



**BANK INDONESIA**  
BANK SENTRAL REPUBLIK INDONESIA

# **MONETARY POLICY REVIEW**

**NOVEMBER 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

---

**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





# Table of Content

Foreword	iii
----------	-----

The Board of Governors	iii
------------------------	-----

Table of Content	iv
------------------	----

Executive Summary	1
-------------------	---

1. Global and Domestic Economic Developments	3
----------------------------------------------	---

2. Economic Prospects	7
-----------------------	---

3. Bank Indonesia Policy Response	9
-----------------------------------	---



# Executive Summary

Global financial market shows another rising uncertainty amidst the occurrence of a temporary government shutdown in the United States (US) and the current direction of US monetary policy. The US economic growth is still moderating due to the adverse impact of reciprocal tariffs, coupled with the longest government shutdown in history, which have contributed to a persistently weak labor market. The economies of Japan, China and India have also slowed due to sluggish domestic demand. On the other hand, economic growth in Europe exceeded the projection due to the release of third-quarter growth figures, underpinned by increasing household consumption and investment in response to accommodative monetary policy. The rising global financial market uncertainty is influenced by the US central bank's interest rate policy stance, which the market perceived as less dovish. Global capital flows into gold and US financial assets as safe haven assets continue. The increased capital inflows have driven up gold prices and strengthened the US dollar index (DXY). Meanwhile, capital flows to emerging markets (EM) were more limited to the stock market. Such conditions demand vigilance and a strong policy response to mitigate the global spillovers, maintain external resilience and drive domestic economic growth, as well as maintaining stability.

From the domestic side, Indonesia's economic growth remains solid and needs to be continuously increased to align with the economic capacity. Indonesia's economy posted 5.04% (yoy) growth in the third quarter of 2025, underpinned by persistently strong export performance and increasing government consumption in line with faster government spending. Household consumption and investment need to be further supported to strengthen domestic demand. By sector, most economic sectors recorded positive performance in the reporting period, including manufacturing, wholesale and retail trade, as well as information and communication. Spatially, high regional economic growth was observed in the Java and Sulawesi-Maluku-Papua (Sulampua) regions. Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. Rupiah exchange rate is under control despite a build-up of pressure due to increasing global financial market uncertainty. In general, inflation has been maintained within the target corridor. Bank Indonesia is of the view that strengthening the effective transmission of accommodative monetary policy to lower interest rates in the banking industry must be continued. Digital economic and financial transactions maintained positive growth in October 2025, supported by secure, seamless and reliable payment systems.



The global economic outlook remains subdued, consistent with earlier projections. Taking into account recent global developments and dynamics, Bank Indonesia projects that global economic growth in 2025 at 3.1%.

On the domestic front, Bank Indonesia will continue strengthening the national policy mix by optimising its monetary, macroprudential and payment system policy mix in synergy with the fiscal stimuli and real sector policies of the Government to support economic growth, while maintaining stability. Bank Indonesia projects national economic growth in 2025 in the 4.7-5.5% range, before accelerating in 2026. External resilience is projected to remain sound and Rupiah to remain stable, supported by Bank Indonesia's commitment to maintain Rupiah stability, underpinned by attractive yields, low inflation and the positive economic growth outlook for Indonesia. Bank Indonesia is confident inflation in 2025 and 2026 will remain low and within the  $2.5\pm 1\%$ . Given the developments through October 2025, Bank Indonesia projects growth of loans disbursed by the banking industry in 2025 at the lower end of the 8-11% range, before accelerating in 2026.

The Bank Indonesia Board of Governors decided on 18-19<sup>th</sup> November 2025 to hold the BI-Rate at 4.75%, while also maintaining the Deposit Facility (DF) rate at 3.75% and the Lending Facility (LF) rate at 5.50%. The decision is consistent with the short-term policy focus on stabilizing the Rupiah exchange rate and attracting foreign portfolio investment inflows amid rising global uncertainty, while continuing to strengthen the effectiveness of monetary and macroprudential policy easing that has been implemented. Moving forward, Bank Indonesia will continue considering room for further BI-Rate reductions supported by inflation forecasts for 2025 and 2026 that remain within the target range of  $2.5\pm 1\%$ , as well as the need to foster higher economic growth. Bank Indonesia will also strengthen accommodative macroprudential policy by enhancing the effectiveness of liquidity provided to the banking industry in pursuit of lower interest rates and higher credit/financing growth to the real sector, particularly to priority sectors. Payment system policy remains oriented towards supporting economic growth by expanding the acceptance of digital payments, while strengthening the structure of the payment system industry and strengthening the resilience of payment system infrastructure.



## CHAPTER 1

# Global and Domestic Economic Developments

Global financial market shows another rising uncertainty amidst the occurrence of a temporary government shutdown in the United States (US) and the current direction of US monetary policy. The US economic growth is still moderating due to the adverse impact of reciprocal tariffs, coupled with the longest government shutdown in history, which have contributed to a persistently weak labor market. The economies of Japan, China, and India have also slowed due to sluggish domestic demand. On the other hand, economic growth in Europe exceeded the projection due to the release of third-quarter growth figures, underpinned by increasing household consumption and investment in response to accommodative monetary policy. The rising global financial market uncertainty is influenced by the US central bank's interest rate policy stance, which the market perceived as less dovish. Tariff policies have restrained the decline in US inflation, while conditions in the labour market have yet to improve due to immigration policies and the temporary government shutdown. These

developments are expected to have lowered the probability of a further reduction in the Federal Funds Rate (FFR) in the rest of 2025. Global capital flows into gold and US financial assets as safe-haven assets continue. The increased capital inflows have driven up gold prices and strengthened the US dollar index (DXY). Meanwhile, capital flows to emerging markets (EM) were more limited to the stock market.

**Indonesia's economic growth remains solid and needs to be continuously increased to align with the economic capacity.** Indonesia's economy posted 5.04% (yoy) growth in the third quarter of 2025, underpinned by persistently strong export performance and increasing government consumption in line with faster government spending. Household consumption and investment need to be further supported to strengthen domestic demand. By sector, most economic sectors recorded positive performance in the reporting period, including manufacturing, wholesale and retail trade, as well as information and



communication. Spatially, high regional economic growth was observed in the Java and Sulawesi-Maluku-Papua (Sulampua) regions.

**Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience.** In the third quarter of 2025, the Current Account (CA) is projected to record a surplus in line with rising non-oil and gas exports. The surplus is primarily supported by shipments of crude palm oil (CPO) to India, precious metals and jewelry to Switzerland, as well as coal to China. In terms of the Capital and Financial Account (CFA), direct investment is expected to remain positive in line with the promising domestic economic outlook, contrasting net outflows of portfolio investment in response to increasing global financial market uncertainty. In the fourth quarter of 2025 (as of the 17<sup>th</sup> of November 2025), portfolio investment improved to record net inflows of USD1.8 billion, dominated by equity inflows. The position of foreign reserves at the end of October 2025 increased to USD149.9 billion, equivalent to 6.2 months of imports or 6.0 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports.

**Rupiah exchange rate is under control despite a build-up of pressure due to increasing global financial market uncertainty.** The value of the Rupiah on 18<sup>th</sup> November 2025 stood at Rp16,735 per US dollar, depreciating by 0.69% (ptp) compared with the level recorded at the end of October 2025. The Rupiah depreciation was in line with currency movements in the region and in Indonesia's major trading partners. Seeking to maintain Rupiah stability against a backdrop of intense pressure from global uncertainty, Bank Indonesia implemented stabilization measures through intervention in offshore spot and non-deliverable forward (NDF) transactions as well as onshore (DNDF) transactions, while also purchasing government securities (SBN) in the secondary market. The increasing conversion of foreign exchange into Rupiah by exporters after the Government strengthened policy concerning the foreign exchange proceeds of exports of natural resources (DHE SDA) further bolstered the value of the Rupiah.

**In general, inflation has been maintained within the target corridor.** Consumer Price Index (CPI) inflation in October 2025 was recorded at 2.86% (yoy). Core inflation remained low at 2.36% (yoy), impacted by 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) also remained low at 1.45%

(yoy) in line with lower petrol prices and cheaper transportation fares. Volatile food (VF) inflation accelerated to 6.59% (yoy), with red chilis, purebred chicken eggs and purebred chicken meat observed as the main contributors to higher inflation because of supply disruptions caused by high rainfall.

**Monetary policy continues to be strengthened to support economic growth while maintaining macroeconomic stability.** Monetary policy has been implemented through BI-Rate reductions, stabilization of the Rupiah exchange rate, and monetary liquidity expansion. Bank Indonesia has reduced the BI-Rate by 150 bps, namely by 25 bps in September 2024 and 125 bps in 2025 to 4.75% in October 2025, the lowest level since 2022. In addition, Bank Indonesia is strengthening its Rupiah stabilization policy through measured intervention in offshore NDF markets and triple intervention strategy with a focus on spot and DNDF transactions, while also purchasing SBN in the secondary market. In line with this, Bank Indonesia sets competitive interest rates for foreign exchange monetary instruments to maintain the attractiveness of fund placements in Indonesia, thereby supporting the stability of the Rupiah exchange rate. Bank Indonesia is also expanding liquidity by lowering the position of SRBI monetary instruments from Rp916.97 trillion at the beginning of 2025 to Rp699.30 trillion on 17<sup>th</sup> November 2025. Bank Indonesia has also purchased SBN as part of a close synergy between monetary and fiscal policies, amounting to Rp289.91 trillion (as of 18<sup>th</sup> November 2025), including SBN purchased in the secondary market, alongside a debt switching program with the Government, totalling Rp212.60 trillion. Purchases of SBN in the secondary market are conducted in accordance with market mechanisms, in a measured and transparent manner, and consistently aligned with monetary policy programs to maintain economic stability, thereby preserving the credibility of monetary policy.

**Monetary policy is also strengthened by Macroprudential Liquidity Incentive Policy (KLM) and faster digitalisation of the payment system in pursuit of economic growth.** KLM policy is oriented towards stimulating lending/financing in the banking industry. As of the first week of November 2025, Bank Indonesia disbursed KLM incentives totalling Rp404.6 trillion, with Rp179.4 trillion allocated to state-owned banks, Rp179.9 trillion to national private commercial banks, Rp39.3 trillion to regional government banks and Rp6.0 trillion to foreign bank branches. By sector, the incentives were primarily disbursed to priority sectors, namely agriculture, trade and manufacturing; real estate, public housing, construction, transportation, storage, tourism and the creative economy, as well as



the MSME, ultra micro and green sectors. Bank Indonesia has strengthened performance-based and forward-looking KLM implementation, effective from 1<sup>st</sup> December 2025. Accordingly, liquidity incentives will be provided to banks committed to extending loans/financing to specific sectors (lending channel) as well as banks offering competitive lending rates in line with the policy rate of Bank Indonesia (interest rate channel). KLM strengthening efforts by Bank Indonesia are expected to provide additional liquidity incentives to the tune of approximately Rp18.5 trillion on top of the current level.

**Bank Indonesia is of the view that strengthening the effective transmission of accommodative monetary policy to lower interest rates in the banking industry must be continued.** The accommodative monetary policy stance maintained by Bank Indonesia and accumulated budget surplus placed by the Government in the banking industry must be followed by measures in the banking industry to lower interest rates with a shorter lag. Consistent with the BI-Rate reductions totaling 125 bps in 2025 and the monetary liquidity expansion policy instituted by Bank Indonesia, the INDONIA money market reference rate also trended downwards by 203 bps from 6.03% at the beginning of 2025 to 4.00% as of 18<sup>th</sup> November 2025. SRBI rates for tenors of 6, 9 and 12 months also tracked downward trends, namely by 254 bps, 256 bps and 257 bps since the beginning of 2025 to 4.62%, 4.65% and 4.69% on 14<sup>th</sup> November 2025. SBN yields on tenors of 2 years decreased by 226 bps from 6.96% at the beginning of 2025 to 4.70% on 18<sup>th</sup> November 2025, while SBN yields on tenors of 10 years have also decreased by 113 bps from a peak of 7.26% in the middle of January 2025 to 6.13% currently. Nevertheless, lower lending rates in the banking industry continue to experience a lag and efforts must be taken to accelerate further reductions. Relative to the BI-Rate reductions totaling 125 bps, the 1-month term deposit rate has only fallen by 56 bps from 4.81% at the beginning of 2025 to 4.25% in October 2025, primarily held back by the special rates offered by banks to large depositors, accounting for 27% of total third-party funds in the banking industry. Moreover, lending rate reductions have been even slower, falling just 20 bps from 9.20% at the beginning of 2025 to 9.00% in October 2025.

**Accommodative monetary policy and accumulated budget surplus placements by the Government in the banking industry have increased money supply.** Growth of adjusted base money (M0), namely base money that has isolated the impact of lower reserve requirements (RR) due to the provision of macroprudential liquidity incentives (KLM), stood at a

14.38% (yoy) in October 2025, higher than M0 growth (not adjusted) of 7.75% (yoy). Based on the affecting factors, higher adjusted M0 growth stemmed from fiscal expansion, including the placement of accumulated budget surplus by the government in the banking industry, as reflected by the expansion of net claims on central government (NCG). Expansionary monetary policy was also reflected in growth of broad money (M2), which accelerated from 5.46% (yoy) in January 2025 to 8.02% (yoy) in September 2025. By component, stronger M2 growth was influenced by an uptick in narrow money (M1), namely from 7.25% (yoy) in January 2025 to 10.72% (yoy) in September 2025 as currency outside banks (COB) accelerated from 10.30% (yoy) in January 2025 to 14.50% (yoy) in September 2025. Based on the affecting factors, M2 growth was primarily driven by an increase of Net Foreign Assets (NFA) and expansionary fiscal policy. Moving forward, money supply is expected to accelerate in line with fiscal expansion and increasing economic activity.

**Bank lending must continue to be increased to support economic growth.** Credit growth in October 2025 was recorded at 7.36% (yoy), moderating from 7.70% (yoy) in September 2025. The main contributors to restrained credit growth include the wait-and-see attitude prevalent in the corporate sector, the optimization of internal financing in the corporate sector and persistently high lending rates. Consequently, undisbursed loans in the banking industry remain significant, reaching Rp2,450.7 trillion in October 2025, or 22.97% of the loans available. On the supply side, adequate bank financing capacity is supported by a higher ratio of liquid assets to third-party funds (LA/TPF) at 29.47% and deposit growth of 11.48% (yoy) in October 2025 in line with fiscal expansion, including government fund placements in several big banks, alongside policy to increase liquidity and macroprudential policy incentives from Bank Indonesia. In general, bank appetite to lend remains healthy, as reflected by looser lending requirements. Nevertheless, lending requirements for consumer loans and MSME loans increased given bank prudence to contain the high credit risk affecting both segments. Such conditions influenced the growth of MSME loans in October 2025, which contracted by 0.11% (yoy).

**The banking sector remains resilient.** Bank capital remains high, accompanied by ample liquidity and low credit risk. The Capital Adequacy Ratio (CAR) in September 2025 increased to 26.15%, adequate to absorb risk. Non-performing loans (NPL) remained low in the banking industry at 2.24% (gross) and 0.87% (net) in September 2025. The gross NPL ratio for MSME

loans deteriorated, however, increasing from 4.46% in September 2025 to 4.51% in October 2025. The latest BI stress tests indicate solid banking industry resilience, supported by maintained corporate repayment capacity and profitability. Moving forward, Bank Indonesia will continue strengthening policy synergy with the KSSK Committee to mitigate various domestic and global economic risks that could potentially disrupt financial system stability.

**The performance of digital economic and financial transactions in October 2025 remained robust, supported by a secure, smooth, and reliable payment system.** The volume of digital payments<sup>1</sup> in October 2025 grew 31.20% (yoy) to reach 4.45 billion transactions, supported by broader acceptance of digital payments. Transaction volume through mobile and internet banking applications grew 2.91% (yoy) and 12.03% (yoy), respectively, including digital payment transaction volume through QRIS, which continued enjoying impressive 139.45% (yoy) growth, supported by increasing numbers of users and merchants. From an infrastructure perspective, the volume of retail transactions processed through BI-FAST grew 31.96% (yoy) to reach 446.77 million

transactions, with a value of Rp1,115.09 trillion in October 2025. On the wholesale or high-value side, the BI-RTGS system processed 0.99 million transactions in October 2025, with a transaction value of Rp22,524.61 trillion. In terms of Rupiah currency management, total currency in circulation grew 13.37% (yoy) to Rp1,213.76 trillion in October 2025.

**Payment system stability remained well-maintained, supported by stable infrastructure and sound industry structure.** Stable infrastructure is reflected in the seamless and reliable payment systems maintained by Bank Indonesia, along with an adequate money supply of currency fit for circulation in appropriate denominations in October 2025. A healthy payments industry structure is reflected by increasing payment system interconnection, accompanied by the continued expansion of the digital economy and finance ecosystem. Payment transactions based on the National Open API Payment Standard (SNAP) continue to grow and strengthen interconnection as SNAP adoption expands.

---

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





## CHAPTER 2

# Economic Prospect

The global economic prospect remains on a slowing trend, while global financial market shows another rising uncertainty. Bank Indonesia projects that global economic growth in 2025 at around 3.1%. The US central bank's interest rate policy stance, which the market perceived as less dovish are expected to have lowered the probability of a further reduction in the Federal Funds Rate (FFR) in the rest of 2025. These development caused by tariff policies that have restrained the decline in US inflation, while conditions in the labor market have yet to improve due to immigration policies and the temporary government shutdown. Such conditions demand vigilance and a strong policy response to mitigate the global spillovers, maintain external resilience and drive domestic economic growth, as well as maintaining stability.

From the domestic front, Indonesia's economic growth remains solid and needs to be continuously increased to align with the economic capacity. Fourth-quarter economic growth in 2025 is forecast to increase on the back of fiscal stimuli through the implementation of priority projects and the Government's Economic Policy Package 2025, alongside the Bank Indonesia policy mix to support economic growth and maintain stability. Household

consumption is forecast to accelerate in line with expectations of higher income, particularly among lower-middle income group, given additional social assistance disbursements by the Government, accompanied by increasing community mobility and activity ahead of the Christmas and New Year festive period. Investment, specifically non-building investment, is forecast to accelerate, as reflected by a Prompt Manufacturing Index (PMI) that remains in expansionary territory. Consequently, Bank Indonesia projects national economic growth in 2025 in the 4.7-5.5% range, before accelerating in 2026. Bank Indonesia will continue strengthening the national policy mix by optimising its monetary, macroprudential and payment system policy mix in synergy with the fiscal stimuli and real sector policies of the Government to support economic growth, while maintaining stability.

Indonesia's external economic resilience is expected to remain sound. Overall, BOP in 2025 is predicted to remain resilient, with the current account projected in the range of a 0.1% surplus to a 0.7% of GDP deficit. Solid BOP performance is also forecast in 2026, supported by a narrow and manageable current account deficit, accompanied by an influx of capital

flows in line with the positive domestic economic outlook.

**The Rupiah is projected to remain stable, underpinned by attractive yields, low inflation and the positive economic growth outlook for Indonesia.**

Bank Indonesia remains firmly committed to maintaining Rupiah exchange rate stability, including measured intervention in the offshore NDF market as well as domestic spot and DNDF markets, while purchasing government securities (SBN) in the secondary market to maintain inflation within the target corridor.

**Bank Indonesia is confident inflation in 2025 and 2026 will remain low and within the  $2.5 \pm 1\%$ .** Low core inflation is projected in line with anchored inflation expectations, adequate economic capacity, managed imported inflation, as well as the positive impact of digitalization. Bank Indonesia expects VF inflation to remain manageable, supported by inflation control synergy between Bank Indonesia and the Central and Regional Government Inflation Control Teams (TPIP/TPID), while strengthening implementation of the National Food Security Program.

**Bank lending must continue to be increased to support economic growth.** Bank Indonesia will continue strengthening coordination with the

Government and KSSK Committee to revive bank lending/financing and improve the interest rate structure. Bank Indonesia will continue strengthening policy synergy with the KSSK Committee to mitigate various domestic and global economic risks that could potentially disrupt financial system stability. Overall, Bank Indonesia projects growth of loans disbursed by the banking industry in 2025 at the lower end of the 8-11% range, before accelerating in 2026. Alongside, money supply is expected to accelerate in line with fiscal expansion and increasing economic activity.

**Bank Indonesia will continue ensuring the availability, reliability and security of the retail and wholesale payment systems operated by Bank Indonesia and the industry.** In addition, Bank Indonesia will continue strengthening the structure of the payment system industry with a focus on risk management and the reliability of infrastructure technology among industry players. Furthermore, Bank Indonesia will safeguard the adequate availability of Rupiah currency fit for circulation in suitable amounts throughout all regions of the Republic of Indonesia, particularly in frontier, outermost and remote regions.





## CHAPTER 3

# Bank Indonesia Policy Response

The Bank Indonesia Board of Governors decided on 18-19<sup>th</sup> November 2025 to hold the BI-Rate at 4.75%, while also maintaining the Deposit Facility (DF) rate at 3.75% and the Lending Facility (LF) rate at 5.50%. The decision is consistent with the short-term policy focus on stabilizing the Rupiah exchange rate and attracting foreign portfolio investment inflows amid rising global uncertainty, while continuing to strengthen the effectiveness of monetary and macroprudential policy easing that has been implemented. Moving forward, Bank Indonesia will continue considering room for further BI-Rate reductions supported by inflation forecasts for 2025 and 2026 that remain within the target range of  $2.5 \pm 1\%$ , as well as the need to foster higher economic growth. Bank Indonesia will also strengthen accommodative macroprudential policy by enhancing

the effectiveness of liquidity provided to the banking industry in pursuit of lower interest rates and higher credit/financing growth to the real sector, particularly to priority sectors. Payment system policy remains oriented towards supporting economic growth by expanding the acceptance of digital payments, while strengthening the structure of the payment system industry and strengthening the resilience of payment system infrastructure.

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

1. Strengthening Rupiah exchange rate stabilization through interventions in both Non-Deliverable Forward (NDF) transactions in

offshore markets and spot transactions as well as Domestic Non-Deliverable Forward (DNDF) in the domestic market. This strategy is accompanied by purchases of government securities (SBN) in the secondary market.

2. Strengthening the pro-market monetary operations strategy to support Rupiah stabilization measures and enhance effective monetary policy transmission by:
  - i. managing the interest rate structure of monetary instruments and FX swaps to maintain portfolio inflows to domestic financial assets,
  - ii. issuing Bank Indonesia Rupiah Securities (SRBI) and measured purchases of government securities (SBN) in the secondary market to maintain adequate liquidity in the money market and banking industry,
  - iii. expanding the instruments of foreign exchange monetary operations with spot and swap instruments denominated in Chinese Yuan (CNY) and Japanese Yen (JPY) against the Rupiah, integrated with money market and foreign exchange market deepening.
3. Accelerating money market and foreign exchange market (PUVA) deepening to strengthen effective monetary policy transmission and support economic financing by:
  - i. strengthening the effectiveness of BI-FRN (Floating-Rate Notes) issuances and developing Overnight Index Swaps (OIS) for non-overnight tenors to create an efficient transaction-based interest rate structure in the money market,
  - ii. strengthening the function of Primary Dealers (PD) to increase SRBI transactions in the secondary market and repurchase agreement (repo) transactions between market players through a central counterparty (CCP),
  - iii. deepening the domestic money market and foreign exchange markets with spot, forward and swap instruments

denominated in Chinese Yuan (CNY) and Japanese Yen (JPY) against the Rupiah to strengthen Local Currency Transactions (LCT).

4. Strengthening the implementation of the easing of Macroprudential Liquidity Incentive Policy (KLM) by providing liquidity incentives to the banking industry to accelerate lower interest rates (the interest-rate channel), and to accelerate credit/financing growth to priority sectors (the lending channel).
5. Strengthening the publication of assessments on the transparency of Prime Lending Rates (SBDK), with a more in-depth analysis of lending rates based on the priority sectors covered under the KLM.
6. Accelerating the acceptance of digital payments by enhancing the financial literacy of Payment Service Providers, merchants and public concerning QRIS Tap, strengthening implementation of QRIS Cross-Border between Indonesia and China as well as Indonesia and South Korea through sandboxing, as well as implementing the Capacity Building and Literacy Program for the Synergy of Regional Digitalization Acceleration and Expansion (KATALIS P2DD) to accelerate and expand digitalization in the local government environment.
7. Restructuring the payment system industry through regulatory reform to strengthen risk management and technology infrastructure in the implementation of payment systems.

In addition, Bank Indonesia continues 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 is strengthening policy synergy with the Financial System Stability Committee (KSSK) to maintain financial system stability. Meanwhile, Bank Indonesia is also strengthening policy synergy with the Government to maintain stability and support economic growth in line with the Government's Asta Cita program.



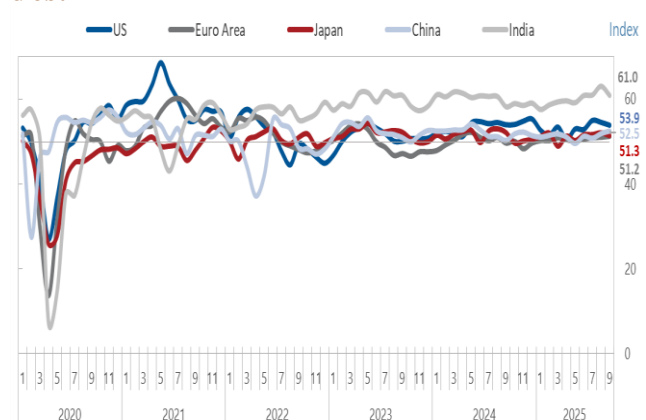
**Global financial market shows another rising uncertainty amidst the occurrence of a temporary government shutdown in the United States (US) and the current direction of US monetary policy.**

### Global GDP Growth

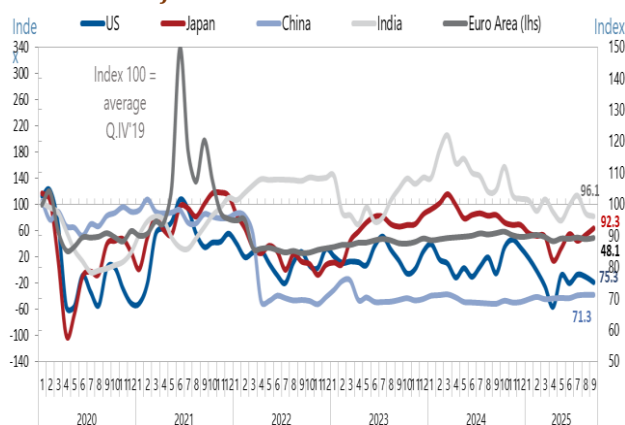
Country	2020	2021	2022	2023	2024	2025*
<b>World</b>	<b>-2.8</b>	<b>6.3</b>	<b>3.5</b>	<b>3.3</b>	<b>3.3</b>	<b>3.1</b>
<b>Advanced economies</b>	<b>-4.2</b>	<b>5.6</b>	<b>2.6</b>	<b>1.7</b>	<b>1.8</b>	<b>1.6</b>
United States	-2.8	5.9	1.9	2.9	2.8	2.0
Euro Area	-6.1	5.6	3.4	0.4	0.9	1.0
Japan	-4.2	2.2	1.0	1.5	0.1	1.0
<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>4.1</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	6.6
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	2.1
Middle East & Central Asia	-2.6	4.3	5.4	2.0	2.4	3.4

Source: IMF WEO. \*Bank Indonesia Projection

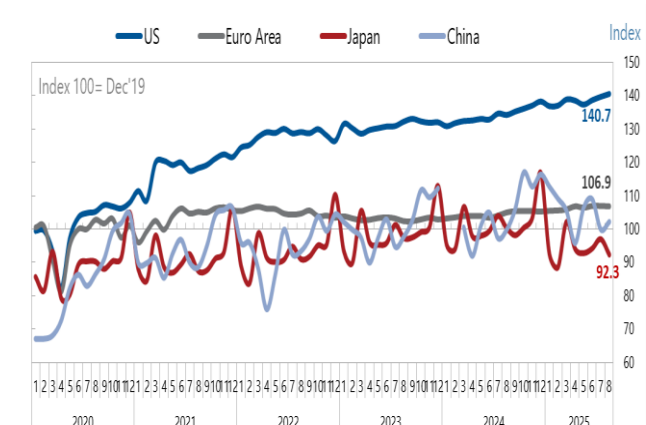
### Global PMI



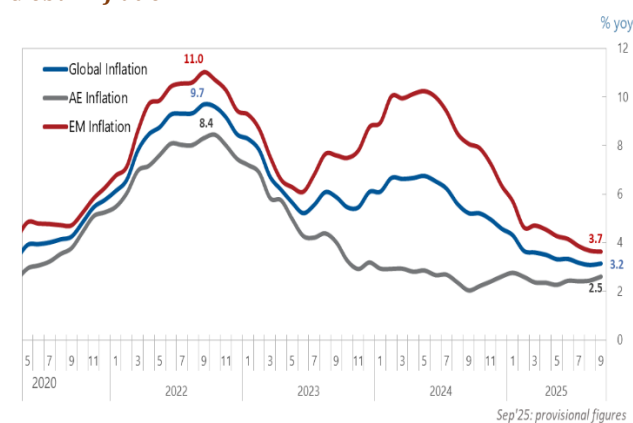
### Consumer Confidence Index



### Retail Sales



### Global Inflation

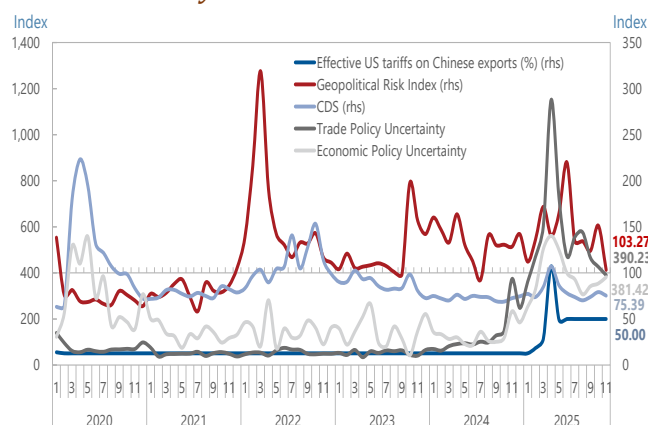


### Indonesia's Export Commodity Prices

Commodity	2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4*
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
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
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
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
Nickel	59.4	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	-6.2	-17.7
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
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
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
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
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
Oil (Brent)**	101	113	101	88	88	101	81	78	87	84	83	83	85	80	75	81

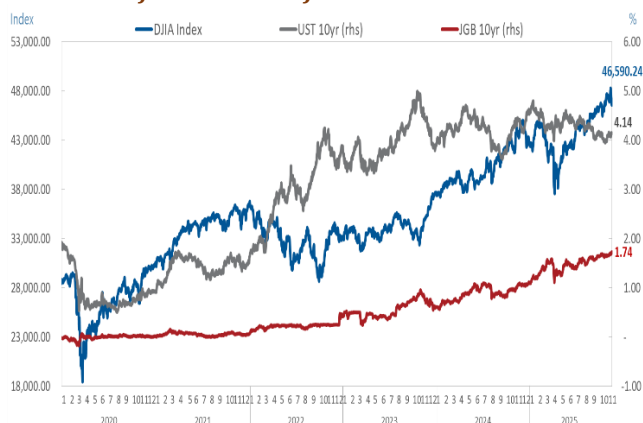
\*\*Oil in USD/Barrel, other commodities (% yoy)  
Source: Bloomberg. Data as of November 18, 2025

## Global Uncertainty Index



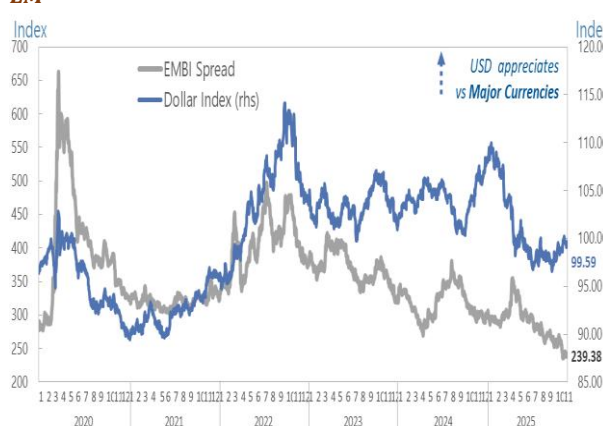
Source: Bloomberg. Data as of November 17, 2025

## 10 Yr UST & JGB Yield and DJIA Index



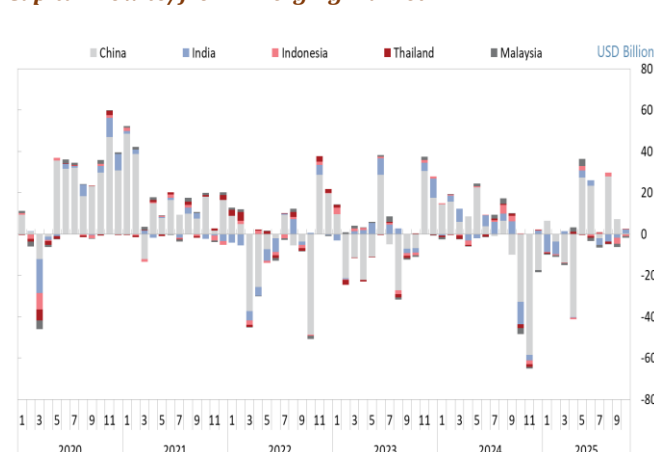
Source: Bloomberg. Data as of November 17, 2025

## US Dollar Performance and Risk Perception Indicators on EM



Source: Bloomberg. Data as of November 17, 2025

## Capital Flow to/from Emerging Market



Source: IIF

**At home, Indonesia's economic growth remains solid and requires continuous enhancement to align with the economic capacity.**

## 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	4.95
Non-Profit Institution Serving Household (NPIH) 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	6.61	-1.37
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

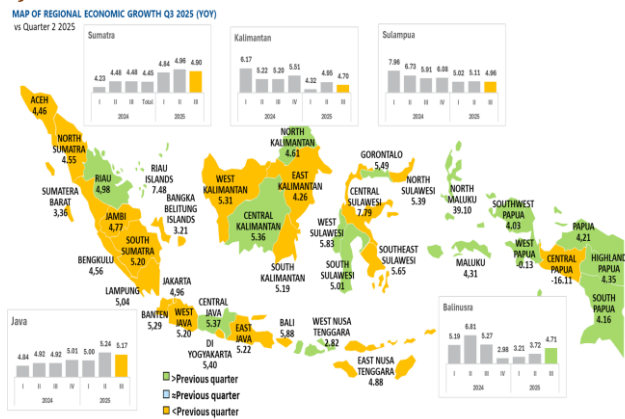
## Economic Growth – Economic Sectors Side

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	0.67	10.52	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	4.64	4.13	3.95	4.72	4.89	4.43	4.55
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	8.18	-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	8.92	8.85	9.95	11.36	9.80	9.84
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

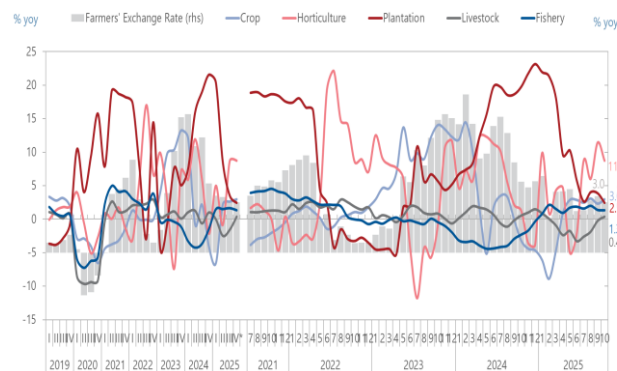


## Growth of Regional Economic (GRDP) of the Third Quarter of 2025



Source: BPS, calculated

## Farmers' Exchange Rate



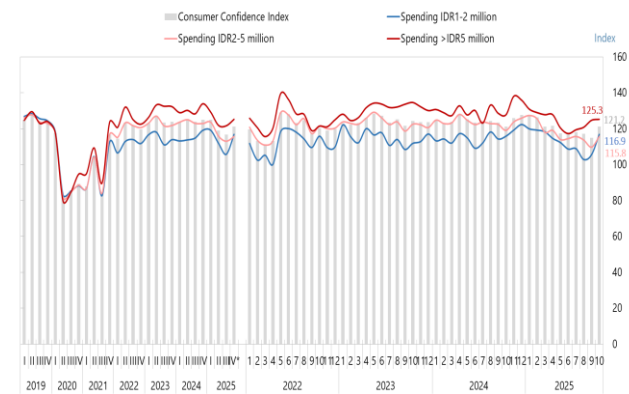
Source: BPS, calculated. \*Data as of October 2025

## Realization of State Budget (APBN)

ITEMS	2021		2022		2023		2024		2025	
	Budget (IDR Trillion)	Realization as of December 2021 (IDR Trillion)	Budget (IDR Trillion)	PERPES 90/2022 (IDR Trillion)	Realization as of December 2022 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2022 (IDR Trillion)	Budget (IDR Trillion)	Realization as of December 2024 (IDR Trillion)	Realization as of September 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
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
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
2. NonTax Income	298.2	458.3	335.6	481.6	595.2	441.4	605.9	441.4	579.5	513.6
II. Grant	0.9	4.5	0.6	0.6	5.6	0.4	13.0	0.4	30.3	0.6
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
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. Employee Spending	421.1	387.7	426.5	426.5	402.4	442.6	412.3	442.6	464.5	521.5
2. Spending for Goods	362.5	529.6	339.7	339.7	426.0	387.0	429.8	387.0	493.3	486.9
3. Capital Expenditures	246.8	228.6	199.2	199.2	240.4	199.1	307.3	199.1	328.1	234.1
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
5. Subsidies	175.4	241.0	207.0	283.7	252.8	298.5	299.6	298.5	291.9	307.9
6. Grant Expenditure	6.8	4.3	4.8	4.8	5.8	0.0	0.2	0.0	0.1	0.2
7. Social Assistance	161.4	173.6	147.4	147.4	161.5	148.6	157.6	148.6	153.1	140.1
8. Other Expenditures	207.3	79.5	214.0	494.4	403.9	329.3	224.6	329.3	267.3	458.0
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
1. Transfer to Regions	723.5	713.9	701.6	736.8	748.3	744.7	811.4	744.7	792.6	848.9
2. Village Funds	72.0	71.9	68.0	68.0	67.9	70.0	69.9	70.0	70.9	71.0
C. Primary Balance	(633.1)	(420.5)	(462.2)	(434.4)	(46.4)	(156.8)	92.2	(156.8)	(19.4)	(63.3)
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)
Surplus/Deficit (%GDP)	(5.7)	(4.5)	(4.9)	(4.5)	(2.3)	(2.8)	(1.65)	(2.8)	(2.29)	(2.5)

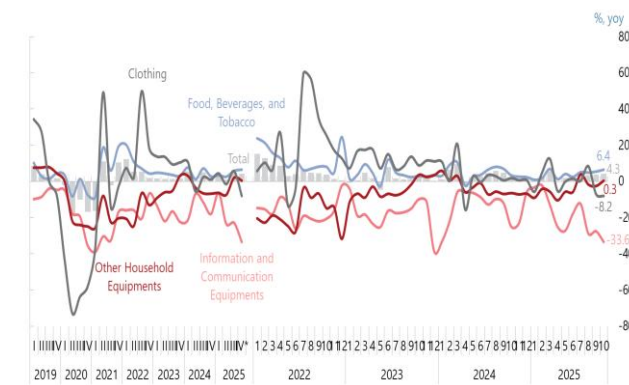
Source: Ministry of Finance

## Consumer Confidence Index



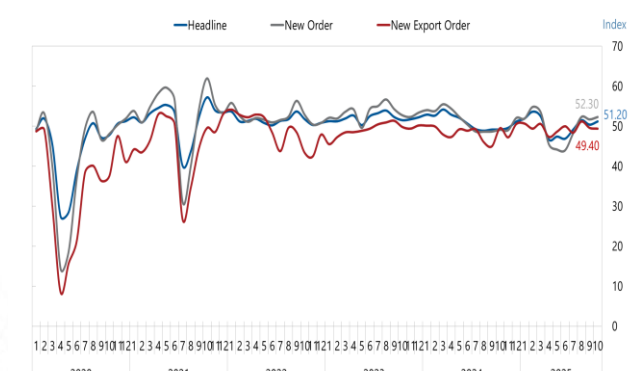
Source: Bank Indonesia. \*Data as of October 2025

## Global Retail Sales



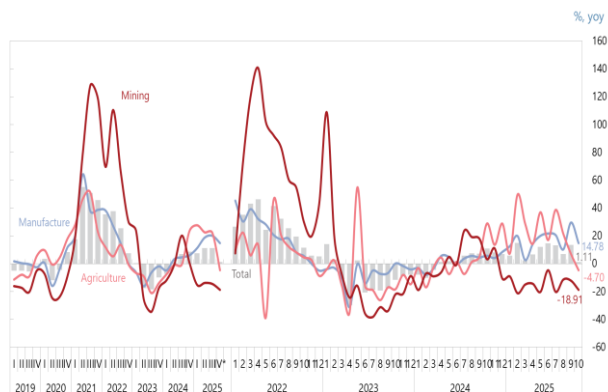
Source: Bank Indonesia. \*Data as of October 2025

## Manufacturing PMI



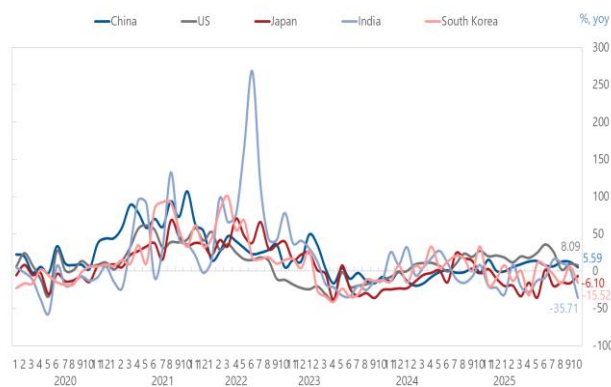
Source: Markit Economics

## Non-oil and Gas Exports



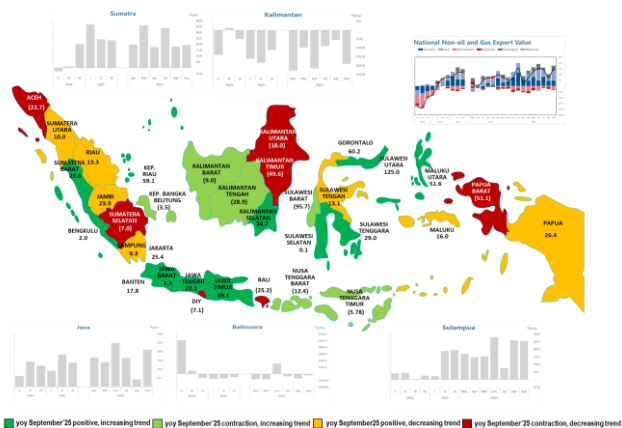
Source: Ministry of Finance, calculated by Bank Indonesia.  
\*Data as of October 2025

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



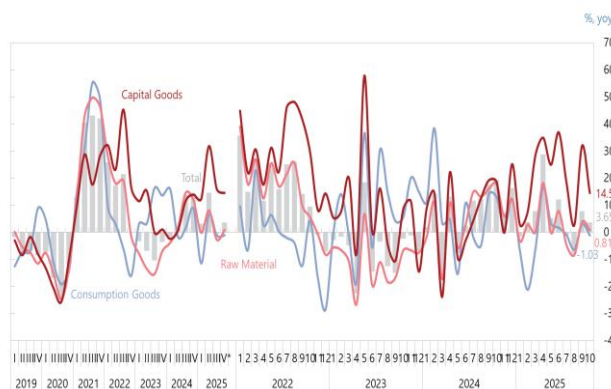
Source: Ministry of Finance, calculated by Bank Indonesia

## Spatial Non-oil and Gas Exports



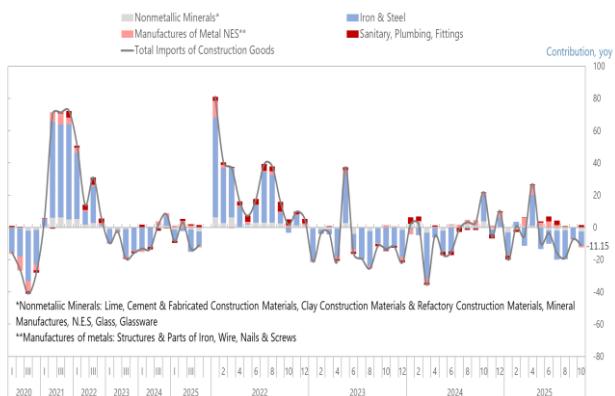
Source: Ministry of Finance, calculated by Bank Indonesia

## Non-oil and Gas Imports



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

## Import of Construction Goods



Source: Ministry of Finance, calculated by Bank Indonesia



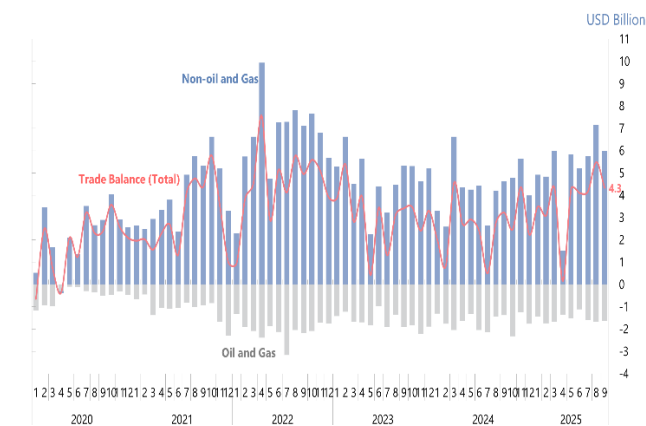
**Indonesia's Balance of Payments (BOP) remains sound, thereby supporting external resilience. Rupiah exchange rates under control despite a build-up of pressure due to increasing global financial market uncertainty.**

### 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**
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	-1.3	-8.7	-0.2
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
- Exports, fob	66.8	75.2	77.8	72.8	292.5	66.8	61.6	63.5	65.9	257.7	61.9	62.3	67.5	71.3	263.1	65.9
- 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
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
b. Oil and Gas	-5.7	-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
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	-1.7	-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	1.3	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	-6.0	-0.6	5.9	7.9	7.2	-0.8
- Reserve Assets Position	138.1	136.4	130.8	137.2	137.2	145.2	137.5	134.9	146.4	146.4	140.2	148.9	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	6.5	6.2	6.1	6.4	6.5	6.5	6.2
- Current Account (% GDP)	0.2	1.3	1.4	1.1	1.0	0.9	-0.7	-0.4	-0.4	-0.4	-0.7	-0.9	-0.6	-0.4	-0.6	-0.1

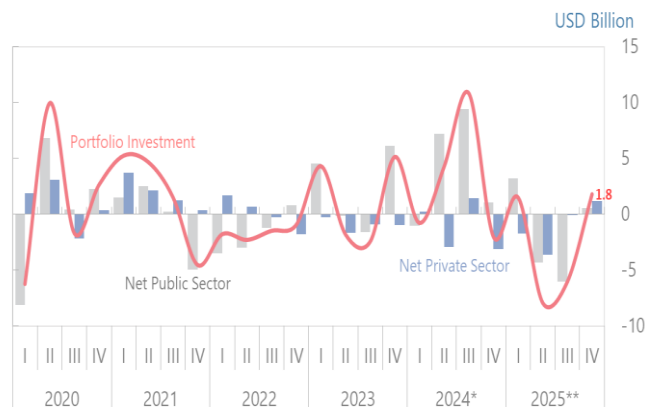
Source: Bank Indonesia. \*Provisional Figures; \*\* Very Provisional Figures

### Trade Balance



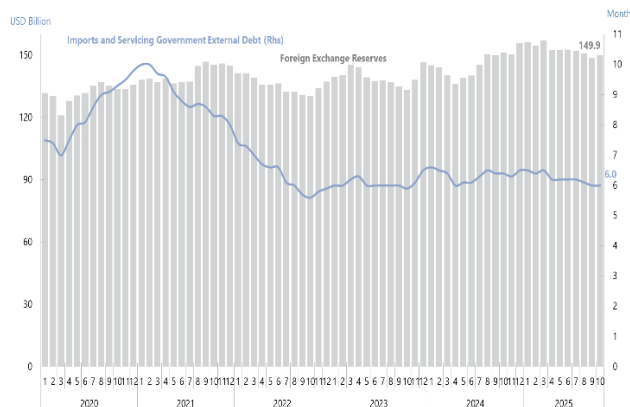
Source: BPS

### Foreign Capital Flows



Source: Bank Indonesia. Data as of November 14, 2025  
\*Provisional Figures; \*\* Very Provisional Figures \*\*\* Very very Provisional Figures.

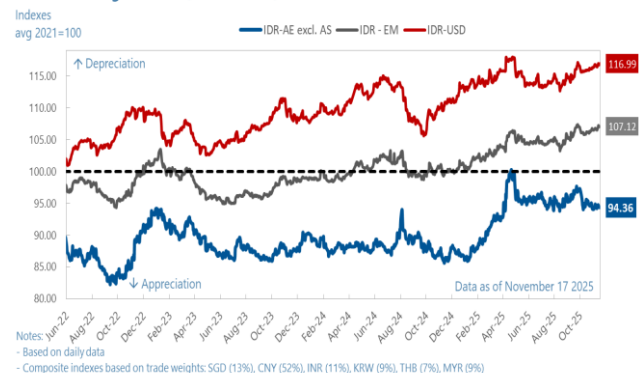
### Official Reserve Asset



Source: Bank Indonesia

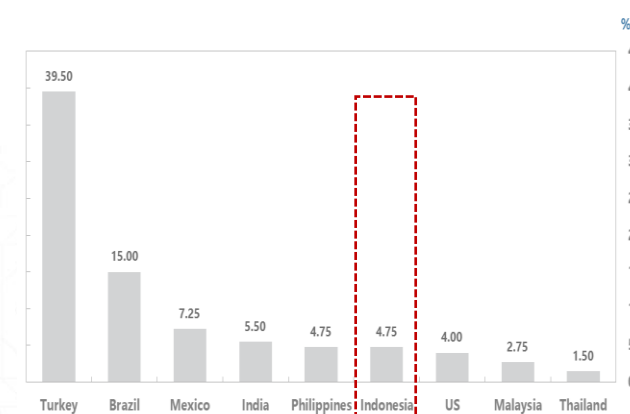
### IDR Indexes Against USD, AE Excl. US and EM Currencies

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



Source: Bloomberg. Data as of November 17, 2025

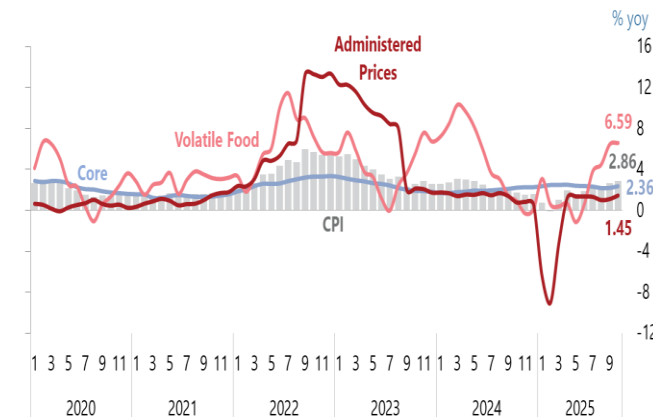
### Peer Countries' Interest Rate Policies



Source: Bloomberg. Data as of November 19, 2025

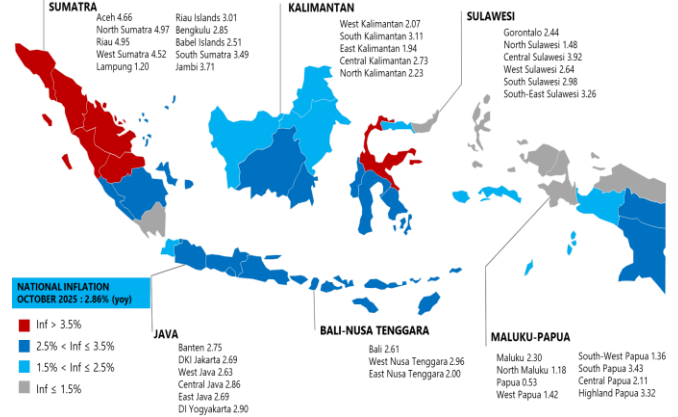
In general, inflation has been maintained within the target corridor.

#### CPI Inflation and Component



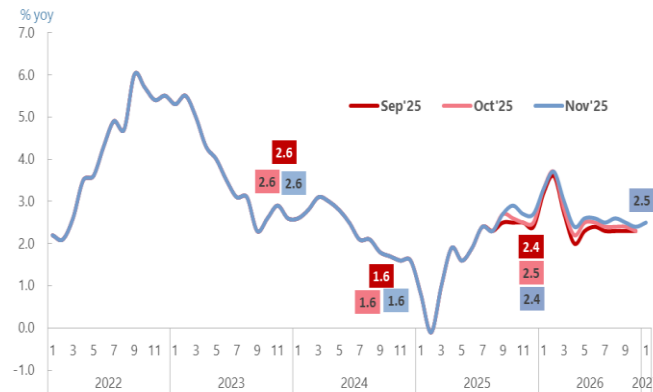
Source: BPS

#### Inflation Rate across Provinces



Source: BPS

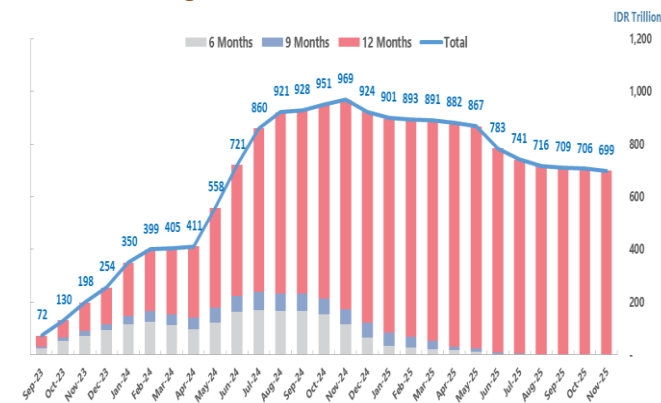
#### Inflation Expectation



Source: Consensus Economics

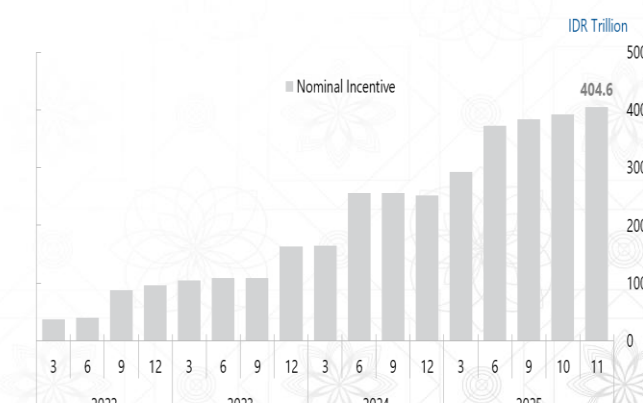
Bank Indonesia continues strengthening its monetary policy to boost economic growth, while maintaining economic stability. Monetary policy is also strengthened by Macroprudential Liquidity Incentive Policy (KLM) and faster digitalisation of the payment system in pursuit of economic growth.

#### SRBI Outstanding Position



Source: Bank Indonesia. Data as of November 17, 2025

#### KLM Incentives Disbursement

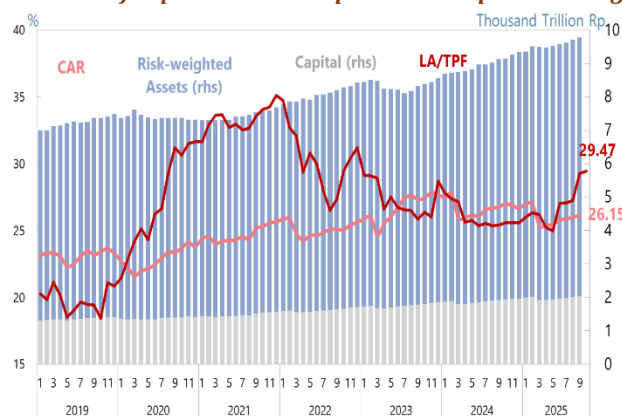


Source: Bank Indonesia



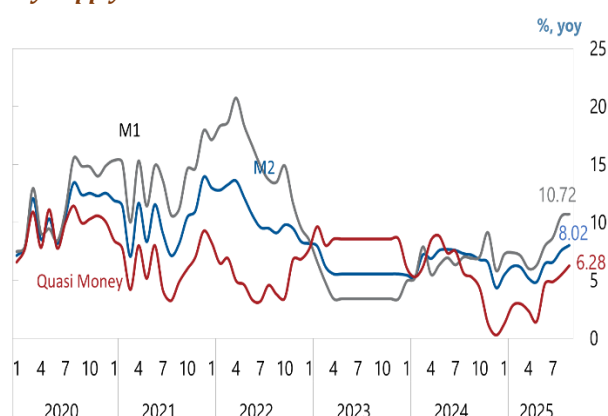
**Bank Indonesia is of the view that strengthening the effective transmission of accommodative monetary policy to lower interest rates in the banking industry must be continued. Accommodative monetary policy and accumulated budget surplus placements by the Government in the banking industry have increased money supply. Loans disbursed by the banking industry must be increased to support economic growth. Banking industry resilience remains solid.**

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



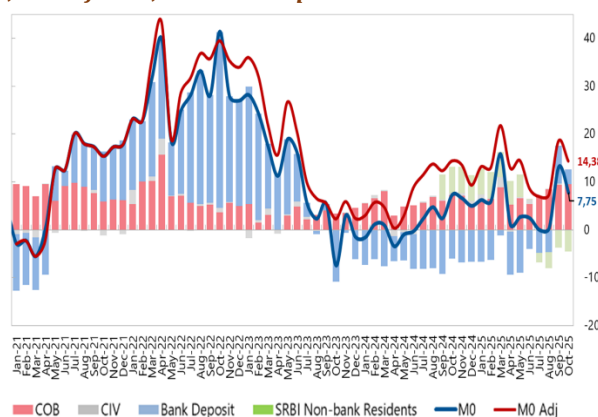
Source: Bank Indonesia

## Money Supply



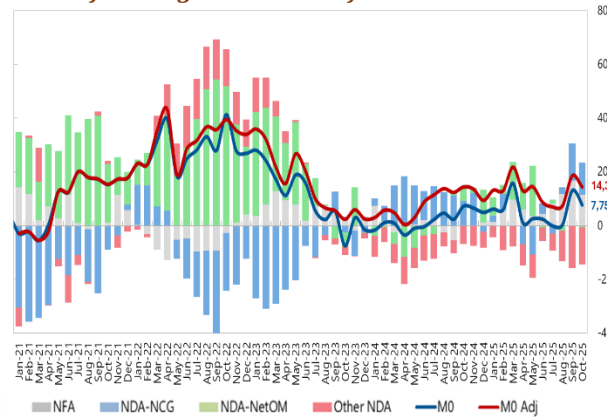
Source: Bank Indonesia

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



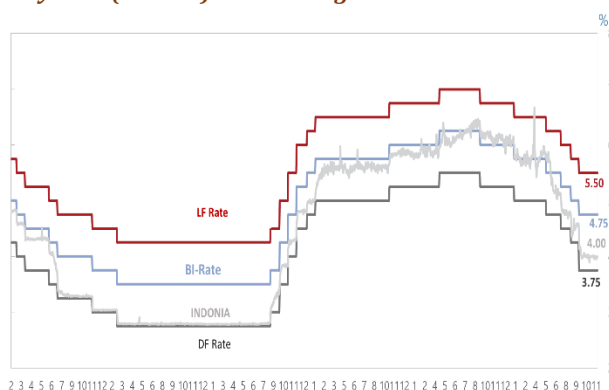
Source: Bank Indonesia

### Factor Influencing M0 and M0 Adjusted



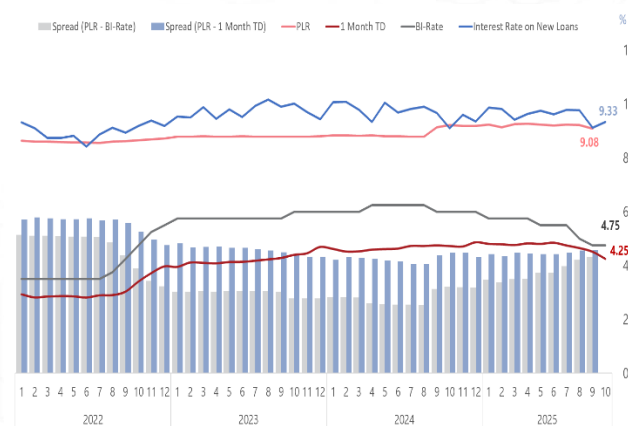
Source: Bank Indonesia

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



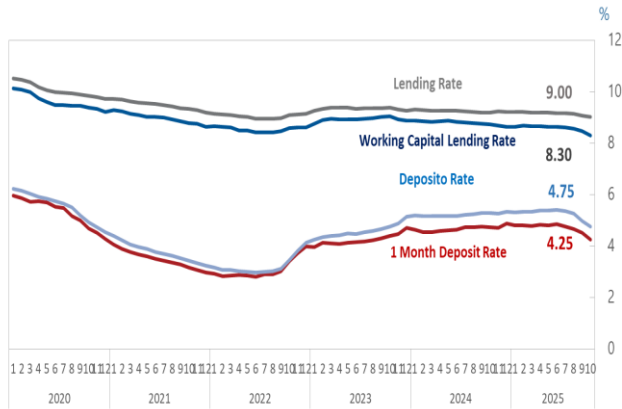
Source: Bank Indonesia

### BI-Rate Transmission to PLR



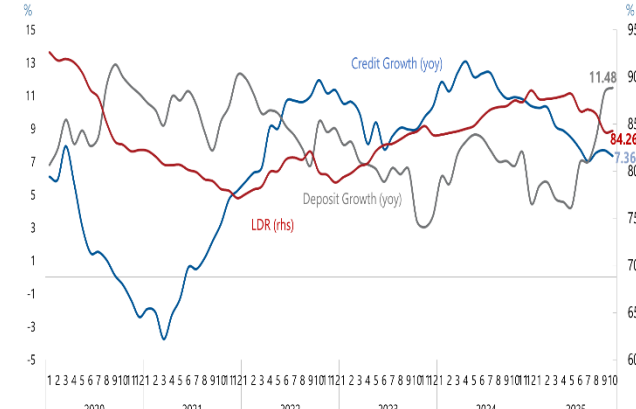
Source: OJK, Bank Indonesia, calculated

## Banking Interest Rates



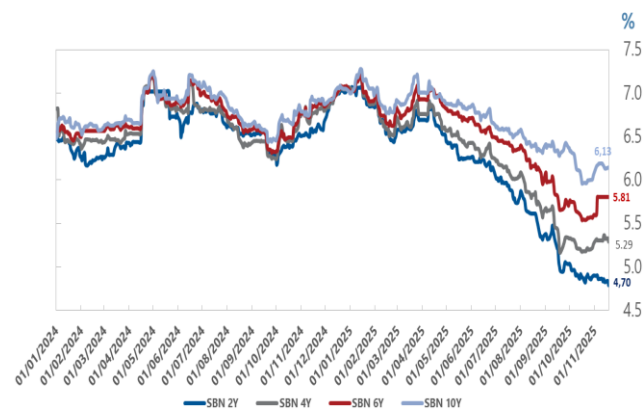
Source: Bank Indonesia

## Credit and Deposit Developments



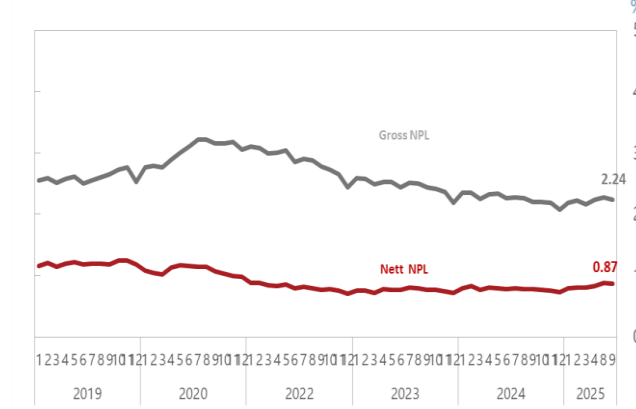
Source: Bank Indonesia

## SBN Yield



Source: Bank Indonesia

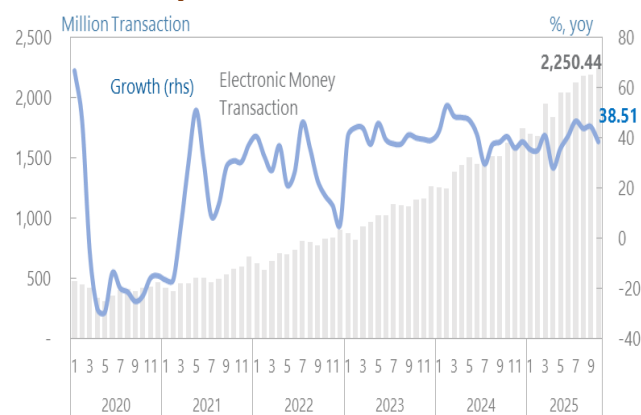
## Credit Risk (NPL)



Source: Bank Indonesia, OJK

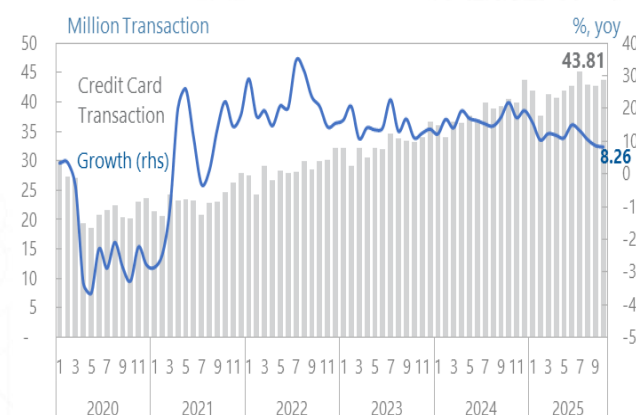
**Digital economic and financial transactions maintained positive growth in October 2025, supported by secure, seamless and reliable payment systems. Payment system stability has been maintained, supported by stable infrastructure and a sound industry structure.**

## Electronic Money Transactions Volume



Source: Bank Indonesia

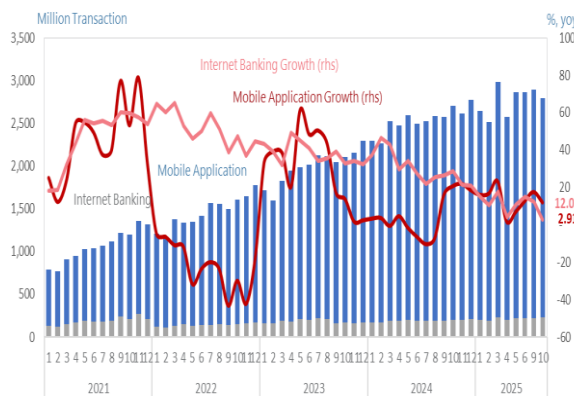
## Credit Card Transactions Volume



Source: Bank Indonesia

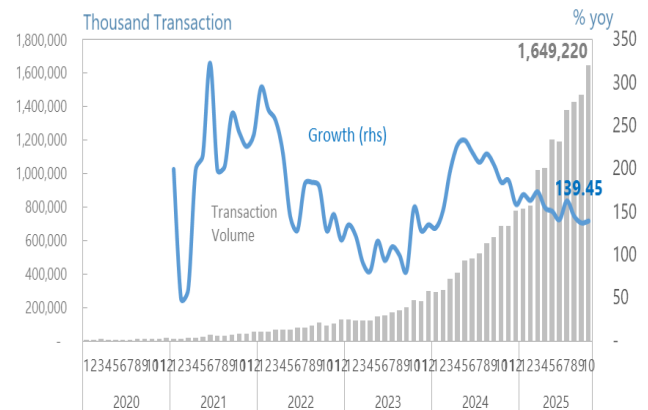


### Digital Banking Transactions Volume



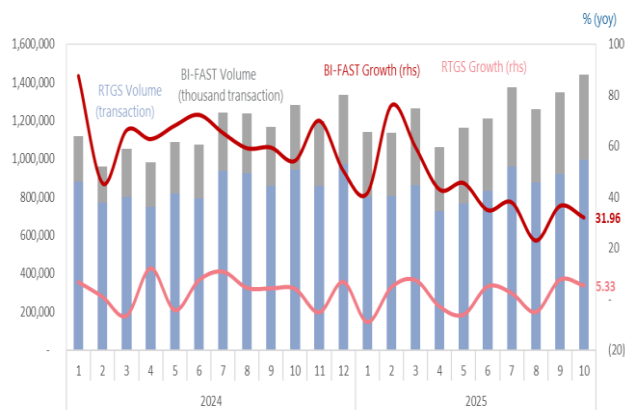
Source: Bank Indonesia

### QRIS Transactions Volume



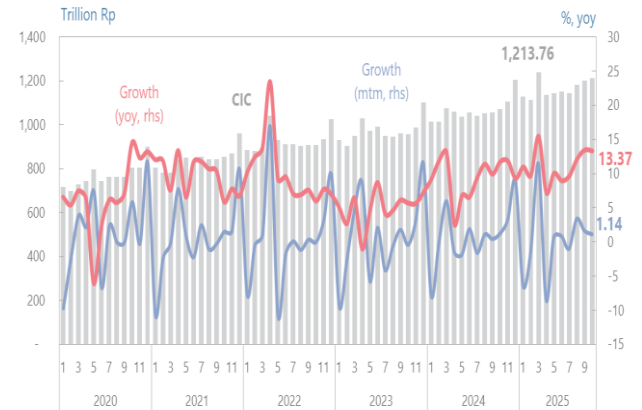
Source: Bank Indonesia

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



Source: Bank Indonesia

### Currency in Circulation



Source: Bank Indonesia



**BANK INDONESIA**  
BANK SENTRAL REPUBLIK INDONESIA

**For further information:**

Policy and Regulation Communication

Policy Formulation Group

Economic and Monetary Policy Department

Tel : Contact Center BICARA (+62 21) 131

Fax : +62 21 345 2489

Email : [DKEM-KKP@bi.go.id](mailto:DKEM-KKP@bi.go.id)