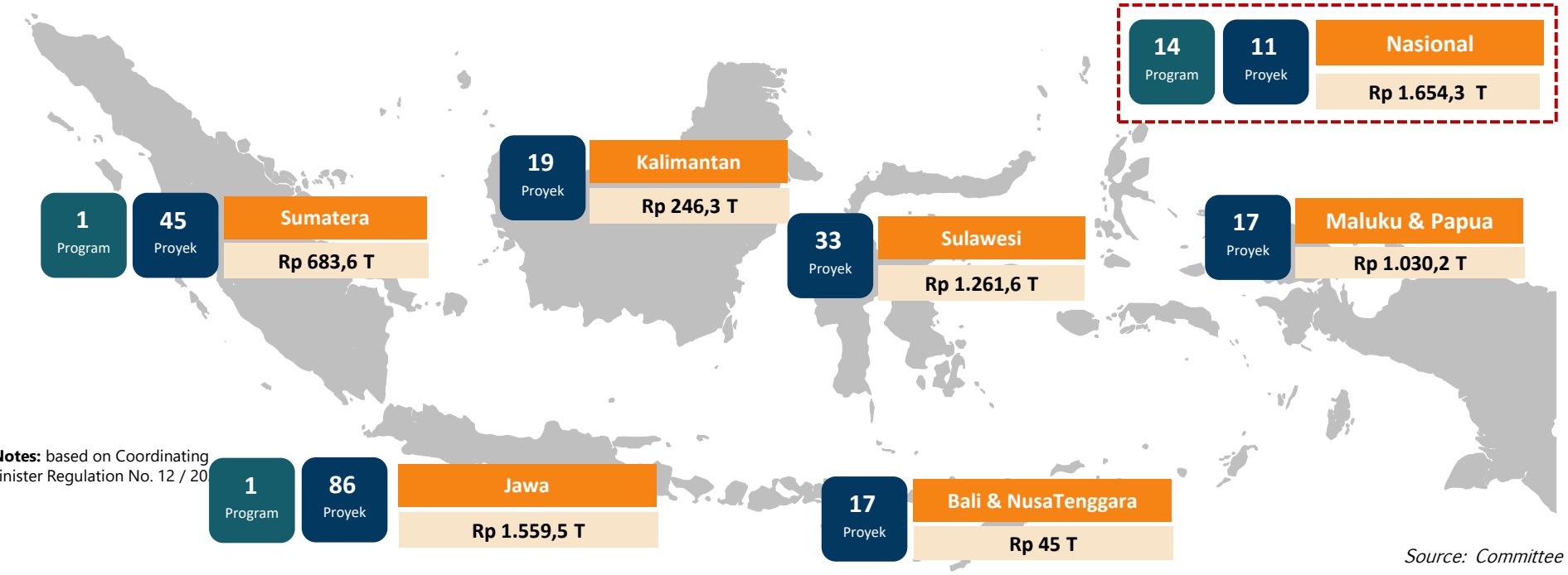
Indo-Pacific Economic Framework (IPEF-Digital Economy Cluster)

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

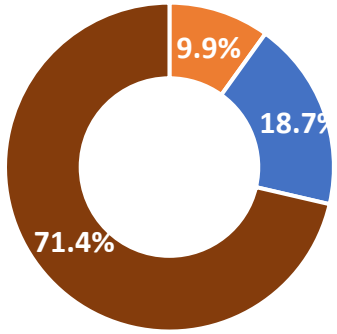


The National Strategic Project (PSN)

Based on Coordinating Minister Regulation Number 12 of 2024, there are **228 Projects** and **16 Programs** as PSN with an estimated total investment value (CapEx) of **IDR 6.480,5 trillion**



Est. Total Investment Value (Construction)



State Budget ■ SOE Budget ■ Private

Source: Committee for Acceleration of Priority Infrastructure Delivery (KPPIP)

***Notes:** based on Coordinating Minister Regulation No. 12 / 20

14 Sectors of PSN

- **Road** 50 Proyek
- **Dams & Irigation** 57 Proyek
- **Ind. Estate** 45 Proyek
- **Railways** 13 Proyek
- **Plantation** 2 Proyek
- **Energy** 18 Proyek
- **Ports** 15 Proyek
- **Cleanwater, Wastewater** 9 Proyek
- **Airport** 7 Proyek
- **Tourism** 2 Proyek
- **Education** 1 Proyek
- **Seawall** 1 Proyek
- **Technology** 6 Proyek
- **Housing** 2 Proyek

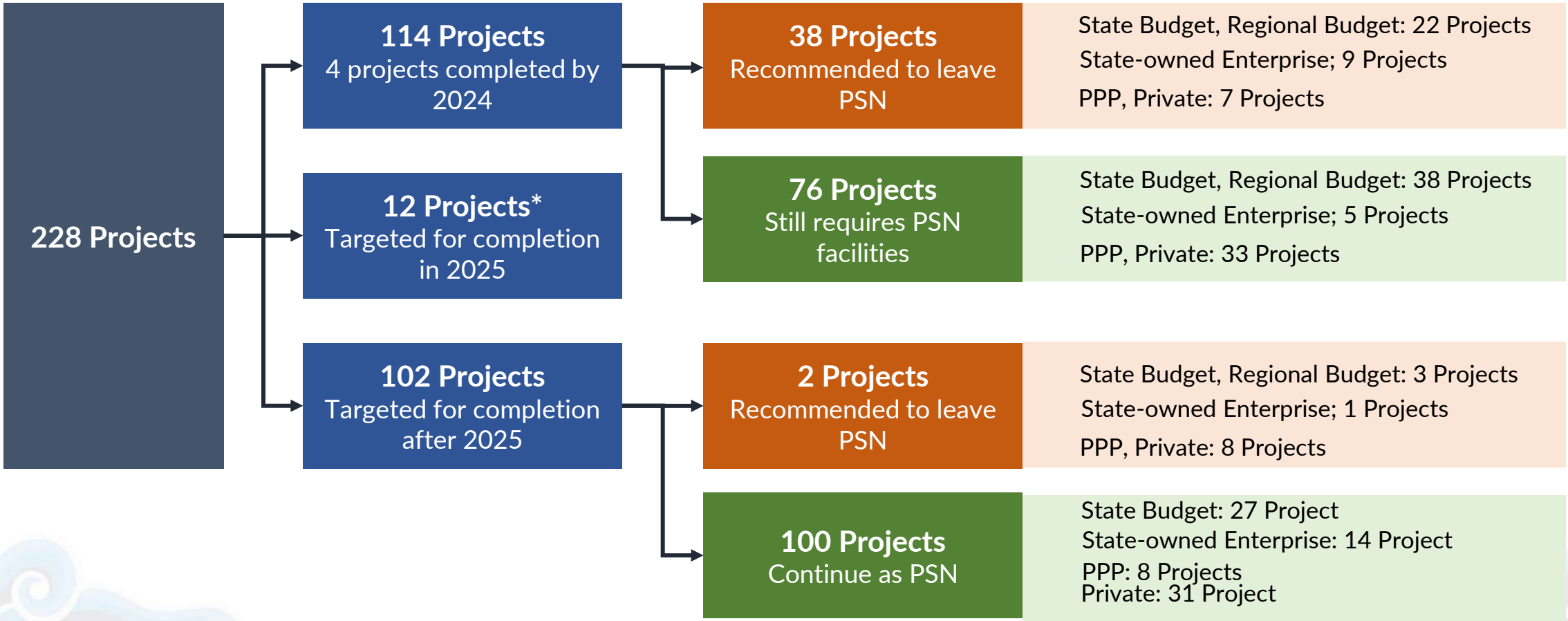
16 Programs

- **SEZ**
- **Sugar & Palm**
- **Ecocity**
- **Smelter**
- **Superhub**
- **Electricity**
- **Economic Equality**
- **Toll Road Opertaing System**
- **Toll Road Acces**
- **Food Estate**
- **Strategic Tourism**
- **Waste to Energy**
- **Flood Control, Congestion Management and Habitability**
- **Regional Development**
- **Tourism and Aviation Industry**
- **Border Development Area**

Project Evaluation in the National Strategic Project List

Of the 228 total PSN projects, 114 are targeted for full completion by December 2024, 12 by 2025, and the remaining 102 after 2025.

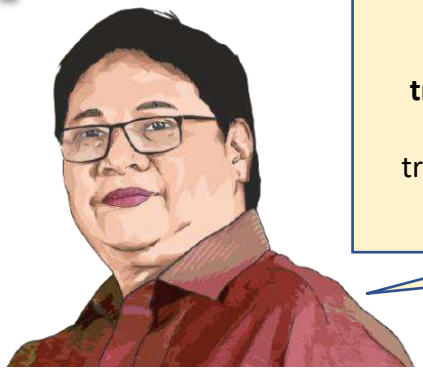
REALIZATION



**A total of 12 projects require support from ministries/agencies to accelerate completion*

About The Energy Transition And Green Economy Task Force

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

2 Main Objective

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

3 Roles and Responsibilities

THE ENERGY TRANSITION AND GREEN ECONOMY TASK FORCE

- **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.



Source: Coordinating Ministry for Economic Affairs

JETP Indonesia Stands As The Largest Individual Energy Transition Financing Effort

On 16 November 2022, the Government of Indonesia (GoI) and the International Partners Group (IPG) launched the Just Energy Transition Partnership for Indonesia (JETP Indonesia).



X

IPG Members



&

GFANZ
Glasgow Financial Alliance for Net Zero
Bank of America, Citi, Deutsche Bank, HSBC, Macquarie, MUFG, and Standard Chartered

Comprehensive Investment and Policy Plan (CIPP) 2023 as a Strategic Recommendation for Indonesia's Energy Transition

Main Result

Technical

- An ambitious yet achievable on-grid power sector roadmap.
- A list of priority projects in 5 investment areas, compiled from the Government and PLN.

Financing

- Funding needs to meet the electricity sector roadmap and priority projects.
- Clarification of general terms and conditions of IPG funding provisions.

Policy

- Policy reform recommendations for 7 key topics.

Just Transition

- A just transition framework for managing social, economic and environmental impacts.
- Opportunities for government stakeholders to advance just transition principles.

Targets in JETP Scenario

Target in 2030: CO_2 emissions 250 MT (on-grid) 44% share of renewable energy

USD 97.3 billion needed for just transition by 2030

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

Positive socio-economic impacts during the energy transition process

Key assumptions for achieving JETP targets

Policies supporting the energy transition are in place and implemented (refer to policy recommendations in CIPP 2023 Chapter 8)

Accessible financing available

- ❑ Concessional financing for low return projects is easily accessible
- ❑ Commercial financing for commercially viable projects
- ❑ Grants/TA to support studies, including feasibility studies that will lead to project implementation

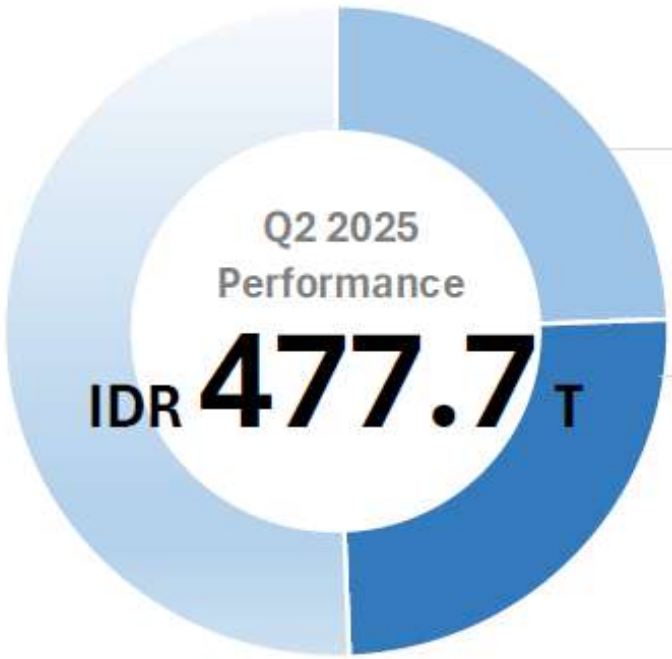
There are no obstacles in implementing the project such as land acquisition and licensing.

Procurement is carried out periodically for renewable energy and transmission projects by PLN with bankable PPAs & fair risk sharing between PLN and IPPs.

Source: Coordinating Ministry for Economic Affairs

Investment Realization Performance in the 2nd Quarter of 2025

Investment Realization Q2 2025



Q1 2025 Performance
IDR 465.2 T

(25.1%)
From 2025 investment target
IDR 1,905.6 T
▲ 11.5% (YoY)

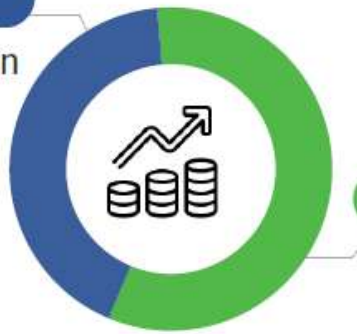
Indonesian Labor Absorption



665,764 people

Contribution of FDI & DDI Q2 2025

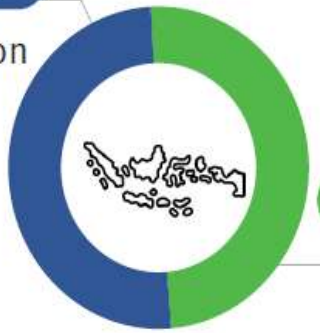
FDI (42.3%)
IDR 202.2 Trillion



DDI (57.7%)
IDR 275.5 Trillion

Contribution of Java & Outside Java Q2 2025

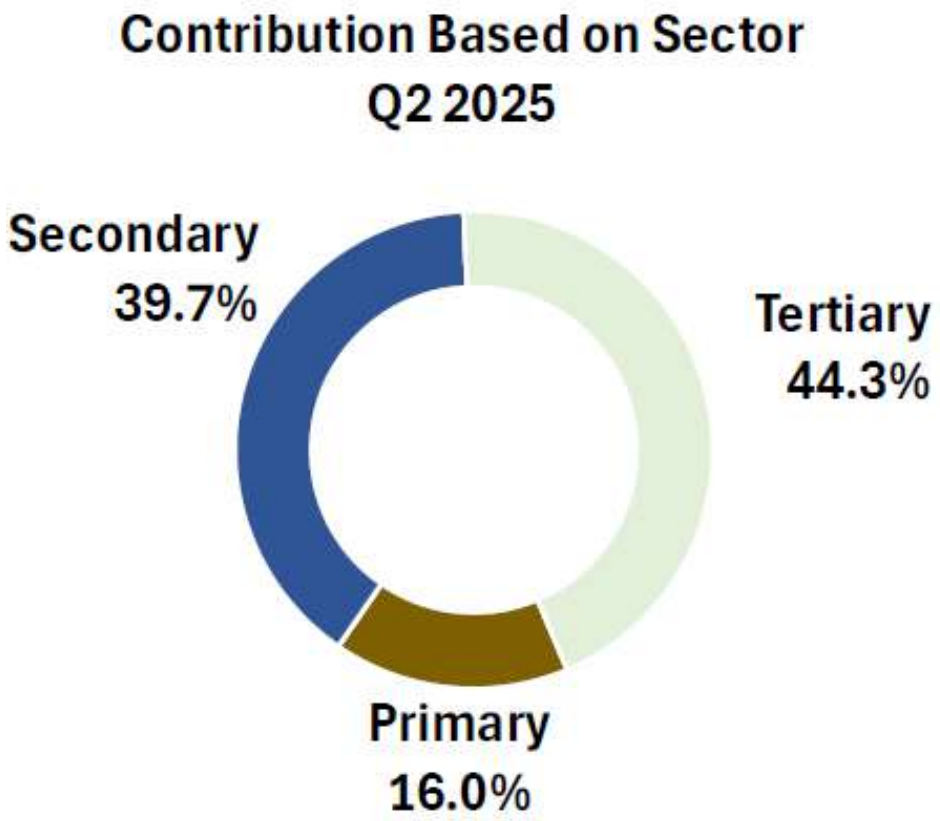
Java (49.7%)
IDR 237.5 Trillion



Outside Java (50.3%)
IDR 240.2 Trillion

Source: Ministry of Investment (BKPM)

Investment Realization in Q2 2025:
Top 5 Subsectors (FDI + DDI combined)





Basic Metal, Metal Goods, Except Machineries and Equipment Industry (14.1%)
IDR 67.1 Trillion



Mining (11.2%)
IDR 53.6 Trillion



Other Services (9.4%)
IDR 44.8 Trillion

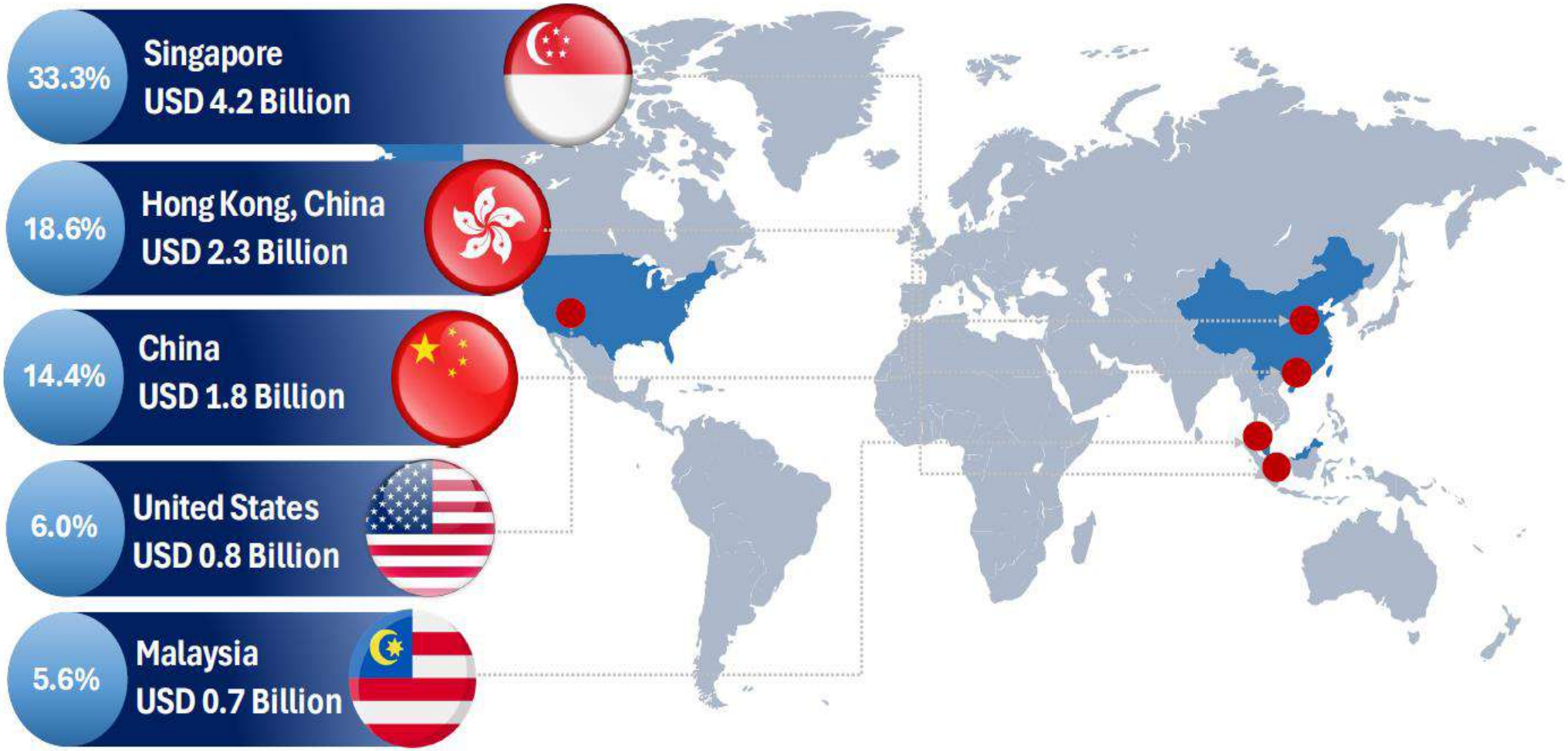


Transportation, Warehouse, and Telecommunication (9.3%)
IDR 44.2 Trillion



Trade and Reparation (8.4%)
IDR 40.0 Trillion

Investment Realization in Q1 2025: Top 5 FDI Countries




THANK YOU