



BANK INDONESIA  
BANK SENTRAL REPUBLIK INDONESIA

# MONETARY POLICY REVIEW

DECEMBER 2025







## FOREWORD

Bank Indonesia has a mandate, namely to achieve Rupiah stability, maintain payment system stability, and to include maintaining financial system stability in order to support sustainable economic growth. Nevertheless, rupiah stability encompasses two aspects, namely price stability of goods and services, as reflected in stable inflation, as well as rupiah exchange rate stability to currencies in other countries. The inflation target was set by the Government, in coordination with Bank Indonesia, at  $2.5 \pm 1\%$  in 2025. To that end, Bank Indonesia implements sustainable, consistent, and transparent monetary policy through effort to achieve low and stable inflation, a stable exchange rate, and an adequate level of foreign exchange reserves. In pursuance of its mandate, Bank Indonesia institutes an optimal mix of monetary,

macroprudential, and payment system policies.

Bank Indonesia regularly publishes the Monetary Policy Review after the Board of Governors Meeting has been convened in February, March, May, June, August, September, November, and December. The Review has two primary functions, namely: (i) to provide economic data, analysis and projections to help form and anchor rational expectations as part of the anticipative monetary policymaking framework; and (ii) as a medium for the Board of Governors to publicly explain and clarify the various considerations underlying monetary policy decision-making at Bank Indonesia.



## The Board of Governors

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**PERRY WARJIYO**

Governor

**DESTRY DAMAYANTI**

Senior Deputy Governor

**JUDA AGUNG**

Deputy Governor

**AIDA S. BUDIMAN**

Deputy Governor

**FILIANINGSIH HENDARTA**

Deputy Governor

**RICKY PERDANA GOZALI**

Deputy Governor





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# Executive Summary

The near-term outlook for the global economy is improving, although uncertainty continues to demand vigilance. Economic performance of Japan and India are increasing supported by household consumption and fiscal stimulus policies. The economic outlook in Europe remains good, underpinned by household consumption, investment, and labour market conditions. Meanwhile, the US economy continues to moderate in 2025, influenced by the temporary government shutdown and weakening labour market. China's economy continues on a slowing trend given sluggish domestic demand. In global financial markets, the Federal Funds Rate (FFR) declined by 25 bps in December 2025, with a tendency for more limited reductions moving forward. Yields on 2-year U.S. Treasuries have tended to rise, while 10-year U.S. Treasury yields remain elevated in line with high U.S. government debt levels. These developments have kept the U.S. dollar index (DXY) high and foreign capital inflows to emerging markets (EM) limited.

At home, Indonesia's economic growth is improving and needs to be further strengthened to align with the capacity of the economy. Household consumption in Q4 2025 improved, supported by Government social spending, as well as rising household confidence

regarding income conditions and job availability. These developments have led to stronger retail sales across various commodity groups. Investment, specifically non-building investment, improved due to increasing business confidence, as reflected by an expansionary pattern of the Manufacturing Purchasing Managers Index (PMI). Domestic demand needs to be further strengthened amid export performance that is projected to moderate, reflecting the end of export frontloading to the U.S. as well as lower exports of iron and steel to China and crude palm oil (CPO) to India. By sector, key sectors—namely Manufacturing, Wholesale and Retail Trade, Transportation and Warehousing, and Accommodation and Food Services—have shown positive performance. Indonesia's Balance of Payments (BOP) has strengthened and supports external resilience. Rupiah exchange rates remain under control, bolstered by the stabilisation policies of Bank Indonesia and foreign capital inflows to domestic financial instruments. In general, inflation has been maintained within the target corridor, with Consumer Price Index (CPI) inflation in November 2025 recorded at 2.72% (yoy). Bank Indonesia views that the effectiveness of monetary policy easing transmission to lower banking rates needs to be further strengthened. Money supply needs to be further increased through strengthening



the effectiveness of monetary liquidity expansion to support economic growth. The contribution of bank lending in driving economic growth needs to be continuously enhanced. Banking resilience remains strong, with capital maintained at a high level and credit risk remaining low. Growth of digital economic and financial transactions in November 2025 remained high, supported by a secure, smooth, and reliable payment system.

**The near-term outlook of the global economy is improving compare to earlier projections.** Taking into account recent global developments and dynamics, Bank Indonesia projects that global economic growth in 2025 at 3.2%.

**At home, Bank Indonesia continues to strengthen its policy mix—monetary, macroprudential, and payment system policies—closely synergized with the Government’s fiscal stimulus and real sector policies, to support stronger and more resilient growth.**

Taking into account the dynamic of economic growth, Bank Indonesia projected the economic growth in 2025 is within the range of 4.7–5.5% and to rise to 4.9–5.7% in 2026. External resilience is projected to remain resilient and the Rupiah is projected to remain stable, supported by attractive yields, low inflation, and continued positive prospects for Indonesia’s economic growth. Bank Indonesia expects inflation in 2025 and 2026 to remain low within the 2.5±1% target. Given the developments through November 2025, Bank Indonesia projects credit growth in 2025 to be at the lower bound of the 8–11% (yoy) range and to increase in 2026.

**The Board of Governors’ Meeting (RDG) of Bank Indonesia on 16–17 December 2025 decided to maintain the BI Rate at 4.75%, the Deposit Facility rate at 3.75%, and the Lending Facility rate at 5.50%.** The decision is consistent with efforts to maintain Rupiah exchange rate stability against a backdrop of persistently high global uncertainty, while continuing to strengthen the effectiveness of transmission of accommodative monetary policy and macroprudential policy to maintain stability and foster national economic growth. Moving forward, Bank Indonesia will continue to assess the room for further BI-Rate reductions, considering manageable inflation forecast in 2026 that remains well contained within the target of 2.5±1%, and the need to jointly foster higher economic growth. Easing macroprudential policy is also reinforced by enhancing the effectiveness of liquidity provision to banks to accelerate declines in interest rates and increase credit/financing growth to the real sector, particularly in Government priority sectors. Payment system policy remains directed toward supporting inclusive economic growth through broader digital payment acceptance, strengthening the structure of the payment system industry, and enhancing the resilience of payment system infrastructure.



## CHAPTER 1

# Global and Domestic Economic Development

The near-term outlook for the global economy is **improving, although uncertainty continues to demand vigilance**. Global economic growth in 2025 is projected at around 3.2%, supported by stronger economic performance of Japan and India on the back of household consumption and fiscal stimulus policies. The economic outlook in Europe remains good, underpinned by household consumption, investment, and labour market conditions. Meanwhile, the US economy continues to moderate in 2025, influenced by the temporary government shutdown and weakening labour market. China's economy continues on a slowing trend given sluggish domestic demand. In 2026, global economic growth is expected to slow to 3.0% in response to the continued impact of US reciprocal tariffs and vulnerabilities in global supply chains. In global financial markets, the Federal Funds Rate (FFR) declined by 25 bps in December 2025, with a tendency for more limited reductions moving forward. Yields on 2-year U.S. Treasuries have tended to rise, while 10-year U.S. Treasury yields remain

elevated in line with high U.S. government debt levels. These developments have kept the U.S. dollar index (DXY) high and foreign capital inflows to emerging markets (EM) limited.

**At home, Indonesia's economic growth is improving and needs to be further strengthened to align with the capacity of the economy.** Household consumption in Q4 2025 improved, supported by Government social spending, as well as rising household confidence regarding income conditions and job availability. These developments have led to stronger retail sales across various commodity groups. Investment, specifically non-building investment, improved due to increasing business confidence, as reflected by an expansionary pattern of the Manufacturing Purchasing Managers Index (PMI). Domestic demand needs to be further strengthened amid export performance that is projected to moderate, reflecting the end of export frontloading to the U.S. as well as lower exports of iron and steel to China and crude palm oil (CPO) to India.



By sector, key sectors—namely Manufacturing, Wholesale and Retail Trade, Transportation and Warehousing, and Accommodation and Food Services—have shown positive performance.

**Indonesia's Balance of Payments (BOP) has strengthened and supports external resilience.** The trade balance surplus continued in October 2025 at USD 2.4 billion, supported by non-oil and gas exports based on natural resources such as coal and vegetable oils and fats (CPO), as well as manufactured products such as iron and steel. In the capital and financial account, portfolio investment in Q4 2025 (up to 15 December 2025) recorded net inflows of USD 5.0 billion, supported by the Government's global bond issuance and inflows into equities and SRBI. Indonesia's foreign exchange reserves at the end of November 2025 increased to USD 150.1 billion, equivalent to 6.2 months of imports or 6.0 months of imports and Government external debt service, and well above the international adequacy standard of around 3 months of imports.

**Rupiah exchange rates remain under control, bolstered by the stabilisation policies of Bank Indonesia and foreign capital inflows to domestic financial instruments.** As of 16 December 2025, the Rupiah stood at Rp16,685 per US dollar, relatively stable compared with end-November 2025. Rupiah movements remain in line with regional currencies and Indonesia's trading partners, and have even appreciated against advanced economy currencies, except the US. This development has been supported by Bank Indonesia's stabilization measures through interventions in the offshore NDF market and onshore (DNDF), the spot market, and purchases of SBN in the secondary market, as well as inflows into equities and SRBI. In addition, additional foreign exchange supply from corporates, including increased conversion of foreign exchange into Rupiah by exporters following the strengthening of Natural Resource Export Proceeds (DHE SDA) policy, has also helped keep the Rupiah well controlled.

**In general, inflation has been maintained within the target corridor, with Consumer Price Index (CPI) inflation in November 2025 recorded at 2.72% (yoy).** Headline inflation was influenced by core inflation, which remained low at 2.36% (yoy) in line with economic growth that remains below capacity, monetary policy consistency by Bank Indonesia to anchor inflation expectations to the target corridor, as well as low imported inflation. Administered prices (AP) inflation remains low at 1.58% (yoy). Meanwhile, volatile food (VF) inflation remains relatively high at 5.48% (yoy), driven mainly by shallots due to limited

supply as a result of weather disruptions and higher seed prices.

**Bank Indonesia's monetary policy continues to be strengthened to foster higher economic growth while preserving macroeconomic stability.** Monetary policy has been pursued through reductions in the BI Rate, Rupiah exchange rate stabilization, and monetary liquidity expansion. Since September 2024, the BI Rate has been reduced by 150 bps, comprising 25 bps in September 2024 and 125 bps during 2025, to 4.75% through November 2025—its lowest level since 2022. Rupiah exchange rate stabilization policies have been further strengthened through interventions in the offshore market via NDF and in the domestic market via the spot market, DNDF, and purchases of SBN in the secondary market. Rupiah liquidity expansion has also been pursued by reducing outstanding SRBI from Rp916.97 trillion at the beginning of 2025 to Rp735.67 trillion as of 16 December 2025. Bank Indonesia has purchased SBN as part of close synergy between monetary and fiscal policies, amounting to Rp327.45 trillion as of 16 December 2025, including secondary market purchases and the Government debt switching program totaling Rp241.99 trillion. The purchase of SBN in the secondary market has been conducted in accordance with market mechanisms, in a measured and transparent manner, and consistently with the monetary program to preserve macroeconomic stability, thereby maintaining the credibility of monetary policy.

**The strengthening of macroprudential liquidity incentive policies (KLM) and the acceleration of payment system digitalization are being pursued to further bolster economic growth.** The implementation of performance-based and forward-looking KLM policy, effective from 1st December 2025, was further strengthened on 16 December 2025 to accelerate the decline in banking lending rates while nurturing lending/financing to the real sector. This is pursued by increasing the liquidity incentives for banks that reduce lending rates more quickly (interest rate channel) from a maximum of 0.5% to 1.0% of DPK, while liquidity incentives for credit disbursement (lending channel) remain substantial at a maximum of 4.5% of DPK. As of 16 December 2025, total KLM incentives reached Rp388.1 trillion, allocated to state-owned banks (BUMN) at Rp177.1 trillion, private national banks (BUSN) at Rp169.5 trillion, regional development banks (BPD) at Rp34.6 trillion, and foreign bank branches (KCBA) at Rp7.0 trillion. By sector, KLM incentives were channeled to priority sectors, namely Agriculture, Industry and Downstreaming, Services including the Creative Economy, Construction, Real Estate and Housing, as well as MSMEs, Cooperatives, Inclusion, and Sustainable sectors. Going forward, more effective interest rate transmission is



expected to boost credit demand and lead to higher bank lending to support sustainable economic growth.

**Bank Indonesia views that the effectiveness of monetary policy easing transmission to lower banking rates needs to be further strengthened.**

Monetary policy easing undertaken by Bank Indonesia and the placement of the Government's Surplus Budget Balance (SAL) funds in the banking system need to be followed by faster declines in banking interest rates. In line with the 125 bps reduction in the BI Rate during 2025 and Bank Indonesia's monetary liquidity expansion, the INDONIA rate fell by 191 bps from 6.03% at the beginning of 2025 to 4.12% as of 16 December 2025. SRBI rates for 6-, 9-, and 12-month tenors also declined by 226 bps, 226 bps, and 228 bps, respectively, since early January 2025 to 4.90%, 4.94%, and 4.98% as of 12 December 2025. SBN yields for the 2-year tenor declined by 199 bps from 6.96% at the beginning of 2025 to 4.97% as of 16 December 2025, while the 10-year tenor yield declined by 110 bps from the peak level of 7.26% in mid-January 2025 to 6.16%. The transmission of BI Rate reductions to banking rates continues, particularly to deposit rates. The 1-month deposit rate declined by 67 bps from 4.81% at the beginning of 2025 to 4.14% in November 2025. However, declines in bank lending rates have tended to be slower and therefore need to be further encouraged, decreasing by 24 bps from 9.20% at the beginning of 2025 to 8.96% in November 2025.

**Money supply needs to be further increased through strengthening the effectiveness of monetary liquidity expansion to support economic growth.** In November 2025, M0 growth (excluding the impact of reductions in banks' Statutory Reserves (GWM) at Bank Indonesia due to KLM incentives) was recorded at 6.46% (yoy), moderating from 7.75% (yoy) in the previous month. Growth of adjusted base money (adjusted M0), namely base money that has neutralised the impact of KLM policy, also moderated to 13.33% (yoy) from 14.38% (yoy) in the previous period. By component, the moderation in M0 growth was mainly influenced by a decline in banks' placements of excess reserves at Bank Indonesia. In terms of influencing factors, slower M0 growth reflected still-low credit/financing disbursement, which encouraged banks to place excess liquidity in Bank Indonesia's monetary instruments. Meanwhile, growth of broad money (M2) decelerated to 7.72% (yoy) in October 2025 from 8.02% (yoy) in September 2025. Based on the influencing factors,

lower M2 growth was primarily driven by sluggish demand for credit despite increasing liquidity supply. By component, M2 moderation was impacted by slower growth of demand deposits and securities. Moving forward, money supply growth needs to be further increased through policy synergy between Bank Indonesia and the Government to support economic growth.

**The contribution of bank lending in driving economic growth needs to be continuously enhanced.** Credit growth in November 2025 was recorded at 7.74% (yoy), accelerating from 7.36% (yoy) the month earlier. Credit demand has indicated a lack of strength, influenced by a wait-and-see attitude among businesses, optimization of internal financing by corporates, and still-slow declines in lending rates. Undisbursed loans remained sizable in November 2025, reaching Rp2,509.4 trillion or 23.18% of available credit ceilings. On the supply side, banks' financing capacity remained adequate, supported by the Liquid Assets to Third-Party Funds (AL/DPK) ratio rising to 29.67% and DPK growth of 12.03% (yoy) in November 2025. These developments were supported by Bank Indonesia's monetary liquidity expansion and KLM easing, as well as Government financial expansion including the placement of Government funds in several large banks. Banks' appetite for lending generally remains sound, as reflected in increasingly accommodative lending requirements, except in consumer credit and MSME segments due to rising credit risk in both segments. This condition affected MSME credit growth, which contracted by 0.64% (yoy) in November 2025.

**Banking resilience remains strong, with capital maintained at a high level and credit risk remaining low.** On the capital side, the banking Capital Adequacy Ratio (CAR) in October 2025 increased to 26.38%, enhancing the capacity to absorb risks. The aggregate Non-Performing Loan (NPL) ratio remained low at 2.25% (gross) and 0.90% (net) in October 2025; however, gross MSME NPL remained high at 4.50% in November 2025. Bank Indonesia's stress test results indicate that banking resilience remains strong, supported by maintained corporate repayment capacity and profitability.

**Growth in digital economic and financial transactions in November 2025 remained high, supported by a secure, smooth, and reliable payment system.** The volume of digital payments<sup>1</sup>

<sup>1</sup> Digital payments include transactions through mobile applications and the internet.

transaction reached 4.66 billion transactions, growing by 41.12% (yoy) in November 2025, supported by broader digital payment acceptance. Mobile and internet application transaction volumes grew by 15.91% (yoy) and 16.11% (yoy), respectively, including QRIS transactions, which grew by 143.64% (yoy). This positive performance was supported by increased numbers of users and merchants. In terms of infrastructure, the volume of retail transactions processed through BI-FAST reached 439 million transactions, growing by 29.77% (yoy), with a transaction value of Rp1,092 trillion in November 2025. Meanwhile, the volume of high-value transactions processed through BI-RTGS totaled 0.87 million transactions, with a value of Rp20,463 trillion in November 2025. In terms of Rupiah currency management, Currency in Circulation (UYD) grew by 13.09% (yoy) to Rp1,250.60 trillion in November 2025.

**Payment system stability remains well maintained, supported by stable infrastructure and a sound industry structure.** Stable infrastructure is reflected in the smooth and reliable operation of Bank Indonesia Payment Systems (SPBI) and industry payment systems, as well as adequate cash supply in sufficient quantity

and quality in November 2025. A healthy industry structure is reflected in stronger interconnection among participants in the payment system, accompanied by an expanding Digital Financial Economy (EKD) ecosystem. The expansion in adoption of the National Standard for Open API Payment (SNAP) supports stronger interconnection, as reflected in the continued increase in SNAP-based payment transactions. Going forward, Bank Indonesia will continue to ensure the security and reliability of SPBI infrastructure, both retail and wholesale, as well as the infrastructure of industry payment systems. In addition, the structure of the payment system industry will continue to be strengthened, particularly in the areas of risk management and the reliability of industry participants' technology infrastructure. Education and outreach on the use of Cross-Border QRIS in tourism destination areas will also be further intensified during the Nataru 2025 holiday period. Bank Indonesia remains consistent in ensuring the availability of Rupiah currency in sufficient quantity and acceptable quality throughout the territory of the Unitary State of the Republic of Indonesia (NKRI), including frontier, outermost, and remote (3T) areas.





## CHAPTER 2

# Economic Prospect

In the near term, global economic prospects show improvement, although uncertainty remains elevated and warrants continued vigilance. Bank Indonesia project global economic growth improving at around 3.2%. This projection is influenced by stronger economic growth in Japan and India on the back of household consumption and fiscal stimulus policies, as well as a resilient economic outlook in Europe underpinned by household consumption, investment, and labour market conditions, amid moderating economic growth in the United States and China. In 2026, global economic growth is expected to slow to 3.0% in response to the continued impact of US reciprocal tariffs and vulnerabilities in global supply chains. Going forward, global economic uncertainty is expected to remain high amid still-weak global growth prospects. Such conditions demand vigilance and a strong policy response to strengthen domestic economic resilience against global spillovers and to accelerate growth.

At home, Indonesia's economic growth is improving and needs to be further strengthened to align with the capacity of the economy. Economic growth in 2025 is projected within the range of 4.7–5.5% and to rise to 4.9–5.7% in 2026. Moving forward, various

efforts must be maintained to accelerate economic growth, while maintaining stability. In this regard, Bank Indonesia continues to strengthen its policy mix—monetary, macroprudential, and payment system policies—closely synergized with the Government's fiscal stimulus and real sector policies, to support stronger and more resilient growth.

**Indonesia's external economic resilience is expected to remain sound.** The BOP in 2025 is projected to remain resilient, with the current account projected within a range of a surplus of 0.1% to a deficit of 0.7% of GDP. In 2026, the BOP is projected to continue improving, supported by a stronger capital and financial account in line with Indonesia's positive economic outlook and a low current account deficit within the range of 1.0–0.2% of GDP.

**The Rupiah is projected to remain stable, supported by attractive yields, low inflation, and continued positive prospects for Indonesia's economic growth.** Bank Indonesia remains committed to maintaining Rupiah exchange rate stability, including through measured interventions in NDF, DNDF, and spot transactions, as well as secondary market purchases of SBN, thereby supporting the achievement of the inflation target.

**Bank Indonesia expects inflation in 2025 and 2026 to remain low within the  $2.5 \pm 1\%$  target.** Core inflation is projected to remain low, supported by inflation expectations anchored within the target, ample economic capacity, contained imported inflation, and the positive impact of digitalization. VF inflation is also projected to remain manageable, supported by synergies in inflation control by the Central/Regional Inflation Control Teams (TPIP/TPID) and strengthened implementation of the National Food Security Program.

**The contribution of bank lending in driving economic growth needs to be continuously enhanced.** Bank Indonesia will continue to strengthen policy synergy with the KSSK in mitigating various global and domestic economic risks that could potentially disrupt financial system stability. Bank Indonesia will continue to strengthen coordination with the Government and the KSSK to support bank credit/financing growth and improve the interest rate structure. Bank Indonesia projects credit growth in 2025 to be at the lower bound of the 8–11% (yoy) range and to increase in 2026.





## CHAPTER 3

# Bank Indonesia Policy Response

The Board of Governors' Meeting (RDG) of Bank Indonesia on 16–17 December 2025 decided to maintain the BI Rate at 4.75%, the Deposit Facility rate at 3.75%, and the Lending Facility rate at 5.50%. The decision is consistent with efforts to maintain Rupiah exchange rate stability against a backdrop of persistently high global uncertainty, while continuing to strengthen the effectiveness of transmission of accommodative monetary policy and macroprudential policy to maintain stability and foster national economic growth. Moving forward, Bank Indonesia will continue to assess the room for further BI-Rate reductions, considering manageable inflation forecast in 2026 that remains well contained within the target of  $2.5 \pm 1\%$ , and the need to jointly foster higher economic growth. Easing macroprudential policy is also reinforced by enhancing the effectiveness

of liquidity provision to banks to accelerate declines in interest rates and increase credit/financing growth to the real sector, particularly in Government priority sectors. Payment system policy remains directed toward supporting inclusive economic growth through broader digital payment acceptance, strengthening the structure of the payment system industry, and enhancing the resilience of payment system infrastructure.

The direction of the monetary, macroprudential, and payment system policy mix aimed at maintaining stability to support sustainable economic growth is supported by the following policy measures:

1. Strengthening Rupiah exchange rate stabilization through interventions in both offshore Non-Deliverable Forward (NDF) transactions and onshore spot and Domestic Non-Deliverable Forward (DNDF) transactions. This strategy is accompanied by purchases of Government Securities (SBN) in the secondary market;
2. Strengthening the pro-market monetary operations strategy to enhance the effectiveness of monetary policy transmission in lowering interest rates and expanding liquidity through:
  - i. managing the interest rate structure of monetary instruments;
  - ii. optimizing the issuance of Bank Indonesia Rupiah Securities (SRBI); and
  - iii. conducting measured purchases of SBN in the secondary market;
3. Providing remuneration on banks' placements in excess reserves to enhance banks' flexibility in utilizing excess liquidity for credit/financing to the real sector. Remuneration on excess reserves is set at 25 bps below the Deposit Facility rate, i.e., 3.50%, while remuneration on Statutory Reserves (GWM) remains at 1.50%;
4. Strengthening the implementation of the performance-based and forward-looking Macroprudential Liquidity Incentive Policy (KLM) to accelerate declines in banks' lending/financing rates in order to optimize intermediation while maintaining prudential principles, effective 16 December 2025, as follows:
  - i. maintaining the maximum KLM incentive at 5.5% of Third-Party Funds (DPK);
  - ii. adjusting the KLM incentive derived from lending/financing to certain sectors designated by Bank Indonesia (lending channel) from a maximum of 5% to a maximum of 4.5%;
  - iii. adjusting the incentive derived from setting lending rates/financing return percentages aligned with Bank Indonesia's policy rate direction (interest rate channel) from a maximum of 0.5% to a maximum of 1.0%;
5. Strengthening the publication of the assessment of transparency of the Prime Lending Rate (SBDK), with deeper coverage of lending rates by priority sectors under the KLM scope, including the response of changes in SBDK to changes in Bank Indonesia's policy rate;
6. Extending the policy on credit card (KK) and the fee of Bank Indonesia National Clearing System (SKNBI) until 30 June 2026, covering: (i) the minimum payment policy for credit card holders of 5% of total billing and a late payment penalties capped at a maximum of 1% of total billing and not exceeding Rp100,000; and (ii) the SKNBI fee of Rp1 from Bank Indonesia to banks and a maximum SKNBI fee of Rp2,900 from banks to customers;
7. Strengthening the digital acceptance strategy in 2026 through: (i) the campaign of QRIS Jelajah Kuliner Indonesia 2026 and Tourist Travel Packs at travel destinations, and (ii) expanding the implementation of QRIS Tap in the transportation and retail sectors.
8. Strengthening the availability of seamless cash and cashless payment systems in all regions of the Republic of Indonesia to meet the needs of the community, particularly during the Christmas and New Year festive period in 2025, which includes the SERUNAI campaign from 8th-23rd December 2025 to meet the demand for cash exchange services.
9. 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.

Bank Indonesia also continues to strengthen policy synergies with the Financial System Stability Committee (KSSK) to maintain financial system stability. Policy synergy between Bank Indonesia and the Government is further strengthened to maintain stability and support economic growth in line with the Government's Asta Cita program.



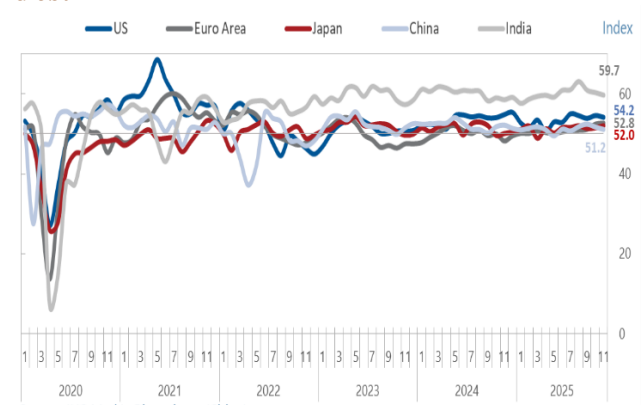
In the near term, the global economy is improving, although uncertainty continues to demand vigilance.

### Global GDP Growth

Country	2020	2021	2022	2023	2024	2025*
<b>World</b>	<b>-2.8</b>	<b>6.3</b>	<b>3.5</b>	<b>3.3</b>	<b>3.3</b>	<b>3.2</b>
<b>Advanced economies</b>	<b>-4.2</b>	<b>5.6</b>	<b>2.6</b>	<b>1.7</b>	<b>1.8</b>	<b>1.7</b>
United States	-2.8	5.9	1.9	2.9	2.8	2.0
Euro Area	-6.1	5.6	3.4	0.4	0.9	1.3
Japan	-4.2	2.2	1.0	1.5	0.1	1.4
<b>Emerging economies</b>	<b>-1.8</b>	<b>6.9</b>	<b>4.1</b>	<b>4.4</b>	<b>4.3</b>	<b>4.2</b>
China	2.2	8.4	3.0	5.2	5.0	4.8
India	-6.6	8.3	6.8	7.7	6.5	7.2
ASEAN-5	-4.4	4.0	5.5	4.0	4.6	4.4
Latin America	-7.0	7.4	4.2	2.4	2.4	1.9
Emerging Euro	-1.6	7.3	1.2	3.3	3.4	2.2
Middle East & Central Asia	-2.6	4.3	5.4	2.0	2.4	3.5

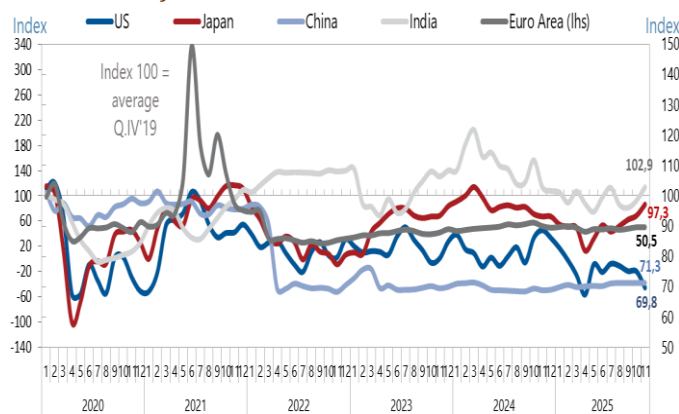
Source: IMF WEO. \*Bank Indonesia Projection

### Global PMI



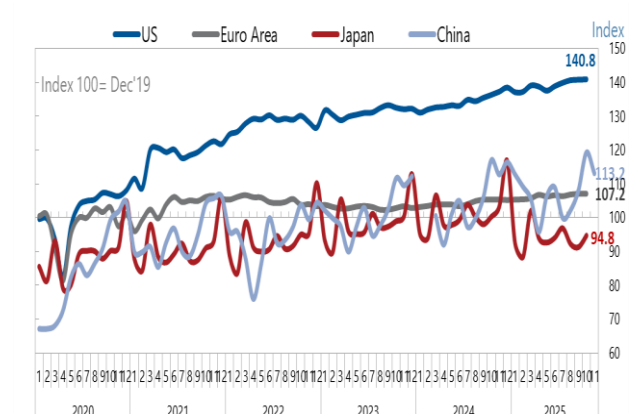
Source: IHS Markit, Bloomberg (China)

### Consumer Confidence Index



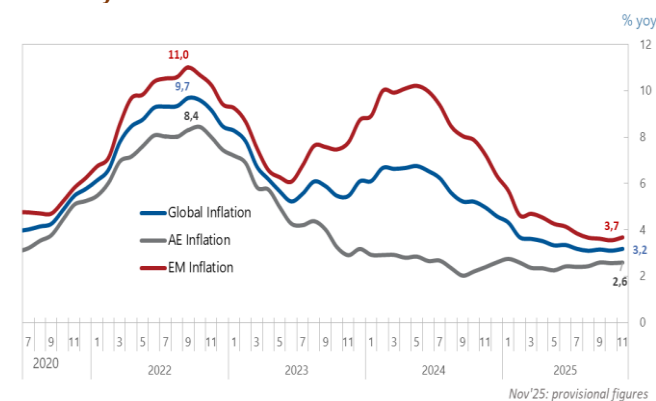
Source: Bloomberg, calculated

### Retail Sales



Source: CEIC, calculated

### Global Inflation



Source: Bloomberg and IMF, calculated

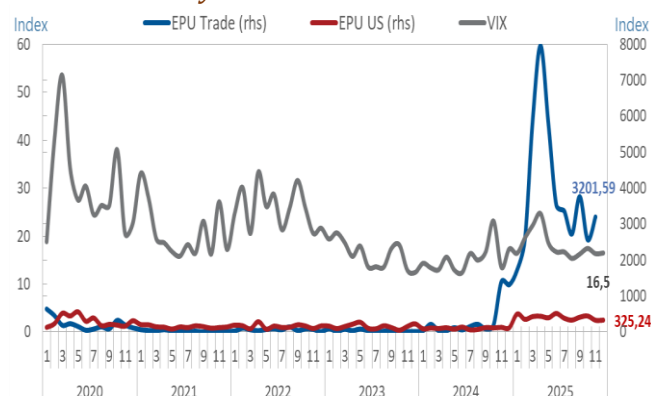
### Indonesia's Export Commodity Prices

Commodity	2022				2023				2024				2025							
	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2	Q3	Q4	YTD*
Copper	17.4	-1.8	-17.7	-16.4	-5.2	-10.2	-11.0	8.6	3.1	-3.3	-4.7	16.8	11.2	12.8	8.8	10.3	-4.3	5.6	17.5	6.7
Coal	94.1	73.2	11.1	-1.6	32.3	-2.9	-27.7	-35.7	-35.8	-25.9	-27.7	-16.3	0.2	-11.3	-15.3	-14.4	-16.8	-20.2	-11.4	-15.8
CPO	56.7	55.5	-12.2	-24.9	15.3	-35.6	-42.0	-3.2	-5.9	-25.9	0.5	6.2	5.2	31.3	10.5	17.1	0.3	6.9	-13.4	1.8
Rubber	1.7	2.2	-6.0	-19.8	-4.9	-21.1	-27.3	-8.0	11.5	-13.5	17.9	44.3	40.6	40.0	35.3	9.3	-9.2	-7.6	-15.0	-6.1
Nickel	58.4	66.7	16.0	30.3	42.1	-6.7	-22.6	-7.0	-31.8	-17.3	-35.7	-16.9	-19.9	-7.2	-21.3	-6.2	-17.7	-7.8	-7.6	-10.0
Tin	80.6	25.3	-30.3	-43.1	0.0	-38.6	-29.4	13.8	14.6	-16.8	0.2	25.3	18.5	23.4	16.7	21.0	0.5	7.0	22.5	11.9
Aluminium	54.3	20.2	-11.0	-14.7	9.4	-24.9	-21.3	-6.6	-5.5	-15.7	-8.2	12.3	10.0	16.9	7.4	17.1	-3.9	8.1	8.6	7.0
Coffee	82.5	50.8	18.3	-21.2	24.6	-26.4	-19.3	-28.6	-2.1	20.1	7.1	19.9	55.9	65.7	36.4	100.7	63.9	36.9	32.6	47.3
Others	5.2	6.4	7.3	6.3	6.3	-1.5	-1.7	-2.2	-3.1	-2.1	-1.0	-0.2	0.3	0.1	-0.2	-0.2	1.1	1.7	-0.6	0.5
Indonesia Export Commodity Prices	47.0	37.7	1.3	-6.8	15.3	-12.7	-21.7	-12.2	-12.0	-16.0	-8.2	1.7	6.1	8.7	1.5	2.9	-5.0	-3.5	-5.2	-3.2
Oil (Brent)**	101	113	101	88	101	81	78	87	84	83	83	85	80	75	81	76	68	69	64	69

\*\*Oil in USD/Barrel, other commodities (% yoy)

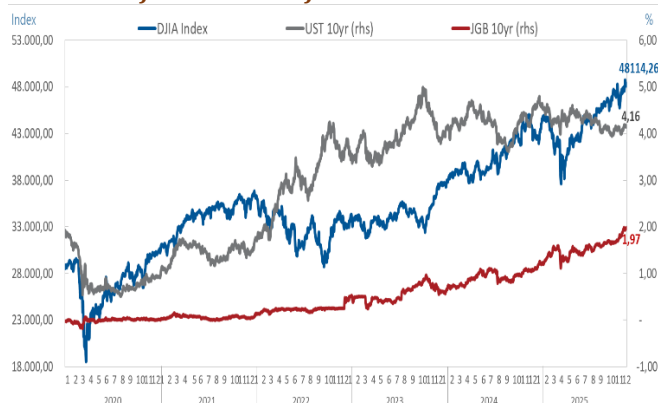
Source: Bloomberg. Data as of December 17, 2025

### Global Uncertainty Index



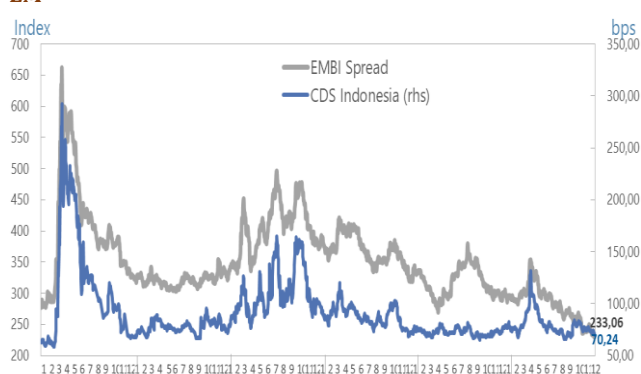
Source: Bloomberg. Data as of December 16, 2025

### 10 Yr UST & JGB Yield and DJIA Index



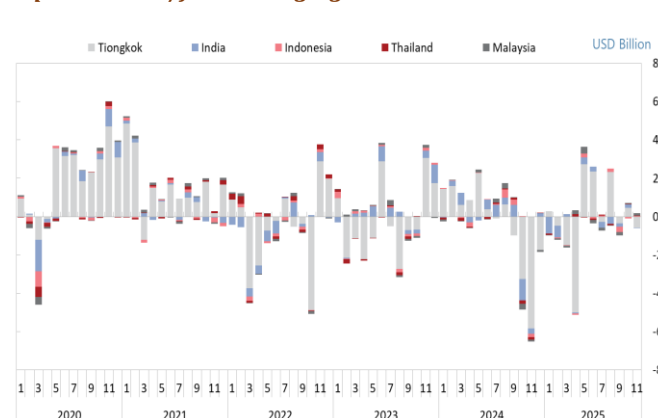
Source: Bloomberg. Data as of December 17, 2025

### US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of December 17, 2025

### Capital Flow to/from Emerging Market



Source: IIF

**At home, Indonesia's economic growth is improving and needs to be further strengthened to align with the capacity of the economy.**

### Economic Growth – Expenditure Side

Components	2022	2023				2024				2025		
		I	II	III	IV	I	II	III	IV	I	II	III
Household Consumption	4.94	4.53	5.22	5.05	4.47	4.82	4.91	4.93	4.91	4.98	4.94	4.97
Non-Profit Institution Serving Household (NPISH) Consumption	5.66	6.29	8.78	6.40	18.37	10.03	24.13	9.79	11.46	6.06	12.48	3.07
Government Consumption	-4.42	3.33	10.52	-3.86	2.94	3.02	20.44	2.03	4.62	4.17	-1.37	-0.33
Investment (GFCF)	3.87	1.53	4.05	5.08	4.32	3.76	3.78	4.42	5.16	5.03	4.61	2.12
Building Investment	0.91	0.08	3.32	6.31	6.42	4.04	5.46	5.31	6.02	5.26	5.51	1.35
NonBuilding Investment	12.53	5.70	6.10	2.05	-0.78	3.03	-0.78	1.97	2.96	4.40	2.23	4.32
Exports	16.23	11.72	-2.84	-3.91	1.66	1.34	1.48	8.13	8.79	7.63	6.51	6.44
Imports	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.50	7.79	11.92	10.36	7.95	4.00
GDP	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02	5.03	4.87

Source: BPS

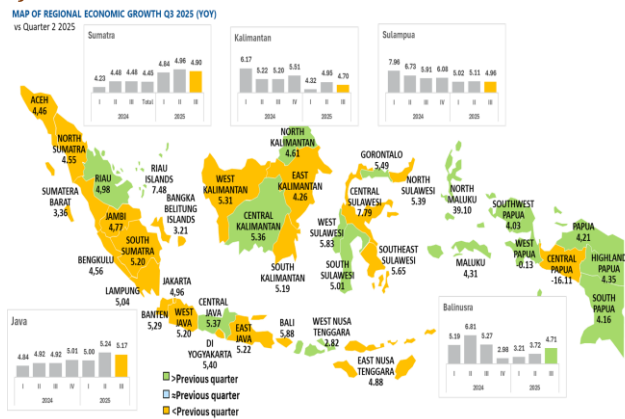
### Economic Growth – Economic Sectors Side

Components	2022	2023				2024				2025		
		I	II	III	IV	I	II	III	IV	I	II	III
Agriculture, Forestry, and Fisheries	2.25	0.44	2.03	1.49	1.13	1.31	-3.54	3.25	1.69	0.71	0.67	1.65
Mining and excavation	4.38	4.92	5.01	6.95	7.46	6.12	9.31	3.17	3.46	3.95	4.90	-1.23
Manufacture	4.89	4.43	4.88	5.19	4.07	4.84	4.13	3.95	4.72	4.89	4.43	5.68
Electricity and Gas Procurement	6.61	2.67	3.15	5.06	8.68	4.91	5.35	5.39	5.02	3.42	4.77	5.11
Water Supply	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.84	0.03	1.06	1.56	0.18
Construction	2.01	0.32	5.23	6.39	7.68	4.91	7.59	7.29	7.48	5.81	7.02	2.18
Wholesale Retail, Car and Motorcycle Repairs	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.85	4.82	5.19	4.86	5.03
Transportation and Warehousing	19.87	15.93	15.28	14.74	10.33	13.96	8.66	9.56	8.64	7.92	8.69	9.01
Provision of Accommodation, Food and Beverages	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.15	8.32	6.61	8.56	5.75
Information and Communication	7.73	7.11	8.03	8.51	6.74	7.59	8.41	7.66	6.82	7.45	7.57	7.72
Financial Services and Insurance	1.93	4.45	2.86	5.24	6.56	4.77	3.93	7.90	5.49	1.74	4.74	3.98
Real Estate	1.72	0.37	0.96	2.21	2.18	1.43	2.54	2.16	2.32	2.97	2.50	2.94
Corporate Services	8.77	6.37	9.59	9.37	7.62	8.24	9.63	7.96	7.93	8.08	8.38	9.27
Government Administration, Defence and Compulsory Social Security	2.52	2.13	1.18	-6.24	1.63	1.51	18.89	2.81	3.94	1.16	6.40	4.79
Education Services	0.55	1.02	5.42	-2.09	2.63	1.77	7.43	2.44	2.56	2.95	3.75	5.04
Health Services and Other Social Activities	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.57	7.65	5.20	8.11	5.78
Other Services	9.47	8.90	11.89	11.14	10.15	10.52	8.82	8.85	9.95	11.36	9.80	11.31
GDP	5.31	5.04	5.17	4.94	5.04	5.05	5.11	5.05	4.95	5.02	5.03	4.87

Source: BPS

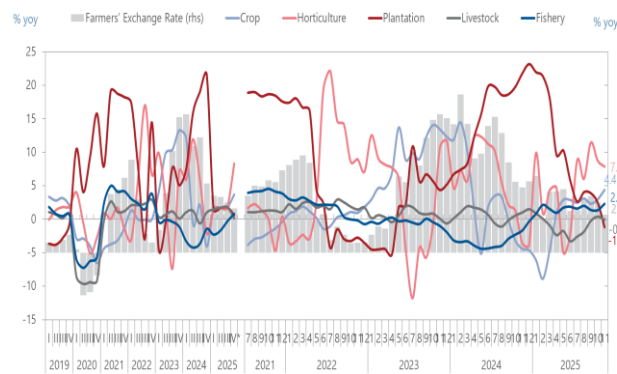


## Growth of Regional Economic (GRDP) of the Third Quarter of 2025



Source: BPS, calculated

## Farmers' Exchange Rate



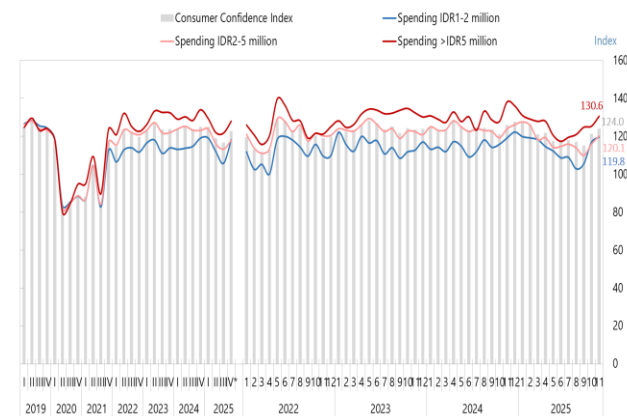
Source: BPS, calculated. \*Data as of November 2025

## Realization of State Budget (APBN)

ITEMS	2021		2022		2023		2024		2025		
	Budget (IDR Trillion)	Realization as of December 2021 (IDR Trillion)	Budget (IDR Trillion)	PERPRES 90/2022 (IDR Trillion)	Realization as of December 2022 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2023 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2024 (IDR Trillion)	Budget (IDR Trillion)	Realization as of October 2025 (IDR Trillion)
A. State Income and Grants	1,743.6	2,009.6	1,846.1	2,266.2	2,635.4	2,463.0	2,774.3	2,463.0	2,842.5	3,005.1	2,111.5
I. Domestic Income	1,742.7	2,005.1	1,845.6	2,265.6	2,629.7	2,462.6	2,761.3	2,462.6	2,812.2	3,004.5	2,109.0
1. Tax Income	1,444.5	1,546.8	1,510.0	1,784.0	2,034.6	2,021.2	2,155.4	2,021.2	2,232.6	2,490.9	1,708.0
2. NonTax Income	298.2	458.3	335.6	481.6	595.2	441.4	605.9	441.4	579.5	513.6	401.1
II. Grant	0.9	4.5	0.6	0.6	5.6	0.4	13.0	0.4	30.3	0.6	2.5
B. State Expenditures	2,750.0	2,773.6	2,714.2	3,106.4	3,095.5	3,061.2	3,121.9	3,061.2	3,350.3	3,621.3	2,593.0
I. Central Government Expenditures	1,954.5	1,987.9	1,944.5	2,301.6	2,279.2	2,246.5	2,240.6	2,246.5	2,486.8	2,701.4	1,879.6
1. Employee Spending	421.1	387.7	426.5	426.5	402.4	442.6	412.3	442.6	464.5	511.5	428.2
2. Spending for Goods	362.5	529.6	339.7	339.7	426.0	387.0	429.8	387.0	493.3	486.9	345.5
3. Capital Expenditures	246.8	228.6	199.2	199.2	240.4	199.1	307.3	199.1	328.1	234.1	206.4
4. Payment of Debt Obligations	373.3	343.5	405.9	405.9	386.3	441.4	439.9	441.4	488.4	552.9	434.7
5. Subsidies	175.4	241.0	207.0	283.7	252.8	298.5	299.6	298.5	291.9	307.9	194.9
6. Grant Expenditure	6.8	4.3	4.8	4.8	5.8	0.0	0.2	0.0	0.1	0.2	0.07
7. Social Assistance	161.4	173.6	147.4	147.4	161.5	148.6	157.6	148.6	153.1	140.1	147.2
8. Other Expenditures	207.3	79.5	214.0	494.4	403.9	329.3	224.6	329.3	267.3	458.0	122.6
II. Transfer to Regions and Village Funds	795.5	785.7	769.6	804.8	816.2	814.7	881.3	814.7	863.5	919.9	713.4
1. Transfer to Regions	723.5	713.9	701.6	736.8	748.3	744.7	811.4	744.7	792.6	848.9	589.9
2. Village Funds	72.0	71.9	68.0	68.0	67.9	70.0	69.9	70.0	70.9	71.0	55.0
C. Primary Balance	(633.1)	(420.5)	(62.2)	(434.4)	(46.4)	(156.8)	92.2	(156.8)	(19.4)	(63.3)	(46.8)
D. Budget Surplus/Deficit	(1,006.4)	(764.0)	(868.0)	(840.2)	(460.1)	(598.2)	(347.5)	(598.2)	(507.8)	(616.2)	(481.5)
Surplus/Deficit (%GDP)	(5.7)	(4.5)	(4.9)	(4.5)	(2.3)	(2.8)	(1.65)	(2.8)	(2.29)	(2.5)	(2.02)

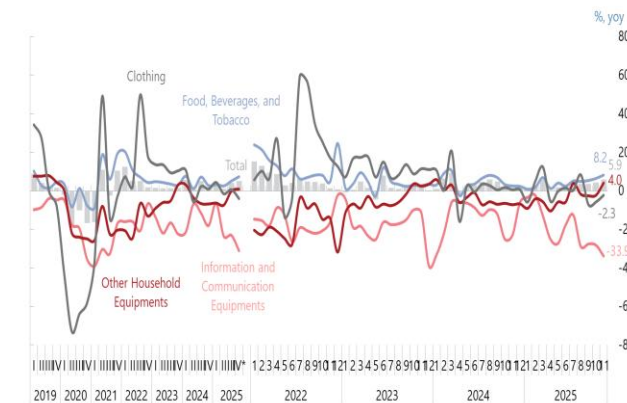
Source: Ministry of Finance

## Consumer Confidence Index



Source: Bank Indonesia. \*Data as of November 2025

## Global Retail Sales



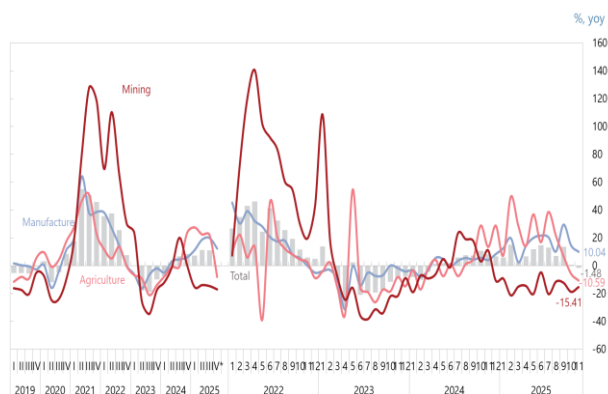
Source: Bank Indonesia. \*Data as of November 2025

## Manufacturing PMI



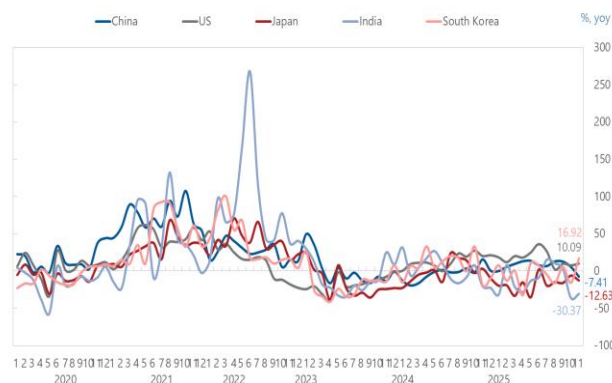
Source: Markit Economics

### Non-oil and Gas Exports



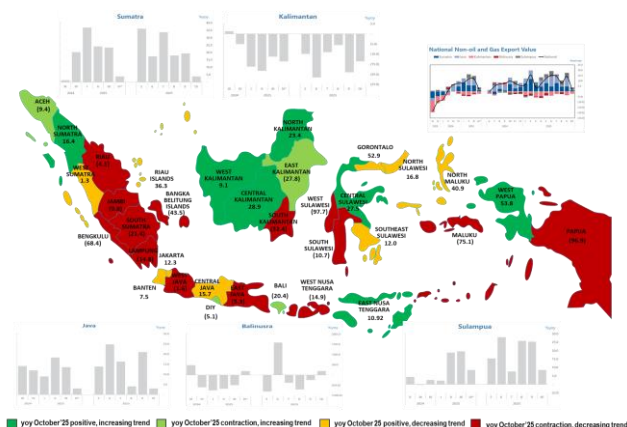
Source: Ministry of Finance, calculated by Bank Indonesia.  
\*Data as of November 2025

### Non-Oil and Gas Exports to Main Destination Countries



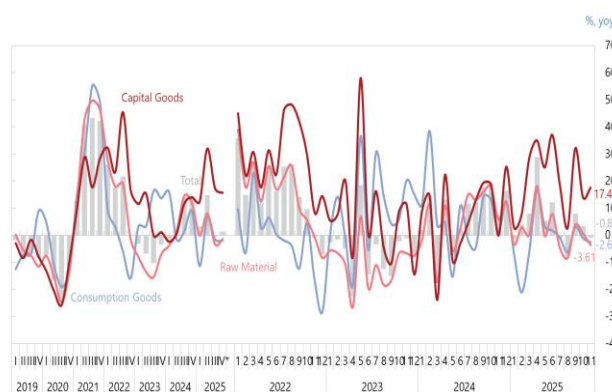
Source: Ministry of Finance, calculated by Bank Indonesia

### Spatial Non-oil and Gas Exports



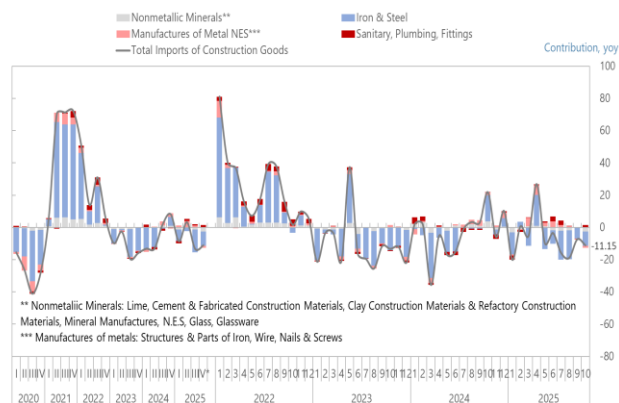
Source: Ministry of Finance, calculated by Bank Indonesia.  
\*Data as of October 2025

### Non-oil and Gas Imports



Source: Ministry of Finance, calculated by Bank Indonesia.  
\*Data as of November 2025

### Import of Construction Goods



Source: Ministry of Finance, calculated by Bank Indonesia.  
\*Data as of October 2025



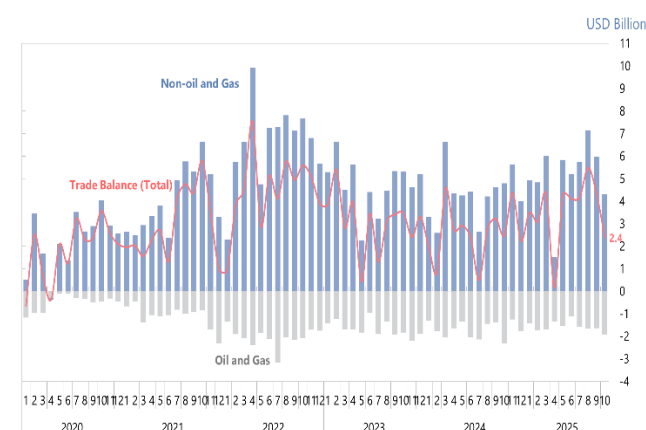
**Indonesia's Balance of Payments (BOP) has strengthened and supports external resilience. Rupiah exchange rates remain under control, bolstered by the stabilisation policies of Bank Indonesia and foreign capital inflows to domestic financial instruments.**

### Indonesia's Balance of Payments

Items (Billion USD)	2022				2023				2024*				2025			
	I	II	III	IV	Total	I	II	III	IV	Total	I	II	III	IV	Total	P
Current Account	0.7	4.3	4.7	3.5	13.2	2.9	-2.3	-1.4	-2.0	-2.4	-3.0	-2.0	-1.3	-0.7	-0.2	4.0
A. Goods	11.3	16.8	17.6	17.0	62.7	14.8	10.2	11.4	46.3	9.3	10.0	9.2	11.3	39.8	13.0	16.1
- Exports, fob	66.8	75.2	77.8	72.8	292.5	66.8	61.6	65.9	257.7	61.9	62.3	67.5	71.3	263.1	65.9	73.9
- Imports, fob	-55.5	-58.4	-60.2	-55.8	-229.9	-52.1	-51.6	-53.3	-94.5	-211.4	-62.6	-52.3	-60.0	-223.3	-52.9	-57.8
a. Non-Oil and Gas	17.2	24.4	25.2	23.0	89.8	19.0	15.2	16.0	17.7	67.8	15.1	15.2	14.7	17.8	62.8	15.7
b. Oil and Gas	-5.7	-7.2	-6.5	-4.4	-24.8	-3.9	-4.7	-5.4	-5.9	-19.9	-5.5	-4.6	-4.4	-5.1	-19.6	-4.2
B. Services	-4.3	-5.0	-5.3	-5.4	-20.0	-4.5	-4.5	-3.9	-4.8	-17.7	-4.2	-5.0	-4.2	-5.2	-18.6	-5.4
C. Primary Income	-7.7	-9.0	-8.9	-9.6	-35.3	-8.8	-9.2	-8.8	-9.3	-36.0	-8.8	-9.4	-8.5	-9.0	-35.9	-9.4
D. Secondary Income	1.5	1.5	1.3	1.6	5.8	1.4	1.4	1.3	1.3	5.4	1.3	1.4	1.5	1.6	5.9	1.6
Capital and Financial Account	-2.0	-1.7	-5.6	0.6	-8.7	4.0	-4.4	-0.5	10.8	9.9	-2.4	2.6	8.1	9.7	17.9	-0.4
1. Direct Investment	4.6	6.6	3.4	3.4	18.1	4.4	3.9	2.7	3.4	14.4	4.8	2.3	5.1	3.6	15.9	2.6
2. Portfolio Investment	-3.2	-3.6	-3.1	-1.7	-11.6	3.0	-2.6	-3.0	4.9	2.2	-2.1	3.2	9.8	-2.5	8.3	1.0
3. Other Investment	-3.6	-4.6	-5.9	-1.5	-15.6	-3.6	-5.6	-0.1	2.4	-6.9	-4.7	-3.4	-7.2	8.4	-6.9	-4.2
Overall Balance	-1.8	2.4	-1.3	4.7	4.0	6.5	-7.4	-1.5	8.6	6.3	-0.6	5.9	7.9	7.2	-0.8	-6.4
- Reserve Assets Position	139.1	136.4	130.8	137.2	137.2	145.2	137.5	134.9	146.4	140.4	140.2	149.9	155.7	157.1	152.6	148.7
In Months of Imports & Official Debt Repayment	7.0	6.4	5.7	5.9	5.9	6.2	6.0	6.0	6.5	6.2	6.1	6.4	6.5	6.5	6.2	6.0
- Current Account (% GDP)	0.2	1.3	1.4	1.1	1.0	0.9	-0.7	-0.4	-0.4	-0.1	-0.7	-0.9	-0.6	-0.4	-0.1	1.1

Source: Bank Indonesia. \*Provisional Figures; \*\* Very Provisional Figures

### Trade Balance



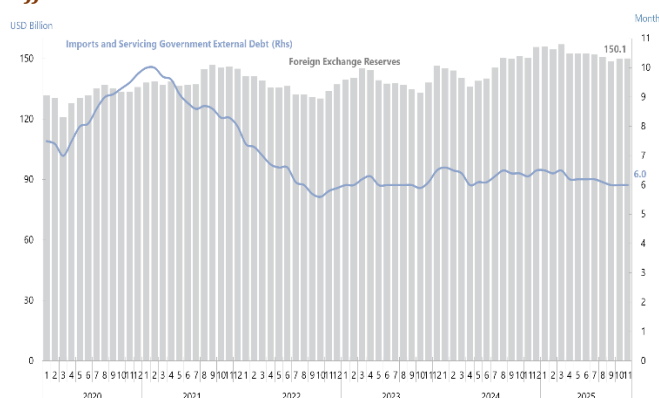
Source: BPS

### Foreign Capital Flows



Source: Bank Indonesia. Data as of December 15, 2025  
\*Provisional Figures; \*\* Very Provisional Figures \*\*\* Very very Provisional Figures.

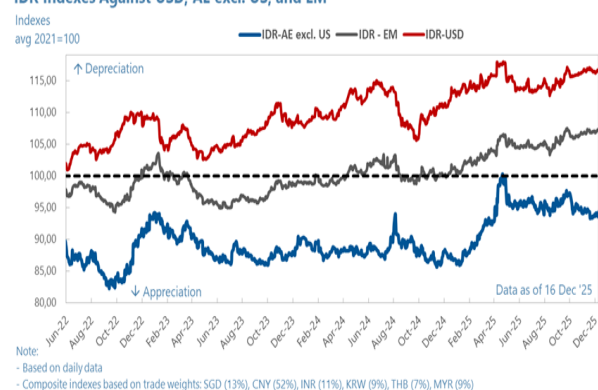
### Official Reserve Asset



Source: Bank Indonesia

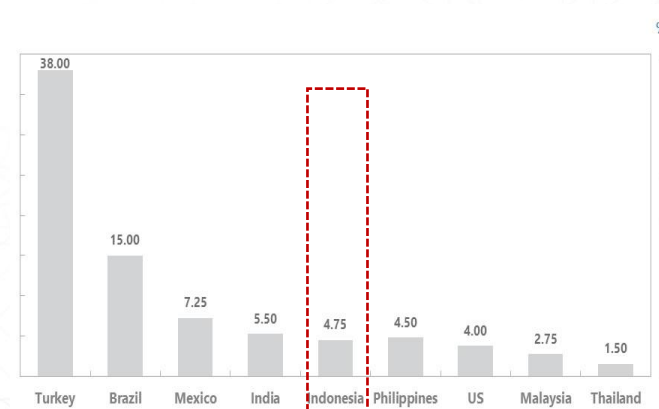
### IDR Indexes Against USD, AE Excl. US and EM Currencies

#### IDR Indexes Against USD, AE excl. US, and EM



Source: Bloomberg. Data as of December 16, 2025

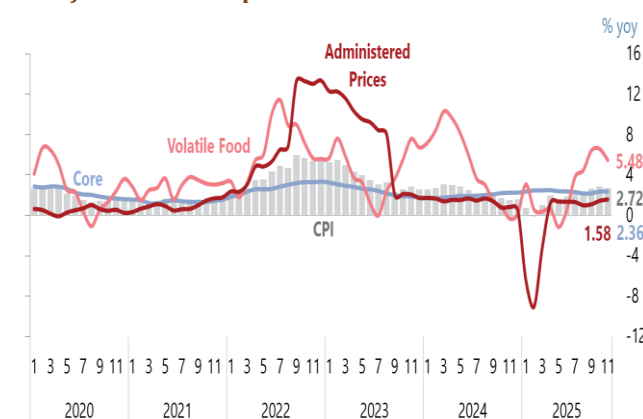
### Peer Countries' Interest Rate Policies



Source: Bloomberg. Data as of December 16, 2025

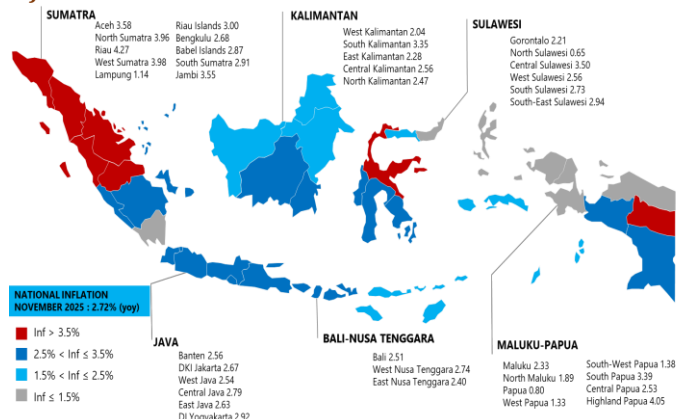
In general, inflation has been maintained within the target corridor, with Consumer Price Index (CPI) inflation in November 2025 recorded at 2.72% (yoy).

#### CPI Inflation and Component



Source: BPS

#### Inflation Rate across Provinces



Source: BPS

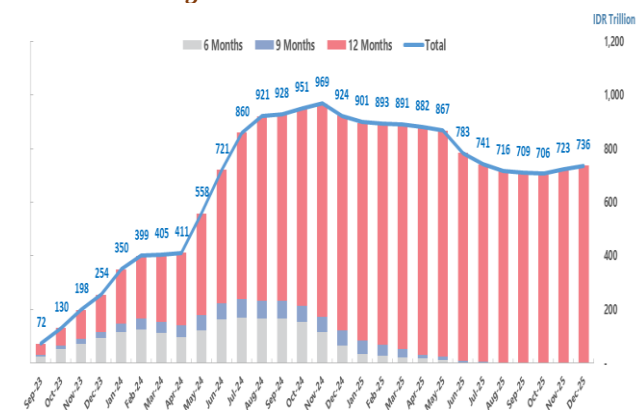
#### Inflation Expectation



Source: Consensus Economics

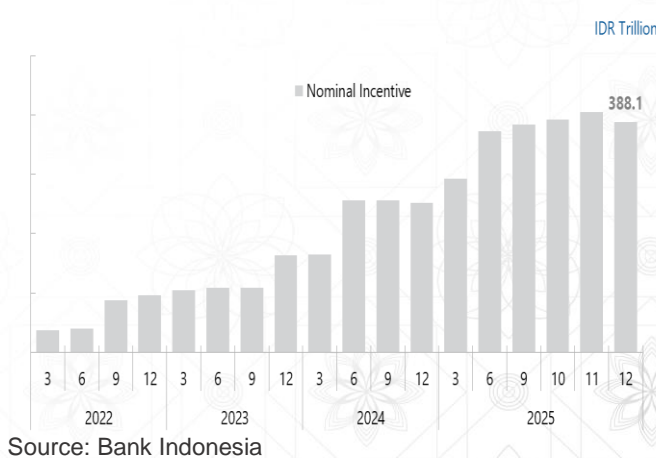
Bank Indonesia's monetary policy continues to be strengthened to foster higher economic growth while preserving macroeconomic stability. The strengthening of macroprudential liquidity incentive policies (KLM) and the acceleration of payment system digitalization are being pursued to further bolster economic growth.

#### SRBI Outstanding Position



Source: Bank Indonesia. Data as of December 16, 2025

#### KLM Incentives Disbursement

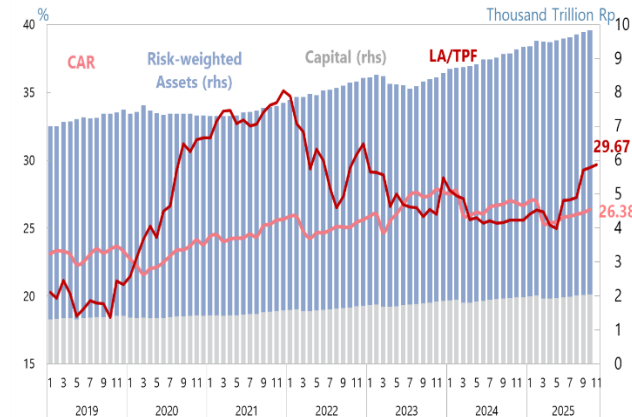


Source: Bank Indonesia

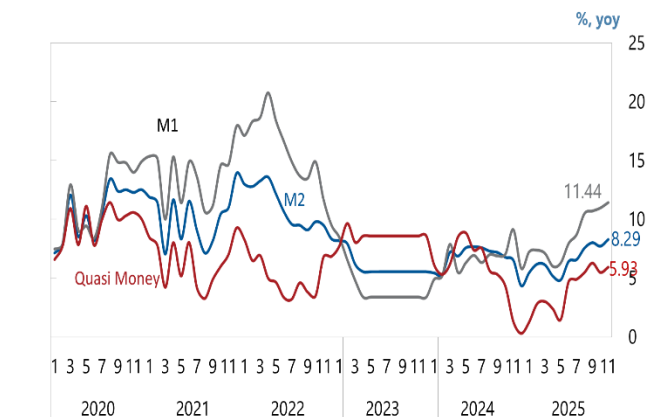


Bank Indonesia views that the effectiveness of monetary policy easing transmission to lower banking rates needs to be further strengthened. Money supply needs to be further increased through strengthening the effectiveness of monetary liquidity expansion to support economic growth. The contribution of bank lending in driving economic growth needs to be continuously enhanced. Banking resilience remains strong, with capital maintained at a high level and credit risk remaining low.

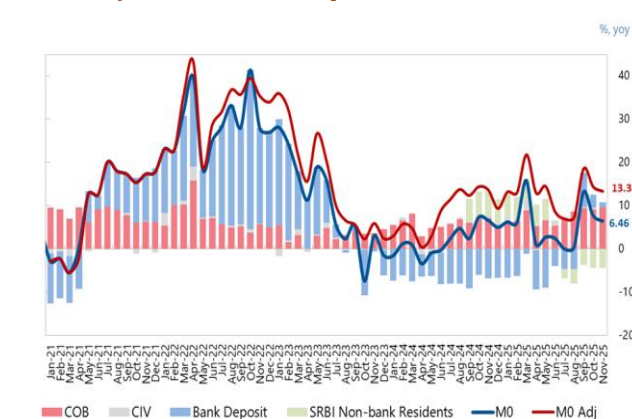
#### The Ratio of Liquid Assets to Deposits and Capital Banking



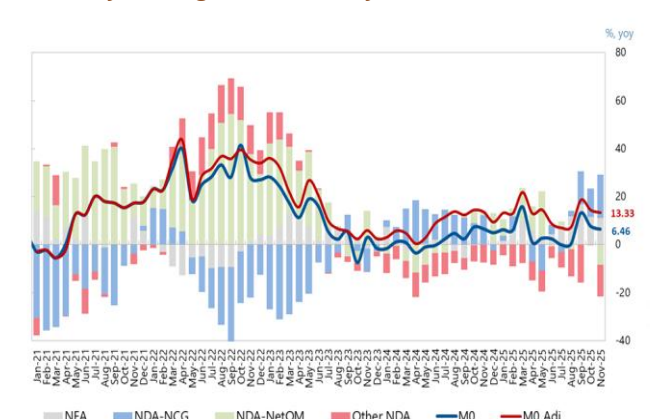
#### Money Supply



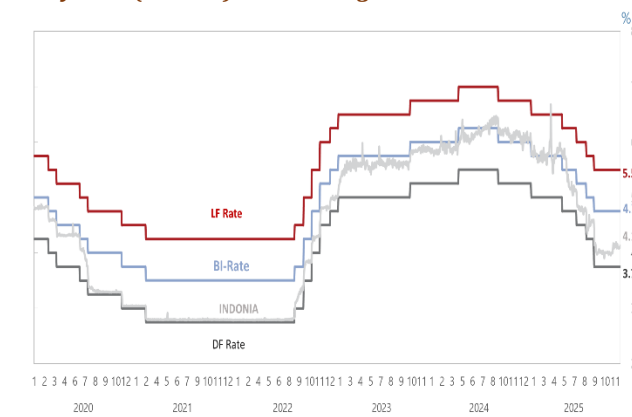
#### M0, M0 Adjusted, and the Component



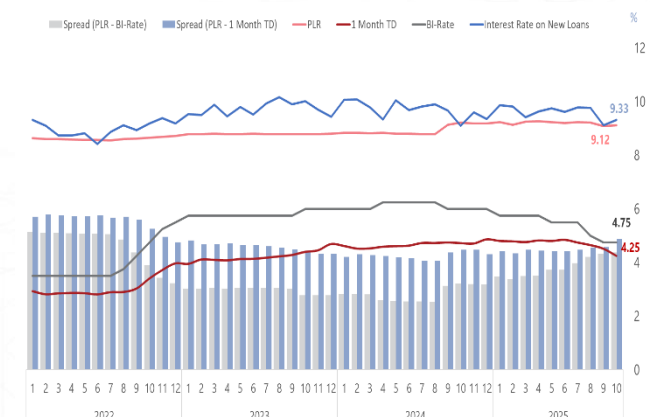
#### Factor Influencing M0 and M0 Adjusted



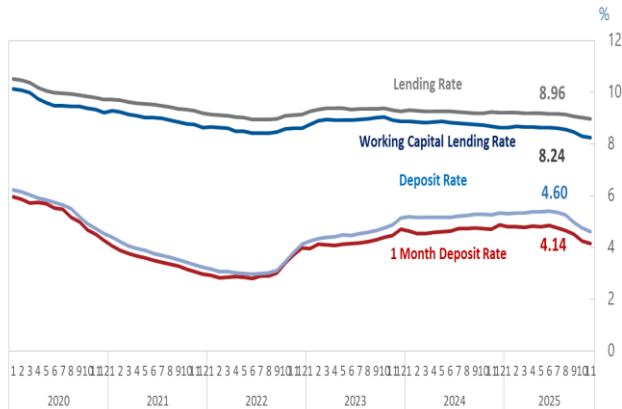
#### Policy Rate (BI-Rate) and Overnight Interbank Rate



#### BI-Rate Transmission to PLR

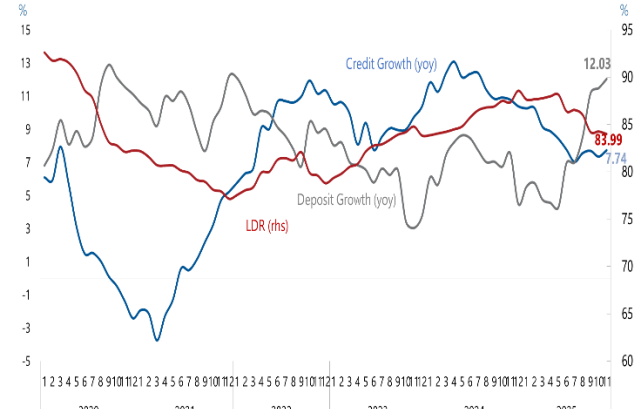


### Banking Interest Rates



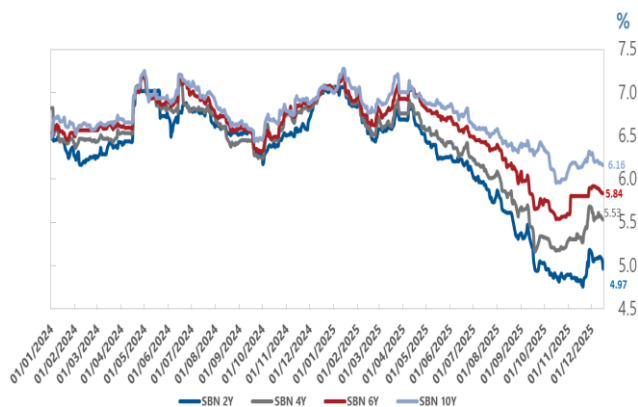
Source: Bank Indonesia

### Credit and Deposit Developments



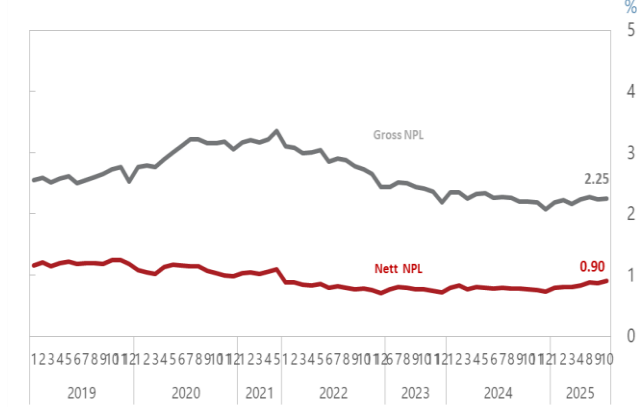
Source: Bank Indonesia

### SBN Yield



Source: Bank Indonesia

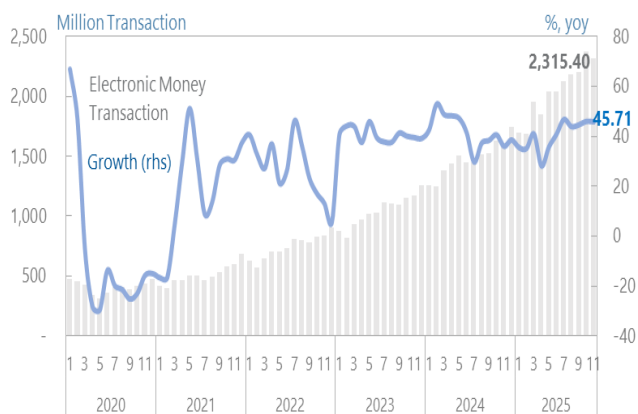
### Credit Risk (NPL)



Source: Bank Indonesia, OJK

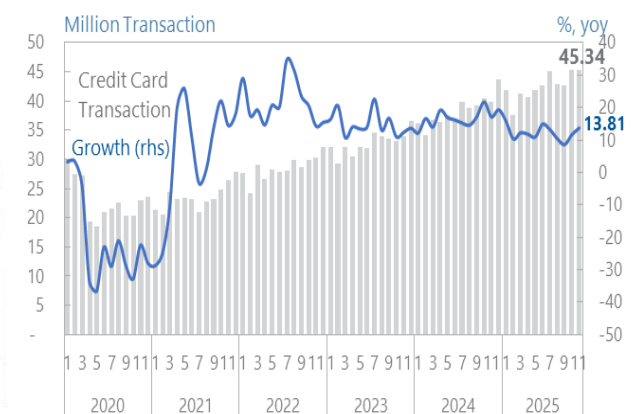
**Growth in digital economic and financial transactions in November 2025 remained high, supported by a secure, smooth, and reliable payment system. Payment system stability remains well maintained, supported by stable infrastructure and a sound industry structure.**

### Electronic Money Transactions Volume



Source: Bank Indonesia

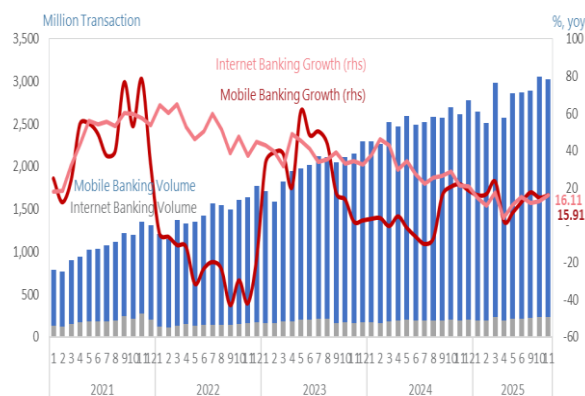
### Credit Card Transactions Volume



Source: Bank Indonesia

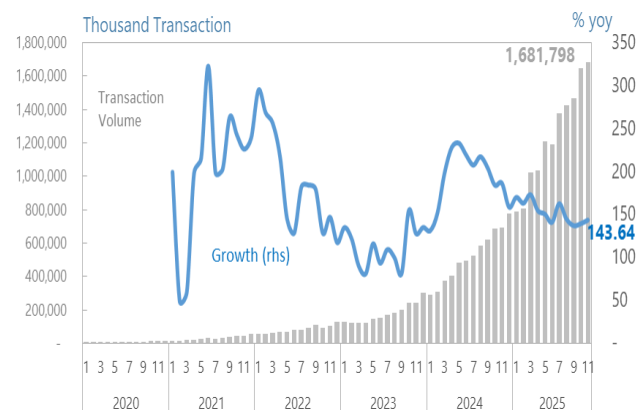


### Digital Banking Transactions Volume



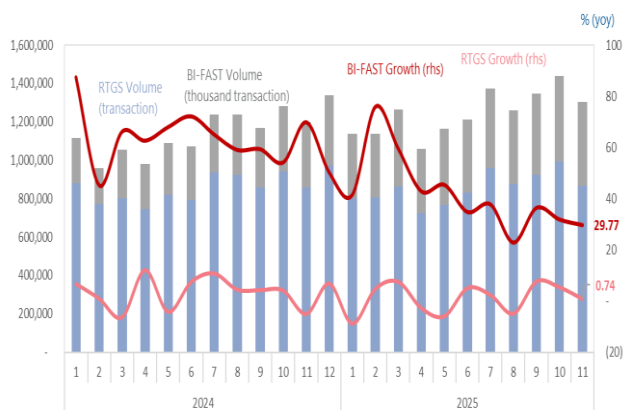
Source: Bank Indonesia

### QRIS Transactions Volume



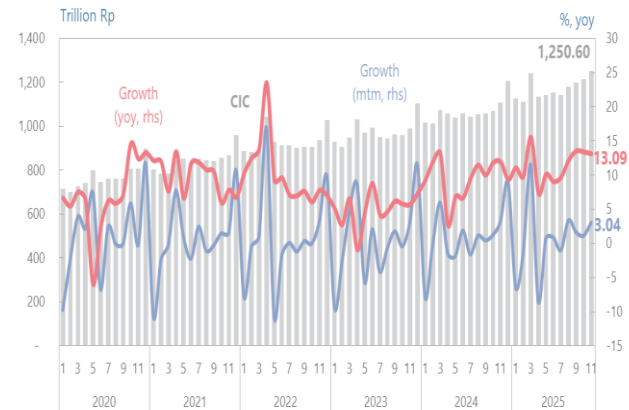
Source: Bank Indonesia

### BI-FAST and BI-RTGS Transactions Volume



Source: Bank Indonesia

### Currency in Circulation



Source: Bank Indonesia



**BANK INDONESIA**  
BANK SENTRAL REPUBLIK INDONESIA

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