



BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

MONETARY POLICY REVIEW

MARCH 2026







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 against other currencies. The inflation target was set by the Government, in coordination with Bank Indonesia, at $2.5 \pm 1\%$ in 2026. To that end, Bank Indonesia implements sustainable, consistent, and transparent monetary policy through efforts 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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DESTRY DAMAYANTI

Senior Deputy Governor

AIDA S. BUDIMAN

Deputy Governor

FILIANINGSIH HENDARTA

Deputy Governor

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Deputy Governor

THOMAS A.M. DJIWANDONO

Deputy Governor



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Executive Summary

Global economic conditions and outlook have deteriorated due to the impact of the conflict in the Middle East. The surge in global oil prices affected by the escalation of conflict has negatively affected international supply chains. Global financial markets have also worsened, marked by the strengthening of the US dollar, rising US Treasury yields, and capital outflows from emerging markets. Global economic growth in 2026 is projected to slow, while global inflationary pressures are increasing, thereby reducing the room for global monetary policy easing, including Federal Funds Rate (FFR). US Treasury yields have continued to rise due to widening US fiscal deficits, including higher spending for financing the war. Global investment risk premiums have increased, resulting in a shift of capital flows toward safe-haven assets, particularly US money markets. The US dollar index against major currencies (DXY) has strengthened.

At home, stronger economic growth momentum needs to be maintained amid the ongoing conflict in the Middle East. Indonesia's economic growth in the first quarter of 2026 is expected to chart higher growth, supported by domestic demand. Household consumption surged, supported by rising household demand related to national religious holidays, in line with improvements in income across several groups stemming from the disbursement of the mandatory religious holiday allowance, government social spending and various other government incentives.

Investment is also expected to remain solid, primarily driven by the acceleration of government investment. Indonesia's Balance of Payments (BOP) must continue to be strengthened to mitigate the impact of the conflict in the Middle East. Bank Indonesia will continue to strengthen policies to maintain Rupiah exchange rate stability amid worsening global conditions due to the conflict in the Middle East. Consumer Price Index (CPI) inflation remains under control. Bank Indonesia continues to strengthen its monetary policy to further reinforce economic stability and support economic growth. The Macroprudential Liquidity Incentive (KLM) policy continues to be optimized to encourage increased bank credit/financing to priority sectors in support of economic growth. The transmission of monetary policy easing to lower interest rates in the banking industry needs to be continuously strengthened to further promote higher economic growth. The money supply growth remains well maintained in line with Bank Indonesia's policy to enhance the effectiveness of monetary liquidity expansion. Banking credit growth continues to be strengthened to support economic growth. Banking system resilience remains strong thus is expected to be able to mitigate the potential impact of risks posed by the war in the Middle East. The growth of digital economic and financial transactions in February 2026 remained high, supported by secure, seamless, and reliable payment systems. Payment system stability remains preserved, supported by stable infrastructure and a sound industry structure.



The prospect of the global economy is weaker than previously projected, with rising global inflationary pressures. Global economic growth in 2026 is projected to slow to 3.1% from the previous forecast of 3.2%, despite a reduction in US reciprocal tariffs. Global inflation is also expected to increase from 3.8% to 4.1%.

The prospect of domestic economy remains sound, supported by Bank Indonesia's policy mix through monetary, macroprudential, and payment system policies, which continue to be strengthened in close synergy with Government policies to maintain stability while supporting economic growth.

Considering recent developments, policy synergy between the Government, Bank Indonesia, and other stakeholders is further strengthened to maintain domestic demand and support growth in the 4.9–5.7% range. From the external side, the weaker global economic growth outlook and rising global oil prices require attention due to the potential impact on a wider current account deficit toward the upper bound of the deficit range of 0.9% to 0.1% of GDP. Bank Indonesia remains confident that the Rupiah will remain stable, supported by strong policy commitment, attractive yields, and favorable economic growth prospects. CPI inflation in 2026–2027 is projected to remain within the 2.5±1% target range, although higher than the previous projection due to rising global commodity price prospects. Money supply growth will continue to be managed through policy synergy between Bank Indonesia and the Government to support economic growth. With credit developments up to February 2026, Bank Indonesia projects credit growth in 2026 to remain in the 8–12% range.

The Board of Governors' Meeting (RDG) of Bank Indonesia, held on 16–17 March 2026, decided to maintain the BI Rate at 4.75%, the Deposit Facility rate at 3.75%, and the Lending Facility rate at 5.50%. This decision is an effort to strengthen Rupiah exchange rate stability against the impact of worsening global conditions caused by the conflict in the Middle East, as well as to support the achievement of the 2026–2027 inflation target of 2.5±1%. Bank Indonesia will continue to optimize its monetary policy instruments to strengthen external resilience against potential escalation of the Middle East conflict, including undertaking the necessary adjustment measures to remain consistent in maintaining national economic stability. Meanwhile, macroprudential policy continues to be strengthened to support economic growth through increasing credit/financing to the real sector while maintaining financial system stability. Payment system policy remains directed at supporting economic activity through strengthened synergy to expand digital payment acceptance, reinforce the payment system industry structure, and enhance the reliability and resilience of payment system infrastructure.

CHAPTER 1

Global and Domestic Economic Developments

The Middle East conflict since late February 2026 has worsened global economic conditions and outlook. The surge in global oil prices has negatively affected global supply chains, thereby weakening global economic growth prospects and increasing global inflationary pressures. Global financial markets have also deteriorated, marked by the strengthening of the US dollar, rising US Treasury yields, and capital outflows from emerging markets. Global inflation is also expected to increase, thereby reducing the room for global monetary policy easing, including the possibility of further delays in lowering the FFR. US Treasury yields have continued to rise due to widening US fiscal deficits, including increased spending for financing the war. Global investment risk premiums have increased, resulting in a shift of capital flows toward safe-haven assets, particularly US money markets. The US dollar index against major currencies (DXY) has strengthened. The deterioration in global economic and financial conditions due to the Middle East conflict has further pressured emerging market currencies and complicated macroeconomic management, necessitating stronger fiscal and monetary policy responses and coordination to maintain external resilience and support domestic economic growth.

Stronger economic growth momentum in Indonesia needs to be maintained amid the ongoing conflict in the Middle East. Indonesia's economic growth in the first quarter of 2026 increased, supported by domestic demand. Household consumption increased, supported by rising household demand related to national religious holidays, in line with improvements in income across several groups stemming from the disbursement of the mandatory religious holiday allowance, government social spending and various other government incentives. Investment is also expected to remain solid, primarily driven by the acceleration of government investment, including Village/Sub-district Cooperatives Merah Putih (KDKMP) and Danantara investment.

Indonesia's Balance of Payments/BOP must continue to be strengthened to mitigate the impact of the conflict in the Middle East. The trade balance in January 2026 recorded a USD1.0 billion surplus, lower than the surplus of USD2.5 billion in December 2025 due to slower global demand for non-oil and gas exports.



Capital and financial flows in January–February 2026 recorded cumulative net inflows of USD1.6 billion, supported by foreign inflows into Bank Indonesia Rupiah Securities (SRBI). In March 2026, portfolio investment recorded net outflows of USD1.1 billion, triggered by rising global financial market uncertainty due to the war in the Middle East. Indonesia’s foreign exchange reserves stood at USD151.9 billion at end-February 2026, equivalent to 6.1 months of imports or 5.9 months of imports and government external debt servicing, well above the international adequacy standard of around 3 months of imports.

Bank Indonesia will continue to strengthen policies to maintain Rupiah exchange rate stability amid worsening global conditions due to the conflict in the Middle East. As of 16th March 2026, the Rupiah exchange rate stood at Rp16,985 per US dollar, depreciating by 1.29% (ptp) compared with the level at end-February 2026 in line with the weakening of non-USD currencies. As noted above, deteriorating global conditions have led to currency depreciation and capital outflows from emerging markets, including Indonesia. To maintain Rupiah exchange rate stability, Bank Indonesia continues to intensify intervention measures in offshore NDF markets as well as spot and DNDF transactions in the domestic market. Bank Indonesia also optimizes all monetary instruments to attract foreign capital inflows.

CPI inflation remains under control. CPI inflation in February 2026 was recorded at 4.76% (yoy), mainly influenced by a temporary base effect from the Government’s policy of providing a 50% discount on household electricity tariffs in January and February 2025. Core inflation was contained at 2.63% (yoy), primarily driven by rising gold prices. Volatile food (VF) inflation was recorded at 4.64% (yoy), remaining under control amid increased demand during the Chinese New Year and Ramadan 1447 H periods and supply disruptions due to weather disruptions.

Bank Indonesia continues to strengthen its monetary policy to further reinforce economic stability and support economic growth. The BI-Rate in February 2026 was maintained at its lowest level since 2022 at 4.75%, following cumulative reductions of 150 bps since September 2024, namely by 25 bps in September 2024 and 125 bps during 2025. Rupiah exchange rate stabilization policy has also been strengthened through interventions in offshore NDF markets and in the domestic market through spot, DNDF transactions, as well as purchases of SBN in the secondary market. Rupiah liquidity expansion has also been pursued by Bank Indonesia by reducing the outstanding position of the SRBI monetary instrument from Rp916.97 trillion at the beginning of 2025 to Rp831.55 trillion as of 13th March 2026. Bank Indonesia has also purchased SBN

as a part of close synergy between monetary and fiscal policies, amounting to Rp86.16 trillion in 2026 (up to 16th March 2026), including Rp46.72 trillion in secondary-market purchases. Secondary-market SBN purchases are conducted in accordance with market mechanisms, in a measured and transparent manner, and consistent with the monetary program to maintain macroeconomic stability, thereby preserving monetary policy credibility.

The Macroprudential Liquidity Incentive (KLM) policy continues to be optimized to encourage increased bank credit/financing to priority sectors in support of economic growth. Implementation of the enhanced KLM, effective since 16th December 2025, is directed at providing higher bank lending/financing disbursements to specific sectors designated by Bank Indonesia (lending channel) as well as ensuring that banks are more responsive in lowering interest rates on new loans in line with the direction of Bank Indonesia’s policy rate (interest rate channel). As of the first week of March 2026, Bank Indonesia disbursed KLM incentives totaling Rp427.1 trillion, with Rp357.6 trillion allocated via the lending channel and Rp69.5 trillion via the interest rate channel. By bank group, the KLM incentives received by banks totaled Rp225.6 trillion to state-owned banks, Rp165.8 trillion to national private commercial banks, Rp28.0 trillion to regional government banks and Rp7.7 trillion to foreign bank branches. By sector, the incentives were primarily disbursed to priority sectors, namely agriculture, manufacturing, and downstream sectors; services, including the creative economy, construction, real estate and housing, as well as the MSME, cooperatives, inclusive, and green sectors.

The transmission of monetary policy easing to lower interest rates in the banking industry needs to be continuously strengthened to further promote higher economic growth. To date, the 125-bps reduction in the BI-Rate during 2025 and Bank Indonesia’s monetary liquidity expansion have contributed to declines in various interest rates. In the money market, INDONIA has declined by 186 bps since the beginning of 2025 to 4.16% as of 16th March 2026. SRBI interest rates for tenors of 6, 9, and 12 months decreased by 191 bps, 190 bps, and 194 bps, respectively, from the beginning of 2025 to 5.25%, 5.30%, and 5.33% as of 13th March 2026. Meanwhile, yields on 2-year and 10-year SBN were recorded at 5.99% and 6.88%, respectively, as of 16th March 2026. Transmission of policy rate reductions to bank interest rates continues, although at a more limited pace. The 1-month deposit rate has declined by 64 bps, from 4.81% in January 2025 to 4.17% in February 2026. Therefore, efforts to reduce the application of special rates to large depositors, currently accounting for 26.64% of total third-party funds, need to be

strengthened further. The decline in deposit rates also needs to be more fully transmitted to bank lending rates. Lending rates stood at 8.80% in February 2026, declining only 40 basis points from 9.20% in January 2025.

The money supply growth remains well maintained in line with Bank Indonesia's policy to enhance the effectiveness of monetary liquidity expansion. Base money (M0) growth in February 2026 was recorded at 13.3% (yoy), higher than 11.0% (yoy) in January 2026. By component, M0 growth in February 2026 was influenced by faster growth of currency in circulation in response to the growing need for currency during the Ramadan and Eid-ul-Fitr holiday period. In terms of the affecting factors, higher M0 growth in February 2026 was driven by fiscal expansion and monetary operations strategy. In line with this, broad money (M2) growth increased from 9.6% (yoy) in December 2025 to 10.0% (yoy) in January 2026. In terms of the contributing factors, the stronger M2 growth was influenced by net claims on the Central Government and increased credit disbursement. Moving forward, the growth of money in circulation will continue to be managed through policy synergy between Bank Indonesia and the Government to support economic growth.

Banking credit growth continues to be strengthened to support economic growth. Bank credit grew by 9.37% (yoy) in February 2026, slightly lower than 9.96% (yoy) in January 2026. By loan type, the latest developments were supported by investment loans, working capital loans, and consumer loans, which grew by 20.72% (yoy), 3.88% (yoy), and 6.34% (yoy) respectively, in February 2026. Bank Indonesia projects credit growth in 2026 to remain in the 8–12% range, influenced by demand and supply side factors. On the demand side, the utilization of bank financing can be increased, particularly by optimizing still sizeable undisbursed loan facilities, which amounted to Rp2,536.40 trillion, or 22.86% of available credit lines. On the supply side, the banks' financing capacity remains adequate, supported by a Liquid Assets to Third-Party Funds (LATPF) ratio of 27.40% and robust TPF growth of 13.18% (yoy) in February 2026. In addition, bank lending appetite remains sound, as reflected in persistently accommodative lending requirements, except in the consumer and MSME segments due to still elevated credit risk in those segments.

Banking system resilience remains strong thus is expected to be able to mitigate the potential impact of risks posed by the war in the Middle East. This is indicated by ample banking liquidity, persistently high capital capacity and contained credit risk. The Capital Adequacy Ratio (CAR) of the banking industry stood at a high level of 25.87% in January 2026, indicating strong capacity to absorb risk and support credit growth. On an aggregate basis, non-performing loans (NPL) remained low in the banking industry at 2.14% (gross) and 0.82% (net) in January 2026. The results of Bank Indonesia's stress tests indicate that banking resilience remains strong in facing various risks, including the impact of global spillovers from the war in the Middle East, supported by stable corporate repayment capacity and profitability. Bank Indonesia will continue to strengthen macroprudential policy and policy synergy with the KSSK to mitigate global uncertainty spillover risks that could potentially disrupt financial system stability.

The growth of digital economic and financial transactions in February 2026 remained high, supported by secure, seamless, and reliable payment systems. Digital payment transaction¹ volume reached 4.67 billion, growing 40.35% (yoy) in February 2026, supported by broader digital payment acceptance. Transaction volumes through mobile and internet applications grew by 9.49% (yoy) and 22.16% (yoy), respectively, including QRIS transactions, which continued to expand strongly by 133.20% (yoy). This positive performance was supported by an increase in the number of users and merchants. On the infrastructure side, retail transaction volumes processed through BI-FAST reached 434 million transactions, growing 31.49% (yoy), with transaction value amounting to Rp1,092 trillion in February 2026. Large-value transaction volumes processed through BI-RTGS totaled 0.76 million transactions, contracting by 5.33% (yoy), while BI-RTGS transaction value increased by 9.19% (yoy) to Rp16,105 trillion in February 2026. In terms of Rupiah currency management, Currency in Circulation (UYD) grew 15.78% (yoy) to Rp1,287 trillion in February 2026.

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

¹ Digital payments include transactions through mobile applications and the internet.

2026. A sound industry structure is reflected in the strengthening of interconnections among participants in the payment system, accompanied by an expanding Digital Economy and Finance (EKD) ecosystem. Going forward, Bank Indonesia will continue to strengthen the payment system industry structure, particularly risk management and the reliability of industry participants' technology infrastructure, in line with the implementation of Bank Indonesia Regulation No. 10 of 2025 on Payment System Industry Regulation (PBI PISP). Bank Indonesia will also ensure the smooth operation of the national payment system, including during the Ramadan and Eid-ul-Fitr 1447 H holiday period. On the non-cash side, Bank Indonesia will safeguard the

availability, reliability, and security of SPBI infrastructure, both retail and wholesale, as well as industry payment system infrastructure. On the cash side, Bank Indonesia will ensure the availability of high-quality Rupiah currency in sufficient quantities across all regions of the Republic of Indonesia through the ongoing SERAMBI 2026 program. Currency exchange services at strategic locations will be strengthened through the PINTAR application and the provision of money exchange services in public crowd centers. Bank Indonesia will consistently ensure the availability of Rupiah currency in sufficient quantities and fit-for-circulation quality throughout the territory of the Republic of Indonesia, including in Frontier, Outermost, and Remote (3T) areas.

CHAPTER 2

Economic Prospects

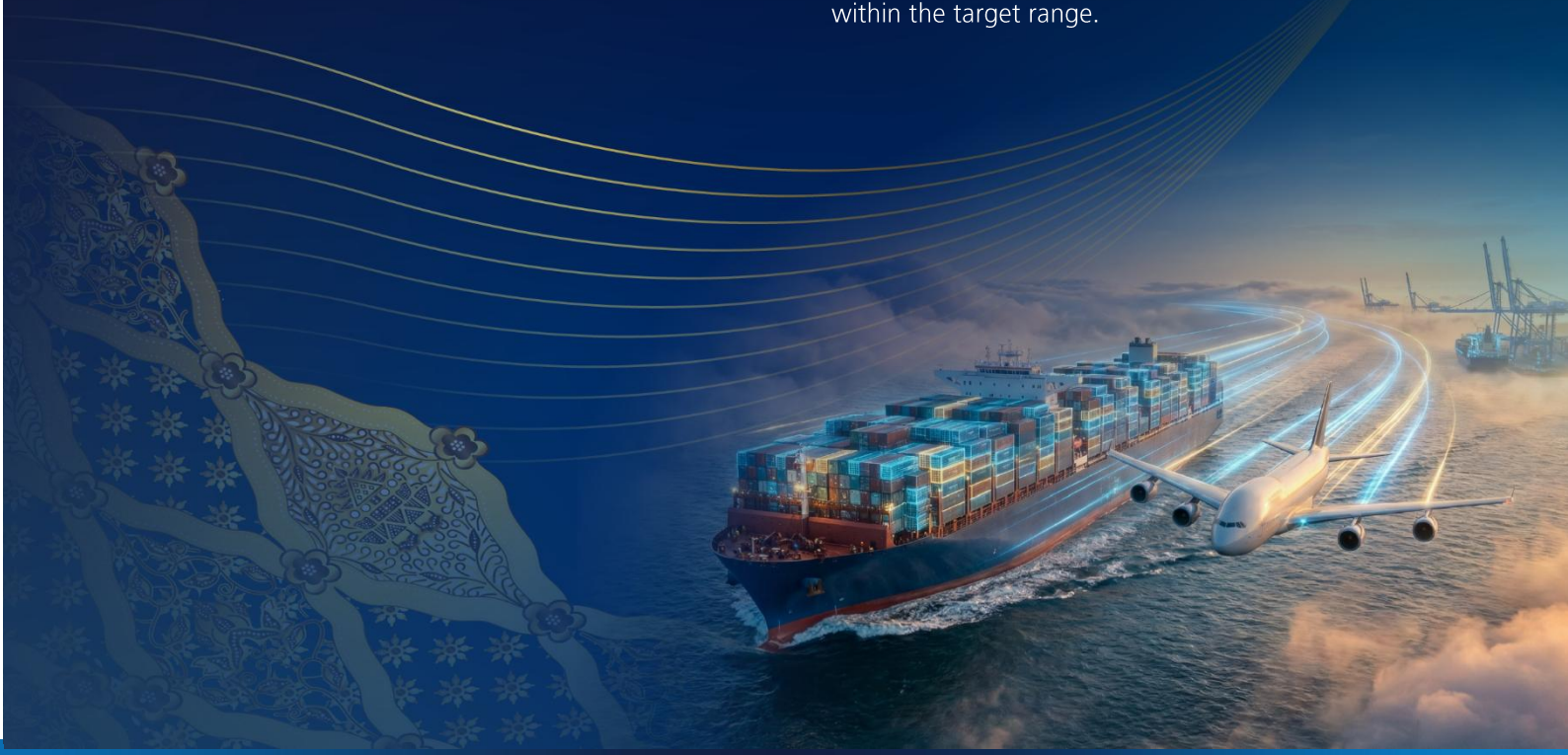
The prospect of the global economy is weaker than previously projected due to the impact of the conflict in the Middle East since late February 2026. Global economic growth in 2026 is projected to slow to 3.1% from the previous forecast of 3.2%, despite a reduction in US reciprocal tariffs. Global inflation is also expected to increase from 3.8% to 4.1%, thereby reducing the room for global monetary policy easing, including the possibility of further delays in lowering the FFR.

From domestic side, policy synergy between the Government, Bank Indonesia and other stakeholders is further strengthened to maintain domestic demand and support growth in the 4.9–5.7% range. Confidence among economic agents, both households and businesses, continues to be maintained to support consumption and investment. Various government programs that have a strong impact on driving economic growth and absorbing labor, while maintaining fiscal resilience, will continue to be implemented. Bank Indonesia will continue to strengthen the monetary, macroprudential, and payment system policy mix in close synergy with Government policies to maintain stability while supporting economic growth.

Indonesia's BOP performance needs to be further strengthened amid weaker global economic prospects. The lower global growth outlook and rising global oil prices require attention due to the potential impact on a wider current account deficit toward the upper bound of the deficit range of 0.9% to 0.1% of GDP. In this regard, policy synergy to strengthen BOP performance and external resilience, including building global investor confidence, will continue to be enhanced.

Bank Indonesia will continue to strengthen policies to maintain Rupiah exchange rate stability. Bank Indonesia remains confident that the Rupiah will remain stable, supported by strong policy commitment, attractive yields, and favorable economic growth prospects.

CPI inflation in 2026–2027 is projected to remain within the 2.5±1% target range, although higher than the previous projection due to rising global commodity price prospects. Core inflation is expected to remain under control, while VF inflation is projected to increase due to higher global food and fertilizer prices. Bank Indonesia will continue to strengthen its pre-emptive monetary policy response in synergy with the Government through the Central/Regional Inflation Control Teams (TPIP/TPID), including strengthening implementation of the Inflation Control and Food Prosperity Movement (GPIPS), to contain inflation within the target range.



Bank Indonesia projects credit growth in 2026 to remain in the 8–12% range. Going forward, efforts to reduce deposit and lending rates must continue to be enhanced to promote higher credit growth and support sustainable economic growth. To encourage bank lending, Bank Indonesia will continue to strengthen bank funding capacity, including through the development of non-traditional funding instruments. Coordination with the Government and

the Financial System Stability Committee (KSSK) will also be strengthened to improve the interest rate structure and promote bank lending/financing growth. Bank Indonesia will continue to reinforce macroprudential policy and policy synergy with the KSSK to mitigate global uncertainty spillovers that could potentially disrupt financial system stability.

CHAPTER 3

Bank Indonesia Policy Response

The Board of Governors' Meeting (RDG) of Bank Indonesia, held on 16–17 March 2026, decided to maintain the BI Rate at 4.75%, the Deposit Facility rate at 3.75%, and the Lending Facility rate at 5.50%. This decision is an effort to strengthen Rupiah exchange rate stability against the impact of worsening global conditions caused by the conflict in the Middle East, as well as to support the achievement of the 2026–2027 inflation target of $2.5 \pm 1\%$. Bank Indonesia will continue to optimize its monetary policy instruments to strengthen external resilience against potential escalation of the Middle East conflict, including undertaking the necessary adjustment measures to remain consistent in maintaining national economic stability.

Meanwhile, macroprudential policy continues to be strengthened to support economic growth through increasing credit/financing to the real sector while maintaining financial system stability. Payment system policy remains directed at supporting economic activity through strengthened synergy to expand digital payment acceptance, reinforce the payment system industry structure, and enhance the reliability and resilience of payment system infrastructure.



The direction of the monetary, macroprudential, and payment system policy mix to maintain stability, while supporting sustainable economic growth, is also supported by the following policy measures:

1. Strengthening the Rupiah exchange rate stabilization strategy through intervention, both in offshore non-deliverable forward (NDF) transactions and in domestic markets through spot and domestic non-deliverable forward (DNDF) transactions;
2. Strengthening the pro-market monetary operations strategy to attract foreign portfolio inflows, while maintaining adequate liquidity in the money market and banking system by managing the interest rate structure and volumes of monetary instruments, as well as measured secondary-market SBN transactions;
3. Strengthening foreign exchange market transaction policies, effective April 2026, to support Rupiah exchange rate stability through:
 - i. adjustment of the cash threshold for FX purchases against Rupiah from USD100 thousand per customer per month to USD50 thousand per customer per month,
 - ii. increase in the DNDF/Forward selling threshold from USD5 million per transaction to USD10 million per transaction,
 - iii. increase in the buy and sell threshold for FX Swaps from USD5 million to USD10 million per transaction;
4. Strengthening regulations concerning the reporting of Foreign Exchange Traffic (LLD) by adjusting the threshold for supporting documents required for outgoing foreign exchange fund transfers from USD100,000 to USD50,000, effective from April 2026;
5. Enhancing the effectiveness of accommodative macroprudential policy by publishing the assessment of prime lending rate (PLR) transparency, with a focus on interest rates based on priority sectors in accordance with the scope of KLM policy as well as strengthening synergy with the Government and other stakeholders to boost higher

lending/financing through the Indonesian Intermediation Acceleration Program (PINISI);

6. Launching QRIS Cross-Border between Indonesia and South Korea in April 2026 as an integral part of the efforts to expand cross-border digital payment connectivity and accelerate digital acceptance;
7. Launching the Indonesia Digital Innovation Center (PIDI) in April 2026 to accelerate Digital Economy and Finance (EKD) transformation, including through digital talent development (Digdaya), organized in synergy with relevant authorities, associations, and ministries/agencies;
8. Implementing the Capacity Building and Literacy Program for Regional Digitalization Acceleration and Expansion (KATALIS P2DD) on a quarterly basis as a platform for synergy and a knowledge hub across regions to accelerate and expand the electronification of regional government transactions, including the quality of public services;
9. Strengthening the readiness of the national payment system ahead of the 2026 Eid-ul-Fitr (1447 H) festive period, by ensuring the availability, reliability, and security of Bank Indonesia Payment Systems (SPBI) and industry payment systems, and by guaranteeing the availability of high-quality Rupiah currency nationwide, including through the SERAMBI 2026 program.

Bank Indonesia continues to strengthen policy coordination with the Government, including close synergy between monetary and fiscal policies to mitigate the impact of global uncertainty arising from the Middle East conflict on the domestic economy, thereby maintaining stability and economic growth. Policy synergy with the Financial System Stability Committee (KSSK) is also strengthened, particularly to promote financing for the Government's Asta Cita programs. In addition, Bank Indonesia continues to strengthen and expand international cooperation in central banking areas, including payment system connectivity and local currency transactions, as well as facilitating investment and trade promotion in priority sectors in collaboration with relevant institutions.

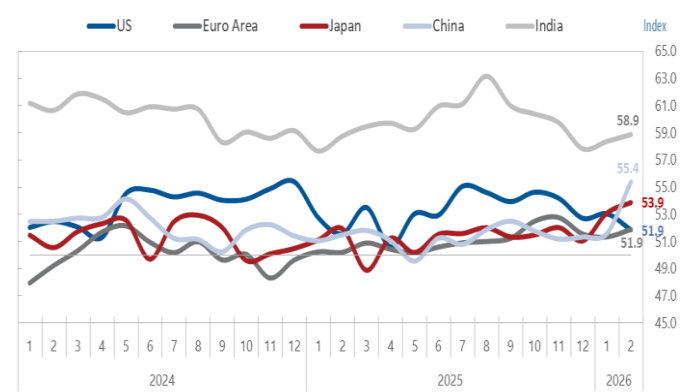
The Middle East conflict since late February 2026 has worsened global economic conditions and outlook.

Global GDP Growth

Country	2022	2023	2024	2025	2026*
World	3.5	3.3	3.3	3.3	3.1
Advanced economies	2.6	1.7	1.8	1.8	1.8
United States	1.9	2.9	2.8	2.2	2.3
Euro Area	3.4	0.4	0.9	1.5	1.2
Japan	1.0	1.5	0.1	1.1	0.8
Emerging economies	4.1	4.4	4.3	4.3	4.0
China	3.0	5.2	5.0	5.0	4.4
India	6.8	7.7	6.5	7.4	6.7
ASEAN-5	5.5	4.0	4.6	4.4	4.2
Latin America	4.2	2.4	2.4	2.2	2.2
Emerging Euro	1.2	3.3	3.4	2.2	2.2
Middle East & Central Asia	5.4	2.0	2.4	3.5	3.7

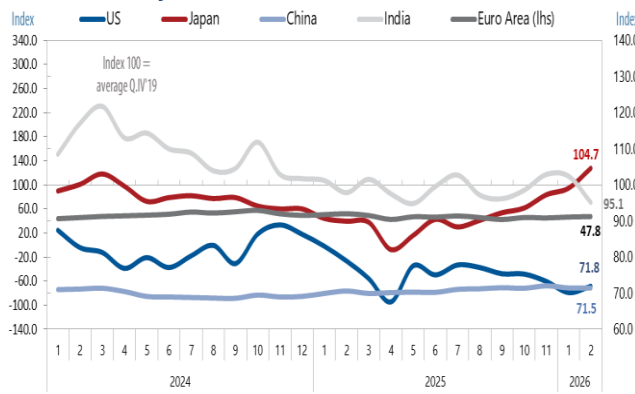
Source: IMF WEO. *Bank Indonesia Projection

Global PMI



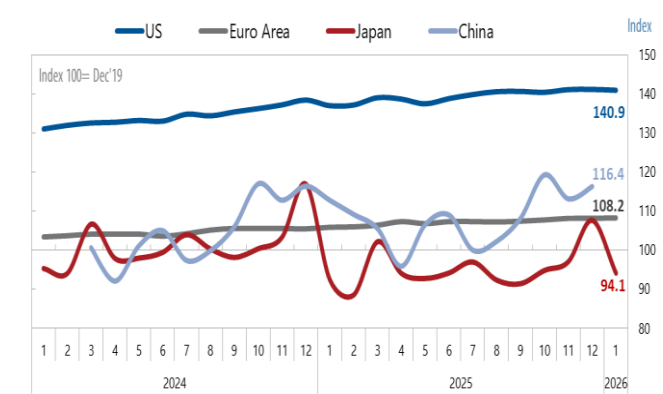
Source: IHS Markit, Bloomberg (China)

Consumer Confidence Index



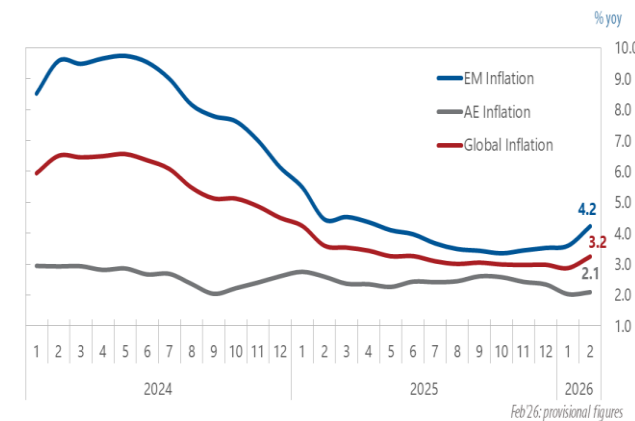
Source: Bloomberg, calculated

Retail Sales



Source: CEIC, calculated

Global Inflation



Source: Bloomberg and IMF, calculated

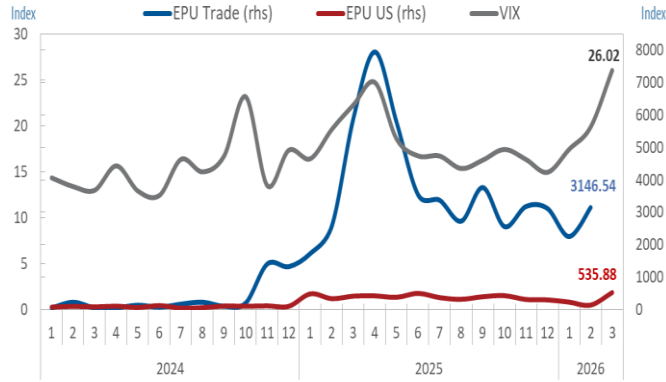
Indonesia's Export Commodity Prices

Commodity	2022			2023			2024			2025			2026									
	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3	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	19.2	7.5	38.1	30.6
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	-11.5	-15.7	2.5	9.1
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	-14.0	1.7	-12.3	-4.3
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	-14.6	-6.0	-2.8	5.2
Nickel	59.4	66.7	16.0	30.3	42.1	-6.7	-22.6	-7.0	-31.8	-17.3	-35.7	-18.9	-18.9	-7.2	-21.3	-6.2	-17.7	-7.8	-7.1	-10.0	11.6	14.7
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	24.8	12.8	54.6	44.9
Aluminium	54.3	20.2	-11.0	-14.7	8.4	-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	9.3	7.4	20.9	20.3
Coffee	62.5	50.8	18.3	-21.2	24.6	-26.4	-19.3	-26.6	-2.1	-20.1	7.1	19.9	55.9	65.7	36.4	100.7	63.9	36.9	31.0	54.1	-16.4	-13.4
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	0.4	0.7	0.3	0.5
Indonesia Export Commodity Prices	47.0	37.7	1.3	-8.8	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	-4.9	-2.9	2.3	5.9
Oil (Brent)**	101	113	101	88	101	81	78	87	84	83	83	85	80	75	81	76	68	69	64	62	74	74

Source: Bloomberg. *Data as of March 13, 2026

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

Global Uncertainty Index



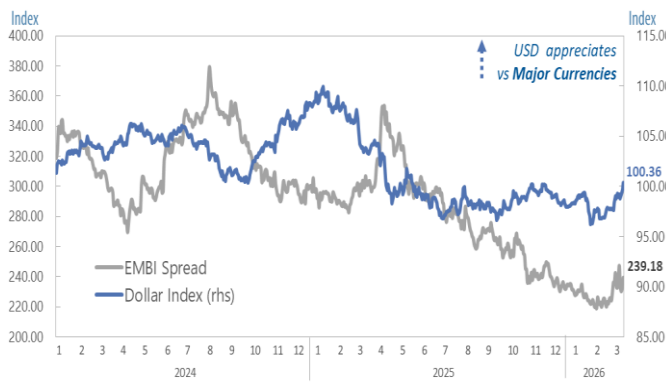
Source: Bloomberg. Data as of March 13, 2026

10 Yr UST & JGB Yield and DJIA Index



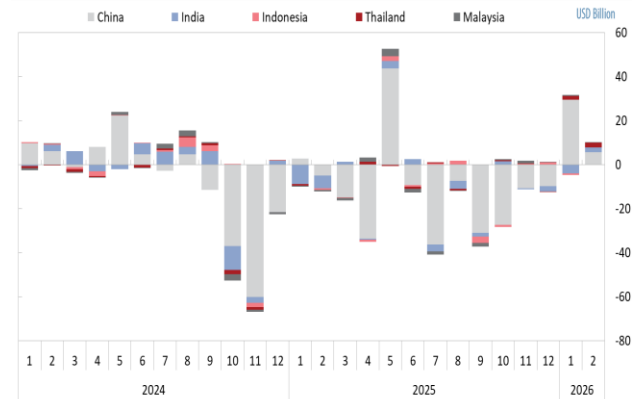
Source: Bloomberg. Data as of March 13, 2026

US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of March 13, 2026

Capital Flow to Emerging Market



Source: IIF

Stronger economic growth momentum in Indonesia needs to be maintained amid the ongoing conflict in the Middle East.

Economic Growth – Expenditure Side

Components	2022				2023				2024				2025				2026			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Household Consumption	4.94	4.53	5.22	5.05	4.47	4.82	4.92	4.94	4.92	4.99	4.94	4.95	4.97	4.89	5.11	4.98				
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	7.82	3.76	5.90	5.13				
Government Consumption	-4.42	3.33	10.52	-3.86	2.94	3.02	20.45	2.04	4.63	4.61	6.76	-1.22	-0.32	5.66	4.55	2.50				
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	6.99	5.04	6.12	5.09				
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	4.89	3.02	3.74	3.25				
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	12.93	10.34	12.39	10.12				
Exports	16.23	11.72	-2.84	-3.91	1.66	1.34	2.01	8.89	9.73	8.36	7.25	5.91	10.14	9.14	3.25	7.03				
Imports	15.00	4.12	-3.25	-6.82	0.14	-1.60	1.92	8.12	12.60	11.26	8.54	3.57	11.15	0.86	3.96	4.77				
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	5.12	5.04	5.39	5.11				

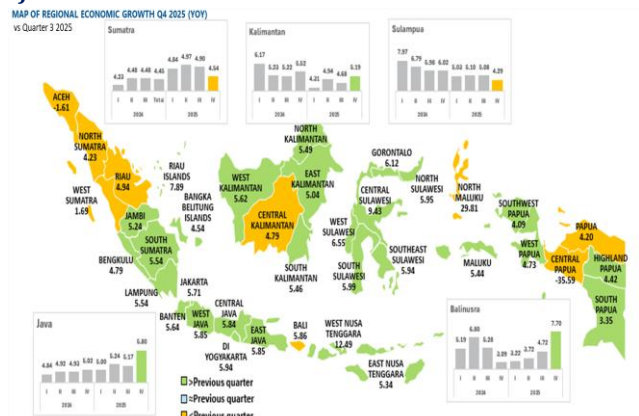
Source: BPS

Economic Growth – Economic Sectors Side

Components	2022				2023				2024				2025				2026			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
Agriculture, Forestry, and Fisheries	2.25	0.44	2.03	1.49	1.13	1.31	-3.54	3.25	1.70	0.72	0.68	10.53	1.66	4.93	5.14	5.33				
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	2.03	-1.98	-1.31	-0.66				
Manufacture	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	5.54	5.40	5.30				
Electricity and Gas Procurement	6.61	2.67	3.15	5.08	8.68	4.91	5.35	5.39	5.02	3.42	4.77	5.11	0.90	2.86	3.55	3.10				
Water Supply	3.23	5.70	4.78	4.49	4.66	4.90	4.44	0.85	0.04	1.06	1.57	0.18	0.82	3.32	-0.51	0.94				
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	4.98	4.21	3.89	3.81				
Wholesale Retail, Car and Motorcycle Repairs	5.53	4.94	5.30	5.10	4.09	4.85	4.58	4.87	4.84	5.23	4.89	5.04	5.38	5.46	6.07	5.49				
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	8.52	8.62	8.98	8.78				
Provision of Accommodation, Food and Beverages	11.94	11.54	9.91	10.93	7.88	10.00	9.34	10.00	8.21	6.47	8.46	5.75	8.18	8.50	7.15	7.41				
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	7.92	9.65	8.09	8.35				
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	3.20	0.77	7.92	3.96				
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	3.71	3.95	3.71	3.58				
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	9.31	9.94	7.90	9.10				
Government Administration, Defence and Compulsory Social Security	2.52	2.13	8.18	-8.24	1.63	1.51	18.89	2.90	3.96	1.16	6.43	4.79	4.70	4.33	1.63	3.86				
Education Services	0.55	1.02	5.42	-2.09	2.63	1.77	7.43	2.46	2.58	2.95	3.76	5.04	1.40	10.59	3.43	4.99				
Health Services and Other Social Activities	2.75	4.77	8.27	2.92	3.09	4.67	11.65	8.59	7.67	5.20	8.13	5.78	3.80	6.83	5.95	5.59				
Other Services	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	9.92	8.71	9.93				
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	5.12	5.04	5.39	5.11				

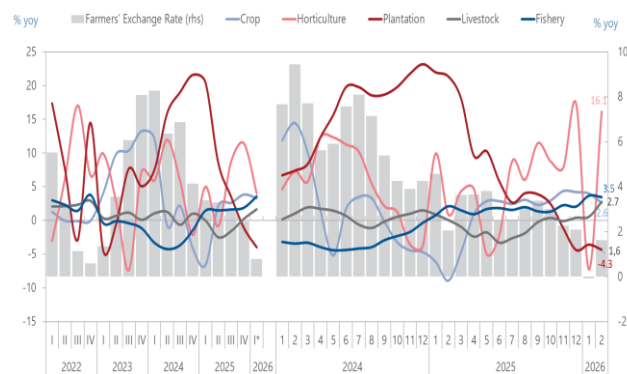
Source: BPS

Growth of Regional Economic (GRDP) of the Fourth Quarter of 2025



Source: BPS, calculated

Farmers' Exchange Rate



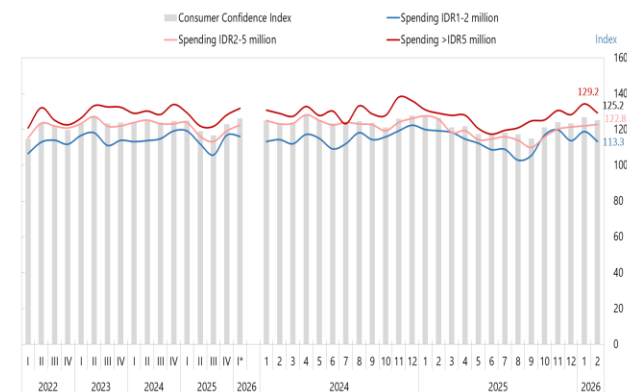
Source: BPS, calculated. *Data as of February 2026

Realization of State Budget (APBN)

ITEMS	2022		2023		2024		2025		2026		
	Budget (Rp Trillion)	REPPRES 2022 (Rp Trillion)	Realization as of December 2022 (Rp Trillion)	Budget (Rp Trillion)	Realization as of December 2023 (Rp Trillion)	Budget (Rp Trillion)	Realization as of December 2024 (Rp Trillion)	Budget (Rp Trillion)	Realization as of December 2025 (Rp Trillion)	Budget (Rp Trillion)	Realization as of February 2026 (Rp Trillion)
A. State Income and Grants	1,846.1	2,266.2	2,635.4	2,463.0	2,774.3	2,463.0	2,842.5	3,005.1	2,756.3	3,153.6	358.0
I. Domestic Income	1,846.6	2,265.6	2,629.7	2,462.6	2,761.3	2,462.6	2,832.2	3,004.5	2,752.0	3,152.9	358.0
1. Tax Income	1,510.0	1,784.0	2,034.6	2,021.2	2,155.4	2,021.2	2,232.6	2,490.9	2,217.9	2,693.7	290.0
2. NonTax Income	336.6	481.6	595.2	441.4	605.9	441.4	579.5	513.6	534.1	459.2	68.0
II. Grant	0.6	0.6	5.6	0.4	13.0	0.4	30.3	0.6	4.3	0.7	0.5
B. State Expenditures	2,714.2	3,106.4	3,095.5	3,061.2	3,121.9	3,061.2	3,330.3	3,621.3	3,451.4	3,842.7	493.8
I. Central Government Expenditures	1,944.5	2,301.6	2,279.2	2,246.5	2,240.6	2,246.5	2,486.8	2,701.4	2,602.3	3,149.7	346.1
1. Employee Spending	426.5	426.5	402.4	442.6	412.3	442.6	464.5	521.5	501.1	580.7	84.1
2. Spending for Goods	339.7	339.7	426.0	307.0	429.8	307.0	493.3	486.9	546.9	714.1	67.6
3. Capital Expenditures	199.2	199.2	240.4	191.1	307.3	191.1	328.1	234.1	427.5	279.1	15.3
4. Payment of Debt Obligations	405.9	405.9	386.3	441.4	439.9	441.4	488.4	552.9	514.4	599.4	99.9
5. Subsidies	207.0	283.7	252.8	298.5	269.6	298.5	251.9	307.9	281.6	318.9	7.4
6. Grant Expenditure	4.8	4.8	5.8	0.0	0.2	0.0	0.1	0.2	0.31	0.4	0.0
7. Social Assistance	147.4	147.4	161.5	148.6	157.6	148.6	153.1	140.1	186.6	167.4	27.0
8. Other Expenditures	214.0	494.4	403.9	329.3	224.6	329.3	257.3	458.0	143.9	489.8	44.7
II. Transfer to Regions and Village Funds	769.6	804.8	816.2	814.7	881.3	814.7	863.5	919.9	849.0	693.0	147.7
1. Transfer to Regions	701.6	736.8	748.3	744.7	811.4	744.7	792.6	848.9	589.9	632.4	147.1
2. Village Funds	68.0	68.0	67.9	70.0	69.9	70.0	70.9	71.0	59.1	60.6	0.6
C. Primary Balance	(462.2)	(434.4)	(46.4)	(156.8)	92.2	(156.8)	(19.4)	(69.3)	(180.7)	(89.7)	(35.9)
D. Budget Surplus/Deficit	(868.0)	(840.2)	(460.1)	(598.2)	(347.6)	(598.2)	(507.8)	(616.2)	(695.1)	(689.1)	(135.7)
Surplus/Deficit (%GDP)	(4.9)	(4.5)	(2.3)	(2.8)	(1.65)	(2.8)	(2.29)	(2.5)	(2.92)	(2.7)	(0.39)

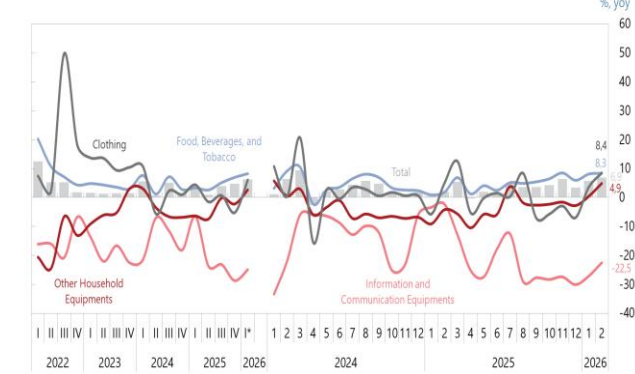
Source: Ministry of Finance

Consumer Confidence Index



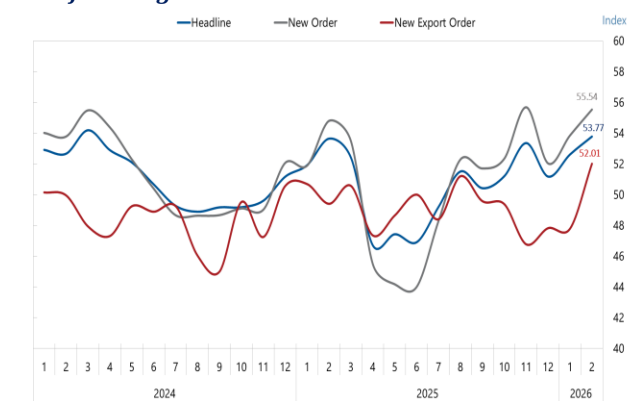
Source: Bank Indonesia. *Data as of February 2026

Retail Sales



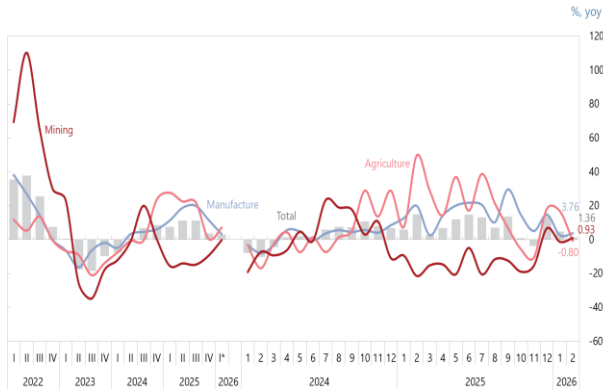
Source: Bank Indonesia. *Data as of February 2026

Manufacturing PMI



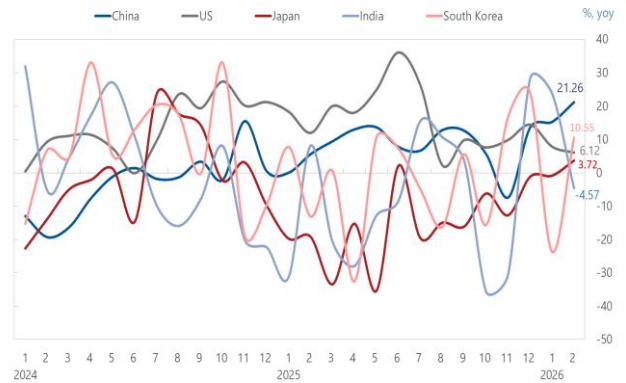
Source: Markit Economics

Non-oil and Gas Exports



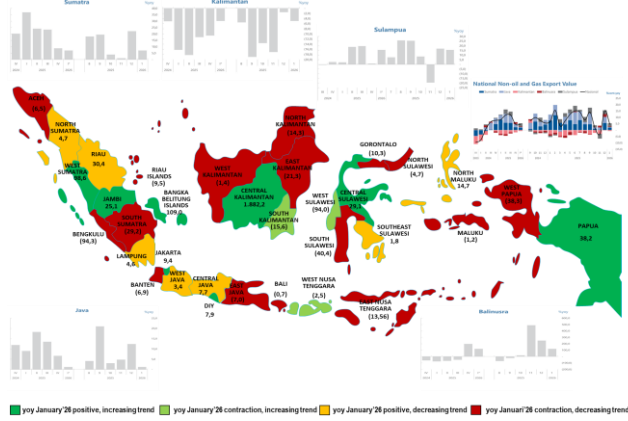
Source: Ministry of Finance, calculated by Bank Indonesia. *Data as of February 2026

Non-Oil and Gas Exports to Main Destination Countries



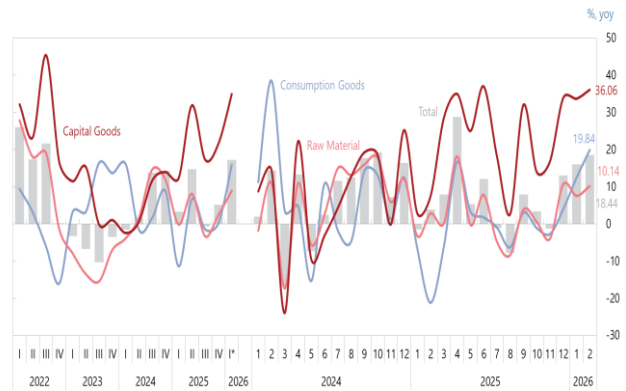
Source: Ministry of Finance, calculated by Bank Indonesia

Spatial Non-oil and Gas Exports



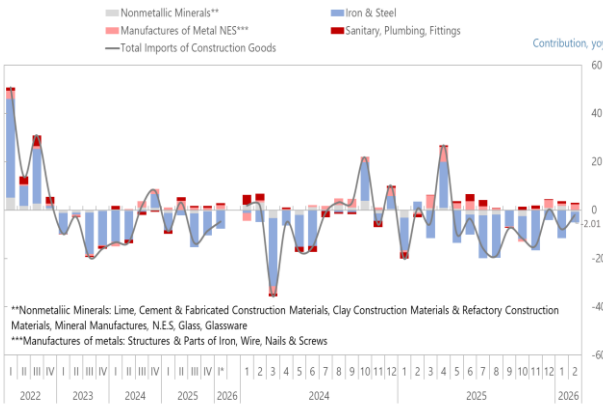
Source: Ministry of Finance, calculated by Bank Indonesia. *Data as of January 2026

Non-oil and Gas Imports



Source: Ministry of Finance, calculated by Bank Indonesia. *Data as of February 2026

Import of Construction Goods



Source: Ministry of Finance, calculated by Bank Indonesia. *Data as of February 2026

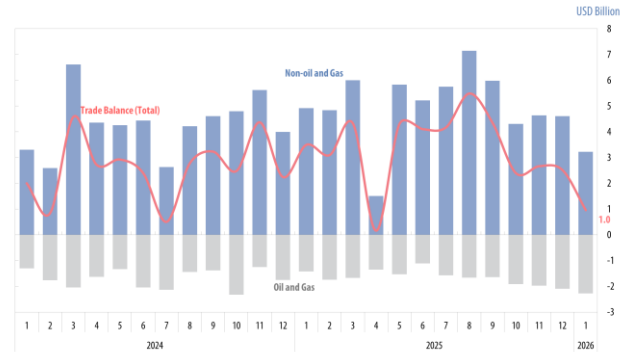
Indonesia's Balance of Payments (BOP) must continue to be strengthened to mitigate the impact of the conflict in the Middle East. Bank Indonesia will continue to strengthen policies to maintain Rupiah exchange rate stability amid worsening global conditions due to the conflict in the Middle East.

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	I	II	III	IV	Total
Current Account	0.7	4.3	4.7	3.5	13.2	2.9	-2.3	-1.3	-1.4	-2.0	-2.4	-3.0	-2.0	-1.1	-8.6	-0.2	-2.8	4.0	-2.5	-1.5
A. Goods	11.3	16.8	17.6	17.0	62.7	14.8	10.0	10.2	11.4	46.3	9.3	10.0	9.2	11.3	39.8	13.0	10.6	16.1	10.2	49.8
- Exports, fob	69.8	75.2	77.8	72.8	292.5	69.8	61.6	63.5	65.9	257.7	61.9	62.3	67.5	71.3	263.1	65.9	68.0	73.9	72.6	280.4
- Imports, fob	-55.5	-58.4	-60.2	-55.8	-229.9	-52.1	-51.6	-53.3	-54.5	-211.4	-52.6	-52.3	-58.3	-60.0	-223.3	-52.9	-57.4	-57.8	-62.4	-230.6
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	18.8	15.7	20.9	15.4	71.8
b. Oil and Gas	-6.7	-7.2	-6.5	-5.4	-24.8	-3.9	-4.7	-5.4	-5.9	-19.9	-5.5	-4.6	-4.4	-5.1	-19.6	-4.7	-4.2	-4.9	-5.7	-19.5
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	-5.1	-18.5	-5.4	-5.2	-4.4	-4.9	-19.8
C. Primary Income	-7.7	-8.0	-8.9	-9.6	-35.3	-8.8	-9.2	-8.8	-9.3	-36.0	-8.8	-8.5	-8.6	-9.0	-35.8	-8.4	-8.8	-8.4	-9.6	-38.2
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	1.7	1.7	1.8	6.7
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	9.6	18.0	-0.4	-4.2	-8.0	8.3	-4.2
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	2.4	5.1	3.6	15.9	2.8	3.9	4.6	2.8	14.1
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	3.1	9.8	2.5	8.2	1.0	-8.1	-7.1	4.6	-4.4
3. Other Investment	-3.5	-4.7	-5.9	-1.5	-15.6	-3.4	-5.7	-0.2	2.4	-6.8	-5.1	-2.9	-6.9	-8.4	-6.4	-4.2	-0.1	-5.6	0.7	-9.2
Overall Balance	-1.8	2.4	-1.3	4.7	4.0	6.5	-7.4	-1.5	8.5	6.3	-8.0	-8.6	9.9	7.9	7.2	-0.8	-6.7	-8.4	-6.1	-7.8
Memorandum:																				
- Reserve Assets Position	138.1	136.4	130.8	137.2	137.2	145.2	137.5	134.9	146.4	140.4	140.2	148.9	156.7	157.1	152.6	148.7	156.5	156.5	156.5	
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	6.5	6.2	6.1	6.4	6.5	6.5	6.2	6.0	6.2	6.2	
- Current Account (% GDP)	0.2	1.3	1.4	1.1	1.1	1.0	0.9	-0.7	-0.4	-0.2	-0.7	-0.9	-0.6	-0.3	-0.6	-0.1	-0.8	1.1	-0.7	-0.1

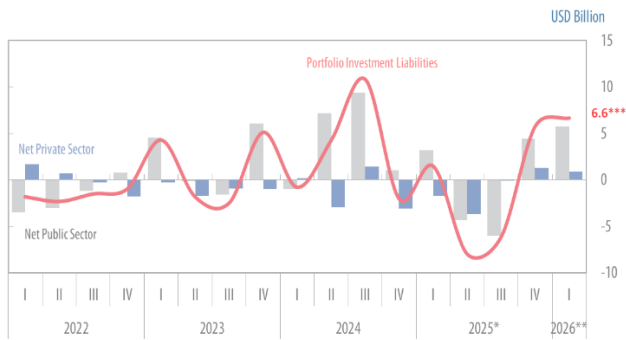
Source: Bank Indonesia. *Provisional Figures; ** Very Provisional Figures

Trade Balance



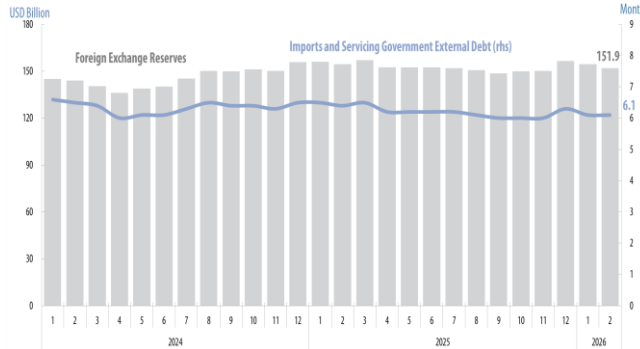
Source: BPS

Foreign Capital Flows



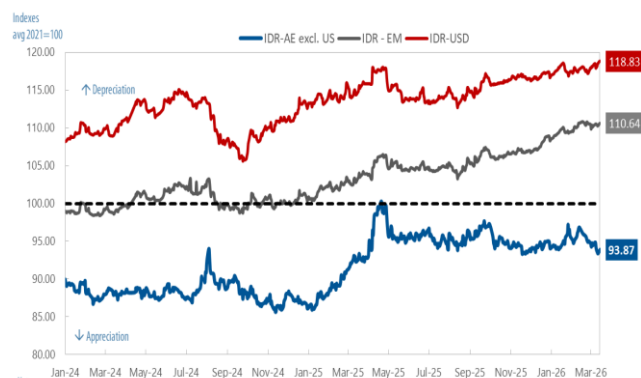
Source: Bank Indonesia. Data as of March 12, 2026.
*Provisional Figures
Very Provisional Figures *incl. Global Bonds issuance amounted to USD4.9 billion

Official Reserve Asset



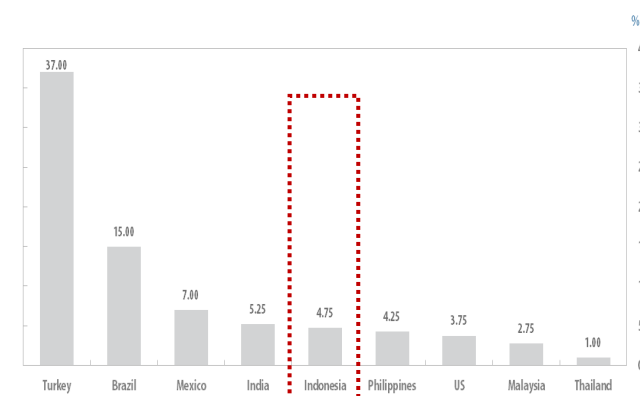
Source: Bank Indonesia

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



Source: Bloomberg. Data as of March 16, 2026

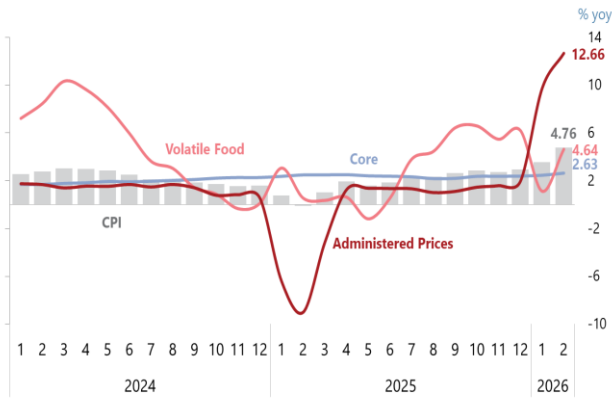
Peer Countries' Interest Rate Policies



Source: Bloomberg. Data as of March 16, 2026

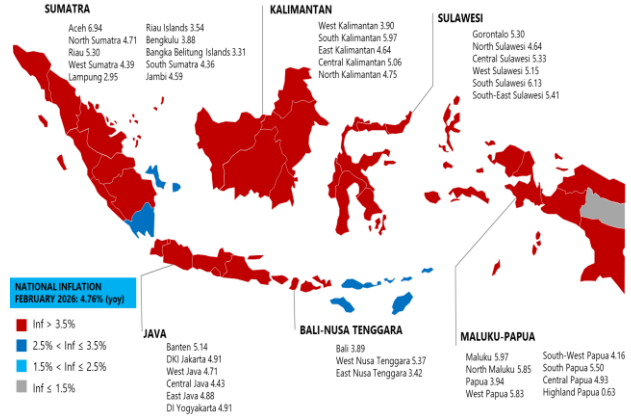
Consumer Price Index (CPI) inflation remains under control.

CPI Inflation and Component



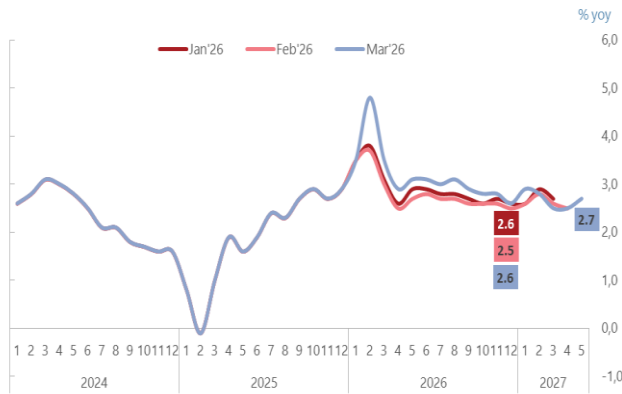
Source: BPS

Inflation Rate across Provinces



Source: BPS

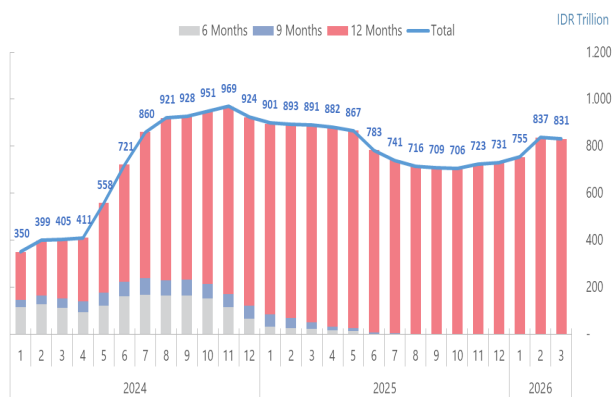
Inflation Expectation



Source: Consensus Economics

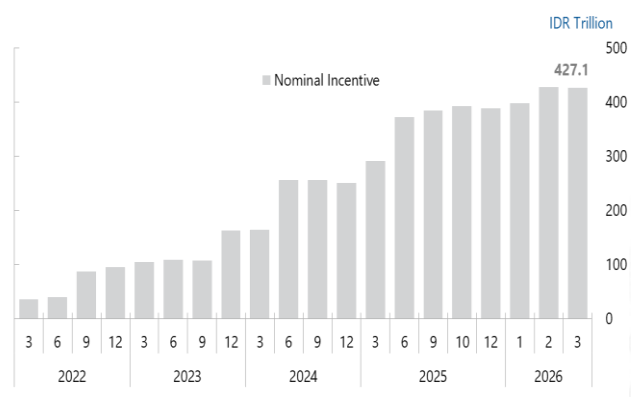
Bank Indonesia continues to strengthen its monetary policy to further reinforce economic stability and support economic growth. The Macroprudential Liquidity Incentive (KLM) policy continues to be optimized to encourage increased bank credit/financing to priority sectors in support of economic growth.

SRBI Outstanding Position



Source: Bank Indonesia. Data as of March 12, 2026

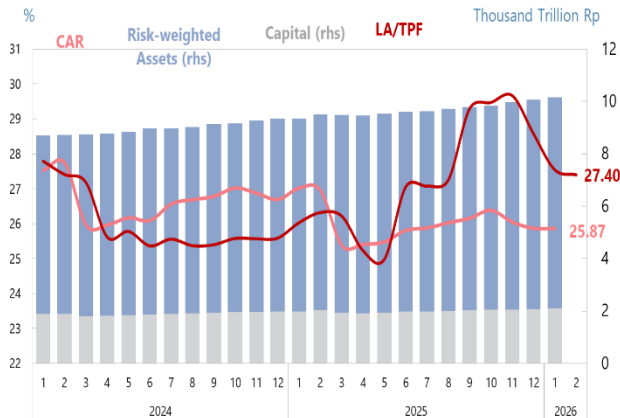
KLM Incentives Disbursement



Source: Bank Indonesia

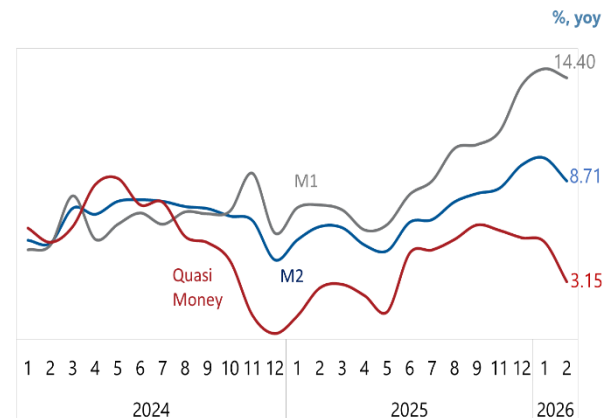
The transmission of monetary policy easing to lower interest rates in the banking industry needs to be continuously strengthened to further promote higher economic growth. The money supply growth remains well maintained in line with Bank Indonesia's policy to enhance the effectiveness of monetary liquidity expansion. Banking credit growth continues to be strengthened to support economic growth. Banking system resilience remains strong thus expected be able to mitigate the potential impact of risks posed by the war in the Middle East.

The Ratio of Liquid Assets to Deposits and Capital Banking



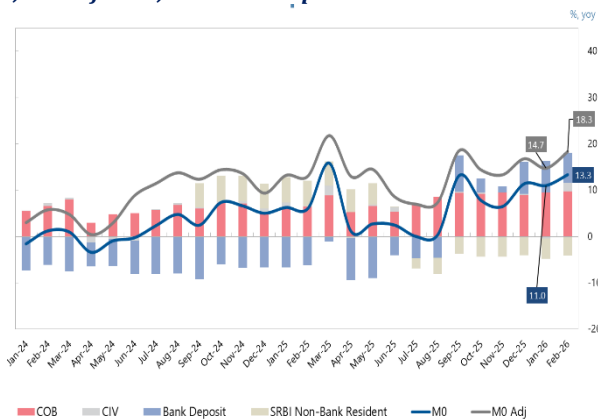
Source: Bank Indonesia

Money Supply



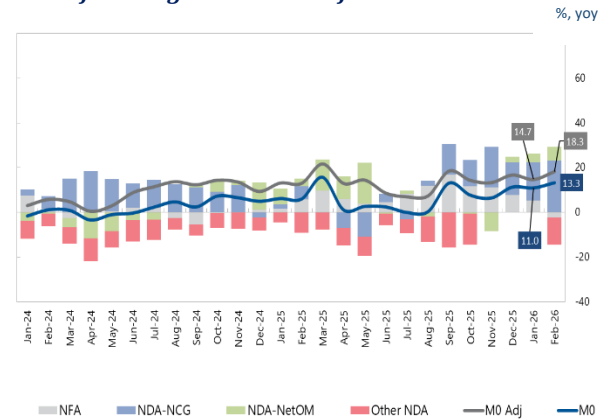
Source: Bank Indonesia

M0, M0 Adjusted, and the Component



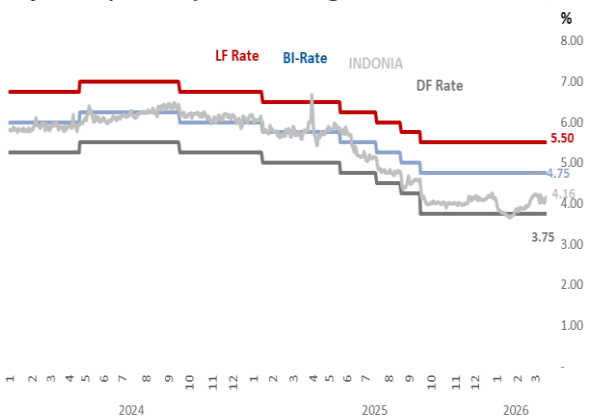
Source: Bank Indonesia

Factor Influencing M0 and M0 Adjusted



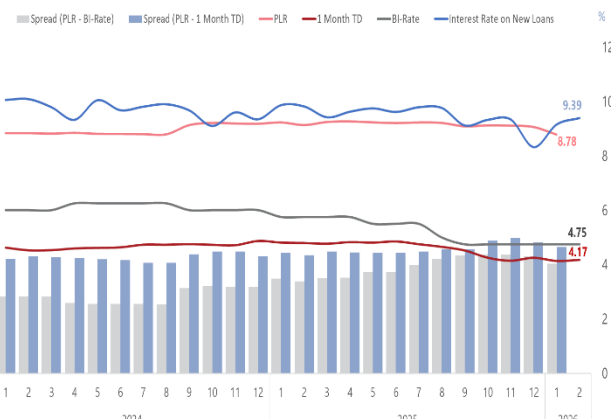
Source: Bank Indonesia

Policy Rate (BI-Rate) and Overnight Interbank Rate



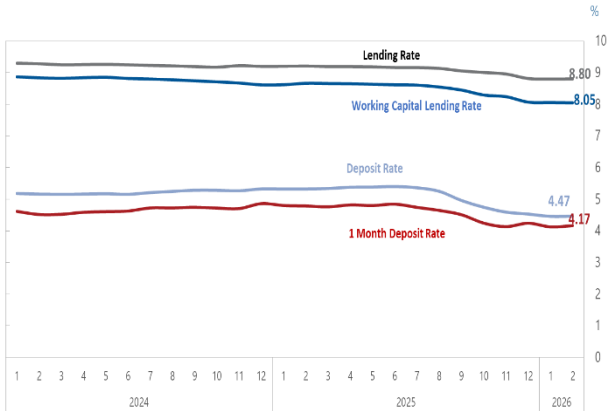
Source: Bank Indonesia

BI-Rate Transmission to PLR



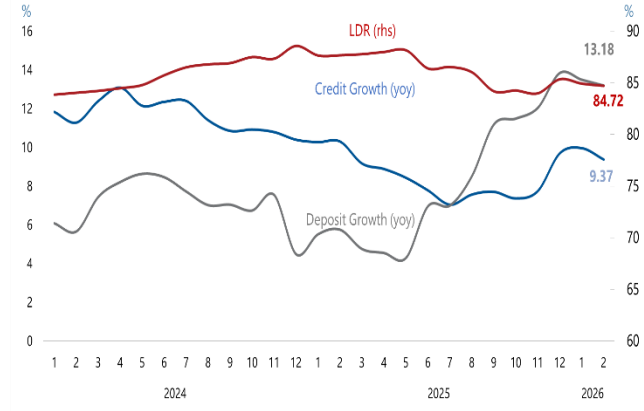
Source: OJK, Bank Indonesia, calculated

Banking Interest Rates



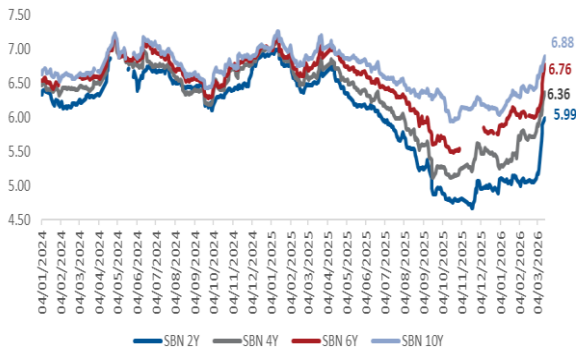
Source: Bank Indonesia

Credit and Deposit Developments



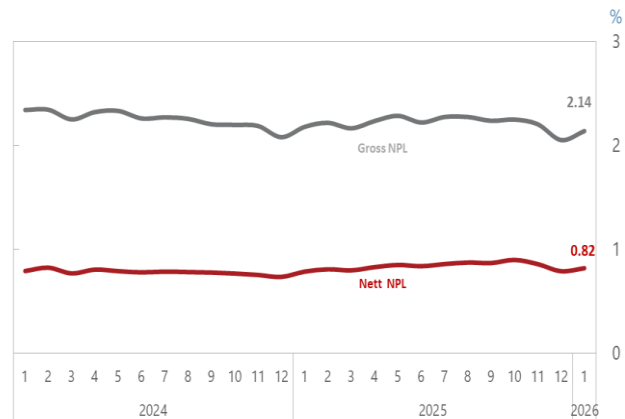
Source: Bank Indonesia

Yield SBN



Source: Bank Indonesia

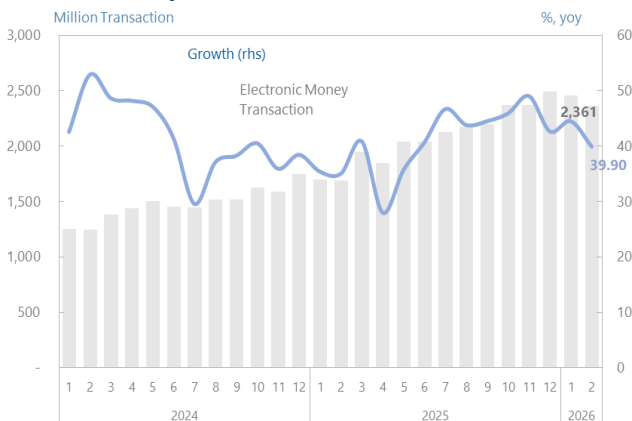
Credit Risk (NPL)



Source: Bank Indonesia, OJK

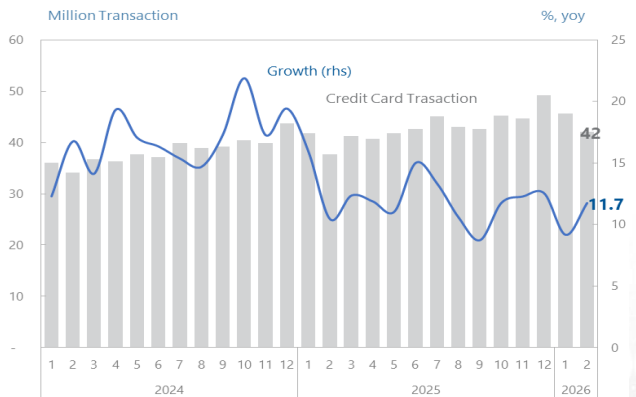
The growth of digital economic and financial transactions in February 2026 remained high, supported by secure, seamless, and reliable payment systems. Payment system stability remains preserved, supported by stable infrastructure and a sound industry structure.

Electronic Money Transactions Volume



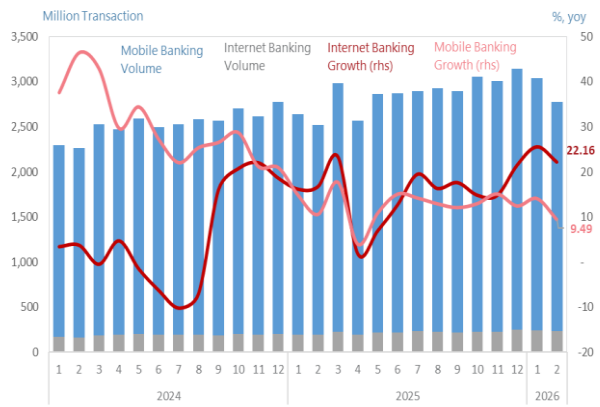
Source: Bank Indonesia

Credit Card Transactions Volume



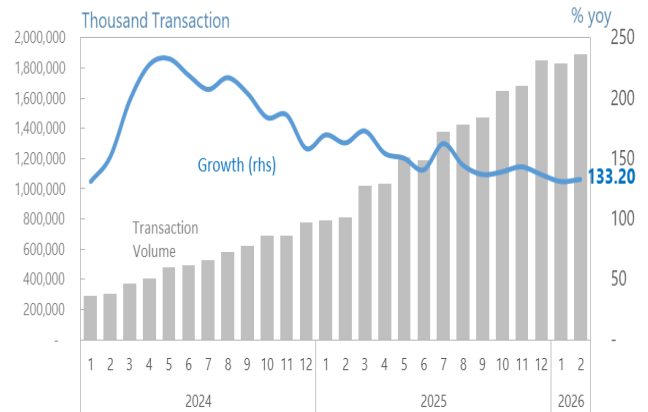
Source: Bank Indonesia

Digital Banking Transactions Volume



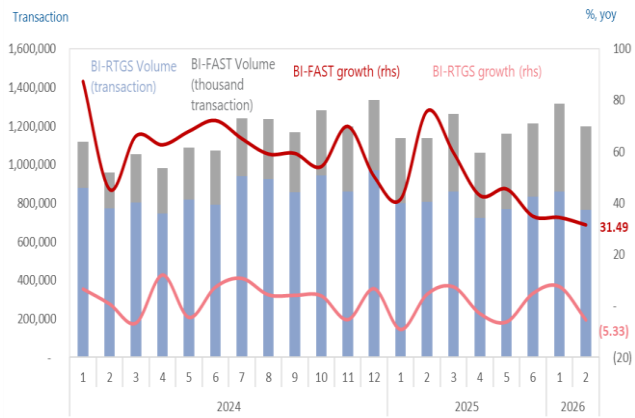
Source: Bank Indonesia

QRIS Transactions Volume



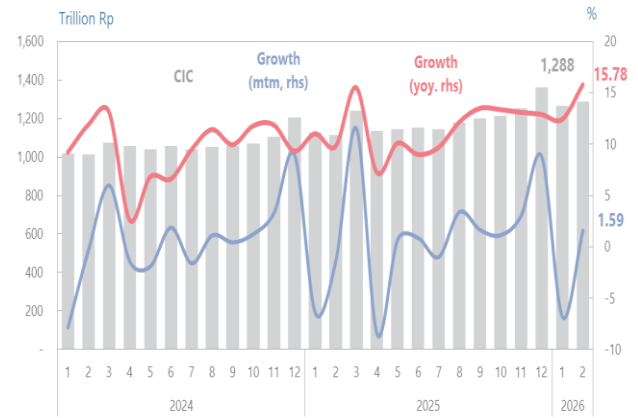
Source: Bank Indonesia

BI-FAST and BI-RTGS Transactions Volume

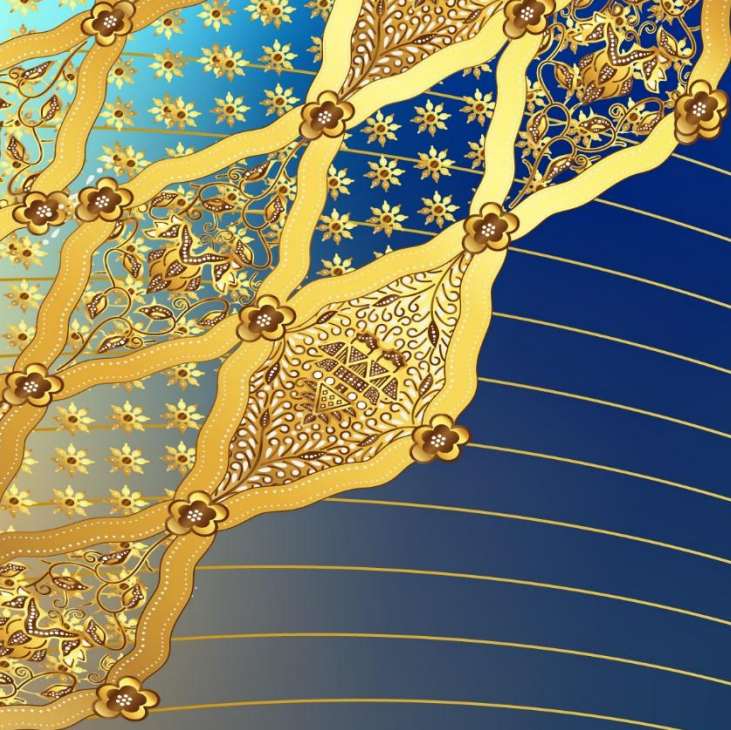


Source: Bank Indonesia

Currency in Circulation



Source: Bank Indonesia



For further information:

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